



# 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

19<sup>th</sup> October, 2016

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

We hereby submit the Annual Report of the Company for the Financial Year 2015-16.

For HARRISONS MALAYALAM LIMITED

  
**JOSE GEORGE**  
Company Secretary





***HARRISONS MALAYALAM LIMITED***

**Annual Report 2015 - 2016**



## Board of Directors

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

## Manager

V Venugopal

## Company Secretary

Jose George

## 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  
Trading & Exports in Tea and Rubber

## Auditors

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

## Bankers

ICICI Bank  
IDBI Bank  
State Bank of Hyderabad  
HDFC Bank

## Legal Advisors

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

## Secretarial Auditors

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

## Cost Auditors

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

## Registrar & Share Transfer Agent

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

## Financial Performance 10 year track record

₹ Crore

	06-07	07-08	08-09	09-10	10-11	11-12	12-13	13-14	14-15	15-16
<b>Profit &amp; Loss Account</b>										
Total Income	208.56	209.14	292.58	350.65	366.55	368.91	349.93	386.86	334.36	288.60
Personnel cost	65.69	70.02	89.33	103.13	104.59	111.14	116.21	123.90	133.01	140.33
Raw materials & Purchases	50.95	52.69	92.62	126.18	115.93	93.83	89.07	107.44	94.31	63.62
Power & Fuel	11.20	11.05	14.12	15.10	14.91	16.60	19.62	20.43	21.31	19.86
Cultivation & Other Operating Expenses	41.32	42.73	58.09	66.32	97.32	104.15	91.86	99.81	89.30	84.06
Depreciation	2.97	3.00	3.42	4.40	6.11	6.49	6.76	6.47	7.29	5.52
	172.13	179.49	257.58	315.13	338.86	332.21	323.52	358.05	345.22	313.39
Selling Expenses	10.47	12.09	15.62	10.62	10.63	9.37	8.35	8.85	10.24	6.94
Cost of Sales	182.60	191.58	273.20	325.75	349.49	341.58	331.87	366.90	355.46	320.33
PBIT @	25.96	17.56	19.38	24.90	17.06	27.33	18.06	19.96	(21.10)	(31.73)
PBT @	15.06	6.99	8.01	12.36	5.25	10.45	3.48	4.86	(35.26)	(45.68)
Earnings per Share of ₹ 10/-	₹ 7.65	₹ 3.35	₹ 3.27	₹ 5.37	₹ 2.14	₹ 2.55	₹ 1.24	₹ 2.38	₹ (19.18)	₹ (24.75)
Dividend per Share of ₹ 10/-	₹ 1.50	₹ 1.50	₹ 1.50	₹ 2.00	₹ 1.50	₹ 1.50	₹ 0.75	₹ 1.00	Nil	Nil
<b>Balance Sheet</b>										
Fixed Assets	182.44	181.36	183.33	421.58	425.52	426.67	433.06	431.60	429.58	424.59
Investments	12.10	12.10	12.10	0.01	0.01	0.21	0.21	0.21	0.21	0.16
Current Assets	253.21	270.76	260.04	76.85	87.05	88.56	96.82	109.41	83.29	76.36
<b>Total Assets</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>	<b>501.11</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	294.11	287.05	289.85	298.31	299.03	300.53	301.21	303.46	268.21	222.52
Loan Funds	76.66	85.49	92.87	104.29	113.28	91.21	81.94	105.13	97.94	94.16
Current Liabilities	58.53	73.23	54.30	77.39	81.82	105.25	128.49	114.18	128.48	165.98
<b>Total Liabilities</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>	<b>501.11</b>

@ Before Exceptional / Extraordinary Items



## NOTICE

Notice is hereby given that the Thirty Ninth Annual General Meeting of the Company will be held at 10.30 A.M on Friday, September 30, 2016 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, 2016, 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 Mr. Sachin Nandgaonkar (DIN 03410739) 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 Ninth 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 and payment of remuneration to Mr. 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 Mr. N Dharmaraj (DIN 00912004) as Whole Time Director of the Company for the period from October 1, 2016, to September 30, 2017.”

**“RESOLVED FURTHER THAT** for his services rendered as Whole Time Director of the Company, Mr. N Dharmaraj (DIN 00912004) be paid remuneration, for the period from October 1, 2016, to September 30, 2017, 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 Mr. 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.”

5. **Ratification of Cost Auditors Remuneration**

To consider and if thought fit, to pass, with or without modification(s), the following 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 be and is hereby ratify the remuneration of ₹2,50,000 plus out-of-pocket expenses payable to M/s. Shome & Banerjee, Cost Accountants, 5A, Nurulla Doctor Lane, (West Range), 2<sup>nd</sup> 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 business of the Company as may be ordered by the Central Government under the Act and the Rules thereunder, for the year ending March 31, 2017.”

**By Order of the Board of Directors**

**Jose George**  
Company Secretary

Mumbai  
August 17, 2016

**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 Business under Item No. 4 and 5 of the Notice is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from September 24, 2016, to September 30, 2016, (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 2008-09 would be transferred to IEPF on or before 04.11.2016. 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 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 A.M. 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](mailto:coimbatore@linkintime.co.in)
11. Notice of the AGM along with Annual Report 2015-16 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:  
  
In Compliance with provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer 'remote e-voting' (e-voting from a place other than venue of the AGM) facility to exercise their right to vote at the 39<sup>th</sup> Annual General Meeting (AGM). Necessary arrangements have been made by the Company with Central Depository Services (India) Limited (CDSL) to facilitate remote e-voting.  
  
The facility of voting through polling paper shall also be made available at the venue of the Thirty Ninth AGM. The shareholders attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The shareholders who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.



The process and instructions for e-voting are as under:

- (i) The voting period begins on Tuesday, September 27, 2016 (9.00 A.M.) and ends on Thursday, September 29, 2016 (5.00 P.M.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 23, 2016, may cast their vote electronically. The e-voting module shall be blocked by CDSL for voting thereafter. A person who is not a member as on the cut-off date should treat this Notice for information purpose only.
- (ii) The shareholders should log on to the e-voting website ([www.evotingindia.com](http://www.evotingindia.com)).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders 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 shareholders 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>Shareholders who have not updated their PAN with the Company / Depository Participant are requested to use the sequence number which is printed on the attendance slip.</li> </ul>
Dividend Bank Details <b>OR</b> 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) Shareholders holding shares in physical form will then directly reach the EVSN selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <HARRISONS MALAYALAM LTD> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change 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 voting done by you 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) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
  - (xix) Note for Non – Individual Shareholders and Custodians
    - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
    - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
    - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
    - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
    - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same. The scanned copy of the said Board Resolution and the Power of Attorney shall also be emailed to the Scrutinizer to his email id, namely, [mds@mdsservices.in](mailto:mds@mdsservices.in)
  - (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Rakesh Dalvi, Deputy Manager, CDSL, 16<sup>th</sup> Floor, P J Towers, Dalal Street, Fort, Mumbai - 400 001, Contact No. 1800 200 5533
13. The voting rights of shareholders shall be in proportion to their shares in the paid up equity share capital of the Company.
  14. A copy of this Notice has been placed on the website of the Company and the website of CDSL.
  15. The Company has appointed Mr. 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.
  16. 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 2 (two) days of conclusion of the meeting, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Whole Time Director or a person authorized by him in writing who shall counter sign the same.
  17. 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 immediately after their declaration within two (2) days of passing of resolutions at the Annual General Meeting. The Results shall also be communicated to the stock exchanges where shares of the Company are listed.

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

**Mr. Sachin Nandgaonkar**

Mr. Sachin Nandgaonkar (aged 46 years), President & CEO – RPG Enterprises, heads the Speciality Sector at RPG Group which comprises of Raychem RPG Pvt. Ltd., RPG Life Sciences Ltd. and Harrisons Malayalam Ltd. He also drives Digital, Business Excellence and New Ventures across the RPG Group in his capacity as a Member of the Management Board of RPG.

Mr. Sachin joined the RPG Group in 2015. Prior to that he was a Sr. Partner & Director at the Boston Consulting Group (BCG) where he worked for over 15 years. He is a B.Tech. in Electrical Engineering from IIT, Bombay and an MBA from IIM, Ahmedabad.

Mr. Sachin has extensive experience in dealing with strategic and operational issues related to business portfolio, growth strategy, globalisation, operational excellence, organisation design and change management across many industries. Mr. Sachin joined the Board on February 11, 2015, in the casual vacancy created consequent to Mr. Ajit Singh Chouhan. He has attended 3 Board meetings out of 5 during the Financial year



**Membership/Chairmanship:**

Name of the Companies	Committee	Chairman/Member
RPG Life Sciences Ltd.	Risk Management Committee	Member
RPG Life Sciences Ltd.	Nomination and Remuneration Committee	Member
Harrisons Malayalam Ltd.	Audit Committee	Member
Harrisons Malayalam Ltd.	Risk Management Committee	Member
Harrisons Malayalam Ltd.	CSR Committee	Member
Raychem RPG Pvt Ltd.	Audit Committee	Member

Mr. Sachin is not related to any member of the Board of Directors or to any Management Personnel of the Company

Mr. Sachin doesn't hold any share in the Company

**Mr. N Dharmaraj**

Mr. N Dharmaraj (aged 64 years), is currently whole time Director of the Company. He is a Graduate in Agriculture Science, having over 40 years experience in plantation 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 15 years, he served as Vice President, (Plantations) and as Executive Director and is currently Chief Executive SBU-A. He also worked in the Agri-business vertical of Shapoorji Pallonji group, based in Mumbai, as Chief Executive Officer.

Mr. Dharmaraj is the President of The United Planters' Association of Southern India (UPASI), 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 and also a Member of the Core Committee of the Tea Board of India.

**Membership/Chairmanship:**

Name of the Company	Committee	Chairman/Member
Harrisons Malayalam Ltd.	CSR Committee	Member

Mr. Dharmaraj was appointed in the Board as the Whole-time Director on August 8, 2014. He has attended all the 5 Board Meetings convened during the Financial Year Mr. Dharmaraj is not related to any member of the Board of Directors or to any Management Personnel of the Company

Mr Dharmaraj doesn't hold any share in the Company in his own name or on a beneficial basis for any other persons.

**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 NINTH ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD ON SEPTEMBER 30, 2016**

**Item No. 4 – Appointment and payment of remuneration to Mr. N Dharmaraj, Whole Time Director**

Mr. N Dharmaraj was appointed as a Whole Time Director of the Company from January 1, 2016, to September 30, 2016. 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 July 14, 2016, is as set out below.

- 1. Period**  
From October 1, 2016, to September 30, 2017
- 2. Salary**  
Consolidated pay for the above period: Not exceeding ₹9,500,000/- (excluding service tax)
- 3. Perquisites:**
  - a. Medical expenses incurred by Mr. N Dharmaraj for self and family shall be reimbursed by the Company subject to a limit of ₹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 Mr. N Dharmaraj.

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

The draft agreement proposed to be entered into by the Company with Mr. Dharmaraj and other such documents shall be so made available for inspection in physical or in electronic form during specified business hours at the Registered Office of the company and copies thereof shall also be made available for inspection in physical or electronic form at the registered of the Company on any working day (except Saturdays) between 11.00 A.M. and 1.00 P.M. 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 ₹ Cr.)

Particulars	2011-12	2012-13	2013-14	2014-15	2015-16
Total Revenue	368.91	349.93	386.86	334.36	288.60
Operating Profit / (Loss)	33.83	24.83	26.44	(13.81)	(29.70)
Interest	16.88	14.59	15.11	14.30	14.20
PBDT	16.95	10.24	11.33	(28.11)	(43.90)
Profit Before Tax	10.46	3.48	4.86	(35.40)	(49.41)
Exceptional Items	-	-	0.26	0.14	3.73
Profit before tax (including Exceptional Items)	10.46	3.48	5.12	(35.26)	(45.68)
Profit After Tax	4.71	2.30	4.42	(35.26)	(45.68)
Amount of Equity	18.45	18.45	18.45	18.45	18.45
Dividend	2.76	1.38	1.85	---	---
Rate of Dividend	15%	7.5%	10%	---	---

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

Financial Year	Export turnover	Net Foreign Exchange contribution
2011-12	34.28	32.23
2012-13	18.37	16.99
2013-14	31.38	30.82
2014-15	30.17	29.56
2015-16	41.86	41.61

The Company does not have any other foreign investment or collaboration.

## 2. INFORMATION ABOUT MR. N DHARMARAJ

Mr. N Dharmaraj, Graduate in Agriculture Science, has over 40 years of experience in 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 Harrissons 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, Mr. Dharmaraj returned to Harrissons Malayalam Limited to head the plantations business identified to RP-SG Group.

He is 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.

The Nomination and Remuneration Committee of the Board of Directors of the Company had at its meeting held on July 14, 2016, considered the re-appointment of Mr. Dharmaraj as the Whole-time Director of the Company and also considered the report on his performance evaluation in terms of the policy on Appointment, Training, Evaluation and Remuneration of Directors and Senior Management Personnel and recommended his appointment

**Past remuneration:**

For the period 2015-16, Mr. N Dharmaraj was paid consolidated salary of ₹85.44 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:**

Mr. 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 10000.

The Company has a paid up capital of ₹18.45 Crores and is listed in the Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. with approximately 29000 Shareholders.

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

**Pecuniary Relationship:**

Mr. Dharmaraj does not have any pecuniary relationship with any of the Directors, Key Managerial Personnels or their relatives.

**Other Information**

Reasons of Loss or Inadequate Profit - The 17 day industry wide strike during September- October, 2015, and the restrictions imposed by the State Government in the operations of the Company during the Financial Year

Steps Taken or Proposed to be Taken for Improvement - The Company is taking proper remedies for improvement through deliberation with the State Government and the legal measures. The employee relations are now cordial

Expected Increase in Productivity and Profits - The overall productivity of the Company is expected to increase by 15%. The Company is expected to break even in the current financial year

None of the Directors or Key Managerial Personnels of the Company or their respective relatives except Mr. Dharmaraj himself is concerned or interested in the aforesaid resolution.

**Item No. 5 – Ratification of Cost Auditors Remuneration**

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 cost record of the Company for the financial year ending March 31, 2017.

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

Accordingly consent of the members is sought for passing an ordinary resolution as set out in Item No. 5 of the notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2017.

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. 5 of the Notice for the approval of the shareholders.

By Order of the Board of Directors

Mumbai  
August 17, 2016

**Jose George**  
Company Secretary

HARRISONS MALAYALAM LIMITED

CIN: L01119KL1978PLC002947

Registered Office:

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

Phone: 0484-2668023 | Fax: 0484-2668024

Website: www.harrisonsmalayalam.com | email: hmlcorp@harrisonsmalayalam.com

## DIRECTORS' REPORT

The Directors have pleasure in presenting the Annual Report and Audited Accounts of Harrissons Malayalam Limited for the year ended March 31, 2016.

### 1. Financial Highlights

₹ in Lacs

Year ended	Standalone		Consolidated	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Revenue from Operations	28,485.55	32,663.86	28,485.55	32,663.86
Other Income	316.06	326.46	316.06	326.46
Income from discontinued operations	58.28	445.74	58.28	445.74
Total Income	28,859.89	33,436.06	28,859.89	33,436.08
Profit / (Loss) before Tax	(4,568.24)	(3,525.87)	(4,566.79)	(3,525.87)
Profit / (Loss) after Tax	(4,568.24)	(3,525.87)	(4,566.79)	(3,525.87)
Surplus brought forward from previous year	5,876.19	9,402.06	5,874.74	9,400.61
Profit available for appropriation	1,307.95	5,876.19	1,307.95	5,874.74
Appropriations				
General Reserve	-	-	-	-
Proposed Dividend	-	-	-	-
Dividend Tax	-	-	-	-
Balance carried forward	1,307.95	5,876.19	1,307.95	5,874.74

### 2. Dividend

The Board of Directors has not recommended dividend for the year ended March 31, 2016, in view of the losses incurred by the Company.

### 3. Performance

During the year under review, the Company has recorded a revenue of ₹284.85 crore from its operations as compared to ₹326.64 crore for the previous year. The total revenue, including other income and income from discontinued operations, for the financial year 2015-16 was ₹288.59 crore compared to ₹334.36 crore for the previous year. The loss incurred by the Company for the financial year 2015-16 was ₹45.68 crore. There was a 17 day industry wide strike in the plantations in Kerala during September- October, 2015, which had a severe impact on the performance of the Company.

#### Tea:

Tea harvested from own gardens during Financial Year 2015-16 is 9620 MT (12068 MT in the Financial Year 2014-15). Bought leaf operations in tea for Financial Year 2015-16 is 3838 MT (4455 MT in Financial Year 2014-15). Together with the Bought Operations, the total production was 13458 MT as compared to the total production of 16523 MT in the Financial Year 2014-15. For the year ended March 2016, the average price realized per kg of tea was ₹107.05 as against ₹96.29 realized during the Previous Year. Tea exported was 3794 MT as against 2525 MT exported last year.

#### Rubber:

Rubber harvested from own gardens stood at 4666 MT during Financial Year 2015-16 and is slightly higher than 4638 MT achieved during Financial Year 2014-15. Bought operations in Rubber for Financial Year 2015-16 at 4184 MT which is lower than the 4930 MT of Financial Year 2014-15 by 15%. For the year ended March 2016, the average price realized per kg of rubber was ₹136.66 as against ₹149.72 realized during the previous year. Income from Rubber Tree felling for the season 2015-16 could not be accounted due to the ban order on felling of Rubber trees, issued by the Special Officer appointed by the Government of Kerala.

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

#### Update on HML Land Matters

The Company continued to be in the news – misquoting land law violations amongst other allegations. We would like to reiterate to all our stakeholders that the Company legitimately holds all its lands with valid title deeds and the required 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 since the early 1900s when the lands were originally acquired), and would never fall under the Kerala Land Conservancy Act, which in any case excludes registered land holders and tax paid lands from the definition therein of "Property of the Government".



Even after the petition filed by the Kerala Government, seeking to declare the Company's lands as Government lands, was dismissed by the High Court of Kerala in 2013, the Revenue Department of the Government has been continuing with its proceedings against the Company. Various steps initiated by the Special Officer under the Kerala Land Conservancy Act against the properties held by the Company, including orders banning the felling of rubber trees, was challenged before the High Court of Kerala. The Company has, through proper legal remedies, successfully resisted all attempts to resume its lands and the status quo order passed by the High Court against resumption of Company's lands is still in force. The issues are now pending consideration before a Division Bench of the High Court of Kerala.

We wish to reiterate and assure that all operations of your Company are within the framework of law and that all its lands are supported by valid title deeds. The Company is confident that it will be able to successfully establish its credentials and legitimacy of its operations in the Court of law.

#### **4. Listing**

The equity shares of the Company are listed in the Bombay Stock Exchange Limited and National Stock Exchange of India Limited. Cochin Stock Exchange, where the shares of the Company were listed, has ceased to operate as a stock exchange vide the exit order issued by Securities Exchange board of India dated December 23, 2014.

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

The Company does not have any Fixed Deposit as on March 31, 2016.

#### **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 as Annexure forming a part of this Report (Annexure A).

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

A report on Management Discussion and Analysis is attached herewith (Annexure B). A separate Report on Corporate Governance (Annexure C) along with Additional Shareholder Information (Annexure D) as prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, is annexed as a part of this Report along with the practicing Company Secretary's Certificate.

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

As at March 31, 2016, 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. No Companies have become or ceased to be subsidiaries, joint ventures or associate Company during the year.

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, 2016, 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.

\*Struck off w.e.f. June 1, 2016.

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

In accordance with Section 129(3) of the companies Act, 2013, and Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, 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. Sachin Nandgaonkar (DIN- 03410739) retires by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for reappointment. Ms. Surbhi Singhi has been appointed as an Additional Director at the meeting of the Board of Directors held on November 6, 2015, consequent to the resignation of Ms. Sucharita Basu on September 28, 2015. Ms. Surbhi has been confirmed as an Independent Director by the Shareholders through Postal Ballot as on February 9, 2016. Mr. Dharmaraj was reappointed as a Whole-time Director by the last Annual General Meeting to hold office from January 1, 2016, to September 30, 2016. He is proposed to be reappointed as the Whole-time Director to hold office till September 30, 2017, at the ensuing Annual General Meeting.

The details of familiarisation programmes imparted to independent directors can be accessed at the website of the Company at link [http://www.harrisonsmalayalam.com/newsite/pdf/familiarisation\\_policy.pdf](http://www.harrisonsmalayalam.com/newsite/pdf/familiarisation_policy.pdf)

The criteria of making payments to non-executive directors can be accessed website of the Company at link [http://www.harrisonsmalayalam.com/newsite/pdf/Nomination\\_Remuneration\\_Policy.pdf](http://www.harrisonsmalayalam.com/newsite/pdf/Nomination_Remuneration_Policy.pdf)

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

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, the Independent Directors of the Company viz. Mr. Haigreve Khaitan (DIN- 00005290), Mr. G Momen (DIN- 00402662), Mr. J M Kothary (DIN- 00015254) and Ms. Surbhi Singhi (DIN- 03275338) 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 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, were re-appointed as Statutory 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 Eighth and Thirty Ninth Annual General Meeting of the Company. The same was ratified by the members at the Thirty Eighth Annual General Meeting. Accordingly, the Notice convening the Thirty Ninth Annual General Meeting includes a resolution seeking such ratification by the members for the re-appointment of the Auditors.

There is no qualifications in the Statutory Auditors Report for the Financial Year 2015-16.

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 Act.

## **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, 2016. The Central Government has duly approved their appointment.

Cost Audit Report and the Compliance Report for the year ended March 31, 2015, were filed with the Central Government on October 21, 2015. The due date for filing the Cost Audit Report was October 27, 2015.



#### 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. The observation in the Secretarial Audit Report is self explanatory.

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

Consequent to the losses incurred by the Company during the previous 2 years, the average profit of the previous 3 years is negative. Hence the Company is not required to incur any expenditure on CSR under the purview of the Act. However, the Company continues to carry on its various CSR activities which is contained in this Annual Report. The members of the Committee are Mr. Golam Momen, Mr. Sachin Nandgaonkar, Mr. P Rajagopalan and Mr. N Dharmaraj. The committee has met once in the Financial Year on February 11, 2016. The CSR Policy can be accessed at the website of the Company at link [http://www.harrisonsmalayalam.com/newsite/pdf/CSR\\_policy\\_HML\\_FINAL.pdf](http://www.harrisonsmalayalam.com/newsite/pdf/CSR_policy_HML_FINAL.pdf)

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

Pursuant to Section 177 of the Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has adopted vigil mechanism in the form of Whistle Blower Policy, to deal with instances of fraud or mismanagement, if any. The Policy can be accessed at the website of the Company at link [http://www.harrisonsmalayalam.com/newsite/pdf/vigil\\_mechanism\\_policy.pdf](http://www.harrisonsmalayalam.com/newsite/pdf/vigil_mechanism_policy.pdf).

