



# THE PERIA KARAMALAI TEA AND PRODUCE COMPANY LIMITED

## CORPORATE INFORMATION

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

**Corporate Management Team** : Smt. Alka Bangur - Managing Director  
Shri Shreeyash Bangur - Deputy Managing Director  
Shri Rohan Jhavar - Principal Executive  
Shri S.K.Singh - Chief Executive Officer  
Shri R.V.Sridharan - Chief Financial Officer &  
Company Secretary

**Registered Office** : Panchratn, 286, Race Course Road  
Coimbatore - 641 018 Tamil Nadu

**Statutory Auditors** : S. Krishnamoorthy & Co  
Chartered Accountants  
ICAI Regn. No. 001496S  
Coimbatore

**Cost Auditors** : S. Mahadevan & Co.  
Cost Accountants, Coimbatore

**Bankers** : Union Bank of India

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



<b>Contents</b>	<b>Page</b>
Notice .....	3
Directors' Report .....	9
Management Discussion & Analysis.....	14
Report on Corporate Governance .....	18
Auditors' Report .....	28
Financial Statements .....	32
Cash Flow Statement .....	34
Notes to Financial Statements .....	35
Consolidated Financial Statements .....	55



## NOTICE OF THE 100th ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the 100th Annual General Meeting of the Company will be held at Hotel The Residency, 1076, Avinashi Road, Coimbatore - 641 018 at 10.30 a.m. on Wednesday, the 7th August 2013 to transact the following business.

### ORDINARY BUSINESS

1. To receive and adopt the Director's Report, Audited Statement of Profit & Loss for the year ended 31st March 2013, Balance Sheet as at that date and the Auditor's Report thereon.
2. To declare dividend.
3. To appoint a Director in place of Shri L.N. Bangur, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri P.R.Ramakrishnan, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint auditors in the place of retiring auditors and to fix their remuneration.

### SPECIAL BUSINESS

6. To consider and, if thought fit, to pass with or without modification, the following resolution as **Ordinary Resolution**.  
"RESOLVED THAT Shri Shreeyash Bangur who was appointed as additional director at the meeting of the Board of Directors held on 5th November 2012 and who holds office up-to the date of the ensuing Annual General Meeting and in respect of whom notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Shri Shreeyash Bangur as a candidate for the office of Director, be and is hereby appointed as Director of the Company".
7. To consider and, if thought fit, to pass with or without modification, the following resolution as **Ordinary Resolution**.  
"RESOLVED THAT in accordance with Schedule XIII read with Section 198, 269, 309 and other applicable provisions of the Companies Act, 1956, the consent of the Company be and is hereby given for the appointment of Shri Shreeyash Bangur as Deputy Managing Director of the Company for a

period of three years with effect from 5th November 2012 as per the terms and conditions set out in the agreement and also in the Explanatory Statement annexed hereto."

By Order of the Board  
**R.V. Sridharan**  
Chief Financial Officer &  
Company Secretary

Kolkata,  
May 28, 2013.

### NOTES :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN HIS STEAD AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. Proxies in order to be effective must be received at the registered office of the company not less than 48 hours before the commencement of the Annual General Meeting.
3. The Register of Members and the Share Transfer Books of the company will remain closed from 1st August 2013 to 7th August 2013 (both days inclusive).
4. The dividend when declared will be paid to those members whose name appears in the Register of Members as on 7th August 2013. In respect of shares held in electronic form, dividend will be paid on the basis of the beneficial ownership of the shares as on the closing business hours on 1st August 2013 as per details furnished by M/s National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose.
5. Pursuant to section 205A (5) of the Companies Act, 1956, the company has already transferred unclaimed dividends for the year ended 31st March 2002 to the Investor Education and Protection Fund.
6. Members who have so far not encashed the dividend warrant(s) are requested to seek issue of duplicate warrant(s) to the Registrar and Share Transfer Agents immediately. Members are requested to note that no claims shall lie against the company or the said fund in respect of amounts which were unclaimed for a period of seven years from the dates that they first became due for payment and no payment shall be made in respect of any such claim.



7. Members holding shares in physical form are requested to intimate changes, if any, in their registered address immediately to the Registrars & Share Transfer Agents. Members holding shares in dematerialized form are requested to notify such changes to their depository participants.
8. Members are requested to bring their copy of the Annual Report to the meeting.
9. The company's shares are listed in the following stock exchanges:
  - a) Madras Stock Exchange Limited  
30, Second Line Beach  
Chennai - 600 001
  - b) The Calcutta Stock Exchange Limited  
7, Lyons Range  
Kolkata - 700 001

The Company has paid the annual listing fee for the year 2013-14 to the Madras and Calcutta Stock Exchange.

#### 10. Information required under the Listing Agreement.

- (a) Shri L.N.Bangur, Promoter Director aged 63, hails from the Bangur family known in the trade and industry for over a century. Shri L.N.Bangur is a commerce graduate having experience in the field of trade and commerce for more than two decades. Shri L.N.Bangur has been associated with the company as Chairman since April 1988. He is the Chairman and Managing Director of Maharaja Shree Umaid Mills Limited. He is also a Managing Committee member of Mugneeram Ramcoovar Bangur Charitable & Religious Company.

He holds directorship in MSUM Texfab Limited, PKT Plantations Limited, M.B.Commercial Co. Limited, Amalgamated Company Limited, Placid Limited, The Kishore Trading Company Limited, Shree Krishna Agency Limited, The Swadeshi Commercial Company Limited, The General Investment Company Limited, Samay Books Limited, IOTA Mtech (P) Ltd., Manifold Agricrops (P) Ltd., and Sidhi Data Commercial Co. Ltd.

He holds 86,681 equity shares of ₹ 10 each in the company.

- (b) Shri P.R.Ramakrishnan, independent director, aged 61 years is a graduate in commerce and law. He is an advocate and practicing law for the past 38 years in various courts including Madras High Court, District Courts and Debt Recovery Tribunal. His clientele include Indian Bank, Tamil Nadu Mercantile Bank, NTC, LIC other reputed corporate and institutions. He is a keen sportsman and past Ranji Trophy Cricketer. He represented Coimbatore District Cricket Team as Captain. He has been associated with the Company as director since 23rd June 2009.

He holds directorship in PKT Plantations Limited.

He holds 300 equity shares of ₹ 10 each in the company.

- (c) Shri Shreeyash Bangur, Promoter Director aged 33 hails from the Bangur family. He is a graduate in Accounting and Management and Post Graduate in Engineering and Business Management having experience in the field of management and administration over 8 years. Shri Shreeyash Bangur has been associated with the Company since 2011.

He holds directorship in Placid Limited, Kiran Vyapar Limited, Navjoti Commodity Management Services Limited, Jubilee Hills Residency Limited, Sidhidata Solar Urja Limited, Sidhidata Tradecomm Private Limited, LNB Renewable Energy Private Limited, Janardan Wind Energy Private Limited, Palimarwar Solar Project Private Limited, Palimarwar Solar House Private Limited, Parmarth Wind Energy Private Limited, Manifold Agricrops Private Limited, Golden Greenaries Private Limited, Winsome Park Private Limited, Magma Realty Private Limited, Eminence Agrifield Private Limited, Anantay Greenview Private Limited, Satyawatche Greeneries Private Limited, Sarvadeva Green Park Private Limited, Subhprada Greeneries Private Limited, LNB Real Estates Private Limited.

He does not hold any share in the Company.



## Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956

### Item No. 6

Shri Shreeyash Bangur who was appointed as additional director with effect from 5th November 2012 pursuant to Section 260 of the Companies Act, 1956 read with Articles 124 of the Articles of Association of the Company, holds office upto the conclusion of the ensuing Annual General Meeting. In terms of Section 257 of the Companies Act, 1956, the company has received notice from a member along with a deposit of ₹ 500/- signifying his intention to propose the candidature of Shri Shreeyash Bangur for the office of Director.

Shri Shreeyash Bangur is an industrialist and his experience has seen him build skill sets that include an intensive exposure and understanding of business process, strategy planning and implementation, strong expertise in research, data analysis and implementation. He has also developed an exceptional cerebral understanding of business processes, excellent communication and people management skills.

Except Shri L.N.Bangur, Smt Alka Bangur and Shri Shreeyash Bangur, none of the directors is interested or concerned in the proposed resolution.

The Directors recommend the resolution for the approval of the shareholders.

### Item No. 7

The Board of Directors of the Company at its meeting held on 5th November 2012 has appointed Shri Shreeyash Bangur as Deputy Managing Director in accordance with the provisions of Section 198, 309 and 269 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 and also approved the remuneration payable to him on the recommendations of the Remuneration Committee. An abstract of the terms of appointment together with the memorandum of interest is set out below:

1. **Term:** The tenure of the Deputy Managing Director shall be for a period of 3 years commencing from 5th November 2012.
2. **Salary:** ₹ 1,20,000 (₹ one lakh twenty thousand only) per month with such increments as may be determined by the Board of Directors of the Company from time to time in the salary range of ₹ 1,20,000/- to ₹ 1,50,000/-
3. **Commission:** Commission on net profits of the company in each year computed in accordance with Section 349 of the Companies Act 1956 subject to such limit as may be determined by the Board of Directors.
4. **Perquisites:**
  - a) In addition to salary and commission, Shri Shreeyash Bangur, Deputy Managing Director shall also be entitled to perquisites which shall not exceed 100% of his salary.
  - b) Leave in accordance with the rules applicable to the managerial staff of the Company. Encashment of unavailed leave as per rules of the Company.
  - c) Use of Company's car for official purposes, cell phone, and telephone at residence, encashment of unavailed leave at the end of tenure, contribution to Provident Fund, Superannuation Fund and Gratuity Fund will not be considered as perquisites.
  - d) Gratuity payable shall not exceed half a month's salary for each completed year of service or at the rate as may be modified from time to time.
  - e) In the event of loss or inadequacy of profits in any financial year, the Deputy Managing Director shall be paid remuneration by way of salary, allowances and perquisites as specified under Section II of Part II of Schedule III of the Companies Act, 1956 or within such ceilings as may be prescribed under Schedule III from time to time of the Companies Act, 1956 and as may be amended from time to time.
  - f) The Deputy Managing Director shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.



- g) The Deputy Managing Director shall be entrusted with substantial powers of management and shall exercise his powers subject to the superintendence, control and direction of its Board of Directors.
- h) The Deputy Managing Director shall not be subject to retirement by rotation while he continues in office.
- i) The appointment of three years may be determined by either party by giving three months' notice in writing to the other party.
- j) The appointment and remuneration payable shall be subject to the approval of the members in the ensuing Annual General Meeting.

None of the Directors except Shri L.N.Bangur, Smt. Alka Bangur and Shri Shreeyash Bangur is interested or concerned in the above appointment.

The Directors recommend the resolution for approval of the shareholders.

Kolkata,  
May 28, 2013.

By Order of the Board  
**R.V. Sridharan**  
*Chief Financial Officer &  
Company Secretary*



**Statement as required in terms of Schedule XIII of the Companies Act, 1956 annexed to the Notice calling Annual General Meeting for approval of remuneration and terms and conditions of the appointment of Shri Shreeyash Bangur, Deputy Managing Director (please refer Resolution No. 7 of the Notice dated May 28, 2013)**

**I. General Information**

1. Nature of Industry : Tea Plantation
2. Date or expected date of commencement of commercial production : Commencement of business on 5th July 1913
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus : Not applicable
4. Financial performance based on given indicators :

Financial performance of the company for the financial year 2012-13 and 2011-12 is as follows:

Particulars	2012-13	2011-12
Sales and other income	4237.37	10726.16
Profit before tax	177.22	7138.00
Profit after tax	142.73	6301.59
Paid up Equity Capital	309.59	309.59
Reserves & Surplus	9930.54	9860.25
Basic Earnings per share (₹)	4.61	203.55

₹ Lacs

5. Export performance and net foreign exchange earnings : Nil
6. Foreign Investments or collaborators, if any : Nil

**II. Information about the appointee**

**1. Background details**

- i. Age : 33 years
- ii. Academic qualification : Graduate in Accounting & Management from University of Wales, Cardiff, UK  
Master of Science Science in Engineering Business Management from Warwick Manufacturing group, UK
- iii. Experience : Over 8 years of experience in the management and administration.
- iv. Particulars of previous employment : Director (Corporate) at The Andhra Pradesh Paper Mills Ltd. (now International Paper, USA) managing the entire marketing, human resource and IT functions of the company  
  
Also held a management position in the Risk and Business Solutions division at Ernst & Young
- v. Date of approval of last appointment : Not applicable
- vi. Approval for increase in remuneration, if any : Not applicable



## 2. Past Remuneration

- i. Remuneration : The total remuneration drawn by Shri Shreeyash Bangur for the financial year 2012-13 was ₹ 13,25,680/-
- ii. Remuneration payable in case of inadequacy of profits in any year : In the event of absence or inadequacy of profits in any financial year salary, commission, allowances and perquisites would be paid as specified under Section II of Part II of Schedule XIII of the Companies Act, 1956.

3. Recognition and awards : --

4. Job profile and his suitability : To exercise and perform all the powers and duties as the Board may determine from time to time. With his qualifications and experience, he has got the capability to improve the performance of the company and to bring in new ventures.

5. Remuneration proposed : Please refer Notice and explanatory statement attached thereto

6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of her origin) : The size of the company, profile of the managerial personnel may not be same and comparable. Taking into account the financial position of the company, trend in the industry, his qualification and experience set out in the resolution are considered to be just, fair and reasonable.

7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any. : Shri Shreeyash Bangur does not hold any share in the company and beside employment with company, he does not have any other pecuniary relationship directly or indirectly with the company. He is related to Shri L.N. Bangur, Chairman and Smt. Alka Bangur, Managing Director of the company.

## III. Other Information

1. Reasons for loss or inadequate profits : The performance of tea plantation is subject to external forces which are beyond the control of the company like unfavourable/adverse weather conditions, international tea market, availability of tea in domestic and international market etc. Hence, the profitability of the company may be affected. However, the company has been making consistent profits.
2. Steps taken or proposed to be taken for improvement : A major restructure of factory operations undertaken during last few years with focus on quality, improvement and cost reduction is expected to bring additional revenue for the company.

## IV. Disclosures

1. Remuneration package of the Managerial Person and also of the Directors : The same are disclosed elsewhere in the Annual Report for 2012-13.
2. Service Contract, notice period, severance fees : The appointment of Deputy Managing Director is contractual which can be determined by three months notice by either party. Except above, no other severance fees is payable.





## DIRECTORS' REPORT

Your Directors have pleasure in presenting the 100th Annual Report for the year ended 31st March 2013.

### FINANCIAL RESULTS

₹ in lakhs

	2012-13 ₹	2011-12 ₹
Profit before interest, depreciation and tax	345.41	7307.11
Interest	11.48	34.46
Profit before depreciation	333.93	7272.65
Depreciation	156.71	134.65
<b>Profit before Tax</b>	<b>177.22</b>	<b>7138.00</b>
Provision for tax:		
Current tax	33.00	1513.00
Mat Credit Entitlement	—	(680.00)
Deferred tax liability	1.49	3.41
<b>Profit after tax</b>	<b>142.73</b>	<b>6301.59</b>
Add: Balance brought forward from previous year	1254.74	134.25
Profit available for appropriation	1397.47	6435.84
<b>APPROPRIATIONS</b>		
Proposed Dividend @ ₹ 2 per share	61.92	154.79
Tax on proposed Dividend	10.52	26.31
Transfer to General Reserve	10.70	5000.00
Surplus carried to Balance Sheet	1314.33	1254.74
<b>Total</b>	<b>1397.47</b>	<b>6435.84</b>

### DIVIDEND

The Board of Directors is pleased to recommend a dividend of ₹ 2/- per share (last year ₹ 5/- per share) for the year ended 31st March 2013 which includes special dividend of ₹1/- per share for the Centenary Year.

