



THE PERIA KARAMALAI TEA AND PRODUCE
COMPANY LIMITED

101st
ANNUAL REPORT
2013-2014





Sustainable
Agriculture
Network
INDOCERT



This Certification has been awarded to:

**M/s. The Peria Karamalai Tea & Produce Company Limited,
Karamalai Group Office,
Karamalai Bazaar P.O.,
Valparai – 642130, Coimbatore Dt., Tamilnadu.**

Certificate number: **IND-F-008427**

INDOCERT herewith certifies that the areas/sites listed below are found in compliance with Sustainable Agriculture Standard, July 2010 and Farm and Group Administrator Certification Policy, January 2013.

Crop name	Production Area (Ha.)	Production Volume(Kg.)
Tea (Camellia sinensis)	1518.46 Ha.	4042000 kg.

Effective date of Certification : **26/07/2014**

Expiration date : **25/07/2017**

Date of revision:
(in case of revision of certificate only)

Aluva

26/07/2014



INDOCERT, Thottumugham P.O., Aluva, Ernakulam Dist., Kerala - 683 105, Phone / Fax : 0484 - 2630908, 2620943
e-mail : info@indocert.org, website : www.indocert.org

Recently, the company has been awarded certification by INDOCERT for complying with Sustainable Agriculture Standard in respect of tea under Sustainable Agriculture Standard, July 2010 and Farm and Group Administrator Certification Policy, January 2013.



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 : 286, Race Course Road
Coimbatore - 641 018 Tamil Nadu

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

Bankers : Union Bank of India

**Registrar & Share
Transfer Agents** : M/s. SKDC Consultants Ltd.
Kanapathy Towers
1391/A-1, III Floor
Sathy Road, Ganapathy
Coimbatore - 641 006
Tel No. +91 (422) 6549995, 2539835, 2539836
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Contents	Page
Directors' Report	3
Management Discussion & Analysis.....	8
Report on Corporate Governance	10
Auditors' Report	19
Financial Statements	24
Notes to Financial Statements	27
Consolidated Financial Statements	45



DIRECTORS' REPORT

Your Directors have pleasure in presenting the 101st Annual Report for the year ended 31st March 2014.

FINANCIAL RESULTS

₹ in lakhs

	2013-14	2012-13
Profit before interest, depreciation and tax	383.16	345.41
Interest	31.60	11.48
Profit before depreciation	351.56	333.93
Depreciation	156.43	156.71
Profit before Tax	195.13	177.22
Provision for tax:		
Current tax	50.00	33.00
Deferred tax liability	(1.24)	1.49
Profit after tax	146.37	142.73
Add: Balance brought forward from previous year	1314.33	1254.74
Profit available for appropriation	1460.70	1397.47
APPROPRIATIONS		
Proposed Dividend @ Rs.1.50/- per share	46.44	61.92
Tax on proposed dividend @ 16.995%	7.89	10.52
Transfer to General Reserve	7.32	10.70
Surplus carried to Balance Sheet	1399.05	1314.33
Total	1460.70	1397.47

DIVIDEND

The Board of Directors is pleased to recommend a dividend of ₹ 1.50 /- per share (last year ₹ 2/- per share) for the year ended 31st March 2014.

OPERATIONS

PRODUCTION

During the financial year 2013-14, the Company harvested a crop of 37,72,001 kg of made tea as against 38,11,721 kg harvested in 2012-13. The production suffered set back due to unprecedented monsoon rains in the months of June and July. However, with the adoption of best agricultural practices, the Company managed to compensate the crop loss and at the end financial year the crop was marginally down by 1% only.

PRICE & SALES

Your company's average tea price realized ₹103.82 per kg as against ₹ 100.91 per kg realized last year despite depressed market conditions. The Company has made a total sales realization of ₹ 3658.48 lakhs compared to ₹ 3974.61 lakhs during the same period last year.

FUTURE PROSPECTS

The major black tea producer Kenya has reported 67% increase in its crop. Other major producing countries like Sri Lanka, Uganda and others also reported higher crop. India has reported a crop of 1200.04 million kg during 2013 as against 1126 million kg reported in 2012.

There is a surplus black tea production of 211 million kg globally, part of which is carried over to the current year. This has increased the availability of tea both in India and abroad to a larger extent. This surplus had a negative effect in the market which is currently felt in global auctions. From the beginning of the current financial year, the weather conditions have not been favorable to India and other major tea producing countries including East Africa.

North India has reported huge crop loss in April and May of the current financial year. As per the figures available from Tea Board, total production till May was 148.18 million kg. as against 178.84 million kg. during the same period last year, resulting in crop loss of 30.66 million kg. Moderately good crop has been reported from June onwards. However, it seems unlikely that the shortfall will be made up.

If the consumption growth in India which is estimated at about 25 to 35 million kg annually is factored in, then it would indicate change in supply demand ratio that might result in shortage in the later part of the year.

As the major cropping months are between July and November, the buyers will adopt the wait and watch policy and most probably will react later when situation become clear.

We are optimistic that CTC Tea market will make a turn-around in the later part of the year and eventually end on better note. In the short term, the accent will be on quality and every effort needs to be made to cater to the market requirements.

The Company has started host of initiatives towards increasing the quality of tea since in the depressed market conditions, only good liquoring tea will have a smooth market.



In order to generate additional revenue in future, the Company has taken up pepper and cinnamon cultivation.

REPLANTING

I mentioned in my last report that the company will take up replanting of tea for stable and sustainable growth. I am pleased to inform that your Company has completed replanting of tea in 10 hectares at Nadumalai Estate during the first quarter of the current financial year.

RAIN FOREST ALLIANCE CERTIFICATE

I am pleased to inform that recently, the Company has been awarded certification by INDOCERT for complying with Sustainable Agriculture Standard in respect of tea under Sustainable Agriculture Standard, July 2010 and Farm and Group Administrator Certification Policy, January 2013.

WIND TURBINES

During the year under review, the Wind Mills generated 46,98,607 units as against 44,04,522 units generated during the same period last year which is satisfactory. The Company has entered into an agreement with TANGEDCO for banking the surplus energy generated by the windmills.

PUBLIC DEPOSITS

Deposits outstanding as on 31st March 2014 were Rs.13.58 lakhs. There were no unclaimed deposits as on 31st March 2014.

LISTING

Your Company's shares are listed in Madras Stock Exchange Limited, Chennai and Calcutta Stock Exchange Limited, Kolkata. The Annual Listing Fee for the year 2014-15 has been paid to them.

TRANSFER OF UNCLAIMED AMOUNTS TO IEPF

In terms of Section 205C of the Companies Act, 1956 an amount of Rs.98,184/- being unclaimed dividend for the season 2005-06 was transferred during the year to the Investor Education and Protection Fund (IEPF) established by the Central Government.

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 L.N.Bangur is liable to retire by rotation at the ensuing Annual General Meeting, and being eligible, offers himself for reappointment.

In order to comply with the provisions of Section 149 read with Schedule IV of the Companies Act, 2013 and Clause 49 of the Listing Agreements entered into with the stock exchanges, Shri R.L.Gaggar, Shri H.M.Parek, Shri P.R.Ramakrishnan and Shri N.Swaminathan are proposed to be appointed as Independent Directors. The said Directors have consented to act as Independent Directors and in respect of whom nominations with required deposit have been received from members.

The present terms of Smt.Alka Bangur as Managing Director of the Company expire on 16th September 2014. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on 8th August 2014 has given its approval for the re-appointment of Smt Alka Bangur for further terms of three years subject to the approval of the Company in the General Meeting.

A brief profile of the above directors as stipulated under Clause 49 of the Listing Agreement form part of the Notice of the ensuing Annual General Meeting.

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, 2014 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:

1. all applicable accounting standards have been followed in the preparation of annual accounts and that there are no material departure.
2. 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 2014 and of the profit of the Company for the year ended on that date.
3. 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
4. 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.

The Company has received letter from them to the effect that their reappointment, if made, would be within the limits prescribed under Section 139 of the Companies Act, 2013 and that they are not disqualified for such reappointment within the meaning of Section 141 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 2013-14. The Cost Audit Report for the financial year 2012-13 has been filed within the due date.

ADDITIONAL DISCLOSURES

Management Discussion and Analysis Report, Corporate Governance Report, Segment Report and Related Party Disclosures provided elsewhere in the Annual Report forms part of this report as required under the Listing Agreement entered into with the Stock Exchanges. 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 2014.

ACKNOWLEDGEMENTS

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

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

For and on behalf of the Board

Kolkata,
8th August 2014.