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

There was no materially significant contract or arrangement or 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 G 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 17(9) & 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

#### 21. **Internal Control Systems & their Adequacy**

The Company has a well placed, proper and adequate Internal Control environment, commensurate with the size, scale and complexity of its operations. This environment inter alia:

- provides assurance on orderly and efficient conduct of operations;
- security of assets;
- prevention and detection of frauds/errors;
- accuracy and completeness of accounting records; and
- timely preparation of reliable financial information.

The Internal Financial Controls in the Company are implemented in the framework of the Multi Level Control and Monitoring system, which includes :

- (i) Management Control
- (ii) Review by Senior Management
- (iii) Supervision By Board of Directors and Audit Committee

The above procedures are further strengthened by independent audits being carried out by Statutory audit, Tax audit, Cost audit and Secretarial audit.

#### 22. **Awards & Achievement**

During the year under review, the Company achieved accreditations and awards for its best manufacture practices. The major recognition include CII- Excellence Award in Environment, Health & Safety (EHS) for the year 2015-16 for Kumbazha and Wentworth Estate - Kerala State Pollution Control Board Award 2015-16 for sustained efforts in controlling Pollution and Environment Protection - Mooply Centrifuge Latex Factory.

In continuation of the Company's pursuit for excellence, Chundale Tea Factory in Wynaad received the prestigious Safety Award from the Department of Factories and Boilers, Government of Kerala for the year 2015. HML's Surianalle Estate has received the prestigious TGLIA 2016 (The Golden Leaf India Award) Award for its superior quality in CTC Teas. Also the Wentworth, Pattumallay and Lockhart Factories of the Company has secured eight awards in the orthodox Tea category in the TGLIA competition held at Dubai in April, 2016.

## **23. 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 H 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 I and forms a part of this report.

## **24. 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 coming months. Financial Year 16-17 is expected to be significantly better in terms of performance, as initiatives started earlier make positive contributions.

## **25. 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, 2016, the applicable accounting standards have been followed, along with proper explanation relating to material departure, if any;
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 in the balance sheet as at March 31, 2016, and the statement of profit and loss for the period from April 1, 2015, to March 31, 2016;
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, 2016, 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.

## **26. Industrial Relations**

Plantation workers in the State of Kerala went on a 17 day strike demanding an increase in wages.

### **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

**Sachin Nandgaonkar**  
(DIN- 03410739)  
*Director*

**Kaushik Roy**  
(DIN- 06513489)  
*Director*

Mumbai  
August 17, 2016

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

Pursuant to Rule 8(3) of the Companies (Accounts) Rules, 2014, particulars of Conservation of Energy, Technology Absorption etc. for the year ended March 31, 2016

### 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

Avoiding one number of 7.5 hp Trough in Arrapetta tea factory has resulted in a saving in consumption of 4.8 units per hour. The installation of 100 KVAR Capacitors in Chundale Tea Factory has improved the power factor to 0.94, the Chundale Tea Factory is earning an incentive of ₹64800/- per year from Kerala State Electricity Board. Installation of energy efficient motors at Achoor Estate have an advantage of efficiency improvement in induction motors of 6.57 units per hour, the yearly cost savings being ₹204984/-. The load affordability in DG sets at Achoor Tea Factory has been enhanced by adding 120 KVAR Capacitors. Without any improvement in the DG capacities, by enhancing the load affordability, the connected load could be increased by 550 hp. Excess loading, DG tripping & other failures are also made affordable with present DG SETS by adding enough Capacitors and its benefits are counted by cost of new 750 KVA DG sets.

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

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.

### B) Technology Absorption

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

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. This would reduce the maintenance costs.

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

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

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

### C) Foreign Exchange earnings and Outgo

During the year 2015-16, the foreign exchange earned in terms of actual inflows was ₹4185.95 lacs and foreign exchange outgo in terms of actual outflow was ₹24.88 lacs.

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

### POWER AND FUEL CONSUMPTION

		TEA		RUBBER	
		Twelve Months ended 31-03-2016	Twelve Months ended 31-03-2015	Twelve Months ended 31-03-2016	Twelve Months ended 31-03-2015
<b>1. ELECTRICITY</b>					
<b>(a) Purchased</b>					
Units	(KWH)	<b>9722476</b>	11339020	<b>1659208</b>	2155161
Total Amount	(₹)	<b>64801528</b>	72997697	<b>11501228</b>	14921739
Rate/Unit	(₹/KWH)	<b>6.67</b>	6.44	<b>6.93</b>	6.92
<b>(b) Own Generation</b>					
Through Diesel Generator					
Units	(KWH)	<b>594937</b>	706322	<b>137549</b>	146230
Units per litre of Diesel Oil	(KWH)	<b>2.59</b>	2.79	<b>2.15</b>	2.56
Fuel - Cost/Unit	(₹/KWH)	<b>19.39</b>	21.31	<b>23.92</b>	22.99
<b>2. FIREWOOD</b>					
Total Quantity of Firewood	(Cu.Mtr)	<b>32107</b>	31900	<b>1855</b>	2555
Total Amount	(₹)	<b>38389543</b>	38344138	<b>2414610</b>	2778295
Rate/Cu.Mtr	(₹)	<b>1195.67</b>	1202.02	<b>1301.51</b>	1087.48
<b>3. OTHERS</b>					
HSD Oil for Transport & Material Handling etc.					
Quantity	(K.Ltr)	<b>77.74</b>	88.17	<b>55.88</b>	87.33
Total Cost	(₹)	<b>4145728</b>	5258218	<b>3002221</b>	5204374
Rate/Unit Cost	(₹/K.Ltr)	<b>53325</b>	59638	<b>53,725</b>	59596
Consumption per Unit of Production					
Products					
TEA/RUBBER	(Kgs.)	<b>13458000</b>	16523000	<b>8850000</b>	9568000
Energy Used:					
Electricity (incl. own generation)	(KWH/Kg)	<b>0.77</b>	0.73	<b>0.20</b>	0.24
Briquetted Fuel	(Kgs.)	<b>4874981</b>	4744450	-	-
Veneer Waste	(Kgs.)	<b>3425950</b>	5466085	-	-
Coconut Shells	(Kgs.)	-	-	-	9620
Wood Waste	(Kgs.)	<b>65724</b>	152805	-	-



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

### TEA

#### Overview

India, world's largest tea grower of Black Tea produced 1191.1 Million kg in 2015 as compared to the 1207.3 Million kg in 2014. The other major tea producing countries in the world in 2015 were Kenya 399 Million kg, Sri Lanka 329 Million kg and Bangladesh 67 Million kg. China produced 2230 Million kg of Green tea during the year 2015.

The tea exports for the financial year 2015-16 has registered an increase of 17% in volume reaching a figure of 232.9 Million kg which is valued at ₹4493.1 crore. The export has reached the 230 Million kg mark after a span of 35 years.

The increase in production of tea is mainly attributed to North India, where the production has increased by 5.52%. However the production in South India has declined by 6.95% due to the adverse climatic conditions and labour issues in plantations.

#### Outlook

The outlook for Indian tea industry remains sombre. The demand is expected to remain either static or may record insignificant growth in coming months. Though the domestic prices are seen to be stabilizing and export price realisations are increasing, there are anxieties arising out of increased input costs and higher wage costs. However the increased domestic consumption as compared to the production is expected to help better price realisation.

### RUBBER

#### Overview

The decline in the rubber prices during the last few years has pushed the natural rubber production in the country to 563 Million kg in the financial year 2015-16 registering a decline of 13% as compared to the previous year. This is the lowest production in the last 10 years.

The rubber consumption also declined marginally by 3% to 987.5 tonnes from the peak level of 1020.9 Million kg a year ago. The decrease in production has resulted in increased imports touching a new height of 454.3 Million kg for the year 2015-16.

In 2015, the Global Natural Rubber Production increased by 2.5% to 12380 Million kg while consumption at 12276 Million kg rose by 0.96%.

#### Outlook

The natural rubber production is witnessing an improvement in the current year after sinking to a lowest in almost two decades. The prices seem to show some kind of stability which is an encouraging sign. At the same time, the major rubber producing countries namely, Malaysia, Indonesia, Thailand and Vietnam have decided cut their supplies in their effort to stem the drop in prices, which in turn may help sustain prices.

### OPPORTUNITIES AND THREATS

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

These problems will be addressed by improving labour productivity through mechanisation and various other initiatives, to improve productivity and reduce costs which your Company has embarked. Various energy conservation measures have also been initiated. Improved focus on water management and focus on sustainable environmental initiatives launched by the company is greatly expected to benefit the plantations during 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.

## **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 10,000 people at its tea and rubber plantations. Employee relations remained satisfactory during the period under review. The Company would like to record its appreciation to its employees and their whole hearted support and cooperation during these difficult periods.

## **FINANCE**

Total income during the year was ₹284.85 cr. as compared to the income of ₹334.86 cr. for the previous year 2014-15. The loss incurred by the company was ₹45.68 cr. which was due to increased labour costs, fall in rubber prices and non-availability of rubber tree income due to the ban imposed by the Govt. of Kerala. 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 defer materially from those expressed or implied. Significant factors that could make a difference to the Company's operations include domestic and internal economic conditions affecting demand and supply, commodity prices, changes in Government regulations, tax regimes and other statutes. Market data and product information contained in this Report have been based on information gathered from various published and unpublished reports and their accuracy, reliability and completeness cannot always be assured.





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

The Company's policy on Corporate Governance emphasis on conducting its operations effectively and meeting its obligations towards its various shareholders and to the society at large. The Company endeavours to produce quality products that consistently commands respect, trust and loyalty by way of sustained efforts in the plantation and adoption of latest technologies. The Company also gives due importance to its obligation towards the large work force that it employs in the plantations. The Company runs a business that has a human face and values environment, people, product, plantation 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 Regulation 34 & 53 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, with regard to corporate governance.

### BOARD OF DIRECTORS

#### Composition of the Board

On 31 March, 2016, HML's Board of Directors consisted of eight Directors, of which four 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 Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. The terms and conditions of appointment of Independent Directors are as per the Nomination & Remuneration Policy.

#### NUMBER OF BOARD MEETINGS

In 2015-16, the Board of the Company met five times, on 28.05.2015, 11.08.2015, 28.09.2015, 06.11.2015 and 11.02.2016. The maximum gap between any two Board meetings is less than one hundred and twenty days.

#### DIRECTORS' ATTENDANCE RECORD AND DIRECTORSHIPS

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

**Table1: Composition of the Board of Directors as on 31 March 2016**

Name of Director	Category <sup>5</sup>	No. of other Directorships and Committee memberships / Chairmanships in other Indian public companies			Attendance particulars		
		Director <sup>1</sup>	Member <sup>2</sup>	Chairman <sup>2</sup>	No. of Board Meetings held	No. of Board Meetings attended	Attendance at last AGM
Mr. Haigreave Khaitan	Non Executive Independent	9	5	3	5	2	No
Mr. G Momen	Non Executive Independent	6	4	1	5	5	No
Mr. P Rajagopalan	Non Executive Non Independent	2	-	-	5	3	Yes
Mr. J M Kothary	Non Executive Independent	3	-	-	5	4	No
Mr. N Dharmaraj	Executive Non Independent	1	-	-	5	5	Yes
Mr. Sachin Nandgoankar	Non Executive Non Independent	3	-	-	5	3	Yes
Mr. Kaushik Roy	Non Executive Non Independent	2	-	-	5	3	Yes
Ms. Surbhi Singhi <sup>3</sup>	Non Executive Independent	1	1	-	5	-	No
Ms. Sucharita Basu <sup>4</sup>	Non Executive 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 Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, Memberships/ Chairmanships of only the Audit Committees and Stakeholders Relationship Committees of all public limited companies have been considered.

3. Ms. Surbhi Singhi was appointed as an Additional Director of the Company with effect from 06.11.2015. Through Postal Ballot, the shareholders appointed her as an Independent Director w.e.f. 09.02.2016.
4. Ms. Sucharita Basu resigned from the Board on 28.09.2015.

All the Directors are under Non-promoter category

## SEPARATE MEETINGS OF INDEPENDENT DIRECTORS

During 2015-16, the Independent Directors met on 12.03.2016, inter alia, to review the performance of non-independent directors taking into account the views of the executive and non-executive directors, assess the quality, quantity and timelines of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties and other related matters. All the independent directors attended the said meeting.

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

## RELATED PARTY TRANSACTIONS

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 39(c) to the financial statements for the year 2015-16. 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 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 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 2015-16 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).

## COMMITTEES OF THE BOARD

### AUDIT COMMITTEE

As on March 31, 2016, Audit Committee of HML's Board of Directors consisted of Mr. Haigreve Khaitan, Mr. Golam Momen, Mr. J M Kothary, Mr. Sachin Nandgoankar and Ms. Surbhi Singhi. Mr. Haigreve Khaitan, Independent Director, is the Chairman of the Committee. All members of the Audit Committee have accounting and financial management expertise.

The Committee met five times during the course of the financial year on 28.05.2015, 11.08.2015, 23.09.2015, 06.11.2015 and 11.02.2016.

**Table 2: Attendance record of Audit Committee members for 2015-16**

Name of Members	Status	Category	No. of Meetings	
			Held	Attended
Mr. Haigreve Khaitan	Chairman	Independent	5	3
Mr. G Momen	Member	Independent	5	5
Mr. J M Kothary	Member	Independent	5	4
Mr. Sachin Nandgaonkar	Member	Non-Independent	5	5
Ms. Surbhi Singhi*	Member	Independent	5	1
Ms. Sucharita Basu**	Member	Independent	5	1

\* Ms.Surbhi Singhi was inducted into the Audit Committee on 06.11.2015.

\*\* Ms. Sucharita Basu resigned with effect from 28.09.2015



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

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

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

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

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

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

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

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

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

## STAKEHOLDERS GRIEVANCE / RELATIONSHIP COMMITTEE

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

The Stakeholders Relationship Committee comprises of Mr. G Momen, Ms. Surbhi Singhi and Mr. V Venugopal. Mr. G Momen is the Chairman of the Committee. The Committee met once during the year on 27.01.2016. Table 3 gives the details of attendance. Mr. Jose George, Company Secretary, is the Compliance Officer.

**Table 3: Attendance record of Investors' Grievance Committee for 2015-16**

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

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

## NOMINATION & REMUNERATION COMMITTEE

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

The role of the Committee, inter-alia, includes

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

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

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

During the year, the Committee met twice on 01.07.2015 and 06.11.2015. Table 4 gives the details of attendance:



**Table 4: Attendance record of Nomination & Remuneration Committee for 2015-16**

Name of Members	Status	Category	No. of meetings	
			Held	Attended
Mr. Haigrevehaitan	Chairman	Non-Executive	2	2
Mr. Golam Momen	Member	Non-Executive	2	2
Mr. J M Kothary	Member	Non-Executive	2	1
Ms. SucharitaBasu*	Member	Non-Executive	1*	1

\* Ms. SucharitaBasu resigned with effect from 28.09.2015.

## DIRECTORS' / MANAGER'S REMUNERATION

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

₹ in lacs

Name of the Director	Salary & Perquisites	Sitting Fees	Total
Mr. Haigrevehaitan	-	0.70	0.70
Mr. G Momen	-	1.30	1.30
Mr. P Rajagopalan	-	0.60	0.60
Ms. Sucharita Basu	-	0.20	0.20
Mr. J M Kothary	-	1.20	1.20
Mr. Sachin Nandgaonkar	-	1.50	1.50
Mr. Kaushik Roy	-	0.60	0.60
Ms. Surbhi Singhi	-	0.10	0.10
Mr. N Dharmaraj (Whole Time Director)	85.44	-	85.44
Mr. V Venugopal (Manager)	44.47	-	44.47

The breakup of Salary & Perquisites paid to them is as under:

### Mr. N Dharmaraj, Whole Time Director

₹ in lacs

Basic Salary	Other allowance	Perquisites	Retirement Benefits	Total
85.44	-	-	-	85.44

### Mr. V Venugopal, Manager

₹ in lacs

Basic Salary	Other allowance	Perquisites	Retirement Benefits	Total
21.27	16.86	0.60	5.74	44.47

## Shares held by Non-Executive Directors:

As on March 31, 2016, 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 March 31, 2016, no convertible instruments of the Company are outstanding.

## RISK MANAGEMENT COMMITTEE

The Risk Management Committee of the Board is comprised of Mr. Haigrevehaitan, Mr. Sachin Nandgaonkar, Mr. Kaushik Roy, Mr. K N Mathew (CFO)\* and Mr. P A Krishnamoorthy (CFO). The roles and responsibilities of the committee are as prescribed under Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended from time to time, and includes monitoring and review of the risk management plan and reporting the same to the Board of Directors periodically as it may deem fit, in addition to any other terms as may be referred by the Board, from time to time. During the year the Committee met on 28.09.2015

Name of Members	Status	Category	No. of Meetings	
			Held	Attended
Mr. Sachin Nandgaonkar	Member	Non Executive	1	1
Mr. Kaushik Roy	Member	Non Executive	1	1
Mr. N. Dharmaraj	Member	Executive	1	1
Mr. K.N. Mathew*	Member	CFO	1	1
Mr. P.A. Krishnamoorthy	Member	CFO	1	1

\* retired on April 15, 2016

## **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

A Corporate Social Responsibility (CSR) Committee of the Board was constituted on March 25, 2015, to formulate and recommend to the Board a CSR Policy indicating the activities to be undertaken by the Company and to discharge such other responsibilities as required under the Act and the Rules made thereunder. The members of the Committee as on March 31, 2016 are Mr. Golam Momen, Mr. Sachin Nandgaonkar, Mr. P Rajagopalan and Mr. N Dharmaraj.

## **SUBSIDIARY COMPANIES**

As on March 31, 2016, HML has four unlisted subsidiaries namely HML Engineering Company Ltd.\*, Enchanting Plantations Ltd., Harmony Plantations Ltd. and one step down subsidiary, namely, Malayalam Plantations Ltd.

\* Struck off w.e.f. June 1, 2016

## **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.

Mr. Jose George, Company Secretary, is the Compliance Officer.

### **WHISTLE BLOWER POLICY**

As required under the Act and Regulation 22 & 46(2)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Company has formulated a Whistle Blower Policy for its Directors and permanent employees. Under the Policy, instances of any irregularity, unethical practice and / or misconduct can be reported to the management for appropriate action.

### **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 CEO & CFO certification of the financial statements for the year has been submitted to the Board of Directors, as required under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

## **SHAREHOLDERS**

### **RE-APPOINTMENT / APPOINTMENT OF DIRECTORS**

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

Mr. N Dharmaraj, Whole-time Director whose term ends on September 30, 2016, is being re-appointed for a period of 1 year from October 1, 2016, to September 30, 2017.





In compliance with Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, 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](http://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 Financial Express (English) and Deshabhimani (Malayalam) newspapers in the form prescribed in Regulation 47 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. These results are also displayed in the Company's website [www.hml.co.in](http://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 & SHAREHOLDER GRIEVANCES 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. Jose George.\*, Company Secretary is the Compliance Officer overseeing the process of redressal of all shareholders' grievances.

\* Company Secretary w.e.f. 8<sup>th</sup> April, 2016

## 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	38 <sup>th</sup>	2015	28.09.2015	10.30 A.M.	Kerala Fine Arts Hall, Fine Arts Avenue, Foreshore Road, Cochin – 682016
2.	37 <sup>th</sup>	2014	26.09.2014	10.00 A.M.	Kerala Fine Arts Hall, Fine Arts Avenue, Foreshore Road, Cochin – 682016
3.	36 <sup>th</sup>	2013	23.09.2013	11.00 A.M.	Durbar Hall, Casino Hotel 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
36 <sup>th</sup>	No special resolution was passed
37 <sup>th</sup>	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 of the Company
	Borrowings /Financial Assistance under Section 180(c) of the Companies Act, 2013
	Creation of charge for borrowings / financial assistance availed.
38 <sup>th</sup>	Appointment and payment of remuneration to Mr.N. Dharmaraja, Whole Time Director
	Appointment and payment of remuneration to Mr. V. Venugopal, Manager of the Company

## Postal Ballot

During the year 2015-16, the approval of the shareholders was obtained through Postal Ballot for one Ordinary Resolution under Section 149 of the Companies Act, 2013, for appointment of Ms. Surbhi Singhi (DIN: 03275338) as an Independent Director.

The Company complied with the procedure for the postal ballot pursuant to Section 110 and all other applicable provisions of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014, (including any statutory modification or re-enactment thereof for the time being in force) and Secretarial Standards issued by the Institute of

Company Secretaries of India. Mr. P Sivakumar, M.Com, ACMA, FCS, CMA, Managing Partner of SVJS, Company Secretaries, Padmam Apartments, Manikkath Road, Ravipuram, Cochin – 682 016 was the scrutinizer for the conduct of the Postal Ballot. The details of the resolution passed is as under:

Last date for dispatch of Postal Ballot Forms to the shareholders	Date of passing of resolution	Type of Resolution
January 11, 2016	February 9, 2016	Ordinary

## COMPLIANCE

### MANDATORY REQUIREMENTS

The Company is fully compliant with the applicable mandatory requirements of Regulation 34 & 53(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

### NON-MANDATORY REQUIREMENTS

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

- SHAREHOLDER RIGHTS – FURNISHING OF QUARTERLY RESULTS**  
Details of the shareholders' rights in this regard are given in the section 'Communication to Shareholders'.
- 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.

There is no relationships between directors inter-se.

No Directors, except Mr. G Momen (560 shares), holds any share in the Company.

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

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

#### For and on behalf of the Board of Directors

	<b>Sachin Nandgaonkar</b>	<b>Kaushik Roy)</b>
Mumbai	(DIN- 03410739)	(DIN- 06513489)
August 17, 2016	Director	Director

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

#### ANNUAL GENERAL MEETING

Date	:	Friday, September 30, 2016
Time	:	10:30 A.M.
Venue	:	Kerala Fine Arts Hall, Fine Arts Avenue, Forestone Road, Cochin 682016.

No Special Resolution is proposed to be conducted through Postal Ballot. There is no display of official news releases or presentation made to the investors or analysts at the Meeting.

#### FINANCIAL CALENDAR

For the year ended March 31, 2016, results were announced on:

First quarter	:	August 11, 2015
Second quarter	:	November 06, 2015
Third quarter	:	February 11, 2016
Fourth quarter and annual	:	May 30, 2016

For the year ending 31 March 2017, results will be announced on:

Quarter ending June 30, 2016	Within August 14, 2016
Quarter ending September 30, 2016	Within November 14, 2016
Quarter ending December 31, 2016	Within February 14, 2017
Year ending March 31, 2017 ( Audited )	Within May 30, 2017



## BOOK CLOSURE

The Company's Register of Members and Share Transfer Books will remain closed from September 24, 2016, to September 30, 2016 (both days inclusive) as Annual closure for the Annual General Meeting.

## DIVIDEND

The Board has not recommended any dividend for the FY 2015-16.

## LISTING

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

## STOCK CODES

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

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

## STOCK DATA AND PERFORMANCE

Table 1 below gives the monthly high and low prices of HML equity shares and the volumes traded at the Bombay Stock Exchange and National Stock Exchange for the year 2015-16.