### OPERATIONS

#### PRODUCTION

The Company harvested a higher crop of 38,11,713 kg in 2012-13 as against 34,69,114 kg in 2011-12 compared to same period last year. The increase in crop was due to adoption of better cultural practices, timely application of manure and efficient deployment of labor.

#### PRICE & SALES

Your company's average tea price was at its best ever realizing ₹ 100.91 per kg against ₹ 75.74 per kg realized last year. The increase is about 33% compared to last year. Favorable market scenario and quality output has lifted the average price to the new level. The Company has made a total Sales realization of ₹ 4008.93 lakhs compared to ₹ 2994.15 lakhs last year.

#### FUTURE PROSPECTS

Major Black tea producers Kenya and Sri Lanka have reported surplus production of 44 million kg and 8 million kg respectively in the first quarter of 2013. India has also reported a surplus crop of 4 million kg during the same period. This has created some pressure in tea prices to the disadvantage of the producers and the tea market is expected to go for a correction in the tea price in near future. With predictions of normal monsoon and barring some unforeseen circumstances, it is expected that the company will harvest a reasonable crop during the current year.

Increasing cost of labor is a worry for the tea industry. Recently, the State Government has notified the minimum wage at ₹ 185.50 per day with effect from 24.04.2013. Further, the industry wide wage agreement has been finalized and the base wage rate has been fixed at ₹198/- per day with effect from 1st July 2013. Cost of inputs especially fertilizer prices have gone up many fold and increase in HSD price will push up the power cost affecting the bottom line.

The tea bushes in most of the area have already outlived their economic life. To have a stable and sustainable growth, replanting of tea is inevitable. The Company hopes to start the replanting process from the next financial year onwards. People opting for quality tea are on the rise and therefore, there is always a demand for good liquoring tea. To capitalize on this demand, the



Company has taken initiatives to modernize the factories to get the desired quality in the coming days.

#### **WIND TURBINES**

During the year under review, the Wind Mills generated 44,04,522 units as against 46,12,818 units generated during the same period last year. The fall in generation was due to reduction in wind velocity during the third quarter of the year under review.

#### **PUBLIC DEPOSITS**

Deposits outstanding as on 31st March 2013 were ₹48.77 lakhs. There were no unclaimed deposits as on 31st March 2013.

#### **TRANSFER OF UNCLAIMED AMOUNTS TO IEPF**

Pursuant to the provisions of Section 205A (5) of the Companies Act, 1956, the dividends declared by the company on equity shares, which have remained unclaimed for a period of seven years, have been transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the said Act, last such transfer being made on September 16, 2008.

#### **ENERGY CONSERVATION**

The Company has initiated host of measures to reduce the consumption of electrical and thermal energy. As a result, the consumption of electricity has come down to 0.90 units per kg in 2012-13 compared to 1.15 units per kg same period last year. Similarly, the consumption of thermal energy has come down significantly to 1.63 kg in 2012-13 compared to 2.34 kg same period last year.

#### **STATUTORY STATEMENTS**

Information pursuant to Section 217(1) (e) of the Companies Act, 1956, read with Rule 2 of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is given in Annexure I which forms part of this report.

#### **PARTICULARS OF EMPLOYEES**

There are no employees attracting the provisions of Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules 1975 as amended.

#### **DIRECTORS**

Shri Prakash Parasher, Executive Director resigned from the services of the Company on 21.07.2012.

Shri Shreeyash Bangur, President (Corporate Strategy & Business Development) was appointed as additional director and Deputy Managing Director of the Company on 5th November 2012 by the Board of Directors. The appointment of Shri Shreeyash Bangur and his remuneration would come up for approval of the members at the ensuing Annual General Meeting.

Shri L.N.Bangur and Shri P.R.Ramakrishnan retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.

#### **INDUSTRIAL RELATIONS**

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

#### **INFORMATION RELATING TO SUBSIDIARY COMPANIES**

Pursuant to the provision of Section 212 (8) of the Companies Act, 1956, the Ministry of Corporate Affairs vide its circular No.2/2011 dated February 8, 2011 has granted general exemption from attaching the Balance Sheet, Statement of Profit and Loss and other documents of the subsidiary companies with the Balance Sheet of the Company. A statement containing brief financial details of the company's subsidiaries for the year ended March 31, 2013 is included in the Annual Report. The annual accounts of the subsidiaries and the related detailed information will be made available to any member of the company/subsidiary seeking such information at any point of time and are also available for inspection by any member of the company/subsidiaries at the registered office of the company. The annual accounts of the said subsidiaries will also be available for inspection, as above, at the registered office of the respective company. The Company shall furnish a copy of details of annual accounts of subsidiaries to any member on demand.

#### **CONSOLIDATED FINANCIAL STATEMENTS**

The Consolidated Financial Statements have been prepared by the Company in accordance with the applicable Accounting Standards (AS 21, AS 23 and AS 27) issued by the Institute of Chartered Accountants of India and the same together with Auditor's Report thereon forms part of the Annual Report.



### DIRECTORS' RESPONSIBILITY STATEMENT

In compliance of Section 217 (2AA) of the Companies Act, 1956 as amended by Companies (Amendment) Act, 2000, the Directors of your Company confirm that:

- all applicable accounting standards have been followed in the preparation of annual accounts and that there are no material departure.
- such accounting policies have been selected and applied consistently and such judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2013 and of the profit of the Company for the year ended on that date.
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and
- the annual accounts have been prepared on a going concern basis.

### STATUTORY AUDITORS

M/s.S.Krishnamoorthy & Co., Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

The Board on the recommendation of the Audit Committee has proposed that S.Krishnamoorthy & Co., Chartered Accountants, Coimbatore be re-appointed as the Statutory Auditors of the Company and to hold the office till the conclusion of the next Annual General Meeting of the Company.

The Company has received letter from them to the effect that their reappointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such reappointment within the meaning of Section 226 of the said Act.

### COST AUDIT

The Company has received the approval of the Central Government for the appointment of M/s. S. Mahadevan

& Co., Cost Accountants, Coimbatore as Cost Auditor to conduct cost audit for the financial year 2012-13.

### COST AUDIT REPORT

The particulars of Cost Auditor and details of Cost Audit Report filed for the financial year 2011-12 and due date for filing the cost audit report for the year ended 31st March 2013 is given below:

Name of the Cost Auditor	FY 2011-12			FY 2012-13		
	Date of Cost Audit Report	Due date of filing Cost Audit Report	Actual date of filing Cost Audit Report	Any qualification by the Cost Auditor	Due date of filing Cost Audit Report	Actual date of filing Cost Audit Report
S.Mahadevan & Co., Cost Accountants Coimbatore - 641 012	5.11.12	28.02.13	Filed in XBRL format on 29.01.13 SRN S20069001	No	30.09.13	Will be filed within the due date

### CORPORATE GOVERNANCE

A separate section on corporate governance as per Clause 49 of the Listing Agreement and Management Discussion and Analysis Report are given as annexure to this report. A certificate from the statutory auditors of the company regarding compliance of provisions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of this report.

The Managing Director of the Company has certified to the Board on the financial statements and other matters in accordance with Clause 49 (V) of the Listing Agreement pertaining to CEO certification for the financial year ended 31st March 2013.

### ACKNOWLEDGEMENTS

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

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

For and on behalf of the Board

Kolkata,  
May 28, 2013.

**L.N. Bangur**  
Chairman



## ANNEXURE TO DIRECTORS' REPORT

Information as per Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

### ANNEXURE I

#### A. CONSERVATION OF ENERGY

Energy conservation is an on-going activity and it is being closely monitored to a specific programme of reduction.

(FOR TEA ONLY)

#### FORM A

(See Rule 2)

Particulars with respect to conservation of energy

A. POWER & FUEL CONSUMPTION	<b>31.3.2013</b>	31.3.2012
1. Electricity		
a) Purchased:		
Units	<b>32,44,168</b>	38,26,050
Total Amount (₹)	<b>2,32,21,466</b>	2,08,91,655
Rate/Unit (₹)	<b>7.16</b>	5.46
b) Own Generation		
(i) Through Diesel Generators - Units	<b>2,15,767</b>	1,72,080
Units per Litre of Diesel	<b>2.43</b>	2.51
Cost/Unit (₹)	<b>19.11</b>	17.03
(ii) Through Wind Turbine Generators - Units	<b>44,04,522</b>	46,12,818
2. Others		
(i) Firewood		
Quantity (Kg.)	<b>33,64,470</b>	55,21,080
Total Cost (₹)	<b>1,33,76,895</b>	1,83,78,887
Average Rate (₹/Kg.)	<b>3.97</b>	3.33
(ii) Bio fuel		
Quantity (Kg.)	<b>28,55,670</b>	26,05,370
Total Cost (₹)	<b>1,53,77,364</b>	1,24,92,859
Average Rate (₹/Kg.)	<b>5.38</b>	4.80



**B. CONSUMPTION PER UNIT OF PRODUCTION**

Product - Tea

(kgs. of made tea per unit of Power/Fuel)

Electricity : Unit

**0.90**

1.15

Fuel : Kg.

**1.63**

2.34

Note : No standards are available for comparison.

**B. TECHNOLOGY ABSORPTION**

**FORM B**

(See Rule 2)

Particulars with respect to Absorption

1.	Research and Development (R&D)		
	a.	Specific area in which R & D carried out by the Company	Focus is on achieving higher yields, improvement in quality, and energy conservation.
	b.	Benefits derived, as a result of above R & D	Quality upgradation off the field (factory) and on the field
	c.	Future plan of action and expenditure on R & D	The development work is an ongoing process. No separate record of expenditure incurred is maintained
2.	Technology absorption, adaptation and innovation		The Company is continuously adapting suggestions / recommendations of UPASI besides its own efforts for improvement in better upkeep, productivity etc. Benefits derived are cost reduction, improvement in yield and quality of tea.
3.	Import of Technology		There is no import of technology

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

Earnings	Nil
Outgo on account of travel	₹ 13,21,450

Kolkatta,  
May 28, 2013

For and on behalf of the Board  
**L.N. BANGUR**  
Chairman



## MANAGEMENT DISCUSSION AND ANALYSIS

### INDUSTRY OVERVIEW

Global production of tea in 2012 marginally up by about 1.77% compared to 2011. The Indian Tea industry witnessed a marginal fall in the production compared to 2011.

India produced 1111.76 million kg in 2012 compared to 1115.72 million kg in 2011. South Indian Tea industry produced 231.66 million kg compared to 240.15 million kg in 2011. North India produced 880.10 million kg in 2012 compared to 875.57 million kg in 2011.

There was an increase of 18% in the auction average. All India auction average stood at ₹ 125.25 per kg compared to ₹106.07 per kg in 2011. North India averaged ₹137.25 per kg compared to ₹117.43 per kg in 2011. South Indian Tea averaged ₹88.67 per kg compared to ₹71.56 per kg.

Export of tea from India was 214.35 million kg in 2012 compared to 213.79 million kg in 2011 and imports were 20.50 million kg in 2012 compared to 21.17 million kg in 2011.

### A. TEA

#### PERSPECTIVE AT PERIA KARAMALAI

The Peria Karamalai Tea & Produce Co.Ltd, one of the oldest black tea manufacturers in India. The Company was incorporated in the year 1913. The Company was a pioneer in introducing manufacture of NRC Tea in South India way back in 1988.

The Company has four gardens under its fold namely, Karamalai, Akkamalai, Vellamalai and Nadumalai stretching to 5500 acres and two factories capable of producing approximately 5 million kg tea.

The four gardens are located in Anamallai Hills in the Western Ghats of South India at an altitude of 1650 m above sea level. Anamallais is the largest planting district in South India and major centre for tea production. It is located 110 KM away south of Coimbatore City.

Presently, the Company manufacturers both RC and NRC Teas.

### PERFORMANCE REVIEW

#### Production

The Company produced 3811721 kg made tea during the financial year which was higher by 342607 kg compared

to last year. Last year production was 3469114 kg of made tea. The increase in quantity produced 9.88%.

#### Sales

The Company sold 3938660 kg tea during the financial year compared to 2874804 kg during last year. Company sold 1063856 kg more constituting an increase of 37% compared to last year.

Sale value realized was ₹ 39,74,61,429/- against last year realization of ₹29,55,44,178/-. The company has realized ₹10,19,17,251/- more in value than last year accounting for an increase of 34.48%

#### Average Price Realisation

The Company has achieved a higher price realization of ₹100.91 per kg compared to last year's average of ₹75.74 per kg constituting an increase of 33.23%

#### Utilities

Power & Fuel cost was marginally lower at 4,32,57,279/- compared to ₹4,35,92,829/- because of observing energy efficient operations.

#### Stores & Spares Consumption

Stores and spares consumption has gone up significantly by about 41.40 % due to increase in the cost of inputs like fertilizers, chemicals, HSD etc.

#### Staff Cost

Staff Cost has gone up significantly by about 20.40% compared to last year due to increase in daily wage cost.

#### PBIDT

Profit before interest, depreciation and tax was ₹3,45,41,182/- compared to ₹73,07,10,508/- in 2011-12.

#### Interest

Interest cost was lower by about 66.68% compared to last year.

#### Depreciation

Depreciation was higher by 16.38% compared to last year.

**Profit before Tax**

Profit before tax was ₹1,77,22,027/- compared to ₹71,37,99,753/- during the same period last year.

**OPPORTUNITIES**

- ❖ Increasing domestic consumption of tea by about 3 % to 4%.
- ❖ Development of tea gardens outside India.
- ❖ Tea as a health drink is gaining importance every day.

**CHALLENGES**

- ❖ Aging tea bushes
- ❖ Slower pace of replantation of tea
- ❖ Poor management practice and lack of proper infrastructure.
- ❖ Lack of standardization and quality with respect to packing, pesticide and MRL problems that affect export of Indian Teas.
- ❖ Planning/budgeting may not really work in tea industry.

**THREATS**

- ❖ Severe shortage of labor and there is migration of workers to cities in search of better avenues.
- ❖ Ageing bushes pose threat to sustained soil fertility thereby affecting quality of teas.

**Weather**

- ❖ Ever increasing cost of labor.
- ❖ Tea being agriculture based production is very much dependent on conducive weather conditions.

**OUTLOOK FOR 2013**

All major tea producing nations have reported upward trend in their yield particularly, Kenya which has reported higher production of 44 million kg compared to same period last year. Sri Lanka has also reported higher production of around 8 million kg in the first quarter of Calendar year 2013. There is a significant jump in the global production of black tea by about 20%. India has also reported marginal increase in

the production by roughly 4.5 million kg in the first quarter of 2013.

Prospects on the price front appears to be bright. This is due to increase in the consumption of tea both in India and at global level by about 3 to 4%.

Weather is becoming unpredictable and there is no uniformity in the distribution of rainfall over a period of time which leads to fluctuations in the cropping pattern.

Weather forecast from India and Japan promises normal monsoon with an error of 3 to 4%. With predictions of normal monsoon and better price scenario, we hope that the Indian Tea Industry will do well in the coming days.

**B. WIND POWER****Wind Farm at Muppandal**

The Company has installed nine wind turbine generators with a total capacity of 2.275 MW, capable of generating 50,00,000 unit of power per annum at Muppandal, Kanyakumari District, Tamil Nadu. The Company has entered into an agreement with TNEB for banking the surplus energy that is available after captive consumption.

**OPPORTUNITIES**

- ❖ Short gestation period for installing wind turbine generators.
- ❖ Latest technology, increasing reliability and performance of wind turbine generators.