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	31.3.2014	31.3.2013
1. Electricity		
a) Purchased:		
Units	35,70,265	32,44,168
Total Amount (₹)	2,83,24,834	2,32,21,466
Rate/Unit (₹)	7.93	7.16
b) Own Generation		
(i) Through Diesel Generators - Units	32,451	2,15,767
Units per Litre of Diesel	1.63	2.43
Cost/Unit (₹)	35.72	19.11
(ii) Through Wind Turbine Generators - Units	46,98,607	44,04,522
2. Others		
(i) Firewood		
Quantity (Kg.)	66,09,742	33,64,470
Total Cost (₹)	2,11,16,275	1,33,76,895
Average Rate (₹/Kg.)	3.19	3.98
(ii) Bio fuel		
Quantity (Kg.)	10,47,801	28,55,670
Total Cost (₹)	62,19,392	1,53,77,364
Average Rate (₹/Kg.)	5.94	5.38



B. CONSUMPTION PER UNIT OF PRODUCTION

Product - Tea

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

Electricity : Unit

0.96

0.91

Fuel : Kg.

2.03

1.63

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 up gradation off the field and on the field.
	c.	Future plan of action and expenditure on R & D	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	Nil

Kolkatta,
8th, August 2014

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



MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW

Global tea production in 2013 went up by 4.58% compared to 2012. Global tea production was reported at 4819.08 million kg in 2013 compared to 4,608.31 million kg in 2012. The increase in production was 211 million kg compared to last year. The Indian Tea Industry saw the production figure surging ahead to end at 1200 million kg in 2013.

India produced 1200.04 million kg in 2013 compared to 1126.33 million kg in 2012. South Indian Tea industry produced 242.6 million kg compared to 239.83 million kg in 2012. North India produced 957.44 million kg in 2013 compared to 886.95 million kg in 2012.

There was an increase of 5.57% in the auction average. All India auction average stood at Rs. 132.23 per kg in 2013 compared to Rs.125.25 per kg in 2012. North India averaged Rs.137.25 per kg compared to Rs.117.43 per kg in 2012. South Indian Tea averaged Rs.100.53/-per kg compared to Rs.88.69/- per kg.

Export of tea from India was 211.86 million kg in 2013 compared to 208.23 million kg in 2012 and imports were 20.01 million kg in 2013 compared to 20.62 million kg in 2012.

OUTLOOK FOR 2014

Kenya, Sri Lanka, Uganda and other tea producing countries reported significant increase in the crop. Part of the last year's surplus tea which was carried over to the current year has increased the availability of tea both in India and abroad to a large extent. As a result, market has become sluggish.

North Indian gardens reported significant reduction in crop in the first two months of the current financial year. However, moderately good crop has been reported from June onwards.

It is expected that the CTC tea market will make a turn around in the later part of the year and eventually end on the better note.

The Company has started host of initiatives towards increasing the quality of tea since in the depressed market conditions, only good liquoring tea will have a steady market.

OPPORTUNITIES

Demand for green tea is surging in India and around the globe. Presently, India's green tea production constitutes 1.5% of the total production. The presence

of anti-oxidants in green tea has an added advantage in pushing up the green tea consumption.

Domestic consumption of tea is increasing by about 2.5 to 3.0 % annually. Opportunities are plenty for Indian Tea Companies to set-up tea gardens in other countries.

CHALLENGES

The ageing tea bushes causes worry for the Indian Tea Industry particularly South Indian tea gardens. Since the overall wages in South India is significantly higher in comparison with North India, areas with old bushes are to be replaced with clonal fields to get the advantages of enhancement in quality, better realisation and lower cost of production.

Lack of standardisation and quality with regard to packing, usage of pesticide and MRL problems affect export of teas from India. Planning / budgeting may not really work in tea industry due to unpredictable weather conditions. The tea industry has to face severe competition from soft drinks manufacturers Tea gardens, especially South Indian Tea gardens are facing severe shortage of labour. Cost of labour and other input cost have gone up significantly leaving very little margin for the industry. Tea being agriculture based, production is very much dependent on conducive weather conditions.

RISK & CONCERNS

The Company has put in place a risk management policy to identify the nature and magnitude of risk associated with the Company and to take steps for mitigating the impact of such risks. These are reviewed periodically and placed before the 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.

HUMAN RESOURCE

Employer - employee relations continued to remain cordial during the year. Training and development of employees continue to be an area of prime importance. The devotion and commitment of our employees has enabled the Company to fulfill its targets and deadlines in time. The total number of employees on the rolls of the company as on 31st March 2014 was 2028.

**RISK MANAGEMENT**

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

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.



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

a) Composition

The composition of Directors and also number of other directorship are as follows:

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	13	2	1
Smt. Alka Bangur	Promoter – Managing Director	1	—	—
Shri Shreyash Bangur	Promoter-Deputy Managing Director	7	—	—
Shri R.L.Gaggar	Non Executive - Independent	11	7	—
Shri H.M.Parekh	Non Executive - Independent	9	3	2
Shri P.R.Ramakrishnan	Non Executive - Independent	1	—	—
Shri N.Swaminathan	Non Executive - Independent	1	—	—

Note : Excludes directorship in private companies.

Only Audit Committee / Share Transfer Committee membership is considered.

Shri L.N. Bangur, Smt. Alka Bangur and Shri Shreyash Bangur are related to each other. None of the other directors are related.

b) Meetings of the Board of Directors

During the financial year 2013-14, five meetings of the Board of Directors were held on 28th May 2013, 7th August 2013, 28th September 2013, 7th November 2013 and 13th February 2014.

c) 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 2013-14 and at the last Annual General Meeting held on 7th August 2013 were as under:

Name of the Director	Board Meeting		Annual General Meeting
	Held during the year	Attended	
Shri L.N.Bangur	5	4	Yes
Smt. Alka Bangur	5	4	Yes
Shri Shreyash Bangur	5	4	Yes
Shri R.L.Gaggar	5	2	No
Shri H.M.Parekh	5	1	No
Shri P.R.Ramakrishnan	5	3	Yes
Shri N.Swaminathan	5	5	Yes



3. Audit Committee

The Audit Committee was constituted to review the financial statements, annual budgets, internal control systems, accounting policies and practices, internal audit and administration. The terms of reference of Audit Committee are as required by SEBI under Clause 49 of the Listing Agreement.

i) 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 members of the Audit Committee as on 31st March 2014 comprised of:

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

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.

ii) Meetings

During the year, the Audit Committee met four (4) times on 24th May 2013, 5th August 2013, 4th November 2013 and 8th February 2014.

iii) Attendance

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

The Board of Directors of the Company at its meeting held on 29th May 2014 has revised the terms of reference of the Audit Committee in conformity with the provision of Section 177 of the Companies Act, 2013 and amended Clause 49 of the Listing Agreement.

4. Remuneration Committee

i) Terms of reference:

Remuneration Committee was constituted by the Board of Directors to review and / or determined remuneration package of the Executive Directors of the Company in accordance with the guidelines laid out by the statute and the Listing Agreement with the Stock Exchanges.



ii) 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.

iii) Composition

The members of the Remuneration Committee as on 31st March 2014 comprised of:

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

iv) Meeting

During the year 2013-14, Remuneration Committee met on 4th November 2013.

v) Remuneration to Executive Directors

The details of remuneration paid to Smt. Alka Bangur, Managing Director, and Shri Shreeyash Bangur, Deputy Managing Director during the financial year 2013-14 are given below:

Name	Salary (₹)	Perquisites (₹)	Contribution to Provident fund & Super Annuation Fund (₹)	Total (₹)
Smt. Alka Bangur	20,19,333	12,11,600	5,45,220	37,76,153
Shri Shreeyash Bangur	15,13,000	15,13,000	4,08,510	34,34,510

The Company does not have Employees Stock Option Scheme.

vi) Payments to Non-Executive Directors

Director	Sitting fees ₹
Shri L.N. Bangur	40,000
Shri R.L. Gaggur	5,000
Shri H.M. Parekh	5,000
Shri P.R. Ramakrishnan	45,000
Shri N. Swaminathan	50,000

The Board of Directors of the Company at its meeting held on 29th May 2014 has renamed its Remuneration Committee as "Nomination and Remuneration Committee" and has also revised the terms of reference of the said Committee in conformity with the applicable provisions of Section 178 of the Companies Act, 2013 read with the amended Clause 49 of the Listing Agreement.

5. Shareholding of Non-Executive Directors

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



6. Share Transfer / Investor Grievance Committee

The Share Transfer / Investor Grievance Committee was constituted 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 and transmission of shares, dividends, non-receipt of declared dividends, non receipt of annual report, dematerialisation of shares etc.

