



# Harrisons Malayalam Limited





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

CIN: L01119KL1978PLC002947

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

Tel: 0484-6624362 Fax: 0484-2668024

## FORM A - Covering letter of the annual audit report 2014-15

1.	Name of the Company	HARRISONS MALAYALAM LTD.
2.	Annual financial statements for the year ended	31st March 2015
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	N A
5.	To be signed by –	
a.	<ul style="list-style-type: none"><li>Managing Director/WTD (N Dharmaraj – WTD)</li></ul>	
b.	<ul style="list-style-type: none"><li>CFO (K.N. Mathew)  (P A Krishnamoorthy)</li></ul>	 
c.	<ul style="list-style-type: none"><li>Audit Committee Chairman (Haigreve Khaitan)</li></ul>	
d.	<ul style="list-style-type: none"><li>Auditor of the Company (Price Waterhouse, Chartered Accountants)</li></ul>	



***HARRISONS MALAYALAM LIMITED***

**Annual Report 2014 - 2015**



**Board of Directors**

Haigreve Khaitan  
Golam Momen  
P. Rajagopalan  
J M Kothary  
Sucharita Basu  
Sachin Nandgaonkar  
Kaushik Roy  
N. Dharmaraj (*Whole Time Director*)

**Manager**

V. Venugopal

**Company Secretary**

Ravi A.

**Registered Office**

24/1624, Bristow Road  
Willingdon Island  
Cochin – 682003  
Phone: 0484-2668023  
E-mail: [hmlcorp@harrisonsmalayalam.com](mailto:hmlcorp@harrisonsmalayalam.com)  
Website: [www.harrisonsmalayalam.com](http://www.harrisonsmalayalam.com)

**Activities**

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

**Statutory Auditors**

Price Waterhouse  
Chartered Accountants  
8th Floor, Prestige Palladium Bayan  
129 – 140, Greams Road  
Chennai – 600 006

**Secretarial Auditors**

SVJS & Associates,  
Company Secretaries, Manikkath Road,  
Ravipuram, Kochi – 682016

**Cost Auditors**

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

**Legal Advisors**

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

**Bankers**

ICICI Bank  
IDBI Bank  
State Bank of Hyderabad  
HDFC Bank

**Registrar & Share Transfer Agent**

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

## Financial Performance 10 year track record

Rs. Crore

	05-06	06-07	07-08	08-09	09-10	10-11	11-12	12-13	13-14	14-15
<b>Profit &amp; Loss Account</b>										
Total Income	151.39	208.56	209.14	292.58	350.65	366.55	368.91	349.93	386.86	334.36
Personnel cost	62.66	65.69	70.02	89.33	103.13	104.59	111.14	116.21	123.90	133.01
Raw materials & Purchases	13.41	50.95	52.69	92.62	126.18	115.93	93.83	89.07	107.44	94.31
Power & Fuel	10.52	11.20	11.05	14.12	15.10	14.91	16.60	19.62	20.43	21.31
Cultivation & Other Operating Expenses	38.34	41.32	42.73	58.09	66.32	97.32	104.15	91.86	99.81	89.30
Depreciation	3.04	2.97	3.00	3.42	4.40	6.11	6.49	6.76	6.47	7.29
	<b>127.97</b>	<b>172.13</b>	<b>179.49</b>	<b>257.58</b>	<b>315.13</b>	<b>338.86</b>	<b>332.21</b>	<b>323.52</b>	<b>358.05</b>	<b>345.22</b>
Selling Expenses	8.66	10.47	12.09	15.62	10.62	10.63	9.37	8.35	8.85	10.24
Cost of Sales	<b>136.63</b>	<b>182.60</b>	<b>191.58</b>	<b>273.20</b>	<b>325.75</b>	<b>349.49</b>	<b>341.58</b>	<b>331.87</b>	<b>366.90</b>	<b>355.46</b>
PBIT @	14.76	25.96	17.56	19.38	24.90	17.06	27.33	18.06	19.96	(21.10)
PBT @	5.31	15.06	6.99	8.01	12.36	5.25	10.45	3.48	4.86	(35.26)
Earnings per Share of Rs 10/-	Rs 2.50	Rs 7.65	Rs 3.35	Rs 3.27	Rs 5.37	Rs 2.14	Rs 2.55	Rs 1.24	Rs 2.38	Rs (19.18)
Dividend per Share of Rs 10/-	Rs 1.00	Rs 1.50	Rs 1.50	Rs 1.50	Rs 2.00	Rs 1.50	Rs 1.50	Rs 0.75	Rs 1.00	Nil
<b>Balance Sheet</b>										
Fixed Assets	184.11	182.44	181.36	183.33	421.58	425.52	426.67	433.06	431.60	429.58
Investments	12.11	12.10	12.10	12.10	0.01	0.01	0.21	0.21	0.21	0.21
Current Assets	242.86	253.21	270.76	260.04	76.85	87.05	88.56	96.82	109.41	83.29
<b>Total Assets</b>	<b>439.08</b>	<b>447.75</b>	<b>464.22</b>	<b>455.47</b>	<b>498.44</b>	<b>512.58</b>	<b>515.44</b>	<b>530.09</b>	<b>541.22</b>	<b>513.08</b>
Share Capital	18.45	18.45	18.45	18.45	18.45	18.45	18.45	18.45	18.45	18.45
Reserves & Surplus	283.23	294.11	287.05	289.85	298.31	299.03	300.53	301.21	303.46	268.21
Loan Funds	97.77	76.66	85.49	92.87	104.29	113.28	91.21	81.94	105.13	97.94
Current Liabilities	39.63	58.53	73.23	54.30	77.39	81.82	105.25	128.49	114.18	128.48
<b>Total Liabilities</b>	<b>439.08</b>	<b>447.75</b>	<b>464.22</b>	<b>455.47</b>	<b>498.44</b>	<b>512.58</b>	<b>515.44</b>	<b>530.09</b>	<b>541.22</b>	<b>513.08</b>

@ Before Exceptional / Extraordinary Items



## NOTICE

Notice is hereby given that the Thirty Eighth Annual General Meeting of the Company will be held at 10.30 A.M on Monday, September 28, 2015 at Kerala Fine Arts Hall, Fine Arts Avenue, Foreshore Road, Cochin-682016, to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements for the year ended March 31, 2015, and the audited consolidated financial statements for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri. P Rajagopalan(DIN 02817068) who retires by rotation and, being eligible, offers himself for reappointment.
3. To ratify the appointment of the auditors and to fix their remuneration and for the purpose to consider and, if thought fit, to pass the following Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, the re-appointment of the Auditors, Messrs.Price Waterhouse, Chartered Accountants, (Firm Registration No.301112E),to hold office from the conclusion of Thirty-sixth Annual General Meeting (AGM) till the conclusion of the Fortieth AGM of the Company be and is hereby ratified and the said Auditors be paid such remuneration as may be decided by the Audit Committee of the Board of Directors of the Company.”

### SPECIAL BUSINESS

#### 4. Appointment of Mr. Kaushik Roy as a Director of the Company.

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 161 and other applicable provisions of the Companies Act, 2013 ('the Act') and the Rules made thereunder, Mr. Kaushik Roy (DIN: 6513489), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 16th February 2015 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation,with immediate effect.”

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

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

**“RESOLVED THAT** in accordance with the provisions of Sections 196, 197, and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Company hereby approves and confirms the re-appointment of Shri. N Dharmaraj (DIN 00912004) as Whole Time Director of the Company for the period from January 1, 2016 to September 30, 2016.”

**“RESOLVED FURTHER THAT** for his services rendered as Whole Time Director of the Company, Shri. N Dharmaraj be paid remuneration,for the period from January 1, 2016 to September 30, 2016, as set out in the Explanatory Statement annexed to the Notice and subject to the terms and conditions of the agreement proposed to be entered into between the Company and Shri. N Dharmaraj.”

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

#### 6. Appointment and payment of remuneration to Shri. V Venugopal, Manager

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

**“RESOLVED THAT** in accordance with the provisions of Sections 196, 197, and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Company hereby approves and confirms the re-appointment of Shri.V. Venugopal, as the Manager of the Company for the period of 3 years from August 14, 2015 to August 13, 2018.”

**“RESOLVED FURTHER THAT** for his services rendered as Manager of the Company, Shri. V. Venugopal be paid remuneration as set out in the Explanatory Statement annexed to the Notice and subject to the terms and conditions of the agreement proposed to be entered into between the Company and Shri. V. Venugopal.”

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

## 7. Ratification of Cost Auditors Remuneration.

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

**“RESOLVED THAT** pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, the Company hereby ratifies the remuneration of Rs 2,50,000 plus out-of-pocket expenses payable to M/s. Shome & Banerjee, Cost Accountants, 5A, Nurulla Doctor Lane, (West Range), 2nd Floor, Kolkata – 700 017, (Firm registration No. 000001), who have been appointed as Cost Auditors of the Company to conduct Cost Audit relating to such businesses of the Company as may be ordered by the Central Government under the Act and the Rules thereunder, for the year ending March 31, 2016.”

**By Order of the Board of Directors**

**Ravi A.**

Company Secretary

Mumbai  
August 11, 2015

### Notes:

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

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

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

2. The Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the items of Special Businesses under Item No. 4 to 7 of the Notice is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from September 22, 2015 to September 28, 2015 (both days inclusive).
4. Dividend not claimed within 7 years will be transferred to the Investor Education & Protection Fund (IEPF). All unclaimed dividends pertaining to year 2007-08 would be transferred to IEPF on or before October 17, 2015. Claims for payment of such dividend should, therefore be lodged with the Company immediately.
5. The due dates on which unclaimed dividends lying in the unpaid dividend accounts of the Company would be credited to the IEPF are stated in Corporate Governance Report. Members are requested to take note of this and contact the Company's Registrar and Share Transfer Agent/ Secretarial Department of the Company for encashing the unclaimed dividends (if any) standing to the credit of their account.
6. All documents referred to in the Notice and the Statement pursuant to Section 102 of the Companies Act, 2013 will be available for inspection by the members at the Registered Office of the Company between 11. 00 AM and 1.00 P.M. on all working days (except Saturdays) up to the date of the Annual General Meeting
7. For the convenience of the Members and for proper conduct of the Meeting, entry to the place of the Meeting will be restricted by Attendance Slip. Members are requested to write their Client ID and DP ID numbers/Folio Number (as applicable) on the Attendance slip, affix their signature and hand it over at the entrance hall.
8. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
9. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Annual General Meeting.
10. Members holding shares in electronic form are advised to send their request for the change of address, Bank particulars, Residential status or request for transmission of shares etc. to their Depository Participant. The Company or its Registrar and Share Transfer Agent cannot act on any such requests received directly from the members holding shares in electronic form. Members holding shares in physical form are advised to send such request to Registrar and Share Transfer Agent of the Company, M/s. Link Intime India Pvt. Ltd., Surya 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore – 641028. Phone: 0422-2314792. Email id: coimbatore@linkintime.co.in
11. Notice of the AGM along with Annual Report 2014-15 is being sent by electronic mode to those members whose email addresses are registered with the Company/ Depository Participants unless any member has requested for the physical copy of the same. For Members who have not



registered their email addresses, physical copies are being sent by permitted mode. To support the Green Initiative, members (holding shares in electronic form) who have not registered their email addresses, are requested to register the same with their Depository Participants. The members holding shares in physical mode are requested to register their email ID with the Registrar and Share Transfer Agent of the Company.

12. Voting through electronic means:

The Company is pleased to provide to its members the facility to exercise their rights to vote at the Thirty Eighth Annual General Meeting by electronic means through the 'remote e-voting' (e-voting from a place other than the venue of the Annual General Meeting) facilities provided by Central Depository Services (India) Limited (CDSL).

**A) In case of members receiving the Annual Report through e-mail, the process for e-voting is as under:**

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

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

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



- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non-Individual Shareholders & Custodians
  - a. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
  - b. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be e-mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - c. 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 depository account(s) for which they wish to vote.
  - d. The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - e. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

**(B) In case members receiving physical copy of the Annual Report, please follow all the steps mentioned in (A) above.**

#### **General Information**

- (A) The voting period begins on Friday, September 25, 2015, 9:00 AM and ends on Sunday, September 27, 2015, 5:00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Monday, September 21, 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - (B) Members have an option to vote either electronically (availing the services provided by CDSL) OR by using the poll slips to be distributed at the meeting. If members have cast their vote electronically, then they should not cast their vote at the meeting. However if a member has voted electronically and has again voted at the meeting, then the voting done through e-voting shall prevail and voting done at the meeting shall be treated as invalid.
  - (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
13. The Company has appointed Shri. M. D. Selvaraj, Practicing Company Secretary (CP. 411), Partner, MDS & Associates, Company Secretaries, Coimbatore as the Scrutinizer for conducting the e-voting process in a fair and transparent manner.
  14. The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least 2 (two) witnesses not in employment of the Company and make not later than 3 (three) days of conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman and/or Whole Time Director or a person authorized by him in writing who shall counter sign the same.
  15. The results shall be declared forthwith upon receipt of the Scrutinizer's Report. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.hml.co.in](http://www.hml.co.in) and on the website of CDSL. The Results shall also be communicated to the stock exchanges where shares of the Company are listed.

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

##### **Shri. P Rajagopalan**

Shri. Rajagopalan is a post graduate in Science and holds a post graduate diploma in Business Administration from IIM Ahmedabad. He has over 45 years in various capacities. Shri. Rajagopalan has over 4 decades of multi-functional experience having managed the plantation business in HML in the capacity of President of the Company. Prior to joining HML as the President, he was the President of South Asia Tyres Ltd. He has also significantly contributed to the cable business when he was the CEO of RPG Cables. He has also served as the President of Spencer Travels Services Ltd. from 2009 to 2014. Shri. Rajagopalan is currently in the Board of Harrissons Malayalam Limited, Spencer & Co. Ltd. and Anusha Travels Ltd.

He does not hold any share in the Company.



### **Shri. Kaushik Roy**

Shri. Kaushik Roy is the Managing Director of Philips Carbon Black Limited (PCBL) and a Member of the Management Board of RP-Sanjiv Goenka Group. He is also a member of the Managing Committee of the Bengal Chamber of Commerce and Industry (BCC&I).

Shri. Kaushik Roy has a vast multi-functional business experience, spanning over two decades across different sectors like, Tyre and Cement. Prior to joining the HML Board he has been associated with Apollo Tyres Limited in various leadership roles and has also been a Management Board Member of the Company.

Shri. Kaushik Roy has done his Masters in Mechanical Engineering from IIT-Kharagpur, and an alumnus of IMD-Switzerland. He also holds a degree in Business Administration from University of Tokyo.

He does not hold any share in the Company.

### **Shri. N Dharmaraj**

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

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

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

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

He does not hold any share in the Company.

## **STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 IN RESPECT OF ITEMS OF SPECIAL BUSINESS SET OUT IN THE NOTICE CONVENING THE THIRTY EIGHTH ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD ON SEPTEMBER 28, 2015**

### **Item No. 5 – Shri. N Dharmaraj, Whole Time Director**

Shri. N. Dharmaraj was appointed as a Whole Time Director of the Company from August 8, 2014 to December 31, 2015. Under his leadership and guidance the Company has been successful in surpassing the previous year's volume of harvesting crop from its own tea and rubber gardens. The Company would stand to benefit with his continued association.

The appointment is within the meaning of Sections 196, 197, 203 read with Schedule V and other applicable provisions if any of the Companies Act, 2013 and also read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and subject to the approval of the shareholders in the general meeting. The terms and conditions of his appointment as approved by the Nomination and Remuneration Committee at its meeting held on August 11, 2015, is as set out below.

#### **1. Period**

From January 1, 2016 to September 30, 2016

#### **2. Salary**

Consolidated pay for the above period: Not exceeding Rs.63,75,000(excluding service tax)

#### **3. Perquisites:**

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

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

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

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

## 1. GENERAL INFORMATION

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

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

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

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

(iv) Financial Performance: (amount in Rs. Cr.)

Particulars	2010-11	2011-12	2012-13	2013-14	2014-15
Total Revenue	366.55	368.91	349.93	386.86	334.36
Operating Profit	23.17	33.83	24.83	26.44	(13.81)
Interest	11.81	16.88	14.59	15.11	14.30
PBDT	11.36	16.95	10.24	11.33	(28.11)
Profit Before Tax	5.25	10.46	3.48	4.86	(35.40)
Exceptional Items	-	-	-	0.26	0.14
Profit before tax (including Exceptional Items)	5.25	10.46	3.48	5.12	(35.26)
Profit After Tax	3.94	4.71	2.30	4.42	(35.26)
Amount of Equity	18.45	18.45	18.45	18.45	18.45
Dividend	2.76	2.76	1.38	1.85	---
Rate of Dividend	15%	15%	7.5%	10%	---

(v) Export performance and net Foreign Exchange contributions: (Value in Rs. Cr.)

Financial Year	Export turnover	Net Foreign Exchange contribution
2010-11	22.51	20.37
2011-12	34.28	32.23
2012-13	18.37	16.99
2013-14	31.38	30.82
2014-15	30.17	29.56

## 2. INFORMATION ABOUT SHRI. N. DHARMARAJ

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

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

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

**Past remuneration:**

For the period August 8, 2014 – March 31, 2015, Shri. N. Dharmaraj was paid consolidated salary of Rs. 52.93 lakhs (excluding service tax) for his services rendered as Whole Time Director. He was not entitled to any retirement benefits by virtue of not being an employee of the Company.

**Recognition and awards:**

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

**Remuneration proposed:**

As mentioned above

**Size and Nature of Industry:**

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

The Company has a paid up capital of Rs.18.45 Crores and is listed in the Bombay Stock Exchange Ltd., National Stock Exchange of India Ltd. and Cochin Stock Exchange Ltd. with approximately 30000 Shareholders.

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

**Pecuniary Relationship:**

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

**3. OTHER INFORMATION:**

Details being the same for Item Nos. 5 and 6 of the Notice, the same is provided after Item No. 6.

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

The Board of Directors at its meeting held on August 11, 2015 have reappointed Shri. V Venugopal (Vice President – Legal) of the Company as Manager of the Company for a period of 3 years w.e.f August 14, 2015 to August 13, 2018. The appointment of Shri. V Venugopal as Manager of the Company and the remuneration payable to him for his services to be rendered as Manager during the period has been recommended by the Nomination and Remuneration Committee. The appointment is within the meaning of Sections 196, 197, 203 read with Schedule V and other applicable provisions if any of the Companies Act, 2013 and also read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and subject to the approval of the shareholders in the general meeting. The terms and conditions pertaining to his appointment and remuneration payable to him as recommended by the NRC is as detailed below.

**1. Period**

Appointment of Shri. V. Venugopal as Manager is for a period of 3 years from August 14, 2015 to August 13, 2018.

**2. Salary**

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

**3. Perquisites:**

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

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

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

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

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

**1. GENERAL INFORMATION**

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

Particulars	2010-11	2011-12	2012-13	2013-14	2014-15
Total Revenue	366.55	368.91	349.93	386.86	334.36
Operating Profit	23.17	33.83	24.83	26.44	(13.81)
Interest	11.81	16.88	14.59	15.11	14.30
PBDT	11.36	16.95	10.24	11.33	(28.11)
Profit Before Tax	5.25	10.46	3.48	4.86	(35.40)
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Profit before tax (including Exceptional Items)	5.25	10.46	3.48	5.12	(35.26)
Profit After Tax	3.94	4.71	2.30	4.42	(35.26)
Amount of Equity	18.45	18.45	18.45	18.45	18.45
Dividend	2.76	2.76	1.38	1.85	---
Rate of Dividend	15%	15%	7.50%	10%	---



(v) Export performance and net Foreign Exchange contributions:

(Value in Rs. Cr.)

Financial Year	Export turnover	Net Foreign Exchange contribution
2010-11	22.51	20.37
2011-12	34.28	32.23
2012-13	18.37	16.99
2013-14	31.38	30.82
2014-15	30.17	29.56

## 2. INFORMATION ABOUT SHRI. V VENUGOPAL

Shri. V Venugopal, Vice President Legal has been with Harrisons Malayalam Limited since 1984. He graduated in Science and obtained a degree in law thereafter. He has a rich experience in legal matters and is considered an expert in land laws, especially those relating to Kerala / Tamil Nadu and is experienced in handling land / corporate legal matters and related litigations. He was the Manager of the Company for a period of 3 years from August 14, 2012 to August 13, 2015. He has been with the Company for over 31 years and is well acquainted with the plantation operations.

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

### Past remuneration:

During the financial year 2014-15, Shri. V Venugopal was paid a remuneration of Rs. 42.80 Lacs the breakup of which is as under:

Salary & Allowances	Perquisites	Contribution to PF and other Funds	Total
34.10	3.15	5.55	42.80

**Recognition and awards:** Nil

### Remuneration proposed:

As mentioned above

### Size and Nature of Industry:

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

The Company has a paid up capital of Rs.18.45 Crores and is listed in the Bombay Stock Exchange Ltd., National Stock Exchange of India Ltd. and Cochin Stock Exchange Ltd. with approximately 30000 Shareholders.

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

### Pecuniary Relationship:

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

## 3. OTHER INFORMATION (common to Item Nos. 5 and 6 of the Notice)

### 1. Reasons for inadequate profit:

The Company incurred losses continuously for a period of four years from 1999-2000 to 2002-2003 due to drop in prices of both tea and rubber coupled with higher wage levels and escalating input costs. The Company has been making profits since 2003-04, with an exception in 2014-15 when it has incurred a loss of Rs 35.26 cr.

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

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

**3. Expected improvement in productivity and profits:**

The Company has been making profits consistently from 2003-04 and the trend is likely to continue in view of the initiatives taken by the Company for increasing the land and labour productivity. With continued focus on ensuring quality products which has found wide acceptance coupled with better yield for tea and rubber. The Company is hopeful of improvising upon its profits. The Company has been paying dividend to shareholders since financial year 2004-05, exception being the current year 2014-15 wherein no dividend was recommended by the directors in view of the loss.

Except for Shri. N Dharmaraj and Shri. V Venugopal who are interested in the resolutions set out in Item No. 5 and Item No. 6 respectively, no other Director of the Company is interested in the resolutions.

The Board recommends the Special Resolutions set out at Item Nos. 5 and 6 of the Notice for the approval by the shareholders.

**Item No.7**

The Board of Directors on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. Shome & Banerjee, Cost Accountants as the Cost Auditor to conduct the audit of the cost records of the Company for the financial year ending March 31, 2016.

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

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 7 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2016.

None of the Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested, in the resolution.

The Board recommends the Ordinary Resolution set out at Item No. 7 of the Notice for approval by the shareholders.

By Order of the Board of Directors

**Ravi A.**

Company Secretary

Mumbai  
August 11, 2015



## DIRECTORS' REPORT

The Directors have pleasure in presenting the Annual Report and Audited Accounts of Harrisons Malayalam Limited for the year ended March 31, 2015.

### 1. Financial Highlights

	Rs. in lacs	
Year ended	31.03.2015	31.03.2014
Revenue from Operations	32663.86	36419.09
Other Income	326.46	266.03
Income from discontinued operations	445.74	2001.13
<b>Total Income</b>	<b>33436.06</b>	38686.25
Profit before Tax	(3525.87)	511.50
Profit after Tax	(3525.87)	441.50
Surplus brought forward from previous year	9402.06	9176.47
Profit available for appropriation	5876.19	9617.97
<b>Appropriations</b>		
General Reserve	-	-
Proposed Dividend	-	184.55
Dividend Tax	-	31.36
Balance carried forward	5876.19	9402.06

### 2. Dividend

The Directors have not recommended dividend for the year ended March 31, 2015 in view of the losses incurred by the Company.

### 3. Performance

During the year under review, the Company's revenue from operations decreased by 10% over previous year to reach Rs 326.64 crore. Including other income and income from discontinued operations, total income decreased by 13.8% from Rs 386.86 crore to R 334.36 crore. Loss incurred by the Company was Rs 35.26crore.

#### Tea:

Tea harvested from own gardens at 12068 MT was higher by 5% over the previous year. Together with bought leaf operations, the total production was 16523 MT against 15978 MT in the previous year, higher by 545 MT. Tea prices in FY 2014-15 witnessed a downward trend with prices hovering at Rs. 90-95 levels. The average price realized in 14-15 at Rs 96.29 per kg was lower by Rs 15.41 as compared with that of the previous year. The South Indian auctions, in which the Company is a major player, registered a drop in auction price by Rs 13.03 per kg. Exports volumes were in line with last year.

Tea prices during April – June 2015 have more or less stabilized and is averaging at Rs 104 per kg.

#### Rubber:

The initiatives of the accelerated replanting carried out in Rubber plantations have started to yield results. Rubber harvested from own gardens was 4638 MT, higher by 7% over the previous year of 4351 MT. The total rubber production including bought operations at 9568 MT was higher than the previous year production of 8280 MT by 1288 MT. On the price front, it was a free fall for rubber. Average prices which were ruling at Rs 189 per kg steadily declined with every quarter passing and finally ended at Rs 115 in March 2015. The average price realized during 14-15 was Rs 149.72 per kg, lower by Rs 45.21 when compared with the previous year. Majority of the small growers stopped tapping of trees in view of the very low prices. The State Government's initiative to arrest the price fall has not yielded the desired result. Rubber Tree income for the season 2014-15 could not be accounted as felling of rubber trees could not be carried out due to the ban order issued by the Special Officer appointed by the Government of Kerala.

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

During July 2012, consent of members through Postal Ballot was obtained for transfer of the Projects Division of the Company to HML Engineering Company Limited. As the management is evaluating various options available, operations of the Projects Division have been considered as that of Discontinuing Operations and accordingly dealt with in the accounts. [Note No. 45 may be referred to].

#### Update on HML Land Matters

The Company has been in the news -- in the print media citing land law violations amongst other allegations. We would like all our stakeholders to know that the Company legitimately holds all its lands with valid title deeds and necessary approvals. The Company and its predecessors have



been in absolute possession and enjoyment of these lands for over 100 years. All these lands are subjected to payment of Land Tax, (which the Company has been paying), and would never fall under the Kerala Land Conservancy Act.

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

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

#### **4. Listing**

The Equity Shares of the Company continue to remain listed on BSE Limited, National Stock Exchange of India Limited and Cochin Stock Exchange Limited.

#### **5. Fixed Deposits**

The Company does not have any Fixed Deposit as on March 31, 2015.

#### **6. Particulars of Loans, Guarantees or Investments**

In terms of the provisions of Section 186(11) of the Companies Act, 2013, the provisions of Section 186(4) requiring disclosure in the financial statements of the full particulars of loans given, investments made or guarantees given or securities provided and purpose thereof, is not applicable to the Company.

#### **7. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo**

Information relating to conservation of energy, research & development, technology absorption and foreign exchange earnings and outgo as required under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 is given in Annexure, forming a part of this Report. (Annexure A)

#### **8. Corporate Governance**

A report on Management Discussion and Analysis is attached here with (Annexure B). A separate Report on Corporate Governance (Annexure C) along with Additional Shareholder Information (Annexure D) as prescribed under the Listing Agreement executed with the Stock Exchanges is annexed as a part of this Report along with the practicing Company Secretary's Certificate.

#### **9. Subsidiary Companies**

As at March 31, 2015 the Company had three wholly owned subsidiary companies, namely HML Engineering Company Limited, Enchanting Plantations Limited (EPL) and Harmony Plantations Limited (HPL). As EPL and HPL were incorporated specifically to facilitate the Composite Scheme of Arrangement and Amalgamation, the investments held by the Company in these companies are treated as current investments, and hence have not been considered in the consolidation of financial statements.

As per sub section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements and performance of the Company's subsidiaries for the year ended March 31, 2015, is included as per the prescribed format in this Annual Report. The Annual Accounts of these subsidiaries are uploaded on the website of the Company. The Annual Accounts of these subsidiaries and the related detailed information will be made available to any Member of the Company seeking such information at any point of time and are also available for inspection by any Member at the Registered Office of the Company.

#### **10. Consolidated Financial Statements**

In accordance with Section 129(3) of the companies Act, 2013 and Clause 32 of the Listing Agreement entered into with the Stock Exchanges, the Consolidated Financial Statements of the Company including the financial details of all the subsidiary companies of the Company, forms part of this Annual Report. The Consolidated Financial Statements have been prepared in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India.