**THREATS**

- ❖ Cost of wind turbine generator is very high compared to conventional fossil fuel generators.
- ❖ Wind cannot be stored unless batteries are used.
- ❖ Change in Government rules and regulation in offering incentives.

Poor infrastructure for evacuation of power generated by the wind turbine generators.

**PERFORMANCE**

During the year, Wind Turbine Generators have generated 44,04,522 units compared to 46,12,818 units in 2011-12. Out of the units generated, captive consumption was 26,11,855 unit and balance 15,68,766 units were sold to Tamil Nadu Electricity Board.



#### **INTERNAL CONTROL**

The Company has a sound internal control system which ensures that all assets are protected against loss from unauthorized use and all transactions are recorded and reported correctly. The Audit Committee of the Board assures the existence of effective internal control environment.

#### **FORWARD LOOKING STATEMENTS**

Certain statements included above may be forward looking and would involve number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward looking statements.

The Company undertakes no obligation to publicly update or revise any forward looking statements, whether as a results of new information, future events or otherwise.





## Management of Risk

Your company has been conscious of its risk factors and has been taking pro-active steps to mitigate / minimise the industry specific risks.

### Risk Assessment Matrix

Risk	Risk Category	Risk Mitigation strategy	Risk Mitigation measures
Sectoral slowdown could impact growth	Economy Risk	Accept - Monitor and address	The Company is actively pursuing plans to acquire more gardens and enter new markets
Product may not find market acceptance	Marketing Risk	Avoid - Not allowing the event to happen	The Company closely communicate with the existing and prospective customers to see that the product they need meet the specifications
Cyclical nature of the Tea Industry	Economy Risk	Accept - Monitor and address	Performance depends on both external and internal factors. The Company has continuously kept its cost under control by restructure of operations and stepping up the volume of production, subject to favourable weather condition.
Cost of funds	Finance Risk	Reduce - Institute plans and controls	The Company is a debt free company and has used internal accruals to fund its Capital and other developmental expenditure. Available funds are judiciously invested to generate additional non-operative Income.
Product Quality	Manufacturing Risk	Avoid - Not allowing the event to happen	The Company is always quality conscious and has taken steps for continuously monitoring the quality of its products right from plucking stage to end product.
Labour Shortage	HR Risk	Accept - Monitor and Address	The Company has already introduced mechanical harvesters in plucking operations to overcome the shortage of labour.
Power	Economy Risk	Accept - Monitor and Address	The Company has established Wind Farm to meet part of its power requirements.
Failure to arrest Cost in an inflationary scenario could impact profitability	Commercial Risk	Reduce - Institute plans / control	The Company has taken steps to control the cost by avoiding wasteful expenditure on a continuous basis.
Occupational health and safety	HR Risk	Avoid - Not allowing the event to happen	Measures are taken to minimise the risk to health and safety. Your company also provides a healthy and risk-free work environment to all the employees.
Concentration on a handful of clients could impact growth	Marketing Risk	Avoid - Not allowing the event to happen	The Company is taking steps to enter new markets and to serve new clients.
Pollution	Environment Risk	Share - Partner to reduce risk	The Company, with less pollutants, has been a responsible corporate citizen. It encourages planting twice the number of trees it cuts for meeting its fuel requirements, thus ensuring the environmental balance.



## REPORT ON CORPORATE GOVERNANCE

Compliance Report on Corporate Governance as required under Clause 49 of the Listing Agreement is furnished below:

### 1. Company's Philosophy on Corporate Governance

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

### 2. Board of Directors

#### Composition

i) The Board comprises seven (7) members of which five are non-executive directors and two are executive directors. Majority of the directors are independent directors who are leading professionals in their respective fields.

Name of Director	Category	Other Directorships	Membership of other Board Committees	
			Member	Chairman
Shri L.N. Bangur	Promoter – Non Executive Chairman	11	6	3
Smt. Alka Bangur	Promoter-Managing Director	1	—	—
Shri Shreeyash Bangur	Promoter-Deputy Managing Director	5	—	—
Shri R.L.Gaggar	Independent	11	16	—
Shri H.M.Parekh	Independent	8	10	4
Shri P.R.Ramakrihsnan	Independent	1	4	2
Shri N.Swaminathan	Independent	1	4	—

\* Shri Shreeyash Bangur was appointed as additional director and Deputy Managing Director with effect from 05.11.2012.

\*\* Resigned from the Board of Directors with effect from 21.07.2012.

#### ii) Meetings of the Board of Directors

During the financial year 2012-13, six meetings of the Board of Directors were held on 28th April 2012, 15th June 2012, 21st July 2012, 5th November 2012, 23rd January 2013 and 2nd March 2013.

#### iii) Attendance of Directors at Board Meetings and Annual General Meeting

The attendance of directors at the meetings of Board of Directors held during the financial year 2012-13 and at the last Annual General Meeting held on 21st July 2012 were as under:

Name of the Director	Board Meeting		Annual General Meeting
	Held during the year	Attended	
Shri L.N.Bangur	6	5	Yes
Smt. Alka Bangur	6	4	Yes
Shri Shreyash Bangur	6	1	Yes*
Shri R.L.Gaggar	6	1	No
Shri H.M.Parekh	6	1	No
Shri P.R.Ramakrishnan	6	4	Yes
Shri N.Swaminathan	6	5	Yes
Shri Prakash Parasher**	6	3	Yes



\* Shri Shreeyash Bangur attended the AGM in his capacity as President of the Company and not as a Director as he was appointed as Additional Director and Deputy Managing Director with effect from 05.11.2012 only.

\*\* Shri Prakash Parasher resigned from the Board with effect from 21.07.2012.

### 3. Audit Committee

#### *i) Terms of reference*

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

- To hold periodic discussions with the Statutory Auditors and internal auditors of the Company concerning the financial reports of the company, internal control systems, scope of audit and observations of the auditors/internal auditors.
- Discussion with internal auditors on significant audit findings and follow up thereon.
- To review compliance with internal control systems
- To review quarterly and annual financial results of the Company before submission to the Board.
- To make recommendations to the Board on any matter relating to the financial management of the company including the audit report.
- Recommending the appointment/reappointment of statutory auditors and their remunerations.
- To ensure that the Cost Auditor is free from any disqualification as specified in the relevant provisions of the Companies Act.
- To ensure that the Cost Auditor is independent and is at arm's length relationship.
- Recommending the appointment of cost auditors after ascertaining the eligibility.
- The scope of the audit committee includes matters which are set out in Clause 49 of the Listing Agreement with the Stock Exchanges as amended from time to time read with Section 292A of the Companies Act, 1956.

#### *ii) Composition*

Audit Committee meetings are attended by the head of internal audit, head of finance, senior management team, representatives of statutory auditor and cost auditor. The Company Secretary acts as Secretary of the Committee.

The Committee has adopted Clause 49 (2) (D) of the Listing Agreement as the terms of reference for the Audit Committee.

The members of the Audit Committee as on 31st March 2013 comprised of:

Name of the Director	Designation
Shri P.R. Ramakrishnan	Chairman
Shri L.N. Bangur	Member
Shri H.M. Parekh	Member
Shri N. Swaminathan	Member

All the above members are independent non-executive directors except Shri L.N.Bangur. Shri P.R.Ramakrishnan and Shri H.M.Parekh possess expert knowledge in finance and accounts.

Shri R.V.Sridharan, Chief Financial Officer and Company Secretary is the Secretary of the Committee.

#### *iii) Meetings*

During the year, the Audit Committee met four (4) times on 25th April 2012, 21st July 2012, 3rd November 2012 and 21st January 2013.



**Attendance of each of the member is given below:**

Name of the Director	Number of Meetings held	Number of Meetings attended
Shri P.R. Ramakrishnan	4	4
Shri L.N. Bangur	4	2
Shri H.M. Parekh	4	0
Shri N. Swaminathan	4	4

**4. Remuneration Committee**

**i) Objective**

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

**ii) Terms of reference**

The broad terms of reference to the Compensation and Nomination Committees are to recommend to the Board salary, perquisites and incentive payable to the Company's Executive Directors, to finalise the annual increments payable within the overall ceiling fixed by the Board. The Committee also recommends re-appointments and tenure of office, whether of executive or non executive directors.

**iii) Remuneration policy**

The company while deciding the remuneration package of the senior management takes into consideration the following factors: Job profile, skill requirements, prevailing compensation structure in companies of similar size and in the industry, remuneration package of comparable managerial talent in other industries.

**iv) Members**

The members of the Remuneration Committee as on 31st March 2013 comprised of:

Name of the Director	Designation
Shri P.R. Ramakrishnan	Chairman
Shri L.N. Bangur	Member
Shri H.M. Parekh	Member
Shri N. Swaminathan	Member

**v) Meeting**

During the year 2012-13, Remuneration Committee met on 5th November 2012.

**vi) Remuneration to Executive Directors**

The details of remuneration paid to Smt. Alka Bangur, Managing Director, Shri Prakash Parasher, Executive Director and Shri Shreeyash Bangur, Deputy Managing Director during the financial year 2012-13 are given below:

(in ₹)

Name	Salary	Commission	Perquisites	Contribution to Provident fund & Super Annuation Fund	Total
Smt. Alka Bangur	1779333	—	1067600	480420	3327353
Shri Prakash Parasher	892500	—	703677	137700	1733877
Shri Shreeyash Bangur	584000	—	584000	157680	1325680



**vii) Payments to Non-Executive Directors**

Director	Relationship with other Directors	Business relationship with the company	Sitting fees ₹	Commission ₹	Total ₹
Shri L.N.Bangur	Husband of Smt. Alka Bangur and Father of Shri Shreeyash Bangur	Promoter	40000	—	40000
Shri R.L.Gaggar	None	None	5000	—	5000
Shri H.M. Parekh	None	None	5000	—	5000
Shri P.R. Ramakrishnan	None	None	45000	—	45000
Shri N. Swaminathan	None	None	50000	—	50000

**5. Shareholding of Non-Executive Directors**

Name	No. of Shares
Shri L.N.Bangur	86681
Shri R.L.Gaggar	1125
Shri H.M.Parekh	Nil
Shri P.R.Ramakrishnan	300
Shri N.Swaminathan	150

**6. Investor Grievance Committee**

The Committee has constituted Investor Grievance Committee to look into the redressal of Shareholders and Investors' Complaints. The primary role of the committee is to specifically look into the redressal of investors' grievances pertaining to transfer of shares, dividends, non-receipt of declared dividends, non receipt of annual report, dematerialisation of shares etc.

The members of the Committee as on 31st March 2013 comprised of:

Name of the Director	Designation
Shri L.N. Bangur	Chairman
Shri P.R. Ramakrishnan	Member
Shri N. Swaminathan	Member

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

The status of complaints received from the investors during the financial year 2012-13 is furnished below:

Complaints pending as on 1st April 2012	Nil
Complaints received during the year	5
Complaints resolved during the year	5
Complaints pending as on 31st March 2013	Nil



## 7. Share Transfer Committee

The Share Transfer Committee consists of members of the Board, Company Secretary and Share Transfer Agents. At present there are seven (7) members in the Committee. The committee reviews and approves transfers, transmission, split, consolidation, issue of duplicate share certificates, recording change of name, etc.

## 8. General Body Meetings

### *i) The location and time of the last three Annual General Meetings held:*

Year	Date	Time	Venue
2009-10	28.07.2010	11.30 a.m.	The Indian Chamber of Commerce & Industry Coimbatore - 641 018
2010-11	22.09.2011	11.30 a.m.	The Indian Chamber of Commerce & Industry Coimbatore - 641 018
2011-12	21.07.2012	11.00 a.m.	The Indian Chamber of Commerce & Industry Coimbatore - 641 018

### *ii) Special Resolution passed in the previous three Annual General Meetings:*

Date	Description of Special Resolution passed
29.07.2010	Payment of Commission to Non-Whole Time Directors for a period of 5 years with effect from 1st April 2008

### *iii) No Special Resolution was passed through postal ballot during the financial year 2012-13*

*iv)* At present no special resolution is proposed to be passed through postal ballot. The procedure laid down in Companies (Passing of Resolutions by Postal Ballot) Rules, 2001 would be followed as and when necessary.

## 9. Disclosure on materially significant related party transactions

During the year, there were no transactions of material nature with the Directors and management or relatives that had potential conflict with the interest of the Company.

## 10. Details of non-compliance by the Company

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

## 11. Whistle Blower Policy

The Company does not have Whistle Blower Policy. However, any employee, if he/she so desires, would have free access to meet the senior level management and report any matter of concern.

## 12. Code of conduct for Directors and Senior Executives

The Company has adopted a Code of Business Conduct and Ethics for its Directors and Senior Executives. The Managing Director has given a declaration that all the Directors and concerned executives have affirmed compliance with the Code of Conduct.

## 13. CEO/CFO Certification

A certificate duly signed by the CEO and CFO relating to financial statements, internal controls and internal control systems for financial reporting as per the format provided in Clause 49 of the Listing Agreement was placed before Board and taken on record.

## 14. Compliance with non mandatory requirements

The Company has complied with the following non-mandatory requirements of Clause 49 of the Listing Agreement.



The Company has constituted a Remuneration Committee to determine the remuneration package of Executive Directors based on their performance and defined assessment criteria.

The Company has not adopted other non-mandatory requirements.

#### 15. Means of communication

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

#### 16. General Shareholder Information

	Date & Time	Venue
100th Annual General Meeting	7th August 2013 10.30 a.m.	Hotel The Residency, 1076, Avinashi Road, Coimbatore - 641 018.

#### 17. Financial Calendar (tentative and subject to change)

Financial year 2013-14

	On or before
Unaudited Financial Results for the Quarter ending 30th June 2013	14th August 2013
Unaudited Financial Results for the Quarter ending 30th September 2013	14th November 2013
Unaudited Financial Results for the Quarter ending 31st December 2013	14th February 2014
Audited Financial Results for the year ending 31st March 2014	30th May 2014
Annual General Meeting for the year ending 31st March 2014	30th September 2014

Date of Book closure for payment of dividend : 1st August 2013 to 7th August 2013  
(Both days inclusive)

Date of Payment of Equity Dividend : On and from 2nd September 2013

#### 18. Listing on Stock Exchanges

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

Madras Stock Exchange Limited  
No.11, Second Line Beach  
Chennai - 600 001

The Calcutta Stock Exchange Limited  
No.7, Lyons Range  
Kolkata - 700 001

The Company has paid the annual listing fees for the year 2013-14 to the Madras Stock Exchange and Calcutta Stock Exchange.

#### 19. Stock Code

Madras Stock Exchange Limited	pkmalaitea
Calcutta Stock Exchange Limited	10026140
National Stock Exchange Limited (NSE - MSE Platform)	periatea
ISIN (for demat)	INE 431F01018



**20. Details of monthly high and low quotations of the equity shares of the company traded on the NSE under permitted category during the financial year 2012-13.**

Month	High	Low
April - 12	189.70	160.00
May - 12	192.00	146.00
June - 12	185.00	155.15
July - 12	185.00	161.25
August - 12	180.90	152.50
September - 12	179.80	157.05
October - 12	172.80	156.50
November - 12	189.70	147.05
December - 12	188.80	162.35
January - 13	185.95	145.00
February - 13	174.95	150.60
March - 13	188.70	145.80

**21. Registrar and Transfer Agents**

SKDC Consultants Limited  
 Kanapathy Towers, 3rd Floor,  
 1391/A-1, Sathy Road, Ganapathy, Coimbatore - 641 006  
 Tel No. +91 (422) 6549995, 2539835,2539836  
 Fax No. +91 (422) 2539837  
 Email: info@skdc-consultants.com

**22. Share Transfer system**

The share transfers are registered and certificates are returned within a period of 15 days from the date of receipt if the documents are in order. The transfers are approved by the Share Transfer Committee.