The Committee also approves transfer, transmission, transposition, consolidation, split, name deletion and issue of duplicate Share Certificates. In addition, the Committee looks into other issues including status of dematerialisation / re-materialisation of shares as well as systems and procedures to followed to track investor complaints and suggest measures for improvement from time to time.

i) Members

The members of the Committee as on 31st March 2014 comprised of:

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

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

ii) Meetings

During the year under review, the Committee met 31 times to deliberate on various matters referred above.

iii) Complaints

The status of complaints received from the investors during the financial year 2013-14 is furnished below:

Complaints pending as on 1st April 2013	Nil
Complaints received during the year	5
Complaints resolved during the year	5
Complaints pending as on 31st March 2014	Nil

The Board of Directors of the Company at its meeting held on 29th May 2014 has renamed its Share Transfer / Investor Grievance Committee as "Stakeholders Relationship Committee" in conformity with the applicable provisions of the Companies Act, 2013 read with the amended Clause 49 of the Listing Agreement.

7. General Body Meetings

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

Year	Date	Time	Venue
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
2012-13	07.08.2013	11.00 a.m.	The Residency, Avinashi Road Coimbatore - 641 018



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

Date	Description of Special Resolution passed
21.07.2012	Approval for holding and continuing to hold an office or place of profit in respect of Shri Shreeyash Bangur under Section 314 of the Companies Act, 1956.

iii) No Special Resolution was passed through postal ballot during the financial year 2013-14

iv) As required under Clause 35B of the Listing Agreement, the Company has proposed to provide e-voting / postal ballot (in lieu of e-voting) in respect of all resolutions to be passed at the ensuing Annual General Meeting.

8. 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.

9. 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.

10. 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.

11. Code of conduct for Directors and Senior Executives

- a) 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.
- b) The Company has framed a Code of Conduct for prevention of insider trading pursuant to SEBI (Prohibition of Insider Trading) Regulations, 1992. This Code is applicable to all directors / officers / designated employees. The Code ensures prevention of dealing in shares by persons having access to unpublished price sensitive information.

12. CEO/CFO Certification

A certificate duly signed by the Managing Director 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.

13. 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.

14. Means of communication

Quarterly, half yearly and annual financial results are published in Trinity Mirror (English Version) and Makkal Kural (Tamil Version). Quarterly and half yearly financial results are not sent to the shareholders individually.

15. General Shareholder Information

	Date & Time	Venue
101st Annual General Meeting	22nd September 2014 10.30 a.m.	The Indian Chamber of Commerce & Industry, Avinashi Road, Coimbatore - 641 018



16. Financial Calendar (tentative and subject to change)

Financial year 2014-15	April to March
Unaudited Financial Results for the quarter ending 30th June, 2014	8th August, 2014
Unaudited Financial Results for the quarter ending 30th September, 2014	14th November, 2014
Unaudited Financial Results for the quarter ending 31st December, 2014	14th February, 2015
Audited Financial Results for the year ending 31st March, 2015	29th May, 2015

Date of Book closure for payment of dividend : 18th September 2014 to 22nd September 2014
(Both days inclusive)

Date of Payment of Equity Dividend : 10th October 2014

17. Listing on Stock Exchanges

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

Madras Stock Exchange Limited
No. 30, 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 2014-15 to the Madras Stock Exchange and Calcutta Stock Exchange.

18. 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

19. 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 2013-14.

Month	High	Low
April - 13	164.95	150.00
May - 13	—	—
June - 13	—	—
July - 13	—	—
August - 13	—	—
September - 13	—	—



Month	High	Low
October - 13	—	—
November - 13	—	—
December - 13	—	—
January - 14	126.00	114.05
February - 14	125.70	109.60
March - 14	125.60	105.75

The Company's equity shares are traded in National Stock Exchange since 30.06.2011 under permitted category.

There was no trading in the equity shares of the Company in Madras and Calcutta Stock Exchanges during the year.

20. 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

21. 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 / Investor Grievance Committee.

22. Distribution of Equity Shareholding as on 31st March 2014

Slab of Shareholdings	Shareholders		Shares	
	Number of shareholders	%	Number of Shares	%
1 – 500	4161	90.05	491809	15.89
501 – 1000	272	5.89	187225	6.05
1001 – 2000	122	2.64	161293	5.21
2001 – 3000	23	0.50	56326	1.82
3001 – 4000	8	0.17	26405	0.85
4001 – 5000	3	0.06	13782	0.44
5001 – 10000	13	0.28	93426	3.02
Above 10000	19	0.41	2065613	66.72
Total	4621	100.00	30,95,879	100.00



23. Category of Shareholders as on 31st March, 2014

S.No.	Category	Number of shares	%
A	Indian Promoters & Promoters Group	14,96,390	48.335
B	Public Shareholding		
	1. Institutions		
	a) Financial Institutions / Banks	3,935	0.127
	b) Insurance Companies	3,60,138	11.633
	c) Central / State Governments	27,715	0.895
	2. Non Institutions		
	a) Bodies Corporate	86,461	2.793
	b) Individuals	11,21,240	36.217
	Total Public Share holding (1+2)	15,99,489	51.665
	Total (A + B)	30,95,879	100.000

24. Dematerialisation of shares as on 31st March, 2014

Name of the Depository		No. of shares dematerialised	Percentage on Equity Share Capital
A	National Securities Depository Limited	20,13,738	65.046
	Central Depository Services (India) Limited	5,91,046	19.091
	Total	26,04,784	84.137
B	Physical	4,91,095	15.863
	Total (A+B)	30,95,879	100.000

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

26. Estate Location

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

27. Wind Mill Location

Aralvaimozhi
Muppandal, Kanyakumari District
Tamil Nadu



28. Address for correspondence

SKDC Consultants Limited Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road Ganapathy Coimbatore - 641 006	or	The Company Secretary The Peria Karamalai Tea & Produce Co. Ltd 286, Race Course Road Coimbatore - 641 018 Tamil Nadu
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29. Email ID for Investor Grievance Redressal : 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
8th August, 2014

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 31.03.2014, as stipulated in clause 49 of the listing agreement of the said company, with the stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. 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, 2014, 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,
8th August, 2014

K.N. Sreedharan
Partner Auditors
Membership No. 12026



INDEPENDENT AUDITORS' REPORT

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

Report on the 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, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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, but not for the purpose of expressing an opinion on the effectiveness of the Company's

Internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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, 2014;
- 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, 2014, and taken on record by the Board of Directors, none

of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **S. KRISHNAMOORTHY & CO**

Chartered Accountants

Registration No: 001496S

K.N. Sreedharan

Partner Auditors

Membership No. 12026

Coimbatore,
29th May, 2014



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 an adequate internal audit system commensurate with the size of the company and nature of its business.
- 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 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,
29th May, 2014

**BALANCE SHEET AS AT 31ST MARCH, 2014**

(₹)

	Note No.	31.3.2014	31.3.2013
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	1	30,958,790	30,958,790
(b) Reserves and surplus	2	1,002,257,933	993,053,779
(c) Money received against share warrants		—	—
		<u>1,033,216,723</u>	<u>1,024,012,569</u>
(2) Share application money pending allotment			
		—	—
(3) Non-current liabilities			
(a) Long-term borrowings	3	—	15,33,000
(b) Deferred tax liabilities (Net)	4	5,058,853	5,182,890
(c) Long-term provisions	5	424,904	424,904
		<u>5,483,757</u>	<u>7,140,794</u>
(4) Current liabilities			
(a) Short-term borrowings	6	30,024,838	32,349,051
(b) Trade payables	7	54,803,141	46,463,844
(c) Other current liabilities	8	3,048,136	3,766,042
(d) Short-term provisions	9	11,635,262	7,544,047
		<u>99,511,377</u>	<u>90,122,984</u>
TOTAL		<u>1,138,211,857</u>	<u>1,121,276,346</u>
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10	157,171,842	167,172,242
(ii) Intangible assets		212,623	270,574
(b) Non-current investments	11	100,944,617	100,944,617
(c) Long-term loans and advances	12	21,219,881	14,583,876
		<u>279,548,963</u>	<u>282,971,309</u>
(2) Current assets			
(a) Current investments	13	539,979,884	609,903,735
(b) Inventories	14	51,894,295	31,689,862
(c) Trade receivables	15	34,588,017	6,724,612
(d) Cash and cash equivalents	16	8,656,022	77,924,605
(e) Short-term loans and advances	17	215,987,447	109,283,519
(f) Other current assets	18	7,557,229	2,778,705
		<u>858,662,894</u>	<u>838,305,037</u>
TOTAL		<u>1,138,211,857</u>	<u>1,121,276,346</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,
29th May 2014

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 2014**

(₹)