#### **11. Directors**

In terms of the provisions of Section 152 of the Companies Act, 2013 and article 105 of the Articles of Association of the Company, Mr. P Rajagopalan retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for reappointment.

The Board appointed Mr. Sachin Nandgaonkar as a Director of the Company in the casual vacancy caused by the resignation of Mr. Ajit Singh



Chouhan. The Board records its appreciation of the contribution and guidance provided by Mr. Chouhan during his association with the Company. Further the Board appointed Mr. Kaushik Roy as an Additional Director w.e.f. February 16, 2015. Pursuant to Section 161 of the Companies Act, 2013 Mr. Kaushik Roy holds office up to the date of the ensuing Annual General Meeting and is eligible for appointment as a Director of the Company. The Company has received a Notice from a Member of the Company under Section 160 of the Companies Act, 2013 proposing the name of Mr. Kaushik Roy as a Director, liable to retire by rotation. The resolution seeking the shareholders' approval for the appointment of Mr. Kaushik Roy is contained in the Notice convening the Annual General Meeting.

In the last Annual General Meeting of the Company held on September 26, 2014, Mr. N Dharmaraj was appointed as Whole Time Director for the period August 8, 2014 to December 31, 2015. Further, the Board at its meeting held on August 11, 2015 has extended the tenure of Mr. N. Dharmaraj from January 1, 2016 to September 30, 2016 subject to the approval of the shareholders in the forthcoming Annual General Meeting. The resolution seeking the shareholders' approval for the appointment of Mr. Dharmaraj is contained in the Notice convening the Annual General Meeting.

In compliance with Clause 49 VIII (E) of the Listing Agreement, brief resume of all the Directors proposed to be appointed / re-appointed are attached along with the Notice to the ensuing Annual General Meeting.

The Board of Directors recommend to the Members the appointment of Mr. Kaushik Roy as a Director and re-appointment of Mr. P Rajagopalan and Mr. N Dharmaraj as a Director and Whole Time Director respectively.

Five meetings of the Board of Directors were held during the year.

#### **11.1 Declaration by Independent Directors**

Pursuant to sub section (6) of Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Independent Directors of the Company viz. Mr. G Momen, Mr. Haigreve Khaitan, Mr. J M Kothary and Ms. Sucharita Basu have given declaration to the Company that they qualify the criteria of independence as required under the Act.

#### **11.2 Board Evaluation**

The Board has carried out an annual evaluation of its own performance, the directors and also committees of the Board based on the guideline formulated by the Nomination & Remuneration Committee. Board composition, quality and timely flow of information, frequency of meetings, and level of participation in discussions were some of the parameters considered during the evaluation process.

Further, the Independent Directors of the Company met once during the year to review the performance of the Non-executive directors, Chairman of the Company and performance of the Board as a whole.

#### **11.3 Policy on Remuneration to Directors, KMP and Senior Management Personnel**

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

### **12. Auditors**

Messrs Price Waterhouse, Chartered Accountants, Statutory Auditors of the Company were re-appointed as auditors to hold office from the conclusion of the Thirty-seventh Annual General Meeting held on September 26, 2014 till the conclusion of the Fortieth Annual General Meeting to be held in 2017, subject to ratification by the Members at the Thirty-eight and Thirty-ninth AGM of the Company. Accordingly, the Notice convening the Thirty-eighth AGM includes a resolution seeking such ratification by the members of the said re-appointment of the Auditors.

The Company has received a letter from the Statutory Auditors to the effect that the ratification of their re-appointment, if made at the forthcoming Annual General Meeting, would be in accordance with the limits prescribed under 141(3)(g) of the Companies Act, 2013.

### **13. Cost Audit**

Messrs. Shome & Banerjee, Cost Accountants were appointed as Cost Auditors of the Company for conducting Cost Audit for the year ended March 31, 2015. The Central Government has duly approved their appointment.

Cost Audit Report and the Compliance Report for the year ended March 31, 2014 were filed with the Central Government on September 25, 2014. The due date for filing the Cost Audit Report was September 27, 2014.

### **14. Secretarial Audit**

Secretarial Audit of the secretarial and related records of the Company was conducted during the year by SVJS & Associates, Company Secretaries and a copy of the secretarial audit report is annexed as Annexure F, which forms part of this report.

#### **15. Corporate Social Responsibility**

In accordance with Section 135 of the Act and the rules made thereunder, the Company has formulated a Corporate Social Responsibility Policy, a brief outline of which along with the required disclosures are annexed as a part of this Report. (Annexure G). A detailed section on the activities of the Company in this behalf during the year is disclosed in a separate section titled 'Corporate Social Responsibilities' which forms a part of this report.

#### **16. Whistle Blower Policy**

Pursuant to Section 177 of the Companies Act, 2013 and the rules made thereunder and the Listing Agreement with the Stock Exchanges, the Company has established a Whistle Blower Policy (Vigil Mechanism) for directors and employees to report genuine concerns about any instance of any irregularity, unethical practice and/or misconduct. The policy has been uploaded in the Company's website [www.hml.co.in](http://www.hml.co.in)

#### **17. Related Parties Transactions**

There was no materially significant transaction with the Company's Promoters, Directors, Management or their relatives that could have had a potential conflict with the interests of the Company.

#### **18. Anti-Sexual Harassment Policy**

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

#### **19. Extract of Annual Return**

An extract of the Annual Return as required to be attached is annexed as Annexure H and forms a part of this report.

#### **20. Risk Management**

The Company has constituted a Risk Management Committee. The details of the committee and its terms of reference are set out in the Corporate Governance Report. The Company has also adopted a Risk Management Policy in accordance with the provisions of the Act and Clause 49 of the Listing Agreement.

#### **21. Awards & Achievement**

During the year Wentworth Tea factory of the Company has received the CII, Southern Region, Environment, Health and Safety Award. Achoor, Arrapetta and Sentinel Rock estates have been honoured by the local Grama Panchayats for the commitment towards the environment. Waste management, plastic segregation and plastic free zones are the commendable initiatives taken up by the estates. Your Company's tea estates has received various National and International accreditations such as ISO, Trustea, Rainforest Alliance, TGLIA, UTZ and Ethical Tea Partnership for its sustainable efforts for conservation and protection of environment.

Company's Kumbazha and Nagamallay rubber factories received the CII, Southern Region, Environment, Health and Safety Award during 2014-15. Kumbazha Centrifuge Latex Factory has bagged the Kerala State Pollution Control Board's Award for the third consecutive year for its sustained efforts in controlling Pollution and Environment Protection.

#### **22. Particulars of Employees**

The information as required in accordance with Section 134 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as Annexure I and forms a part of this report.

The information required under Rule 5(i) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as Annexure J and forms a part of this report.

#### **23. Prospects**

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

Realizations from both tea and rubber are expected to improve in view of the Company's continued focus on product quality, coupled with encouraging market outlook for tea in the next twelve months. Financial Year 15-16 is expected to be significantly better in terms of performance, as initiatives started earlier make positive contributions.



#### 24. Directors' Responsibility Statement

The Board of Directors would like to affirm that the Financial Statements of the Company for the year under review conform in their entirety to the requirements of the Companies Act, 2013.

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

1. In the preparation of annual accounts for the financial year ended March 31, 2015, the applicable accounting standards have been followed, along with proper explanation relating to material departures;
2. The Directors had selected such accounting policies and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the loss for the period from April 1, 2014 to March 31, 2015;
3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The Directors had prepared the annual accounts for the financial year ended March 31, 2015 on a going concern basis;
5. Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
6. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### 25. Industrial Relations

Industrial relation in the Company, during the year, continued to be cordial. A section on the Company's Human Resource Initiatives is a part of the Management Discussion & Analysis forming part of this report.

#### Acknowledgements

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

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

On behalf of the Board of Directors

Mumbai  
August 11, 2015

**Sachin Nandgaonkar**  
Director

**Kaushik Roy**  
Director

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### DECLARATION – CODE OF CONDUCT

All Board members and senior management personnel of the Company have, for the year ended March 31, 2015 affirmed compliance with the Code of Conduct laid down by the Board of Directors in accordance with Clause 49 of the Listing Agreement with the Stock Exchanges.

August 11, 2015

For HARRISONS MALAYALAM LIMITED

**V. Venugopal**  
Manager

## **Particulars as required under Section 134(m) of the Companies Act, 2013 (Annexure 'A' to Directors' Report)**

Pursuant to Rule 8(3) of the Companies (Accounts) Rules, 2014, particulars of Conservation of Energy, Technology Absorption etc. for the year ended March 31, 2015.

### **A) Conservation of Energy**

#### **i) Steps taken or impact on conservation of energy.**

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

Installation of Fuel efficient Hot water Generator in Pattumalay tea factory, Installing energy efficient axial flow fans and Poly Amide Fans in tea factories, installation of Energy efficient LED lights in Wentworth Factory, fixing of automatic timers to start and stop the withering trough fans in tea factories, Installing a modern tea drier in Surianallie tea factory, replacing certain roofing sheets with transparent sheets to bring in natural lighting, making use of the Themic fluid technology for drying of Rubber in Mooply factory, building of Hot air cabins in Nagamalay factory - leading reduction in drying time of rubber, bifurcation of the colony lighting to reduce energy cost. Old analog type meters in the rubber factories were replaced with digital meters which give accurate reading and also have less maintenance costs.

The energy conservation measures undertaken by the Company have resulted in reduced electricity consumption, reducing the drying period by 6 days thereby increasing drying throughput, improvement in quality of rubber dried, improvement in quality of tea produced on account of uniform green leaf withering. These initiatives have resulted in cost savings of Rs 60 lacs in the factory and Rs 16 lacs increase in revenue on account of better grade profile.

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

**Solar Energy:** The Scope of implementing the Boot system of solar energy is under study. The data collection of Effective intensity of light rays, roof top area, funding from third party etc., is under progress. This electricity energy can be used in conjunction with the Grid power. A 100kw plant can deliver 1.75 lacs units per year. Options being explored.

**Agri waste:** Instead of using firewood & coal, which leads to deforestation and pollution respectively, the Company uses environment friendly Briquettes made from Agri-waste in its factories.

#### **iii) Capital investment on energy conservation equipment.**

The cost incurred in respect of installing the hot water generator, energy efficient axial flow fans and LED lamps in tea factories is Rs 101 lacs. Cost incurred in bifurcation of colony lighting in Kumbazha estate is Rs. 88 lacs.

### **B) Technology Absorption**

#### **i) Efforts made towards technology absorption and benefits derived thereupon**

Extrusion process technology implemented by the Company in its tea factories would result in the Company's tea fetching better prices.

The existing old version of the transformer at Pattumalay factory would be replaced with an advanced version of OLTC transformer along with the Automatic power factor correction panel. This would ensure steady voltage in the system and maintain the power factor at unity, in the process help achieve the target of Zero breakdown and improved productivity.

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

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

#### **ii) Expenditure incurred on R & D**

Developing a new methodology to produce black tea at a lower cost - in collaboration with IIT- Karagpur - to cost approximately Rs. 7 lacs.

### **C) Foreign Exchange earnings and Outgo**

During the year 2014-15, the foreign exchange earned in terms of actual inflows was Rs. 3017.50 lacs and foreign exchange outgo in terms of actual outflow was Rs. 61.41 lacs.



## FORM A (FORMING PART OF ANNEXURE 'A')

### POWER AND FUEL CONSUMPTION

	Tea		Rubber	
	Twelve Months Ended 31-03-2015	Twelve Months Ended 31-03-2014	Twelve Months Ended 31-03-2015	Twelve Months Ended 31-03-2014
<b>1 ELECTRICITY</b>				
(a) Purchased				
Units (KWH)	<b>11,339,020</b>	12,713,227	<b>2,155,161</b>	2,340,053
Total Amount (Rs.)	<b>72,997,697</b>	79,869,224	<b>14,921,739</b>	15,301,271
Rate/Unit (Rs./KWH)	<b>6.44</b>	6.28	<b>6.92</b>	6.54
(b) Own Generation				
Through Diesel Generator				
Units (KWH)	<b>706,322</b>	804,932	<b>146,230</b>	165,110
Units per litre of Diesel Oil (KWH)	<b>2.79</b>	2.79	<b>2.56</b>	2.66
Fuel - Cost / Unit (Rs./KWH)	<b>21.31</b>	19.58	<b>22.99</b>	20.95
<b>2 FIREWOOD</b>				
Total Quantity of Firewood (Cu. Mtr)	<b>31,900</b>	30,729	<b>2,555</b>	2,002
Total Amount (Rs.)	<b>38,344,138</b>	36,336,123	<b>2,778,295</b>	1,307,884
Rate / Cu. Mtr (Rs.)	<b>1,202.02</b>	1,182.46	<b>1,087.48</b>	653.15
<b>3 OTHERS</b>				
HSD Oil for Transport & Material Handling etc.				
Quantity (K. Ltr.)	<b>88.17</b>	135.28	<b>87.33</b>	101.98
Total Cost (Rs.)	<b>5,258,218</b>	7,617,187	<b>5,204,374</b>	5,602,352
Rate / Unit Cost (Rs./K. Ltr)	<b>59,638</b>	56,309	<b>59,596</b>	54,933
<b>Consumption per Unit of Production</b>				
Products				
TEA / RUBBER (Kgs.)	<b>16,523,000</b>	15,978,000	<b>9,568,000</b>	8,280,000
<b>Energy Used :</b>				
Electricity (KWH/Kg)	<b>0.73</b>	0.85	<b>0.24</b>	0.30
(including own generation)				
Briquetted Fuel (Kgs)	<b>4,744,450</b>	4,491,166	-	
Veneer Waste (Kgs)	<b>5,466,085</b>	7,898,521	-	
Coconut Shells (Kgs)	-		<b>9,620</b>	41,480
Wood Waste (Kgs)	<b>152,805</b>	1,334,185	-	

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Annexure 'B' to Directors' Report)

### TEA

#### Overview

India, the world's largest grower of black tea, produced 1207.3 million kgs in 2014 which was 39.4% of the global black tea output. This is 0.57% higher, compared to 1200.4 million kg of black tea produced in 2013 – an increase of 6.9 million kg. The other major tea producing countries in the world in 2014 were Kenya 445 million kg, Sri Lanka 338 million kg, other African countries 210 million kg and Bangladesh 65 million kg. China annually produces 1980 million kg of green tea.

India's 79.9% of total black tea output comes from North India, South India accounts for the balance. While favourable growing conditions in North East helped harvesting of a bumper crop in North India, the South Indian crop remained more or less at the previous year's level. Weather conditions in South India with long spells of drought followed by excessive rainfall led to stagnation in harvesting of crop.

Exports up to December, 2014 were lower at 207.4 million kg as against 219.1 million kg in the previous period. Exports to U.K. and ARE increased in terms of volume, but exports to CIS, Iran, UAE, Pakistan and USA were lower. The average tea price realization from Indian exports declined by Rs.3.34 per kg. North Indian exports unit price was lower by Rs.2.41 per kg., and South Indian exports unit price by Rs.3.23 per kg. over the previous period.

#### Outlook

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

### RUBBER

#### Overview

In 2014, global Natural Rubber (NR) production increased by 1.5% to 12070 million kg, while consumption at 12159 million kg rose by 6.8%. Despite mismatch in production and consumption, there was a drastic decline in rubber prices in the international market mainly due to the shrinkage in growth in Chinese economy, the Eurozone issues, Japanese slowdown, Downward rally in crude and metals and the slow growth witnessed in various other economies continued to exert downward pressure on Rubber.

On the domestic front, natural rubber production in 2014-15 stood at 670 million kg and consumption at 1021 million kg. Despite production being down by 16.7% and consumption reportedly to be higher, no significant upward movement in natural rubber price was visible. The deficit in local production was made up through import at prices lower than that prevailing in the domestic market. During 2014-15, 425 million kg of natural rubber was imported and 5.3 million kg exported, as against 360 million kg imported and 5.4 million kg exported in the previous year.

#### Outlook

The mismatch between production and consumption is likely to continue in 2015 which could lead to a surge in cheap imports of rubber from South East Asian countries. The stock build up in Thailand and Vietnam due to the weakening of the Chinese economy is likely to continue to put pressure on the domestic prices of natural rubber used in the manufacture of tyres. Non tyre Industry segment in which we operate may be better although the suppression of prices in RSS will also adversely affect the non-tyre segment. Various intervention measures are being planned and executed by the governments.

However, in the coming years with the US economy showing signs of recovery and the Indian automobile sector showing a positive trend NR prices should recover in 2016.

#### OPPORTUNITIES AND THREATS

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

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



With the expected stabilisation of tea prices and HML achieving better volumes in both tea and rubber through, own and bought operations, the Company should be able to improve its performance. Your company's involvement in Plantations Development activities over the past 7-8 years should raise yield levels in the years to come.

#### **INTERNAL CONTROL SYSTEM**

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

#### **HUMAN RESOURCES**

HML employs over 12,000 people at its tea and rubber plantations. Employee relations remained satisfactory during the period under review. The Company would like to record its appreciation of the whole hearted employee commitment towards maintaining smooth production from all the tea and rubber plantations.

#### **FINANCE**

Total income during the year decreased by 14% to Rs. 334.36 cr, The loss incurred by the company was Rs. 35.26 cr. which was due a steep fall in rubber prices and non- availability of rubber trees income due to the ban imposed by the Govt. of Kerala. ICRA has assigned BBB- and A3 rating for the Company's bank facilities, fund based and non-fund based respectively. With the Kerala Government continuing to raise various allegations against the Company in the High Court, the operations of the Company are being affected, leading to strain on its financial resources.

#### **CAUTIONARY STATEMENT**

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



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

The Company's philosophy on Corporate Governance is aimed at effective conduct of its operations and in meeting its obligation towards various stake holders such as vendors, employees, shareholders, customers and to the society at large. The Company is in the business of cultivation and production of tea and rubber and is one of the major producers in the country. The Company endeavours to produce quality products that consistently commands respect, trust and loyalty by way of sustained efforts in the plantation and adoption of latest technologies. The company strives for successful management of contingencies like drought. While the company continues to produce quality products to the satisfaction of its customers it also gives due importance to its obligation to large work force that it employs on the plantations. The Company runs a business that has a human face and values environment, people, product, plantations practices, customers and shareholders. The company believes in achieving its goal which result in enhancement of shareholders value through transparency, professionalization and accountability.

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

### BOARD OF DIRECTORS

#### Composition of the Board

On March 31, 2015, HML's Board of Directors consisted of nine Directors, of which five were Independent Directors. There are three non-executive non-independent directors and one executive Director, who is the Whole Time Director. The composition of the Board satisfies the requirements of Section 149 of the Companies Act, 2013 ("the Act") and Clause 49 of the Listing Agreement.

#### NUMBER OF BOARD MEETINGS

In 2014-15, the Board of the Company met five times, on 30.05.2014, 08.08.2014, 26.09.2014, 11.11.2014 and 11.02.2015. The maximum gap between any two Board meetings was less than one hundred and twenty days.

#### DIRECTORS' ATTENDANCE RECORD AND DIRECTORSHIPS

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

Table1: Composition of the Board of Directors as on March 31, 2015

Name of Director	Category	No. of other Directorships and Committee memberships / Chairmanships in other Indian public companies			Attendance particulars		
		Director 1	Member 2	Chairman 2	No. of Board Meetings held	No. of Board Meetings attended	Attendance at last AGM
Mr. Sanjiv Goenka <sup>3</sup>	Promoter, Non Executive	-	-	-	5	2	No
Mr. Haigreve Khaitan	Non Executive Independent	11	5	1	5	1	No
Mr. G. Momen	Non Executive Independent	8	5	1	5	4	No
Mr. U. Kanoria <sup>4</sup>	Non Executive Independent	4	2	2	5	3	No
Mr. P Rajagopalan	Non Executive Non Independent	2	-	-	5	5	Yes
Mr. J M Kothary	Non Executive Independent	3	1	1	5	3	No
Ms. Sucharita Basu	Non Executive Independent	8	4	-	5	3	Yes
Mr. N. Dharmaraj <sup>5</sup>	Executive Non Independent	1	-	-	5	2	Yes
Mr. Sachin Nandgaonkar <sup>6</sup>	Non Executive Non Independent	3	-	-	5	1	No



Name of Director	Category	No. of other Directorships and Committee memberships / Chairmanships in other Indian public companies			Attendance particulars		
		Director 1	Member 2	Chairman 2	No. of Board Meetings held	No. of Board Meetings attended	Attendance at last AGM
Mr. Kaushik Roy <sup>7</sup>	Non Executive Non Independent	2	-	-	5	-	No
Mr. Ajit Singh Chouhan <sup>8</sup>	Non Executive Non Independent	-	-	-	5	2	Yes
Mr. Ashok Bachan Goyal <sup>9</sup>	Non Executive Non Independent	-	-	-	5	1	No

Notes:

1. The Directorships held by Directors in Table 1 do not include alternate directorships and directorships of foreign companies, Section 8 and One Person Companies and Private Limited Companies.
2. In accordance with Clause 49 of the Listing Agreement, Memberships/ Chairmanships of only the Audit Committees and Stakeholders Relationship Committees of all public limited companies have been considered.
3. Mr. Sanjiv Goenka resigned from the Board on 17.02.2015.
4. Mr. Umang Kanoria resigned from the Board on 15.05.2015.
5. Mr. Dharmaraj joined the Board on 8.8.2014
6. Mr. Sachin Nandgaonkar joined the Board on 11.2.2015 in the casual vacancy created consequent to Mr.Chouhan's resignation.
7. Mr. Kaushik Roy was appointed as an Additional Director of the Company with effect from 16.02.2015
8. Mr. Ajit Singh Chouhan resigned from the Board on 11.02.2015
9. Mr. Ashok Bachan Goyal resigned from the Board on 24.07.2014

**DIRECTORS WITH MATERIAL PECUNIARY BUSINESS RELATIONSHIP WITH THE COMPANY**

As mandated by Section 149 of the Act and Clause 49, an Independent Director on HML's Board is a person and :

- ↖ Is a person of integrity and possesses relevant expertise and experience.
- ↖ (i) is or was not a promoter of the Company, its subsidiary or associate company;
- ↖ (ii) is not related to promoters or directors in the Company, its subsidiary or associate company;
- ↖ Apart from receiving director's remuneration, has or had no material pecuniary relationship (other than in professional capacity) with the Company, its subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- ↖ None of whose relatives, has or had pecuniary relationship or transactions with the Company, its subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income of fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- ↖ Who, neither himself nor any of his relatives
  - (i) holds or has held the position of a key managerial personnel or is or has been employee of the Company, its subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
  - (ii) is or has been an employee or proprietor, or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed of
- ↖ (a) a firm of auditors or company secretaries in practice or cost auditors of the company, its subsidiary or associate company; or
- ↖ (b) any legal or a consulting firm that has or had any transaction with the Company, its subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
- ↖ (iii) holds together with his relatives two per cent or more of the total voting power of the Company; or is a Chief Executive or director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipts from the Company, any of its

promoters, directors or its subsidiary or associate company or that holds two per cent or more of the total voting power of the Company;

- ◀ Is not a material supplier, service provider or customer or lessor or a lessee of the Company;
- ◀ Is not less than 21 years of age.

During 2014-15, the Independent Directors met on 11.02.2015 in order to, inter alia, review the performance of non-independent directors including that of the Chairman taking into account the views of the executive and non-executive directors; assess the quality, quantity and timelines of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties and other related matters. Except Mr. HaigreveKhaitan, all the other independent directors attended the said meeting.

The details of the familiarisation programme is disclosed on the Company's website at [www.hml.co.in](http://www.hml.co.in).

Details of transactions of a material nature with any of the related parties as specified in Accounting Standard (AS)18 issued by the Institute of Chartered Accountants of India are disclosed in Note 38 (b) to the financial statements for the year 2014-15. There has been no transaction of a material nature with any of the related parties which was in conflict with the interests of the Company. There has been no material pecuniary relationship or transaction between the Company and its non-executive Directors during the year. The Company's policy on dealing with Related Party Transactions is posted at the Company's website [www.hml.co.in](http://www.hml.co.in)

### INFORMATION SUPPLIED TO THE BOARD

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

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

### CODE OF CONDUCT

The Code of Business Conduct and Ethics relating to matters concerning Board members and Senior Management Officers and their duties and responsibilities has been meticulously followed. All Directors and Senior Management Officers have affirmed compliance of the provisions of the Code during the year 2014-15 and a declaration from the Manager to that effect is given at the end of this report. The Code is posted on the Company's website [www.hml.co.in](http://www.hml.co.in). Since the close of this year, a new Code of Business Conduct and Ethics for members of the Board and Senior Management Officers has been adopted by the Board, in supersession of the earlier one, to bring it in line with the revised Listing requirements of the Stock exchanges.

### COMMITTEES OF THE BOARD

#### AUDIT COMMITTEE

As on 31st March 2015, Audit Committee of HML's Board of Directors consisted of Mr. Golam Momen, Mr. Haigreve Khaitan, Mr. Umang Kanoria, Mr. J. M. Kothary and Mr. Sachin Nandgoankar. Mr. Haigreve Khaitan, Independent Director, is the Chairman of the Committee. All members of the Audit Committee have accounting and financial management expertise.

The Committee met four times during the course of the year on 30.05.2014, 08.08.2014, 11.11.2014 and 11.02.2015.

Table 2: Attendance record of Audit Committee members for 2014-15

Name of Members	Status	Category	No. of Meetings	
			Held	Attended
Mr. Haigreve Khaitan	Chairman	Independent	4	1
Mr. Umang Kanoria *	Member	Independent	4	3
Mr. G. Momen	Member	Independent	4	4
Mr. J.M. Kothary	Member	Independent	4	3
Mr. Sachin Nandgaonkar **	Member	Non-Independent	4	-

\*Mr.Umang Kanoria resigned with effect from 15.05.2015

\*\*Mr. Sachin Nandgaonkar was inducted into the Audit Committee on 11.02.2015.

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



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

1. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
2. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Section 134 of the Act.
  - b) Changes, if any, in accounting policies and practices and reason for the same.
  - c) Major accounting entries involving estimates based on the exercise of judgment by management.
  - d) Significant adjustments made in the financial statements arising out of audit findings.
  - e) Compliance with listing and other legal requirements relating to financial statements.
  - f) Disclosure of any related party transactions.
  - g) Qualifications in the draft audit report, if any.
3. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
4. Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
5. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
6. Discussion with internal auditors any significant findings and follow up thereon.
7. Investigating into any matter in relation to the items specified in the terms of reference and reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
8. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
9. Reviewing the Company's risk management policies.
10. Look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
11. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

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

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

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

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

- Management discussion and analysis of financial condition and results of operations.
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management.
- Management letters / letters of internal control weaknesses issued by the statutory auditors.

- Internal audit reports relating to internal control weaknesses.
- The appointment, removal and terms of remuneration of the chief internal auditor.
- Whenever applicable, monitoring end use of funds raised through public issues, rights issues, preferential issues by major category (capital expenditure, sales and marketing, working capital etc.) as part of the quarterly declaration of financial results.

In addition, the Audit Committee of the Board is also empowered to review the financial statements, in particular, the investments made by the unlisted subsidiary companies, in view of the requirements under Clause 49. No person has been denied access to the Committee.

#### **STAKEHOLDERS RELATIONSHIP COMMITTEE**

During the year, the Investors' Grievance Committee was renamed as Stakeholders Relationship Committee on 30th May, 2014. The Committee looks into redressal of grievances of shareholders and other security holders such as transfer of shares, issue of share certificates, non-receipt of Annual Report and non-receipt of declared dividends.

The Stakeholders Relationship Committee comprises of Mr. G. Momen, Mr. Umang Kanoria and Mr. V. Venugopal. Mr. G. Momen is the Chairman of the Committee. The Committee met once during the year on 11.02.2015. Table 3 gives the details of attendance.