**23. Distribution of Equity Shareholding as on 31st March 2013**

Slab of Shareholdings	Shareholders		Shares	
	Number of shareholders	%	Number of Shares	%
1 – 500	4163	90.09	4,99,958	16.15
501 – 1000	267	5.78	1,81,855	5.87
1001 – 2000	123	2.66	1,62,152	5.24
2001 – 3000	23	0.50	56,300	1.82
3001 – 4000	8	0.17	26,726	0.86
4001 – 5000	3	0.06	13,782	0.45
5001 – 10000	13	0.28	92,451	2.99
Above 10000	21	0.45	20,62,655	66.63
Total	4621	100.00	30,95,879	100.00



**24. Category of Shareholders as on 31st March, 2013**

S.No.	Category	Number of shares	%
<b>A</b>	<b>Indian Promoters &amp; Promoters Group</b>	<b>14,96,390</b>	<b>48.335</b>
<b>B</b>	<b>Public Shareholding</b>		
	1. Institutions		
	a) Financial Institutions / Banks	3,935	0.127
	b) Insurance Companies	3,60,138	11.633
	c) Central / State Governments	27,715	0.895
	2. Non Institutions		
	a) Bodies Corporate	89,558	2.893
	b) Individuals	11,18,143	36.117
	<b>Total Public Shareholding (1+2)</b>	<b>15,99,489</b>	<b>51.665</b>
	<b>Total (A + B)</b>	<b>30,95,879</b>	<b>100.000</b>

**25. Dematerialisation of shares as on 31st March, 2013**

Depository Name		No. of shares dematerialised	Percentage on Equity Share Capital
A	National Securities Depository Limited	23,10,187	74.621
	Central Depository Services (India) Limited	2,75,306	8.893
	<b>Total</b>	<b>25,85,493</b>	<b>83.514</b>
B	Physical	5,10,386	16.486
	<b>Total (A+B)</b>	<b>30,95,879</b>	<b>100.000</b>

**26. No GDRs, ADRs or Warrants have been issued by the Company during the year.****27. Estate Location**

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

**28. Wind Mill Location**

Aralvaimozhi  
Muppandal, Kanyakumari Dt.  
Tamil Nadu



**29. Address for correspondence**

SKDC Consultants Limited	or	The Company Secretary
Kanapathy Towers,		The Peria Karamalai Tea & Produce Co. Ltd
3rd Floor, 1391/A-1,		286, Race Course Road
Sathy Road		Coimbatore - 641 018
Ganapathy		Tamil Nadu
Coimbatore - 641 006		

**30. Email ID for Investor Grievance Redressal :** [periakaramalai.investors@gmail.com](mailto:periakaramalai.investors@gmail.com)

**Declaration by the Managing Director**

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

In compliance with the requirements of Clause 49 of the Listing Agreement with the Stock Exchanges relating to Corporate Governance, I confirm that on the basis of confirmations/declarations received all the Directors and senior management personnel of the Company have complied with the Code of Business Conduct and Ethics framed by the Company.

Kolkatta  
May 28, 2013

**Alka Bangur**  
Managing Director



## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

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

We have examined the compliance of conditions of corporate governance by THE PERIA KARAMALAI TEA & PRODUCE CO. LTD, for the year ended on 31.03.2013, as stipulated in clause 49 of the listing agreement of the said company, with the stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the company for ensuring compliance with the conditions of corporate governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the company has complied with the conditions of corporate governance as stipulated in clause 49 of the above mentioned listing Agreement.

As required by the guidance note issued by the Institute of Chartered Accountants of India, we have to state that based on the representation given by the Registrars of the company to the Investors' Grievance Committee as on March 31, 2013, there were no investors' grievance matters against the Company remaining pending for more than 30 days.

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

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

Coimbatore,  
May 28, 2013

**K.N. Sreedharan**  
Partner Auditors  
Membership No. 12026



## REPORT OF THE AUDITORS

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

### Report on the Financial Statements

We have audited the accompanying financial statements of The Peria Karamalai Tea and Produce Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the

reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of Statement of Profit and Loss, the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books [and proper returns adequate for the purposes of our audit have been received from branches not visited by us]
  - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report



are in agreement with the books of account. [and with the returns received from branches not visited by us]

- d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956; and
- e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31,

2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

Coimbatore,  
May 28, 2013

**K.N. Sreedharan**  
Partner Auditors  
Membership No. 12026



## ANNEXURE REFERRED TO IN PARAGRAPH (1) OF THE REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- i) In respect of fixed assets:
- a. The Company has maintained proper records showing full particulars, including quantitative details and situations of fixed assets.
  - b. Some of the fixed assets were physically verified during the year by the management in accordance with the program of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - c. There are no disposal of substantial part of fixed assets during the year.
- ii) In respect of its inventories:
- a. As explained to us, inventories were physically verified during the year by the management at reasonable intervals.
  - b. In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventories followed by the management, were reasonable and adequate in relation to the size of the Company and nature of its business.
  - c. In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- iii) The Company has granted loan to one party covered in the register maintained under section 301 of the Companies Act. The maximum amount involved on the above loan and the year end balance is ₹ 75,00,000.
- a. The rate of interest and other terms and conditions of such loans are, in our opinion, prima facie not prejudicial to the interest of the Company.
  - b. The receipt and payment of principal amount and interest have been regular/as per stipulations during the year.
- c. There are no overdue amounts of loans granted at the year end.
- d. The Company has not taken any loans from parties, firms or other companies covered in the register maintained u/s.301 of the Companies Act, 1956.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business for the purchase of inventory and fixed assets and for the sale of the goods and services and we have not observed any continuing failure to correct major weaknesses in such internal controls.
- v) a. In respect of contracts or arrangements entered in the register maintained in pursuance of section 301 of the Companies Act 1956, to the best of our knowledge and belief and according to the information and explanations given to us, the particulars of contracts or arrangements referred to Section 301 that needed to be entered into the register, maintained under the said section have been so entered.
- b. In our opinion and according to the information and explanation given to us, the transactions pursuant to such contracts or arrangements have been made at prices which are reasonable to the prevailing market prices at the relevant time.
- vi) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules 1975, with regard to the deposits accepted from the public.
- vii) The company has no formalized internal audit system. However, the internal audit functions are being carried out by persons authorised by the Management from time to time.
- viii) We have broadly reviewed the books of account and records maintained by the Company relating to the manufacture of Tea, pursuant to the order made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the



Companies Act, 1956 and are of the opinion that prima facie prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate and complete. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records for any other product of the Company.

ix) In respect of statutory dues:

a. According to the information and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise duty, Cess and any other material statutory dues with the appropriate authorities during the year. According to the information and explanations given to us, there are no undisputed statutory dues which are outstanding for more than six months as at the Balance Sheet date.

b. According to the information and explanation given to us, there are no disputed statutory dues which have not been deposited on account of any dispute.

x) The company has no accumulated losses at the end of the year. The company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the payment of dues to financial institutions, banks and debenture holders.

xii) The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.

xiii) The Company is not a chit fund or a nidhi/mutual benefit / society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.

xiv) The Company is not dealing or trading in shares, securities, debentures and other investments

xv) The Company has not given guarantee for loans taken from others, from banks or financial institutions.

xvi) The Company has not availed any new term loans during the year.

xvii) According to the information and explanations given to us and on an overall examination of the source and application of funds of the Company, we report that no funds raised on short-term basis have been used for long term investments during the year.

xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956 during the year.

xix) The Company has not issued any secured debentures during the year.

xx) The Company has not raised any money by way of public issues during the year.

xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no frauds on or by the Company has been noticed or reported during the year.

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

**K.N. Sreedharan**  
Partner Auditors  
Membership No. 12026

Coimbatore,  
May 28, 2013

**BALANCE SHEET AS AT 31ST MARCH, 2013**

(₹)

	Note No.	31.3.2013	31.3.2012
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
(a) Share capital	A	30,958,790	30,958,790
(b) Reserves and surplus	B	993,053,779	986,024,883
(c) Money received against share warrants		—	—
		<u>1,024,012,569</u>	<u>1,016,983,673</u>
<b>(2) Share application money pending allotment</b>			
		—	—
<b>(3) Non-current liabilities</b>			
(a) Long-term borrowings	C	15,33,000	4,018,000
(b) Deferred tax liabilities (Net)		5,182,890	5,033,765
(c) Other Long term liabilities		—	—
(d) Long-term provisions	D	424,904	424,904
		<u>7,140,794</u>	<u>9,476,669</u>
<b>(4) Current liabilities</b>			
(a) Short-term borrowings	E	32,349,051	26,437,930
(b) Trade payables	F	46,463,844	45,173,358
(c) Other current liabilities	G	3,766,042	2,955,896
(d) Short-term provisions	H	7,544,047	18,410,118
		<u>90,122,984</u>	<u>92,977,302</u>
TOTAL		<u>1,121,276,347</u>	<u>1,119,437,644</u>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
<b>(a) Fixed assets</b>			
(i) Tangible assets	I	167,172,241	170,627,678
(ii) Intangible assets		270,574	328,525
(iii) Capital work-in-progress		—	—
(iv) Intangible assets under development		—	—
(b) Non-current investments	J	100,944,617	116,518,617
(c) Deferred tax assets (net)		—	—
(d) Long-term loans and advances	K	14,583,876	12,487,634
		<u>282,971,308</u>	<u>299,962,454</u>
<b>(2) Current assets</b>			
(a) Current investments	L	609,903,735	611,744,520
(b) Inventories	M	31,689,863	36,697,254
(c) Trade receivables	N	6,724,612	31,054,664
(d) Cash and cash equivalents	O	77,924,605	61,855,408
(e) Short-term loans and advances	P	112,062,224	78,123,344
		<u>838,305,039</u>	<u>819,475,190</u>
TOTAL		<u>1,121,276,347</u>	<u>1,119,437,644</u>

See accompanying notes to the financial statements

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

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

Kolkatta,  
May 28, 2013

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

**R.V. Sridharan**  
CFO & Company Secretary



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2013**

(₹)

	Note No.	31.3.2013	31.3.2012
I. Revenue from operations	1	<b>400,893,180</b>	299,414,699
II. Other income	2	<b>22,843,454</b>	773,201,941
III. Total Revenue (I + II)		<b>423,736,634</b>	1,072,616,640
IV. <b>Expenses:</b>			
Cost of materials consumed		<b>36,896,531</b>	26,094,492
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	3	<b>12,152,050</b>	23,983,870
Employee benefits expense	4	<b>211,281,388</b>	175,476,391
Finance costs	5	<b>1,147,892</b>	3,445,550
Depreciation and amortization expense		<b>15,671,218</b>	13,465,206
Other expenses	6	<b>128,865,483</b>	116,351,379
<b>Total expenses</b>		<b>406,014,562</b>	358,816,888
V. Profit before exceptional and extraordinary items and tax (III-IV)		<b>17,722,072</b>	713,799,752
VI. Exceptional items		—	—
VII. Profit before extraordinary items and tax (V - VI)		<b>17,722,072</b>	713,799,752
VIII. Extraordinary Items		—	—
IX. <b>Profit before tax (VII - VIII)</b>		<b>17,722,072</b>	713,799,752
X. Tax expense:			
(1) Current tax		<b>3,300,000</b>	151,300,000
Less : MAT Credit entitlement		—	(68,000,000)
(2) Deferred Tax Liability		<b>149,125</b>	340,960
XI. Profit/(Loss) for the period from continuing operations (IX-X)		<b>14,272,947</b>	630,158,792
XII. Profit/(loss) from discontinuing operations		—	—
XIII. Tax expense of discontinuing operations		—	—
XIV. Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		—	—
XV. <b>Profit/(Loss) for the period (XI + XIV)</b>		<b>14,272,947</b>	630,158,792
XVI. Earnings per equity share:			
(1) Basic		<b>4.61</b>	203.55
(2) Diluted		<b>4.61</b>	203.55

See accompanying notes to the financial statements

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

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

Kolkatta,  
May 28, 2013

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

**R.V. Sridharan**  
CFO & Company Secretary



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

(₹)

	31.3.2013	31.3.2012
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax and Extraordinary items	17,722,072	713,799,752
Adjustments for:		
Depreciation	15,671,218	13,465,206
Profit / Loss on sale of assets	(944,305)	(166,996)
Profit on sale of investments	(1,745,585)	(743,449,639)
Income from Wind Mill	(3,428,142)	(3,492,481)
Sale of Trees	(2,345,750)	(2,700,000)
Interest received	(11,856,376)	(10,308,678)
Dividend received	(5,498,062)	(16,060,261)
Interest payments	1,147,892	3,445,550
Operating Profit before working capital charges	8,722,962	(45,467,547)
Adjustments for:		
Trade and other receivables	22,200,159	(6,626,199)
Inventories	5,007,391	28,766,372
Trade payables	1,816,058	5,206,354
Short term borrowings	7,911,121	(11,129,031)
Cash generated from operations before extraordinary items	45,657,690	(29,250,051)
Direct Taxes paid	(8,091,421)	149,311,172
Net Cash from operating activities	37,566,270	(178,561,223)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(12,527,901)	(37,927,749)
Sale of fixed assets	1,314,372	168,633
Purchase of investments	(146,979,610)	(680,272,520)
Sale of investments	166,139,980	825,513,690
Sale of trees	2,345,750	2,700,000
Income from Wind Mill	3,428,142	3,492,481
Interest received	10,242,568	10,321,948
Loan to a Public Limited Company	(27,500,000)	75,000,000
Dividend received	5,498,062	16,060,261
Net Cash used in investing activities	1,961,363	215,056,744
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Fixed Deposit repaid	(4,575,000)	(4,324,000)
Interest paid	(1,578,824)	(3,746,811)
Dividend paid including dividend distribution tax	(17,304,612)	(10,427,866)
Net Cash used in financing activities	(23,458,436)	(18,498,677)
Net increase / decrease in Cash and Cash Equivalents	<b>16,069,197</b>	<b>17,996,844</b>
Cash and Cash Equivalents as at 1st April 2012	61,855,408	43,858,564
Cash and Cash Equivalents as at 31st March 2013	77,924,605	61,855,408

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

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

Kolkatta,  
May 28, 2013

For and on behalf of the Board

**L.N. Bangur**  
Chairman

**Alka Bangur**  
Managing Director

**R.V. Sridharan**  
CFO & Company Secretary

**NOTES TO FINANCIAL STATEMENTS**

(₹)

	31.3.2013	31.3.2012
<b>A. SHARE CAPITAL</b>		
<b>Authorised</b>		
75,00,000 Equity Shares of ₹ 10/- each (75,00,000 Equity Shares of ₹ 10/- each)	<b>75,000,000</b>	75,000,000
<b>Issued and Subscribed</b>		
30,95,879 Equity Shares of ₹ 10/- each fully paid (Shares at the beginning & end of the year are same - 30,95,879 Equity shares)	<b>30,958,790</b>	30,958,790
Shares in the company held by each shareholder holding more than 5 percent shares specifying the number of shares held		
	Number of Shares	
Placid Ltd.	<b>663,454</b>	654,499
Maharaja Shree Umaid Mills Ltd	<b>470,224</b>	415,462
Life Insurance Corporation of India Ltd	<b>207,712</b>	207,712
For the period immediately preceding 5 years from 31.03.2013		
	Number of Shares	
Aggregate number and class of shares allotted as fully paid up by way of bonus shares on 31.03.2010	<b>1,031,960</b>	1,031,960
<b>B. RESERVES AND SURPLUS</b>		
<b>a) Reserves</b>		
<b>Capital Subsidy</b>		
As per last Balance Sheet	<b>4,169,108</b>	4,169,108
<b>Securities Premium Account</b>		
As per last Balance Sheet	<b>27,973,700</b>	27,973,700
<b>General</b>		
As per last Balance Sheet	<b>828,407,830</b>	328,407,830
Additions during the year	<b>1,070,471</b>	500,000,000
	<b>829,478,301</b>	828,407,830