	Note No.	31.3.2014	31.3.2013
I. Revenue from operations	19	369,682,051	400,893,180
II. Other income	20	29,844,326	22,843,454
III. Total Revenue (I + II)		399,526,377	423,736,634
IV. Expenses:			
Cost of materials consumed		40,908,273	36,896,531
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	21	(19,810,000)	12,152,050
Employee benefits expense	22	212,845,227	211,547,029
Finance costs	23	3,160,347	1,147,892
Depreciation and amortization expense		15,642,745	15,671,218
Other expenses	24	127,266,632	128,865,480
Total expenses		380,013,224	406,014,559
V. Profit before exceptional and extraordinary items and tax (III-IV)		19,513,153	17,722,074
VI. Exceptional items		—	—
VII. Profit before extraordinary items and tax (V - VI)		19,513,153	17,722,074
VIII. Extraordinary Items		—	—
IX. Profit before tax (VII - VIII)		19,513,153	17,722,074
X. Tax expense:			
(1) Current tax		5,000,000	3,300,000
(2) Deferred Tax Liability Provided / (Reversed)		(124,037)	149,125
XI. Profit for the period from continuing operations (IX-X)		14,637,190	14,272,949
XII. Profit/(loss) from discontinuing operations (after tax)		—	—
XIII. Profit/(Loss) for the period (XI + XII)		14,637,190	14,272,949
XIV. Earnings per equity share:			
(1) Basic		4.73	4.61
(2) Diluted		4.73	4.61

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,
29th May 2014

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, 2014

(₹)

	31.3.2014	31.3.2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extraordinary items	19,513,153	17,722,072
Adjustments for:		
Depreciation	15,642,745	15,671,218
Loss on sale of asset	622,984	—
Profit on sale of assets	—	(944,305)
Profit on sale of investments	(4,843,060)	(1,745,585)
Income from Wind Mill	(3,833,510)	(3,428,142)
Sale of Trees	(2,999,360)	(2,345,750)
Interest received	(16,954,603)	(11,856,376)
Dividend received	(4,258,456)	(5,498,062)
Interest payments	3,160,347	1,147,892
Operating Profit before working capital charges	6,050,239	8,722,962
Adjustments for:		
Trade and other receivables	(45,508,384)	22,200,159
Inventories	(20,204,433)	5,007,391
Trade payables	13,733,950	1,816,058
Short term borrowings	(338,212)	7,911,121
Cash generated from operations before extraordinary items	(46,266,841)	45,657,691
Direct Taxes paid	4,742,946	(8,091,421)
Net Cash from operating activities	(41,523,895)	37,566,270
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(9,479,760)	(12,527,901)
Sale of fixed assets	3,272,382	1,314,372
Purchase of investments	(120,649,936)	(146,979,610)
Sale of investments	195,416,847	166,139,980
Sale of trees	2,999,360	2,345,750
Income from Wind Mill	3,833,510	3,428,142
Interest received	12,238,179	10,242,568
Loan to a Public Limited Company	(105,500,000)	(27,500,000)
Dividend received	4,258,456	5,498,062
Net Cash used in investing activities	(13,610,961)	1,961,363
C. CASH FLOW FROM FINANCING ACTIVITIES		
Fixed Deposit repaid	(3,519,000)	(4,575,000)
Interest paid	(3,602,174)	(1,578,824)
Dividend paid including dividend distribution tax	(7,012,552)	(17,304,612)
Net Cash used in financing activities	(14,133,726)	(23,458,436)
Net increase / decrease in Cash and Cash Equivalents	(69,268,582)	16,069,197
Opening Cash and Cash Equivalents	77,924,605	61,855,408
Closing Cash and Cash Equivalents	8,656,022	77,924,605

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,
29th May 2014

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**

(₹)

	31.3.2014	31.3.2013
1. SHARE CAPITAL		
Authorised		
7,500,000 Equity Shares of ₹ 10/- each (Seventy five lakh shares of Rupees ten each)	75,000,000	75,000,000
Issued and Subscribed		
30,95,879 Equity Shares of ₹ 10/- each fully paid	30,958,790	30,958,790
	31.3.2014	31.3.2013
At the commencement of the year	30,95,879	30,95,879
Changes during the year	—	—
At the close of the year	30,95,879	30,95,879
Equity shareholders holding more than 5% shares:		
Placid Ltd.	6,63,454	6,63,454
Maharaja Shree Umaid Mills Ltd	—	4,70,224
Kiran Vyapar Ltd.	4,70,224	—
Life Insurance Corporation of India Ltd	2,07,712	2,07,712
For the period immediately preceding 5 years from 31.03.2014		
Aggregate number and class of shares allotted as fully paid up by way of bonus shares on 31.03.2010	10,31,960	10,31,960
2. RESERVES AND SURPLUS		
a) Reserves		
Capital Subsidy		
As per last Balance Sheet	4,169,108	4,169,108
Securities Premium Account		
As per last Balance Sheet	27,973,700	27,973,700
General		
As per last Balance Sheet	829,478,301	828,407,830
Additions during the year	731,860	1,070,471
	830,210,161	829,478,301



NOTES TO FINANCIAL STATEMENTS (Contd..)

(₹)

	31.3.2014	31.3.2013
b) Surplus		
Balance in Statement of P&L as per last Balance Sheet	131,432,670	125,474,241
Profit after tax for the year	14,637,190	14,272,947
Transfer to General Reserve	(731,860)	(1,070,471)
Proposed Dividend	(4,643,818)	(6,191,758)
Tax on Dividend	(789,217)	(1,052,289)
	<u>139,904,964</u>	<u>131,432,670</u>
Total	<u>1,002,257,933</u>	<u>993,053,779</u>
3. LONG-TERM BORROWINGS		
Public Deposits - Unsecured	—	1,533,000
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>—</u>	<u>1,533,000</u>
4. DEFERRED TAX LIABILITIES (Net)		
Opening Deferred Tax Liability	5,182,890	5,033,765
Add : Provided / (reversed) during the year	(124,037)	149,125
Closing Deferred Tax Liability	<u>5,058,853</u>	<u>5,182,890</u>
5. LONG-TERM PROVISIONS		
Others (Sales Tax - Disputed)	424,904	424,904
Total	<u>424,904</u>	<u>424,904</u>
6. SHORT-TERM BORROWINGS		
(a) Secured - Loans repayable on demand		
From Bank		
Cash Credit from Union Bank of India	28,666,838	29,005,051
Secured by hypothecation of Tea Stock and Standing Crops and Equitable Mortgage on the immovable properties of the estate Period & amount of default - Nil		
(b) Public Deposits - Unsecured	1,358,000	3,344,000
(Repayable on the maturity dates falling due within one year as mentioned on the face of the Deposit Receipts Interest paid @ 9.5% per annum) Period & amount of default - Nil.		
Total	<u>30,024,838</u>	<u>32,349,051</u>

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

(₹)

	31.3.2014	31.3.2013
7. TRADE PAYABLES		
Sundry Creditors		
Due to Micro Small & Medium Enterprises	—	—
Due to Others	54,803,141	46,463,844
Total	54,803,141	46,463,844
8. OTHER CURRENT LIABILITIES		
(a) Interest accrued but not due on deposits	284,931	718,238
(b) Unpaid dividends*	2,687,241	2,455,746
(c) Unclaimed interest*	11,572	20,092
* (No amount is due to be credited to Investors Education and Protection Fund)		
(d) Other Payables		
Customer Credit Balance	64,392	571,966
	3,048,136	3,766,042
9. SHORT-TERM PROVISIONS		
Provision for Employees benefit:		
(a) Gratuity contribution	5,902,226	—
(b) Proposed Dividend	4,643,819	6,191,758
(c) Tax on Dividend	789,217	1,052,289
(d) Wealth Tax	300,000	300,000
	11,635,262	7,544,047



NOTES TO FINANCIAL STATEMENTS (Contd..)