Table 3: Attendance record of Investors' Grievance Committee for 2014-15

Name of Members	Status	Category	No. of Meetings	
			Held	Attended
Mr. G. Momen	Chairman	Non-Executive	1	1
Mr. Umang Kanoria	Member	Non-Executive	1	1
Mr.V. Venugopal	Member	Manager	1	-

For expediting the process of registration of transfers of the Company's securities, the Board has delegated the power of approving share transfers and for dealing with matters connected therewith to a committee comprising of Manager, Chief Financial Officers and the Company Secretary. Mr. Ravi A Company Secretary is the compliance officer of the stakeholder relationship committee. The delegated authority attends to share transfer formalities at least once a fortnight.

#### **NOMINATION & REMUNERATION COMMITTEE**

On 30th May 2014 the Remuneration Committee of HML was renamed as Nomination & Remuneration Committee. The Remuneration Committee is comprised of Mr. Haigreve Khaitan, Mr. Umang Kanoria and Mr. Golam Momen.

The role of the Committee, inter-alia, includes

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

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

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

During the year, the Committee met twice on 08.08.2014 and 22.12.2014. Table 4 gives the details of attendance:



Table 4: Attendance record of Nomination & Remuneration Committee for 2014-15

Name of Members	Status	Category	No. of meetings	
			Held	Attended
Mr. Haigreve Khaitan	Chairman	Non-Executive	2	2
Mr. Golam Momen	Member	Non-Executive	2	2
Mr. Umang Kanoria	Member	Non-Executive	2	2

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

Rs. lacs

Name of the Director	Salary & Perquisites	Sitting Fees	Total
Mr. Haigreve Khaitan	-	0.25	0.25
Mr. G. Momen	-	1.00	1.00
Mr. Umang Kanoria	-	0.75	0.75
Mr. Ajit Singh Chouhan	-	0.45	0.45
Mr. Ashok Bachan Goyal	31.15	0.20	31.35
Mr. P. Rajagopalan	-	1.00	1.00
Ms. Sucharita Basu	-	0.60	0.60
Mr. J.M. Kothary	-	0.75	0.75
Mr. Sachin Nandgaonkar	-	0.20	0.20
Mr. Kaushik Roy*	-	-	-
Mr. Venugopal – Manager	43.25	-	43.25
Mr. N. Dharmaraj (Whole Time Director) (w.e.f 8.8.2015)	52.93	-	52.93

\*Mr. Kaushik Roy joined the Board only on 16.2.2015

The payment of remuneration to the Whole Time Director / Manager is governed by the agreements executed by the Company with them and is governed by Board and shareholders' resolution. The breakup of Salary & Perquisites paid to them is as under:

Mr. Ashok Bachan Goyal, Whole Time Director from 14.04.2014 to 13.07.2014

Rs. lacs

Basic Salary	Other allowance	Perquisites	Retirement Benefits	Total
19.16	8.52	1.17	2.30	31.15

Mr. N Dharmaraj, Whole Time Director from 08.08.2014 to 31.03.2015

Rs. lacs

Basic Salary	Other allowance	Perquisites	Retirement Benefits	Total
52.93	-	-	-	52.93

V Venugopal, Manager from 01.04.2014 to 31.3.2015 is as given below:

Rs. lacs

Basic Salary	Other allowance	Perquisites	Retirement Benefits	Total
20.54	16.56	0.60	5.55	43.25

#### Shares held by Non-Executive Directors:

As on 31st March 2015, Mr. Golam Momen holds 560 shares. No other Director holds equity shares in HML. The Company has not issued any convertible instruments and as on 31 March, 2015, no convertible instruments of the Company are outstanding.

### RISK MANAGEMENT COMMITTEE

A Risk Management Committee of the Board was constituted on 11.02.2015 consisting of Mr.Haigreve Khaitan, Sachin Nandgoankar, Kaushik Roy, Mr. K.N. Mathew (CFO) and Mr. P.A. Krishnamoorthy (CFO). The roles and responsibilities of the committee are as prescribed under Clause 49 of the Listing Agreement as amended from time to time, and includes monitoring and review of the risk management plan and reporting the same to the Board of Directors periodically as it may deem fit, in addition to any other terms as may be referred by the Board, from time to time.

### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

A Corporate Social Responsibility (CSR) Committee of the Board was constituted on 30th May 2014 to formulate and recommend to the Board a CSR Policy indicating the activities to be undertaken by the Company and to discharge such other responsibilities as required under the Act and the Rules made thereunder. During the year, the Committee met twice on 11.11.2014 and 25.03.2015. The members of the Committee as on March 31, 2015 are Mr.Golam Momen, Mr. Umang Kanoria, Mr. P. Rajagopalan and Mr. N. Dharmaraj.

Name of Members	Status	Category	No. of Meetings	
			Held	Attended
Mr. Golam Momen	Member	Non Executive	2	2
Mr. Umang Kanoria	Member	Non Executive	2	1
Mr. P. Rajagopalan	Member	Non Executive	2	1
Mr. N. Dharmaraj*	Member	Executive	2	1

\*w.e.f February 11, 2015

### SUBSIDIARY COMPANIES

As on 31st March 2015, HML has four unlisted subsidiaries namely HML Engineering Company Ltd., Enchanting Plantations Ltd., Harmony Plantations Ltd. and Malayalam Plantations Ltd.

### MANAGEMENT

#### MANAGEMENT DISCUSSION AND ANALYSIS

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

#### DISCLOSURES BY MANAGEMENT TO THE BOARD

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

#### DISCLOSURE OF ACCOUNTING CONVENTION IN PREPARATION OF FINANCIAL STATEMENTS

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

#### CODE FOR PREVENTION OF INSIDER TRADING PRACTICES

In compliance with the SEBI regulation on prevention of insider trading, the Company has in place a comprehensive code of conduct for its Directors and Senior Management Officers. The code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of the Company. The code clearly specifies, among other matters, that Directors and specified employees of the Company can trade in the shares of the Company only during "Trading Window Open Period". The trading window is closed during the time of declaration of results, dividend and material events, as per the Code.

Since the close of the year, a new code, namely - Code of Fair Disclosure, Internal Procedures and Conduct for regulating, monitoring and reporting of trading by insiders- has been adopted by the Board, in supersession of the earlier one in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015.

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

#### WHISTLE BLOWER POLICY

As required under the Act and Clause 49 of the Listing Agreement, the Company has formulated a Whistle Blower Policy for its Directors and permanent employees. Under the Policy, instances of any irregularity, unethical practice and / or misconduct can be reported to the management for appropriate action.

#### ANTI SEXUAL HARASSMENT POLICY

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



## CEO/CFO CERTIFICATION

The CFO certification of the financial statements for the year has been submitted to the Board of Directors, as required under Clause 49(IX) of the Listing Agreement.

## SHAREHOLDERS

### RE-APPOINTMENT / APPOINTMENT OF DIRECTORS

Mr. P. Rajagopalan retires at the ensuing Annual General Meeting, and being eligible, offers himself for re-appointment.

Mr. Kaushik Roy who was appointed by the Board as Additional Director on 16.02.2015 shall hold office as such up to the date of the forth coming Annual General Meeting. The Company has received a Notice in writing from a member along with the requisite deposit of money proposing the candidature of Mr. Kaushik Roy for the office of Director under the applicable provision of the Act.

Mr. N Dharmaraj, Whole Time Director of the Company was appointed by the members in the last AGM held on September 26, 2014. His term of office is up to December 31, 2015. The Board has extended his tenure for a further period of nine months ie. From January 1, 2016 to September 30, 2016.

In compliance with Clause 49 VIII (E) of the Listing Agreement entered into with the Stock Exchanges, brief resume, expertise and details of other directorships, memberships in committees of Directors of other companies and shareholding in the Company, of the Directors proposed to be re-appointed / appointed are attached to the Notice of the ensuing Annual General Meeting.

### COMMUNICATION TO SHAREHOLDERS

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

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

### INVESTOR GRIEVANCES & SHAREHOLDER REDRESSAL

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

### DETAILS OF NON-COMPLIANCE BY THE COMPANY

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

### GENERAL BODY MEETINGS

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

Sl. No.	AGM	Year	Date	Time	Location
1.	37th	2014	26.09.2014	10.00 a.m.	Kerala Fine Arts Hall, Fine Arts Avenue, Foreshore Road, Cochin – 16
2.	36th	2013	23.09.2013	11.00 a.m.	Durbar Hall, Casino Hotel
3.	35th	2012	27.09.2012	10.00 a.m.	Willingdon Island, Cochin – 682003

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

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

AGM	Particulars of Special Resolutions passed there at
35th	Appointment of Mr. V. Venugopal as Manager of the Company
36th	No special resolution was passed
37th	Appointment and payment of remuneration to Mr. Ashok Bachan Goyal, Whole Time Director Appointment and payment of remuneration to Mr. N. Dharmaraj, Whole Time Director Revision of remuneration of Mr. V. Venugopal, Manager Borrowings /Financial Assistance under Section 180(c) of the Companies Act, 2013 Creation of charge for borrowings / financial assistance availed.



## COMPLIANCE

### MANDATORY REQUIREMENTS

The Company is fully compliant with the applicable mandatory requirements of Clause 49.

### NON-MANDATORY REQUIREMENTS

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

### SHAREHOLDER RIGHTS – FURNISHING OF QUARTERLY RESULTS

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

### AUDIT QUALIFICATIONS

During the current financial year, there are no audit qualifications in the financial statements of the Company. The Company continues to adopt appropriate best practices in order to ensure unqualified financial statements.

### PRACTICING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE

The Company has obtained a Certificate from a practicing Company regarding compliance of conditions of corporate governance, as mandated in Clause 49. The certificate is annexed to this report.

On behalf of the Board of Directors

Mumbai  
August 11, 2015

**Sachin Nandgaonkar**  
Director

**Kaushik Roy**  
Director

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

### ANNUAL GENERAL MEETING

Date	: Monday, September 28, 2015
Time	: 10.30 A.M
Venue	: Kerala Fine Arts Hall, Fine Arts Avenue, Foreshore Road, Cochin – 16

### FINANCIAL CALENDAR

For the year ended 31 March 2015, results were announced on:

First quarter	: 8 August, 2014
Second quarter	: 11 November, 2014
Third quarter	: 11 February, 2015
Fourth quarter and annual	: 28 May, 2015

For the year ending 31 March 2016, results will be announced on:

Quarter ending June 30, 2015	Within August 14, 2015
Quarter ending September 30, 2015	Within November 14, 2015
Quarter ending December 31, 2015	Within February 14, 2016
Year ending March 31, 2016 ( Audited )	Within May 30, 2016

### BOOK CLOSURE

The Company's Register of Members and Share Transfer Books will remain from September 22, 2015 to September 28, 2015 (both days inclusive) as Annual closure for the Annual General Meeting.

### DIVIDEND

The Board has not recommended any dividend for the FY 2014-15.



## LISTING

Equity shares of HML are listed on the Bombay Stock Exchange Ltd., National Stock Exchange of India Ltd. and the Cochin Stock Exchange Ltd.

## STOCK CODES

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

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

## STOCK DATA AND PERFORMANCE

Table 1 below gives the monthly high and low prices of HML equity shares and the volumes traded at the Bombay Stock Exchange and National Stock Exchange for the year 2014-15.

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

Year –2014/15	BSE		NSE		Volume (Nos)	
	High (Rs)	Low (Rs)	High (Rs)	Low (Rs)	BSE	NSE
April	54.90	47.75	54.90	44.85	211205	611090
May	74.30	46.50	75.00	46.00	1143431	2586580
June	71.15	59.10	71.40	59.00	724220	1832001
July	74.00	57.60	70.35	57.10	233778	494021
August	68.05	52.60	68.20	52.15	550292	1652242
September	75.50	57.50	75.65	56.70	960400	2671392
October	78.75	54.40	78.40	63.00	444667	1414556
November	68.65	56.80	68.80	56.70	277964	809726
December	60.70	49.60	60.95	48.80	194027	692889
January	57.00	49.70	57.00	49.50	180316	498456
February	54.45	45.15	54.80	45.10	191967	465222
March	50.60	42.00	52.50	41.40	276918	478608

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

Table 2 provides the closing price of HML's equity shares on NSE vis-vis NSE Nifty and BSE Sensex at the last trading day for each month during 2014-15.

**Table 2: Performance comparison to NSE Nifty and BSE Sensex**

As at close of last trading day for each month	HML's closing price on NSE (Rs.)	NSE Nifty	BSE Sensex
April 2014	48.50	6696.40	22417.80
May 2014	60.75	7229.95	24217.34
June 2014	67.50	7611.35	25413.78
July 2014	58.95	7721.30	25894.97
August 2014	58.15	7954.35	26638.11
September 2014	75.45	7964.80	26630.51
October 2014	66.25	8322.20	27865.83
November 2014	59.10	8588.25	28693.99
December 2014	53.35	8282.70	27499.42
January 2015	50.10	8808.90	29182.95
February 2015	47.65	8901.85	29361.50
March 2015	44.20	8491.00	27957.49

### SHARE TRANSFER AGENTS AND SHARE TRANSFER AND DEMAT SYSTEM

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

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

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

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

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

As on March 31 2015, dematerialised shares accounted for 75.04% of total equity. There is no subsisting court order in legal proceedings against HML in any share transfer matter.

Table 3 gives details of the number and nature of complaints for the year 2014-15.

**Table 3: Number and nature of complaints for 2014-15**

No of Investor queries/ complaints received from 01.04.2014 to 31.03.2015	No. of complaints pending at the end of the Financial Year
29	Nil

### SHAREHOLDING PATTERN

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

**Table 4: Pattern of shareholding by ownership as on 31 March 2015**

Category	Shares held (nos)	% of holding
Promoters Holdings (Indian and Foreign)	9283655	50.30
Mutual Funds	7020	0.04
Banks, Financial Institutions, Insurance Companies and others	24198	0.13
Foreign Institutional Investors	0	0
Non Resident Indians	95012	0.52
Corporate Bodies, Indian Public and others	9045520	49.01
<b>TOTAL</b>	<b>18455405</b>	<b>100.00</b>

**Table 5: Pattern of shareholding by share class as on 31 March 2015**

No of Equity Shares held	No of Shareholders	No of shares held	% Shareholding
Up to 5000	27253	3180593	17.23
5001 to 10000	1171	928604	5.03
10001 to 20000	517	765999	4.15
20001 to 30000	155	399487	2.17
30001 to 40000	78	276707	1.49
40001 to 50000	57	270335	1.47
50001 to 100000	89	619416	3.36
100001 and above	84	12014264	65.10
<b>TOTAL</b>	<b>29404</b>	<b>18455405</b>	<b>100.00</b>

### PLANT LOCATIONS

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

Rubber Estates: Eleven Estates located in Kerala



## INVESTOR CORRESPONDENCE ADDRESS

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

## COMPLIANCE OFFICER FOR INVESTOR REDRESSAL

Mr. Ravi A., Company Secretary is the Compliance Officer for investor related matters.

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

The due dates on which unclaimed dividends lying in the unpaid dividend accounts of the Company would be credited to the IEPF are stated in the table 6 below. Investors are requested to claim their unclaimed dividends before these due dates.

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

Dividend for Year	Declared on	Dividend %	Amount lying unpaid / unclaimed as on 31 March 2015 (Rs)	Due date for credit to IEPF
2007-08	18.09.2008	15%	745775	17.10.2015
2008-09	30.09.2009	15%	708387	29.10.2016
2009-10	30.09.2010	20%	1065086	29.10.2017
2010-11	19.09.2011	15%	778107	18.10.2018
2011-12	27.09.2012	15%	861915	26.09.2019
2012-13	23.09.2013	7.5%	484192	22.09.2020
2013-14	26.09.2014	10%	604862	25.10.2021

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

## PRACTICING COMPANY SECRETARY'S CERTIFICATE

### AS PER CLAUSE 49 OF THE LISTING AGREEMENT

To the Members of Harrisons Malayalam Ltd.

I have examined the compliance of conditions of Corporate Governance by Harrisons Malayalam Limited ("the Company") for the year ended March 31, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement.

I state that as per the records maintained by the Company and certified by the Registrars and Share Transfer Agents of the Company, there were no investors' grievances remaining unattended/pending for more than 30 days as at March 31, 2015.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Thomas P. Chacko**

FCS 4066

Cochin  
July 14, 2015

Company Secretary in Practice  
CP 4251

## **Nomination & Remuneration Policy (Annexure 'E' to Directors' Report)**

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

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

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

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

### **I. Criteria for selection of members on the board of directors and candidates for senior management.**

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

#### **A) Criteria for Selection of Directors**

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

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

#### **B) Criteria for Selection of Senior Management Personnel**

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

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

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

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

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

### **II. Remuneration policy for directors, senior management and key managerial personnel**

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

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



**B) Remuneration of Non-Executive Director (NED)**

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

**C) Remuneration of Senior Management Personnel and KMPs**

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

**III. Evaluation of performance of directors**

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

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

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

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

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

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

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

## Secretarial Audit Report (Annexure 'F' to Directors' Report)

Form No. MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2015

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

To

The Members

**HARRISONS MALAYALAM LTD**

24/1624, Bristow Road, Willingdon Island

Cochin Ernakulam-682003

KERALA

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

Based on our verification of books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31.03.2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2015 according to the provisions of:

- (i) The Companies Act, 2013 and the Companies Act, 1956 (to the extent applicable) (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings. There is no new Foreign Direct Investment during the period under review. Moreover, there are no Overseas Direct Investments and External Commercial Borrowings.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 1992;
  - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client
- (vi) As informed to us, the following other laws are specifically applicable to the Company:
  1. Kerala Land Reforms Act, 1964
  2. The Kerala Grants and Leases (Modification of Rights) Act, 1980
  3. The Gudalur Janmam Estates (Abolition and Conversion into Ryotwari) Act, 1969
  4. The Tamil Nadu Preservation of Private Forest Act, 1949
  5. Tamil Nadu Land Reforms (Fixation of ceiling on Land) Act 1961
  6. The Kerala Land Tax Act 1961



We have also examined compliance with respect to the following:

- The Equity Listing Agreement entered into by the Company with Bombay Stock Exchange Limited and National Stock Exchange Limited.

During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, etc. mentioned above. There are cases are pending in different stages at various forums under the following Acts namely,

1. The Gudalur Janmam Estates (Abolition and Conversion into Ryotwari) Act, 1969
2. Kerala Land Reforms Act, 1964
3. The Kerala Private Forests (Vesting and Assignment) Act, 1971
4. Tamil Nadu land Reforms (fixation of ceiling on land) Act, 1961
5. The Kerala Land Conservancy Act, 1957

**We further report that:**

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

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

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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

**We further report that** during the audit period there were no public/right/preferential issue of shares/debentures/sweat equity, redemption/buy back of securities or foreign technical collaborations.

A resolution was passed under Section 180 (1) (c) of the Companies Act, 2013, at its Annual General Meeting held on 26.09.2014, authorizing exercise of borrowing powers upto Rs.150 Crores over and above the paid up capital and free reserves of the Company.

The Company has, in the year 2012, entered into a composite scheme of arrangement and amalgamation with Enchanting Plantations Limited (100 % subsidiary of Harrisons Malayalam Limited), Malayalam Plantations Limited (100 % subsidiary of Enchanting Plantations Limited) and Harmony Plantations Limited (100 % subsidiary of Harrisons Malayalam Limited) which is now pending before the High Court of Kerala.

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

**For SVJS & Associates  
Company Secretaries  
Sd/-**

Kochi  
11.08.2015

**CS.Sivakumar P.  
Managing Partner  
CP No:2210, FCS:3050**



**ANNEXURE TO THE SECRETARIAL AUDIT REPORT OF EVEN DATE**

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

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

1. Maintenance of the Secretarial records is the responsibility of the management of the Company. Our responsibility as Secretarial Auditors is to express an opinion on these records, based on our audit.
2. During the audit, we have followed the practices and process as were appropriate, to obtain reasonable assurance about the correctness of the contents of the Secretarial records. We believe that the process and practices we followed provide a reasonable basis for our report.
3. The correctness and appropriateness of financial records and Books of Accounts of the Company have not been verified.
4. We have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc., wherever required.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards etc. is the responsibility of management. Our examination was limited to the verification of the procedures and compliances on test basis.
6. While forming an opinion on compliance and issuing the Secretarial Audit Report, we have also taken into consideration the compliance related actions taken by the Company after 31<sup>st</sup> March 2015 but before issue of the Report.
7. We have considered actions carried out by the Company based on independent legal/professional opinion as being in compliance with law, wherever there was scope for multiple interpretations, especially since the financial year ended 31<sup>st</sup> March 2015 was the first full financial year in which the Companies Act, 2013 has become operational.

**For SVJS & Associates**  
**Company Secretaries**  
Sd/-

Kochi  
11.08.2015

**CS.Sivakumar P.**  
**Managing Partner**  
**CP No:2210, FCS:3050**



## Annual Report on Corporate Social Responsibility Activities undertaken during the year (Annexure 'G' to Directors' Report)

**1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

The Company seeks to impact the lives of the disadvantaged by supporting and engaging in activities that aim to improve its contribution to the society. It is dedicated to the cause of providing access to basic health care services, empowering people, educating them and to improving their quality of life. While the Company undertakes programmes based on the identified needs of the community, healthcare, education, art and promoting community development initiatives remains at the forefront. Across the different programme areas focused by the Company, it would be the Company's tireless endeavor to reach the disadvantaged and the marginalized sections of the society.

The policy on CSR is uploaded on to the Company's website [www.hml.co.in](http://www.hml.co.in)

The details of the projects undertaken during the year are stated in a separate section titled 'Corporate Social Responsibility' and forms part of the Directors' Report.

**2. Composition of the CSR Committee**

The CSR Committee consists of Mr. G Momen, Mr. P Rajagopalan, Mr. Umang Kanoria and Mr. N Dharmaraj.

**3. Average net profit for the last three financial years: Rs. 636.79 lacs**

**4. Prescribed CSR expenditure (2% of the amount mentioned in item 3 above) is Rs. 12.74 lacs**

5. a). Total amount to be spent for the financial year 2014-15 is Rs. 12.74 lacs

b). Unspent amount for the financial year 2014-15 is nil

c). Manner in which the amount is spent during the financial year.

The companies of the RP-SG Group of which the Company is also one, set up RP-Sanjiv Goenka Group CSR Trust, to carry out CSR activities. The CSR funds of the Group companies were pooled in order to explore embarking on a worthwhile project. A project has already been identified for setting up an advanced Radiation Oncology facility in Kolkata at a budgeted outlay of Rs. 1225 lacs for facilitating treatment of cancer patients. Necessary background work has been going on proactively and spending is expected to commence in the near future. The Company has contributed Rs. 13.50 lacs being its contribution for the year 2014-15.

In addition to the above the Company continues with its CSR activities in the field of Health, Education and Environment in and around its Tea & Rubber plantations, which benefit the local population.

**6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report: Not applicable.**

**7. Responsibility Statement:** It is stated that the implementation and monitoring of the CSR policy is in compliance with CSR objectives and policy of the Company.

## Corporate Social Responsibility

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

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

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

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

### Health

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

### Environment and Education

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

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

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

Sl. No.	CSR Theme	Activity	Estate	Beneficiaries
1	Education	Rakshitha - Centre for Children and Adults with multiple disabilities	Arrapetta	15
2	Education	Educational aid to poor children, Tution, Uniform, books distribution	Kumbazha, Lockhart, Mooply, Kaliyar, Palapilly,	315
3	Education	Training on Environmental Hygiene	Panniar	200
4	Education	Safety and 1st aid awareness	All Estates	1260
5	Education	Quiz competition - Independence day celebration	Wayanad Estates/Venture Valley	249
6	Employability	Additional Skill Acquisition Programme(ASAP) in tie up with Government of Kerala	Wayanad Estates	280
7	Environment	Waste free & Anti-Plastic campaign, Waste Management	All Estates	4190
8	Environment	Clean Munnar Awareness Campaign	Lockhart	55
9	Environment	Planting of tree saplings	Mooply	500
10	Environment	World Environment Day Celebrations	All Estates	1326
11	Environment	Rain Forest Alliance & Ethical Tea Partnership Certifications, Rain water harvesting	Wentworth, Lockhart, Panniar, Wallardie, Moongalaar, Pattumalay, Mundakayam, Kumbazha, Nagamallay, Kundai & Mooply	1421
12	Health	World breastfeeding week Awareness Class	Mooply	50
13	Health	Observation of World Drug abuse and Illicit trafficking day - Rally, Poster making	Panniar	125
14	Health	Rashtriya Swasthya Bhima Yogana (RSBY) Insurance coverage to all	All Estates	2980



<b>Sl. No.</b>	<b>CSR Theme</b>	<b>Activity</b>	<b>Estate</b>	<b>Beneficiaries</b>
15	Health	Monsoon Diseases/Communicable diseases awareness campaigns/Observing Dry Days	All Estates	5269
16	Medical	Medical Camps in Tribal Settlement Colonies, Eye camp, Pulse Polio	Surianalle/Sentinel Rock/Isfield/Venture/Kaliyar/Kumbazha/Panniar	866
17	Medical	Homeo Medical Camp, Cardiology, General Medicine, Awareness Class, Free Medical camp and food to Oldage & Orphans children	Nagamallay, Vandiperiyar Group, Mooply, Panniar	1337
18	Sports	Cricket & Football tournaments	Vandiperiyar Group, Mooply	1350
19	Welfare	Aadhar Enrolment Camp	Nagamallay	250
20	Welfare	Womens May day celebrations	Mooply	520
21	Welfare	Renovation Poopara Post Office	Panniar	100
22	Welfare	Maintenance work at PNR LP school	Panniar	90

## EXTRACT OF ANNUAL RETURN (Annexure 'H' to Directors' Report)

Form MGT-9

### EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2015

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

#### I REGISTRATION AND OTHER DETAILS

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

#### II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/services	NIC Code of the Product/service*	% to total turnover of the Company
1	PLANTATIONS - TEA	1271	52.22
2	PLANTATIONS - RUBBER	1291	44.10

\*Based on NIC 2008 Classification

#### III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No	Name of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	HML Engineering Co. Ltd	U45200KL2011PLC028569	Subsidiary	100	2 (87)
2	Harmony Plantations Limited	U01100KL2012PLC030469	Subsidiary	100	2 (87)
3	Enchanting Plantations Limited	U01116KL2012PLC030473	Subsidiary	100	2 (87)

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



IV SHARE HOLDING PATTERN (Equity Share Capital Breakup as Percentage Of Total Equity)

i) Category-wise Share Holding

Sl. No.	Category of Shareholders	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change During the year	
		Demat	Physical	Total	% of total Shares	Demat	Physical		Total
A	Promoters								
1)	Indian								
	a) Individual/ HUF	90,000	-	90,000	0.49	90,000	-	90,000	0.49
	b) Central Govt	-	-	-	0.00	-	-	-	0.00
	c) State Govt	-	-	-	0.00	-	-	-	0.00
	d) Bodies Corp	5,291,575		5,291,575	28.67	5,291,575	-	5,291,575	28.67
	e) Banks/ FI	-	-	-	0.00	-	-	-	0.00
	f) Any other (Trust)	262,080	-	262,080	1.42	262,080	-	262,080	1.42
	<b>Sub- Total (A) (1)</b>	<b>5,643,655</b>	<b>-</b>	<b>5,643,655</b>	<b>30.58</b>	<b>5,643,655</b>	<b>-</b>	<b>5,643,655</b>	<b>30.58</b>
2)	Foreign								
	a) NRIs- Individuals	-	-	-	0.00	-	-	-	0.00
	b) Other Individuals	-	-	-	0.00	-	-	-	0.00
	c) Bodies Corp	-	3,640,000	3,640,000	19.72	-	3,640,000	3,640,000	19.72
	d) Banks/ FI	-	-	-	0.00	-	-	-	0.00
	e) Any Other	-	-	-	0.00	-	-	-	0.00
	<b>Sub Total (A) (2)</b>		<b>3,640,000</b>	<b>3,640,000</b>	<b>19.72</b>	<b>-</b>	<b>3,640,000</b>	<b>3,640,000</b>	<b>19.72</b>
	<b>Total Shareholding of Promoter (A) = (A)(1) + (A) (2)</b>	<b>5,643,655</b>	<b>3,640,000</b>	<b>9,283,655</b>	<b>50.30</b>	<b>5,643,655</b>	<b>3,640,000</b>	<b>9,283,655</b>	<b>50.30</b>
B	Public Shareholding								
1)	Institutions								
	a) Mutual Funds	6,500	520	7,020	0.04	6,500	520	7,020	0.04
	b) Banks/ FI	1,903	580	2,483	0.01	1,903	580	2,483	0.01
	c) Central Govt	-	-	-	0.00	-	-	-	0.00
	d) State Govts	-	-	-	0.00	-	-	-	0.00
	e) Venture Capital Funds	-	-	-	0.00	-	-	-	0.00
	f) Insurance Companies	33,570	-	33,570	0.18	21,715	-	21,715	0.12
	g) FIs	1,000	-	1,000	0.01	-	-	-	0.00
	h) Foreign Venture Capital Funds	-	-	-	0.00	-	-	-	0.00
	i) Others (specify)	240	-	240	0.00	240	-	240	0.00
	<b>Sub-total (B) (1)</b>	<b>43,213</b>	<b>1,100</b>	<b>44,313</b>	<b>0.24</b>	<b>30,358</b>	<b>1,100</b>	<b>31,458</b>	<b>0.17</b>