## NOTES TO FINANCIAL STATEMENTS (Contd..)

(₹)

	31.3.2013	31.3.2012
<b>b) Surplus</b>		
Balance in Statement of P&L as per last Balance Sheet	125,474,241	13,425,571
Profit after tax for the year	14,272,947	630,158,792
Transfer to General Reserve	(1,070,471)	(500,000,000)
Proposed Dividend @ ₹ 2/- per share	(6,191,758)	(15,479,395)
Tax on Dividend	(1,052,289)	(2,630,723)
	<u>131,432,670</u>	<u>125,474,245</u>
Total	<u>993,053,779</u>	<u>986,024,883</u>
<b>C. LONG-TERM BORROWINGS</b>		
Public Deposits - Unsecured	1,533,000	4,018,000
Note: Repayable on the maturity dates falling due after one year as mentioned on the face of the Deposit Receipts Interest paid @ 9.5% per annum Period & amount of default - Nil		
Total	<u>1,533,000</u>	<u>4,018,000</u>
<b>D. LONG-TERM PROVISIONS</b>		
Others (Sales Tax - Disputed)	424,904	424,904
Total	<u>424,904</u>	<u>424,904</u>
<b>E. SHORT-TERM BORROWINGS</b>		
(a) Secured - Loans repayable on demand		
From Bank		
Cash Credit from Union Bank of India	29,005,051	21,093,930
Secured by hypothecation of Tea Stock and Standing Crops and Equitable Mortgage on the immovable properties of the estate		
(b) Unsecured - Deposits	33,44,000	5,344,000
Repayable within one year on respective maturity date. Interest paid 9% per annum. Default - Nil Period & amount of default - Nil.		
Total	<u>32,349,051</u>	<u>26,437,930</u>
<b>F. TRADE PAYABLES</b>		
Sundry Creditors		
Due to Micro Small & Medium Enterprises	—	—
Due to Others	46,463,844	45,173,358
Total	<u>46,463,844</u>	<u>45,173,358</u>

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

(₹)

	<b>31.3.2013</b>	31.3.2012
<b>G. OTHER CURRENT LIABILITIES</b>		
(a) Unpaid dividends	<b>2,455,746</b>	1,650,240
(b) Unclaimed interest	<b>20,092</b>	18,419
(c) Interest accrued but not due on deposits (There is no amount due to be credited to Investors Education and Protection Fund)	<b>718,238</b>	1,150,843
(d) Unclaimed Deposits	—	90,000
(e) Other Payables Customer Credit Balance	<b>571,966</b>	46,394
	<b><u>3,766,042</u></b>	<u>2,955,896</u>
<b>H. SHORT-TERM PROVISIONS</b>		
Proposed Dividend	<b>6,191,758</b>	15,479,395
Tax on Dividend	<b>1,052,289</b>	2,630,723
Wealth Tax	<b>300,000</b>	300,000
	<b><u>7,544,047</u></b>	<u>18,410,118</u>



## NOTES TO FINANCIAL STATEMENTS (Contd..)

(₹)

### I. FIXED ASSETS

DESCRIPTION OF ASSETS	COST				DEPRECIATION				Net Value of Assets as at 31st March	
	1st April 2012	Additions during the year	Deductions during the year	31st March 2013	1st April 2012	For the year	Deductions during the year	31st March 2013	2013	2012
<b>TANGIBLE ASSET</b>										
Free hold Land & Development	24,246,608	—	—	<b>24,246,608</b>	—	—	—	—	<b>24,246,608</b>	24,246,608
Buildings	91,632,363	—	—	<b>91,632,363</b>	50,177,732	2,234,734	—	<b>52,412,466</b>	<b>39,219,897</b>	41,444,630
Plant and Equipments	220,485,180	1,870,973	5,818,685	<b>216,537,468</b>	163,308,563	7,216,007	5,828,680	<b>164,695,890</b>	<b>51,841,578</b>	57,186,622
Furniture and Fixtures	19,509,298	1,760,963	977,673	<b>20,292,588</b>	5,945,631	1,036,264	769,357	<b>6,212,538</b>	<b>14,080,050</b>	13,968,243
Vehicles	48,666,777	6,723,907	1,044,942	<b>54,345,742</b>	17,155,770	4,504,700	942,959	<b>20,717,511</b>	<b>33,628,231</b>	31,511,007
Computer	3,742,855	2,172,058	410,022	<b>5,504,891</b>	1,067,711	621,562	340,259	<b>1,349,014</b>	<b>4,155,877</b>	2,270,568
<b>INTANGIBLE ASSETS</b>										
Computer Software	357,500	—	—	<b>357,500</b>	28,975	57,951	—	<b>86,926</b>	<b>270,574</b>	328,525
Total	408,640,581	12,527,901	8,251,322	<b>412,917,160</b>	237,684,382	15,671,218	7,881,255	<b>245,474,345</b>	<b>167,442,815</b>	170,956,203
Previous Year	377,083,581	37,927,747	6,370,747	408,640,581	230,588,284	13,465,206	6,369,110	237,684,380	170,956,203	146,495,297



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

**J. NON CURRENT INVESTMENTS**

Particulars	Nominal Value of each Share ₹	As at 31st March, 2012		Addition during the year		Deletions during the year		As at 31st March, 2013	
		No. of Shares	Amount ₹	No. of Shares	Amount ₹	No. of Shares	Amount ₹	No. of Shares	Amount ₹
In fully paid Shares/Mutual Fund Units at cost									
Quoted -									
Equity Shares									
MOIL Limited	10	1,136	426,000					1,136	426,000
Tax Free Bonds									
National Highway Authority of India (NHAI)- 8.20%, 10 year			24,724,000			24,724,000			—
Power Finance Corporation of India (PFC)- 8.20%, 10 year			28,479,000						28,479,000
Indian Railway Finance Corporation (IRFC)- 8.15%, 10 year			15,225,000						15,225,000
Unquoted -									
Equity Shares									
In Associate Companies at Cost:									
Digvijay Investments Ltd.	100	253,132	38,093,617					253,132	38,093,617
Placid Limited	100	30,307	6,971,000					30,307	6,971,000
Navijyoti Commodity Management and Services Ltd.				250,000	8,750,000			250,000	8,750,000
In Subsidiary Company									
PKT Plantations Ltd. (Formerly Peria Karamalai Tea (India) Ltd.)	10	250,000	2,500,000					250,000	2,500,000
Shivphal Vinimay Private Ltd	10	10,000	100,000	40,000	400,000			50,000	500,000
			<u>116,518,617</u>		<u>9,150,000</u>		<u>24,274,000</u>		<u>100,944,617</u>
			As at 31st March 2012						As at 31st March 2013
			Cost	Market Value			Cost	Market Value	
			₹	₹			₹	₹	
Unquoted Investments			47,664,617	—			56,814,617	—	
Quoted Investments			68,854,000	69,138,284			44,130,000	47,618,160	



## NOTES TO FINANCIAL STATEMENTS (Contd..)

(₹)

### K. LONG-TERM LOANS AND ADVANCES

Unsecured and Considered Good

Security Deposits

Others - Rent Advance

31.3.2013

31.3.2012

10,207,776

8,836,634

4,376,100

3,651,000

14,583,876

12,487,634

### L. CURRENT INVESTMENTS

Particulars	Nominal Value of each Share ₹	As at 31st March, 2012		Addition during the year		Deletions during the year		As at 31st March, 2013	
		No. of Shares	Amount ₹	No. of Shares	Amount ₹	No. of Shares	Amount ₹	No. of Shares	Amount ₹
In fully paid Shares / Mutual Fund Units at cost									
Quoted -									
Mutual fund									
Reliance Money Manager Retail Growth Plan		11	15,000			11	15,000	—	—
Reliance Money Institutional Option Dividend Plan		820	820,737	20,885	20,914,437			21,705	21,735,174
HDFC Cash Management Retail Growth Plan		675	15,000			675	15,000	—	—
HDFC Cash Management Wholesale Dividend Plan		1,438,009	14,425,384	3,788	37,995	1,441,796	14,463,379	—	—
HDFC Medium Term Opportunity Fund		39,745,277	450,000,000					39,745,277	450,000,000
HDFC Cash Management TAP Dividend Plan		9,611,564	96,418,399	399,603	4,008,617	10,011,167	100,427,016	—	—
Birla Sunlife Floating Rate Short Term Growth Fund		112	20,000			112	20,000	—	—
Kotak Floater Long Term Growth Fund		918	15,000			918	15,000	—	—
Kotak FMP Series 76 Growth Fund		5,000,000	50,000,000					5,000,000	50,000,000
ICICI Prudential Income Plan Regular Growth Fund		129	15,000			129	15,000	—	—
HDFC FRIF STP Wholesale Daily Dividend Plan				3,751,653	37,820,035	2,450,178	24,700,000	1,301,475	13,120,035
IDFC Money Manager Fund- Investment Plan - Growth				2,750,744	50,000,000			2,750,744	50,000,000
IDFC Money Manager Fund- Investment Plan - DDP				2,487,021	25,048,526			2,487,021	25,048,526
			611,744,520		137,829,610		139,670,395		609,903,735
			As at 31st March 2012				As at 31st March 2013		
			Cost	Market Value			Cost	Market Value	
			₹	₹			₹	₹	
Unquoted Investments			—	—			—	—	
Quoted Investments			611,744,520	617,635,236			609,903,735	669,293,753	



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

(₹)

	<b>31.3.2013</b>	31.3.2012
<b>M. INVENTORIES</b>		
Finished Goods		
Tea - valued at cost	<b>14,950,000</b>	27,100,000
Pepper - valued at cost	—	2,050
Stores and Spare Parts - valued at average cost	<b>15,934,328</b>	9,223,026
Nursery Stock - valued at average cost	<b>388,557</b>	—
Loose Tools - valued at average cost	<b>416,978</b>	372,178
	<b>31,689,863</b>	36,697,254
<b>N. TRADE RECEIVABLES</b>		
Unsecured considered good;		
i) Aggregate amount of Trade Receivables outstanding for a period exceeding six months	<b>147,585</b>	1,595,584
ii) Others	<b>6,577,027</b>	29,459,080
	<b>6,724,612</b>	31,054,664
<b>O. CASH AND CASH EQUIVALENTS</b>		
(i) Cash and cash equivalents shall be classified as:		
(a) Balances with banks	<b>25,285,770</b>	18,549,687
(b) Cash on hand	<b>1,102,627</b>	1,108,762
(ii) Unpaid dividend Account	<b>2,455,746</b>	1,650,240
(iii) Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments shall be disclosed separately.	<b>274,719</b>	274,719
(iv) Bank deposit	<b>24,478,743</b>	—
(v) Bank deposits (Deposit held in Escrow Account) - Maturing after 31.03.2013 (Refer Note No. 7(B)(d) - Other notes to financial statements)	<b>24,327,000</b>	40,272,000
	<b>77,924,605</b>	61,855,408



## NOTES TO FINANCIAL STATEMENTS (Contd..)

(₹)

	<b>31.3.2013</b>	31.3.2012
<b>P. SHORT-TERM LOANS AND ADVANCES</b>		
Unsecured and Considered Good		
Advances recoverable in cash or in kind or for value to be received	<b>2,887,346</b>	2,874,824
Balance with Central Excise Authorities	<b>179,214</b>	180,714
Interest accrued on bank Deposits	<b>2,778,705</b>	1,164,897
Loans and advances to:		
a) Related Party	<b>7,500,000</b>	—
b) Subsidiary Company	<b>22,628</b>	—
c) Inter Corporate Loan	<b>20,000,000</b>	—
Advance payment of Tax (Net of provision) and Tax Deducted at Source	<b>78,694,331</b>	73,902,909
	<b><u>112,062,224</u></b>	<u>78,123,344</u>

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

(₹)

<b>1 REVENUE FROM OPERATIONS :</b>	<b>31.3.2013</b>	31.3.2012
Sales of Products		
Tea	<b>397,461,428</b>	295,544,178
Minor Produce	<b>3,610</b>	378,040
Other Operating Revenues		
Sale of Electricity to TNEB	<b>34,28,142</b>	3,492,481
	<b>400,893,180</b>	299,414,699
Less : Excise Duty	<b>—</b>	—
	<b>400,893,180</b>	299,414,699
<b>2 OTHER INCOME</b>		
Interest on		
Bank Deposit	<b>3,620,843</b>	2,130,091
Loans and Advances	<b>2,762,603</b>	6,267,807
Other Investments	<b>5,472,930</b>	1,910,780
Dividend	<b>5,498,062</b>	16,060,261
Profit on sale of Fixed Assets	<b>944,305</b>	166,996
Profit on sale of Investments	<b>1,745,585</b>	743,449,639
Other Non Operating Income - Miscellaneous Receipts	<b>333,376</b>	336,367
Sale of Trees	<b>2,345,750</b>	2,700,000
Debts written off recovered	<b>120,000</b>	180,000
	<b>22,843,454</b>	773,201,941
<b>3 CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
Opening Stock of Finished Goods		
Tea	<b>27,100,000</b>	51,000,000
Minor Produce	<b>2,050</b>	85,920
	<b>27,102,050</b>	51,085,920
Less : Closing Stock of Finished Goods		
Tea	<b>14,950,000</b>	27,100,000
Minor Produce	<b>—</b>	2,050
	<b>12,152,050</b>	23,983,870



## NOTES TO FINANCIAL STATEMENTS (Contd..)

(₹)

	31.3.2013	31.3.2012
<b>4 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, Wages and Bonus	155,658,674	145,055,938
Contribution to Provident, Gratuity and Pension Fund	42,761,136	19,204,240
Employees Welfare Expenses	12,861,578	11,216,213
	<u>211,281,388</u>	<u>175,476,391</u>
<b>5 FINANCE COSTS</b>		
Interest expense		
Public Deposits	755,922	1,177,922
Cash Credit and others	391,970	2,267,628
	<u>1,147,892</u>	<u>3,445,550</u>
<b>6 OTHER EXPENSES</b>		
Power and Fuel	43,257,279	43,592,829
Repairs to Buildings	19,007,071	19,622,006
Repairs to Machinery	11,082,492	11,244,361
Insurance	1,776,681	2,074,092
Rates and Taxes	609,892	1,045,193
Transport	4,280,285	3,574,744
General Charges - Estate	6,626,440	5,176,837
General Charges - Others	5,295,853	3,245,467
Receiving and Forwarding	6,307,007	7,193,299
Cess and sample charges	1,918,758	1,723,106
Commission and Brokerage	4,418,260	2,526,216
Payments to Auditors for :		
Auditor's remuneration		
For Statutory Audit fee	125,000	90,000
For Certification	56,740	66,690
For Taxation	84,270	55,150
For Others services	—	34,193
Payment to Cost Auditors	30,000	30,000
Directors' Sitting Fees	145,000	140,000
Donations	700,000	—
Legal Expenses	1,741,018	5,323,195
Rent	7,460,800	4,209,818
Travelling Expenses	9,629,429	3,219,350
Miscellaneous Expenses	4,313,208	2,164,833
	<u>128,865,483</u>	<u>116,351,379</u>



## NOTES TO FINANCIAL STATEMENTS (Contd..)

### 7. ACCOUNTING POLICIES

#### A. ACCOUNTING POLICIES

##### 1. *Basis of Accounting*

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

##### 2. *Revenue Recognition*

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

##### 3. *Own Fixed Assets*

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

##### 4. *Depreciation*

Depreciation is provided on Straight Line basis in accordance with Schedule XIV of Companies Act, 1956 except field machineries which are depreciated over two year period.