(₹)

10. FIXED ASSETS

DESCRIPTION OF ASSETS	COST			DEPRECIATION				NET VALUE OF ASSETS		
	As at 01.04.13	Additions during the year	Deductions during the year	As at 31.03.14	As at 01.04.13	For the year	Deductions during the year	As at 31.03.14	As at 31.03.14	As at 31.04.13
TANGIBLE ASSET										
Free hold Land & Development	24,246,608	—	—	24,246,608	—	—	—	—	24,246,608	24,246,608
Buildings	91,632,363	685,131	7,267,035	85,050,459	52,422,466	2,016,618	5,816,436	48,622,648	36,427,811	39,219,897
Plant and Equipments	216,537,469	4,829,058	6,633,445	214,733,082	164,695,890	7,182,325	4,777,664	167,100,551	47,632,531	51,841,578
Furniture and Fixtures	20,292,588	1,112,405	16,250	21,388,743	6,202,538	1,099,095	8,746	7,292,887	14,095,856	14,080,050
Vehicles	54,345,742	1,825,259	2,376,807	53,794,194	20,717,511	4,387,647	1,795,325	23,309,833	30,484,361	33,628,231
Computer	5,504,891	1,027,907	—	6,532,798	1,349,014	899,109	—	2,248,123	4,284,675	4,155,877
INTANGIBLE ASSETS										
Computer Software	357,500	—	—	357,500	86,926	57,951	—	144,877	212,623	270,574
Total	412,917,161	9,479,760	16,293,537	406,103,384	245,474,345	15,642,745	12,398,171	248,718,919	157,384,465	167,442,816
Previous Year	408,640,581	12,527,901	8,251,322	412,917,161	237,684,382	15,671,218	7,881,255	245,474,345	167,442,816	170,956,203



NOTES TO FINANCIAL STATEMENTS (Contd..)

11. NON CURRENT INVESTMENTS

Particulars	Nominal value of each Share ₹	As at 31-03-2013		During the year				As at 31-03-2014	
		No. of Shares	Amount ₹	Additions		Disposals		No. of Shares	Amount ₹
				No. of Shares	Amount ₹	No. of Shares	Amount ₹		
Non - Trade :									
a) In fully paid Equity Shares at cost :									
Quoted :									
MOIL Limited	10	1,136	426,000	—	—	—	—	1,136	426,000
Unquoted :									
i) In Associate Companies - at Cost									
Placid Limited	100	93,590	45,064,617	—	—	—	—	93,590	45,064,617
Navyoti Commodity Management Services Ltd	10	250,000	8,750,000	—	—	—	—	250,000	8,750,000
ii) In Subsidiary Companies :									
PKT Plantations Ltd	10	250,000	2,500,000	—	—	—	—	250,000	2,500,000
Shivpal Vinimay Private Ltd	10	50,000	500,000	—	—	—	—	50,000	500,000
b) In Bonds :									
Tax Free Bonds:									
Power finance Corporation of India - 8.20% 10 Year	—	—	28,479,000	—	—	—	—	—	28,479,000
Indian Railway Finance Corporation - 8.00% 10 year	—	—	15,225,000	—	—	—	—	—	15,225,000
			100,944,617	—	—	—	—	—	100,944,617
		As at 31-03-2013						As at 31-03-2014	
		Cost ₹	Market Value ₹					Cost ₹	Market Value ₹
Quoted Investments		44,130,000	47,618,160					44,130,000	45,192,264



NOTES TO FINANCIAL STATEMENTS (Contd..)

(₹)

	31.3.2014	31.3.2013
12. LONG-TERM LOANS AND ADVANCES		
Unsecured and Considered Good		
(a) Capital Advances	4,432,260	—
(b) Pre-operative expenses - Solar Power Project	687,390	—
(c) Security Deposits	11,254,131	10,207,776
(d) Others:		
Rent Advance	4,846,100	4,376,100
	21,219,881	14,583,876

13. CURRENT INVESTMENTS

Particulars	Balance As at 31-03-2013		During the year				Balance As at 31-03-2014	
	No. of Units	Amount ₹	Additions		Disposals		No. of Units	Amount ₹
			No. of Units	Amount ₹	No. of Units	Amount ₹		
Non - Trade :								
In Mutual Funds at cost :								
Quoted - Mutual Funds								
Reliance Money Institutional Option Dividend Plan	21,705	21,735,174	855	855,807	22,560	22,590,981	—	—
HDFC Medium Term Opportunity Fund	39,745,277	450,000,000	—	—	—	—	39,745,277	450,000,000
Kotak FMP Series 76 Growth Fund	5,000,000	50,000,000	—	—	5,000,000	50,000,000	—	—
HDFC FRIF STP Wholesale Daily Dividend Plan	1,301,475	13,120,035	8,948,847	90,212,429	8,931,105	90,033,579	1,319,216	13,298,884
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	162,198	1,632,473	—	—	2,649,219	26,681,000
IDFC Ultra Short Term Fund - Daily Dividend Regular Plan	—	—	2,791,433	27,949,227	2,791,433	27,949,227	—	—
		609,903,735		120,649,936		190,573,787		539,979,884
	As at 31-03-2013						As at 31-03-2014	
	Cost ₹	Market value (₹)					Cost ₹	Market value (₹)
Quoted Investments	609,903,735	669,293,753					539,979,884	639,379,466



NOTES TO FINANCIAL STATEMENTS (Contd..)

(₹)

	31.3.2014	31.3.2013
14. INVENTORIES		
(a) Finished Goods		
Tea - valued at cost	34,760,000	14,950,000
(b) Stores and Spare Parts - valued at average cost	15,057,275	15,934,328
(c) Loose Tools - valued at average cost	827,442	416,978
(d) Nursery Stock - valued at average cost	1,249,578	388,557
	51,894,295	31,689,862
15. TRADE RECEIVABLES		
Unsecured considered good;		
(a) Outstanding for a period exceeding six months from the date they become due	54,996	147,585
(b) Others	34,533,021	6,577,027
	34,588,017	6,724,612
16. CASH AND CASH EQUIVALENTS		
(a) Balance with Banks	2,527,210	25,285,770
(b) Cash on hand	621,103	1,102,627
(c) Unpaid dividend Account	2,687,240	2,455,746
(d) Balance with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments	2,820,469	274,719
(e) Bank deposits maturing within one year	—	24,478,743
(f) Bank deposit (Deposit held in escrow Account)	—	24,327,000
	8,656,022	77,924,605



NOTES TO FINANCIAL STATEMENTS (Contd..)

(₹)

	31.3.2014	31.3.2013
17. SHORT-TERM LOANS AND ADVANCES		
Unsecured and Considered Good		
(a) Loans and advances to:		
M B Commercial Co. Ltd. - Related party	7,500,000	7,500,000
Public Limited Company - others	125,500,000	20,000,000
PKT Plantations Ltd. - Subsidiary Company	—	22,628
(b) Others:		
i) Advances recoverable in cash or in kind or for value to be recovered	3,856,849	2,887,347
ii) Balance with Central Excise Authorities	179,214	179,214
iii) Advance payment of Tax (Net of provision)	78,951,384	78,694,330
	<u>215,987,447</u>	<u>109,283,519</u>
18. OTHER CURRENT ASSETS		
(a) Interest accrued on Bank and other deposits	7,495,129	2,778,705
(b) Income receivable - Rent	62,100	—
	<u>7,557,229</u>	<u>2,778,705</u>



NOTES TO FINANCIAL STATEMENTS (Contd..)

(₹)

19 REVENUE FROM OPERATIONS :	31.3.2014	31.3.2013
Sales of Products		
Tea	365,848,541	397,461,428
Minor Produce	—	3,610
Other Operating Revenues		
Sale of Electricity to TNEB	3,833,510	34,28,142
	369,682,051	400,893,180
Less : Excise Duty	—	—
	369,682,051	400,893,180
20 OTHER INCOME		
Interest on		
Bank Deposit	1,350,278	3,620,843
Loans and Advances	11,656,239	2,762,603
Other Investments	3,948,086	5,472,930
Dividend Income	4,258,456	5,498,062
Profit on sale of Investments	4,843,060	1,745,585
Profit on sale of Fixed Assets	—	944,305
Other Non Operating Income:		
Miscellaneous Receipts	679,552	333,376
Sale of Trees	2,999,360	2,345,750
Debts written off recovered	60,000	120,000
Insurance Claim	49,295	—
	29,844,326	22,843,454
21 CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Opening Stock of Finished Goods		
Tea	14,950,000	27,100,000
Minor Produce	—	2,050
	14,950,000	27,102,050
Less : Closing Stock of Finished Goods		
Tea	34,760,000	14,950,000
Minor Produce	—	—
	(19,810,000)	12,152,050



NOTES TO FINANCIAL STATEMENTS (Contd..)