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

Year –2015/16 Months	BSE		NSE		Volume (Nos.)	
	High (₹)	Low (₹)	High (₹)	Low (₹)	BSE	NSE
April	53.80	43.90	54.00	43.90	186734	328105
May	48.85	43.70	49.50	43.00	46878	130290
June	44.75	39.70	47.70	39.10	99271	136782
July	52.70	41.30	52.85	41.60	419228	1154627
August	63.90	43.00	63.85	43.00	1091751	3033238
September	47.80	42.60	48.40	42.00	120249	335599
October	50.90	44.00	51.95	43.20	203976	617808
November	60.00	43.20	60.90	43.05	614132	1942782
December	65.00	53.05	65.00	53.00	1217725	4358900
January	64.70	48.85	66.60	48.70	509452	1629441
February	55.50	39.80	56.00	39.95	189507	509259
March	54.00	40.00	54.20	39.60	504293	1783713

Source: Website: Bombay Stock Exchange Ltd.([www.bseindia.com](http://www.bseindia.com)) and The National Stock Exchange of India Ltd. ([www.nseindia.com](http://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 2015-16.

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

As at close of last trading day for each month	HML's closing price on NSE (₹)	NSE Nifty	BSE Sensex
April 2015	46.65	8181.50	26897.54
May 2015	44.35	8433.65	26423.99
June 2015	41.45	8368.50	26307.07
July 2015	49.50	8532.85	27416.39
August 2015	46.50	7971.30	25289.42
September 2015	44.65	7948.90	24833.54
October 2015	46.60	8065.80	26168.71
November 2015	54.45	7935.25	25451.42
December 2015	61.40	7946.35	24867.73
January 2016	55.60	7563.55	23839.76
February 2016	40.15	6987.05	22494.61
March 2016	49.60	7738.40	23133.18

## SHARE TRANSFER AGENTS AND SHARE TRANSFER AND DEMAT SYSTEM

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

M/s. Link Intime India Pvt. Ltd.

Surya, 35, Mayflower Avenue, Behind Senthil Nagar

Sowripalayam Road, Coimbatore – 641028.

Ph. 0422-2314792

E-mail: [coimbatore@linkintime.co.in](mailto:coimbatore@linkintime.co.in)

In compliance with the SEBI circular dated December 27, 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 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 2016, dematerialised shares accounted for 95.05% 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 2015-16.

**Table 3: Number and nature of complaints for 2015-16**

No of Investor queries/ complaints received from 01.04.2015 to 31.03.2016	No. of complaints pending at the end of the Financial Year
14	Nil

There had been no investor complaints which was not solved to the satisfactions of the shareholders.

## 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 March 31, 2016**

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	2828	0.02
Foreign Institutional Investors	-	-
Non Resident Indians	87658	0.47
Corporate Bodies, Indian Public and others	9074244	49.17
TOTAL	18455405	100.00

**Table 5: Pattern of shareholding by share class as on March 31, 2016**

No of Equity Shares held	No of Shareholders	No of shares held	% Shareholding
Up to 500	26980	3145745	17.05
501 to 1000	1165	925467	5.02
1001 to 2000	535	801796	4.34
2001 to 3000	151	395333	2.14
3001 to 4000	61	214140	1.16
4001 to 5000	68	320210	1.73
5001 to 10000	114	814344	4.41
10001 and above	76	11838370	64.15
TOTAL	29150	18455405	100.00



## PLANT LOCATIONS

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

Rubber Estates: Eleven Estates located in Kerala

## INVESTOR CORRESPONDENCE ADDRESS

Company's Registered Office Address	Registrar's Address
Secretarial Department Harrisons Malayalam Ltd. 24/1624, Bristow Road Willingdon Island Cochin-682003 Telephone No: 0484-2668023 E-Mail : secretarial@harrisonsmalayalam.com Website: www.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. Jose George., Company Secretary, is the Compliance Officer for investor related matters.

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

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

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

Dividend for Year	Declared on	Dividend %	Amount lying unpaid / unclaimed as on March 31, 2016 (₹)	Due date for credit to IEPF
2008-09	30.09.2009	15%	700677	29.10.2016
2009-10	30.09.2010	20%	1053804	29.10.2017
2010-11	19.09.2011	15%	775389	18.10.2018
2011-12	27.09.2012	15%	856902	26.09.2019
2012-13	23.09.2013	7.5%	479241	22.09.2020
2013-14	26.09.2014	10%	595056	25.10.2021

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

**The details of shares in Unclaimed Suspense Account and transferred to shareholders those who have claimed the shares during the period April 1, 2015 to March 31, 2016 are as follows**

	No. of Shareholders	No. of Shares
Aggregate number as on April 1, 2015	3227	220301
No. of shareholders who approached the Company / Registrar for transfer of shares from unclaimed Suspense Account during the year.	31	1940
No. of shareholder to whom shares were transferred from the Unclaimed Suspense Account during the year.	31	1940
Aggregate number as on March 31, 2016.	3196	218361

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

The Company do not have any outstanding GDRs/ ADRs/ Warrants/Any other Convertible Instruments as on March 31,2016.

## Commodity Price Risk or Foreign Exchange Risk and hedging activities:

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

## DECLARATION – CODE OF CONDUCT

All Board members and Senior Management Personnel of the Company have, for the year ended March 31, 2016, affirmed compliance with the Code of Conduct laid down for the Board of Directors and Senior Management in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

For **HARRISONS MALAYALAM LIMITED**

**V Venugopal**  
Manager

August 17, 2016

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## PRACTICING COMPANY SECRETARY'S CERTIFICATE

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

To the Members of Harrisons Malayalam Ltd.

I have examined the compliance of conditions of Corporate Governance by Harrisons Malayalam Limited ("the Company") for the year ended March 31, 2016, as stipulated in Clause 49 of the Listing Agreement ("Listing Agreement") of the Company with the Stock Exchanges for the period April 1, 2015, to November 30, 2015, and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulation, 2015, ("Listing Regulations") as referred to in Regulation 15(2) of the Listing Regulations, for the period December 1, 2015 to March 31, 2016.

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

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement / Listing Regulations, as applicable.

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

**Thomas P Chacko**  
FCS 4066  
Company Secretary in Practice  
CP 4251

Cochin  
August 17, 2016

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

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

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

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

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

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

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

#### A) Criteria for Selection of Directors

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

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

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

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

The Committee shall, before making any recommendation to the Board for appointment, should ensure that the candidate has the attributes set 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 the Directors' Report)

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31.03.2016**

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

To  
The Members  
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 31.03.2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

- (i) 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 31.03.2016 according to the provisions of:
  - (a) The Companies Act, 2013 (the Act) and the rules made there under;
  - (b) The Securities Contracts (Regulation) Act, 1956 ('SCRA) and the rules made thereunder;
  - (c) The Depositories Act, 1996 and the Regulations and Bye-Laws framed thereunder;
- (ii) 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. However, there is no new Foreign Direct Investment during the period under review. Moreover, there is no Overseas Direct Investment and External Commercial Borrowing.
- (iii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (to the extent applicable);
  - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (to the extent applicable);
- (iv) As informed to us, the following other laws are specifically applicable to the Company:
  - 1. The Tea Act, 1953
  - 2. The Tea Waste (Control) Order, 1959
  - 3. The Tea Warehouse (Licensing) Order, 1989
  - 4. The Tea (Marketing) Control Order, 2003

5. Tea (Distribution and Export) Control Order, 2005
6. Food Safety and Standards Act, 2006
7. The Plantations Labour Act, 1951
8. Kerala Plantation Labour Rules, 1959
9. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

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

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

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:

We have noted certain deficiencies with regard to disclosures in the Directors' Report for the Financial Year 2014-15. The management represented that the same were rectified during the year 2015-16.

**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, major decisions taken by members in pursuance to Section 180 of the Companies Act, 2013 or foreign technical collaborations.

The Company has entered into a composite scheme of arrangement and amalgamation with Enchanting Plantations Limited (100 % subsidiary of Harrisons Malayalam Limited), Malayalam Plantations Limited (100 % subsidiary of Enchanting Plantations Limited) and Harmony Plantations Limited (100 % subsidiary of Harrisons Malayalam Limited) which is now pending before the Hon'ble 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.

Kochi  
17.08.2016

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

**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 31st March 2016 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.

Kochi  
17.08.2016

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

**CS.sivakumar p.**  
Managing Partner  
CP No:2210, FCS:3050

## CORPORATE SOCIAL RESPONSIBILITY

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

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

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

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

### Health

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

### Environment and Education

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

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

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

Sr No	CSR Themes	Activity	Locations	Benefeciaries
1	Education	Rakshita – Centre for Children and Young Adults with Special Needs.	Arrapetta	20
2	Education	Uniform and Educational Kit Distribution	Upper Surianalle	80
3	Education	Safety and First Aid awareness	All Estates	1350
4	Education	Independence day Quiz competition	All Wayanad Estates	150
5	Education	Free Tution Classes	Vandiperiyar Group	250
6	Education	News Paper for School Children	Vandiperiyar Group	500
7	Education	Spoken English Training Class	Moongallaar	30
8	Enviornment	Planting Tree Sapling & Anti Plastic Campaign Road Show	Vandiperiyar Group	1200
9	Environment	World Evironment Day Celebrations	All Estates	756
10	Environment	Waste Management with the help of Local Self Government bodies	All Estates	1350
11	Environment	Rain Water Harvesting in Estates	All Rubber Estates	231
12	Environment	Rain Forest Alliance & Ethical Tea Partnership Certifications	All Tea Estates	1350
13	Environment	Campaign for enviornment protection	Kumbazha	800
14	Health	Medical Camps in Tribal Settlement Colonies	Upper Surianalle	271
15	Health	Eye Camp(Netranjali)	Kaliyar/Arrapetta & Sentinel Rock Estates	270
16	Health	Rashtriya Swasthya Bhima Yogana (RSBY) Insurance coverage to all	All Estates	3150
17	Health	Monsoon Diseases/Communicable diseases awareness campaigns/ Observing Dry Days	All Estates	800
18	Health	Homeo Medical Camps	Kaliyar & Palapilly	400
19	Health	LPG Safety Training	All Estates	3150
20	Health	Medical Camp & Eye Camp	Mooply, Moongalaar, Lockhart & Panniar	550
21	Health	Epidemic control - Homeo Medical Camp	Kumbazha	600
22	Health	Health Awareness programme	Pattumallay	250
23	Health	Monthly free medical camp for residents of Karunabhavan rajakkad (Government approved orphanage)	Rajakkadu	70
24	Health	Monthly screening and management of life style modifiable diseases by Wentworth medical team for tribals of NWTWS.	Ambalamoola, Nilgiris	600
25	Health	Monthly home care to the bed-ridden cases registered under Ashraya Pain and Palliative Clinic	Vaduvanchal	80



## Annexure 'G' to the Directors' Report

Form MGT-9

### EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2016

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

#### I. REGISTRATION AND OTHER DETAILS

i.	CIN	L01119KL1978PLC002947
ii.	Registration Date	January 7, 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 682 003 Tel No. 0484 2668023 Fax: 0484 2668024 Email: hmlcorp@harrisonsmalayalam.com Web site: www.harrisonsmalayalam.com
vi.	Whether listed Company	Yes, BSE and NSE
vii.	Name Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd Surya, 35 Mayflower Avenue Behind Senthil Nagar, Sowripalayam Road Coimbatore 641028 Tel: 0422 2314792 Email: Coimbatore@linkintime.co.in

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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	54.49
2	PLANTATIONS - RUBBER	1291	43.63

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

Sr. No	Name and address of the Company	CIN/GLN	Holding / Subsidiary/ Associate	% of shares held	Applicable Section
1.	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	Demat	Physical	Total	
A	Promoters							
	Indian							
	a) Individual/ HUF	90,000	0	90,000	90,000	0	90,000	0.00
	b) Central Govt	0	0	0	0	0	0	0.00
	c) State Govt	0	0	0	0	0	0	0.00
	d) Bodies Corp	52,91,575	0	52,91,575	89,31,575	0	89,31,575	19.72
	e) Banks/Fl	0	0	0	0	0	0	0.00
	f) Any other(Trust)	2,62,080	0	2,62,080	2,62,080	0	2,62,080	0.00
	<b>Sub- Total (A) (1)</b>	<b>56,43,655</b>	<b>0</b>	<b>56,43,655</b>	<b>92,83,655</b>	<b>0</b>	<b>92,83,655</b>	<b>19.72</b>
	Foreign							
(2)	NRIs- Individuals	0	0	0	0	0	0	0.00
	Other Individuals	0	0	0	0	0	0	0.00
	Bodies Corp	0	36,40,000	36,40,000	0	0	0	-19.72
	Banks/Fl	0	0	0	0	0	0	0.00
	Any Other	0	0	0	0	0	0	0.00
	<b>Sub Total (A) (2)</b>	<b>0</b>	<b>36,40,000</b>	<b>36,40,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-19.72</b>
	<b>Total Shareholding of Promoter (A) = (A)(1) + (A) (2)</b>	<b>56,43,655</b>	<b>36,40,000</b>	<b>92,83,655</b>	<b>92,83,655</b>	<b>0</b>	<b>92,83,655</b>	<b>0.00</b>
	Public Shareholding							
	Institutions							
	a) Mutual Funds	6500	520	7020	6500	520	7020	0.00
(1)	b) Banks/Fl	1903	580	2483	1903	925	2828	0.00
	c) Central Govt	0	0	0	0	0	0	0.00
	d) State Govts	0	0	0	0	0	0	0.00
	e) Venture Capital Funds	0	0	0	0	0	0	0.00
	f) Insurance Companies	21715	0	21715	0	0	0	-0.12
	g) Fls	0	0	0	0	0	0	0
	h) Foreign Venture Capital Funds	0	0	0	0	0	0	0.00
	i) Others (Trust)	240	0	240	240	0	240	0.00
	<b>Sub-total (B) (1)</b>	<b>30358</b>	<b>1100</b>	<b>31,458</b>	<b>8643</b>	<b>1445</b>	<b>10,088</b>	<b>0.05</b>
	<b>Sub-total (B) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-0.12</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	1177722	10346	1188068	6.44	11,33,688	10,346	11,44,034	6.20	-0.14
	ii Overseas	0	0	0	0	0	0	0	0	0.00
	b) Individuals									
	i Individual shareholders holding nominal share capital upto ₹1 lakh	5008364	930089	5938453	32.17	4911085	898129	58,09,214	31.48	-0.69
	ii Individual shareholders holding nominal share capital in excess of ₹1 lakh	17,84,354	20,000	18,04,354	9.78	1678342	0	16,78,342	9.09	-0.69
	c) Others (Specify)									
	i Clearing Member	39692	0	39692	0.22	157584	0	157584	0.85	0.63
	ii. NRI (Repatriable)	60451	3965	64416	0.35	48311	3965	52276	0.28	-0.07
	iii. NRI (Non-Repatriable)	30596	0	30596	0.17	35312	0	35312	0.19	0.02
	iv. HUF	61561	0	61561	0.33	278834	0	278834	1.51	1.18
	v. Market Makers	13152	0	13152	0.07	5996	0	5996	0.04	-0.03
	vi. Foreign National	0	0	0	0	70	0	70	0	0
	<b>Sub-Total (B)(2)</b>	<b>81,75,892</b>	<b>9,64,400</b>	<b>91,40,292</b>	<b>49.53</b>	<b>82,49,222</b>	<b>9,12,440</b>	<b>91,61,662</b>	<b>49.65</b>	<b>0.21</b>
	<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>82,06,250</b>	<b>9,65,500</b>	<b>91,71,750</b>	<b>49.70</b>	<b>82,57,865</b>	<b>9,13,885</b>	<b>91,71,750</b>	<b>49.70</b>	<b>0.00</b>
	C Shares held by the Custodian for GDRs and ADRs	0	0	0	0	0	0	0	0	0.00
	<b>Grand Total (A+B+C)</b>	<b>1,38,49,905</b>	<b>46,05,500</b>	<b>1,84,55,405</b>	<b>100.00</b>	<b>1,75,41,520</b>	<b>9,13,885</b>	<b>184,55,405</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		No. of Shares	% of total shares of the Company	% of shares Pledged/ encumbered to total shareholders		
1	Rama Prasad Goenka	10000	0.05	NIL		10000	0.05	NIL		0.00
2	Sanjiv Goenka	35000	0.19	NIL		35000	0.19	NIL		0.00
3	Harsh Vardhan Goenka	45000	0.24	NIL		45000	0.24	NIL		0.00
	Carniwal Investments Limited	1121230	6.07	NIL		1121230	6.07	NIL		0.00
7	Saregama India Ltd	100	0.00	NIL		100	0.00	NIL		0.00
8	Zensar Technologies Ltd	100	0.00	NIL		100	0.00	NIL		0.00
9	Instant Holdings Ltd	1420200	7.70	NIL		1420200	7.70	NIL		0.00
10	Swallow Associates LLP	11,90,722	6.45	NIL		11,90,722	6.45	NIL		0.00
12	Sumit Securities Ltd	728160	3.94	NIL		728160	3.94	NIL		0.00
13	Pradip Kumar Khaitan on behalf of HML Trust No.I	43680	0.24	NIL		43680	0.24	NIL		0.00
14	Pradip Kumar Khaitan on behalf of HML Trust No.II	43680	0.24	NIL		43680	0.24	NIL		0.00
15	Pradip Kumar Khaitan on behalf of HML Trust No.III	43680	0.24	NIL		43680	0.24	NIL		0.00
16	Pradip Kumar Khaitan on behalf of HML Trust No.IV	43680	0.24	NIL		43680	0.24	NIL		0.00
17	Pradip Kumar Khaitan on behalf of HML Trust No.V	43680	0.24	NIL		43680	0.24	NIL		0.00
18	Pradip Kumar Khaitan on behalf of HML Trust No.VI	43680	0.24	NIL		43680	0.24	NIL		0.00
19	Rainbow Investments Ltd	831063	4.50	NIL		4471063	24.22	NIL		19.72
20	Malayalam Plantations Holdings Ltd., UK	3640000	19.72	NIL		0	0.00	NIL		-19.72
	<b>Total</b>	<b>9283655</b>	<b>50.30</b>	<b>NIL</b>		<b>9283655</b>	<b>50.30</b>	<b>NIL</b>		<b>0.00</b>

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

Sl No		Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative shareholding during the year	
		No. of shares beginning (01.04.2015)/ End of the year (31.03.2016)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Rama Prasad Goenka							
	At the beginning of the year	10000	0.05	01-04-15				
	At the End of the year	10000	0.05	31-03-16			10000	0.05
2	Sanjiv Goenka							
	At the beginning of the year	35000	0.19	01-04-15				
	b) At the End of the year	35000	0.19	31-03-16			35000	0.19
3	Harsh Vardhan Goenka							
	At the beginning of the year	45000	0.24	01-04-15				
	At the End of the year	45000	0.24	31-03-16			45000	0.24
4	Carnival Investments Limited							
	At the beginning of the year	1121230	6.07	01-04-15				
	At the End of the year	1121230	6.07	31-03-16			1121230	6.07
5	Saregama India Ltd							
	At the beginning of the year	100	0.00	01-04-15				
	At the End of the year	100	0.00	31-03-16			100	0.00
6	Zensar Technologies Ltd							
	At the beginning of the year	100	0.00	01-04-15				
	At the End of the year	100	0.00	31-03-16			100	0.00
7	Instant Holdings Ltd							
	At the beginning of the year	1420200	7.70	01-04-15				
	At the End of the year	1420200	7.70	31-03-16			1420200	7.70
8	Swallow Associates LLP							
	At the beginning of the year	1190722	6.46	01-04-15			1190722	6.46
	At the End of the year	1190722	6.46	31-03-16				
9	Sumit Securities Ltd							
	At the beginning of the year	728160	3.94	01-04-15				
	At the End of the year	728160	3.94	31-03-16			728160	3.94

Sl No		Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative shareholding during the year	
		No. of shares beginning (01.04.2015)/ End of the year (31.03.2016)	% of total shares of the Company				No. of Shares	% of total shares of the Company
10	Pradip Kumar Khaitan on behalf of HML Trust No.I							
	At the beginning of the year	43680	0.24	01-04-15				
	At the End of the year	43680	0.24	31-03-16			43680	0.24
11	Pradip Kumar Khaitan on behalf of HML Trust No.II							
	At the beginning of the year	43680	0.24	01-04-15				
	At the End of the year	43680	0.24	31-03-16			43680	0.24
12	Pradip Kumar Khaitan on behalf of HML Trust No.III							
	At the beginning of the year	43680	0.24	01-04-15				
	At the End of the year	43680	0.24	31-03-16			43680	0.24
13	Pradip Kumar Khaitan on behalf of HML Trust No.IV							
	At the beginning of the year	43680	0.24	01-04-15				
	At the End of the year	43680	0.24	31-03-16			43680	0.24
14	Pradip Kumar Khaitan on behalf of HML Trust No.V							
	At the beginning of the year	43680	0.24	01-04-15				
	At the End of the year	43680	0.24	31-03-16			43680	0.24
15	Pradip Kumar Khaitan on behalf of HML Trust No.VI							
	At the beginning of the year	43680	0.24	01-04-15				
	At the End of the year	43680	0.24	31-03-16			43680	0.24
16	Rainbow Investments Ltd							
	At the beginning of the year	831063	4.50	01-04-15		Purchase on 09-10-2015		
	At the End of the year	4471063	24.23	31-03-16	3640000		4471063	24.23
17	Malayalam Plantations Holdings Ltd U.K.							
	At the beginning of the year	3640000	19.72	01-04-15		Transfer on 09.10.2015		
	At the End of the year	0	0	31-03-16	(3640000)		0	0

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

Sl No.	Category	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares beginning (01.04.2015)/ End of the year (31.03.2016)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Hitesh Ramji Javeri At the beginning of the year							
		570000	3.09					
				05.04.2015	601	Purchase		
2	At the End of the year (or on the date of separation, if separated during the year) Harsha Hitesh Javeri At the beginning of the year	570601	3.09				570601	3.09
		352000	1.91					
3	At the End of the year (or on the date of separation, if separated during the year) The Peninsular Plantations Ltd At the beginning of the year	352000						
		116487	0.84					
				10.04.2015	(3000)	Sale		
				17.04.2015	(1000)	Sale		
				22.05.2015	1000	Purchase		
				05.06.2015	2000	Purchase		
				17.07.2015	(4000)	Sale		
				24.07.2015	(1000)	Sale		
				28.08.2015	2000	Purchase		
				04.09.2015	1000	Purchase		
				30.09.2015	1000	Purchase		
				09.10.2015	(1000)	Sale		
				06.11.2015	(3000)	Sale		
				20.11.2015	(7000)	Sale		
				27.11.2015	(2000)	Sale		
				04.12.2015	(2000)	Sale		
				01.01.2016	(1000)	Sale		
				15.01.2016	(2000)	Sale		
				18.03.2016	(1000)	Sale		
	At the End of the year (or on the date of separation, if separated during the year)						95487	0.52