##### 5. *Investments*

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

##### 6. *Inventories*

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

##### 7. *Sale of Trees*

Sale of trees given on contract is accounted on realization.

##### 8. *Employee benefits:*

###### I. Short Term

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

###### II. Post Retirement

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

###### A. Provident Fund

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



## NOTES TO FINANCIAL STATEMENTS (Contd..)

### B. Superannuation Fund

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

### C. Gratuity Fund

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

### III. Long Term

#### Leave Encashment

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

### 9. **Current Tax**

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

### 10. **Deferred Tax**

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

### 11. **Impairment of Assets**

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

### 12. **Wind Power**

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

## B. OTHER NOTES TO FINANCIAL STATEMENTS

- a) No provision is considered necessary for excise duty demands relating to earlier years under appeal/stay: ₹ 1,50,940/- (Previous year ₹ 1,50,940/-) paid under protest is grouped under loans and advances.
- b) The Company has obtained a stay of proceedings from the Honorable High Court of Madras on 24th March 2006 against a proposition notice from the Commercial Tax Department for levy of sales tax on export sales effected through auction centers. The matter is pending and in common with the other tea planting companies, no account has been taken of the contingent liability.

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

## c) Contingent Liabilities and commitments

i) Contingent Liabilities : Nil

ii) Commitments

With respect to the divestment of the shares in The Andhra Pradesh Paper Mills Limited during the year under the Share Purchase Agreement (SP Agreement) and Indemnity Agreement between all the sellers including the Company, IP Holding Asia Singapore Pte. Ltd and International Paper Company, the sellers including the company have agreed to indemnify and hold free harmless to IP Holding Asia Singapore Pte. Ltd. and International Paper Company from losses incurred or suffered in terms of indemnification clause(s) of the said SP Agreement and Indemnity Escrow Agreement. Further, as per the aforesaid agreements, term deposits under escrow account with Citibank is ₹ 2,43,27,000/- as on 31st March 2013.

d) No amount is due and payable to any micro, small and medium enterprises as defined under MSME Development Act, 2006. No interest is due and / or has been paid or is payable to such parties.

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

f) Deferred Tax:

Deferred tax liability as at 31st March 2013 comprises of:

Particulars	Opening as on 01.04.2012 ₹	Provided during the year ₹	Closing as on 31.03.2013 ₹
On account of depreciation	50,33,765	1,49,125	51,82,890

	<b>31.3.2013</b> ₹	31.3.2012 ₹
g) Earnings in Foreign Exchange	<b>Nil</b>	Nil
h) Expenditure in Foreign Currency	<b>13,21,450</b>	Nil
i) Repairs to Buildings, Machinery and Workmen and Staff Welfare Expenses include :		
Salary and Wages	<b>1,43,89,576</b>	1,32,11,509
Consumption of stores (Indigenous)	<b>1,20,05,684</b>	1,06,06,813
j) Remuneration to Managing Director, Deputy Managing Director and Executive Director:		
Salary	<b>32,55,833</b>	30,37,501
Contribution to Provident Fund/Superannuation Scheme	<b>7,75,800</b>	8,20,125
Perquisites	<b>23,55,277</b>	19,35,537
Commission	<b>—</b>	—
	<b><u>63,86,910</u></b>	<u>57,93,163</u>



## NOTES TO FINANCIAL STATEMENTS (Contd..)

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

The total production of the segments are as follows:

a. Tea

Particulars of manufacturing of made tea (Kg)

Production	<b>38,11,721</b>	34,69,144
Sales	<b>39,38,660</b>	38,74,804
Opening Stock	<b>3,30,117</b>	7,67,996
Closing Stock	<b>1,77,545</b>	3,30,117
Green leaf from own estates	<b>1,62,64,910</b>	1,49,79,948

b. Minor Produce : (Kg)

Pepper

Production	—	583
Sales	<b>21</b>	1278
Opening Stock	<b>21</b>	716
Closing Stock	—	21

	31.3.2013		31.3.2012	
c. Wind Mill (units)	Units	Value (₹)	Units	Value (₹)
No. of units generated (Net)	<b>44,04,522</b>		46,12,818	
Less : Adjusted in TNEB Bills	<b>26,11,855</b>	<b>1,37,43,465</b>	33,19,306	1,22,93,072
Balance sold to TNEB	<b>15,68,766</b>	<b>34,28,142</b>	12,93,512	34,92,488

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

l) Segment-wise revenues, results and other information (in ₹) :

Particulars	31.03.2013			31.03.2012		
	Tea	Windmill	Total	Tea	Windmill	Total
<b>Revenue</b>						
External Sales	397461428	3428142	400889570	295544178	3492482	299036660
Inter segment revenue		13743465	13743465		12293072	12293072
<b>Total</b>	<b>397461428</b>	<b>17171607</b>	<b>414633035</b>	<b>295544178</b>	<b>15785554</b>	<b>311329732</b>
Less Inter Segment Revenue			13743465			12293072
			<b>400889570</b>			<b>299036660</b>
<b>Results</b>						
Operating Profit/(Loss)	(19003034)	15025934	(3977100)	(69957629)	13622950	(56334679)
Less: Interest			1147892			3445550
Add: Other Income			22847064			773579981





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

Particulars	31.03.2013			31.03.2012		
	Tea	Windmill	Total	Tea	Windmill	Total
<b>Profit before tax</b>			<b>17722072</b>			<b>713799752</b>
Provision for taxation			3449125			83640960
<b>Profit after tax</b>			<b>14272947</b>			<b>630158792</b>
Other Information						
Segment Assets	410427995		410427995	391174507		391174507
Add: Unallocated assets			<b>710848352</b>			<b>728263137</b>
<b>Total</b>			<b>1121276347</b>			<b>1119437644</b>
Segment Liabilities	97263778		97263778	102453971		102453971
Add: Unallocated liabilities			1024012569			1016983673
<b>Enterprise liabilities</b>			<b>1121276347</b>			<b>1119437644</b>
Capital Expenditure	12527901		12527901	37927749		37927749
Depreciation	15671218		15671218	13465206		13465206

m) Employee Benefits

a) Defined Contribution Plan :

The Company makes contribution towards employees' provident fund and superannuation fund. Under the rules of these schemes, the company is required to contribute a specified percentage of payroll costs. The company during the year recognized ₹ 1,41,99,705/- (Previous year ₹ 1,58,41,260/-) as expense towards contribution to the Provident Fund.

Out of the total contribution made for employees' provident fund, ₹ 10,49,894/- (previous year ₹ 9,38,918/-) is made to the PL Planting Provident Fund while the remainder contribution is made to Provident Fund Plan operated by the Regional Provident Fund Commissioner.

The liability towards superannuation fund for the year ended 31st March 2013 amounting to ₹ 19,79,823/- (Previous year ₹ 16,38,355/-) has been charged to Statement of Profit and Loss.

There was no liability towards leave encashment for the year ended 31st March 2013 as it was adequately funded and no amount (previous year ₹ 5,47,961/-) has been charged to Statement of Profit and Loss.

b) Defined Benefit Plan:

Gratuity

		31.03.2013	31.03.2012
<b>1</b>	<b>Changes in Defined Benefit Obligation</b>		
	Present Value of Defined Benefit Obligation as at the beginning of the year	<b>8,76,71,263</b>	7,10,79,086
	Interest Cost	<b>70,13,701</b>	56,86,327
	Benefits paid	<b>(1,31,96,947)</b>	(73,99,976)



## NOTES TO FINANCIAL STATEMENTS (Contd..)

		<b>31.03.2013</b>	31.03.2012
	Current Service Cost	<b>49,51,645</b>	39,77,317
	Actuarial (Gain)/Loss	<b>7,14,94,775</b>	1,43,28,509
	Present Value of obligation as at the year end	<b>9,36,34,437</b>	8,76,71,263
<b>2</b>	<b>Changes in fair value of assets</b>		
	Fair Value of Plan Assets as at the beginning of the year	<b>8,45,76,491</b>	8,19,40,450
	Expected Return on Plan Assets	<b>76,92,270</b>	73,57,857
	Contribution by the employer	<b>2,78,62,066</b>	26,78,160
	Benefits paid	<b>(1,31,96,947)</b>	(73,99,976)
	Actuarial Gain/(Loss)	<b>Nil</b>	Nil
	Fair Value of Plan Assets as at the end of the year	<b>10,69,33,880</b>	8,45,76,491
<b>3</b>	<b>Reconciliation of Fair Value of Assets and Obligations</b>		
	Fair Value of Plan Assets	<b>10,69,33,880</b>	8,45,76,491
	Present Value of Obligation	<b>9,36,34,437</b>	8,76,71,263
	Amount recognized in the Balance Sheet (excess of actual)	<b>1,32,99,443</b>	30,94,772
<b>4</b>	<b>Expenses recognized in the Statement of Profit and Loss</b>		
	Current Service Cost	<b>49,51,645</b>	39,77,317
	Interest Cost	<b>70,13,701</b>	56,86,327
	Expected return on plan asset	<b>(76,92,270)</b>	(73,57,857)
	Net Actuarial (Gain)/Loss recognized in the year	<b>71,94,775</b>	1,43,28,509
	Expenses recognized in Statement of Profit and Loss	<b>1,14,67,851</b>	1,66,34,296
<b>5</b>	<b>Principal Actuarial Assumptions</b>		
	Rate of Discounting	<b>8%</b>	8%
	Expected Return on Plan Assets	<b>8%</b>	8%
	Rate of increase in Salaries	<b>8.50%</b>	8.50%
	Mortality Table (LIC)	<b>1994-95</b>	1994-95

n) The Company has taken office buildings on lease and the lease rent amounting to ₹ 74,60,800/- (previous year ₹ 42,09,818/-) has been charged to Profit & Loss Account. Assets are taken on lease over a period of three years. Future minimum lease payments are as under:

Not Less than one year	:	₹ 11,23,000
Later than one year but not later than five years	:	₹ 1,25,40,000
More than five years	:	₹ Nil



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

o) Related Party Disclosures

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

Key Management Personnel	Shri L.N. Bangur Smt. Alka Bangur Shri Shreeyash Bangur Shri Prakash Parasher (Resigned on 21.07.2012)
Associate Companies	M.B.Commercial Company Ltd. Amalgamated Development Ltd. Maharaja Shree Umaid Mills Ltd. The Marwar Textiles (Agency) Pvt.Ltd. Placid Ltd. Sree Rama Vaikunth Trust Navjoti Commodity Management Services Ltd. Samay Books Limited
Wholly owned Subsidiary Companies	PKT Planatations Limited (formerly Peria Karamalai Tea (India) Limited) Shivphal Vinimay Private Limited
Relatives of Key Management Personnel	Ms. Sheetal Bangur Shri. Yogesh Bangur Shri. Rahul Parasher

p) Transactions during the year with Related Parties

	Nature of transaction	Associate Company	Key Managerial Personnel	Relatives of Key Managerial Personnel	Subsidiary Company
		₹	₹	₹	₹
1	Interest receipts				
	a) Placid Limited	Nil (57,07,533)			
	b) M.B. Commercial Co. Ltd.,	5,37,945 (5,60,274)			



## NOTES TO FINANCIAL STATEMENTS (Contd..)

	Nature of transaction	Associate Company	Key Managerial Personnel	Relatives of Key Managerial Personnel	Subsidiary Company
		₹	₹	₹	₹
2	Rent payments				
	a) M.B. Commercial Co. Ltd.	25,200 (25,200)			
	b) Marwar Textiles Agency (P) Ltd.	52,800 (52,800)			
	c) Shree Rama Vaikunt Trust	3,00,000 (3,00,000)			
3	Dividend receipts				
	The Andhra Pradesh Paper Mills Ltd.	Nil (12,23,093)			
4	Purchase of Asset				
	Santhosh Overseas Company represented by Mr. Rahul Parasher			4,77,412 (7,33,167)	
5	Equity participation				
	a) Shivphal Vinimay Private Limited				4,00,000 (1,00,000)
	b) Navjoti Commodity Management Services Limited	87,50,000 (Nil)			
6	Inter Corporate loans given to				
	Placid Limited	Nil (2,50,00,000)			
	M.B.Commercial Co.Ltd	75,00,000 (75,00,000)			
7	Advance				
	PKT Plantation Ltd.				22,628 (Nil)
8	Printing				
	Samay Books Limited	31,106 (Nil)			
9	Remuneration				
	a) Smt. Alka Bangur		33,27,353 (29,60,772)		
	b) Shri. Shreeyash Bangur		13,25,680 (9,10,800)		
	c) Shri. Prakash Parasher		17,33,877 (28,32,953)		



## NOTES TO FINANCIAL STATEMENTS (Contd..)

	Nature of transaction	Associate Company	Key Managerial Personnel	Relatives of Key Managerial Personnel	Subsidiary Company
		₹	₹	₹	₹
10	Outstandings				
	Receivables				
	M.B. Commercial Co. Ltd.	75,00,000 (Nil)			
	PKT Plantation Ltd.				22,628 (Nil)
	Payables	Nil (Nil)			

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

## q) Earnings Per Share

	31.03.2013	31.03.2012
Profit after tax	1,42,72,947	63,01,58,792
Weighted average No. of shares outstanding	30,95,879	30,95,879
Basic earnings per share ₹ (Nominal value of equity shares ₹10/- per share)	4.61	203.55

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

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

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

Kolkatta,  
May 28, 2013

For and on behalf of the Board

**L.N. Bangur**  
Chairman

**Aika Bangur**  
Managing Director

**R.V. Sridharan**  
CFO & Company Secretary





CONSOLIDATED FINANCIAL STATEMENTS



## Auditor's Report on the Consolidated Financial Statements of M/s. The Peria Karamalai Tea & Produce Co. Ltd., and its subsidiaries

To

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

We have audited the accompanying consolidated financial statements of The Peria Karamalai Tea & Produce Company Limited ("the Company") and its subsidiaries, which comprise the consolidated Balance Sheet as at March 31, 2013, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. 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 auditor's 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 control relevant to the Company's preparation and presentation 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 accounting policies used and the reasonableness of the

accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the consolidated Profit and Loss Account, of the profit for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

### Other Notes:

We have audited the financial statements of the subsidiary, M/s. PKT Plantations Ltd. (Formerly: Peria Karamalai Tea (India) Limited), whose financial statements reflect total assets of ₹27,75,133/- as at 31st March 2013 and total revenues of ₹2,67,886/- and the net cash flows of ₹1,88,870/- for the year then ended.

We did not audit the financial statements of M/s. Shivpal Vinimay Private Limited, whose financial statements reflect total assets of ₹ 4,80,187/- as at March 31st 2013, and total revenue ₹ 16,683/-, and cash flows amounting to ₹ 23,698/- for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion is based solely on the report of other auditors.