(₹)

	31.3.2014	31.3.2013
22 EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages and Bonus	171,711,172	155,924,315
Contribution to Provident, Gratuity and Pension Fund	27,063,368	42,761,136
Employees Welfare Expenses	14,070,687	12,861,578
	<u>212,845,227</u>	<u>211,547,029</u>
23 FINANCE COSTS		
Interest expense		
Public Deposits	315,611	755,922
Cash Credit and others	2,844,736	391,970
	<u>3,160,347</u>	<u>1,147,892</u>
24 OTHER EXPENSES		
Power and Fuel	40,988,059	43,257,279
Rent	7,707,250	7,460,800
Repairs to Buildings	16,884,397	19,007,071
Repaires to Machinery	13,105,638	11,082,492
Insurance	2,401,072	1,776,681
Rates and Taxes	1,748,572	609,892
Transport	4,948,860	4,280,285
General Charges - Estate	5,206,882	6,626,440
Commission and Brokerage	4,693,139	4,418,260
Selling Expenses	7,717,395	8,818,245
Payments to Auditors for :		
For Statutory Audit fee	140,450	125,000
For Certification	101,124	56,740
For Taxation	143,259	84,270
	<u>384,833</u>	<u>266,010</u>
Payment to Cost Auditors	35,000	30,000
Travelling Expenses	9,233,812	9,363,788
Miscellaneous Expenses	12,211,723	11,602,597
	<u>127,266,632</u>	<u>128,599,840</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 profit and loss account of the year in which the related service is rendered.

II. Post Retirement

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

A. Provident Fund

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



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 Profit & Loss Account.

12. *Wind Power*

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

B. OTHER NOTES TO FINANCIAL STATEMENTS

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

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

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.

d) Deferred Tax:

Deferred tax liability as at 31st March 2014 comprises of:

Particulars	Opening as on 01.04.2013 ₹	Provided during the year ₹	Closing as on 31.03.2014 ₹
On account of depreciation	51,82,890	24,21,134	76,04,024
On account of 43 B Disallowances	—	25,45,171	25,45,171
Deferred tax liability (Net)	51,82,890	(1,24,037)	50,58,853

	31.3.2014 ₹	31.3.2013 ₹
e) Earnings in Foreign Exchange	Nil	Nil
f) Expenditure in Foreign Currency	Nil	13,21,450
g) Remuneration to Managing Director, Deputy Managing Director and Executive Director:		
Salary	35,32,333	32,55,833
Contribution to Provident Fund/Superannuation Scheme	9,53,730	7,75,800
Perquisites	27,24,600	23,55,277
Commission	—	—
	<u>72,10,663</u>	<u>63,86,910</u>

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

The total production of the segments are as follows:

a. Tea

Particulars of manufacturing of made tea (Kg)

Production	37,72,001	38,11,721
Sales	35,21,902	39,38,660
Opening Stock	1,77,545	3,30,117
Closing Stock	4,02,670	1,77,545
Green leaf from own estates	1,60,81,350	1,62,64,910



NOTES TO FINANCIAL STATEMENTS (Contd..)

b. Minor Produce : (Kg)

Pepper		
Production	—	583
Sales	21	1271
Opening Stock	21	716
Closing Stock	—	21

	31.3.2014		31.3.2013	
	Units	Value (₹)	Units	Value (₹)
c. Wind Mill (units)				
No. of units generated (Net)	46,98,607		44,04,522	
Less : Adjusted in TNEB Bills	32,50,147	1,78,75,810	26,11,855	1,37,43,465
Balance sold to TNEB	11,51,754	38,33,000	15,68,766	34,28,142

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

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 ₹1,62,47,747/- (Previous year ₹1,41,99,705/-) as expense towards contribution to the Provident Fund.

Out of the total contribution made for employees' provident fund, ₹ 10,63,149/- (previous year ₹10,49,894/-) is made to the P L 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 2014 amounting to ₹ 17,43,813/- (Previous year ₹ 19,79,823/-) has been charged to Statement of Profit and Loss.

There was no liability towards leave encashment for the year ended 31st March 2014 as it was adequately funded and no amount (previous year ₹ Nil) has been charged to Statement of Profit and Loss.

b) Defined Benefit Plan:

Gratuity

	31.03.2014 ₹	31.03.2013 ₹
1 Changes in Defined Benefit Obligation		
Present Value of Defined Benefit Obligation as at the beginning of the year	9,36,34,437	8,76,71,263
Interest Cost	74,90,755	70,13,701
Benefits paid	(1,14,32,486)	(1,31,96,947)
Current Service Cost	59,87,873	49,51,645
Actuarial (Gain)/Loss	1,12,40,839	7,14,94,775
Present Value of obligation as at the year end	10,69,21,418	9,36,34,437



NOTES TO FINANCIAL STATEMENTS (Contd..)

	31.03.2014 ₹	31.03.2013 ₹
2 Changes in fair value of assets		
Fair Value of Plan Assets as at the beginning of the year	10,69,33,880	8,45,76,491
Expected Return on Plan Assets	95,54,406	76,92,270
Contribution by the employer	29,12,730	2,78,62,066
Benefits paid	(1,14,32,486)	(1,31,96,947)
Actuarial Gain/(Loss)	Nil	Nil
Fair Value of Plan Assets as at the end of the year	10,79,68,530	10,69,33,880
3 Reconciliation of Fair Value of Assets and Obligations		
Fair Value of Plan Assets	10,79,68,530	10,69,33,880
Present Value of Obligation	10,69,21,418	9,36,34,437
Amount recognized in the Balance Sheet (excess of actual)	10,47,112	1,32,99,443
4 Expenses recognized in the Statement of Profit and Loss		
Current Service Cost	59,87,873	49,51,645
Interest Cost	74,90,755	70,13,701
Expected return on plan asset	(95,54,406)	(76,92,270)
Net Actuarial (Gain)/Loss recognized in the year	1,12,40,839	7,14,94,775
Expenses recognized in Statement of Profit and Loss	1,51,65,061	1,14,67,851
5 Principal Actuarial Assumptions		
Rate of Discounting	8%	8%
Expected Return on Plan Assets	8%	8%
Rate of increase in Salaries	7.75%	8.50%
Mortality Table (LIC)	1994-95	1994-95

k) The Company has taken office buildings on lease and the lease rent amounts to ₹ 77,07,250/- (previous year ₹ 74,60,800/-) 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	: ₹ 82,95,641
Later than one year but not later than five years	: ₹ 1,49,26,984
More than five years	: ₹ Nil



NOTES TO FINANCIAL STATEMENTS (Contd..)

i) Related Party Disclosures

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

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

m) 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) M.B.Commercial Co.Ltd	8,24,999			
		(5,60,274)			
	b) General Investment Co.Ltd	1,32,328			
		(Nil)			



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	3,10,000 (3,00,000)			
3	Inter Corporate loans given to				
	M.B.Commercial Co. Ltd	75,00,000 (75,00,000)			
	General Investment Co.Ltd	1,00,00,000 (Nil)			
4	Printing				
	Samay Industries Limited (formerly Samay Books Limited)			47,155 (31,106)	
5	Remuneration				
	a) Smt. Alka Bangur		37,76,153 (33,27,353)		
	b) Shri. Shreeyash Bangur		34,34,510 (13,25,680)		
6	Rent Receipts				
	Navjyoti Commodity Management Services Ltd	69,000 (2,76,000)			
7	Registration Fees				
	Soul Beauty and Wellness Centre			3,15,450 (Nil)	
8	Outstandings				
	Receivables				
	M.B. Commercial Co. Ltd.	75,69,000 (Nil)			
	Payables	Nil (Nil)			

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



NOTES TO FINANCIAL STATEMENTS (Contd..)

q) Earnings Per Share

	31.03.2014	31.03.2013
Profit after tax	1,46,37,190	1,42,72,947
Weighted average No. of shares outstanding	30,95,879	30,95,879
Basic earnings per share ₹ (Nominal value of equity shares ₹10/- per share)	4.73	4.61

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

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

K.N. Sreedharan
Partner Auditors, M.No. 12026.
Kolkatta,
29th May, 2014

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

R.V. Sridharan
CFO & Company Secretary



CONSOLIDATED FINANCIAL STATEMENTS



INDEPENDENT AUDITOR'S REPORT

To

The Board of Directors of the The Peria Karamalai Tea & Produce Company Limited

We have audited the accompanying consolidated financial statements of The Peria Karamalai Tea and Produce Company Limited ("the Company") and its subsidiaries, which comprise the consolidated Balance Sheet as at March 31, 2014, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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, but not for the purpose of expressing an opinion on the effectiveness of the Company's Internal control. An audit

also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. 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, 2014;
- (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 ₹ 28,51,573/- as at 31st March 2014 and total revenues of ₹ 2,62,869/- and the net cash flows of ₹ 1,00,077/- 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 ₹ 4,82,787/- as at March 31st 2014, and total revenue ₹ 75,510/-, and cash outflows amounting to ₹ 22,910/- 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,
29th May, 2014

K.N. Sreedharan
Partner Auditors
Membership No. 12026

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014**

(₹)