SI No.	Category	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares beginning (01.04.2015)/ End of the year (31.03.2016)	% of total shares of the Company				No. of Shares	% of total shares of the Company
4	For Each of the Top 10 Shareholders							
	S. Sethuram							
	At the beginning of the year	65869	0.36					
				10.07.2015	8280	Purchase		
				17.07.2015	(5149)	Sale		
				24.07.2015	(4000)	Sale		
				31.12.2015	20000	Purchase		
				15.10.2016	(5000)	Sale		
5	At the End of the year (or on the date of separation, if separated during the year)			22.01.2016	5000	Purchase	85000	0.46
	Pratik Shailesh Shah							
	At the beginning of the year	109000	0.55					
				22.05.2015	(1025)	Sale		
				10.07.2015	(2000)	Sale		
				14.08.2015	(5000)	Sale		
				23.10.2015	(975)	Sale		
				04.03.2015	(41686)	Sale		
6	At the End of the year (or on the date of separation, if separated during the year)			11.03.2015	(314)	Sale		
	Parvatavardhani Investments Limited			18.03.2016	(8000)	Sale		
	At the beginning of the year	87553	0.47				50000	0.27
				24.04.2015	1000	Purchase		
				19.06.2015	(3000)	Sale		
				30.06.2015	(3000)	Sale		
				10.07.2015	(2000)	Sale		
				07.08.2015	(1000)	Sale		
				16.10.2015	(1000)	Sale		

SI No.	Category	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares beginning (01.04.2015)/ End of the year (31.03.2016)	% of total shares of the Company				No. of Shares	% of total shares of the Company
7	For Each of the Top 10 Shareholders							
				27.11.2015	(1000)	Sale		
				04.12.2015	(4000)	Sale		
				11.12.2015	(1000)	Sale		
				18.12.2015	(2000)	Sale		
				25.12.2015	(10000)	Sale		
				31.12.2015	(2000)	Sale		
				22.01.2016	(1000)	Sale		
				05.02.2016	153	Purchase		
				18.03.2016	(1000)	Sale		
	At the End of the year (or on the date of separation, if separated during the year)						56706	0.31
	Trat Industries Limited							
	At the beginning of the year	67458	0.37					
8				07.08.2015	(2000)	Sale		
				21.08.2015	(4000)	Sale		
				25.09.2015	(5000)	Sale		
				20.11.2015	(2000)	Sale		
				18.12.2015	(2000)	Sale		
				11.03.2016	(1000)	Sale		
	At the End of the year (or on the date of separation, if separated during the year)						51458	0.28
	The Woodland Estates Ltd							
	At the beginning of the year	67240	0.36					
				17.04.2015	(1000)	Sale		
				26.06.2015	2733	Purchase		
				10.07.2015	(3000)	Sale		
				17.07.2015	(1000)	Sale		
				14.08.2015	(1000)	Sale		
				21.08.2015	(2000)	Sale		
				18.09.2015	1000	Purchase		
				20.11.2015	(2662)	Sale		
				11.12.2015	(2000)	Sale		



SI No.	Category	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares beginning (01.04.2015)/ End of the year (31.03.2016)	% of total shares of the Company				No. of Shares	% of total shares of the Company
9	For Each of the Top 10 Shareholders			25.12.2015	(2000)	Sale		
				31.12.2015	(3000)	Sale		
				08.01.2016	(3000)	Sale		
				15.01.2016	(4000)	Sale		
				05.02.2016	(5000)	Sale		
				18.03.2016	347	Purchase		
	At the End of the year (or on the date of separation, if separated during the year)						41658	0.23
	Satish Madanlal Gupta							
	At the beginning of the year	56445	0.31					
				10.07.2015	(1445)	Sale		
10.				31.07.2015	(1000)	Sale		
				07.08.2015	(1000)	Sale		
				27.11.2015	(2000)	Sale		
				31.12.2015	(1000)	Sale		
				08.01.2016	(5000)	Sale		
				15.01.2016	(5990)	Sale		
				25.03.2016	(1000)	Sale		
				31.03.2016	(1000)	Sale		
	At the End of the year (or on the date of separation, if separated during the year)						37010	0.20
	Angel Broking Private Limited							
	At the beginning of the year	10506	0.06					
				03.04.2015	20	Purchase		
				10.04.2015	(91)	Sale		
				17.04.2015	(760)	Sale		
				24.04.2015	(616)	Sale		
				01.05.2015	(76)	Sale		



SI No.	Category	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares beginning (01.04.2015)/ End of the year (31.03.2016)	% of total shares of the Company				No. of Shares	% of total shares of the Company
	For Each of the Top 10 Shareholders							
				08.05.2015	2534	Purchase		
				15.05.2015	(2578)	Sale		
				22.05.2015	1209	Purchase		
				29.05.2015	(3508)	Sale		
				05.06.2015	(1806)	Sale		
				12.06.2015	204	Purchase		
				19.06.2015	1211	Purchase		
				26.06.2015	(825)	Sale		
				30.06.2015	1218	Purchase		
				03.07.2015	374	Purchase		
				10.07.2015	678	Purchase		
				17.07.2015	499	Purchase		
				24.07.2015	(1950)	Sale		
				31.07.2015	678	Purchase		
				07.08.2015	9282	Purchase		
				14.08.2015	12005	Purchase		
				21.08.2015	(2292)	Sale		
				28.08.2015	5104	Purchase		
				04.09.2015	(3675)	Sale		
				11.09.2015	(83)	Sale		
				18.09.2015	(1127)	Sale		
				25.09.2015	5190	Purchase		
				30.09.2015	(862)	Sale		
				09.10.2015	(986)	Sale		
				16.10.2015	1457	Purchase		
				23.10.2015	(5417)	Sale		
				30.10.2015	616	Purchase		
				06.11.2015	(6394)	Sale		
				13.11.2015	(5634)	Sale		
				20.11.2015	1986	Purchase		

SI No.	Category	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares beginning (01.04.2015)/ End of the year (31.03.2016)	% of total shares of the Company				No. of Shares	% of total shares of the Company
	For Each of the Top 10 Shareholders							
				27.11.2015	(2654)	Sale		
				04.12.2015	2531	Purchase		
				11.12.2015	10674	Purchase		
				18.12.2015	12273	Purchase		
				25.12.2015	2629	Purchase		
				31.12.2015	21895	Purchase		
				01.01.2016	(10508)	Sale		
				08.01.2016	(3324)	Sale		
				15.01.2016	10036	Purchase		
				22.01.2016	459	Purchase		
				29.01.2016	(4344)	Sale		
				05.02.2016	2764	Purchase		
				12.02.2016	(1050)	Sale		
				19.02.2016	2883	Purchase		
				26.02.2016	(6367)	Sale		
				04.03.2016	(789)	Sale		
				11.03.2016	5630	Sale		
				18.03.2016	(550)	Sale		
				25.03.2016	(785)	Sale		
				31.03.2016	(3497)	Sale		
	At the End of the year (or on the date of separation, if separated during the year)						53997	0.29

**v) Shareholding of Directors and Key Managerial Personnel:**

SI No.	For Each of the Directors and KMP	Shareholding at the Beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Golam Momen, Director				
	At the beginning of the year	560	0.00		
	At the End of the year			560	0.00
2	V. Venugopal, Manager				
	At the beginning of the year	50	0.00		
	At the End of the year			50	0.00
3	K. N. Mathew, CFO				
	At the beginning of the year	100	0.00		
	At the End of the year			100	0.00
4.	P. A. Krishnamoorthy, CFO				
	At the beginning of the year	50	0.00		
	At the End of the year			50	0.00

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

**VI 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. Principal Amount	10,253.87	1,000.00	-	11,253.87
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	34.33	5.32	-	39.65
Total (i+ii+iii)	10,288.20	1,005.32	-	11,293.52
<b>Change in Indebtedness during the Financial year</b>				
Addition	419.90	2600.00	-	3,019.90
Reduction	(1,062.84)	(2,001.11)	-	(3,063.95)
<b>Net Charges</b>	(642.94)	598.89	-	(44.05)
<b>Indebtedness at the end of the Financial year</b>				
i. Principal Amount	9,618.55	1,600.00	-	11,218.55
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not paid	26.71	4.21	-	30.92
<b>Total (i + ii + iii)</b>	<b>9,649.26</b>	<b>1,604.21</b>	<b>-</b>	<b>11,249.47</b>

₹ Lacs.

**VII REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

₹ Lacs.

Sl No.	Particulars of Remuneration	Mr. N. Dharmaraj (WTD)	Mr. V. Venugopal (Manager)	Total Amount
1	Gross Salary			
	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	85.44	38.13	123.57
	Value of perquisites u/s 17(2) Income-tax Act, 1961		0.60	0.60
	Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2	Stock Option	NIL		NIL
3	Sweat Equity			
4	Commission As % of profit Others, specify			
5	Other - Contribution to Provident fund and other funds		5.74	5.74
	<b>Total (A)</b>	<b>85.44</b>	<b>44.47</b>	<b>129.91</b>
	Ceiling as per the Act	120.00	45.00	



## REMUNERATION TO OTHER DIRECTORS

₹

SI No	Particulars of Remuneration	Golam Momen	Haigreve Khaitan	Sucharita Basu	J M Kothary	P. Rajagopalan	Sachin Nandgaonkar	Ms. Surbhi Singhi	Kaushik Roy	Total
1.	Independent Directors									
	Fee for attending board committee meetings	1,30,000	70,000	20,000	1,20,000	-	-	10,000	-	3,50,000
	Commission	-	-	-	-	-	-	-	-	-
	Others , please specify	-	-	-	-	-	-	-	-	-
	<b>Total (1)</b>	<b>1,30,000</b>	<b>70,000</b>	<b>20,000</b>	<b>1,20,000</b>	<b>-</b>	<b>-</b>	<b>10,000</b>	<b>-</b>	<b>3,50,000</b>
2.	Non-Executive Directors									
	Fee for attending board committee meetings	-	-	-	-	60,000	1,50,000	-	60,000	2,70,000
	Commission	-	-	-	-	-	-	-	-	-
	Others , please specify	-	-	-	-	-	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>60,000</b>	<b>1,50,000</b>	<b>10,000</b>	<b>60,000</b>	<b>2,70,000</b>
	<b>Total (B) = (1 + 2)</b>	<b>1,30,000</b>	<b>70,000</b>	<b>20,000</b>	<b>1,20,000</b>	<b>60,000</b>	<b>1,50,000</b>	<b>10,000</b>	<b>60,000</b>	<b>6,20,000</b>

Total Managerial Remuneration

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

## REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

₹

SI No	Particulars of Remuneration	Key Managerial Personnel		
		Ravi A (Company Secretary)	K N Mathew (CFO)	P. A. Krishnamoorthy (CFO)
1	Gross Salary			
	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	1395000	6940000	4384000
	Value of perquisites u/s 17(2) Income-tax Act, 1961	205000		198000
	Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission As % of profit			
	Others, specify			
5	Other - Contribution to Provident fund and other funds	221000		353000
	<b>Total (A)</b>	<b>1821000</b>	<b>6940000</b>	<b>4935000</b>
	Ceiling as per the Act			

**VIII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

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





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

Name	Age	Designation	Qualification & Experience (in years)	Gross remuneration (₹ Lacs)	Date of employment	Last employment
Mr. C. Vinayaraghavan	60	President	B. Sc. (Botany) (39)	95.28	01-04-1977	-

**Note:**

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

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

**Information required under**

The ratio of the remuneration of each Director to the Median remuneration of the employees of the Company for the financial year.	Mr. Haigreave Khaitan	1.04
	Mr. G Momen	1.93
	Mr. P Rajagopalan	0.89
	Ms. Sucharita Basu	0.30
	Mr. J M Kothary	1.79
	Mr. Sachin Nandgaonkar	2.23
	Mr. Kaushik Roy	0.89
	Ms. Surbhi Singhi	0.15
	Mr. N Dharmaraj	127.52
The percentage of increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	Mr. Haigreave Khaitan	180.00
	Mr. G Momen	30.00
	Mr. P Rajagopalan	-40.00
	Ms. Sucharita Basu	66.67
	Mr. J M Kothary	60.00
	Mr. Sachin Nandgaonkar	650.00
	Mr. Kaushik Roy	na
	Ms. Surbhi Singhi	na
	Mr. N Dharmaraj	8.62
	Mr. K N Mathew	9.79
	Mr. P A Krishnamoorthy	7.14
	Mr. V Venugopal	2.85
	Mr. Ravi A	3.80

The % increase in the median remuneration of employees in the financial year	-0.04%									
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 8.98% 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 he Company	Average increase in remuneration of Key Managerial Personnel was based partly on the results of the Company for the year ended March 31, 2015 and partly on the individual employee's performance									
Variations in Market Capitalisation of the Company, price earnings ratio as at closing date of the current financial year and % increase / decrease in the market quotations of the shares of the Company in comparison at the rate at which the Company came out with the last public offer, in case of listed companies	<div>Variations in Market Capitalisation and PE ratio is as below</div> <table><tr><td><b>Particulars</b></td><td><b>31.03.2016</b></td><td>31.03.2015</td></tr><tr><td>Market Cap (₹ lacs)</td><td>9218</td><td>8167</td></tr><tr><td>PE ratio</td><td>-</td><td>-</td></tr></table> <div>No public offer has been made since 1993</div>	<b>Particulars</b>	<b>31.03.2016</b>	31.03.2015	Market Cap (₹ lacs)	9218	8167	PE ratio	-	-
<b>Particulars</b>	<b>31.03.2016</b>	31.03.2015								
Market Cap (₹ lacs)	9218	8167								
PE ratio	-	-								
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, 2016 (other than managerial personnel) was 8%. The increase in managerial remuneration for the same financial year was also 4.5%. Increase in average percentage is after considering the Company's performance, individual performance and the industry standards.									
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.	0.9									
Affirmation that the remuneration is as per the remuneration policy of the Company.	Remuneration paid during the year ended March 31, 2016 is as per the Remuneration Policy of the Company.									



## Approximate Area Statement as at March 31,2016

in hectares

State, District and Kerala	TEA			RUBBER			Total	Other	Reserves	Total
	Mature	Immature	Total	Mature	Immature	Total	Planted	Plantings	etc.	
<b>KERALA</b>										
<b>Venture Valley</b>										
Nagamallay				367	162	529	529	174	175	878
Isfield				524	141	665	665	98	286	1049
Venture				306	181	487	487	46	94	627
<b>Ranni Valley</b>										
Koney				406	229	635	635	91	337	1063
Kumbazha				480	481	961	961		87	1048
Lahai				565	294	859	859	43	110	1012
Mundakayam				315	212	527	527	6	39	572
<b>Mooply Valley</b>										
Mooply				160	361	521	521	27	49	597
Palapilly				215	320	535	535	7	209	751
Kundai				476	545	1021	1021	3	80	1104
Kaliyar				373	160	533	533	2	58	593
<b>Vandiperiyar</b>										
Wallardie	420	96	516				516	109	203	828
Moongalaar	652	51	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	631	18	649				649	259	2577	3485
Chundale	232	34	266				266	46	570	882
Arrapetta	721	10	731				731	14	723	1468
Sentinel Rock	455	50	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>5729</b>	<b>292</b>	<b>6021</b>	<b>4187</b>	<b>3086</b>	<b>7273</b>	<b>13294</b>	<b>1667</b>	<b>8376</b>	<b>23337</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, 2016, 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. 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, 2016, 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, 2016', 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 B 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 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
  - (g) With respect to the other matters to be included in the Auditors' 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, 2016 on its financial position in its standalone financial statements -Refer Notes 28 and 29;
    - ii. The Company has long-term contracts and derivative contracts as at March 31, 2016 for which there were no material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2016

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

**Pinaki Chowdhury**  
Partner  
Membership Number: 57572

Kolkata  
May 30, 2016

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

**Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of Harrissons Malayalam Limited on the standalone financial statements as of and for the year ended March 31, 2016**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act**

1. We have audited the internal financial controls over financial reporting of Harrissons Malayalam Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

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

### **Auditors' Responsibility**

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

### **Meaning of Internal Financial Controls Over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Price Waterhouse**

Firm Registration Number: 301112E

Chartered Accountants

**Pinaki Chowdhury**

Partner

Membership Number: 57572

Kolkata

May 30, 2016

## Annexure B 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 standalone financial statements as of and for the year ended March 31, 2016**

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) According to the information and explanations provided by the Company and the records of the Company produced to us the title deeds of immovable properties, as disclosed in Note 10 on Fixed Assets to the financial statements, are held in the name of the Malayalam Plantations Limited /Harrissons & Crossfield Limited other than as set out below which are in the name of the Company

	<b>Gross Block</b>	<b>Net Block</b>
Land and Building	136.72 lacs	32.10 lacs

- ii. The physical verification of inventory excluding stocks with third parties have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186 during the year. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- 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. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, 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 provident fund, employees' state insurance, income tax, value added tax, cess and other material statutory dues [other than arrears of ₹ 84.34 lacs relating to plantation tax (under The Kerala Plantations (Additional Tax) Act, 1960), arrears of ₹ 149.25 lacs relating to Land Tax (under The Kerala Land Tax Act, 1961), arrears of ₹ 3.66 lacs relating to Agricultural Income Tax (under the Tamil Nadu Agricultural Income Tax Act, 1955) and arrears of ₹ 44.23 lacs related to Value Added Tax (relating to Kerala Value Added Tax Act, 2003) 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 service tax, sales tax, duty of customs and duty of excise, 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, service tax, duty of customs, duty of excise duty, 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, 2016 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ lacs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax and Interest thereon	63.02	2006-07, 2007-08, 2008-09	Income Tax Appellate Tribunal
		775.35	2011-12, 2012-13, 2013-14	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

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders, as applicable, as at the balance sheet date.
- ix. In our opinion, and according to the information and explanations given to us, the monies raised by way of term loans have been applied, on an overall basis, for the purposes for which they were obtained. The Company has not raised any monies by way of initial public offer or further public offer (including debt instruments).
- x. 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 by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

**Pinaki Chowdhury**  
Partner

Membership Number: 57572

Kolkata  
May 30, 2016

## Balance Sheet as at March 31, 2016

	Note	As at March 31, 2016 ₹ Lacs	As at March 31, 2015 ₹ Lacs
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Fund</b>			
Share Capital	2	1,845.43	1,845.43
Reserves and Surplus	3	22,252.46	26,820.70
		<b>24,097.89</b>	<b>28,666.13</b>
<b>Non-current Liabilities</b>			
Long term borrowings	4	4,419.56	5,929.77
Long term provisions	5	4,996.56	3,864.45
		<b>9,416.12</b>	<b>9,794.22</b>
<b>Current Liabilities</b>			
Short term borrowings	6	5,203.79	4,320.29
Trade payables	7		
Total outstanding dues of micro enterprises and small enterprises and		<b>128.37</b>	43.53
Total outstanding dues of creditors other than micro enterprises and small enterprises		<b>2,674.55</b>	1,860.74
Other current liabilities	8	7,644.98	5,353.74
Short term provisions	9	945.92	1,269.38
		<b>16,597.61</b>	<b>12,847.68</b>
<b>Total</b>		<b>50,111.62</b>	<b>51,308.03</b>
<b>ASSETS</b>			
<b>Non current assets</b>			
Fixed assets	10		
Tangible assets		42,324.44	42,715.70
Intangible assets		52.15	59.00
Capital Work in progress		82.64	182.87
Non current investments	11	1.02	6.02
Long term loans and advances	12	741.87	744.95
Other non current assets	13	31.01	1.73
		<b>43,233.13</b>	<b>43,710.27</b>
<b>Current assets</b>			
Current investments	14	15.00	15.00
Inventories	15	2,218.73	2,281.70
Trade receivables	16	693.66	1,277.55
Cash and bank balances	17	940.16	942.86
Short term loans and advances	18	2,448.41	2,254.36
Other current assets	19	562.53	826.29
		<b>6,878.49</b>	<b>7,597.76</b>
<b>Total</b>		<b>50,111.62</b>	<b>51,308.03</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

**Pinaki Chowdhury**

Partner  
Membership No. 057572

**N.Dharmaraj**  
Whole Time Director  
DIN: 00912004

**P A Krishnamoorthy**  
CFO

**Sachin Nandgaonkar**  
Director  
DIN: 03410739

**Ravi A.**  
CFO

**Kaushik Roy**  
Director  
DIN: 06513489

**Jose George**  
Company Secretary

Kolkata  
May 30, 2016

Kolkata  
May 30, 2016



## Statement of Profit and Loss for the year ended March 31, 2016

	Note	Year ended March 31, 2016 ₹ Lacs	Year ended March 31, 2015 ₹ Lacs
Revenue from operations	20	28,485.55	32,663.86
Other income	21	316.06	326.46
<b>Total revenue</b>		<b>28,801.61</b>	<b>32,990.32</b>
<b>Expenses</b>			
Cost of materials consumed	22	7,224.40	9,041.07
Purchases of stock in trade	23	649.73	389.49
Changes in inventories of finished goods	24	(13.49)	64.71
Employee benefits expenses	25	14,011.87	13,233.14
Other expenses	26	9,854.60	11,644.92
Depreciation and amortisation expenses	10	551.44	721.39
Finance cost	27	1,420.09	1,429.84
<b>Total expenses</b>		<b>33,698.64</b>	<b>36,524.56</b>
<b>(Loss) before exceptional and extraordinary item and tax</b>		<b>(4,897.03)</b>	<b>(3,534.24)</b>
Exceptional items	45	373.15	-
<b>(Loss) before extraordinary items and tax</b>		<b>(4,523.88)</b>	<b>(3,534.24)</b>
Extraordinary item (net)	42	-	13.95
<b>(Loss) before tax</b>		<b>(4,523.88)</b>	<b>(3,520.29)</b>
Tax expenses		-	-
<b>(Loss) for the year from continuing operations</b>		<b>(4,523.88)</b>	<b>(3,520.29)</b>
(Loss) from discontinuing operations	46 (b)	(44.36)	(5.58)
Tax expense of discontinuing operations		-	-
(Loss) from discontinuing operations after tax	46 (b)	(44.36)	(5.58)
<b>(Loss) for the year</b>		<b>(4,568.24)</b>	<b>(3,525.87)</b>
<b>(Loss) per equity share</b>	40		
Equity shares of par value ₹ 10/- each			
Basic and diluted (including extraordinary item)		(24.75)	(19.10)
Basic and diluted (excluding extraordinary item)		(24.75)	(19.18)

The notes are an integral part of these financial statements

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

For **Price Waterhouse**

Firm Registration No. 301112E  
Chartered Accountants

**Pinaki Chowdhury**

Partner  
Membership No. 057572

Kolkata  
May 30, 2016

**N.Dharmaraj**  
Whole Time Director  
DIN: 00912004

**P A Krishnamoorthy**  
CFO

Kolkata  
May 30, 2016

For and on behalf of the Board

**Sachin Nandgaonkar**  
Director  
DIN: 03410739

**Ravi A.**  
CFO

**Kaushik Roy**  
Director  
DIN: 06513489

**Jose George**  
Company Secretary

## Cash Flow Statement for the year ended March 31, 2016

	Year ended March 31, 2016 ₹ Lacs	Year ended March 31, 2015 ₹ Lacs
<b>Cash Flow from Operating Activities</b>		
(Loss) before extraordinary item and tax	(4,568.24)	(3,539.82)
Adjustments for:		
Depreciation	551.92	729.45
Interest Income	(20.99)	(44.07)
Finance Costs	1,420.09	1,429.84
Provision for Doubtful Debts/ Advances created/ (written back)	88.48	(23.98)
Provision for diminution in value of investments	5.00	-
Exceptional Items (Refer Note 45)	(373.15)	-
(Profit) on Sale of Fixed Assets (net)	(2.98)	(6.06)
	<b>1,668.37</b>	<b>2,085.18</b>
Operating (Loss) before Working Capital changes	<b>(2,899.87)</b>	<b>(1,454.64)</b>
(Increase)/ Decrease in Inventories	62.97	260.20
Decrease in Trade Receivables	508.95	215.26
Decrease in Loans and Advances/ Other Current and Non Current Assets	245.87	1,374.53
Increase in Trade payables, Other Current Liabilities and provisions	3,447.42	664.58
	<b>4,265.21</b>	<b>2,514.57</b>
Cash Generated from Operations	<b>1,365.34</b>	<b>1,059.93</b>
Income Tax (net of refund)	(22.60)	(23.52)
<b>Net Cash generated from Operating Activities (A)</b>	<b>1,342.74</b>	<b>1,036.41</b>
<b>Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(117.65)	(560.36)
Sale of Fixed Assets	455.49	85.60
Interest Received	35.87	34.85
<b>Net Cash from/ (used in) Investing Activities (B)</b>	<b>373.71</b>	<b>(439.91)</b>
<b>Cash Flow from Financing Activities</b>		
Proceeds from Long-term Borrowings	98.24	57.35
Repayment of Long-term Borrowings	(1,017.06)	(281.24)
Net increase in Cash Credit	283.45	16.74
Proceeds from other Short-term Borrowings	2,850.00	1,500.00
Repayment of other Short-term Borrowings	(2,249.95)	(1,000.00)
Interest Paid	(1,404.23)	(1,420.29)
Other borrowing costs paid	(24.59)	(16.15)
Dividend Paid (including tax on dividend ₹ 1.07 Lacs, Previous year ₹ 31.36 Lacs)	(8.94)	(216.19)
<b>Net Cash (used in) Financing Activities (C)</b>	<b>(1,473.08)</b>	<b>(1,359.78)</b>
Net Increase in Cash and Cash Equivalents (A+B+C)	<b>243.37</b>	<b>(763.28)</b>
Cash and Cash Equivalents at the beginning of the year	<b>537.42</b>	<b>1,300.70</b>
Cash and Cash Equivalents at the close of the year (Note 3 below)	<b>780.79</b>	<b>537.42</b>

**Notes :**

- The above Cash Flow Statement has been prepared under indirect method set out in the Accounting Standard (AS) 3 Cash Flow Statement.
- Refer Note 42 to the financial statements for information relating to Extraordinary item.
- Cash and Cash Equivalents (Refer note 17 to financial statements) include Unpaid Dividend not available for use by the Company of ₹ 44.61 Lacs (Previous year - ₹ 52.48 Lacs)
- Refer Note 46 to the financial statements for information relating to net cash flows attributable to discontinuing operations included above.
- Previous year's figures have been regrouped/ rearranged where considered necessary.