Sl. No.	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change During the year
		Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
2)	Non-Institutions									
	a) Bodies Corp									
	i) Indian	984,326	12,132	996,458	5.40	1,177,722	10,346	1,188,068	6.44	1.04
	ii) Overseas	-	-	-	0.00	-	-	-	0.00	0.00
	b) Individuals									
	i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	4,980,812	1,201,794	6,182,606	33.50	5,008,364	930,089	5,938,453	32.18	-1.32
	ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1,689,953	20,000	1,709,953	9.27	1,784,354	20,000	1,804,354	9.78	0.51
	c) Others (Specify)									
	i) Clearing Member	27,932	-	27,932	0.15	39,692	-	39,692	0.22	0.07
	ii) NRI (Repatriable)	83,118	4,255	87,373	0.47	60,451	3,965	64,416	0.35	0.12
	iii) NRI (Non-Repatriable)	36,703	-	36,703	0.20	30,596	-	30,596	0.17	0.03
	iv) HUF	79,773	-	79,773	0.43	61,561	-	61,561	0.33	0.10
	v) Market Makers	6,639	-	6,639	0.04	13,152	-	13,152	0.07	0.03
	<b>Sub-Total (B)(2)</b>	<b>7,889,256</b>	<b>1,238,181</b>	<b>9,127,437</b>	<b>49.46</b>	<b>8,175,892</b>	<b>964,400</b>	<b>9,140,292</b>	<b>49.53</b>	<b>0.07</b>
	<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>7,932,469</b>	<b>1,239,281</b>	<b>9,171,750</b>	<b>49.70</b>	<b>8,206,250</b>	<b>965,500</b>	<b>9,171,750</b>	<b>49.70</b>	<b>0.00</b>
C	Shares held by the Custodian for GDRs and ADRs	-	-	-	0.00	-	-	-	0.00	0.00
	<b>Grand Total (A + B + C)</b>	<b>13,576,124</b>	<b>4,879,281</b>	<b>18,455,405</b>	<b>100.00</b>	<b>13,849,905</b>	<b>4,605,500</b>	<b>18,455,405</b>	<b>100.00</b>	<b>0.00</b>

ii) Shareholding of promoters

Sl. No.	Shareholders Name	Shareholding at the Beginning of the year				Shareholding 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 share holders	% of total shares of the Company	No. of Shares	% of total shares of the Company	% of shares Pledged/ encumbered to total shareholders	% of total shares of the Company	
1	Rama Prasad Goenka	10000	0.05	NIL	0.05	10000	0.05	NIL	0	0
2	Sanjiv Goenka	35000	0.19	NIL	0.19	35000	0.19	NIL	0	0
3	Harsh Vardhan Goenka	45000	0.24	NIL	0.24	45000	0.24	NIL	0	0
4	Universal Industrial Fund Ltd	507983	2.75	NIL	0	0	0	NIL	-2.75	-2.75
5	Adapt Investments Ltd	200	0	NIL	0	0	0	NIL	0	0
6	Carnival Investments Limited	1121230	6.07	NIL	6.07	1121230	6.07	NIL	0	0



Sl. No.	Shareholders Name	Shareholding at the Beginning of the year				Shareholding 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 share holders	No. of Shares	% of total shares of the Company	% of shares Pledged/ encumbered to total shareholders			
7	Saregama India Ltd	100	0	NIL	100	0	NIL	0	0	
8	Zensar Technologies Ltd	100	0	NIL	100	0	NIL	0	0	
9	Instant Holdings Ltd	1420200	7.70	NIL	1420200	7.70	NIL	0	0	
10	Swallow Associates LLP	698670	3.79	NIL	698670	3.79	NIL	0	0	
11	Swallow Associates LLP	492052	2.67	NIL	492052	2.67	NIL	0	0	
12	Sumit Securities Ltd	728160	3.94	NIL	728160	3.94	NIL	0	0	
13	HML Trust No.I	43680	0.24	NIL	43680	0.24	NIL	0	0	
14	HML Trust No.II	43680	0.24	NIL	43680	0.24	NIL	0	0	
15	HML Trust No.III	43680	0.24	NIL	43680	0.24	NIL	0	0	
16	HML Trust No.IV	43680	0.24	NIL	43680	0.24	NIL	0	0	
17	HML Trust No.V	43680	0.24	NIL	43680	0.24	NIL	0	0	
18	HML Trust No.VI	43680	0.24	NIL	43680	0.24	NIL	0	0	
19	Puffin Investments Ltd	320230	1.73	NIL	0	0	NIL	-1.73		
20	Peregrine Enterprises Ltd	2650	0.01	NIL	0	0.01	NIL	-0.01		
21	Rainbow Investments Ltd	NIL	NIL	NIL	831063	4.50	NIL	4.50		
22	Malayalam Plantations Holdings Ltd., UK	3640000	19.72	NIL	3640000	19.72	NIL	0	0	
	<b>Total</b>	<b>9283655</b>	<b>50.30</b>	<b>NIL</b>	<b>9283655</b>	<b>50.30</b>	<b>NIL</b>	<b>0</b>	<b>0</b>	

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

Sl. No.	Shareholding	Date	Reason		Cumulative shareholding during the year (01-04-2014 to 31-03-2015)
			Increase / decrease in shareholding	No. of Shares	
1	Rama Prasad Goenka	01-04-14			
		01-04-14			
2	Sanjiv Goenka	31-03-15			
		01-04-14			
		31-03-15			
3	Harsh Vardhan Goenka	01-04-14			
		31-03-15			



Sl. No.	Shareholding	Date	Increase / decrease in shareholding	Reason	Cumulative shareholding during the year (01-04-2014 to 31-03-2015)	
					No. of Shares	% of total shares of the Company
4	Universal Industrial Fund Ltd.	01-04-14			507983	2.75
		14-11-14	(507983)	Amalgamation		
		31-03-15			-	-
5	Adapt Investments Ltd.	01-04-14			200	0.00
		14-11-14	(200)	Amalgamation		
		31-03-15			-	-
6	Carnival Investments Ltd.	01-04-14			1121230	6.07
		31-03-15			1121230	6.07
7	Saregama India Ltd.	01-04-14			100	0.00
		31-03-15			100	0.00
8	Zensar Technologies Ltd.	01-04-14			100	0.00
		31-03-15			100	0.00
9	Instant Holdings Ltd	01-04-14			1420200	7.70
		31-03-15			1420200	7.70
10*	Swallow Associates LLP	01-04-14			1190722	6.46
		31-03-15			1190722	6.46
11	Sumit Securities Ltd	01-04-14			728160	3.94
		31-03-15			728160	3.94
12	HML Trust I	01-04-14			43680	0.24
		31-03-15			43680	0.24
13	HML Trust II	01-04-14			43680	0.24
		31-03-15			43680	0.24
14	HML Trust III	01-04-14			43680	0.24
		31-03-15			43680	0.24
15	HML Trust IV	01-04-14			43680	0.24
		31-03-15			43680	0.24
16	HML Trust V	01-04-14			43680	0.24
		31-03-15			43680	0.24
17	HML Trust VI	01-04-14			43680	0.24
		31-03-15			43680	0.24



Sl. No.	Shareholding	Date	increase / decrease in shareholding	Reason	Cumulative shareholding during the year (01-04-2014 to 31-03-2015)	
					No. of Shares	% of total shares of the Company
18	Puffin Investments Ltd.	01-04-14				
		21-11-14	(320230)	Amalgamation		
		31-03-15	-			
		01-04-14	2650			
19	Peregrine Enterprises Ltd	21-11-14	(2650)	Amalgamation		
		31-03-15	-			
		01-04-14	-			
		01-04-14	831063			4.50
20	Rainbow Investments Ltd.	14-11-14	508183	Amalgamation		
		21-11-14	322880	Amalgamation		
		31-03-15	-			
		01-04-14	-			
21	Malayalam Plantation (Holdings) Ltd.	01-04-14				
		31-03-15	3640000			
		31-03-15	3640000			19.72

iv) Shareholding pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	Category of Shareholders	Date	increase / decrease in shareholding	Reason	Cumulative shareholding during the year (01-04-2014 to 31-03-2015)	
					No. of Shares	% of total shares of the Company
1	Hitesh Ramji Javeri	01-04-14				
		31-03-15			570000	3.09
		01-04-14				
2	Harsha Hitesh Javeri	01-04-14				
		31-03-15			352000	1.91
		01-04-14				
3	The Peninsular Plantations Ltd.	31-03-15			352000	1.91
		01-04-14				
		18-04-2014	(1500)	Sale		
		23-05-14	(1000)	Sale		
		30-05-14	(2000)	Sale		
		06-06-14	(1000)	Sale		
		11-07-14	(1000)	Purchase		
01-08-14	(1000)	Purchase				

Sl. No.	Category of Shareholders	Shareholding		Date	Increase / decrease in shareholding	Reason	Cumulative shareholding during the year (01-04-2014 to 31-03-2015)	
		No. of Shares at the Beginning (01-04-2014) / end of the year (31-03-2015)	% of total shares of the Company				No. of Shares	% of total shares of the Company
				08-08-14	1000	Purchase		
				15-08-14	1000	Purchase		
				05-09-14	2500	Purchase		
				10-10-14	(1000)	Sale		
				17-10-14	(2000)	Sale		
				07-11-14	(3500)	Sale		
				21-11-14	1000	Purchase		
				28-11-14	7000	Purchase		
				19-12-14	1000	Purchase		
				31-12-14	1767	Purchase		
				09-01-15	(1000)	Sale		
				02-02-15	3000	Purchase		
				13-03-15	2000	Purchase		
				20-03-15	1000	Purchase		
		116487	0.63	31-03-15			116487	0.63
4	Parvatavardhani Invest. Ltd.	97503	0.53	01-04-14				
				18-04-14	(1725)	Sale		
				25-04-14	(725)	Sale		
				30-05-14	(2000)	Sale		
				08-08-14	1000	Purchase		
				22-08-14	(1000)	Sale		
				29-08-14	(1000)	Sale		
				05-09-14	500	Purchase		
				17-10-14	(2000)	Sale		
				07-11-14	(1000)	Sale		
				28-11-14	(1000)	Sale		
				12-12-14	1000	Purchase		
				09-01-15	(1000)	Sale		
				16-01-15	(1000)	Sale		
		87553	0.47	31-03-15			87553	0.47
5	Pratik Shailesh Shah	71501	0.39	01-04-14				
				23-05-14	(501)	Sale		
		71000	0.38	31-03-15			71000	0.38



Sl. No.	Category of Shareholders	Shareholding		Date	Increase / decrease in shareholding	Reason	Cumulative shareholding during the year (01-04-2014 to 31-03-2015)		
		No. of Shares at the Beginning (01-04-2014) / end of the year (31-03-2015)	% of total shares of the Company				No. of Shares	% of total shares of the Company	
6	Trat Industries Limited	40654	0.22	01-04-14					
				19-09-14	250	purchase			
				05-12-14	23792	purchase			
				30-01-15	1000	purchase			
				13-02-15	1000	purchase			
				13-03-15	762	purchase			
7	The Woodland Estates Ltd	67458	0.37	31-03-15			67458	0.37	
		66941	0.36	01-04-14					
				30-05-14	(1750)	Sale			
				19-09-14	133	Purchase			
				30-09-14	(32)	Sale			
				03-10-14	(2000)	Sale			
				10-10-14	(1000)	Sale			
				31-10-14	(133)	Sale			
				23-03-15	5081	Purchase			
				31-03-15	67240			67240	0.36
				01-04-14	-				
8	S. Sethuram			08-08-14	85869	Purchase			
				10-10-14	(10000)	Sale			
				17-10-14	(10000)	Sale			
		65869	0.36	31-03-15			65869	0.36	
		63637	0.34	01-04-14					
9	Satish Madantal Gupta			23-05-14	430	Purchase			
				30-05-14	(2050)	Sale			
				06-06-14	(500)	Sale			
				30-06-14	(1000)	Sale			
				22-08-14	(975)	Sale			
				12-09-14	(542)	Sale			
				10-10-14	(2555)	Sale			
		56445	0.30	31-03-15			56445	0.30	
		39458	0.21	01-04-14					
				30-05-14	(458)	Sale			
10	Pratik Shailesh Shah			05-09-14	(1000)	Sale			
		38000	0.20	31-03-15			38000	0.17	

v) Shareholding of Directors and Key Managerial Personnel:

A	Name of Director	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	Golam Momen	560	0	560	0
<b>B</b>					
1	V. Venugopal	50	0	50	0
2	K. N. Mathew	100	0	100	0
3	P. A. Krishnamoorthy	50	0	50	0

V INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the Financial year</b>				
i.	10461.01	500.00	-	10961.01
ii.	-	-	-	-
iii.	26.26	19.99	-	46.24
	<b>10487.27</b>	<b>519.99</b>	<b>0.00</b>	<b>11007.25</b>
<b>Change in Indebtedness during the Financial year</b>				
	246.22	1503.60	-	1749.81
	(445.28)	(1018.26)	-	(1463.54)
	<b>(199.06)</b>	<b>485.34</b>	<b>0.00</b>	<b>286.27</b>
<b>Indebtedness at the end of the Financial year</b>				
i.	10253.87	1000.00	-	11253.87
ii.	-	-	-	0.00
iii.	34.33	5.32	-	39.66
	<b>10288.20</b>	<b>1005.32</b>	<b>-</b>	<b>11293.53</b>

Value - Rs lacs



## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A Remuneration to Managing Director, Whole-time Directors and/or Manager

Sl No.	Particulars of Remuneration	Name MD/WTD/Manager			Total Amount
		Mr. N. Dharmaraj (WTD)*	Mr. Ashok Goyal* (WTD)	Mr. V. Venugopal (Manager)	
1	Gross Salary				
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	52.93	27.68	37.10	117.71
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961		1.17	0.60	1.77
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	As % of profit				
	Others, specify				
5	Other - contribution to provident fund and superannuation fund		2.30	5.55	7.85
	<b>Total (A)</b>	<b>52.93</b>	<b>31.15</b>	<b>43.25</b>	<b>127.33</b>
	Ceiling as per the Act	120.00	120.00		

\* Mr. N Dharmaraj from August 8, 2014, Mr. Ashok Goyal up to July 24, 2014

### B REMUNERATION TO OTHER DIRECTORS

Sl No	Particulars of Remuneration	Name of Director					Amount
		Gulam Momen	Umang Kanoria	Haigreve Khaitan	Sucharita Basu	J M Koithary	
1	<b>Independent Directors</b>						
	Fee for attending board / committee meetings	1.00	0.75	0.25	0.60	0.75	3.35
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	<b>Total (1)</b>	<b>1.00</b>	<b>0.75</b>	<b>0.25</b>	<b>0.60</b>	<b>0.75</b>	<b>3.35</b>
2	<b>Other Non-Executive Directors</b>						
	Fee for attending board / committee meetings	1.00	0.20	0.20	0.45		1.85
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	<b>Total (2)</b>	<b>1.00</b>	<b>0.20</b>	<b>0.20</b>	<b>0.45</b>	<b>0.00</b>	<b>1.85</b>
	<b>Total (B) = (1+2)</b>	<b>2.00</b>	<b>0.95</b>	<b>0.45</b>	<b>1.05</b>	<b>0.75</b>	<b>5.20</b>
	<b>Total Managerial Remuneration (A)+(B)</b>						<b>132.53</b>

\* Mr. Ashok Goyal resigned on 24.7.2014, Mr. Ajit Singh Chouhan resigned on 12.02.2015

**C REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sl No	Particulars of Remuneration	Name of KMP			Rs lacs
		Ravi A (CS)	K N Mathew (CFO)	P.A. Krishnamoorthy (CFO)	
1	Gross Salary				
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	14.90	63.21		40.76
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.52			0.83
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option	-	-		-
3	Sweat Equity	-	-		-
4	Commission				
	As % of profit				
	Others, specify				
5	Other - contribution to provident fund and superannuation fund	2.14	-		4.58
	<b>Total (A)</b>	<b>17.56</b>	<b>63.21</b>		<b>46.17</b>
	Ceiling as per the Act				-

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

	Section of the companies Act	Brief Description	Details of penalty/punishment/Compounding fees imposed	Authority [RD/NCLT/COURT]	Appeal made, if any (give Details)
<b>A COMPANY</b>					
		Penalty	none		
		Punishment	none		
		Compounding	none		
<b>B DIRECTORS</b>					
		Penalty	none		
		Punishment	none		
		Compounding	none		
<b>C OTHER OFFICERS IN DEFAULT</b>					
		Penalty	none		
		Punishment	none		
		Compounding	none		



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

Name	Age	Designation	Qualification & Experience (in years)	Gross remuneration (Rs. Lacs)	Date of employment	Last employment
Mr. C. Vinayaraghavan	59	President	B. Sc. (Botany) (38)	92.92	01-04-1977	-

Note:

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

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

Information required under

The ratio of the remuneration of each Director to the Median remuneration of the employees of the Company for the financial year.	Mr. Sanjiv Goenka Mr. G Momen Mr. J.M.Kothary Mr. Haigreve Khaitan Mr. P. Rajagopalan Ms. Sucharita Basu Mr. Sachin Nandgaonkar Mr. Kaushik Roy Mr. N.Dharmaraj Mr. Umang Kanoria Mr. Ajit Singh Chouhan Mr. Ashok Goyal	- 1.43 1.07 0.36 1.43 0.86 0.29 0.29 75.84 1.07 0.64 44.63
The % increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.	Mr. Sanjiv Goenka Mr. G Momen Mr. J.M.Kothary Mr. Haigreve Khaitan Mr. P. Rajagopalan Ms. Sucharita Basu Mr. Sachin Nandgaonkar Mr. Kaushik Roy Mr. N.Dharmaraj Mr. Umang Kanoria Mr. Ajit Singh Chouhan Mr. Ashok Goyal Mr. K.N. Mathew, CFO Mr. P. A. Krishnamoorthy, CFO Mr. V. Venugopal, Manager Mr. A. Ravi, Company Secretary	- 0% 275% -50% 150% n.a n.a n.a n.a n.a n.a n.a - -3% -3% -5%



The % increase in the median remuneration of employees in the financial year	8.19%									
The number of permanent employees on the rolls of the Company	10085									
The explanation on the relationship between average increase in remuneration and Company performance	The increment budget of the organisation is defined based on ROCE and PAT. Last year the Company performance was 74% and accordingly the increment budget was allocated. The increments were also decided based on salaries prevailing in the industry in which the Company operates.									
Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company	There has been no increase in the remuneration of Key Managerial Personnel during the year.									
Variations in Market Capitalisation of the Company, price earnings ratio as at closing date of the current financial year and % increase / decrease in the market quotations of the shares of the Company in comparison at the rate at which the Company came out with the last public offer, in case of listed companies	<p>Variations in Market Capitalisation and PE ratio is as below</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>31.03.2015</th> <th>31.03.2014</th> </tr> </thead> <tbody> <tr> <td>Market Cap (Rs lacs)</td> <td>8167</td> <td>8868</td> </tr> <tr> <td>PE ratio</td> <td>-</td> <td>20.19</td> </tr> </tbody> </table> <p>No public offer has been made since 1993</p>	Particulars	31.03.2015	31.03.2014	Market Cap (Rs lacs)	8167	8868	PE ratio	-	20.19
Particulars	31.03.2015	31.03.2014								
Market Cap (Rs lacs)	8167	8868								
PE ratio	-	20.19								
Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	The average % increase in the salaries of employees on the rolls as on March 31, 2015 (other than managerial personnel) was 11%, whereas the increase in managerial remuneration for the same financial year was 10%									
The key parameters for any variable component of remuneration availed by the Directors.	N A									
The ratio of the remuneration of the highest paid Director to that of the employees who are not directors but receive in excess of the highest paid Director during the year.	0.57									
Affirmation that the remuneration is as per the remuneration policy of the Company.	Remuneration paid during the year ended March 31, 2015 is as per the Remuneration Policy of the Company.									



## Approximate Area Statement as at March 31, 2015

In Hectres

State, District and Estate	TEA			RUBBER			Total Planted	Other Plantings	Reserves etc.	Total
	Mature	Immature	Total	Mature	Immature	Total				
<b>KERALA</b>										
<b>Venture Valley</b>										
Nagamallay				346	223	569	569	141	167	817
Isfield				491	174	665	665	98	286	1049
Venture				306	181	487	487	46	94	627
<b>Ranni Valley</b>										
Koney				354	281	635	635	91	337	1063
Kumbazha				480	481	961	961		87	1048
Lahai				478	374	852	852	43	117	1012
Mundakayam				249	278	527	527	6	39	572
<b>Mooply Valley</b>										
Mooply				106	415	521	521	27	49	597
Palapilly				160	375	535	535	7	209	751
Kundai				360	661	1021	1021	3	80	1104
Kaliyar				357	176	533	533	2	58	593
<b>Vandiperiyar</b>										
Wallardie	417	99	516				516	109	203	828
Moongalaar	610	93	703				703	19	343	1065
Pattumalay	232		232				232	58	10	300
<b>High Range</b>										
Upper Surianalle	644	21	665				665	162	165	992
Lockhart	374	12	386				386	151	108	645
Panniar	301		301				301	49	51	401
<b>Wyanaad</b>										
Achoor	620	29	649				649	259	2577	3485
Chundale	232	34	266				266	46	570	882
Arrapetta	709	22	731				731	14	723	1468
Sentinel Rock	430	75	505				505	5	1005	1515
Touramulla	143		143				143		150	293
<b>TAMIL NADU</b>										
<b>Niligiris-Wyanaad</b>										
Wentworth	616		616				616	226	520	1362
Mayfield	308		308				308	72	427	807
<b>Total</b>	<b>5636</b>	<b>385</b>	<b>6021</b>	<b>3687</b>	<b>3619</b>	<b>7306</b>	<b>13327</b>	<b>1634</b>	<b>8375</b>	<b>23336</b>

Notes:

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

## **Independent Auditors' Report to the Members of Harrisons Malayalam Limited**

### **Report on the Standalone Financial Statements**

1. We have audited the accompanying standalone financial statements of Harrisons Malayalam Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the Standalone Financial Statements**

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements to 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 of 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.

### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements 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.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### **Opinion**

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its loss and its cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

9. As required by 'the Companies (Auditor's Report) Order, 2015', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. 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 March 31, 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) 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 knowledge and belief and according to the information and explanations given to us:
  - i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2015 on its financial position in its standalone financial statements – Refer Notes 28 and 29;
  - ii. There were no material foreseeable losses on the Company's long-term contracts including derivative contracts, as at March 31, 2015.
  - iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2015.

Kolkata  
May 28, 2015

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

**Pinaki Chowdhury**  
Partner  
Membership Number : 57572

## Annexure to Independent Auditors' Report

**Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Harrisons Malayalam Limited on the standalone financial statements for the year ended March 31, 2015**

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- ii. (a) The inventory [excluding stocks with third parties] has been physically verified by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. (a) The Company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3 (iii), (iii)(a) and (iii)(b) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified.
- vi. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been specified under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of, income tax, service tax, value added tax and other material statutory dues [other than arrears of Rs. 69.95 lacs relating to plantation tax (under The Kerala Plantations (Additional Tax) Act, 1960), arrears of Rs. 84.52 lacs relating to Land Tax ( under The Kerala Land Tax Act, 1961), arrears of Rs. 0.48 lacs relating to Municipal Tax (under the Kolkata Municipal Corporation Act, 1980) , arrears of Rs. 3.66 lacs relating to Agricultural Income Tax (under the Tamil Nadu Agricultural Income Tax Act, 1955), arrears of Rs. 33.29 lacs related to Value Added Tax (relating to Kerala Value Added Tax Act, 2003) and arrears of Rs. 1.07 lacs related to Dividend Distribution tax (relating to Income Tax Act, 1961) which are outstanding for a period of more than six months as on the Balance Sheet date], as applicable, with the appropriate authorities, though there have been slight delays in a few cases, and is regular in depositing undisputed statutory dues in respect of provident fund, employees' state insurance, wealth tax, sales tax, duty of customs and duty of excise and cess, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales-tax, wealth-tax, service-tax, duty of customs, duty of excise, value added tax and cess which have not been deposited on account of any dispute. The particulars of dues of income tax as at March 31, 2015 which have not been deposited on account of a dispute, are as follows

Name of the statute	Nature of dues	Amount (Rs. lacs.)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax and Interest thereon	594.34	2006-07, 2007-08, 2008-09, 2011-12, 2012-13	Commissioner of Income Tax, Appeals
Kerala Agricultural Income Tax Act, 1950/1991	Tax on Agricultural Income, interest and penalty thereon.	394.32	1980-81, 1981-82, 1982-83, 1983-84, 1984-85, 1985-86, 1994-95, 1995- 96, 1996-97, 1998-99	Assessing Officer
		6.03	1995-96	Inspecting Assistant Commissioner, Department of Commercial Taxes



- (c) The amounts required to be transferred to Investor Education and Protection Fund has been transferred within the stipulated time in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder.
- viii. The Company has no accumulated losses as at the end of the financial year and it has incurred cash losses in the financial year ended on that date. The Company has not incurred any cash losses in previous financial year ended on March 31, 2014.
- ix. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders, as applicable as at the balance sheet date.
- x. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 3(x) of the Order are not applicable to the Company.
- xi. In our opinion and according to the explanations given to us, the term loans have been applied, on an overall basis, for the purposes for which they were obtained.
- xii. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

Kolkata  
May 28, 2015

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

**Pinaki Chowdhury**  
Partner  
Membership Number : 57572

## Balance Sheet as at March 31, 2015

	Note	As at March 31, 2015 Rs. Lacs	As at March 31, 2014 Rs. Lacs
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Fund</b>			
Share Capital	2	1,845.43	1,845.43
Reserves and Surplus	3	26,820.70	30,346.57
		<b>28,666.13</b>	<b>32,192.00</b>
<b>Non-current Liabilities</b>			
Long term borrowings	4	5,929.77	6,881.04
Long term provisions	5	3,864.45	3,632.14
		<b>9,794.22</b>	<b>10,513.18</b>
<b>Current Liabilities</b>			
Short term borrowings	6	4,320.29	3,803.55
Trade payables	7	1,904.27	1,760.99
Other current liabilities	8	5,353.74	4,409.96
Short term provisions	9	1,269.38	1,443.10
		<b>12,847.68</b>	<b>11,417.60</b>
<b>Total</b>		<b>51,308.03</b>	<b>54,122.78</b>
<b>ASSETS</b>			
<b>Non current assets</b>			
Fixed assets	10		
Tangible assets		42,715.70	42,944.77
Intangible assets		59.00	-
Capital Work in progress		182.87	161.55
Intangible assets under development		-	53.94
Non current investments	11	6.02	6.02
Long term loans and advances	12	744.95	804.14
Other non current assets	13	1.73	300.89
		<b>43,710.27</b>	<b>44,271.31</b>
<b>Current assets</b>			
Current investments	14	15.00	15.00
Inventories	15	2,281.70	2,541.90
Trade receivables	16	1,277.55	1,485.65
Cash and bank balances	17	942.86	1,670.81
Short term loans and advances	18	2,254.36	2,669.90
Other current assets	19	826.29	1,468.21
		<b>7,597.76</b>	<b>9,851.47</b>
<b>Total</b>		<b>51,308.03</b>	<b>54,122.78</b>