	Note No.	31.3.2014	31.3.2013
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	1	30,958,790	30,958,790
(b) Reserves and surplus	2	1,002,534,986	993,172,462
(c) Money received against share warrants		<u>—</u>	<u>—</u>
		1,033,493,776	1,024,131,252
(2) Share application money pending allotment			
		<u>—</u>	<u>—</u>
(3) Non-current liabilities			
(a) Long-term borrowings	3	<u>—</u>	15,33,000
(b) Deferred tax liabilities (Net)	4	5,058,853	5,182,890
(c) Long-term provisions	5	424,904	424,904
		5,483,757	7,140,794
(4) Current liabilities			
(a) Short-term borrowings	6	30,024,838	32,349,051
(b) Trade payables	7	54,826,737	46,524,853
(c) Other current liabilities	8	3,048,136	3,766,042
(d) Short-term provisions	9	11,635,261	7,544,047
		99,534,973	90,183,993
TOTAL		1,138,512,506	1,121,456,038
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10	157,171,842	167,172,242
(ii) Intangible assets		212,623	270,574
(b) Non-current investments	11	97,944,617	97,944,617
(c) Long-term loans and advances	12	21,219,881	14,583,876
		276,548,963	279,971,309
(2) Current assets			
(a) Current investments	13	540,318,077	610,270,418
(b) Inventories	14	51,894,295	31,689,862
(c) Trade receivables	15	34,642,019	6,724,612
(d) Cash and cash equivalents	16	11,497,131	80,688,546
(e) Short-term loans and advances	17	215,953,734	109,234,678
(f) Other current assets	18	7,658,287	2,876,614
		861,963,543	841,484,729
TOTAL		1,138,512,506	1,121,456,038
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,
29th May, 2014

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 2014

(₹)

	Note No.	31.3.2014	31.3.2013
I. Revenue from operations	19	369,682,051	400,893,180
II. Other income	20	<u>30,182,705</u>	<u>23,128,023</u>
III. Total Revenue (I + II)		<u>399,864,756</u>	<u>424,021,203</u>
IV. Expenses:			
Cost of materials consumed		40,908,273	36,896,531
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	21	(19,810,000)	12,152,050
Employee benefits expense	22	212,845,227	211,547,029
Finance costs	23	3,160,347	1,147,892
Depreciation and amortization expense		15,642,745	15,671,218
Other expenses	24	<u>127,369,184</u>	<u>128,723,384</u>
Total expenses		<u>380,115,776</u>	<u>406,138,103</u>
V. Profit before exceptional and extraordinary items and tax (III-IV)		19,748,980	17,883,099
VI. Exceptional items		<u>—</u>	<u>—</u>
VII. Profit before extraordinary items and tax (V - VI)		19,748,980	17,883,099
VIII. Extraordinary Items		<u>—</u>	<u>—</u>
IX. Profit before tax (VII - VIII)		19,748,980	17,883,099
X. Tax expense:			
(1) Current tax		5,060,000	3,353,000
(2) Deferred Tax Liability Provided / (Reserved)		(124,037)	149,125
(3) Prior year taxes		17,458	19,044
XI. Profit for the period from continuing operations (IX-X)		14,795,559	14,361,930
XII. Profit/(loss) from discontinuing operations (after tax)		<u>—</u>	<u>—</u>
XIII. Profit/(Loss) for the period (XI + XII)		<u>14,795,559</u>	<u>14,361,930</u>
XIV. Earnings per equity share:			
(1) Basic		4.78	4.64
(2) Diluted		4.78	4.64

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,
29th May, 2014

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, 2014**

(₹)

	31.3.2014	31.3.2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extraordinary items	19,748,980	17,883,099
Adjustments for:		
Depreciation	15,642,745	15,671,218
Loss on sale of asset	622,984	—
Profit on sale of assets	—	(944,305)
Profit on sale of investments	(4,843,060)	(1,745,585)
Income from Wind Mill	(3,833,510)	(3,428,142)
Sale of Trees	(2,999,360)	(2,345,750)
Interest received	(17,217,472)	(12,124,262)
Dividend received	(4,279,966)	(5,514,745)
Interest payments	3,160,347	1,147,892
Operating Profit before working capital charges	6,001,687	8,599,420
Adjustments for:		
Trade and other receivables	(35,585,014)	22,222,789
Inventories	(20,204,433)	5,007,391
Trade payables	13,696,537	1,853,472
Short term borrowings	(338,212)	7,911,121
Cash generated from operations before extraordinary items	(36,429,436)	45,594,193
Direct Taxes paid	5,327,012	8,127,031
Net Cash from operating activities	(41,756,448)	37,467,162
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(9,479,760)	(12,527,901)
Sale of fixed assets	3,272,382	1,314,372
Purchase of investments	(120,671,446)	(146,946,293)
Sale of investments	195,466,847	166,139,980
Sale of trees	2,999,360	2,345,750
Income from Wind Mill	3,833,510	3,428,142
Interest received	12,497,899	10,504,244
Loan to a Public Limited Company	(105,500,000)	(27,500,000)
Dividend received	4,279,966	5,514,745
Net Cash used in investing activities	(13,301,241)	2,273,039
C. CASH FLOW FROM FINANCING ACTIVITIES		
Fixed Deposit repaid	(3,519,000)	(4,575,000)
Interest paid	(3,602,174)	(1,578,824)
Dividend paid including dividend distribution tax	(7,012,552)	(17,304,612)
Net Cash used in financing activities	(14,133,726)	(23,458,436)
Net increase / decrease in Cash and Cash Equivalents	(69,191,415)	16,281,765
Opening Cash and Cash Equivalents	80,688,546	64,406,781
Closing Cash and Cash Equivalents	11,497,131	80,688,546

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,
29th May, 2014

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

(₹)

	31.3.2014	31.3.2013
1. SHARE CAPITAL		
Authorised		
7,500,000 Equity Shares of ₹ 10/- each (Seventy five lakh shares of Rupees ten each)	75,000,000	75,000,000
Issued and Subscribed		
30,95,879 Equity Shares of ₹ 10/- each fully paid	30,958,790	30,958,790
	31.3.2014	31.3.2013
At the commencement of the year	30,95,879	30,95,879
Changes during the year	—	—
At the close of the year	30,95,879	30,95,879
Equity shareholders holding more than 5% shares:		
Placid Ltd.	6,63,454	6,63,454
Maharaja Shree Umaid Mills Ltd	—	4,70,224
Kiran Vyapar Ltd.	4,70,224	—
Life Insurance Corporation of India Ltd	2,07,712	2,07,712
For the period immediately preceding 5 years from 31.03.2014		
Aggregate number and class of shares allotted as fully paid up by way of bonus shares on 31.03.2010	10,31,960	10,31,960
2. RESERVES AND SURPLUS		
a) Reserves		
Capital Subsidy		
As per last Balance Sheet	4,169,108	4,169,108
Securities Premium Account		
As per last Balance Sheet	27,973,700	27,973,700
General		
As per last Balance Sheet	829,478,301	828,407,830
Additions during the year	731,860	1,070,471
	830,210,161	829,478,301



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd..)

(₹)

	31.3.2014	31.3.2013
b) Surplus		
Balance in Statement of P&L as per last Balance Sheet	131,551,353	125,503,941
Profit after tax for the year	14,795,559	14,361,930
Transfer to General Reserve	(731,860)	(1,070,471)
Proposed Dividend	(4,643,819)	(6,191,758)
Tax on Dividend	(789,217)	(1,052,289)
	140,182,016	131,551,353
Total	1,002,534,985	993,172,462
3. LONG-TERM BORROWINGS		
Public Deposits - Unsecured	—	1,533,000
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	—	1,533,000
4. DEFERRED TAX LIABILITIES (Net)		
Opening Deferred Tax Liability	5,182,890	5,033,765
Add : Provided / (reserved) during the year	(124,037)	149,125
Closing Deferred Tax Liability	5,058,853	5,182,890
5. LONG-TERM PROVISIONS		
Others (Sales Tax - Disputed)	424,904	424,904
Total	424,904	424,904
6. SHORT-TERM BORROWINGS		
(a) Secured - Loans repayable on demand		
From Bank		
Cash Credit from Union Bank of India	28,666,838	29,005,051
Secured by hypothecation of Tea Stock and Standing Crops and Equitable Mortgage on the immovable properties of the estate Period & amount of default - Nil		
(b) Public Deposits - Unsecured	1,358,000	3,344,000
(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	30,024,838	32,349,051



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd..)