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

For and on behalf of the Board

**For Price Waterhouse**

Firm Registration No. 301112E  
Chartered Accountants

**Pinaki Chowdhury**

Partner  
Membership No. 057572

**N.Dharmaraj**  
Whole Time Director  
DIN: 00912004

**P A Krishnamoorthy**  
CFO

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Director  
DIN: 03410739

**Ravi A.**  
CFO

**Kaushik Roy**  
Director  
DIN: 06513489

**Jose George**  
Company Secretary

Kolkata  
May 30, 2016

Kolkata  
May 30, 2016

## **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) of the Companies Act, 1956 [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 the 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 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 were based on technical evaluation carried out by the Company's expert in 2014-15 except in respect of certain agriculture assets included under Plant & Machinery which has been assessed to be 3 years. Aforesaid technical evaluation carried out in 2014-15 have been revisited by the Company's management during the year and no change considered necessary.

Useful life 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.

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax in excess of MAT during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax in excess of the MAT during the specified period.

#### 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, 2016 ₹ Lacs	As at March 31, 2015 ₹ Lacs
(iv)			
<b>2 Share Capital</b>			
(i) <b>Authorised:</b>			
3,00,00,000 Equity Shares of ₹ 10 each		<b>3,000.00</b>	3,000.00
(ii) <b>Issued, Subscribed and Paid up:</b>			
1,84,55,405 Equity Shares of ₹ 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>	<b>1,845.43</b>
		March 31, 2016	March 31, 2015
		Number of shares	Number of shares
		₹ Lacs	₹ Lacs
(iii) Number of shares outstanding as at the beginning of the year	1,84,55,405	1,845.43	1,84,55,405
Number of shares outstanding as at the end of the year	1,84,55,405	1,845.43	1,84,55,405





(iv) Shares in the Company held by each shareholder holding more than 5 percent shares :

	March 31, 2016		March 31, 2015	
	Number of shares	% holding	Number of shares	% holding
Rainbow Investments Limited	44,71,063	24.23%	8,31,063	4.50%
Malayalam Plantations (Holdings) Limited	-	-	36,40,000	19.72%
Instant Holdings Limited	14,20,200	7.70%	14,20,200	7.70%
Swallow Associates LLP	11,90,722	6.45%	11,90,722	6.45%
Carnival Investments Ltd	11,21,230	6.08%	11,21,230	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 ₹ 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

	₹ Lacs			
	Balance as at March 31, 2015	Additions	Deductions	Balance as at March 31, 2016
Reserves				
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>	<b>20,944.51</b>	<b>-</b>	<b>-</b>	<b>20,944.51</b>

### Surplus in Statement of Profit and Loss

	As at March 31, 2016 ₹ Lacs	As at March 31, 2015 ₹ Lacs
Balance as at the beginning of the year	5,876.19	9,402.06
Add/ Less:		
(Loss) for the year as per Statement of Profit and Loss	(4,568.24)	(3,525.87)
Balance as at the end of the year	1,307.95	5,876.19
<b>Total Reserves and Surplus</b>	<b>22,252.46</b>	<b>26,820.70</b>

#### 4 Long term borrowings

##### Secured

##### Term loan

From Banks  
From Others

As at March 31, 2016 ₹ Lacs	As at March 31, 2015 ₹ Lacs
5,716.88	6,563.59
297.88	369.99
6,014.76	6,933.58
(1,595.20)	(1,003.81)
4,419.56	5,929.77

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

##### Term loan from banks

- a Loan availed ₹ 6,000.00 Lacs during 2010-11 and 2011-12 repayable in 17 quarterly instalments of ₹ 333.30 Lacs commencing from September 2012 and final quarterly instalment of ₹ 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 ₹ 1,500 lacs (balance being paid) repayable in 5 quarterly instalments commencing from December 2015 of ₹ 166.67 Lacs and ₹ 333.33 Lacs for the balance 4 instalments upto December 2016. Year end balance is ₹ 1,000.00 Lacs (Previous year ₹ 1,500.01 Lacs).
- b Loan availed of ₹ 1,173.61 Lacs during 2012-2013 is repayable in 31 quarterly instalments of ₹ 36.69 Lacs commencing from July 2014 and final quarterly instalment of ₹ 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 ₹ 916.88 Lacs (Previous year ₹ 1,063.59 Lacs)
- c Loan availed of ₹ 4,000.00 Lacs during the year 2013-14 is repayable in 24 quarterly instalments repayable as 6 quarterly instalments of ₹ 50.00 Lacs commencing from June 2015 upto September 2016, 4 quarterly instalments of ₹ 100.00 Lacs from December 2016 to September 2017, 8 quarterly instalment of ₹ 200.00 Lacs from December 2017 to September 2019, 4 quarterly instalments of ₹ 250.00 Lacs from December 2019 to September 2020 and 2 quarterly final instalments of ₹ 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 ₹ 3,800.00 Lacs (Previous year ₹ 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 10.75% to 15.01%).

Repayment terms :

	As at March 31, 2016 ₹ Lacs	As at March 31, 2015 ₹ Lacs
Payable in 0-1 year	148.50	157.05
Payable in 1-2 years	108.71	122.87
Payable in 2-3 years	28.93	83.40
Payable in 3-4 years	11.74	6.67
	297.88	369.99



## 5 Long term provisions

### Provision for employee benefits:

Provision for gratuity

Provision for compensated absence

### Other Provisions:

Contingency reserve #

#

Balance at the beginning of the year

Provision made during the year

Utilised / Reversed during the year

Balance at the end of the year

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.

## 6 Short term borrowings

### Secured

Cash credit from banks repayable on demand

### Unsecured

#### Loans

From Banks

From Others

### 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

(a) Total outstanding dues of micro enterprises and small enterprises and

(b) Total outstanding dues of creditors other than micro enterprises and small enterprises

	As at March 31, 2016 ₹ Lacs	As at March 31, 2015 ₹ Lacs
	4,423.94	3,305.22
	80.62	67.23
	4,504.56	3,372.45
	492.00	492.00
	4,996.56	3,864.45
	492.00	492.00
	-	-
	-	-
	492.00	492.00

	As at March 31, 2016 ₹ Lacs	As at March 31, 2015 ₹ Lacs
	3,603.79	3,320.29
	1,000.00	1,000.00
	600.00	-
	5,203.79	4,320.29

	As at March 31, 2016 ₹ Lacs	As at March 31, 2015 ₹ Lacs
	128.37	43.53
	2,674.55	1,860.74
	2,802.92	1,904.27

**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

	As at March 31, 2016 ₹ Lacs	As at March 31, 2015 ₹ Lacs
Principal	93.22	19.20
Interest	1.68	0.66
Interest paid to suppliers under section 16 of MSMED along with the amount of the payment made to suppliers beyond the appointed day during the year	-	-

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

Principal	266.06	89.52
Interest	9.14	1.88
The amount of interest accrued and remaining unpaid at the end of the year (including ₹ 24.33 Lacs (Previous year ₹ 21.79 Lacs) being interest outstanding as at the beginning of the accounting year)	35.15	24.33

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	10.82	2.54
--	-------	------

**8 Other current liabilities**

Current maturities of long term borrowings (Refer Note 4)

Interest accrued but not due on borrowings	1,595.20	1,003.81
--	----------	----------

Unpaid dividends *	30.92	39.65
--------------------	-------	-------

Others :	44.61	52.48
----------	-------	-------

Employee benefits payable	3,009.20	1,642.42
---------------------------	----------	----------

Statutory dues	2,360.43	2,269.50
----------------	----------	----------

Advance from customers	469.31	201.69
------------------------	--------	--------

Security deposits	135.31	144.19
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	7,644.98	5,353.74
--	----------	----------

\* 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

Provision for compensated absence

### Others :

Provision for

Income tax (Net of advance tax of ₹ 13,891.95 Lacs;

Previous year 13,869.35 Lacs)

Fringe benefit tax (Net of advance tax of ₹ 92.42 Lacs;

Previous year ₹ 92.42 Lacs)

Provision for warranty #

Tax on proposed dividend

#

Balance at the beginning of the year

Provision made during the year

Utilised / Reversed during the year

Balance at the end of the year

As at March 31, 2016 ₹ Lacs	As at March 31, 2015 ₹ Lacs
240.74	531.00
26.58	33.11
555.96	578.56
122.64	122.64
-	3.00
-	1.07
945.92	1,269.38
3.00	3.00
-	3.00
(3.00)	(3.00)
-	3.00

**Note 10 Fixed Assets**

₹ in Lacs

Description of Assets	Gross Block				Depreciation and amortisation			Net Block	
	Cost/Valuation as at March 31, 2015	Additions	Disposals/Adjustments	Cost/Valuation as at March 31, 2016	As at March 31, 2015	For the year	On Disposals/Adjustments	As at March 31, 2016	As at March 31, 2015
<b>Tangible assets</b>									
Land and Development - Freehold and Leasehold (Note 1 below)	39,382.86	8.67	9.24	<b>39,382.29</b>	-	-	-	<b>39,382.29</b>	39,382.86
Buildings	3,846.51	18.81	46.16	<b>3,819.16</b>	2,387.97	103.75	39.83	<b>1,367.27</b>	1,458.54
Plant and Machinery	6,112.39	194.56	190.79	<b>6,116.16</b>	4,757.51	334.51	137.98	<b>4,954.04</b>	1,354.88
Furniture and Fittings	312.24	0.78	10.10	<b>302.92</b>	276.27	9.52	8.17	<b>277.62</b>	35.97
Water Supply	886.76	2.80	13.33	<b>876.23</b>	642.49	27.73	10.24	<b>659.98</b>	244.27
Vehicles	746.55	1.08	24.92	<b>722.71</b>	507.37	63.09	18.96	<b>551.50</b>	239.18
<b>Total tangible assets</b>	<b>51,287.31</b>	<b>226.70</b>	<b>294.54</b>	<b>51,219.47</b>	<b>8,571.61</b>	<b>538.60</b>	<b>215.18</b>	<b>42,324.44</b>	<b>42,715.70</b>
Previous year	50,969.87	578.92	261.48	51,287.31	8,025.10	728.45	181.94	42,715.70	42,944.77
<b>Intangible assets</b>									
Computer Software	60.00	6.47	-	<b>66.47</b>	1.00	13.32	-	<b>52.15</b>	59.00
<b>Total intangible assets</b>	<b>60.00</b>	<b>6.47</b>	<b>-</b>	<b>66.47</b>	<b>1.00</b>	<b>13.32</b>	<b>-</b>	<b>52.15</b>	<b>59.00</b>
Previous year	-	60.00	-	60.00	-	1.00	-	59.00	-
<b>Grand Total</b>	<b>51,347.31</b>	<b>233.17</b>	<b>294.54</b>	<b>51,285.94</b>	<b>8,572.61</b>	<b>551.92</b>	<b>215.18</b>	<b>42,376.59</b>	<b>42,774.70</b>
Previous Year	50,969.87	638.92	261.48	51,347.31	8,025.10	729.45	181.94	42,774.70	42,944.77
Capital Work-In-Progress - at cost -Tangible Assets								<b>82.64</b>	182.87
								<b>42,459.23</b>	<b>42,957.57</b>

**Notes :**

- Land and development includes
  - Certain leasehold lands the value of which is not separately ascertainable
  - ₹ 13,957.19 Lacs added on revaluation during 1990-1991 and credited to Fixed Assets Revaluation Reserve.
  - ₹ 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 (₹ 21,233.80 lacs) and the carrying value of investments in the shares of the wholly owned subsidiary companies (₹ 1,218.91 lacs) and the balance amount of ₹ 286.90 Lacs was transferred to Capital Reserve arising from amalgamation as per the scheme.
- Depreciation for the year includes ₹ 0.48 lacs (Previous year ₹ 8.06 lacs) relating to discontinuing operation (refer Note 46)
- Title deeds of the immovable properties set out in the above table are in the name of Malayalam Plantations Limited (MPL)/Harrisons Crosfield Ltd (HCL) except as set out below which are in the name of the Company. Interlalia, the immovable properties of MPL got transferred to and vested in Malayalam Plantations (India) Limited (MPL) vide a Scheme of Arrangement and Amalgamation in 1978. Further, interlalia the immovable properties of Harrisons Crosfield (India) Limited got transferred and vested in MPL vide a Scheme of Arrangement and Amalgamation in 1984. The name of MPL a Company incorporated in 1978 got changed to Harrisons Malayalam Limited in 1984.

Title deeds of the immovable properties set out in the above table , which are in the name of the Company are:

	Gross Block	Net Block
Land and Building	136.72 lacs	32.10 lacs

## Note 10.1 Fixed Assets

₹ in 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	As at March 31, 2014	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	39,327.10	55.76	-	39,382.86	-	-	-	39,382.86	39,327.10
Buildings	3,672.67	177.34	3.50	3,846.51	2,284.11	106.59	2.73	1,458.54	1,388.56
Plant and Machinery	6,028.64	284.38	200.63	6,112.39	4,405.73	492.40	140.62	1,354.88	1,622.91
Furniture and Fittings	305.53	7.24	0.53	312.24	263.25	13.56	0.54	35.97	42.28
Water Supply	895.65	8.27	17.16	886.76	619.69	31.63	8.83	244.27	275.96
Vehicles	740.28	45.93	39.66	746.55	452.32	84.27	29.22	239.18	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>8,025.10</b>	<b>728.45</b>	<b>181.94</b>	<b>42,715.70</b>	<b>42,944.77</b>
<b>Intangible Assets</b>									
Computer Software	-	60.00	-	60.00	-	1.00	-	59.00	-
<b>Total intangible assets</b>	<b>-</b>	<b>60.00</b>	<b>-</b>	<b>60.00</b>	<b>-</b>	<b>1.00</b>	<b>-</b>	<b>59.00</b>	<b>-</b>
<b>Grand Total</b>	<b>50,969.87</b>	<b>638.92</b>	<b>261.48</b>	<b>51,347.31</b>	<b>8,025.10</b>	<b>729.45</b>	<b>181.94</b>	<b>42,774.70</b>	<b>42,944.77</b>
Capital Work-In-Progress - at cost									
-Tangible Assets									
								<b>182.87</b>	<b>161.55</b>
								42,957.57	43,106.32
								-	53.94
<b>Intangible Assets under development</b>								<b>42,957.57</b>	<b>43,160.26</b>
Computer Software Implementation cost									

### Notes :

- Land and development includes
  - Certain leasehold lands the value of which is not separately ascertainable
  - ₹ 13,957.19 Lacs added on revaluation during 1990-1991 and credited to Fixed Assets Revaluation Reserve.
  - ₹ 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 (₹ 21,233.80 lacs) and the carrying value of investments in the shares of the wholly owned subsidiary companies (₹ 1,218.91 lacs) and the balance amount of ₹ 286.90 Lacs was transferred to Capital Reserve arising from amalgamation as per the scheme.
- Depreciation for the year ended March 31, 2015 includes ₹ 8.06 lacs (Previous year ₹ 15.68 lacs) relating to discontinuing operation (refer Note 45)
- Depreciation for the year ended March 31, 2015 on Plant & Machinery includes ₹ 123.71 lacs impairment provision based on the assessment of certain categories of agriculture assets which does not have any balance useful lives as at March 31, 2015

	As at March 31, 2016 ₹ Lacs	As at March 31, 2015 ₹ 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 ₹ 10 each in HML Engineering Company Limited	5.00	5.00
Less: Provision for diminution in value of investment	(5.00)	-
	-	5.00
(ii) Investment in government securities		
National Savings Certificates	0.02	0.02
Treasury Savings Account	1.00	1.00
	1.02	6.02
<b>12 Long term loans and advances</b>		
<b>Unsecured and considered good</b>		
Capital Advances	7.01	22.30
Electricity and other deposits	243.63	231.42
Advance to workers	491.23	491.23
	741.87	744.95
<b>13 Other non current assets</b>		
<b>Unsecured and considered good</b>		
Margin money deposit with Banks having maturity more than 12 months	29.28	-
Bank Deposit on lien	1.73	1.73
	31.01	1.73
<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 ₹ 10 each in Enchanting Plantations Limited	10.00	10.00
50,000 Equity Shares of ₹ 10 each in Harmony Plantations Limited	5.00	5.00
	15.00	15.00



## 15 Inventories

At lower of cost and net realisable value

	As at March 31, 2016 ₹ Lacs	As at March 31, 2015 ₹ Lacs
Finished goods *	1,242.21	1,228.72
Stores and spares #	955.83	1,021.62
Raw (Construction) materials @	-	6.43
Nurseries	20.69	24.93
	<b>2,218.73</b>	<b>2,281.70</b>
* Particulars of closing inventories of Finished goods		
Tea	1,003.13	1,045.15
Rubber	239.08	183.57
	<b>1,242.21</b>	<b>1,228.72</b>
# Stores and spares includes packing materials of ₹ 308.57 lacs (Previous year- ₹ 343.61 lacs)		
@ Particulars of closing inventories of Raw (Construction) materials		
Tiles	-	2.35
Others	-	4.08
	<b>-</b>	<b>6.43</b>

## 16 Trade receivables

### Unsecured

Outstanding for a period of more than six months from the due date of payment.