The notes are an integral part of these financial statements

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

For and on behalf of the Board

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

**Kaushik Roy**  
Director

**Sachin Nandgaonkar**  
Director

**N.Dharmaraj**  
Whole Time Director

**Pinaki Chowdhury**  
Partner  
Membership No. 57572

**K N Mathew**  
CFO

**P A Krishnamoorthy**  
CFO

**Ravi A**  
Company Secretary

Kolkata  
May 28, 2015

Kolkata  
May 28, 2015



## Statement of Profit and Loss for the year ended March 31, 2015

	Note	Year ended March 31, 2015 Rs. Lacs	Year ended March 31, 2014 Rs. Lacs
Revenue from operations	20	32,663.86	36,419.09
Other income	21	326.46	266.03
<b>Total revenue</b>		<b>32,990.32</b>	<b>36,685.12</b>
<b>Expenses</b>			
Cost of materials consumed	22	9,041.07	10,433.99
Purchases of stock in trade	23	389.49	310.07
Changes in inventories of finished goods	24	64.71	(378.38)
Employee benefits expenses	25	13,233.14	12,288.41
Other expenses	26	11,644.92	11,365.20
Depreciation expenses	10	721.39	631.31
Finance cost	27	1,429.84	1,510.72
<b>Total expenses</b>		<b>36,524.56</b>	<b>36,161.32</b>
<b>Profit/(Loss) before extraordinary item and tax</b>		<b>(3,534.24)</b>	<b>523.80</b>
Extraordinary item (net)	42	13.95	25.63
<b>Profit/(Loss) before tax</b>		<b>(3,520.29)</b>	<b>549.43</b>
Tax expenses			
Current tax		-	70.00
<b>Profit/(Loss) for the year from continuing operations</b>		<b>(3,520.29)</b>	<b>479.43</b>
(Loss) from discontinuing operations	45 (b)	(5.58)	(37.93)
Tax expense of discontinuing operations		-	-
(Loss) from discontinuing operations after tax	45 (b)	(5.58)	(37.93)
<b>Profit/(Loss) for the year</b>		<b>(3,525.87)</b>	<b>441.50</b>
<b>Earnings/(Loss) per equity share</b>			
Equity shares of par value Rs.10/- each	40		
Basic and diluted (including extraordinary item)		(19.10)	2.39
Basic and diluted (excluding extraordinary item)		(19.18)	2.38

The notes are an integral part of these financial statements

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

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

**Pinaki Chowdhury**  
Partner  
Membership No. 57572

Kolkata  
May 28, 2015

For and on behalf of the Board

**Kaushik Roy**  
Director

**Sachin Nandgaonkar**  
Director

**N.Dharmaraj**  
Whole Time Director

**K N Mathew**  
CFO

**P A Krishnamoorthy**  
CFO

**Ravi A**  
Company Secretary

Kolkata  
May 28, 2015



## Cash Flow Statement for the year ended March 31, 2015

	For the year ended March 31, 2015 (Rs.Lacs)	For the year ended March 31, 2014 (Rs.Lacs)
<b>Cash Flow from Operating Activities</b>		
Profit before extraordinary item and tax	(3,539.82)	485.87
Adjustments for:		
Depreciation	729.45	646.99
Interest Income	(44.07)	(65.79)
Interest	1,413.69	1,389.58
Other borrowing cost	16.15	121.14
Provision for Doubtful Debts/ Advances created/ (written back)	(23.98)	22.82
Liability no longer required written back	-	(18.96)
(Profit) on Sale of Fixed Assets (net)	(6.06)	(12.02)
	2,085.18	2,083.76
Operating Profit before Working Capital changes	(1,454.64)	2,569.63
(Increase)/ Decrease in Inventories	260.20	(481.97)
(Increase)/ Decrease in Trade Receivables	215.26	(679.89)
(Increase)/ Decrease in Loans and Advances/ Other Current and Non Current Assets	1,374.53	129.74
Increase in Trade payables, Other Current Liabilities and Provisions	664.58	1,180.86
	2,514.57	148.74
Cash Generated from Operations	1,059.93	2,718.37
Income Tax (net of refund)	(23.52)	(116.59)
Net Cash generated from Operating Activities before extraordinary item	1,036.41	2,601.78
Extraordinary Item (Note 2 below)	-	51.79
<b>Net Cash generated from Operating Activities (A)</b>	1,036.41	2,549.99
<b>Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(560.36)	(718.70)
Sale of Fixed Assets	85.60	60.01
Purchase of non-current Investments	-	(1.00)
Interest Received	34.85	89.98
Maturity proceeds from non-current Investments	-	1.00
Maturity proceeds from current Investments	-	0.04
Net Cash (used in) Investing Activities before extraordinary item	(439.91)	(568.67)
Extraordinary Item (Note 2 below)	-	33.15
<b>Net Cash (used in) Investing Activities (B)</b>	(439.91)	(535.52)
<b>Cash Flow from Financing Activities</b>		
Proceeds from Long-term Borrowings	57.35	4,113.25
Repayment of Long-term Borrowings	(281.24)	(3,687.06)
Net increase/ (decrease) in Cash credit	16.74	(254.47)
Proceeds from other Short-term Borrowings	1,500.00	500.00
Repayment of other Short-term Borrowings	(1,000.00)	(1,000.00)
Interest Paid	(1,420.29)	(1,344.48)
Other borrowing costs paid	(16.15)	(121.14)
Dividend Paid (including tax on dividend Rs. 31.36 Lacs, Previous year Rs. 22.45 Lacs)	(216.19)	(160.43)
<b>Net Cash (used in) Financing Activities (C)</b>	(1,359.78)	(1,954.33)
Net Increase in Cash and Cash Equivalents (A+B+C)	(763.28)	60.14
Cash and Cash Equivalents at the beginning of the year	1,300.70	1,240.56
Cash and Cash Equivalents at the close of the year (Note 3 below)	537.42	1,300.70

**Notes :**

1. The above Cash Flow Statement has been prepared under indirect method set out in the Accounting Standard (AS) 3 Cash Flow Statement.
2. Refer Note 42 to the financial statements for information relating to Extraordinary item.
3. Cash and Cash Equivalents (Refer note 17 to financial statements) include Unpaid Dividend not available for use by the Company of Rs.52.48 Lacs (Previous year -Rs.52.76 Lacs)
4. Refer Note 45 to the financial statements for information relating to net cash flows attributable to discontinuing operations included above.
5. Previous year `s figures have been regrouped/ rearranged where considered necessary.

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

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

**Pinaki Chowdhury**  
Partner  
Membership No. 57572

Kolkata  
May 28, 2015

For and on behalf of the Board  
**Kaushik Roy**                      **Sachin Nandgaonkar**                      **N.Dharmaraj**  
Director                                      Director                                      Whole Time Director

**K N Mathew**                      **P A Krishnamoorthy**                      **Ravi A**  
CFO    CFO    Company Secretary

Kolkata  
May 28, 2015



## Notes to financial statements for the year ended March 31, 2015

### 1 Significant Accounting Policies

#### 1.1 Basis of Preparation of Financial Statements

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis, except for certain tangible fixed assets which are being carried at revalued amounts (refer note 1.3). Pursuant to section 133 of the Companies Act, 2013 read with rule 7 of Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements has been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non current classification of assets and liabilities.

#### 1.2 Use of estimates

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

#### 1.3 Fixed Assets and Depreciation

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

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

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

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

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

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

Tangible Fixed assets other than land & development are depreciated under the written down value method over the estimated useful lives of the assets, which are different from the lives prescribed under Schedule II to the Companies Act, 2013. In order to reflect the actual usage of the assets, the estimates of useful lives of the depreciable tangible fixed assets based on technical evaluation carried out by the Company's expert have not undergone a change on account of transition to the Companies Act, 2013 except in respect of certain agriculture assets included under Plant & Machinery which has been assessed to be 3 years.

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

	<b>Useful Lives</b>
Factory Buildings	30 years
Non Factory Buildings	60 years
Plant and Machinery (including agricultural assets)	3/ 20 years
Furniture and Fittings	6 years
Water Supply	20/ 30/ 60 years
Vehicles	10 years

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

#### **1.4 Impairment**

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

#### **1.5 Investments**

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

#### **1.6 Inventories**

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

#### **1.7 Foreign currency translation**

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

#### **1.8 Revenue Recognition**

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

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

#### **1.9 Derivative Contracts**

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

#### **1.10 Accounting for Government Grants**

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

#### **1.11 Employee Benefits**

i) Short Term

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

ii) Post Retirement

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

a) Provident fund

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

b) Superannuation

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

c) Gratuity

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



(iii) Other Long term :

Compensated absences

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

### 1.12 Replanting Expenses

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

### 1.13 Current and Deferred tax

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

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

### 1.14 Provisions and Contingent Liabilities

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

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

	As at March 31, 2015 Rs. Lacs	As at March 31, 2014 Rs. Lacs		
<b>2 Share Capital</b>				
<b>(i) Authorised:</b>				
3,00,00,000 Equity Shares of Rs.10 each	<b>3,000.00</b>	3,000.00		
<b>(ii) Issued, Subscribed and Paid up:</b>				
1,84,55,405 Equity Shares of Rs.10 each fully paid up	<b>1,845.54</b>	1,845.54		
Less: Allotment Money in Arrears	<b>0.11</b>	0.11		
	<b>1,845.43</b>	1,845.43		
	<b>March 31, 2015</b>	<b>March 31, 2014</b>		
	<b>Number of shares</b>	<b>Rs. Lacs</b>	<b>Number of shares</b>	<b>Rs. Lacs</b>
(iii) Number of shares outstanding as at the beginning of the year	<b>18,455,405</b>	<b>1,845.43</b>	18,455,405	1,845.43
Number of shares outstanding as at the end of the year	<b>18,455,405</b>	<b>1,845.43</b>	18,455,405	1,845.43
(iv) Shares in the Company held by each shareholder holding more than 5 percent shares :				
	<b>March 31, 2015</b>		<b>March 31, 2014</b>	
	<b>Number of shares</b>	<b>% holding</b>	<b>Number of shares</b>	<b>% holding</b>
Malayalam Plantations (Holdings) Limited	3,640,000	19.72%	3,640,000	19.72%
Instant Holdings Limited	1,420,200	7.70%	1,605,200	7.70%
Carniwal Investments Ltd	1,121,230	6.08%	1,121,230	6.08%

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

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

### 3 Reserves and Surplus

				Rs. Lacs
Reserves	Balance as at March 31, 2014	Additions	Deductions	Balance as at March 31, 2015
Capital Reserve				
Securities premium account	5,002.91	-	-	<b>5,002.91</b>
Fixed assets revaluation reserve	13,957.19	-	-	<b>13,957.19</b>
Other Reserves				
Reserve arising from amalgamation	291.33	-	-	<b>291.33</b>
Housing subsidy reserve	5.26	-	-	<b>5.26</b>
General Reserve	1,687.82	-	-	<b>1,687.82</b>
<b>Total</b>	<b>20,944.51</b>	<b>-</b>	<b>-</b>	<b>20,944.51</b>
<b>Surplus in Statement of Profit and Loss</b>		<b>As at March 31, 2015</b>		<b>As at March 31, 2014</b>
Balance as at the beginning of the year		<b>9,402.06</b>		<b>9,176.47</b>
Add/ Less:				
Profit/(Loss) for the year as per Statement of Profit and Loss		<b>(3,525.87)</b>		<b>441.50</b>
Less: Appropriations				
Proposed Final Dividend on Equity Shares @ Re Nil per share (Previous year @ Rs. 1 per share)	-		184.55	
Tax on dividends	-		31.36	
		-		<b>215.91</b>
Balance as at the end of the year		<b>5,876.19</b>		<b>9,402.06</b>
<b>Total Reserves and Surplus</b>		<b>26,820.70</b>		<b>30,346.57</b>

<b>As at March 31, 2015</b>	As at March 31, 2014
<b>Rs. Lacs</b>	Rs. Lacs

### 4 Long term borrowings

#### Secured

##### Term loan

From Banks	<b>6,563.59</b>	6,673.62
From Others	<b>369.99</b>	483.85
	<b>6,933.58</b>	7,157.47
Less: Current maturities of Long Term Debt referred to in Note 8	<b>(1,003.81)</b>	(276.43)
	<b>5,929.77</b>	6,881.04

#### Term loan from banks

- a Loan availed Rs.6,000.00 Lacs during 2010-11 and 2011-12 repayable in 17 quarterly instalments of Rs.333.30 Lacs commencing from September 2012 and final quarterly instalment of Rs.333.90 Lacs is secured by equitable mortgage of immovable properties of the Company situated in Kumbazha estate. The loan carries an interest rate of base rate plus 3% per annum payable on a monthly basis from disbursement of the loan. During March 2014, the Company has revised the terms of repayment of the loan outstanding of Rs. 1,500 lacs



(balance being paid) repayable in 5 quarterly instalments commencing from December 2015 of Rs. 166.67 Lacs and Rs. 333.33 Lacs for the balance 4 instalments upto December 2016. Year end balance is Rs. 1,500.01 Lacs (Previous year Rs. 1,500.01 Lacs).

- b Loan availed of Rs.1,173.61 Lacs during 2012-2013 is repayable in 31 quarterly instalments of Rs.36.69 Lacs commencing from July 2014 and final quarterly instalment of Rs. 36.22 Lacs, is secured by equitable mortgage to be created on immovable property of the Company situated in Mayfield Estate. The loan carries an interest rate of base rate plus 2.75% per annum payable on a monthly basis from disbursement of the loan. Year end balance is Rs. 1,063.58 Lacs (Previous year Rs. 1,173.61 Lacs)
- c Loan availed of Rs. 4,000.00 Lacs during the year 2013-14 is repayable in 24 quarterly instalments repayable as 6 quarterly instalments of Rs. 50.00 Lacs commencing from June 2015 upto September 2016, 4 quarterly instalments of Rs. 100.00 Lacs from December 2016 to September 2017, 8 quarterly instalment of Rs. 200.00 Lacs from December 2017 to September 2019, 4 quarterly instalments of Rs. 250.00 Lacs from December 2019 to September 2020 and 2 quarterly final instalments of Rs. 350 Lacs from December 2020 to March 2021, is secured by equitable mortgage of immovable properties of the Company situated in Kumbazha estate. The loan carries an interest rate of base rate plus 2% per annum payable on a monthly basis from disbursement of the loan. Year end balance is Rs. 4,000.00 Lacs (Previous year Rs. 4,000.00 Lacs).

#### Term loan from others

- d Term loan from others are secured by hypothecation of assets acquired out of these loans which are repayable in equated monthly instalments (ranging between 3 to 5 years) along with the applicable interest rates (ranging between 10.49% to 15.50%).

Repayment terms :	As at March 31, 2015 Rs. Lacs	As at March 31, 2014 Rs. Lacs
Payable in 0-1 year	157.05	166.36
Payable in 1-2 years	122.87	143.10
Payable in 2-3 years	83.40	107.89
Payable in 3-4 years	6.67	66.50
	<b>369.99</b>	<b>483.85</b>

## 5 Long term provisions

#### Provision for employee benefits:

Provision for gratuity	3,305.22	3,081.87
Provision for compensated absence	67.23	58.27
	<b>3,372.45</b>	<b>3,140.14</b>

#### Other Provisions:

Contingency reserve #	492.00	492.00
	<b>3,864.45</b>	<b>3,632.14</b>

#

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

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

	As at March 31, 2015 Rs. Lacs	As at March 31, 2014 Rs. Lacs
<b>6 Short term borrowings</b>		
<b>Secured</b>		
Cash credit from banks repayable on demand	<b>3,320.29</b>	3,303.55
<b>Unsecured</b>		
Short term loan from bank	<b>1,000.00</b>	500.00
	<b>4,320.29</b>	3,803.55

**Cash credit from banks**

Secured by equitable mortgage of immovable properties of the Company situated in Arrapetta Estate, hypothecation of standing crop in Achoor, Arrapetta, Panniar, Mayfield, Lahai, Isfield and Nagamallay Estates and by hypothecation of stocks of tea, rubber, trading merchandise, stores and spares, book debts and other movable assets both present and future.

**7 Trade payables**

Due to Micro and Small Enterprises	<b>43.53</b>	27.41
Others	<b>1,860.74</b>	1,733.58
	<b>1,904.27</b>	1,760.99

**Micro and Small Enterprises :**

The Company has amounts due to suppliers under Micro, Small and Medium Enterprises Development Act, 2006 ( MSMED ) Principal amount and the interest due thereon remaining unpaid to suppliers under MSMED as at the end of accounting year

Principal	<b>19.20</b>	5.62
Interest	<b>0.66</b>	0.95

Interest paid to suppliers under section 16 of MSMED along with the amount of the payment made to suppliers beyond the appointed day during the year	-	-
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The amount of interest due and payable for principal paid during the year beyond the appointed day without adding the interest specified under

**MSMED**

Principal	<b>89.52</b>	232.05
Interest	<b>1.88</b>	2.39

The amount of interest accrued and remaining unpaid at the end of the year (including Rs.21.79 Lacs (Previous year Rs.18.45 Lacs) being interest outstanding as at the beginning of the accounting year)	<b>24.33</b>	21.79
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The amount of further interest remaining due and payable even in the succeeding year, until such date when interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as deductible expenditure under Section 23 of the MSMED	<b>2.54</b>	3.34
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	As at March 31, 2015 Rs. Lacs	As at March 31, 2014 Rs. Lacs
<b>8 Other current liabilities</b>		
Current maturities of long term borrowings ( Refer Note 4)	<b>1,003.81</b>	276.43
Interest accrued but not due on borrowings	<b>39.65</b>	46.25
Unpaid dividends *	<b>52.48</b>	52.76
Others :		
Employee benefits payable	<b>1,642.42</b>	1,187.34
Statutory dues	<b>2,269.50</b>	2,149.14
Advance from customers	<b>201.69</b>	387.05
Deposits received from customers	<b>144.19</b>	310.99
	<b>5,353.74</b>	4,409.96

\* There are no amounts due for payment to the Investor Education and Protection Fund under Section 205C of The Companies Act, 1956 as at the year end.

## 9 Short term provisions

### Provision for employee benefits:

Provision for gratuity	<b>531.00</b>	468.72
Provision for compensated absence	<b>33.11</b>	29.68

### Others :

Provision for		
Income tax (Net of advance tax of Rs. 13,869.35 Lacs; Previous year Rs. 13,845.83 Lacs)	<b>578.56</b>	602.08
Fringe benefit tax (Net of advance tax of Rs. 92.42 Lacs; Previous year Rs.92.42 Lacs)	<b>122.64</b>	122.64
Provision for warranty #	<b>3.00</b>	3.00
Proposed dividend	-	184.55
Tax on proposed dividend	<b>1.07</b>	32.43
	<b>1,269.38</b>	1,443.10

### #

Balance at the beginning of the year	<b>3.00</b>	3.00
Provision made during the year	<b>3.00</b>	3.00
Utilised / Reversed during the year	<b>(3.00)</b>	(3.00)
Balance at the end of the year	<b>3.00</b>	3.00



**Note 10** **Fixed Assets** Rs. Lacs

Description of Assets	Gross Block			Depreciation			Net Block	
	Cost/ Valuation as at March 31, 2014	Additions	Disposals/ Adjustments	Cost/ Valuation as at March 31, 2015	For the year	On Disposals/ Adjustments	As at March 31, 2015	As at March 31, 2014
<b>Tangible assets</b>								
Land and Development - Freehold and Leasehold (Note 1 below)	39,327.10	55.76	-	<b>39,382.86</b>	-	-	<b>39,382.86</b>	39,327.10
Buildings	3,672.67	177.34	3.50	<b>3,846.51</b>	106.59	2.73	<b>2,387.97</b>	1,388.56
Plant and Machinery	6,028.64	284.38	200.63	<b>6,112.39</b>	492.40	140.62	<b>4,757.51</b>	1,622.91
Furniture and Fittings	305.53	7.24	0.53	<b>312.24</b>	13.56	0.54	<b>276.27</b>	42.28
Water Supply	895.65	8.27	17.16	<b>886.76</b>	31.63	8.83	<b>642.49</b>	275.96
Vehicles	740.28	45.93	39.66	<b>746.55</b>	84.27	29.22	<b>507.37</b>	287.96
<b>Total Tangible assets</b>	<b>50,969.87</b>	<b>578.92</b>	<b>261.48</b>	<b>51,287.31</b>	<b>728.45</b>	<b>181.94</b>	<b>42,715.70</b>	<b>42,944.77</b>
Previous year	50,489.46	928.00	447.59	50,969.87	646.99	262.57	8,025.10	
<b>Intangible Assets</b>								
Computer Software	-	60.00	-	<b>60.00</b>	1.00	-	<b>59.00</b>	-
<b>Total Intangible assets</b>	<b>-</b>	<b>60.00</b>	<b>-</b>	<b>60.00</b>	<b>1.00</b>	<b>-</b>	<b>59.00</b>	<b>-</b>
Previous year	-	-	-	-	-	-	-	-
<b>Grand Total</b>	<b>50,969.87</b>	<b>638.92</b>	<b>261.48</b>	<b>51,347.31</b>	<b>729.45</b>	<b>181.94</b>	<b>42,774.70</b>	<b>42,944.77</b>
Previous Year	50,489.46	928.00	447.59	50,969.87	646.99	262.57	8,025.10	
Capital Work-in-Progress - at cost -Tangible Assets							<b>182.87</b>	161.55
<b>Intangible Assets under development</b>							<b>42,957.57</b>	43,106.32
Computer Software Implementation cost							<b>-</b>	53.94
							<b>42,957.57</b>	43,160.26

Notes :

- Land and development includes
  - Certain leasehold lands the value of which is not separately ascertainable
  - Rs. 13,957.19 Lacs added on revaluation during 1990-1991 and credited to Fixed Assets Revaluation Reserve.
  - Rs. 22,739.61 Lacs added on revaluation during 2009-2010 and credited to Fixed Assets Revaluation Reserve. The credit to Fixed Assets Revaluation Reserve has been adjusted against the excess of liabilities over the assets taken over (Rs.21,233.80 lacs) and the carrying value of investments in the shares of the wholly owned subsidiary companies (Rs.1,218.91 lacs) and the balance amount of Rs.286.90 Lacs was transferred to Capital Reserve arising from amalgamation as per the scheme.
- Depreciation for the year includes Rs. 8.06 lacs (Previous year Rs. 15.68 lacs) relating to discontinuing operation (refer Note 45)
- Depreciation for the year on Plant and Machinery includes Rs. 123.71 lacs being additional depreciation charge consequent to change of useful lives of certain agriculture assets from 20 years to 3 years



	As at March 31, 2015 Rs. Lacs	As at March 31, 2014 Rs. Lacs
<b>11 Non current investments</b>		
<b>Long term - At cost</b>		
<b>Other than trade</b>		
<b>Unquoted investment</b>		
(i) Investments in Equity shares of Subsidiaries		
49,993 Equity Shares of Rs. 10 each in HML Engineering Company Limited	5.00	5.00
(ii) Investment in government securities		
National Savings Certificates	0.02	0.02
Treasury Savings Account	1.00	1.00
	<b>6.02</b>	<b>6.02</b>
<b>12 Long term loans and advances</b>		
<b>Un-secured and considered good</b>		
Capital Advances	22.30	68.24
Electricity and other deposits	231.42	244.67
Advance to workers	491.23	491.23
	<b>744.95</b>	<b>804.14</b>
<b>13 Other non current assets</b>		
<b>Un-secured and considered good</b>		
Margin money deposit with Banks having maturity more than 12 months	-	16.37
Bank Deposit on lien	1.73	1.73
Retention money	-	282.79
	<b>1.73</b>	<b>300.89</b>
<b>14 Current investments</b>		
<b>At lower of cost and fair value</b>		
<b>Other than trade</b>		
<b>Unquoted investment</b>		
(i) Investments in Equity shares of Subsidiaries		
100,000 Equity Shares of Rs. 10 each in Enchanting Plantations Limited	10.00	10.00
50,000 Equity Shares of Rs. 10 each in Harmony Plantations Limited	5.00	5.00
	<b>15.00</b>	<b>15.00</b>
<b>15 Inventories</b>		
<b>At lower of cost and net realisable value</b>		
Finished goods *	1,228.72	1,293.43
Stores and spares #	1,021.62	1,145.87
Raw (Construction) materials @	6.43	49.38
Nurseries	24.93	53.22
	<b>2,281.70</b>	<b>2,541.90</b>

	As at March 31, 2015 Rs. Lacs	As at March 31, 2014 Rs. Lacs
* Particulars of closing inventories of Finished goods		
Tea	1,045.15	1,076.01
Rubber	183.57	217.42
	<b>1,228.72</b>	<b>1,293.43</b>
# Stores and spares includes packing materials of Rs. 343.61 lacs (Previous year- Rs. 344.53 lacs)		
@ Particulars of closing inventories of Raw (Construction) materials		
Torsteel	-	2.55
Tiles	2.35	2.64
Others	4.08	44.19
	<b>6.43</b>	<b>49.38</b>
<b>16 Trade receivables</b>		
<b>Unsecured</b>		
Outstanding for a period of more than six months from the due date of payment.		
Considered good	122.39	188.44
Considered doubtful	389.51	396.67
Less: Provision for doubtful receivables	<b>(389.51)</b>	<b>(396.67)</b>
	<b>122.39</b>	<b>188.44</b>
Other debts		
Considered good	1,155.16	1,297.21
	<b>1,155.16</b>	<b>1,297.21</b>
	<b>1,277.55</b>	<b>1,485.65</b>
<b>17 Cash and Bank balances</b>		
Cash and cash equivalent		
Cash on hand	10.78	13.40
Balance with banks		
On current accounts	474.16	1,234.54
Unpaid dividend accounts *	52.48	52.76
	<b>537.42</b>	<b>1,300.70</b>
Other bank balances		
Margin money deposits with original maturity greater than 3 months and maturing within 12 months	405.44	370.11
	<b>942.86</b>	<b>1,670.81</b>
* Earmarked for payment of unclaimed dividend		



	As at March 31, 2015 Rs. Lacs	As at March 31, 2014 Rs. Lacs
<b>18 Short term loans and advances</b>		
<b>Un-secured and considered good</b>		
Advances to related parties - Subsidiaries (Refer Note 39)	-	0.30
Advances to employees	53.50	98.79
Advance to suppliers	127.18	158.00
Balances with Government Authorities	1,915.16	1,991.69
Prepaid expenses	124.78	182.43
Claims recoverable	-	194.49
Advances to body corporates/ trusts /individuals	33.74	44.20
	<b>2,254.36</b>	<b>2,669.90</b>
<b>Un-secured and considered doubtful</b>		
Balances with Government Authorities	27.14	27.14
Advance to suppliers	26.09	42.91
Advances to body corporates	189.64	189.64
	<b>242.87</b>	<b>259.69</b>
Less: provision for doubtful advances	<b>(242.87)</b>	<b>(259.69)</b>
	<b>2,254.36</b>	<b>2,669.90</b>
<b>19 Other current assets</b>		
<b>Un-secured and considered good</b>		
Subsidy receivable	442.86	329.02
Unbilled revenue	220.60	993.98
Retention money	45.04	-
Export Entitlement	93.90	130.54
Interest accrued on bank deposits	23.89	14.67
	<b>826.29</b>	<b>1,468.21</b>
	<b>Year ended March 31, 2015 Rs.Lacs</b>	<b>Year ended March 31, 2014 Rs.Lacs</b>
<b>20 Revenue from operations</b>		
Sale of products *	31,742.29	34,520.09
Sale of Services #	443.24	1,989.17
Other operating revenues		
Sale of Rubber/ Grevillea Trees	-	950.47
Tea Board Subsidy	302.71	339.72
Export entitlements	145.38	151.84
Others	473.48	456.97
	<b>33,107.10</b>	<b>38,408.26</b>
Less: Discounting operation (Refer Note 45)	<b>443.24</b>	<b>1,989.17</b>
	<b>32,663.86</b>	<b>36,419.09</b>