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

Coimbatore,  
May 28, 2013

**K.N. Sreedharan**  
Partner Auditors  
Membership No. 12026



**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013**

(₹)

	Note No.	31.3.2013	31.3.2012
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
(a) Share capital	A	30,958,790	30,958,790
(b) Reserves and surplus	B	993,172,465	986,054,582
(c) Money received against share warrants		—	—
		<u>1,024,131,255</u>	<u>1,017,013,372</u>
<b>(2) Share application money pending allotment</b>		—	—
<b>(3) Non-current liabilities</b>			
(a) Long-term borrowings	C	1,533,000	4,018,000
(b) Deferred tax liabilities (Net)		5,182,890	5,033,765
(c) Other Long term liabilities		—	—
(d) Long-term provisions	D	424,904	424,904
		<u>7,140,794</u>	<u>9,476,669</u>
<b>(4) Current liabilities</b>			
(a) Short-term borrowings	E	32,349,051	26,437,930
(b) Trade payables	F	46,524,853	45,196,954
(c) Other current liabilities	G	3,766,042	2,955,896
(d) Short-term provisions	H	7,544,017	18,410,118
		<u>90,183,993</u>	<u>93,000,898</u>
<b>TOTAL</b>		<u>1,121,456,042</u>	<u>1,119,490,939</u>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	I	167,172,241	170,627,678
(ii) Intangible assets		270,574	328,525
(iii) Capital work-in-progress		—	—
(iv) Intangible assets under development		—	—
(b) Non-current investments	J	97,944,617	113,918,617
(c) Deferred tax assets (net)		—	—
(d) Long-term loans and advances	K	14,583,876	12,487,634
(e) Other non-current assets		—	—
		<u>279,971,308</u>	<u>297,362,454</u>
<b>(2) Current assets</b>			
(a) Current investments	L	610,270,418	611,744,520
(b) Inventories	M	31,689,863	36,697,254
(c) Trade receivables	N	6,724,614	31,054,664
(d) Cash and cash equivalents	O	80,688,546	64,406,781
(e) Short-term loans and advances	P	112,111,293	78,225,265
(f) Other current assets	Q	—	—
		<u>841,484,734</u>	<u>822,128,485</u>
<b>TOTAL</b>		<u>1,121,456,042</u>	<u>1,119,490,939</u>

See accompanying notes to the financial statements

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

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

Kolkatta,  
May 28, 2013

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

**R.V. Sridharan**  
CFO & Company Secretary



## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2013

(₹)

	Note No.	31.3.2013	31.3.2012
I. Revenue from operations	1	<b>400,893,180</b>	299,414,699
II. Other income	2	<b>23,128,023</b>	773,400,561
III. Total Revenue (I + II)		<b><u>424,021,203</u></b>	<u>1,072,815,260</u>
IV. <b>Expenses:</b>			
Cost of materials consumed		<b>36,896,531</b>	26,094,492
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	3	<b>12,152,050</b>	23,983,870
Employee benefits expense	4	<b>211,281,388</b>	175,476,391
Finance costs	5	<b>1,147,892</b>	3,445,550
Depreciation and amortization expense		<b>15,671,218</b>	13,465,206
Other expenses	6	<b>128,989,025</b>	116,545,322
<b>Total expenses</b>		<b><u>406,138,104</u></b>	<u>359,010,831</u>
V. Profit before exceptional and extraordinary items and tax (III-IV)		<b>17,883,099</b>	713,804,429
VI. Exceptional items		<u>—</u>	<u>—</u>
VII. Profit before extraordinary items and tax (V - VI)		<b>17,883,099</b>	713,804,429
VIII. Extraordinary Items		<u>—</u>	<u>—</u>
IX. Profit before tax (VII- VIII)		<b>17,883,099</b>	713,804,429
X. Tax expense:			
(1) Current tax		<b>3,353,000</b>	151,326,900
Less : MAT Credit entitlement		<u>—</u>	(68,000,000)
(2) Prior year taxes		<b>19,044</b>	—
(3) Deferred Tax Liability		<b>149,125</b>	340,960
XI. Profit (Loss) for the period from continuing operations (IX-X)		<b><u>14,361,930</u></b>	<u>630,136,569</u>
XII. Profit/(loss) from discontinuing operations		<u>—</u>	<u>—</u>
XIII. Tax expense of discontinuing operations		<u>—</u>	<u>—</u>
XIV. Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		<u>—</u>	<u>—</u>
XV. Profit (Loss) for the period (XI + XIV)		<b><u>14,361,930</u></b>	<u>630,136,569</u>
XVI. Earnings per equity share:			
(1) Basic		<b>4.64</b>	203.54
(2) Diluted		<b>4.64</b>	203.54
See accompanying notes to the financial statements			

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

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

Kolkatta,  
May 28, 2013

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

**R.V. Sridharan**  
CFO & Company Secretary

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013**

(₹)

	31.3.2013	31.3.2012
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax and Extraordinary items	17,883,099	713,804,429
Adjustments for:		
Depreciation	15,671,218	13,465,206
Profit / Loss on sale of assets	(944,305)	(166,996)
Profit on sale of investments	(1,745,585)	(743,449,639)
Income from Wind Mill	(3,428,142)	(3,492,481)
Sale of Trees	(2,345,750)	(2,700,000)
Interest received	(12,124,262)	(10,507,298)
Dividend received	(5,514,745)	(16,060,261)
Interest payments	1,147,892	3,445,550
Operating Profit before working capital charges	8,599,420	(45,661,490)
Adjustments for:		
Trade and other receivables	22,222,789	(6,516,363)
Inventories	5,007,391	28,766,372
Trade payables	1,853,472	5,218,920
Short term borrowings	7,911,121	(11,129,031)
Cash generated from operations before extraordinary items	45,594,193	(29,321,592)
Direct Taxes paid	(8,127,031)	148,388,930
Net Cash from operating activities	37,467,162	(177,710,521)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(12,527,901)	(37,927,749)
Sale of fixed assets	1,314,372	168,633
Purchase of investments	(146,946,293)	(680,172,520)
Sale of investments	166,139,980	825,513,690
Sale of trees	2,345,750	2,700,000
Income from Wind Mill	3,428,142	3,492,481
Interest received	10,504,244	10,428,869
Loan to a Public Limited Company	(27,500,000)	76,500,000
Dividend received	5,514,745	16,060,261
Net Cash used in investing activities	2,273,039	216,763,665
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Fixed Deposit repaid	(4,575,000)	(4,324,000)
Interest paid	(1,578,824)	(3,746,811)
Dividend paid including dividend distribution tax	(17,304,612)	(10,427,866)
Net Cash used in financing activities	(23,458,436)	(18,498,677)
Net increase / decrease in Cash and Cash Equivalents	<b>16,281,765</b>	<b>20,554,466</b>
Cash and Cash Equivalents as at 1st April 2012	64,406,781	43,852,314
Cash and Cash Equivalents as at 31st March 2013	80,688,546	64,406,781

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

**K.N. Sreedharan**  
Partner Auditors, M.No. 12026. Kolkatta,  
May 28, 2013

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

**R.V. Sridharan**  
CFO & Company Secretary



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹)

	31.3.2013	31.3.2012
<b>A. SHARE CAPITAL</b>		
<b>Authorised</b>		
75,00,000 Equity Shares of ₹10/- each (75,00,000 Equity Shares of ₹ 10/- each)	<b>75,000,000</b>	75,000,000
<b>Issued and Subscribed</b>		
30,95,879 Equity Shares of ₹10/- each fully paid (Shares at the beginning & end of the year are same - 30,95,879 Equity shares)	<b>30,958,790</b>	30,958,790
Shares in the company held by each shareholder holding more than 5 percent shares specifying the number of shares held		
	Number of Shares	
Digvijay Investments Ltd	<b>663,454</b>	654,499
Maharaja Shree Umaid Mills Ltd	<b>470,224</b>	415,462
Life Insurance Corporation of India	<b>207,712</b>	207,712
For the period immediately preceding 5 years from 31.03.2013		
	Number of Shares	
Aggregate number and class of shares allotted as fully paid up by way of bonus shares on 31.03.2010	<b>1,031,960</b>	1,031,960
<b>B. RESERVES AND SURPLUS</b>		
<b>a) Reserves</b>		
<b>Capital Subsidy</b>		
As per last Balance Sheet	<b>4,169,108</b>	4,169,108
<b>Securities Premium Account</b>		
As per last Balance Sheet	<b>27,973,700</b>	27,973,700
<b>General</b>		
As per last Balance Sheet	<b>828,407,830</b>	328,407,830
Additions during the year	<b>1,070,471</b>	500,000,000
	<b>829,478,301</b>	828,407,830



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd..)

(₹)

<b>b) Surplus</b>	<b>31.3.2013</b>	31.3.2012
As per last Balance Sheet	<b>125,503,944</b>	13,477,493
Profit after tax for the year	<b>14,361,930</b>	630,136,569
Transfer to General Reserve	<b>(1,070,471)</b>	(500,000,000)
Proposed Dividend @ ₹ 2/- per Share	<b>(6,191,758)</b>	(15,479,395)
Tax on Dividend	<b>(1,052,289)</b>	(2,630,723)
	<b>131,551,356</b>	125,503,944
	<b>993,172,465</b>	986,054,582
<b>C. LONG-TERM BORROWINGS</b>		
Public Deposits	<b>1,533,000</b>	4,018,000
Note: Repayable on the maturity dates falling due after one year as mentioned on the face of the Deposit Receipts Interest paid @ 9.5% per annum Period & amount of default - Nil		
	<b>1,533,000</b>	4,018,000
<b>D. LONG-TERM PROVISIONS</b>		
(a) Provision for employee benefits.	—	—
(b) Others (Sales Tax - Disputed)	<b>424,904</b>	424,904
	<b>424,904</b>	424,904
<b>E. SHORT-TERM BORROWINGS</b>		
(a) Secured - Loans repayable on demand From Bank Cash Credit from Union Bank of India Secured by hypothecation of Tea Stock and Standing Crops and Equitable Mortgage on the immovable properties of the estate	<b>29,005,051</b>	21,093,930
(b) Unsecured - Deposits Repayable within one year on respective maturity date. Interest paid 9% per annum. Default - Nil Period & amount of default - Nil.	<b>33,44,000</b>	5,344,000
	<b>32,349,051</b>	26,437,930



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd..)

(₹)

	31.3.2013	31.3.2012
<b>F. TRADE PAYABLES</b>		
Sundry Creditors		
Due to Micro Small & Medium Enterprises	—	—
Due to Others	<u>46,524,853</u>	<u>45,196,954</u>
	<u>46,524,853</u>	<u>45,196,954</u>
<b>G. OTHER CURRENT LIABILITIES</b>		
(a) Unpaid dividends	2,455,746	1,650,240
(b) Unclaimed interest	20,092	18,419
(c) Interest accrued but not due on deposits	718,238	1,150,843
(There is no amount due to be credited to Investors Education and Protection Fund)		
(d) Unclaimed Deposits	—	90,000
(e) Other Payables		
Customer Credit Balance	<u>571,966</u>	<u>46,394</u>
	<u>3,766,042</u>	<u>2,955,896</u>
<b>H. SHORT-TERM PROVISIONS</b>		
Proposed Dividend	6,191,758	15,479,395
Tax on Dividend	1,052,289	2,630,723
Wealth Tax	300,000	3,00,000
	<u>7,544,047</u>	<u>18,410,118</u>



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

(₹)

**I. FIXED ASSETS**

DESCRIPTION OF ASSETS	COST				DEPRECIATION				Net Value of Assets as at 31st March	
	1st April 2012	Additions during the year	Deductions during the year	31st March 2013	1st April 2012	For the year	Deductions during the year	31st March 2013	2013	2012
<b>TANGIBLE ASSET</b>										
Free hold Land & Development	24,246,608	—	—	<b>24,246,608</b>	—	—	—	—	<b>24,246,608</b>	24,246,608
Buildings	91,632,363	—	—	<b>91,632,363</b>	50,177,732	2,234,734	—	<b>52,412,466</b>	<b>39,219,897</b>	41,444,630
Plant and Equipments	220,485,180	1,870,973	5,818,685	<b>216,537,468</b>	163,308,563	7,216,007	5,828,680	<b>164,695,890</b>	<b>51,841,578</b>	57,186,622
Furniture and Fixtures	19,509,298	1,760,963	977,673	<b>20,292,588</b>	5,945,631	1,036,264	769,357	<b>6,212,538</b>	<b>14,080,050</b>	13,968,243
Vehicles	48,666,777	6,723,907	1,044,942	<b>54,345,742</b>	17,155,770	4,504,700	942,959	<b>20,717,511</b>	<b>33,628,231</b>	31,511,007
Computer	3,742,855	2,172,058	410,022	<b>5,504,891</b>	1,067,711	621,562	340,259	<b>1,349,014</b>	<b>4,155,877</b>	2,270,568
<b>INTANGIBLE ASSETS</b>										
Computer Software	357,500	—	—	<b>357,500</b>	28,975	57,951	—	<b>86,926</b>	<b>270,574</b>	328,525
<b>Total</b>	<b>408,640,581</b>	<b>12,527,901</b>	<b>8,251,322</b>	<b>412,917,160</b>	<b>237,684,382</b>	<b>15,671,218</b>	<b>7,881,255</b>	<b>245,474,345</b>	<b>167,442,815</b>	<b>170,956,203</b>
Previous Year	377,083,581	37,927,747	6,370,747	408,640,581	230,588,284	13,465,206	6,369,110	237,684,380	170,956,203	146,495,297







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

(₹)

	<b>31.3.2013</b>	31.3.2012
<b>K. LONG-TERM LOANS AND ADVANCES</b>		
Unsecured and Considered Good		
Security Deposits	<b>10,207,776</b>	8,836,634
Others - Rent Advance	<b>4,376,100</b>	3,651,000
	<b>14,583,876</b>	12,487,634

**L. CURRENT INVESTMENTS**

Particulars	Nominal Value of each Share		As at 31st March, 2012		Addition during the year		Deletions during the year		As at 31st March, 2013	
	₹	No. of Shares	₹	No. of Shares	₹	No. of Shares	₹	No. of Shares	₹	No. of Shares
In fully paid Shares / Mutual Fund Units at cost										
Quoted -										
Mutual fund										
Reliance Money Manager Retail Growth Plan		11	15,000				11	15,000		
Reliance Money Institutional Option Dividend Plan		820	820,737		20,885	20,914,437			21,705	21,735,174
HDFC Cash Management Retail Growth Plan		675	15,000				675	15,000		
HDFC Cash Management Wholesale Dividend Plan		1,438,009	14,425,384		3,788	37,995	1,441,796	14,463,379		
HDFC Medium Term Opportunity Fund		39,745,277	450,000,000						39,745,277	450,000,000
HDFC Cash Management TAP Dividend Plan		9,611,564	96,418,399		399,603	4,008,617	10,011,167	100,427,016		
Birla Sunlife Floating Rate Short Term Growth Fund		112	20,000				112	20,000		
Kotak Floater Long Term Growth Fund		918	15,000				918	15,000		
Kotak FMP Series 76 Growth Fund		5,000,000	50,000,000						5,000,000	50,000,000
ICICI Prudential Income Plan Regular Growth Fund		129	15,000				129	15,000		
HDFC FRIF STP Wholesale Daily Dividend Plan					3,751,653	37,820,035	2,450,178	24,700,000	1,301,475	13,120,035
IDFC Money Manager Fund- Investment Plan - Growth					2,750,744	50,000,000			2,750,744	50,000,000
IDFC Money Manager Fund- Investment Plan - DDP					2,487,021	25,048,526			2,487,021	25,048,526
			611,744,520		137,829,610		139,670,395		619,903,735	
			As at 31st March 2012		As at 31st March 2013					
			Cost	Market Value	Cost	Market Value				
			₹	₹	₹	₹				
Unquoted Investments			—	—	—	—				
Quoted Investments			611,744,520	617,635,236	609,903,735	669,293,753				



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd..)