Considered good	53.09	122.39
Considered doubtful	464.45	389.51
Less: Provision for doubtful receivables	(464.45)	(389.51)
	<b>53.09</b>	<b>122.39</b>
Other debts		
Considered good	640.57	1,155.16
	<b>640.57</b>	<b>1,155.16</b>
	<b>693.66</b>	<b>1,277.55</b>

## 17 Cash and Bank balances

Cash and cash equivalent

Cash on hand	19.79	10.78
Balance with banks		
On current accounts	716.39	474.16
Unpaid dividend accounts *	44.61	52.48
	<b>780.79</b>	<b>537.42</b>

Other bank balances

Margin money deposits with original maturity greater than 3 months and maturing within 12 months	159.37	405.44
	<b>940.16</b>	<b>942.86</b>

\* Earmarked for payment of unclaimed dividend

**18 Short term loans and advances**

**Unsecured and considered good**

	As at March 31, 2016 ₹ Lacs	As at March 31, 2015 ₹ Lacs
Advances to employees	135.51	53.50
Advance to suppliers	222.51	127.18
Balances with Government Authorities	1,992.73	1,915.16
Prepaid expenses	97.16	124.78
Claims recoverable	0.50	-
Advances to body corporates/ trusts /individuals	-	33.74
	<b>2,448.41</b>	<b>2,254.36</b>

**Unsecured and considered doubtful**

Balances with Government Authorities	27.14	27.14
Advance to suppliers	26.09	26.09
Advances to body corporates	189.64	189.64
	<b>242.87</b>	<b>242.87</b>
Less: provision for doubtful advances	<b>(242.87)</b>	<b>(242.87)</b>
	<b>2,448.41</b>	<b>2,254.36</b>

**19 Other current assets**

**Unsecured and considered good**

Subsidy receivable	311.40	442.86
Unbilled revenue	145.71	220.60
Retention money	-	45.04
Export Entitlement	96.41	93.90
Interest accrued on bank deposits	9.01	23.89
	<b>562.53</b>	<b>826.29</b>

**Unsecured and considered doubtful**

Export Entitlement	13.54	-
Less: provision for doubtful advances	<b>(13.54)</b>	<b>-</b>
	<b>562.53</b>	<b>826.29</b>



## 20 Revenue from operations

	Year ended March 31, 2016 ₹ Lacs	Year ended March 31, 2015 ₹ Lacs
Sale of products *	27,765.09	31,742.29
Sale of Services #	58.04	443.24
Other operating revenues		
Tea Board Subsidy	262.44	302.71
Export entitlements	157.50	145.38
Others	300.52	473.48
	28,543.59	33,107.10
Less: Discontinuing operation (Refer Note 46)	58.04	443.24
	28,485.55	32,663.86
* Details of sale of products		
Tea	15,046.74	16,579.49
Rubber	12,408.02	14,580.62
Fruits, Spices and others	239.91	339.90
Green leaf	70.42	242.28
	27,765.09	31,742.29
# Details of sale of services (Discontinuing operation)		
Construction contracts ( Refer Note 37 )	58.04	443.24

## 21 Other Income

Interest income on bank deposits and other deposits	20.99	44.07
Profit on sale of fixed assets (net)	2.98	6.06
Provision for doubtful debts and advances written back(net)	-	23.98
Other non-operating income	292.33	254.85
	316.30	328.96
Less: Discontinuing operation (Refer Note 46)	0.24	2.50
	316.06	326.46

## 22 Cost of materials consumed

(all indigenous)

Inventory at the beginning of the year	-	-
Add : Purchases	7,224.40	9,041.07
	7,224.40	9,041.07
Less : Inventory at the end of the year	-	-
Cost of materials consumed	7,224.40	9,041.07
Details of materials consumed:		
Green leaf	2,363.67	2,644.94
Bought latex and sheets	4,506.11	5,963.65
Tea used for blending	354.62	432.48
	7,224.40	9,041.07

	Year ended March 31, 2016 ₹ Lacs	Year ended March 31, 2015 ₹ Lacs
<b>23 Purchase of stock in trade</b>		
Cenex / TSR	609.63	372.34
Fruits, spices and others	40.10	17.15
	<b>649.73</b>	<b>389.49</b>
<b>24 Changes in inventories of finished goods</b>		
<b>Inventory at the end of the year</b>		
Tea	1,003.13	1,045.15
Rubber	239.08	183.57
	<b>1,242.21</b>	<b>1,228.72</b>
<b>Inventory at the beginning 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>(13.49)</b>	<b>64.71</b>
<b>25 Employee benefits expenses</b>		
Salaries and wages	10,973.63	10,806.41
Contribution to Provident Fund	1,078.42	1,188.41
Contribution to Superannuation Fund	81.42	87.01
Gratuity	1,510.12	939.30
Staff welfare expenses	389.79	279.68
	<b>14,033.38</b>	<b>13,300.81</b>
Less: Discontinuing operation (Refer Note 46)	21.51	67.67
	<b>14,011.87</b>	<b>13,233.14</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:-

	₹ Lacs				
	2015-16	2014-15	2013-14	2012-13	2011-12
<b>1. Present value of obligation at the beginning of the year</b>	<b>3,836.22</b>	3,550.59	2,833.00	2,704.99	2,116.00
Interest cost	270.54	246.94	222.73	189.07	153.95
Current service cost	251.43	207.74	165.23	615.68	285.64
Benefits paid	(681.66)	(653.67)	(575.17)	(696.63)	(390.72)
Actuarial loss	988.15	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>4,664.68</b>	3,836.22	3,550.59	2,833.00	2,704.99
<b>2. Amounts recognized in the Statement of Profit and Loss</b>					
Current service cost	251.43	207.74	165.23	615.68	285.64
Interest cost	270.54	246.94	222.73	189.07	153.95
Actuarial loss	988.15	484.62	904.80	19.89	540.12
<b>Expenses recognized in the Statement of Profit and Loss ( Refer Note 25 )</b>	<b>1,510.12</b>	939.30	1,292.76	824.64	979.71
<b>3. Principal actuarial assumptions</b>					
Discount rate	7.74%	7.66%	8.75%	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 :

	2015-16 ₹ Lacs	2014-15 ₹ Lacs
Contribution to Provident Fund (included in Contribution to Provident Fund in Note 25)	1,078.42	1,188.41
Contribution to Superannuation Fund ( Refer Note 25 )	81.42	87.01

## 26 Other expenses

	Year ended March 31, 2016 ₹ Lacs	Year ended March 31, 2015 ₹ Lacs
Consumption of Stores and Spare Parts (Refer note 31)	1,342.07	2,071.70
Consumption of Packing material (Refer note 32 )	782.03	929.03
Engineering Contract Cost - Materials and Other Expenses	7.90	315.97
Contract Costs	1,029.22	1,266.48
Power and Fuel	1,985.72	2,130.99
Rent	118.25	118.17
Rates and Taxes	214.90	202.41
Repairs and Maintenance		
Buildings	279.50	275.82
Plant and Machinery	354.41	275.44
Others	92.21	78.68
Insurance	54.05	78.77
Tea Cess	67.84	81.29
* Replanting Expenses	983.27	1,392.50
Travelling and Conveyance	436.74	490.95
Professional / Consultancy Charges	291.87	225.84
Brokerage and Discount	116.12	144.65
Commission to Selling agent	15.89	8.47
Freight, Shipping, Transport and other charges	578.41	835.43
Directors' Sitting Fees	6.20	5.20
** Expenditure towards Corporate Social Responsibility	-	13.50
Provision for Doubtful Debts/ Advances	88.48	-
Provision for Diminution in value of Investments	5.00	-
Advances written off	-	16.82
Miscellaneous Expenses	1,085.17	1,062.40
	<b>9,935.25</b>	<b>12,020.51</b>
Less: Discontinuing operation (Refer Note 46)	<b>80.65</b>	<b>375.59</b>
	<b>9,854.60</b>	<b>11,644.92</b>

\* Replanting expense includes material consumption and wages of ₹ 154.72 lacs (Previous year ₹ 266.80 lacs) and ₹ 776.29 lacs (Previous year- ₹ 1036.77 lacs) respectively.

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

a) Gross amount required to be spent by the Company during the year	-	12.74
b) Amount spent during the year		
i) Construction/ acquisition of any asset	-	13.50
ii) Purpose other than (i) above	-	-

## 27 Finance Costs

Interest expense	1,395.50	1,413.69
Other borrowing cost	24.59	16.15
	<b>1,420.09</b>	<b>1,429.84</b>



## 28 Contingent Liabilities and commitments

### 28.1 Contingent Liabilities :

	As at March 31, 2016 ₹ Lacs	As at March 31, 2015 ₹ Lacs
a) Claims against the Company not acknowledged as debt		
i. Employee related	386.38	367.59
ii. Penalties under section 14B of Employees' Provident Fund Miscellaneous Provisions Act 1952	59.33	59.33
iii. Disputed Income Tax matters	1,526.58	1,302.59
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	205.47
b) Others		
(i) Outstanding bills discounted with bank	461.84	77.78

### 28.2 Commitments :

Estimated amount of contracts remaining to be executed on Capital Account and not provided for, net of advance payments of ₹ 7.01 lacs (Previous year ₹ 22.30 lacs)	15.03	1.53
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## 29 No adjustment is required to be made in the accounts in respect of :

- 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.
- An area of 178 hectares (approximately) [Previous Year 178 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.
- 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.
- 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.
- 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 1187 hectares (approximately) [Previous Year 1152 hectares (approximately)] in respect of which cases filed by Janmies (original owners) of Lahai, Koney, Kaliyar 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 Mooply Valley estates notified by the Government of Kerala for resumption alleging violation of lease conditions as proceedings has been stayed by the Sub Court, Irinjalakuda.
- i An area of 336.64 hectares (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 12,154 hectares (Previous Year 12,154 hectares) 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.

### 30 Amount paid/ payable to auditors

#### As auditors

	Year ended March 31, 2016 ₹ Lacs	Year ended March 31, 2015 ₹ Lacs
Audit Fee (including audit of consolidated financial statements ₹ 3 lacs; Previous year ₹ 3 lacs)	34.00	29.00
Tax Audit Fee	5.00	5.00
Limited Review Fee	9.75	9.75
Other Services	1.10	0.50
Reimbursement of expenses	0.81	1.55
	<b>50.66</b>	<b>45.80</b>

### 31 Stores and spares consumed

	As a % of consumption	Year ended March 31, 2016 ₹ Lacs	As a % of consumption	Year ended March 31, 2015 ₹ Lacs
Indigenous	99.41%	1,334.09	99.75%	2,066.52
Imported	0.59%	7.98	0.25%	5.18
		<b>1,342.07</b>		<b>2,071.70</b>

### 32 Packing material consumed

Indigenous	100.00%	782.03	100.00%	929.03
Imported	0.00%	-	0.00%	-
		<b>782.03</b>		<b>929.03</b>



	Year ended March 31, 2016 ₹ Lacs	Year ended March 31, 2015 ₹ Lacs
<b>33 Dividend remitted during the year in Foreign Currency</b>		
Number of non resident shareholders	-	1
Number of equity shares on which dividend was due	-	36,40,000
Dividend remitted - ₹ in Lacs	-	36.40
Year to which dividend relates	-	2013-14
<b>34 Expenditure in Foreign Currency</b>		
Travelling	10.12	13.21
Selling Commission	-	2.37
Others	6.78	4.25
	<b>16.90</b>	<b>19.83</b>
<b>35 Value of Imports on C.I.F. Basis</b>		
Stores and Spare Parts	7.98	5.18
	<b>7.98</b>	<b>5.18</b>
<b>36 Earnings in Foreign Currency</b>		
FOB value of Exports	4,185.95	3,017.50
<b>37 Disclosure relating to Construction Contracts</b>		
Contract revenue recognised during the year	58.04	443.24
Disclosure regarding Contracts in progress		
Aggregate amount of costs incurred and recognised profits up to March 31	-	5,778.37
Advances received	-	-
Retention money	-	-
Gross amount due from customers	<b>57.40</b>	<b>60.27</b>

### 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, 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 (₹ Lacs)	Rubber (₹ Lacs)	Other (₹ Lacs)	Engineering (₹ Lacs)	Total (₹ Lacs)
External Sales	15,553.62 (17,288.93)	12,453.16 (14,598.55)	478.77 (776.38)	58.04 (443.24)	28,543.59 (33,107.10)
Inter-segment Sales	- -	- -	- -	- -	- -
Segment Revenue	15,553.62 (17,288.93)	12,453.16 (14,598.55)	478.77 (776.38)	58.04 (443.24)	28,543.59 (33,107.10)
Segment Result - Profit/(Loss) excluding Extraordinary item	(2,550.83) (-)(1985.54)	(1,327.16) (-)(570.89)	758.21# (407.96)	(44.36) (-)(5.58)	(3,164.14) (-)(2,154.05)
Less: Interest Expenses					1,395.50 (1,413.69)
Less: Unallocated expense (net of unallocated income ₹ 20.99 lacs) (Previous year Unallocated income net of unallocated expense ₹ 16.15 lacs)					8.60 (-)(27.92)
(Loss) before Extraordinary Item and tax					(4,568.24) (-)(3539.82)
Extraordinary Item (Net) (Note 42)					- (13.95)
(Loss) before Tax					(4,568.24) (-)(3,525.87)
Less : Income Taxes					- -
(Loss) after Tax					(4,568.24) (-)(3525.87)



Description	Continuing operations			Discontinuing operations	
	Tea (₹ Lacs)	Rubber (₹ Lacs)	Other (₹ Lacs)	Engineering (₹ Lacs)	Total (₹ Lacs)
Other Information					
Segment Assets	36,173.97 (37,228.48)	12,651.48 (12,669.47)	105.29 (63.04)	184.69 (358.76)	49,115.43 (50,319.75)
Unallocated Assets					996.19 (988.28)
Total Assets					50,111.62 (51,308.03)
Segment Liabilities	7,217.18 (5,908.83)	6,610.21 (5,607.26)	41.53 (33.59)	203.05 (140.25)	14,071.97 (11,698.93)
Unallocated Liabilities					11,941.76 (10,951.97)
Total Liabilities					26,013.73 (22,641.90)
Segment Capital Expenditure	88.08 (436.42)	29.57 (123.94)	- -	- -	117.65 (560.36)
Segment Depreciation	406.84 (561.63)	144.37 (155.78)	0.23 (3.98)	0.48 (8.06)	551.92 (729.45)
Segment non-cash expense other than depreciation	30.64 -	- -	39.26 (16.82)	18.58 -	88.48 (16.82)

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

Description	India (₹ Lacs)	Outside India (₹ Lacs)	Total (₹ Lacs)
External Sales	24,300.65 (29,959.39)	4,242.94 (3,147.71)	28,543.59 (33,107.10)
Segment Assets	48,799.73 (49,842.22)	315.70 (477.53)	49,115.43 (50,319.75)
Segment Capital Expenditure	117.65 (560.36)	- -	117.65 (560.36)

All operating facilities are located in India.

\* Figures in bracket represent previous year's figures

# Includes Exceptional items of ₹ 373.15 lacs (Refer Note 45)

### 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.Dharamraj (Whole Time Director) with effect from August 8, 2014

#### c Related party transactions

₹ Lacs

Description	Subsidiary Companies		Key Management Personnel (KMP)	
	2015-16	2014-15	2015-16	2014-15
<b>Transaction during the year</b>				
Re-imbursement of Expenses				
HECL	-	0.02	-	-
Realisation of advances				
HECL	-	0.05		
EPL	-	0.07		
HPL	-	0.13		
MPL	-	0.07		
Remuneration				
V Venugopal	-	-	44.02	42.80
Ashok Goyal	-	-	-	31.15
N Dharamraj	-	-	85.44	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	-	-

\* Gross of diminution of value of investments provided during the year ₹ 5.00 lacs

#### 40 (Loss) Per Share

Particulars	2015-16	2014-15
a) (Loss) after tax (including extraordinary item) (₹ in lacs)	(4,568.24)	(3,525.87)
b) (Loss) after tax (excluding extraordinary item) (₹ in lacs )	(4,568.24)	(3,539.82)
c) Number of equity shares at the beginning of the year	1,84,55,405	1,84,55,405
d) Number of equity shares at the end of the year	1,84,55,405	1,84,55,405
e) Weighted average number of equity shares outstanding	1,84,55,405	1,84,55,405
f) Nominal Value of each equity share (₹)	10.00	10.00
g) Basic and diluted (loss) per share (including extraordinary item) ( ₹) (a/e)	(24.75)	(19.10)
h) Basic and diluted (loss) per share (excluding extraordinary item) ( ₹) (b/e)	(24.75)	(19.18)

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

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

Particulars	Purpose	Year Ended March 31, 2016		Year Ended March 31, 2015	
		Value in Foreign Currency	INR ₹ Lacs	Value in Foreign Currency	INR ₹ Lacs
Forward Contracts to sell USD	Hedge of highly probable forecast transactions	12.88	878.11	11.03	692.99
Forward Contracts to sell Euro		0.40	29.74	0.41	30.81
Forward Contracts to sell GBP		0.30	29.42	0.60	57.50

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

Particulars	Year Ended March 31, 2016		Year Ended March 31, 2015	
	Value in Foreign Currency	INR ₹ Lacs	Value in Foreign Currency	INR ₹ Lacs
Trade Receivables (In USD)	-	-	0.86	46.39

#### 42 Extraordinary Item

Extraordinary item for the year ended March 31, 2015 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; Consequent to that, Company received ₹ 13.95 lacs towards a part of insurance claim during the year ended March 31, 2015.

#### 43 Taxation

- 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.

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

**45 Exceptional Items**

Profit on sale of immovable assets relating to Plant Tissue Culture (included in 'Other' segment)

As at March 31, 2016 ₹ Lacs	As at March 31, 2015 ₹ Lacs
<b>373.15</b>	-

- 46** The Company in its Board meeting dated May 15, 2012 has approved the plan for transferring its Engineering division to one of its wholly owned subsidiary and had also obtained the consent of its shareholders by way of postal ballot. The Engineering division is a separate business segment as per AS 17 "Segment Reporting". The decision was consistent with the Company's long term strategy to focus on core plantation activity. The Company has now stopped quoting for new projects and the existing projects are nearing completion. During the year, the Board in its meeting held on September 28, 2015 has decided to discontinue the engineering business itself and the aforesaid transfer is no longer warranted.

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

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

	As at March 31, 2016 ₹ Lacs	As at March 31, 2015 ₹ Lacs
Total assets	<b>184.69</b>	358.76
Total liabilities	<b>203.05</b>	140.25
Net assets	<b>(18.36)</b>	218.51

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

	Year ended March 31, 2016 ₹ Lacs	Year ended March 31, 2015 ₹ Lacs
Revenue from operations (Sale of services)	<b>58.04</b>	443.24
Other income	<b>0.24</b>	2.50
	<b>58.28</b>	445.74
Employee benefits expenses	<b>21.51</b>	67.67
Depreciation expenses	<b>0.48</b>	8.06
Other expenses	<b>80.65</b>	375.59
<b>Total expenses</b>	<b>102.64</b>	451.32
(Loss) from discontinuing operations before taxes	<b>(44.36)</b>	(5.58)
Tax expenses of discontinuing operations	-	-
( Loss) from discontinuing operations after tax	<b>(44.36)</b>	(5.58)



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

Operating activities	(143.09)	905.10
Investing activities	141.74	(909.42)
Financing activities	-	-
Net cash flows	(1.35)	(4.32)

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

Signatories to Notes 1 to 47  
For and on behalf of the Board

For **Price Waterhouse**

Firm Registration No. 301112E  
Chartered Accountants

**Pinaki Chowdhury**

Partner  
Membership No. 057572

Kolkata  
May 30, 2016

**N.Dharmaraj**  
Whole Time Director  
DIN: 00912004

**P A Krishnamoorthy**  
CFO

Kolkata  
May 30, 2016

**Sachin Nandgaonkar**  
Director  
DIN: 03410739

**Ravi A.**  
CFO

**Kaushik Roy**  
Director  
DIN: 06513489

**Jose George**  
Company Secretary

## **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, 2016, 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. 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, 2016, 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/financial information of subsidiary whose financial statements/financial information reflect total assets of ₹ Nil lacs and net assets of ₹ Nil lacs as at March 31, 2016, total revenue of ₹ 0.17 lacs, net loss of ₹ 3.55 lacs and net cash flows amounting to ₹ (1.03) lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements/financial information have been audited by other auditor whose report have been furnished to us by the Management, and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.

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 auditor.

## Report on Other Legal and Regulatory Requirements

9. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- 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.
  - 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 auditor.
  - 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.
  - 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.
  - On the basis of the written representations received from the directors of the Holding Company 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, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
  - With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - The consolidated financial statements disclose the impact, if any, of pending litigations as at March 31, 2016 on the consolidated financial position of the Group— Refer Note 29 and 30 to the consolidated financial statements.
    - The Group has long-term contracts and derivative contracts as at March 31, 2016 for which there were no material foreseeable losses.
    - 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, 2016. 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, 2016.

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

**Pinaki Chowdhury**  
Partner

Membership Number: 57572

Kolkata  
May 30, 2016

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

**Referred to in paragraph 9 (f) 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, 2016**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act**

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of Harrissons Malayalam Limited (hereinafter referred to as "the Holding Company") and its subsidiary company which are companies incorporated in India, as of that date.

### **Management's Responsibility for Internal Financial Controls**

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

### **Auditor's Responsibility**

3. Our responsibility is to express an opinion on the Holding Company's and its subsidiary company's, incorporated in India, internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's and its subsidiary company's, incorporated in India, internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of



management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

8. In our opinion, the Holding Company and its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **Other Matters**

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to one subsidiary company, which is Company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India. Our opinion is not qualified in respect of this matter.

**For Price Waterhouse**

Firm Registration Number: 301112E

Chartered Accountants

**Pinaki Chowdhury**

Partner

Membership Number: 57572

Kolkata

May 30, 2016

## Consolidated Balance Sheet as at March 31, 2016

	Note	As at March 31, 2016 ₹ Lacs	As at March 31, 2015 ₹ Lacs
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Fund</b>			
Share Capital	3	1,845.43	1,845.43
Reserves and Surplus	4	22,252.46	26,819.25
		<b>24,097.89</b>	<b>28,664.68</b>
<b>Non-current Liabilities</b>			
Long term borrowings	5	4,419.56	5,929.77
Long term provisions	6	4,996.56	3,864.45
		<b>9,416.12</b>	<b>9,794.22</b>
<b>Current Liabilities</b>			
Short term borrowings	7	5,203.79	4,320.29
Trade payables	8		
Total outstanding dues of micro enterprises and small enterprises and		<b>128.37</b>	43.53
Total outstanding dues of creditors other than micro enterprises and small enterprises		<b>2,674.55</b>	1,860.85
Other current liabilities	9	7,644.98	5,353.74
Short term provisions	10	945.92	1,269.38
		<b>16,597.61</b>	<b>12,847.79</b>
<b>Total</b>		<b>50,111.62</b>	<b>51,306.69</b>
<b>ASSETS</b>			
<b>Non current assets</b>			
Fixed assets	11		
Tangible assets		<b>42,324.44</b>	42,715.70
Intangible assets		<b>52.15</b>	59.00
Capital Work in progress		<b>82.64</b>	182.87
Non current investments	12	<b>1.02</b>	1.02
Long term loans and advances	13	<b>741.87</b>	744.95
Other non current assets	14	<b>31.01</b>	1.73
		<b>43,233.13</b>	<b>43,705.27</b>
<b>Current assets</b>			
Current investments	15	<b>15.00</b>	15.00
Inventories	16	<b>2,218.73</b>	2,281.70
Trade receivables	17	<b>693.66</b>	1,277.55
Cash and bank balances	18	<b>940.16</b>	946.35
Short term loans and advances	19	<b>2,448.41</b>	2,254.36
Other current assets	20	<b>562.53</b>	826.46
		<b>6,878.49</b>	<b>7,601.42</b>
<b>Total</b>		<b>50,111.62</b>	<b>51,306.69</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 and on behalf of the Board

For **Price Waterhouse**

Firm Registration No. 301112E  
Chartered Accountants

**N.Dharmaraj**  
Whole Time Director  
DIN: 00912004

**Sachin Nandgaonkar**  
Director  
DIN: 03410739

**Kaushik Roy**  
Director  
DIN: 06513489

**Pinaki Chowdhury**

Partner  
Membership No. 057572

**P A Krishnamoorthy**  
CFO

**Ravi A.**  
CFO

**Jose George**  
Company Secretary

Kolkata  
May 30, 2016

Kolkata  
May 30, 2016



## Consolidated Statement of Profit and Loss for the year ended March 31, 2016

	Note	Year ended March 31, 2016 ₹ Lacs	Year ended March 31, 2015 ₹ Lacs
Revenue from operations	21	28,485.55	32,663.86
Other income	22	316.06	326.46
<b>Total revenue</b>		<b>28,801.61</b>	<b>32,990.32</b>
<b>Expenses</b>			
Cost of materials consumed	23	7,224.40	9,041.07
Purchases of stock in trade	24	649.73	389.49
Changes in inventories of finished goods	25	(13.49)	64.71
Employee benefits expenses	26	14,011.87	13,233.14
Other expenses	27	9,849.60	11,644.92
Depreciation and amortisation expenses	11	551.44	721.39
Finance cost	28	1,420.09	1,429.84
<b>Total expenses</b>		<b>33,693.64</b>	<b>36,524.56</b>
<b>(Loss) before exceptional and extraordinary item and tax</b>		<b>(4,892.03)</b>	<b>(3,534.24)</b>
Exceptional items	41	373.15	-
<b>(Loss) before extraordinary items and tax</b>		<b>(4,518.88)</b>	<b>(3,534.24)</b>
Extraordinary item (net)	36	-	13.95
<b>(Loss) before tax</b>		<b>(4,518.88)</b>	<b>(3,520.29)</b>
Tax expenses		-	-
<b>(Loss) for the year from continuing operations</b>		<b>(4,518.88)</b>	<b>(3,520.29)</b>
(Loss) from discontinuing operations	42 (b)	(47.91)	(5.58)
Tax expense of discontinuing operations		-	-
(Loss) from discontinuing operations after tax	42 (b)	(47.91)	(5.58)
<b>(Loss) for the year</b>		<b>(4,566.79)</b>	<b>(3,525.87)</b>
<b>(Loss) per equity share</b>	34		
Equity shares of par value ₹ 10/- each			
Basic and diluted (including extraordinary item)		(24.74)	(19.10)
Basic and diluted (excluding extraordinary item)		(24.74)	(19.18)