	Year ended March 31, 2015 Rs.Lacs	Year ended March 31, 2014 Rs.Lacs
<b>* Details of sale of products</b>		
Tea	16,579.49	17,820.83
Rubber	14,580.62	16,171.54
Fruits, Spices and others	339.90	236.62
Green leaf	242.28	291.10
	<b>31,742.29</b>	<b>34,520.09</b>
<b># Details of sale of services (Discontinuing operation)</b>		
Construction contracts ( Refer Note 37 )	443.24	1,989.17
<b>21 Other Income</b>		
Interest income on		
Bank deposits and other deposits	44.07	65.77
Non-current investments	-	0.02
Profit on sale of fixed assets (net)	6.06	12.02
Liability no longer required written back	-	18.96
Provision for doubtful debts/ advances written back(net)	23.98	-
Other non-operating income	254.85	181.22
	<b>328.96</b>	<b>277.99</b>
Less: Discontinuing operation (Refer Note 45)	2.50	11.96
	<b>326.46</b>	<b>266.03</b>
<b>22 Cost of materials consumed</b> (all indigenous)		
Inventory at the beginning of the year	-	-
Add : Purchases	9,041.07	10,433.99
	<b>9,041.07</b>	<b>10,433.99</b>
Less : Inventory at the end of the year	-	-
Cost of materials consumed	<b>9,041.07</b>	<b>10,433.99</b>
<b>Details of materials consumed:</b>		
Green leaf	2,644.94	3,336.74
Bought latex and sheets	5,963.65	6,789.64
Tea used for blending	432.48	307.61
	<b>9,041.07</b>	<b>10,433.99</b>
<b>23 Purchase of stock-in-trade</b>		
Cenex / TSR	372.34	301.42
Fruits, spices and others	17.15	8.65
	<b>389.49</b>	<b>310.07</b>



	Year ended March 31, 2015 Rs.Lacs	Year ended March 31, 2014 Rs.Lacs
<b>24 Changes in inventories of finished goods</b>		
<b>Inventory at the end of the year</b>		
Tea	1,045.15	1,076.01
Rubber	183.57	217.42
	<b>1,228.72</b>	<b>1,293.43</b>
<b>Inventory at the beginning of the year</b>		
Tea	1,076.01	800.74
Rubber	217.42	166.10
	<b>1,293.43</b>	<b>966.84</b>
Add: Extraordinary Item (Refer Note 42)	-	51.79
	<b>64.71</b>	<b>(378.38)</b>
<b>25 Employee benefits expenses</b>		
Salaries and wages	10,806.41	9,671.32
Contribution to Provident Fund	1,188.41	1,072.78
Contribution to Superannuation Fund	87.01	71.81
Gratuity	939.30	1,292.76
Staff welfare expenses	279.68	280.86
	<b>13,300.81</b>	<b>12,389.53</b>
Less: Discontinuing operation (Refer Note 45)	67.67	101.12
	<b>13,233.14</b>	<b>12,288.41</b>

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

	2014-15	2013-14	2012-13	2011-12	2010-11
<b>1 Present value of obligation at the beginning of the year</b>	<b>3,550.59</b>	2,833.00	2,704.99	2,116.00	1,962.75
Interest cost	246.94	222.73	189.07	153.95	135.61
Current service cost	207.74	165.23	615.68	285.64	284.10
Benefits paid	(653.67)	(575.17)	(696.63)	(390.72)	(545.94)
Actuarial loss	484.62	904.80	19.89	540.12	279.48
<b>Present value of obligation at the Balance Sheet date (Amount recognised in Balance Sheet)</b>	<b>3,836.22</b>	3,550.59	2,833.00	2,704.99	2,116.00
<b>2 Amounts recognized in the Statement of Profit and Loss</b>					
Current service cost	207.74	165.23	615.68	285.64	284.10
Interest cost	246.94	222.73	189.07	153.95	135.61
Actuarial loss	484.62	904.80	19.89	540.12	279.48
<b>Expenses recognized in the Statement of Profit and Loss ( Refer Note 25 )</b>	<b>939.30</b>	1,292.76	824.64	979.71	699.19
<b>3 Principal actuarial assumptions</b>					
Discount rate	7.66%	8.75%	8.00%	8.00%	8.00%
Salary escalation	5.00%	5.00%	5.00%	5.00%	5.00%
Attrition rate	3.00%	3.00%	3.00%	3.00%	3.00%

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

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

	<b>2014-15</b>	2013-14
	<b>Rs. Lacs</b>	Rs. Lacs
Contribution to Provident Fund ( included in Contribution to Provident Fund in Note 25)	<b>1,188.41</b>	1,072.78
Contribution to Superannuation Fund ( Refer Note 25 )	<b>87.01</b>	71.81

**26 Other expenses**

	<b>Year ended March 31, 2015</b>	Year ended March 31, 2014
	<b>Rs.Lacs</b>	Rs.Lacs
Consumption of Stores and Spare Parts ( Refer note 31)	<b>2,071.70</b>	2,169.32
Consumption of Packing material ( Refer note 32 )	<b>929.03</b>	636.12
Engineering Contract Cost - Materials and Other Expenses	<b>315.97</b>	1,775.06
Contract Costs	<b>1,266.48</b>	987.48
Power and Fuel	<b>2,130.99</b>	2,042.90
Rent	<b>118.17</b>	104.80
Rates and Taxes	<b>202.41</b>	140.27
Repairs and Maintenance		
Buildings	<b>275.82</b>	269.14
Plant and Machinery	<b>275.44</b>	313.48
Others	<b>78.68</b>	67.43
Insurance	<b>78.77</b>	70.44
Tea Cess	<b>81.29</b>	81.25
*Replanting Expenses	<b>1,392.50</b>	1,827.85
Travelling and Conveyance	<b>490.95</b>	531.71
Brokerage and Discount	<b>144.65</b>	171.51
Commission to Selling agent	<b>8.47</b>	7.33
Freight, Shipping, Transport and other charges	<b>835.43</b>	679.01
Directors' Sitting Fees	<b>5.20</b>	4.45
**Expenditure towards Corporate Social Responsibility	<b>13.50</b>	-
Provision for Doubtful Debts/ Advances	<b>-</b>	22.82
Advances written off	<b>16.82</b>	-
Miscellaneous Expenses	<b>1,288.24</b>	1,385.09
	<b>12,020.51</b>	13,287.46
Less: Discontinuing operation (Refer Note 45)	<b>375.59</b>	1,922.26
	<b>11,644.92</b>	11,365.20

\* Replanting expense includes material consumption and wages of Rs. 266.80 lacs (Previous year Rs.343.94 lacs) and Rs. 1,036.77 lacs (Previous year- Rs.1,257.88 lacs) respectively

\*\*Expenditure towards Corporate Social Responsibility (CSR) activities

a) Gross amount required to be spent by the Company during the year

b) Amount spent during the year

(i) Construction/ acquisition of any asset

(ii) Purpose other than (i) above

	<b>Year ended March 31, 2015</b>	Year ended March 31, 2014
a) Gross amount required to be spent by the Company during the year	<b>12.74</b>	-
b) Amount spent during the year		
(i) Construction/ acquisition of any asset	<b>-</b>	-
(ii) Purpose other than (i) above	<b>13.50</b>	-

**27 Finance Costs**

Interest expense	<b>1,413.69</b>	1,389.58
Other borrowing cost	<b>16.15</b>	121.14
	<b>1,429.84</b>	1,510.72



	As at March 31, 2015 Rs. Lacs	As at March 31, 2014 Rs. Lacs
<b>28 Contingent Liabilities and commitments</b>		
<b>28.1 Contingent Liabilities :</b>		
a) Claims against the Company not acknowledged as debt		
i. Employee related	367.59	324.71
ii. Penalties under section 14B of Employees' Provident Fund Miscellaneous Provisions Act 1952	59.33	49.41
iii. Disputed Income Tax matters	1,302.59	1,019.97
iv. The Government of Kerala had issued a notification in February 2006, enhancing the minimum wages of plantation workers which has been challenged by the Association of Planters of Kerala of which the Company was a member and an interim stay was granted by the High Court of Kerala. As the Company resigned from Association of Planters of Kerala with effect from 12.02.2007, a separate writ petition was filed and an interim stay of the Government Notification obtained.	205.47	348.49
b) Others		
(i) Outstanding bills discounted with bank	77.78	-
<b>28.2 Commitments :</b>		
Estimated amount of contracts remaining to be executed on Capital Account and not provided for, net of advance payments of Rs.22.30 lacs (Previous year Rs.68.24 lacs)	1.53	121.94
<b>29 No adjustment is required to be made in the accounts in respect of :</b>		
a) An area of 807 hectares (approximately) [Previous Year 807 hectares (approximately)], which is on a leasehold tenure falls under the provisions of the Gudalur Jenmam Estate (Abolition and Conversion into Ryotwari) Act, 1969. Company's appeal challenging the Order of the Settlement Officer rejecting its application for Patta is pending before the District Court, Ooty. The status quo Orders passed by the Madras High Court challenging the notification of 335 Hectares (Previous Year 335 hectares) out of this area as forest by the Government of Tamil Nadu is also in force.		
b) An area of 178 hectares (approximately) [Previous Year 125.80 hectares (approximately)] deemed to have been vested with the Government of Kerala pursuant to Kerala Private Forests (Vesting and Assignment) Act, 1971, as the Company's claim for the exclusion of the area from the purview of the Act is pending decision of the Forest Tribunal, Palghat and restoration by the Forest Department.		
c) An area of 2588 hectares (approximately) [Previous Year 2588 hectares (approximately)] liable to be surrendered to the Government of Kerala under the Kerala Private Forests (Vesting and Assignment) Act, 1971, as the appeals relating to this area are pending in the High Court of Kerala.		
d) The Vythiri Taluk Land Board's order directing the Company to surrender 707 hectares (approximately) [Previous Year 707 hectares (approximately)] as excess land under the Kerala Land Reforms Act, 1963 has been set aside by the High Court of Kerala on a revision petition filed by the Company and the matter has been remanded to the Vythiri Taluk Land Board for fresh consideration and disposal.		
e) An area of 415 hectares (approximately) [Previous Year 415 hectares (approximately)] held to be surplus under the Tamil Nadu Land Reforms (Fixation of Ceiling on Land) Act, 1961 as the Special Land Tribunal, Madras has remanded the matter for fresh consideration by the Authorised Officer, Coimbatore.		
f) An area of 1152 hectares (approximately) [Previous Year 1310 hectares (approximately)] in respect of which cases filed by Janmies (original owners) of Lahai, Koney and Arrapetta Estates challenging the validity of the lease is pending before the Sub-Court, Pathanamthitta, Sub-Court, Sulthan Bathery and High Court of Kerala.		
g) An area of 304 hectares (approximately) [Previous Year 304 hectares (approximately)] re-notified as vested forests by the Government of Kerala as the Company's writ petition challenging the notification is pending before the High Court of Kerala.		
h) An area of 1982.45 hectares (Previous Year 1982.45 hectares) of Mooly Valley estates notified by the Government of Kerala for resumption alleging violation of lease conditions as proceedings has been stayed by the Sub Court, Irinjalakuda.		
i) An area of 336.64 hectares (Previous Year 336.64 hectares) of rubber field of Koney estate in respect of which the Writ Petition filed by the Company and the status quo order passed by the High Court of Kerala challenging the proceedings initiated by the Government of Kerala to resume such lands, is in force.		
j) An area of 12154 hectares (Previous Year Nil) in respect of which the Government of Kerala has issued order of resumption under the Kerala Land Conservancy Act claiming it to be Government Lands, the further proceedings of which has been prevented by High Court of Kerala, on a writ petition filed by the Company.		



	Year ended March 31, 2015 Rs.Lacs		Year ended March 31, 2014 Rs.Lacs	
<b>30 Amount paid/ payable to auditors</b>				
<b>As auditors</b>				
Audit fees (including audit of consolidated financial statements Rs. 3 lacs; previous year Rs. 3 lacs)		<b>29.00</b>		29.00
Tax Audit Fee		<b>5.00</b>		5.00
Limited Review Fee		<b>9.75</b>		11.75
Other Services		<b>0.50</b>		2.25
Reimbursement of expenses		<b>1.55</b>		1.74
		<b>45.80</b>		49.74
	As a % of consumption	Year ended March 31, 2015 Rs.Lacs	As a % of consumption	Year ended March 31, 2014 Rs.Lacs
<b>31 Stores and spares consumed</b>				
Indigenous	<b>99.75%</b>	<b>2,066.52</b>	99.91%	2,167.41
Imported	<b>0.25%</b>	<b>5.18</b>	0.09%	1.91
		<b>2,071.70</b>		2,169.32
<b>32 Packing material consumed</b>				
Indigenous	<b>100.00%</b>	<b>929.03</b>	100.00%	636.12
Imported	<b>0.00%</b>	-	0.00%	-
		<b>929.03</b>		636.12
<b>33 Dividend remitted during the year in Foreign Currency</b>				
Number of non resident shareholders		<b>1</b>		1
Number of equity shares on which dividend was due		<b>3,640,000</b>		3,640,000
Dividend remitted - Rs. in Lacs		<b>36.40</b>		27.30
Year to which dividend relates		<b>2013-14</b>		2012-13
<b>34 Expenditure in Foreign Currency</b>				
Travelling		<b>13.21</b>		13.08
Selling Commission		<b>2.37</b>		2.66
Others		<b>4.25</b>		11.04
		<b>19.83</b>		26.78
<b>35 Value of Imports on C.I.F. Basis</b>				
Stores and Spare Parts		<b>5.18</b>		1.91
		<b>5.18</b>		1.91
<b>36 Earnings in Foreign Currency</b>				
FOB value of Exports		<b>3,017.50</b>		3,138.42



### 37 Disclosure relating to Construction Contracts

	Year ended March 31, 2015 Rs.Lacs	Year ended March 31, 2014 Rs.Lacs
Contract revenue recognised during the year	443.24	1,989.17
Disclosure regarding Contracts in progress		
Aggregate amount of costs incurred and recognised profits up to March 31	5,778.37	5,335.13
Advances received	-	116.86
Retention money	-	251.49
Gross amount due from customers	60.27	103.16

### 38 Segment Reporting

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

(a) Primary Segment Information - By Business Segments \*

Description	Continuing operations			Discontinuing operations	
	Tea	Rubber	Other	Engineering	Total
	(Rs. Lacs)	(Rs. Lacs)	(Rs. Lacs)	(Rs. Lacs)	(Rs. Lacs)
External Sales	17,288.93 (18,614.49)	14,598.55 (17,157.01)	776.38 (647.59)	443.24 (1,989.17)	33,107.10 (38,408.26)
Inter-segment Sales	-	-	-	-	-
Segment Revenue	17,288.93 (18,614.49)	14,598.55 (17,157.01)	776.38 (647.59)	443.24 (1,989.17)	33,107.10 (38,408.26)
Segment Result - Profit/(Loss) excluding Extraordinary item	(1,985.54) (71.89)	(570.89) (1,554.11)	407.96 (342.73)	(5.58) (-)(37.93)	(2,154.05) (1,930.80)
Less: Interest Expenses					1,413.69 (1,389.58)
Less: Unallocated Income (net of unallocated expense Rs. 16.15 lacs) (Previous year Unallocated expense net of unallocated income Rs. 65.79 Lacs)					(27.92) (55.35)
Profit before Extraordinary Item and tax					(3,539.82) (485.87)
Extraordinary Item (Net) (Note 42)					13.95 (25.63)
Profit/ (Loss) before Tax					(3,525.87) (511.50)
Less : Income Taxes					- (70.00)
Profit/ (Loss) after Tax					(3,525.87) (441.50)

Description	Continuing operations			Discontinuing operations	
	Tea	Rubber	Other	Engineering	Total
	(Rs. Lacs)	(Rs. Lacs)	(Rs. Lacs)	(Rs. Lacs)	(Rs. Lacs)
<b>Other Information</b>					
Segment Assets	37,228.48 (38,064.87)	12,669.47 (12,879.71)	63.04 (55.25)	358.76 (1,419.04)	50,319.75 (52,418.87)
Unallocated Assets					988.28 (1,703.91)
Total Assets					51,308.03 (54,122.78)
Segment Liabilities	5,908.83 (4,678.57)	5,607.26 (4,973.83)	33.59 (13.29)	140.25 (260.30)	11,689.93 (9,925.99)
Unallocated Liabilities					10,951.97 (12,004.79)
Total Liabilities					22,641.90 (21,930.78)
Segment Capital Expenditure	436.42 (468.40)	123.94 (250.30)	- -	- -	560.36 (718.70)
Segment Depreciation	561.63 (479.79)	155.78 (147.00)	3.98 (4.52)	8.06 (15.68)	729.45 (646.99)
Segment non-cash expense other than depreciation	- (8.83)	-	16.82 -	- (13.99)	16.82 (22.82)

(b) Secondary Segment information - By Geographical Segments \*

Description	India	Outside India	Total
	(Rs. Lacs)	(Rs. Lacs)	(Rs. Lacs)
External Sales	29,959.39 (35,200.06)	3,147.71 (3,208.20)	33,107.10 (38,408.26)
Segment Assets	49,842.22 (52,004.14)	477.53 (414.73)	50,319.75 (52,418.87)
Segment Capital Expenditure	560.36 (718.70)	- -	560.36 (718.70)

All operating facilities are located in India.

\* Figures in bracket represent previous year's figures

### 39 Related Party Disclosures

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

- HML Engineering Company Limited (HECL)
- Enchanting Plantations Limited (EPL)
- Harmony Plantations Limited (HPL)
- Malayalam Plantations Limited (MPL) (100% subsidiary of EPL)

**b Key management personnel**

- Mr. V Venugopal (Manager)
- Mr. Ashok Goyal (Whole Time Director) with effect from April 24, 2014 till July 24, 2014
- Mr. N.Dharma raj (Whole Time Director) with effect from August 8, 2014



**c Related party transactions**

Rs. Lacs

Description	Subsidiary Companies		Key Management Personnel (KMP)	
	2014-15	2013-14	2014-15	2013-14
<b>Transaction during the year</b>				
Reimbursement of Expenses				
HECL	0.02	0.02	-	-
EPL	-	0.07	-	-
HPL	-	0.13	-	-
MPL	-	0.07	-	-
Realisation of advances				
HECL	0.05	-	-	-
EPL	0.07	-	-	-
HPL	0.13	-	-	-
MPL	0.07	-	-	-
Remuneration				
V Venugopal	-	-	42.80	44.02
Ashok Goyal	-	-	31.15	-
N Dharamraj	-	-	78.65	-
<b>Balance as at year end</b>				
Investment in subsidiaries				
HECL	5.00	5.00	-	-
EPL	10.00	10.00	-	-
HPL	5.00	5.00	-	-
Advances recoverable				
HECL	-	0.03	-	-
EPL	-	0.07	-	-
HPL	-	0.13	-	-
MPL	-	0.07	-	-

**40 Earnings**

Particulars	Per	Share	
		2014-15 Rs. Lacs	2013-14 Rs. Lacs
a) Profit/(Loss) after tax (including extraordinary item) (Rs. in lacs)		(3,525.87)	441.50
b) Profit/(Loss) after tax (excluding extraordinary item) (Rs. in lacs )		(3,539.82)	439.77
c) Number of equity shares at the beginning of the year		18,455,405	18,455,405
d) Number of equity shares at the end of the year		18,455,405	18,455,405
e) Weighted average number of equity shares outstanding		18,455,405	18,455,405
f) Nominal Value of each equity share (Rs.)		10.00	10.00
g) Basic and diluted earnings/(loss) per share (including extraordinary item) ( Rs.) (a/e)		(19.10)	2.39
h) Basic and diluted earnings/(loss) per share (excluding extraordinary item) ( Rs.) (b/e)		(19.18)	2.38

#### 41 Derivative instruments and unhedged foreign currency exposure

##### i. Derivatives outstanding as at the reporting date

Rs. Lacs

Particulars	Purpose	Year Ended March 31, 2015		Year Ended March 31, 2014	
		Value in Foreign Currency	INR	Value in Foreign Currency	INR
Forward Contracts to sell USD	Hedge of highly probable forecast transactions	11.03	692.99	8.07	502.28
Forward Contracts to sell Euro		0.41	30.81	-	-
Forward Contracts to sell GBP		0.60	57.50	-	-

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

Particulars	Year Ended March 31, 2015		Year Ended March 31, 2014	
	Value in Foreign Currency	INR	Value in Foreign Currency	INR
Trade Receivables (In USD)	0.86	46.39	2.09	128.41
Trade Receivables (In Euro)	-	-	0.20	16.73

#### 42 Extraordinary Item

Extraordinary item for the year ended March 31, 2014 represents net gain towards insurance claim received against loss of certain inventories and fixed assets (net of sale proceeds) due to fire in one of the tea factory; further the Company has received Rs.13.95 lakhs towards insurance claim during the year.

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Insurance Claim recoverable	13.95	181.30
Less: Loss of Inventory	-	51.79
Less: Loss of Tangible Fixed Assets	-	137.03
Add: Proceeds from sale of tangible assets	-	33.15
Net Extraordinary Gain	13.95	25.63

#### 43 Taxation

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

- The Company has entered into a composite scheme of arrangement and amalgamation amongst Harrissons Malayalam Limited (HML) and Enchanting Plantations Limited (100% subsidiary of HML) and Malayalam Plantations Limited (100% subsidiary of Enchanting Plantations Limited) and Harmony Plantations Limited (100% subsidiary of HML) and their respective shareholders and their creditors ("the Scheme"). The Scheme has been approved by the Board of Directors and sanctioned by the shareholders of the Company and the Company has intimated to the Stock Exchanges in which the Company's shares are listed. As per the Scheme inter alia certain Tea and Rubber estates would be transferred/ demerged to its subsidiaries. The Scheme is now pending before the High Court of Kerala.



45 The Company in its Board meeting dated May 15, 2012 has approved the plan for transferring its Engineering division to its wholly owned subsidiary and has also obtained the consent of its shareholders by way of postal ballot. The Engineering division is a separate business segment as per AS 17 "Segment Reporting". The decision is consistent with the Company's long term strategy to focus on core plantation activity. The Board in its meeting of May 28, 2015, discussed on this to evaluate the modus operandi/ process of transfer.

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

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

	<b>As at March 31, 2015</b>	As at March 31, 2014
	<b>Rs. Lacs</b>	Rs. Lacs
Total assets	<b>358.76</b>	1,419.04
Total liabilities	<b>140.25</b>	260.30
Net assets	<b>218.51</b>	1,158.74

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

	<b>Year Ended March 31, 2015</b>	Year Ended March 31, 2014
	<b>Rs. Lacs</b>	Rs. Lacs
Revenue from operations (Sale of services)	<b>443.24</b>	1,989.17
Other income	<b>2.50</b>	11.96
	<b>445.74</b>	2,001.13
Employee benefits expenses	<b>67.67</b>	101.12
Depreciation expenses	<b>8.06</b>	15.68
Other expenses	<b>375.59</b>	1,922.26
<b>Total expenses</b>	<b>451.32</b>	2039.06
(Loss) from discontinuing operations before taxes	<b>(5.58)</b>	(37.93)
Tax expenses of discontinuing operations	-	-
( Loss) from discontinuing operations after tax	<b>(5.58)</b>	(37.93)

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

Operating activities	<b>905.10</b>	(36.17)
Investing activities	<b>(909.42)</b>	32.63
Financing activities	-	-
Net cash flows	<b>(4.32)</b>	(3.54)

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

For and on behalf of the Board			
For <b>Price Waterhouse</b> Firm Registration No. 301112E Chartered Accountants	<b>Kaushik Roy</b> Director	<b>Sachin Nandgaonkar</b> Director	<b>N.Dharmaraj</b> Whole Time Director
<b>Pinaki Chowdhury</b> Partner Membership No. 57572	<b>K N Mathew</b> CFO	<b>P A Krishnamoorthy</b> CFO	<b>Ravi A</b> Company Secretary
Kolkata May 28, 2015	Kolkata May 28, 2015		

## **Independent Auditors' Report to the Members of Harrisons Malayalam Limited**

### **Report on the Consolidated Financial Statements**

1. We have audited the accompanying consolidated financial statements of Harrisons Malayalam Limited ("hereinafter referred to as the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group")(refer Note 37.1 to the attached consolidated financial statements), comprising of the consolidated Balance Sheet as at March 31, 2015, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Financial Statements").

### **Management's Responsibility for the Consolidated Financial Statements**

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (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 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 Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of Consolidated Financial Statements. 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 judgements 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 has been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### **Auditors' Responsibility**

3. 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 and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements 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.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the 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, but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their report referred to in sub-paragraph 8 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### **Opinion**

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group as at March 31, 2015, and their consolidated loss and their consolidated cash flows for the year ended on that date.

### **Other Matter**

8. We did not audit the financial statements of subsidiary whose financial statements reflect total assets of Rs. 3.66 lacs and net assets of Rs. 3.55 lacs as at March 31, 2015, total revenue of Rs. 0.22 lacs, net profit of Rs. 0.00 lacs and net cash flows amounting to Rs. 2.66 lacs 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 have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it



relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act insofar as it relates to the aforesaid subsidiary, is based solely on the report 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 report of the other auditors.

#### **Report on Other Legal and Regulatory Requirements**

9. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company and its subsidiary company incorporated in India (Refer Note 37.1 to the Consolidated Financial Statements), we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
10. 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 maintained by the Holding Company and its subsidiary included in the Group incorporated in India, including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the 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 by the Holding Company and its subsidiary included in the Group incorporated in India, including relevant records relating to the 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 as on March 31, 2015 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) 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 consolidated financial statements disclose the impact, if any, of pending litigations as at March 31, 2015 on the consolidated financial position of the Group -Refer Notes 29 and 30 to the consolidated financial statements.
    - ii. There were no material foreseeable losses on the Group's long-term contracts including derivative contracts, as at March 31, 2015.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company incorporated in India during the year ended March 31, 2015. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary company incorporated in India during the year ended March 31, 2015.

Kolkata  
May 28, 2015

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

**Pinaki Chowdhury**  
Partner  
Membership Number : 57572



## **Annexure to Independent Auditors' Report**

**Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members  
of Harrissons Malayalam Limited on the consolidated financial statements as of and for the year ended March 31, 2015**

- i. (a) The Holding Company incorporated in India is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets of the Holding Company incorporated in India are physically verified by the Management according to a phased programme designed to cover all items over a period of three years which, in our opinion, is reasonable having regard to the size of the Holding Company and the nature of its assets. Pursuant to the programme a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- Based on the report of the other auditor of the Holding Company's subsidiary incorporated in India, the aforesaid subsidiary does not have any fixed assets and accordingly Clause 3(i) of the said Order is not applicable for such subsidiary.
- ii. (a) The inventory [excluding stocks with third parties] has been physically verified by the Management of the Holding Company incorporated in India during the year. In respect of inventory of the aforesaid Holding Company lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the Management of the Holding Company incorporated in India are reasonable and adequate in relation to the size of the aforesaid Holding Company and the nature of its businesses.
- (c) On the basis of our examination of the inventory records of the Holding Company incorporated in India, in our opinion, the aforesaid Holding Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory of the aforesaid Holding Company as compared to the respective book records were not material.
- Based on the report of the other auditor of the Holding Company's subsidiary incorporated in India, the aforesaid subsidiary does not have any inventory and accordingly Clause 3(ii) of the said Order is not applicable for such subsidiary.
- iii. The Holding Company incorporated in India has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a) and (iii)(b) of the said Order are not applicable to the aforesaid Holding Company. Based on the report of the other auditor of the Holding Company's subsidiary incorporated in India, the aforesaid subsidiary has not granted any loans, secured or unsecured to companies firms or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a) and (iii) (b) of the said Order is not applicable to the aforesaid subsidiary Company.
- iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Holding Company incorporated in India and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the aforesaid Holding Company and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- Based on the report of the other auditor of the Holding Company's subsidiary incorporated in India, the aforesaid subsidiary does not have any inventories or fixed assets and has not entered into transactions for sale of goods and services and accordingly, clause 3(iv) of the said Order is not applicable for such subsidiary.
- v. The Holding Company incorporated in India has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified. Based on the report of the other auditor of the Holding Company's Subsidiary incorporated in India, the aforesaid subsidiary has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified.
- vi. We have broadly reviewed the books of account maintained by the Holding Company incorporated in India in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been specified under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete. Based on the report of the other auditor of the Holding Company's subsidiary incorporated in India, the provisions related to maintenance of cost records specified by Central Government under Section 148(1) of the Companies Act are not applicable to the aforesaid subsidiary.
- vii. (a) According to the information and explanations given to us and the records of the Holding Company incorporated in India examined by us, in our opinion, the aforesaid Holding Company is generally regular in depositing undisputed statutory dues in respect of, income tax, service tax, value added tax and other material statutory dues [other than arrears of Rs. 69.95 lacs relating to plantation tax (under The Kerala Plantations (Additional Tax) Act, 1960), arrears of Rs. 84.52 lacs relating to Land Tax ( under The Kerala Land Tax Act, 1961), arrears of Rs. 0.48 lacs relating to Municipal Tax (under the Kolkata Municipal Corporation Act, 1980), arrears of Rs. 3.66 lacs relating to Agricultural Income Tax (under the Tamil Nadu Agricultural Income Tax Act, 1955), arrears of Rs. 33.29 lacs related to Value Added Tax (relating to Kerala Value Added Tax Act, 2003) and arrears of Rs. 1.07 lacs related to Dividend Distribution tax (relating to Income Tax Act, 1961) which are outstanding for a period of more than six months as on the Balance Sheet date], as applicable, with the appropriate authorities, though there have been slight delays in a few cases, and is regular in depositing undisputed statutory dues in respect of provident fund, employees' state insurance, wealth tax, sales tax, duty of customs and duty of excise and cess, as applicable, with the appropriate authorities. Based on the report of the other auditor of the Holding Company's subsidiary incorporated in India, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, duty of excise,cess and other material statutory dues, to the extent applicable have been regularly deposited with the appropriate authorities.