(₹)

	31.3.2013	31.3.2012
<b>M. INVENTORIES</b>		
Finished Goods		
Tea - valued at cost	14,950,000	27,100,000
Pepper - valued at cost	—	2,050
Stores and Spare Parts - valued at average cost	15,934,328	9,223,026
Nursery Stock - valued at average cost	388,557	—
Loose Tools - valued at average cost	416,978	372,178
	<u>31,689,863</u>	<u>36,697,254</u>
<b>N. TRADE RECEIVABLES</b>		
Unsecured considered good;		
i) Aggregate amount of Trade Receivables outstanding for a period exceeding six months	147,587	1,595,584
ii) Others	6,577,027	29,459,080
	<u>6,724,614</u>	<u>31,054,664</u>
<b>O. CASH AND CASH EQUIVALENTS</b>		
(i) Cash and cash equivalents shall be classified as:		
(a) Balances with banks	25,344,478	21,021,254
(b) Cheques, drafts on hand	—	—
(c) Cash on hand	1,172,971	1,188,568
(ii) Unpaid dividend Account	2,455,746	1,650,240
(iii) Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments shall be disclosed separately.	274,719	274,719
(iv) Bank Deposits	27,113,632	—
(v) Bank deposits (Deposit held in Escrow Account) - Maturing after 31.03.2013 (Refer Note No. 7(B)(a) - Other notes to financial statements)	24,327,000	40,272,000
	<u>80,688,546</u>	<u>64,406,781</u>

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

(₹)

	<b>31.3.2013</b>	31.3.2012
<b>P. SHORT-TERM LOANS AND ADVANCES</b>		
Unsecured and Considered Good		
Advances recoverable in cash or in kind or for value to be received	<b>2,887,347</b>	2,874,824
Balance with Central Excise Authorities	<b>179,214</b>	180,714
Interest accrued on bank Deposits	<b>2,876,614</b>	1,256,596
Loans and Advances		
a) Related Party	<b>7,500,000</b>	—
b) Inter Corporate Loans	<b>20,000,000</b>	—
Advance payment of Tax (Net of provision) and Tax Deducted at Source	<b>78,668,118</b>	73,913,131
	<b>112,111,293</b>	78,225,265
<b>Q. OTHER CURRENT ASSETS</b>		
Preliminary Expenses	—	109,836
Less : Written off during the year	—	109,836
	—	—



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd..)

(₹)

<b>1 REVENUE FROM OPERATIONS :</b>	<b>31.3.2013</b>	<b>31.3.2012</b>
Sales of Products		
Tea	<b>397,461,428</b>	295,544,178
Minor Produce	<b>3,610</b>	378,040
Other Operating Revenues		
Sale of Electricity to TNEB	<b>3,428,142</b>	3,492,481
	<b>400,893,180</b>	299,414,699
Less : Excise Duty	<b>—</b>	—
	<b>400,893,180</b>	299,414,699
<b>2 OTHER INCOME</b>		
Interest on		
Bank Deposit	<b>3,888,729</b>	2,234,602
Loans	<b>2,762,603</b>	6,361,916
Others	<b>5,472,930</b>	1,910,780
(Tax Deducted at Source ₹ 9,17,913/-)		
Dividend	<b>5,514,745</b>	16,060,261
Profit on Sale of Fixed Assets	<b>944,305</b>	166,996
Profit on Sale of Investment	<b>1,745,585</b>	743,449,639
Other Non Operating Income - Miscellaneous Receipts	<b>333,376</b>	336,367
Sale of trees on contract	<b>2,345,750</b>	2,700,000
Extraordinary income	<b>—</b>	—
Debts written off recovered	<b>120,000</b>	180,000
	<b>23,128,023</b>	773,400,561
<b>3 CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
Opening Stock of Finished Goods		
Tea	<b>27,100,000</b>	51,000,000
Minor Produce	<b>2,050</b>	85,920
	<b>27,102,050</b>	51,085,920
Less : Closing Stock of Finished Goods		
Tea	<b>14,950,000</b>	27,100,000
Minor Produce	<b>—</b>	2,050
	<b>12,152,050</b>	23,983,870



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd..)

(₹)

	31.3.2013	31.3.2012
<b>4 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, Wages and Bonus	155,658,674	145,055,938
Contribution to Provident, Gratuity and Pension Fund	42,761,136	19,204,240
Employees Welfare Expenses	12,861,578	11,216,213
	<u>211,281,388</u>	<u>175,476,391</u>
<b>5 FINANCE COSTS</b>		
Interest expense		
Public Deposits	755,922	1,177,922
Cash Credit and others	391,970	2,267,628
	<u>1,147,892</u>	<u>3,445,550</u>
<b>6 OTHER EXPENSES</b>		
Power and Fuel	43,257,279	43,592,829
Repairs to Buildings	19,007,071	19,622,006
Repairs to Machinery	11,082,492	11,244,361
Insurance	1,776,681	2,074,092
Rates and Taxes	618,992	1,045,193
Transport	4,280,285	3,574,744
General Charges - Estate	6,626,440	5,176,837
General Charges - others	5,295,853	3,245,467
Receiving and Forwarding	6,307,007	7,193,299
Cess and Sample Charges	1,918,758	1,723,106
Commission and Brokerage	4,418,260	2,526,216
Miscellaneous Expenses	4,385,004	2,358,776
Payments to Auditors for:		
Auditor's remuneration		
For Statutory Auditors	148,596	90,000
For Certifying Statements	56,740	66,690
For Taxation matters	84,270	55,150
For Others matters	19,050	34,193
For Cost Auditors	30,000	30,000
Directors' Sitting Fees	145,000	140,000
Donations	700,000	—
Loss on sale of Assets	—	—
Legal Expenses	1,741,018	5,323,195
Rent	7,460,800	4,209,818
Travelling Expenses	9,629,429	3,219,350
	<u>128,989,025</u>	<u>116,545,322</u>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd..)

### 7. ACCOUNTING POLICIES

#### A. ACCOUNTING POLICIES

##### 1. *Basis of Accounting*

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

##### 2. *Principles of Consolidation*

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

##### 3. *Method of Accounting*

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

##### 4. *Revenue Recognition*

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

##### 5. *Own Fixed Assets*

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

##### 6. *Depreciation*

Depreciation is provided on Straight Line basis in accordance with Schedule XIV of Companies Act, 1956 except field machineries which are depreciated over two year period.

##### 7. *Investments*

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

##### 8. *Inventories*

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

##### 9. *Sale of Trees*

Sale of trees given on contract is accounted on realization.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd..)****10. Employee benefits:****I. Short Term**

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

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

**11. Current Tax**

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

**12. Deferred Tax**

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

**13. Impairment of Assets**

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

**14. Wind Power**

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

**B. OTHER NOTES TO FINANCIAL STATEMENTS****a) Contingent Liabilities and commitments-**

- i. Contingent liabilities: Nil
- ii. Commitments

With respect to the divestment of the shares in The Andhra Pradesh Paper Mills Limited during the year under the Share Purchase Agreement (SP Agreement) and Indemnity Agreement between all the sellers including the Company, IP Holding Asia Singapore Pte. Ltd and International Paper Company, the sellers including the company have agreed to indemnify and hold free harmless to IP Holding Asia Singapore Pte. Ltd. and International Paper Company from losses incurred or suffered in terms of indemnification clause(s) of the said SP Agreement and Indemnity Escrow Agreement. Further, as per the aforesaid agreements, term deposits under Escrow account with Citibank is ₹ 2,43,27,000/- as on 31st March 2013.

b) No amount is due and payable to any micro, small and medium enterprises as defined under MSME Development Act, 2006. No interest is due and / or has been paid or is payable to such parties.

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



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd..)

d) Subsidiary companies considered in the consolidated financial statements.

Name of the Company	Country of Incorporation	% of Voting Power held on 31.03.2013	% of Voting Power held on 31.03.2012
PKT Plantations Limited	India	100%	100%
Shivphal Vinimay (P) Limited	India	100%	100%

e) Deferred Tax:

Deferred tax liability as at 31st March 2013 comprises of:

Particulars	Opening as on 01.04.2012 ₹	Provided during the year ₹	Closing as on 31.03.2013 ₹
On account of depreciation	50,33,765	1,49,125	51,82,890

**31.3.2013**      31.3.2012  
₹                      ₹

f) Earnings in Foreign Exchange

**Nil**                      Nil

g) Expenditure in Foreign Currency

**13,21,450**                      Nil

h) Segment wise revenues, results and other information:

Particulars	31.03.2013			31.03.2012		
	Tea	Windmill	Total	Tea	Windmill	Total
<b>Revenue</b>						
External Sales	397461428	3428142	400889570	295544178	3492481	299036659
Inter segment revenue		13743465	13743465		12293072	12293072
<b>Total</b>	<b>397461428</b>	<b>17171607</b>	<b>414633035</b>	<b>295544178</b>	<b>15785554</b>	<b>311329731</b>
Less Inter Segment Revenue			13743465			12293072
			<b>400889570</b>			<b>299036659</b>
<b>Results</b>						
Operating Profit/(Loss)	(19122966)	15025934	(4097032)	(70151572)	13622950	(56528622)
Less: Interest			(1147892)			3445550
Add: Other Income			23128023			773778601
<b>Profit before tax</b>			<b>17883099</b>			<b>713804429</b>
Provision for taxation			3521169			83667860
<b>Profit after tax</b>			<b>14361930</b>			<b>630136569</b>
Other Information						
Segment Assets	413241007		413241007	393827802		393827802
Add: Unallocated assets			708215035			725663137
<b>Total</b>			<b>1121456042</b>			<b>1119490939</b>





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

Particulars	31.03.2013			31.03.2012		
	Tea	Windmill	Total	Tea	Windmill	Total
Segment Liabilities	97324787		97324787	102477567		102477567
Add: Unallocated liabilities			1024131255			1017013372
<b>Enterprise liabilities</b>			<b>1121456042</b>			<b>1119490939</b>
Capital Expenditure	12527901		12527901	37927749		37927749
Depreciation	15671218		15671218	13465206		13465206

- i) The Company has taken office buildings on lease and the lease rent amounting to ₹ 74,60,800/- (previous year ₹ 42,09,818/-) has been charged to Profit & Loss Account. Assets are taken on lease over a period of three years. Future minimum lease payments are as under:

Not Less than one year	:	₹ 11,23,000
Later than one year but not later than five years	:	₹ 1,25,40,000
More than five years	:	₹ Nil

- j) Related Party Disclosures

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

Key Management Personnel	Shri L.N. Bangur Smt. Alka Bangur Shri Shreeyash Bangur Shri Prakash Parasher (Resigned on 21.07.2012)
Associate Companies	M.B.Commercial Company Ltd. Amalgamated Development Ltd. Maharaja Shree Umaid Mills Ltd. The Marwar Textiles (Agency) Pvt.Ltd. Placid Ltd. Sree Rama Vaikunth Trust Navjoti Commodity Management Services Ltd. Samay Books Limited
Relatives of Key Management Personnel	Ms. Sheetal Bangur Shri. Yogesh Bangur Shri. Rahul Parasher



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd..)

### k) Transactions during the year with Related Parties

	Nature of transaction	Associate Company	Key Managerial Personnel	Relatives of Key Managerial Personnel	Subsidiary Company
		₹	₹	₹	₹
1	Interest receipts				
	a) Placid Limited	Nil (57,07,533)			
	b) M.B. Commercial Co. Ltd.,	5,37,945 (5,60,274)			
2	Rent payments				
	a) M.B. Commercial Co. Ltd.	25,200 (25,200)			
	b) Marwar Textiles Agency (P) Ltd.	52,800 (52,800)			
	c) Shree Rama Vaikunt Trust	3,00,000 (3,00,000)			
3	Dividend receipts				
	The Andhra Pradesh Paper Mills Ltd.	Nil (12,23,093)			
4	Purchase of Asset				
	Santhosh Overseas Company represented by Mr. Rahul Parasher			4,77,412 (7,33,167)	
5	Inter Corporate loans given to				
	Placid Limited	Nil (2,50,00,000)			
	M.B. Commercial Co. Ltd	75,00,000 (75,00,000)			
6	Printing				
	Samay Books Limited	31,106 (Nil)			
7	Remuneration				
	a) Smt. Alka Bangur		33,27,353 (29,60,772)		
	b) Shri. Shreeyash Bangur		13,25,680 (9,10,800)		
	c) Shri. Prakash Parasher		17,33,877 (28,32,953)		



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

	Nature of transaction	Associate Company	Key Managerial Personnel	Relatives of Key Managerial Personnel	Subsidiary Company
		₹	₹	₹	₹
8	Outstandings Receivables M.B. Commercial Co. Ltd.	75,00,000 (Nil)			
	Payables	Nil (Nil)			

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

**I. Statement pursuant to Section 212(B) of the Companies Act, 1956 relating to Subsidiary Companies**

The Company has opted for exemption granted vide Circular No.2/2012 dated 8th February 2012 relating to not attaching the Balance Sheet of subsidiary companies under Section 212(8) of the Companies Act, 1956. The details of subsidiary companies as at 31st March 2013 as required vide Circular No.2/2012 are as follows:

Name of the Subsidiary	PKT Plantations Limited ₹	Shivphal Vinimay Private Limited ₹
Capital	25,00,000	5,00,000
Reserves & Surplus	1,88,269	(69,586)
Total Assets (Fixed Assets + Current Assets)	27,48,346	4,80,187
Total Liabilities (Debts + Current Liabilities)	86,864	49,773
Investments *excluding investment in Subsidiary	—	—
Miscellaneous Expenditure (to the extent not written off)	—	—
Total Income	2,67,886	16,683
Profit before tax	2,08,059	(47,032)
Provision for taxation	72,044	—
Profit / (Loss) after tax	1,36,015	(47,032)
Proposed Dividend	—	—



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd..)

### m) Earnings Per Share

	31.03.2013	31.03.2012
Profit after tax	1,43,61,930	63,01,36,569
Weighted average No. of shares outstanding	30,95,879	30,95,879
Basic earnings per share ₹ (Nominal value of equity shares ₹10/- per share)	4.64	203.54

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

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

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

Kolkatta,  
May 28, 2013

For and on behalf of the Board

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

**R.V. Sridharan**  
CFO & Company Secretary

**ATTENDANCE SLIP**



**THE PERIA KARAMALAI TEA AND  
PRODUCE COMPANY LIMITED**

Please complete this Attendance Slip and hand it over at the entrance of the Meeting Hall. Only members or their proxies are entitled to be present at the meeting.

DP. Id*	<input type="text"/>	Master Folio No.	<input type="text"/>
Client Id*	<input type="text"/>	No. of Shares	<input type="text"/>

I hereby record my presence at the 100th Annual General Meeting held at Hotel The Residency, on 7th August 2013 at 10.30 a.m. as a Shareholder/Proxy.

.....  
Name of Proxy in Block Letters

.....  
Signature of the Shareholder / proxy

\* Applicable for investors holding shares in dematerialised form.



**THE PERIA KARAMALAI TEA AND  
PRODUCE COMPANY LIMITED**

**PROXY FORM**

DP. Id*	<input type="text"/>	Master Folio No.	<input type="text"/>
Client Id*	<input type="text"/>	No. of Shares	<input type="text"/>

I / We ..... of ..... being a member / members of the above-named Company hereby appoint ..... of ..... or failing him ..... of ..... as my / our proxy to vote for me / us on my / our behalf at the 100th Annual General Meeting of the Company to be held on 7th August 2013 at 10.30 a.m. at Hotel The Residency, 1076, Avinashi Road, Coimbatore - 641 018 and at any adjournment thereof.

Signature..... 

Re.1 Revenue Stamp
--------------------------

.....

\* Applicable for investors holding shares in dematerialised form.

NOTE : An instrument appointing a proxy shall be deposited at the Registered Office of the Company not less than **Forty eight hours** before the time for holding the meeting. A proxy need not be a member.