The notes are an integral part of these consolidated financial statements

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

For **Price Waterhouse**

Firm Registration No. 301112E  
Chartered Accountants

**Pinaki Chowdhury**

Partner  
Membership No. 057572

Kolkata  
May 30, 2016

For and on behalf of the Board

**N.Dharmaraj**  
Whole Time Director  
DIN: 00912004

**Sachin Nandgaonkar**  
Director  
DIN: 03410739

**Kaushik Roy**  
Director  
DIN: 06513489

**P A Krishnamoorthy**  
CFO

**Ravi A.**  
CFO

**Jose George**  
Company Secretary

Kolkata  
May 30, 2016

## Consolidated Cash Flow Statement for the year ended March 31, 2016

	Year ended March 31, 2016 (₹ Lacs)	Year ended March 31, 2015 (₹ Lacs)
<b>Cash Flow from Operating Activities</b>		
Loss before extraordinary item and tax	(4,566.79)	(3,539.82)
Adjustments for:		
Depreciation	551.92	729.45
Interest Income	(21.16)	(44.29)
Finance Costs	1,420.09	1,429.84
Provision for Doubtful Debts/ Advances created/ (written back)	88.48	(23.98)
Exceptional Items (Refer Note 41)	(373.15)	-
(Profit) on Sale of Fixed Assets (net)	(2.98)	(6.06)
	<b>1,663.20</b>	<b>2,084.96</b>
Operating (Loss) before Working Capital changes	<b>(2,903.59)</b>	<b>(1,454.86)</b>
Decrease in Inventories	62.97	260.20
Decrease in Trade Receivables	508.95	215.26
Decrease in Loans and Advances/ Other Current and Non Current Assets	248.33	1,372.04
Increase in Trade payables, Other Current Liabilities and provisions	3,447.31	664.58
	<b>4,267.56</b>	<b>2,512.08</b>
Cash Generated from Operations	<b>1,363.97</b>	<b>1,057.22</b>
Income Tax (net of refund)	(22.60)	(23.52)
<b>Net Cash generated from Operating Activities (A)</b>	<b>1,341.37</b>	<b>1,033.70</b>
<b>Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(117.65)	(560.36)
Sale of Fixed Assets	455.49	85.60
Interest Received	36.21	34.90
<b>Net Cash (used in) Investing Activities (B)</b>	<b>374.05</b>	<b>(439.86)</b>
<b>Cash Flow from Financing Activities</b>		
Proceeds from Long-term Borrowings	98.24	57.35
Repayment of Long-term Borrowings	(1,017.06)	(281.24)
Net increase in Cash Credit	283.45	16.74
Proceeds from other Short-term Borrowings	2,850.00	1,500.00
Repayment of other Short-term Borrowings	(2,249.95)	(1,000.00)
Interest Paid	(1,404.23)	(1,420.29)
Other borrowing costs paid	(24.59)	(16.15)
Dividend Paid (including tax on dividend ₹ 1.07 Lacs, Previous year ₹ 31.36 Lacs)	(8.94)	(216.19)
<b>Net Cash (used in) Financing Activities (C)</b>	<b>(1,473.08)</b>	<b>(1,359.78)</b>
Net Increase / (decrease) in Cash and Cash Equivalents (A+B+C)	<b>242.34</b>	<b>(765.94)</b>
Cash and Cash Equivalents at the beginning of the year	<b>538.45</b>	<b>1,304.39</b>
Cash and Cash Equivalents at the close of the year (Note 3 below)	<b>780.79</b>	<b>538.45</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 in the previous year.
3. Cash and Cash Equivalents (Refer note 18 to consolidated financial statements) include Unpaid Dividend not available for use by the Parent Company of ₹ 44.61 Lacs (Previous year ₹ 52.48 Lacs)
4. Refer Note 42 to the consolidated financial statements for information relating to net cash flows attributable to discounting operations included above.
5. Previous year's figures have been regrouped/ rearranged where considered necessary. Also refer Note 42 to the consolidated financial statements

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

**Pinaki Chowdhury**

Partner  
Membership No. 057572

Kolkata  
May 30, 2016

**N.Dharmaraj**  
Whole Time Director  
DIN: 00912004

**P A Krishnamoorthy**  
CFO

Kolkata  
May 30, 2016

**Sachin Nandgaonkar**  
Director  
DIN: 03410739

**Ravi A.**  
CFO

**Kaushik Roy**  
Director  
DIN: 06513489

**Jose George**  
Company Secretary

# Notes to the Consolidated Financial Statements for the year ended March 31, 2016

## 1 PRINCIPLES OF CONSOLIDATION

Consolidated financial statements relate to Harrisons Malayalam Limited, the Parent Company and its subsidiary (the 'Group'). The consolidated financial statements are in conformity with the Accounting Standard-21 on Consolidated Financial Statements prescribed under the Companies Act, 2013 of India (the 'Act') and are prepared as set out below :

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

## 2 SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of Preparation of Financial Statements

These consolidated financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis, except for certain tangible assets which are being carried at revalued amounts (refer note 2.3). Pursuant to 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) of the Companies Act, 1956 [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 Group's normal operating cycle and other criteria, as applicable, 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 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 were based on technical evaluation carried out by the Parent Company's expert in 2014-15 except in respect of certain agriculture assets included under Plant & Machinery which has been assessed to be 3 years. Aforesaid technical evaluation carried out in 2014-15 have been revisited by the Parent Company's management during the year and no change considered necessary.

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

	Useful Lives
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.

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the entity will pay normal income tax in excess of MAT during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the entity will pay normal income tax in excess of the MAT during the specified period.

## 2.14 Provisions and Contingent Liabilities

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

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

## 3 Share Capital

- (i) Authorised:  
3,00,00,000 Equity Shares of ₹ 10 each
- (ii) Issued, Subscribed and Paid up:  
1,84,55,405 Equity Shares of ₹ 10 each fully paid up  
Less: Allotment Money in Arrears

As at March 31, 2016 ₹ Lacs	As at March 31, 2015 ₹ Lacs
3,000.00	3,000.00
1,845.54	1,845.54
0.11	0.11
1,845.43	1,845.43



	March 31, 2016		March 31, 2015	
	Number of shares	₹ Lacs	Number of shares	₹ Lacs
(iii) Number of shares outstanding as at the beginning of the year	18,455,405	1,845.43	18,455,405	1,845.43
Number of shares outstanding as at the end of the year	18,455,405	1,845.43	18,455,405	1,845.43

(iv) Shares in the Company held by each shareholder holding more than 5 percent shares :

	March 31, 2016		March 31, 2015	
	Number of shares	% holding	Number of shares	% holding
Rainbow Investments Limited	4,471,063	24.23%	831,063	4.50%
Malayalam Plantations (Holdings) Limited	-	-	3,640,000	19.72%
Instant Holdings Limited	1,420,200	7.70%	1,420,200	7.70%
Swallow Associates LLP	1,190,722	6.45%	1,190,722	6.45%
Carnival 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 ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors of the Parent company 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

	Balance as at March 31, 2015	Additions	Deductions	₹ Lacs As at March 31, 2016
Reserves				
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>	<b>20,944.51</b>	<b>-</b>	<b>-</b>	<b>20,944.51</b>

Surplus in Statement of Profit and Loss	₹ Lacs As at March 31, 2016	₹ Lacs As at March 31, 2015
Balance as at the beginning of the year	5,874.74	9,400.61
Add/ Less:		
(Loss) for the year as per Statement of Profit and Loss	(4,566.79)	(3,525.87)
Balance as at the end of the year	1,307.95	5,874.74
<b>Total Reserves and Surplus</b>	<b>22,252.46</b>	<b>26,819.25</b>

## 5 Long term borrowings

### Secured

#### Term loan

- From Banks
- From Others

Less: Current maturities of Long Term Debt referred to in Note 9

As at March 31, 2016 ₹ Lacs	As at March 31, 2015 ₹ Lacs
5,716.88	6,563.59
297.88	369.99
6,014.76	6,933.58
(1,595.20)	(1,003.81)
4,419.56	5,929.77

#### Term loan from banks

- a Loan availed ₹ 6,000.00 Lacs during 2010-11 and 2011-12 repayable in 17 quarterly instalments of ₹ 333.30 Lacs commencing from September 2012 and final quarterly instalment of ₹ 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 ₹ 1,500 lacs (balance being paid) repayable in 5 quarterly instalments commencing from December 2015 of ₹ 166.67 Lacs and ₹ 333.33 Lacs for the balance 4 instalments upto December 2016. Year end balance is ₹ 1,000.00 Lacs (Previous year ₹ 1,500.01 Lacs).
- b Loan availed of ₹ 1,173.61 Lacs during 2012-2013 is repayable in 31 quarterly instalments of ₹ 36.69 Lacs commencing from July 2014 and final quarterly instalment of ₹ 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 ₹ 916.88 Lacs (Previous year ₹ 1,063.59 Lacs)
- c Loan availed of ₹ 4,000.00 Lacs during the year 2013-14 is repayable in 24 quarterly instalments repayable as 6 quarterly instalments of ₹ 50.00 Lacs commencing from June 2015 upto September 2016, 4 quarterly instalments of ₹ 100.00 Lacs from December 2016 to September 2017, 8 quarterly instalment of ₹ 200.00 Lacs from December 2017 to September 2019, 4 quarterly instalments of ₹ 250.00 Lacs from December 2019 to September 2020 and 2 quarterly final instalments of ₹ 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 ₹ 3,800.00 Lacs (Previous year ₹ 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 10.75% to 15.01%).

Repayment terms :

	As at March 31, 2016 ₹ Lacs	As at March 31, 2015 ₹ Lacs
Payable in 0-1 year	148.50	157.05
Payable in 1-2 years	108.71	122.87
Payable in 2-3 years	28.93	83.40
Payable in 3-4 years	11.74	6.67
	297.88	369.99

## 6 Long term provisions

### Provision for employee benefits:

Provision for gratuity

Provision for compensated absence

### Other Provisions:

Contingency reserve #

#

Balance at the beginning of the year

Provision made during the year

Utilised / Reversed during the year

Balance at the end of the year

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.

As at March 31, 2016 ₹ Lacs	As at March 31, 2015 ₹ Lacs
4,423.94	3,305.22
80.62	67.23
4,504.56	3,372.45
492.00	492.00
4,996.56	3,864.45
492.00	492.00
-	-
-	-
492.00	492.00

## 7 Short term borrowings

### Secured

Cash credit from banks repayable on demand

### Unsecured

#### Loans

From Banks

From Others

3,603.79	3,320.29
1,000.00	1,000.00
600.00	-
5,203.79	4,320.29

### Cash credit from banks

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.

## 8 Trade payables

(a) Total outstanding dues of micro enterprises and small enterprises and

(b) Total outstanding dues of creditors other than micro enterprises and small enterprises

128.37	43.53
2,674.55	1,860.85
2,802.92	1,904.38

**Micro and Small Enterprises :**

The Group 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

	<b>As at March 31, 2016 ₹ Lacs</b>	<b>As at March 31, 2015 ₹ Lacs</b>
Principal	<b>93.22</b>	19.20
Interest	<b>1.68</b>	0.66
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	<b>-</b>	-

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>266.06</b>	89.52
Interest	<b>9.14</b>	1.88

The amount of interest accrued and remaining unpaid at the end of the year (including ₹ 24.33 Lacs (Previous year ₹ 21.79 Lacs) being interest outstanding as at the beginning of the accounting year)

<b>35.15</b>	24.33
--------------	-------

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>10.82</b>	2.54
--------------	------

**9 Other current liabilities**

Current maturities of long term borrowings (Refer Note 5)

<b>1,595.20</b>	1,003.81
-----------------	----------

Interest accrued but not due on borrowings

<b>30.92</b>	39.65
--------------	-------

Unpaid dividends \*

<b>44.61</b>	52.48
--------------	-------

Others :

Employee benefits payable

<b>3,009.20</b>	1,642.42
-----------------	----------

Statutory dues

<b>2,360.43</b>	2,269.50
-----------------	----------

Advance from customers

<b>469.31</b>	201.69
---------------	--------

Security deposits

<b>135.31</b>	144.19
---------------	--------

<b>7,644.98</b>	5,353.74
-----------------	----------

\* 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.



	As at March 31, 2016 ₹ Lacs	As at March 31, 2015 ₹ Lacs
<b>10 Short term provisions</b>		
<b>Provision for employee benefits:</b>		
Provision for gratuity	<b>240.74</b>	531.00
Provision for compensated absence	<b>26.58</b>	33.11
<b>Others :</b>		
Provision for		
Income tax (Net of advance tax of ₹ 13,891.95 Lacs; Previous year 13,869.35 Lacs)	<b>555.96</b>	578.56
Fringe benefit tax (Net of advance tax of ₹ 92.42 Lacs; Previous year ₹ 92.42 Lacs)	<b>122.64</b>	122.64
Provision for warranty #	-	3.00
Tax on proposed dividend	-	1.07
	<b>945.92</b>	1,269.38
<b>#</b>		
Balance at the beginning of the year	<b>3.00</b>	3.00
Provision made during the year	-	3.00
Utilised / Reversed during the year	<b>(3.00)</b>	(3.00)
Balance at the end of the year	-	3.00

**Note 11 Fixed Assets**

Description of Assets	Gross Block				Depreciation and amortisation			Net Block	
	Cost/ Valuation as at March 31, 2015	Additions	Disposals/ Adjustments	Cost/ Valuation as at March 31, 2016	As at March 31, 2015	For the year	On Disposals/ Adjustments	As at March 31, 2016	As at March 31, 2015
<b>Tangible assets</b>									
Land and Development - Freehold and Leasehold (Note 1 below)	39,382.86	8.67	9.24	<b>39,382.29</b>	-	-	-	<b>39,382.29</b>	39,382.86
Buildings	3,846.51	18.81	46.16	<b>3,819.16</b>	2,387.97	103.75	39.83	<b>2,451.89</b>	1,458.54
Plant and Machinery	6,112.39	194.56	190.79	<b>6,116.16</b>	4,757.51	334.51	137.98	<b>4,954.04</b>	1,354.88
Furniture and Fittings	312.24	0.78	10.10	<b>302.92</b>	276.27	9.52	8.17	<b>277.62</b>	35.97
Water Supply	886.76	2.80	13.33	<b>876.23</b>	642.49	27.73	10.24	<b>659.98</b>	244.27
Vehicles	746.55	1.08	24.92	<b>722.71</b>	507.37	63.09	18.96	<b>551.50</b>	239.18
<b>Total tangible assets</b>	<b>51,287.31</b>	<b>226.70</b>	<b>294.54</b>	<b>51,219.47</b>	<b>8,571.61</b>	<b>538.60</b>	<b>215.18</b>	<b>8,895.03</b>	<b>42,715.70</b>
Previous year	50,969.87	578.92	261.48	51,287.31	8,025.10	728.45	181.94	8,571.61	42,944.77
<b>Intangible assets</b>									
Computer Software	60.00	6.47	-	<b>66.47</b>	1.00	13.32	-	<b>14.32</b>	59.00
<b>Total intangible assets</b>	<b>60.00</b>	<b>6.47</b>	<b>-</b>	<b>66.47</b>	<b>1.00</b>	<b>13.32</b>	<b>-</b>	<b>14.32</b>	<b>59.00</b>
Previous year	-	60.00	-	60.00	-	1.00	-	1.00	-
<b>Grand Total</b>	<b>51,347.31</b>	<b>233.17</b>	<b>294.54</b>	<b>51,285.94</b>	<b>8,572.61</b>	<b>551.92</b>	<b>215.18</b>	<b>8,909.35</b>	<b>42,774.70</b>
Previous Year	50,969.87	638.92	261.48	51,347.31	8,025.10	729.45	181.94	8,572.61	42,944.77
Capital Work-In-Progress - at cost -Tangible Assets								<b>82.64</b>	<b>182.87</b>
								<b>42,459.23</b>	<b>42,957.57</b>

**Notes :**

- Land and development includes
  - Certain leasehold lands the value of which is not separately ascertainable
  - ₹ 13,957.19 Lacs added on revaluation during 1990-1991 and credited to Fixed Assets Revaluation Reserve.
  - ₹ 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 (₹ 21,233.80 lacs) and the carrying value of investments in the shares of the wholly owned subsidiary companies (₹ 1,218.91 lacs) and the balance amount of ₹ 286.90 Lacs was transferred to Capital Reserve arising from amalgamation as per the scheme.
- Depreciation for the year includes ₹ 0.48 lacs (Previous year ₹ 8.06 lacs) relating to discontinuing operation (refer Note 42)
- Title deeds of the immovable properties set out in the above table are in the name of Malayalam Plantations Limited (MPL)/Harrisons Crosfield Ltd (HCL) except as set out below which are in the name of the Parent Company. Inter alia, the immovable properties of MPL got transferred to and vested in Malayalam Plantations (India) Limited (MPL) vide a Scheme of Arrangement and Amalgamation in 1978. Further, inter alia the immovable properties of Harrisons Crosfield (India) Limited got transferred and vested in MPL vide a Scheme of Arrangement and Amalgamation in 1984. The name of MPL a Company incorporated in 1978 got changed to Harrisons Malayalam Limited in 1984.

Title deeds of the immovable properties set out in the above table , which are in the name of the Parent Company are:

	Gross Block	Net Block
Land and Building	136.72 lacs	32.10 lacs



## Note 11.1 Fixed Assets

₹ in Lacs

Description of Assets	Gross Block			Depreciation and amortisation			Net Block		
	Cost/ Valuation as at March 31, 2014	Additions	Disposals/ Adjustments	Cost/ Valuation as at March 31, 2015	As at March 31, 2014	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	39,327.10	55.76	-	39,382.86	-	-	-	39,382.86	39,327.10
Buildings	3,672.67	177.34	3.50	3,846.51	2,284.11	106.59	2.73	1,458.54	1,388.56
Plant and Machinery	6,028.64	284.38	200.63	6,112.39	4,405.73	492.40	140.62	1,354.88	1,622.91
Furniture and Fittings	305.53	7.24	0.53	312.24	263.25	13.56	0.54	276.27	42.28
Water Supply	895.65	8.27	17.16	886.76	619.69	31.63	8.83	244.27	275.96
Vehicles	740.28	45.93	39.66	746.55	452.32	84.27	29.22	239.18	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>8,025.10</b>	<b>728.45</b>	<b>181.94</b>	<b>42,715.70</b>	<b>42,944.77</b>
<b>Intangible Assets</b>									
Computer Software	-	60.00	-	60.00	-	1.00	-	59.00	-
<b>Total intangible assets</b>	<b>-</b>	<b>60.00</b>	<b>-</b>	<b>60.00</b>	<b>-</b>	<b>1.00</b>	<b>-</b>	<b>59.00</b>	<b>-</b>
<b>Grand Total</b>	<b>50,969.87</b>	<b>638.92</b>	<b>261.48</b>	<b>51,347.31</b>	<b>8,025.10</b>	<b>729.45</b>	<b>181.94</b>	<b>42,774.70</b>	<b>42,944.77</b>
Capital Work-In-Progress - at cost								182.87	161.55
-Tangible Assets								42,957.57	43,106.32
<b>Intangible Assets under development</b>								-	53.94
Computer Software Implementation cost								42,957.57	43,160.26

### Notes :

Notes :

- Land and development includes
  - Certain leasehold lands the value of which is not separately ascertainable
  - ₹ 13,957.19 Lacs added on revaluation during 1990-1991 and credited to Fixed Assets Revaluation Reserve.
  - ₹ 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 (₹ 21,233.80 lacs) and the carrying value of investments in the shares of the wholly owned subsidiary companies (₹ 1,218.91 lacs) and the balance amount of ₹ 286.90 Lacs was transferred to Capital Reserve arising from amalgamation as per the scheme.
- Depreciation for the year ended March 31, 2015 includes ₹ 8.06 lacs (Previous year ₹ 15.68 lacs) relating to discontinuing operation (refer Note 42)
- Depreciation for the year ended March 31, 2015 on Plant & Machinery includes ₹ 123.71 lacs impairment provision based on the assessment of certain categories of agriculture assets which does not have any balance useful lives as at March 31, 2015

	As at March 31, 2016 ₹ Lacs	As at March 31, 2015 ₹ Lacs
<b>12 Non current investments</b>		
<b>Long term - At cost</b>		
<b>Other than trade</b>		
<b>Unquoted investment</b>		
(i) Investment in government securities		
National Savings Certificates	0.02	0.02
Treasury Savings Account	1.00	1.00
	<b>1.02</b>	<b>1.02</b>
<b>13 Long term loans and advances</b>		
<b>Unsecured and considered good</b>		
Capital Advances	7.01	22.30
Electricity and other deposits	243.63	231.42
Advance to workers	491.23	491.23
	<b>741.87</b>	<b>744.95</b>
<b>14 Other non current assets</b>		
<b>Unsecured and considered good</b>		
Margin money deposit with Banks having maturity more than 12 months	29.28	-
Bank Deposit on lien	1.73	1.73
	<b>31.01</b>	<b>1.73</b>
<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 ₹ 10 each in Enchanting Plantations Limited	10.00	10.00
50,000 Equity Shares of ₹ 10 each in Harmony Plantations Limited	5.00	5.00
	<b>15.00</b>	<b>15.00</b>

## 16 Inventories

At lower of cost and net realisable value

	As at March 31, 2016 ₹ Lacs	As at March 31, 2015 ₹ Lacs
Finished goods *	1,242.21	1,228.72
Stores and spares #	955.83	1,021.62
Raw (Construction) materials @	-	6.43
Nurseries	20.69	24.93
	<b>2,218.73</b>	<b>2,281.70</b>
* Particulars of closing inventories of Finished goods		
Tea	1,003.13	1,045.15
Rubber	239.08	183.57
	<b>1,242.21</b>	<b>1,228.72</b>
# Stores and spares includes packing materials of ₹ 308.57 lacs (Previous year- ₹ 343.61 lacs)		
@ Particulars of closing inventories of Raw (Construction) materials		
Tiles	-	2.35
Others	-	4.08
	<b>-</b>	<b>6.43</b>

## 17 Trade receivables

### Unsecured

Outstanding for a period of more than six months from the due date of payment.