- (b) According to the information and explanations given to us and the records of the Holding Company incorporated in India examined by us, there are no dues of sales-tax, wealth-tax, service-tax, duty of customs, duty of excise, value added tax and cess which have not been deposited on account of any dispute. The particulars of dues of income tax as at March 31, 2015 which have not been deposited on account of a dispute by the aforesaid Holding Company, are as follows:-

Name of the statute	Nature of dues	Amount (Rs. lacs.)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax and Interest thereon	594.34	2006-07, 2007-08, 2008-09, 2011-12, 2012-13	Commissioner of Income Tax, Appeals
Kerala Agricultural Income Tax Act, 1950/1991	Tax on Agricultural Income, interest and penalty thereon.	394.32	1980-81, 1981-82, 1982-83, 1983-84, 1984-85, 1985-86, 1994-95, 1995-96, 1996-97, 1998-99	Assessing Officer
		6.03	1995-96	Inspecting Assistant Commissioner, Department of Commercial Taxes

Based on the report of the other auditor of the Holding Company's subsidiary incorporated in India, there are no dues of income-tax, sales-tax, wealth-tax, service-tax, duty of customs, duty of excise, value added tax and cess which have not been deposited on account of any dispute.

- (c) The amounts required to be transferred to Investor Education and Protection Fund by the Holding Company incorporated in India have been transferred within the stipulated time in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder. Based on the report of the other auditor of the Holding Company's subsidiary incorporated in India, there are no amounts required to be transferred by the aforesaid subsidiary to the Investor Education and Protection Fund in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder.
- viii. The Holding Company incorporated in India has no accumulated losses as at the end of the financial year and it has incurred cash losses in the financial year ended on that date. The aforesaid Holding Company has not incurred any cash losses in previous financial year ended on March 31, 2014. Based on the report of the other auditor of the Holding Company's subsidiary incorporated in India, Clause 3 (viii) of the said Order is not applicable for such subsidiary.
- ix. According to the records of the Holding Company incorporated in India examined by us and the information and explanation given to us, the aforesaid Holding Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders, as applicable, as at the balance sheet date. Based on the report of the other auditor of the Holding Company's subsidiary incorporated in India, the aforesaid subsidiary has not raised funds from financial institutions, banks or debenture holders and accordingly, the provisions of clause (ix) of the Order is not applicable to such subsidiary.
- x. In our opinion, and according to the information and explanations given to us, the Holding Company, incorporated in India has not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 3(x) of the said Order are not applicable to the aforesaid Holding Company.
- Based on the reports of the other auditor of the Holding Company's subsidiary incorporated in India, the aforesaid subsidiary has not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 3(x) of the said Order are not applicable to the aforesaid subsidiary.
- xi. In our opinion, and according to the information and explanations given to us, the term loans have been applied, on an overall basis, for the purposes for which they were obtained by the Holding Company incorporated in India.
- Based on the report of the other auditor of the Holding Company's subsidiary incorporated in India, the aforesaid subsidiary has not raised any term loans. Accordingly, the provisions of Clause 3(xi) of the said Order are not applicable to the aforesaid subsidiary.
- xii. During the course of our examination of the books and records of the Holding Company incorporated in India carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and based on the reports of the other auditor of the Holding Company's subsidiary incorporated in India, we/the other auditor have neither come across any instance of material fraud on or by the aforesaid Holding Company and its subsidiary noticed or reported during the year, nor have we/the other auditor been informed of any such case by the respective Managements of the aforesaid Holding Company and its subsidiary.

For **Pricewaterhouse**  
Firm Registration Number: 301112E  
Chartered Accountants

**Pinaki Chowdhury**  
Partner

Membership Number : 57572

Kolkata  
May 28, 2015

## Consolidated Balance Sheet as at March 31, 2015

	Note	As at March 31, 2015 Rs. Lacs	As at March 31, 2014 Rs. Lacs
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Fund</b>			
Share Capital	3	1,845.43	1,845.43
Reserves and Surplus	4	<u>26,819.25</u>	<u>30,345.12</u>
		<b>28,664.68</b>	<b>32,190.55</b>
<b>Non-current Liabilities</b>			
Long term borrowings	5	5,929.77	6,881.04
Long term provisions	6	<u>3,864.45</u>	<u>3,632.14</u>
		<b>9,794.22</b>	<b>10,513.18</b>
<b>Current Liabilities</b>			
Short term borrowings	7	4,320.29	3,803.55
Trade payables	8	1,904.38	1,761.10
Other current liabilities	9	5,353.74	4,409.96
Short term provisions	10	<u>1,269.38</u>	<u>1,443.10</u>
		<b>12,847.79</b>	<b>11,417.71</b>
<b>Total</b>		<b><u>51,306.69</u></b>	<b><u>54,121.44</u></b>
<b>ASSETS</b>			
<b>Non current assets</b>			
Fixed assets	11		
Tangible assets		42,715.70	42,944.77
Intangible assets		59.00	-
Capital Work in progress		182.87	161.55
Intangible assets under development		-	53.94
Non current investments	12	1.02	1.02
Long term loans and advances	13	744.95	804.14
Other non current assets	14	<u>1.73</u>	<u>300.89</u>
		<b>43,705.27</b>	<b>44,266.31</b>
<b>Current assets</b>			
Current investments	15	15.00	15.00
Inventories	16	2,281.70	2,541.90
Trade receivables	17	1,277.55	1,485.65
Cash and bank balances	18	946.35	1,674.50
Short term loans and advances	19	2,254.36	2,669.87
Other current assets	20	<u>826.46</u>	<u>1,468.21</u>
		<b>7,601.42</b>	<b>9,855.13</b>
<b>Total</b>		<b><u>51,306.69</u></b>	<b><u>54,121.44</u></b>

The notes are an integral part of these consolidated financial statements

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

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

**Pinaki Chowdhury**  
Partner  
Membership No. 57572

Kolkata  
May 28, 2015

**Kaushik Roy**  
Director

**K N Mathew**  
CFO

Kolkata  
May 28, 2015

For and on behalf of the Board

**Sachin Nandgaonkar**  
Director

**P A Krishnamoorthy**  
CFO

**N.Dharmaraj**  
Whole Time Director

**Ravi A**  
Company Secretary



## Consolidated Statement of Profit and Loss for the year ended March 31, 2015

	Note	Year ended March 31, 2015 Rs. Lacs	Year ended March 31, 2014 Rs. Lacs
Revenue from operations	21	33,107.10	38,408.26
Other income	22	329.18	277.99
<b>Total revenue</b>		<u>33,436.28</u>	<u>38,686.25</u>
<b>Expenses</b>			
Cost of materials consumed	23	9,041.07	10,433.99
Purchases of stock in trade	24	389.49	310.07
Changes in inventories of finished goods	25	64.71	(378.38)
Employee benefits expenses	26	13,300.81	12,389.53
Other expenses	27	12,020.73	13,287.70
Depreciation expenses	11	729.45	646.99
Finance cost	28	1,429.84	1,510.72
<b>Total expenses</b>		<u>36,976.10</u>	<u>38,200.62</u>
<b>Profit/(Loss) before extraordinary item and tax</b>		<u>(3,539.82)</u>	485.63
Extraordinary item (net)	36	13.95	25.63
<b>Profit/(Loss) before tax</b>		<u>(3,525.87)</u>	<u>511.26</u>
Tax expenses			
Current tax		-	70.00
<b>Profit/(Loss) for the year</b>		<u>(3,525.87)</u>	<u>441.26</u>
<b>Earnings/(Loss) per equity share</b>	34		
Equity shares of par value Rs.10/- each			
Basic and diluted (including extraordinary item)		(19.10)	2.39
Basic and diluted (excluding extraordinary item)		(19.18)	2.38

The notes are an integral part of these consolidated financial statements

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

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

**Pinaki Chowdhury**  
Partner  
Membership No. 57572

Kolkata  
May 28, 2015

For and on behalf of the Board

**Kaushik Roy**  
Director

**Sachin Nandgaonkar**  
Director

**N.Dharmaraj**  
Whole Time Director

**K N Mathew**  
CFO

**P A Krishnamoorthy**  
CFO

**Ravi A**  
Company Secretary

Kolkata  
May 28, 2015

## Consolidated Cash Flow Statement for the year ended March 31, 2015

	For the year ended March 31, 2015 (Rs. Lacs)	For the year ended March 31, 2014 (Rs. Lacs)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before extraordinary item and tax	(3,539.82)	485.63
Adjustments for:		
Depreciation	729.45	646.99
Interest Income	(44.29)	(65.79)
Interest	1,413.69	1,389.58
Other borrowing cost	16.15	121.14
Provision for Doubtful Debts/ Advances created/ (written back)	(23.98)	22.82
Liability no longer required written back	-	(18.96)
(Profit) on Sale of Fixed Assets (net)	(6.06)	(12.02)
	<b>2,084.96</b>	<b>2,083.76</b>
Operating Profit before Working Capital changes	(1,454.86)	2,569.39
(Increase)/ Decrease in Inventories	260.20	(481.97)
(Increase)/ Decrease in Trade Receivables	215.26	(679.89)
(Increase)/ Decrease in Loans and Advances/ Other Current Assets	1,372.04	129.76
Increase in Trade payables, Other Current Liabilities and Provisions	664.58	1,180.87
	<b>2,512.08</b>	<b>148.77</b>
Cash Generated from Operations	1,057.22	2,718.16
Income Tax (net of refund)	(23.52)	(116.59)
Net Cash generated from Operating Activities before extraordinary item	1,033.70	2,601.57
Extraordinary Item (Note 2 below)	-	51.79
<b>Net Cash generated from Operating Activities (A)</b>	<b>1,033.70</b>	<b>2,549.78</b>
<b>Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(560.36)	(718.70)
Sale of Fixed Assets	85.60	60.01
Purchase of non-current Investments	-	(1.00)
Interest Received	34.90	89.98
Maturity proceeds from non-current Investments	-	1.00
Maturity proceeds from current Investments	-	0.04
Net Cash (used in) Investing Activities before extraordinary item	(439.86)	(568.67)
Extraordinary Item (Note 2 below)	-	33.15
<b>Net Cash (used in) Investing Activities (B)</b>	<b>(439.86)</b>	<b>(535.52)</b>
<b>Cash Flow from Financing Activities</b>		
Proceeds from Long-term Borrowings	57.35	4,113.25
Repayment of Long-term Borrowings	(281.24)	(3,687.06)
Net increase/ (decrease) in Cash credit	16.74	(254.47)
Proceeds from other Short-term Borrowings	1,500.00	500.00
Repayment of other Short-term Borrowings	(1,000.00)	(1,000.00)
Interest Paid	(1,420.29)	(1,344.48)
Other borrowing costs paid	(16.15)	(121.14)
Dividend Paid (including tax on dividend Rs. 31.36 Lacs, Previous year 22.45 Lacs)	(216.19)	(160.43)
<b>Net Cash (used in) Financing Activities (C)</b>	<b>(1,359.78)</b>	<b>(1,954.33)</b>
Net Increase in Cash and Cash Equivalents (A+B+C)	(765.94)	59.93
Cash and Cash Equivalents at the beginning of the year	1,304.39	1,244.46
Cash and Cash Equivalents at the close of the year (Note 3 below)	<b>538.45</b>	<b>1,304.39</b>

**Notes :**

1. The above Consolidated Cash Flow Statement has been prepared under indirect method set out in the Accounting Standard (AS) 3 Cash Flow Statement.
2. Refer Note 36 to the consolidated financial statements for information relating to Extraordinary item.
3. Cash and Cash Equivalents (Refer note 18 to consolidated financial statements) include Unpaid Dividend not available for use by the Parent Company of Rs.52.48 Lacs (Previous year -Rs.52.76 Lacs)
4. Previous year's figures have been regrouped/ rearranged where considered necessary.

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

For and on behalf of the Board

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

**Kaushik Roy**  
Director

**Sachin Nandgaonkar**  
Director

**N.Dharmaraj**  
Whole Time Director

**Pinaki Chowdhury**  
Partner  
Membership No. 57572

**K N Mathew**  
CFO

**P A Krishnamoorthy**  
CFO

**Ravi A**  
Company Secretary

Kolkata  
May 28, 2015

Kolkata  
May 28, 2015



## Notes to consolidated financial statements for the year ended March 31, 2015

### 1 PRINCIPLES OF CONSOLIDATION

Consolidated financial statements relate to Harrison's Malayalam Limited, the Parent Company and its subsidiary (the 'Group'). The consolidated financial statements are in conformity with the Accounting Standard-21 on Consolidated Financial Statements prescribed as set out in Note 2.1 below and are prepared as set out below :

- i) The financial statements of the Parent Company and its subsidiary have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, as applicable, after adjustments / elimination of inter-company balances, transactions including unrealized profits on inventories etc, if any.
- ii) The consolidated financial statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent required and possible, in the same manner as the Parent Company's separate financial statements.

### 2 Significant Accounting Policies

#### 2.1 Basis of Preparation of Financial Statements

These consolidated financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis, except for certain tangible Fixed assets which are being carried at revalued amounts (refer note 2.3) .Pursuant to section 133 of the Companies Act, 2013 read with rule 7 of Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements has been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended]

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current and non current classification of assets and liabilities.

#### 2.2 Use of estimates

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

#### 2.3 Fixed Assets and Depreciation

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

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

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

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

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

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

Tangible Fixed assets other than land & development are depreciated under the written down value method over the estimated useful lives of the assets, which are different from the lives prescribed under Schedule II to the Companies Act, 2013. In order to reflect the actual usage of the assets, the estimates of useful lives of the depreciable tangible fixed assets based on technical evaluation carried out by the Company's expert have not undergone a change on account of transition to the Companies Act, 2013 except in respect of certain agriculture assets included under Plant & Machinery which has been assessed to be 3 years.

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

	<b>Useful Lives</b>
Factory Buildings	30 years
Non Factory Buildings	60 years
Plant and Machinery (including agricultural assets)	3/ 20 years
Furniture and Fittings	6 years
Water Supply	20/ 30/ 60 years
Vehicles	10 years

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

#### **2.4 Impairment**

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

#### **2.5 Investments**

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

#### **2.6 Inventories**

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

#### **2.7 Foreign currency translation**

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

#### **2.8 Revenue Recognition**

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

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

#### **2.9 Derivative Contracts**

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

#### **2.10 Accounting for Government Grants**

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

#### **2.11 Employee Benefits**

##### **i) Short Term**

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



ii) Post Retirement

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

a) Provident fund

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

b) Superannuation

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

c) Gratuity

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

(iii) Other Long term :

Compensated absences

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

## 2.12 Replanting Expenses

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

## 2.13 Current and Deferred tax

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

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

## 2.14 Provisions and Contingent Liabilities

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

Contingent Liabilities: Contingent liabilities are disclosed when the Group has a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

	As at March 31, 2015 Rs. Lacs	As at March 31, 2014 Rs. Lacs
<b>3 Share Capital</b>		
<b>(i) Authorised:</b>		
3,00,00,000 Equity Shares of Rs.10 each	3,000.00	3,000.00
<b>(ii) Issued, Subscribed and Paid up:</b>		
1,84,55,405 Equity Shares of Rs.10 each fully paid up	1,845.54	1,845.54
Less: Allotment Money in Arrears	0.11	0.11
	<b>1,845.43</b>	<b>1,845.43</b>
	<b>March 31, 2015</b>	<b>March 31, 2014</b>



	Number of shares	Rs. Lacs	Number of shares	Rs. Lacs
(iii) Number of shares outstanding as at the beginning of the year	18,455,405	1,845.43	18,455,405	1,845.43
Number of shares outstanding as at the end of the year	18,455,405	1,845.43	18,455,405	1,845.43
(iv) Shares in the Company held by each shareholder holding more than 5 percent shares :				
	<b>March 31, 2015</b>		March 31, 2014	
	Number of shares	% holding	Number of shares	% holding
Malayalam Plantations (Holdings) Limited	3,640,000	19.72%	3,640,000	19.72%
Instant Holdings Limited	1,420,200	7.70%	1,420,200	7.70%
Carniwal Investments Ltd	1,121,230	6.08%	1,121,230	6.08%

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

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

#### 4 Reserves and Surplus

	Rs. Lacs			
Reserves	Balance as at March 31, 2014	Additions	Deductions	Balance as at March 31, 2015
Capital Reserve				
Securities premium account	5,002.91	-	-	5,002.91
Fixed assets revaluation reserve	13,957.19	-	-	13,957.19
Other Reserves				
Reserve arising from amalgamation	291.33	-	-	291.33
Housing subsidy reserve	5.26	-	-	5.26
General Reserve	1,687.82	-	-	1,687.82
<b>Total</b>	20,944.51	-	-	20,944.51

	Rs. Lacs		
Surplus in Consolidated Statement of Profit and Loss	As at March 31, 2015		As at March 31, 2014
Balance as at the beginning of the year		9,400.61	9,175.26
Add/ Less:			
Profit for the year as per Statement of Profit and Loss		(3,525.87)	441.26
Less: Appropriations			
Proposed Final Dividend on Equity Shares @ Re Nil per share (Previous year @ Rs. 1 per share)	-		184.55
Tax on dividends	-		31.36
		-	215.91
Balance as at the end of the year		5,874.74	9,400.61
<b>Total Reserves and Surplus</b>		26,819.25	30,345.12



	<u>As at March 31, 2015</u> <u>Rs. Lacs</u>	<u>As at March 31, 2014</u> <u>Rs. Lacs</u>
<b>5 Long term borrowings</b>		
<b>Secured</b>		
<b>Term loan</b>		
From Banks	<b>6,563.59</b>	6,673.62
From Others	<b>369.99</b>	483.85
	<b>6,933.58</b>	7,157.47
Less: Current maturities of Long Term Debt referred to in Note 9	<b>(1,003.81)</b>	(276.43)
	<b>5,929.77</b>	6,881.04

#### Term loan from banks

- a Loan availed Rs.6,000.00 Lacs during 2010-11 and 2011-12 repayable in 17 quarterly instalments of Rs.333.30 Lacs commencing from September 2012 and final quarterly instalment of Rs.333.90 Lacs is secured by equitable mortgage of immovable properties of the Parent Company situated in Kumbazha estate. The loan carries an interest rate of base rate plus 3% per annum payable on a monthly basis from disbursement of the loan. During March 2014, the Parent Company has revised the terms of repayment of the loan outstanding of Rs. 1,500 lacs (balance being paid) repayable in 5 quarterly instalments commencing from December 2015 of Rs. 166.67 Lacs and Rs. 333.33 Lacs for the balance 4 instalments upto December 2016. Year end balance is Rs.1,500.01 Lacs (Previous year Rs.1,500.01 Lacs).
- b Loan availed of Rs.1,173.61 Lacs during 2012-2013 is repayable in 31 quarterly instalments of Rs.36.69 Lacs commencing from July 2014 and final quarterly instalment of Rs. 36.22 Lacs, is secured by equitable mortgage to be created on immovable property of the Parent Company situated in Mayfield Estate. The loan carries an interest rate of base rate plus 2.75% per annum payable on a monthly basis from disbursement of the loan. Year end balance is Rs. 1,063.58 Lacs (Previous year Rs. 1,173.61 Lacs)
- c Loan availed of Rs. 4,000.00 Lacs during the year 2013-14 is repayable in 24 quarterly instalments repayable as 6 quarterly instalments of Rs. 50.00 Lacs commencing from June 2015 upto September 2016, 4 quarterly instalments of Rs. 100.00 Lacs from December 2016 to September 2017, 8 quarterly instalment of Rs. 200.00 Lacs from December 2017 to September 2019, 4 quarterly instalments of Rs. 250.00 Lacs from December 2019 to September 2020 and 2 quarterly final instalments of Rs. 350 Lacs from December 2020 to March 2021, is secured by equitable mortgage of immovable properties of the Parent Company situated in Kumbazha estate. The loan carries an interest rate of base rate plus 2% per annum payable on a monthly basis from disbursement of the loan. Year end balance is Rs.4,000.00 Lacs (Previous year Rs.4,000.00 Lacs).

#### Term loan from others

- d Term loan from others are secured by hypothecation of assets acquired out of these loans which are repayable in equated monthly instalments (ranging between 3 to 5 years) along with the applicable interest rates (ranging between 10.49% to 15.50%).

Repayment terms :	<u>As at March 31, 2015</u> <u>Rs. Lacs</u>	<u>As at March 31, 2014</u> <u>Rs. Lacs</u>
Payable in 0-1 year	<b>157.05</b>	166.36
Payable in 1-2 years	<b>122.87</b>	143.10
Payable in 2-3 years	<b>83.40</b>	107.89
Payable in 3-4 years	<b>6.67</b>	66.50
	<b>369.99</b>	483.85

	<u>As at March 31, 2015</u> Rs. Lacs	<u>As at March 31, 2014</u> Rs. Lacs
<b>6 Long term provisions</b>		
<b>Provision for employee benefits:</b>		
Provision for gratuity	3,305.22	3,081.87
Provision for compensated absence	67.23	58.27
	<u>3,372.45</u>	<u>3,140.14</u>
<b>Other Provisions:</b>		
Contingency reserve #	492.00	492.00
	<u>3,864.45</u>	<u>3,632.14</u>
#		
Balance at the beginning of the year	492.00	492.00
Provision made during the year	-	-
Utilised / Reversed during the year	-	-
Balance at the end of the year	<u>492.00</u>	<u>492.00</u>
Provision for contingency represents the potential exposure on account of legal dispute. However the nature of the provision has not been disclosed in detail on the grounds that it is expected to prejudice the interests of the Parent Company.		
<b>7 Short term borrowings</b>		
<b>Secured</b>		
Cash credit from banks repayable on demand	3,320.29	3,303.55
<b>Unsecured</b>		
Short term loan from bank	1,000.00	500.00
	<u>4,320.29</u>	<u>3,803.55</u>
<b>Cash credit from banks</b>		
Secured by equitable mortgage of immovable properties of the Parent Company situated in Arrapetta Estate, hypothecation of standing crop in Achoor, Arrapetta, Panniar, Mayfield , Lahai, Isfield and Nagamallay Estates and by hypothecation of stocks of tea, rubber, trading merchandise, stores and spares, book debts and other movable assets both present and future.		
<b>8 Trade payables</b>		
Trade Payable	1,904.38	1,761.10
	<u>1,904.38</u>	<u>1,761.10</u>
<b>9 Other current liabilities</b>		
Current maturities of long term borrowings ( Refer Note 5)	1,003.81	276.43
Interest accrued but not due on borrowings	39.65	46.25
Unpaid dividends *	52.48	52.76
Others :		
Employee benefits payable	1,642.42	1,187.34
Statutory dues	2,269.50	2,149.14
Advance from customers	201.69	387.05
Deposits received from customers	144.19	310.99
	<u>5,353.74</u>	<u>4,409.96</u>

\* There are no amounts due for payment to the Investor Education and Protection Fund under Section 205C of The Companies Act, 1956 as at the year end.