Considered good	53.09	122.39
Considered doubtful	464.45	389.51
Less: Provision for doubtful receivables	(464.45)	(389.51)
	<b>53.09</b>	<b>122.39</b>
Other debts		
Considered good	640.57	1,155.16
	<b>640.57</b>	<b>1,155.16</b>
	<b>693.66</b>	<b>1,277.55</b>

## 18 Cash and Bank balances

Cash and cash equivalent

Cash on hand	19.79	10.78
Balance with banks		
On current accounts	716.39	475.19
Unpaid dividend accounts *	44.61	52.48
	<b>780.79</b>	<b>538.45</b>
Other bank balances		
Margin money deposits with original maturity greater than 3 months and maturing within 12 months	159.37	407.90
	<b>940.16</b>	<b>946.35</b>

\* Earmarked for payment of unclaimed dividend

	As at March 31, 2016 ₹ Lacs	As at March 31, 2015 ₹ Lacs
<b>19 Short term loans and advances</b>		
<b>Unsecured and considered good</b>		
Advances to employees	135.51	53.50
Advance to suppliers	222.51	127.18
Balances with Government Authorities	1,992.73	1,915.16
Prepaid expenses	97.16	124.78
Claims recoverable	0.50	-
Advances to body corporates/ trusts /individuals	-	33.74
	<b>2,448.41</b>	<b>2,254.36</b>
<b>Unsecured and considered doubtful</b>		
Balances with Government Authorities	27.14	27.14
Advance to suppliers	26.09	26.09
Advances to body corporates	189.64	189.64
	<b>242.87</b>	<b>242.87</b>
Less: provision for doubtful advances	<b>(242.87)</b>	<b>(242.87)</b>
	<b>2,448.41</b>	<b>2,254.36</b>
<b>20 Other current assets</b>		
<b>Unsecured and considered good</b>		
Subsidy receivable	311.40	442.86
Unbilled revenue	145.71	220.60
Retention money	-	45.04
Export Entitlement	96.41	93.90
Interest accrued on bank deposits	9.01	24.06
	<b>562.53</b>	<b>826.46</b>
<b>Unsecured and considered doubtful</b>		
Export Entitlement	13.54	-
Less: provision for doubtful advances	<b>(13.54)</b>	<b>-</b>
	<b>562.53</b>	<b>826.46</b>
<b>21 Revenue from operations</b>		
Sale of products *	27,765.09	31,742.29
Sale of Services #	58.04	443.24
Other operating revenues		
Tea Board Subsidy	262.44	302.71
Export entitlements	157.50	145.38
Others	300.52	473.48
	<b>28,543.59</b>	<b>33,107.10</b>
Less: Discontinuing operation (Refer Note 42)	<b>58.04</b>	<b>443.24</b>
	<b>28,485.55</b>	<b>32,663.86</b>
<b>* Details of sale of products</b>		
Tea	15,046.74	16,579.49
Rubber	12,408.02	14,580.62
Fruits, Spices and others	239.91	339.90
Green leaf	70.42	242.28
	<b>27,765.09</b>	<b>31,742.29</b>
<b># Details of sale of services (Discontinuing operation)</b>		
Construction contracts (Refer Note 31)	<b>58.04</b>	<b>443.24</b>



## 22 Other Income

Interest income on bank deposits and other deposits  
Profit on sale of fixed assets (net)  
Provision for doubtful debts and advances written back(net)  
Other non-operating income

Less: Discontinuing operation (Refer Note 42)

Year ended March 31, 2016 ₹ Lacs	Year ended March 31, 2015 ₹ Lacs
21.16	44.29
2.98	6.06
-	23.98
292.33	254.85
316.47	329.18
0.41	2.72
316.06	326.46

## 23 Cost of materials consumed

(all indigenous)

Inventory at the beginning of the year

Add : Purchases

Less : Inventory at the end of the year

Cost of materials consumed

### Details of materials consumed:

Green leaf

Bought latex and sheets

Tea used for blending

-	-
7,224.40	9,041.07
7,224.40	9,041.07
-	-
7,224.40	9,041.07
2,363.67	2,644.94
4,506.11	5,963.65
354.62	432.48
7,224.40	9,041.07

## 24 Purchase of stock in trade

Cenex / TSR

Fruits, spices and others

609.63	372.34
40.10	17.15
649.73	389.49

## 25 Changes in inventories of finished goods

### Inventory at the end of the year

Tea

Rubber

### Inventory at the beginning of the year

Tea

Rubber

1,003.13	1,045.15
239.08	183.57
1,242.21	1,228.72
1,045.15	1,076.01
183.57	217.42
1,228.72	1,293.43
(13.49)	64.71

	Year ended March 31, 2016 ₹ Lacs	Year ended March 31, 2015 ₹ Lacs
<b>26 Employee benefits expenses</b>		
Salaries and wages	<b>10,973.63</b>	10,806.41
Contribution to Provident Fund	<b>1,078.42</b>	1,188.41
Contribution to Superannuation Fund	<b>81.42</b>	87.01
Gratuity	<b>1,510.12</b>	939.30
Staff welfare expenses	<b>389.79</b>	279.68
	<b>14,033.38</b>	13,300.81
Less: Discontinuing operation (Refer Note 42)	<b>21.51</b>	67.67
	<b>14,011.87</b>	13,233.14

**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:-

	(₹ Lacs)				
	2015-16	2014-15	2013-14	2012-13	2011-12
<b>1 Present value of obligation at the beginning of the year</b>	<b>3,836.22</b>	3,550.59	2,833.00	2,704.99	2,116.00
Interest cost	<b>270.54</b>	246.94	222.73	189.07	153.95
Current service cost	<b>251.43</b>	207.74	165.23	615.68	285.64
Benefits paid	<b>(681.66)</b>	(653.67)	(575.17)	(696.63)	(390.72)
Actuarial loss	<b>988.15</b>	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>4,664.68</b>	3,836.22	3,550.59	2,833.00	2,704.99
<b>2 Amounts recognized in the Statement of Profit and Loss</b>					
Current service cost	<b>251.43</b>	207.74	165.23	615.68	285.64
Interest cost	<b>270.54</b>	246.94	222.73	189.07	153.95
Actuarial loss	<b>988.15</b>	484.62	904.80	19.89	540.12
<b>Expenses recognized in the Statement of Profit and Loss (Refer Note 26)</b>	<b>1,510.12</b>	939.30	1,292.76	824.64	979.71
<b>3 Principal actuarial assumptions</b>					
Discount rate	<b>7.74%</b>	7.66%	8.75%	8.00%	8.00%
Salary escalation	<b>5.00%</b>	5.00%	5.00%	5.00%	5.00%
Attrition rate	<b>3.00%</b>	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.

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

	2015-16 ₹ Lacs	2014-15 ₹ Lacs
Contribution to Provident Fund (included in Contribution to Provident Fund in Note 26)	<b>1,078.42</b>	1,188.41
Contribution to Superannuation Fund (Refer Note 26)	<b>81.42</b>	87.01



	Year ended March 31, 2016 ₹ Lacs	Year ended March 31, 2015 ₹ Lacs
<b>27 Other expenses</b>		
Consumption of Stores and Spare Parts	1,342.07	2,071.70
Consumption of Packing material	782.03	929.03
Engineering Contract Cost - Materials and Other Expenses	7.90	315.97
Contract Costs	1,029.22	1,266.48
Power and Fuel	1,985.72	2,130.99
Rent	118.25	118.17
Rates and Taxes	214.97	202.41
Repairs and Maintenance		
Buildings	279.50	275.82
Plant and Machinery	354.41	275.44
Others	92.21	78.68
Insurance	54.05	78.77
Tea Cess	67.84	81.29
*Replanting Expenses	983.27	1,392.50
Travelling and Conveyance	436.74	490.95
Professional / Consultancy Charges	291.97	225.84
Brokerage and Discount	116.12	144.65
Commission to Selling agent	15.89	8.47
Freight, Shipping, Transport and other charges	578.41	835.43
Directors' Sitting Fees	6.20	5.20
**Expenditure towards Corporate Social Responsibility	-	13.50
Provision for Doubtful Debts/ Advances	88.48	-
Advances written off	-	16.82
Miscellaneous Expenses	1,088.72	1,062.62
	<b>9,933.97</b>	<b>12,020.73</b>
Less: Discontinuing operation (Refer Note 42)	<b>84.37</b>	<b>375.81</b>
	<b>9,849.60</b>	<b>11,644.92</b>
* Replanting expense includes material consumption and wages of ₹ 154.72 lacs (Previous year ₹ 266.80 lacs) and ₹ 776.29 lacs (Previous year- ₹ 1036.77 lacs) respectively		
** Expenditure towards Corporate Social Responsibility (CSR) activities		
a) Gross amount required to be spent by the Parent Company during the year	-	12.74
a) Amount spent during the year		
i) Construction/ acquisition of any asset	-	13.50
ii) Purpose other than (i) above	-	-
<b>28 Finance Costs</b>		
Interest expense	1,395.50	1,413.69
Other borrowing cost	24.59	16.15
	<b>1,420.09</b>	<b>1,429.84</b>

	As at March 31, 2016 ₹ Lacs	As at March 31, 2015 ₹ 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>386.38</b>	367.59
ii. Penalties under section 14B of Employees' Provident Fund Miscellaneous Provisions Act 1952	<b>59.33</b>	59.33
iii. Disputed Income Tax matters	<b>1,526.58</b>	1,302.59
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 Parent 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>	205.47
b) Others		
i. Outstanding bills discounted with bank	<b>461.84</b>	77.78
<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 ₹ 7.01 lacs (Previous year ₹ 22.30 lacs)	<b>15.03</b>	1.53
<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 178 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 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 1187 hectares (approximately) [Previous Year 1152 hectares (approximately)] in respect of which cases filed by Janmies (original owners) of Lahai, Koney, Kaliyar 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 Mooply Valley estates notified by the Government of Kerala for resumption alleging violation of lease conditions as proceedings has been stayed by the Sub Court, Irinjalakuda.
- i An area of 336.64 hectares (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 12154 hectares) 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, 2016 ₹ Lacs	Year ended March 31, 2015 ₹ Lacs
<b>31 Disclosure relating to Construction Contracts</b>		
Contract revenue recognised during the year	58.04	443.24
Disclosure regarding Contracts in progress		
Aggregate amount of costs incurred and recognised profits up to March 31	-	5,778.37
Advances received	-	-
Retention money	-	-
Gross amount due from customers	57.40	60.27

## 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, Fruits, Spices and others and Wyanaad Medical Fund. The geographical segments are identified on the basis of the location of customers.

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

Description	Continuing operations			Discontinuing operations	Total
	Tea (₹ Lacs)	Rubber (₹ Lacs)	Other (₹ Lacs)	Engineering (₹ Lacs)	
External Sales	15,553.62 (17,288.93)	12,453.16 (14,598.55)	478.77 (776.38)	58.04 (443.24)	28,543.59 (33,107.10)
Inter-segment Sales	- -	- -	- -	- -	- -
Segment Revenue	15,553.62 (17,288.93)	12,453.16 (14,598.55)	478.77 (776.38)	58.04 (443.24)	28,543.59 (33,107.10)
Segment Result - Profit/(Loss) excluding Extraordinary item	(2,550.83) (-)(1985.54)	(1,327.16) (-)(570.89)	758.21# (407.96)	(48.08) (-)(5.80)	(3,167.86) (-)(2154.27)
Less: Interest Expenses					1,395.50 (1,413.69)
Less: Unallocated expense (net of unallocated income ₹ 21.16 lacs) (Previous year Unallocated income net of unallocated expense ₹ 16.15 lacs)					3.43 (-)(28.14)

Description	Continuing operations			Discontinuing operations	Total
	Tea (₹ Lacs)	Rubber (₹ Lacs)	Other (₹ Lacs)	Engineering (₹ Lacs)	
(Loss) before Extraordinary Item and tax					(4,566.79)
					(-)(3539.82)
Extraordinary Item (Net) (Note 36)					-
					(13.95)
(Loss) before Tax					(4,566.79)
					(-)(3525.87)
Less : Income Taxes					-
					-
(Loss) after Tax					(4,566.79)
					(-)(3525.87)
<b>Other Information</b>					
Segment Assets	36,173.97	12,651.48	105.29	184.69	49,115.43
	(37,228.48)	(12,669.47)	(63.04)	(358.76)	(50,319.75)
Unallocated Assets					996.19
					(986.94)
Total Assets					50,111.62
					(51,306.69)
Segment Liabilities	7,217.18	6610.21	41.53	203.05	14,071.97
	(5,908.83)	(5,607.26)	(33.59)	(140.36)	(11,690.04)
Unallocated Liabilities					11,941.76
					(10,951.97)
Total Liabilities					26,013.73
					(22,642.01)
Segment Capital Expenditure	88.08	29.57	-	-	117.65
	(436.42)	(123.94)	-	-	(560.36)
Segment Depreciation	406.84	144.37	0.23	0.48	551.92
	(561.63)	(155.78)	(3.98)	(8.06)	(729.45)
Segment non-cash expense other than depreciation	30.64	-	39.26	18.58	88.48
	-	-	(16.82)	-	(16.82)

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

Description	India	Outside India	Total
	₹ Lacs	₹ Lacs	₹ Lacs
External Sales	24,300.65	4,242.94	28,543.59
	(29,959.39)	(3,147.71)	(33,107.10)
Segment Assets	48,799.73	315.70	49,115.43
	(49,842.22)	(477.53)	(50,319.75)
Segment Capital Expenditure	117.65	-	117.65
	(560.36)	-	(560.36)

All operating facilities are located in India.

\* Figures in bracket represent previous year's figures

# Includes Exceptional items of ₹ 373.15 lacs (Refer Note 41)



### 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

Mr. V Venugopal (Manager)

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

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

#### c Related party transactions

Description			₹ Lacs	
	Subsidiary Companies		Key Management	Personnel (KMP)
	2015-16	2014-15	2015-16	2014-15
<b>Transaction during the year</b>				
Realisation of advances				
EPL	-	0.07		
HPL	-	0.13		
MPL	-	0.07		
<b>Remuneration</b>				
V Venugopal	-	-	44.02	42.80
Ashok Goyal	-	-	-	31.15
N Dharamraj	-	-	85.44	78.65
<b>Balance as at year end</b>				
Investment in subsidiaries				
EPL	10.00	10.00	-	-
HPL	5.00	5.00	-	-

### 34. (Loss) Per Share

Particulars	2015-16	2014-15
a) (Loss) after tax (including extraordinary item) (₹ in lacs)	(4,566.79)	(3,525.87)
b) (Loss) after tax (excluding extraordinary item) (₹ in lacs)	(4,566.79)	(3,539.82)
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 (₹)	10.00	10.00
g) Basic and diluted (loss) per share (including extraordinary item) (₹) (a/e)	(24.74)	(19.10)
h) Basic and diluted (loss) per share (excluding extraordinary item) (₹) (b/e)	(24.74)	(19.18)

### 35. Derivative instruments and unhedged foreign currency exposure

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

Particulars	Purpose	In Lacs		In Lacs	
		Year Ended March 31, 2016		Year Ended March 31, 2015	
		Value in Foreign Currency	INR	Value in Foreign Currency	INR
Forward Contracts to sell USD	Hedge of highly probable forecast transactions	12.88	878.11	11.03	692.99
Forward Contracts to sell Euro		0.40	29.74	0.41	30.81
Forward Contracts to sell GBP		0.30	29.42	0.60	57.50

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

Particulars	In Lacs		In Lacs	
	Year Ended March 31, 2016		Year Ended March 31, 2015	
	Value in Foreign Currency	INR	Value in Foreign Currency	INR
Trade Receivables (In USD)	-	-	0.86	46.39

### 36. Extraordinary Item

Extraordinary item for the year ended March 31, 2015 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; Consequent to that, Company received ₹ 13.95 lacs towards a part of insurance claim during the year ended March 31, 2015

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

Name of the Company	Country of Incorporation	Proportion of Ownership Interest as at 31.03.16	Proportion of Ownership Interest as at 31.03.15
HML Engineering Company Ltd (effective June 6, 2011 )	India	100%	100%

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

Enchanting Plantations Limited

Harmony Plantations Limited

Malayalam Plantations Limited (Step down)

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



### 38. Information on Net Assets and Profits

₹ Lacs

Name of the Entity	Net Assets		Share in Profit and Loss	
	As a % of consolidated net assets	Amount	As a % of consolidated Profit or Loss	Amount
Harrisons Malayalam Limited	100%	24,097.89	100%	<b>-4,563.24</b>
	(100%)	(28,661.13)	(100%)	(-3,525.87)
Subsidiary				
HML Engineering Company Ltd	0%	-	0%	-3.55
	-	(3.55)	-	-
Total	<b>100%</b>	<b>24,097.89</b>	<b>100%</b>	<b>-4,566.79</b>
	(100%)	(28,664.68)	(100%)	(-3,525.87)

Figures in bracket represent for previous year

### 39 Taxation

- 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.
40. 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. Exceptional Items

	As at March 31, 2016 ₹ Lacs	As at March 31, 2015 ₹ Lacs
Profit on sale of immovable assets relating to Plant Tissue Culture (included in 'Other' segment)	<b>373.15</b>	-

42. The Board of Directors of the Parent Company in its Board meeting held on September 28, 2015 has decided to discontinue its engineering business in keeping with its business strategy to focus on core plantation activities. The Parent Company has now stopped quoting for new projects and the existing projects are nearing completion. The Engineering division is a separate business segment as per AS 17 "Segment Reporting". Comparative figures for previous year, of the aforesaid discontinuing operations, have also been provided in these consolidated financial statements.

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

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

	<b>As at March 31, 2016 ₹ Lacs</b>	<b>As at March 31, 2015 ₹ Lacs</b>
Total assets	<b>184.69</b>	358.76
Total liabilities	<b>203.05</b>	140.36
Net assets	<b>(18.36)</b>	218.41

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

	<b>Year ended March 31, 2016 ₹ Lacs</b>	<b>Year ended March 31, 2015 ₹ Lacs</b>
Revenue from operations (Sale of services)	<b>58.04</b>	443.24
Other income	<b>0.41</b>	2.72
	<b>58.45</b>	445.96
Employee benefits expenses	<b>21.51</b>	67.67
Depreciation expenses	<b>0.48</b>	8.06
Other expenses	<b>84.37</b>	375.81
Total expenses	<b>106.36</b>	451.54
(Loss) from discontinuing operations before taxes	<b>(47.91)</b>	(5.58)
Tax expenses of discontinuing operations	-	-
( Loss) from discontinuing operations after tax	<b>(47.91)</b>	(5.58)

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

Operating activities	<b>(144.46)</b>	905.10
Investing activities	<b>142.08</b>	(909.42)
Financing activities	-	-
Net cash flows	<b>(2.38)</b>	(4.32)

43. Previous year's figures have been regrouped / rearranged wherever necessary to conform to the current year's presentation. Also refer Note 42.

Signatories to Notes 1 to 43  
For and on behalf of the Board

For **Price Waterhouse**

Firm Registration No. 301112E  
Chartered Accountants

**Pinaki Chowdhury**

Partner  
Membership No. 057572

Kolkata  
May 30, 2016

**N.Dharmaraj**  
Whole Time Director  
DIN: 00912004

**P A Krishnamoorthy**  
CFO

Kolkata  
May 30, 2016

**Sachin Nandgaonkar**  
Director  
DIN: 03410739

**Ravi A.**  
CFO

**Kaushik Roy**  
Director  
DIN: 06513489

**Jose George**  
Company Secretary



## Form AOC - 1

(Pursuant to first proviso to sub section(3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing the salient features of the financial statement of subsidiaries / associate companies / joint ventures

### Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs. Lacs)

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	-5.00	-3.16	-3.10	-3.51
7	Total Assets	-	1.94	2.02	1.97
8	Total Liabilities	-	0.11	0.11	0.33
9	Investments	-	5.00	-	-
10	Turnover	0.17	0.09	0.09	0.08
11	Profit before taxation	-3.55	-0.14	-0.14	-0.14
12	Provision for taxation	-	-	-	-
13	Profit after taxation	-3.55	-0.14	-0.14	-0.14
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			
3	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries			
	No			
4	Amount of Investment in Associates/Joint Venture			
5	Extent of holding %			
6	Description of how there is significant influence			
7	Reason by the associate/joint venture is not consolidated			
8	Networth attributable to Shareholding as per latest audited Balance Sheet			
9	Profit / Loss for the year			
	i. Considered in consolidation			
	ii. Not Considered in consolidation			

## Route Map







# HARRISONS MALAYALAM LIMITED

CIN: L01119KL1978PLC002947

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

Email:hmlcorp@harrisonsmalayalam.com Website: www.harrisonsmalayalam.com Phone:0484-2668023 Fax:0484-2668024

## PROXY FORM

(Form No. MGT – 11)

[Pursuant to section 105(6) of the Companies Act 2013 and Rule 19(3) of the Companies  
(Management and Administration) Rules, 2014]

Name and Address of the Shareholder(s) .....

E-mail ID: .....

Folio No./DP ID and Client ID .....

I/We, being the member(s) holding ..... shares of the above named company, hereby appoint

(1) Name ..... Address.....

Email-id..... Signature ..... or failing him/her

(2) Name ..... Address.....

Email-id..... Signature ..... or failing him/her

(3) Name ..... Address.....

Email-id..... Signature .....

as my / our Proxy to attend and vote (on a Poll) for me / us on my /our behalf at the 39<sup>th</sup> Annual General Meeting of the Company to be held on Friday, the September 30, 2016, at 10.30 A.M. at Kerala Fine Arts Hall, Fine Arts Avenue, Foreshore Road, Cochin – 682016 and at any adjournment thereof in respect of such resolutions as are indicated below:

### Ordinary Business

1. Adoption of Audited Financial Statements for the year ended March 31, 2016, and the Audited Consolidated Financial Statements for the year ended on that date and the reports of the Directors and Auditors thereon.
2. Appointment of a Director in place of Mr. Sachin Nandgaonkar (DIN 03410739) who retires by rotation and, being eligible, offers himself for re-appointment
3. Ratification of the appointment of Auditors and fix their remuneration

### Special Business

4. Appointment and payment of remuneration to Mr. N Dharmaraj, Whole Time Director
5. Ratification of Cost Auditors remuneration.

Signed this ..... day of September 2016

Signature of Shareholder .....

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

Affix  
Revenue  
Stamp

### Notes:

1. This form of proxy in order to be effective should be completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the resolutions, Explanatory statement and Notes, please refer to the Notice of the Thirty Ninth Annual General Meeting.
3. A Shareholder may vote either for or against each resolutions.





## HARRISONS MALAYALAM LIMITED

CIN:L01119KL1978PLC002947

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

E-mail: [hmlcorp@harrisonsmalayalam.com](mailto:hmlcorp@harrisonsmalayalam.com) Website: [www.harrisonsmalayalam.com](http://www.harrisonsmalayalam.com)

Phone: 0484-2668023 Fax: 0484-2668024

### ATTENDANCE SLIP

### 39TH ANNUAL GENERAL MEETING

Folio No./DP ID and Client ID

Name and Address of the Shareholder(s)

I hereby record my presence at the 39<sup>th</sup> Annual General Meeting of the Company being held on Friday, the September 30, 2016, at 10.30 A.M. at Kerala Fine Arts Hall, Fine Arts Avenue, Foreshore Road, Cochin – 682016

Member's Folio/DPID-Client ID No.

Member's /Proxy's name in Block Letters

Member's/Proxy's Signature

----- CUT HERE -----

### ELECTRONIC VOTING PARTICULARS

If desirous of E-voting, please read the instructions given in the AGM Notice before exercising

<b>EVSN</b> <b>(Electronic Voting Sequence Number)</b>	<b>*Default PAN/Sequence No.</b>
<b>160902004</b>	

\* Those who have not registered their PAN may use Default PAN