	<u>As at March 31, 2015</u> <u>Rs. Lacs</u>	<u>As at March 31, 2014</u> <u>Rs. Lacs</u>
<b>10 Short term provisions</b>		
<b>Provision for employee benefits:</b>		
Provision for gratuity	<b>531.00</b>	468.72
Provision for compensated absence	<b>33.11</b>	29.68
<b>Others :</b>		
Provision for		
Income tax (Net of advance tax of Rs. 13,869.35 Lacs; Previous year 13,845.83 Lacs)	<b>578.56</b>	602.08
Fringe benefit tax (Net of advance tax of Rs. 92.42 Lacs; Previous year Rs.92.42 Lacs)	<b>122.64</b>	122.64
Provision for warranty #	<b>3.00</b>	3.00
Proposed dividend	-	184.55
Tax on proposed dividend	<b>1.07</b>	32.43
	<b>1,269.38</b>	1,443.10
<b>#</b>		
Balance at the beginning of the year	<b>3.00</b>	3.00
Provision made during the year	<b>3.00</b>	3.00
Utilised / Reversed during the year	<b>(3.00)</b>	(3.00)
Balance at the end of the year	<b>3.00</b>	3.00

**Note 10** **Fixed Assets** Rs. Lacs

Description of Assets	Gross Block			Depreciation			Net Block	
	Cost/ Valuation as at March 31, 2014	Additions	Disposals/ Adjustments	Cost/ Valuation as at March 31, 2015	For the year	On Disposals/ Adjustments	As at March 31, 2015	As at March 31, 2014
<b>Tangible assets</b>								
Land and Development - Freehold and Leasehold (Note 1 below)	39,327.10	55.76	-	<b>39,382.86</b>	-	-	<b>39,382.86</b>	39,327.10
Buildings	3,672.67	177.34	3.50	<b>3,846.51</b>	106.59	2.73	<b>1,458.54</b>	1,388.56
Plant and Machinery	6,028.64	284.38	200.63	<b>6,112.39</b>	492.40	140.62	<b>1,354.88</b>	1,622.91
Furniture and Fittings	305.53	7.24	0.53	<b>312.24</b>	13.56	0.54	<b>35.97</b>	42.28
Water Supply	895.65	8.27	17.16	<b>886.76</b>	31.63	8.83	<b>244.27</b>	275.96
Vehicles	740.28	45.93	39.66	<b>746.55</b>	84.27	29.22	<b>239.18</b>	287.96
<b>Total Tangible assets</b>	<b>50,969.87</b>	<b>578.92</b>	<b>261.48</b>	<b>51,287.31</b>	<b>728.45</b>	<b>181.94</b>	<b>42,715.70</b>	<b>42,944.77</b>
Previous year	50,489.46	928.00	447.59	50,969.87	646.99	262.57	8,025.10	
<b>Intangible Assets</b>								
Computer Software	-	60.00	-	<b>60.00</b>	1.00	-	<b>59.00</b>	-
<b>Total Intangible Assets</b>	<b>-</b>	<b>60.00</b>	<b>-</b>	<b>60.00</b>	<b>1.00</b>	<b>-</b>	<b>1.00</b>	<b>-</b>
Previous year	-	-	-	-	-	-	-	-
<b>Grand Total</b>	<b>50,969.87</b>	<b>638.92</b>	<b>261.48</b>	<b>51,347.31</b>	<b>729.45</b>	<b>181.94</b>	<b>42,774.70</b>	<b>42,944.77</b>
Previous Year	50,489.46	928.00	447.59	50,969.87	646.99	262.57	8,025.10	
Capital Work-in-Progress - at cost -Tangible Assets							<b>182.87</b>	161.55
<b>Intangible Assets under development</b>							<b>42,957.57</b>	43,106.32
Computer Software Implementation cost							<b>-</b>	53.94
							<b>42,957.57</b>	43,160.26

Notes :

- 1 Land and development includes
  - a) Certain leasehold lands the value of which is not separately ascertainable
  - b) Rs. 13,957.19 Lacs added on revaluation during 1990-1991 and credited to Fixed Assets Revaluation Reserve.
  - c) Rs. 22,739.61 Lacs added on revaluation during 2009-2010 and credited to Fixed Assets Revaluation Reserve. The credit to Fixed Assets Revaluation Reserve has been adjusted against the excess of liabilities over the assets taken over (Rs.21,233.80 lacs) and the carrying value of investments in the shares of the wholly owned subsidiary companies (Rs.1,218.91 lacs) and the balance amount of Rs.286.90 Lacs was transferred to Capital Reserve arising from amalgamation as per the scheme.
- 2 Depreciation for the year on Plant and Machinery includes Rs. 123.71 lacs being additional depreciation charge consequent to change of useful lives of certain agriculture assets from 20 years to 3 years



	As at March 31, 2015 Rs. Lacs	As at March 31, 2014 Rs. Lacs
<b>12 Non current investments</b>		
<b>Long term - At cost</b>		
<b>Other than trade</b>		
<b>Unquoted investment</b>		
Investment in government securities		
National Savings Certificates	0.02	0.02
Treasury Savings Account	1.00	1.00
	<u>1.02</u>	<u>1.02</u>
<b>13 Long term loans and advances</b>		
<b>Un-secured and considered good</b>		
Capital Advances	22.30	68.24
Electricity and other deposits	231.42	244.67
Advance to workers	491.23	491.23
	<u>744.95</u>	<u>804.14</u>
<b>14 Other non current assets</b>		
<b>Un-secured and considered good</b>		
Margin money deposit with Banks having maturity more than 12 months	-	16.37
Bank Deposit on lien	1.73	1.73
Retention money	-	282.79
	<u>1.73</u>	<u>300.89</u>
<b>15 Current investments</b>		
<b>At lower of cost and fair value</b>		
<b>Other than trade</b>		
<b>Unquoted investment</b>		
(i) Investments in Equity shares of Subsidiaries		
100,000 Equity Shares of Rs. 10 each in Enchanting Plantations Limited	10.00	10.00
50,000 Equity Shares of Rs. 10 each in Harmony Plantations Limited	5.00	5.00
	<u>15.00</u>	<u>15.00</u>
<b>16 Inventories</b>		
At lower of cost and net realisable value		
Finished goods *	1,228.72	1,293.43
Stores and spares #	1,021.62	1,145.87
Raw (Construction) materials @	6.43	49.38
Nurseries	24.93	53.22
	<u>2,281.70</u>	<u>2,541.90</u>

	<b>As at March 31, 2015</b>	As at March 31, 2014
	<b>Rs. Lacs</b>	Rs. Lacs
* Particulars of closing inventories of Finished goods		
Tea	<b>1,045.15</b>	1,076.01
Rubber	<b>183.57</b>	217.42
	<b>1,228.72</b>	1,293.43
# Stores and spares includes packing materials of Rs. 343.61 lacs (Previous year- Rs. 344.53 lacs)		
@ Particulars of closing inventories of Raw (Construction) materials		
Torsteel	-	2.55
Tiles	<b>2.35</b>	2.64
Others	<b>4.08</b>	44.19
	<b>6.43</b>	49.38
<b>17 Trade receivables</b>		
<b>Unsecured</b>		
Outstanding for a period of more than six months from the due date of payment.		
Considered good	<b>122.39</b>	188.44
Considered doubtful	<b>389.51</b>	396.67
Less: Provision for doubtful receivables	<b>(389.51)</b>	(396.67)
	<b>122.39</b>	188.44
Other debts		
Considered good	<b>1,155.16</b>	1,297.21
	<b>1,155.16</b>	1,297.21
	<b>1,277.55</b>	1,485.65
<b>18 Cash and Bank balances</b>		
Cash and cash equivalent		
Cash on hand	<b>10.78</b>	13.40
Balance with banks		
On current accounts	<b>475.19</b>	1,238.23
Unpaid dividend accounts *	<b>52.48</b>	52.76
	<b>538.45</b>	1,304.39
Other bank balances		
Margin money deposits with original maturity greater than 3 months and maturing within 12 months	<b>407.90</b>	370.11
	<b>946.35</b>	1,674.50
* Earmarked for payment of unclaimed dividend		



	As at March 31, 2015 Rs. Lacs	As at March 31, 2014 Rs. Lacs
<b>19 Short term loans and advances</b>		
<b>Un-secured and considered good</b>		
Advances to related parties -		
Subsidiaries (Refer Note 33)	-	0.27
Advances to employees	53.50	98.79
Advance to suppliers	127.18	158.00
Balances with Government Authorities	1,915.16	1,991.69
Prepaid expenses	124.78	182.43
Claims recoverable	-	194.49
Advances to body corporates/ trusts /individuals	33.74	44.20
	<b>2,254.36</b>	<b>2,669.87</b>
<b>Un-secured and considered doubtful</b>		
Balances with Government Authorities	27.14	27.14
Advance to suppliers	26.09	42.91
Advances to body corporates	189.64	189.64
	<b>242.87</b>	<b>259.69</b>
Less: provision for doubtful advances	<b>(242.87)</b>	<b>(259.69)</b>
	<b>2,254.36</b>	<b>2,669.87</b>
<b>20 Other current assets</b>		
<b>Un-secured and considered good</b>		
Subsidy receivable	442.86	329.02
Unbilled revenue	220.60	993.98
Retention money	45.04	-
Export Entitlement	93.90	130.54
Interest accrued on bank deposits	24.06	14.67
	<b>826.46</b>	<b>1,468.21</b>
	<b>Year ended March 31, 2015 Rs.Lacs</b>	<b>Year ended March 31, 2014 Rs.Lacs</b>
<b>21 Revenue from operations</b>		
Sale of products *	31,742.29	34,520.09
Sale of Services #	443.24	1,989.17
Other operating revenues		
Sale of Rubber/ Grevillea Trees	-	950.47
Tea Board Subsidy	302.71	339.72
Export entitlements	145.38	151.84
Others	473.48	456.97
	<b>33,107.10</b>	<b>38,408.26</b>



	Year ended March 31, 2015 Rs.Lacs	Year ended March 31, 2014 Rs.Lacs
<b>* Details of sale of products</b>		
Tea	16,579.49	17,820.83
Rubber	14,580.62	16,171.54
Fruits, Spices and others	339.90	236.62
Green leaf	242.28	291.10
	<b>31,742.29</b>	<b>34,520.09</b>
<b># Details of sale of services</b>		
Construction contracts ( Refer Note 31 )	443.24	1,989.17
<b>22 Other Income</b>		
Interest income on		
Bank deposits and other deposits	44.29	65.77
Non-current investments	-	0.02
Profit on sale of fixed assets (net)	6.06	12.02
Liability no longer required written back	-	18.96
Provision for doubtful debts and advances written back(net)	23.98	-
Other non-operating income	254.85	181.22
	<b>329.18</b>	<b>277.99</b>
<b>23 Cost of materials consumed (all indigenous)</b>		
Inventory at the beginning of the year	-	-
Add : Purchases	9,041.07	10,433.99
	<b>9,041.07</b>	<b>10,433.99</b>
Less : Inventory at the end of the year	-	-
Cost of materials consumed	<b>9,041.07</b>	<b>10,433.99</b>
<b>Details of materials consumed:</b>		
Green leaf	2,644.94	3,336.74
Bought latex and sheets	5,963.65	6,789.64
Tea used for blending	432.48	307.61
	<b>9,041.07</b>	<b>10,433.99</b>
<b>24 Purchase of stock-in-trade</b>		
Cenex / TSR	372.34	301.42
Fruits, spices and others	17.15	8.65
	<b>389.49</b>	<b>310.07</b>



	Year ended March 31, 2015 Rs.Lacs	Year ended March 31, 2014 Rs.Lacs
<b>25 Changes in inventories of finished goods</b>		
<b>Inventory at the end of the year</b>		
Tea	1,045.15	1,076.01
Rubber	183.57	217.42
	<b>1,228.72</b>	<b>1,293.43</b>
<b>Inventory at the beginning of the year</b>		
Tea	1,076.01	800.74
Rubber	217.42	166.10
	<b>1,293.43</b>	<b>966.84</b>
Add: Extraordinary Item (Refer Note 36)	-	51.79
	<b>64.71</b>	<b>(378.38)</b>
<b>26 Employee benefits expenses</b>		
Salaries and wages	10,806.41	9,671.32
Contribution to Provident Fund	1,188.41	1,072.78
Contribution to Superannuation Fund	87.01	71.81
Gratuity	939.30	1,292.76
Staff welfare expenses	279.68	280.86
	<b>13,300.81</b>	<b>12,389.53</b>

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

	Rs.Lacs			
	2014-15	2013-14	2012-13	2011-12
<b>1 Present value of obligation at the beginning of the year</b>	<b>3,550.59</b>	2,833.00	2,704.99	2,116.00
Interest cost	246.94	222.73	189.07	153.95
Current service cost	207.74	165.23	615.68	285.64
Benefits paid	(653.67)	(575.17)	(696.63)	(390.72)
Actuarial loss	484.62	904.80	19.89	540.12
<b>Present value of obligation at the Balance Sheet date (Amount recognised in Balance Sheet)</b>	<b>3,836.22</b>	3,550.59	2,833.00	2,704.99
<b>2 Amounts recognized in the Statement of Profit and Loss</b>				
Current service cost	207.74	165.23	615.68	285.64
Interest cost	246.94	222.73	189.07	153.95
Actuarial loss	484.62	904.80	19.89	540.12
<b>Expenses recognized in the Statement of Profit and Loss ( Refer Note 26 )</b>	<b>939.30</b>	1,292.76	824.64	979.71
<b>3 Principal actuarial assumptions</b>				
Discount rate	7.66%	8.75%	8.00%	8.00%
Salary escalation	5.00%	5.00%	5.00%	5.00%
Attrition rate	3.00%	3.00%	3.00%	3.00%

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

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

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

	<b>2014-15</b>	2013-14
	<b>Rs. Lacs</b>	Rs. Lacs
Contribution to Provident Fund ( included in Contribution to Provident Fund in Note 26 )	<b>1,188.41</b>	1,072.78
Contribution to Superannuation Fund ( Refer Note 26 )	<b>87.01</b>	71.81

**27 Other expenses**

	<b>Year ended</b>	Year ended
	<b>March 31, 2015</b>	March 31, 2014
	<b>Rs.Lacs</b>	Rs.Lacs
Consumption of Stores and Spare Parts	<b>2,071.70</b>	2,169.32
Consumption of Packing material	<b>929.03</b>	636.12
Engineering Contract Cost - Materials and Other Expenses	<b>315.97</b>	1,775.06
Contract Costs	<b>1,266.48</b>	987.48
Power and Fuel	<b>2,130.99</b>	2,042.90
Rent	<b>118.17</b>	104.80
Rates and Taxes	<b>202.41</b>	140.27
Repairs and Maintenance		
Buildings	<b>275.82</b>	269.14
Plant and Machinery	<b>275.44</b>	313.48
Others	<b>78.68</b>	67.43
Insurance	<b>78.77</b>	70.44
Tea Cess	<b>81.29</b>	81.25
*Replanting Expenses	<b>1,392.50</b>	1,827.85
Travelling and Conveyance	<b>490.95</b>	531.71
Brokerage and Discount	<b>144.65</b>	171.51
Commission to Selling agent	<b>8.47</b>	7.33
Freight, Shipping, Transport and other charges	<b>835.43</b>	679.01
Directors' Sitting Fees	<b>5.20</b>	4.45
**Expenditure towards Corporate Social Responsibility	<b>13.50</b>	-
Provision for Doubtful Debts/ Advances	<b>-</b>	22.82
Advances written off	<b>16.82</b>	-
Miscellaneous Expenses	<b>1,288.46</b>	1,385.33
	<b>12,020.73</b>	13,287.70

\* Replanting expense includes material consumption and wages of Rs. 266.80 lacs (Previous year Rs.343.94 lacs) and Rs. 1,036.77 lacs (Previous year- Rs.1,257.88 lacs) respectively

\*\*Expenditure towards Corporate Social Responsibility (CSR) activities

	<b>Year ended</b>	Year ended
	<b>March 31, 2015</b>	March 31, 2014
a) Gross amount required to be spent by the Company during the year	<b>12.74</b>	-
b) Amount spent during the year		
(i) Construction/ acquisition of any asset	<b>-</b>	-
(ii) Purpose other than (i) above	<b>13.50</b>	-

**28 Finance Costs**

Interest expense	<b>1,413.69</b>	1,389.58
Other borrowing cost	<b>16.15</b>	121.14
	<b>1,429.84</b>	1,510.72



	As at March 31, 2015 Rs. Lacs	As at March 31, 2014 Rs. Lacs
<b>29 Contingent Liabilities and commitments</b>		
<b>29.1 Contingent Liabilities :</b>		
a) Claims against the Company not acknowledged as debt		
i. Employee related	<b>367.59</b>	324.71
ii. Penalties under section 14B of Employees' Provident Fund Miscellaneous Provisions Act 1952	<b>59.33</b>	49.41
iii. Disputed Income Tax matters	<b>1,302.59</b>	1,019.97
iv. The Government of Kerala had issued a notification in February 2006, enhancing the minimum wages of plantation workers which has been challenged by the Association of Planters of Kerala of which the Company was a member and an interim stay was granted by the High Court of Kerala. As the Company resigned from Association of Planters of Kerala with effect from 12.02.2007, a separate writ petition was filed and an interim stay of the Government Notification obtained.	<b>205.47</b>	348.49
b) Others		
iii. Outstanding bills discounted with bank	<b>77.78</b>	-
<b>29.2 Commitments :</b>		
Estimated amount of contracts remaining to be executed on Capital Account and not provided for, net of advance payments of Rs.22.30 lacs (Previous year Rs.68.24 lacs)	<b>1.53</b>	121.94
<b>30 No adjustment is required to be made in the accounts in respect of :</b>		
a An area of 807 hectares (approximately) [Previous Year 807 hectares (approximately)], which is on a leasehold tenure falls under the provisions of the Gudalur Jenmam Estate (Abolition and Conversion into Ryotwari) Act, 1969. Parent Company's appeal challenging the Order of the Settlement Officer rejecting its application for Patta is pending before the District Court, Ooty. The status quo Orders passed by the Madras High Court challenging the notification of 335 Hectares (Previous Year 335 Hectares) out of this area as forest by the Government of Tamil Nadu is also in force.		
b An area of 178 hectares (approximately) [Previous Year 125.80 hectares (approximately)] deemed to have been vested with the Government of Kerala pursuant to Kerala Private Forests (Vesting and Assignment) Act, 1971, as the Parent Company's claim for the exclusion of the area from the purview of the Act is pending decision of the Forest Tribunal, Palghat and restoration by the Forest Department.		
c An area of 2588 hectares (approximately) [Previous Year 2588 hectares (approximately)] liable to be surrendered to the Government of Kerala under the Kerala Private Forests (Vesting and Assignment) Act, 1971, as the appeals relating to this area are pending in the High Court of Kerala.		
d The Vythiri Taluk Land Board's order directing the Parent Company to surrender 707 hectares (approximately) [Previous Year 707 hectares (approximately)] as excess land under the Kerala Land Reforms Act, 1963 has been set aside by the High Court of Kerala on a revision petition filed by the Parent Company and the matter has been remanded to the Vythri Taluk Land Board for fresh consideration and disposal.		
e An area of 415 hectares (approximately) [Previous Year 415 hectares (approximately)] held to be surplus under the Tamil Nadu Land Reforms (Fixation of Ceiling on Land) Act, 1961 as the Special Land Tribunal, Madras has remanded the matter for fresh consideration by the Authorised Officer, Coimbatore.		
f An area of 1152 hectares (approximately) [Previous Year 1310 hectares (approximately)] in respect of which cases filed by Janmies (original owners) of Lahai, Koney and Arrapetta Estates challenging the validity of the lease is pending before the Sub-Court, Pathanamthitta ,Sub-Court, Sulthan Bathery and High Court of Kerala.		
g An area of 304 hectares (approximately) [Previous Year 304 hectares (approximately)] re-notified as vested forests by the Government of Kerala as the Parent Company's writ petition challenging the notification is pending before the High Court of Kerala.		
h An area of 1982.45 hectares (Previous Year 1982.45 hectares) of Mooly Valley estates notified by the Government of Kerala for resumption alleging violation of lease conditions as proceedings has been stayed by the Sub Court, Irinjalakuda.		
i An area of 336.64 hectares (Previous Year 336.64 hectares) of rubber field of Koney estate in respect of which the Writ Petition filed by the Parent Company and the status quo order passed by the High Court of Kerala challenging the proceedings initiated by the Government of Kerala to resume such lands, is in force.		
j An area of 12154 hectares (Previous Year Nil) in respect of which the Government of Kerala has issued order of resumption under the Kerala Land Conservancy Act claiming it to be Government Lands, the further proceedings of which has been prevented by High Court of Kerala, on a writ petition filed by the Parent Company.		

	Year ended March 31, 2015 Rs.Lacs	Year ended March 31, 2014 Rs.Lacs
<b>31 Disclosure relating to Construction Contracts</b>		
Contract revenue recognised during the year	443.24	1,989.17
Disclosure regarding Contracts in progress		
Aggregate amount of costs incurred and recognised profits up to March 31	5,778.37	5,335.13
Advances received	-	116.86
Retention money	-	251.49
Gross amount due from customers	60.27	103.16

### 32 Segment Reporting

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

(a) Primary Segment Information - By Business Segments \*

Description	Tea	Rubber	Other	Engineering	Total
	(Rs. Lacs)	(Rs. Lacs)	(Rs. Lacs)	(Rs. Lacs)	(Rs. Lacs)
External Sales	17,288.93 (18,614.49)	14,598.55 (17,157.01)	776.38 (647.59)	443.24 (1,989.17)	33,107.10 (38,408.26)
Inter-segment Sales	- -	- -	- -	- -	- -
Segment Revenue	17,288.93 (18,614.49)	14,598.55 (17,157.01)	776.38 (647.59)	443.24 (1,989.17)	33,107.10 (38,408.26)
Segment Result - Profit/(Loss) excluding Extraordinary item	(1,985.54) (71.89)	(570.89) (1,554.11)	407.96 (342.73)	(5.80) (-)(38.17)	(2,154.27) (1,930.56)
Less: Interest Expenses					1,413.69 (1,389.58)
Less: Unallocated Income (net of unallocated expense Rs. 16.15 lacs) (Previous year Unallocated expense net of unallocated income Rs. 65.79 Lacs)					(28.14) (55.35)
Profit before Extraordinary Item and tax					(3,539.82) (485.63)
Extraordinary Item (Net) (Note 42)					13.95 (25.63)
Profit/ (Loss) before Tax					(3,525.87) (511.26)
Less : Income Taxes					- (70.00)
Profit/ (Loss) after Tax					(3,525.87) (441.26)



Description	Tea	Rubber	Other	Engineering	Total
	(Rs. Lacs)	(Rs. Lacs)	(Rs. Lacs)	(Rs. Lacs)	(Rs. Lacs)
<b>Other Information</b>					
Segment Assets	37,228.48 (38,064.87)	12,669.47 (12,879.71)	63.04 (55.25)	358.76 (1,419.04)	50,319.75 (52,418.87)
Unallocated Assets					986.94 (1,702.57)
Total Assets					51,306.69 (54,121.44)
Segment Liabilities	5,908.83 (4,678.57)	5,607.26 (4,973.83)	33.59 (13.29)	140.36 (260.30)	11,690.04 (9,925.99)
Unallocated Liabilities					10,951.97 (12,004.90)
Total Liabilities					22,642.01 (21,930.89)
Segment Capital Expenditure	436.42 (468.40)	123.94 (250.30)	- -	- -	560.36 (718.70)
Segment Depreciation	561.63 (479.79)	155.78 (147.00)	3.98 (4.52)	8.06 (15.68)	729.45 (646.99)
Segment non-cash expense other than depreciation	- (8.83)	- -	16.82 -	- (13.99)	16.82 (22.82)

(b) Secondary Segment information - By Geographical Segments \*

Description	India	Outside India	Total
	(Rs. Lacs)	(Rs. Lacs)	(Rs. Lacs)
External Sales	29,959.39 (35,200.06)	3,147.71 (3,208.20)	33,107.10 (38,408.26)
Segment Assets	49,842.22 (52,004.14)	477.53 (414.73)	50,319.75 (52,418.87)
Segment Capital Expenditure	560.36 (718.70)	- -	560.36 (718.70)

All operating facilities are located in India.

\* Figures in bracket represent previous year's figures

### 33 Related Party Disclosures

**a List of Related Parties where control exists (Wholly Owned Subsidiaries)(Refer Note 37.2)**

Enchanting Plantations Limited (EPL)

Harmony Plantations Limited (HPL)

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

**b Key management personnel of Parent Company**

Mr. V Venugopal (Manager)

Mr. Ashok Goyal (Whole Time Director) with effect from April 24, 2014 till July 24, 2014

Mr. N. Dharmaraj (Whole Time Director) with effect from August 8, 2014

**c Related party transactions**

Description	Rs. Lacs			
	Subsidiary Companies		Key Management Personnel (KMP)	
	2014-15	2013-14	2014-15	2013-14
<b>Transaction during the year</b>				
Re-imbursment of Expenses				
EPL	-	0.07	-	-
HPL	-	0.13	-	-
MPL	-	0.07	-	-
Realisation of advances				
EPL	<b>0.07</b>	-	-	-
HPL	<b>0.13</b>	-	-	-
MPL	<b>0.07</b>	-	-	-
Remuneration				
V Venugopal	-	-	<b>42.80</b>	44.02
Ashok Goyal	-	-	<b>31.15</b>	-
N Dharmaraj	-	-	<b>78.65</b>	-
<b>Balance as at year end</b>				
Investment in subsidiaries				
EPL	<b>10.00</b>	10.00	-	-
HPL	<b>5.00</b>	5.00	-	-
Advances recoverable				
EPL	-	0.07	-	-
HPL	-	0.13	-	-
MPL	-	0.07	-	-

**34 Earnings**

Particulars	Per	Share	
		2014-15 Rs. Lacs	2013-14 Rs. Lacs
a) Profit/(Loss) after tax (including extraordinary item) (Rs. in lacs)		<b>(3,525.87)</b>	441.26
b) Profit/(Loss) after tax (excluding extraordinary item) (Rs. in lacs )		<b>(3,539.82)</b>	439.53
c) Number of equity shares at the beginning of the year		<b>18,455,405</b>	18,455,405
d) Number of equity shares at the end of the year		<b>18,455,405</b>	18,455,405
e) Weighted average number of equity shares outstanding		<b>18,455,405</b>	18,455,405
f) Nominal Value of each equity share (Rs.)		<b>10.00</b>	10.00
g) Basic and diluted earnings/(loss) per share (including extraordinary item) ( Rs.) (a/e)		<b>(19.10)</b>	2.39
h) Basic and diluted earnings/(loss) per share (excluding extraordinary item) ( Rs.) (b/e)		<b>(19.18)</b>	2.38



### 35 Derivative instruments and unhedged foreign currency exposure

#### i. Derivatives outstanding as at the reporting date

Particulars	Purpose	Year Ended March 31, 2015 Rs. Lacs		Year Ended March 31, 2014 Rs. Lacs	
		Value in Foreign Currency	INR	Value in Foreign Currency	INR
Forward Contracts to sell USD	Hedge of highly probable forecast transactions	11.03	692.99	8.07	502.28
Forward Contracts to sell Euro		0.41	30.81	-	-
Forward Contracts to sell GBP		0.60	57.50	-	-

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

Particulars	Year Ended March 31, 2015 Rs. Lacs		Year Ended March 31, 2014 Rs. Lacs	
	Value in Foreign Currency	INR	Value in Foreign Currency	INR
Trade Receivables (In USD)	0.86	46.39	2.09	128.41
Trade Receivables (In Euro)	-	-	0.20	16.73

### 36 Extraordinary Item

Extraordinary item for the year ended March 31, 2014 represents net gain towards insurance claim received against loss of certain inventories and fixed assets (net of sale proceeds) due to fire in one of the tea factory; further the Company has received Rs.13.95 lakhs towards insurance claim during the year.

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Insurance Claim recoverable	13.95	181.30
Less: Loss of Inventory	-	51.79
Less: Loss of Tangible Fixed Assets	-	137.03
Add: Proceeds from sale of tangible assets	-	33.15
Net Extraordinary Gain	13.95	25.63

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

Name of the Company	Country of Incorporation	Proportion of Ownership Interest as at 31.03.15	Proportion of Ownership Interest as at 31.03.14
HML Engineering Company Ltd (effective June 6, 2011 )	India	100%	100%

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

Enchanting Plantations Limited

Harmony Plantations Limited

Malayalam Plantations Limited (Step down)

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



### 38 Information on Net Assets and Profits

Particulars	Net Assets		Share in Profit and Loss	
	As a % of consolidated net assets	Amount	As a % of consolidated Profit or Loss	Amount
<b>Parent</b>				
Harrisons Malayalam Limited	100%	28,661.13	100%	(3,525.87)
<b>Indian Subsidiary</b>				
HML Engineering Company Ltd	0%	3.55	0%	-
<b>Total</b>	<b>100%</b>	<b>28,664.68</b>	<b>100%</b>	<b>(3,525.87)</b>

### 39 Taxation

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

**39** The Parent Company has entered into a composite scheme of arrangement and amalgamation amongst Harrisons Malayalam Limited (HML) and Enchanting Plantations Limited (100% subsidiary of HML) and Malayalam Plantations Limited (100% subsidiary of Enchanting Plantations Limited) and Harmony Plantations Limited (100% subsidiary of HML) and their respective shareholders and their creditors ("the Scheme"). The Scheme has been approved by the Board of Directors and sanctioned by the shareholders of the Parent Company and the Parent Company has intimated to the Stock Exchanges in which the Parent Company's shares are listed. As per the Scheme interalia certain Tea and Rubber estates would be transferred/ demerged to its subsidiaries. The Scheme is now pending before the High Court of Kerala.

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

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

**Pinaki Chowdhury**  
Partner  
Membership No. 57572

Kolkata  
May 28, 2015

**Kaushik Roy**  
Director

**K N Mathew**  
CFO

Kolkata  
May 28, 2015

For and on behalf of the Board

**Sachin Nandgaonkar**  
Director

**P A Krishnamoorthy**  
CFO

**N.Dharmaraj**  
Whole Time Director

**Ravi A**  
Company Secretary



## Statement containing the silent features of the financial statements of Subsidiaries/Associate Companies/Joint Ventures

(Pursuant to first proviso to sub section(3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

### Part "A": Subsidiaries

1	SI No.	1	2	3	4
2	Name of the Subsidiary	Harrisons Engineering Company Limited	Enchanting Plantations Limited	Harmony Plantations Limited	Malayalam Plantations Limited
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Uniform Reporting Period	Uniform Reporting Period	Uniform Reporting Period	Uniform Reporting Period
4	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	Rs.	Rs.	Rs.	Rs.
5	Share Capital	5.00	10.00	5.00	5.00
6	Reserves & Surplus	-1.45	-3.02	-2.96	-3.37
7	Total Assets	3.66	2.09	2.15	1.97
8	Total Liabilities	0.11	0.11	0.11	0.34
9	Investments	-	5.00	-	-
10	Turnover	0.22	0.12	0.12	0.11
11	Profit before taxation	-	-0.19	-0.19	-0.10
12	Provision for taxation	-	-	-	-
13	Profit after taxation	-	-0.19	-0.19	-0.10
14	Proposed Dividend	-	-	-	-
15	% of shareholding	-	-	-	-

1 All subsidiaries are yet to commence operations.

2 No subsidiary has been liquidated or sold during the year.

### Part "B": Associates and Joint Ventures - Not applicable

	Name of Associates / Joint Ventures	Name 1	Name 2	Name 3
1	Latest audited Balance Sheet Date			
2	Shares of Associate/Joint Ventures held by the company on the year end			
4	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries			
	No.			
	Amount of Investment in Associates/Joint Venture			
	Extent of holding %			
3	Description of how there is significant influence			
4	Reason by 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			