(₹)

	31.3.2014	31.3.2013
7. TRADE PAYABLES		
Sundry Creditors		
Due to Micro Small & Medium Enterprises	—	—
Due to Others	54,826,737	46,524,853
Total	54,826,737	46,524,853
8. OTHER CURRENT LIABILITIES		
(a) Interest accrued but not due on deposits	284,931	718,238
(b) Unpaid dividends*	2,687,241	2,455,746
(c) Unclaimed interest*	11,572	20,092
* (No amount is due to be credited to Investors Education and Protection Fund)		
(d) Other Payables		
Customer Credit Balance	64,392	571,966
	3,048,136	3,766,042
9. SHORT-TERM PROVISIONS		
(a) Provision for Employees benefit:		
Gratuity contribution	5,902,226	—
(b) Proposed Dividend	4,643,818	6,191,758
(c) Tax on Dividend	789,217	1,052,289
(d) Wealth Tax	300,000	300,000
	11,635,261	7,544,047



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd..)

(₹)

10. FIXED ASSETS

DESCRIPTION OF ASSETS	COST			DEPRECIATION				Net Value of Assets		
	As at 01.04.13	Additions during the year	Deductions during the year	As at 31.03.14	As at 01.04.13	For the year	Deductions during the year	As at 31.03.14	As at 31.03.14	As at 31.04.13
TANGIBLE ASSET										
Free hold Land & Development	24,246,608	—	—	24,246,608	—	—	—	—	24,246,608	24,246,608
Buildings	91,632,363	685,131	7,267,035	85,050,459	52,422,466	2,016,618	5,816,436	48,622,648	36,427,811	39,219,897
Plant and Equipments	216,537,469	4,829,058	6,633,445	214,733,082	164,695,890	7,182,325	4,777,664	167,100,551	47,632,531	51,841,578
Furniture and Fixtures	20,292,588	1,112,405	16,250	21,388,743	6,202,538	1,099,095	8,746	7,292,887	14,095,856	14,080,050
Vehicles	54,345,742	1,825,259	2,376,807	53,794,194	20,717,511	4,387,647	1,795,325	23,309,833	30,484,361	33,628,231
Computer	5,504,891	1,027,907	—	6,532,798	1,349,014	899,109	—	2,248,123	4,284,675	4,155,877
INTANGIBLE ASSETS										
Computer Software	357,500	—	—	357,500	86,926	57,951	—	144,877	212,623	270,574
Total	412,917,161	9,479,760	16,293,537	406,103,384	245,474,345	15,642,745	12,398,171	248,718,919	157,384,465	167,442,816
Previous Year	408,640,581	12,527,901	8,251,322	412,917,161	237,684,382	15,671,218	7,881,255	245,474,345	167,442,816	170,956,203



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd..)

11. NON CURRENT INVESTMENTS

Particulars	Nominal value of each Share ₹	As at 31-03-2013		During the year				As at 31-03-2014	
		No. of Shares	Amount ₹	Additions		Disposals		No. of Shares	Amount ₹
				No. of Shares	Amount ₹	No. of Shares	Amount ₹		
Non - Trade :									
a) In fully paid Equity Shares at cost :									
Quoted :									
MOIL Limited	10	1,136	426,000	—	—	—	—	1,136	426,000
Unquoted :									
i) In Associate Companies - at Cost									
Placid Limited	100	93,590	45,064,617	—	—	—	—	93,590	45,064,617
Navjyoti Commodity Management Services Ltd	10	250,000	8,750,000	—	—	—	—	250,000	8,750,000
b) In Bonds :									
Tax Free Bonds:									
Power finance Corporation of India - 8.20% 10 Year	—	—	28,479,000	—	—	—	—	—	28,479,000
Indian Railway Finance Corporation - 8.00% 10 year	—	—	15,225,000	—	—	—	—	—	15,225,000
			97,944,617	—	—	—	—	—	97,944,617
		As at 31-03-2013						As at 31-03-2014	
		Cost ₹	Market Value ₹					Cost ₹	Market Value ₹
Quoted Investments		44,130,000	47,618,160					44,130,000	45,192,264



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd..)

(₹)

	31.3.2014		31.3.2013					
12. LONG-TERM LOANS AND ADVANCES								
Unsecured and Considered Good								
(a) Capital Advances	4,432,260		—					
(b) Pre-operative expenses - Solar Power Project	687,390		—					
(c) Security Deposits	11,254,131		10,207,776					
(d) Others:								
Rent Advance	4,846,100		4,376,100					
	21,219,881		14,583,876					
13. CURRENT INVESTMENTS								
Particulars	Balance As at 31-03-2013		During the year		Balance As at 31-03-2014			
	No. of Units	Amount ₹	No. of Units	Amount ₹	No. of Units	Amount ₹		
Non - Trade :								
In Mutual Funds at cost :								
Quoted - Mutual Funds								
Reliance Money Institutional Option Dividend Plan	21,705	21,735,174	855	855,807	22,560	22,590,981		
HDFC Medium Term Opportunity Fund	39,745,277	450,000,000	—	—	—	—		
Kotak FMP Series 76 Growth Fund	5,000,000	50,000,000	—	—	5,000,000	50,000,000		
HDFC FRIF STP Wholesale Daily Dividend Plan	1,301,475	13,120,035	8,948,847	90,212,429	8,931,105	90,033,579		
IDFC Money Manager Fund- Investment Plan - Growth	2,750,744	50,000,000	—	—	—	—		
IDFC Money Manager Fund- Investment Plan - DDP	2,487,021	25,048,526	162,198	1,632,473	—	—		
IDFC Ultra Short Term Fund - Daily Dividend Regular Plan	—	—	2,791,433	27,949,227	2,791,433	27,949,227		
		609,903,735		120,649,936		190,573,787		
	As at 31-03-2013				As at 31-03-2014			
	Cost ₹	Market value (₹)			Cost ₹	Market value (₹)		
Quoted Investments	609,903,735	669,293,753			539,979,884	639,379,466		
14. INVENTORIES					31.3.2014		31.3.2013	
(a) Finished Goods								
Tea - valued at cost					34,760,000		14,950,000	
(b) Stores and Spare Parts - valued at average cost					15,057,275		15,934,328	
(c) Loose Tools - valued at average cost					827,442		416,978	
(d) Nursery Stock - valued at average cost					1,249,578		388,557	
					51,894,295		31,689,862	



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd..)

(₹)

	31.3.2014	31.3.2013
15. TRADE RECEIVABLES		
Unsecured considered good;		
(a) Outstanding for a period exceeding six months from the date they become due	54,996	147,585
(b) Others	<u>34,587,023</u>	<u>6,577,027</u>
	<u>34,642,019</u>	<u>6,724,612</u>
16. CASH AND CASH EQUIVALENTS		
(a) Balance with Banks	2,602,936	25,244,478
(b) Cash on hand	686,486	1,172,971
(c) Unpaid dividend Account	2,687,240	2,455,746
(d) Balance with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments	2,820,469	274,719
(e) Bank deposits	—	24,478,743
Bank deposit (with more than twelve months maturity)	2,700,000	2,634,889
(f) Bank deposit (Deposit held in escrow Account)	—	24,327,000
	<u>11,497,131</u>	<u>80,688,546</u>
17. SHORT-TERM LOANS AND ADVANCES		
Unsecured and Considered Good		
(a) Loans and advances to:		
M B Commercial Co. Ltd. - Related party	7,500,000	7,500,000
Public Limited Company - others	125,500,000	20,000,000
(b) Others:		
i) Advances recoverable in cash or in kind or for value to be recovered	3,856,849	2,887,347
ii) Balance with Central Excise Authorities	179,214	179,214
iii) Advance payment of Tax (Net of provision)	<u>78,917,672</u>	<u>78,668,118</u>
	<u>215,953,734</u>	<u>109,234,678</u>
18. OTHER CURRENT ASSETS		
(a) Interest accrued on Bank and other deposits	7,596,187	2,876,614
(b) Income receivable - Rent	62,100	—
	<u>7,658,287</u>	<u>2,876,614</u>



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd..)

(₹)

	31.3.2014	31.3.2013
19 REVENUE FROM OPERATIONS :		
Sales of Products		
Tea	365,848,541	397,461,428
Minor Produce	—	3,610
Other Operating Revenues		
Sale of Electricity to TNEB	3,833,510	34,28,142
	369,682,051	400,893,180
Less : Excise Duty	—	—
	369,682,051	400,893,180
20 OTHER INCOME		
Interest on		
Bank Deposit	1,613,147	3,888,729
Loans and Advances	11,656,239	2,762,603
Other Investments	3,948,086	5,472,930
Dividend Income	4,279,966	5,514,745
Brokerage Income	54,000	—
Profit on sale of Investments	4,843,060	1,745,585
Profit on sale of Fixed Assets	—	944,305
Other Non Operating Income:		
Miscellaneous Receipts	679,552	333,376
Sale of Trees	2,999,360	2,345,750
Debts written off recovered	60,000	120,000
Insurance Claim	49,295	—
	30,182,705	23,128,023
21 CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Opening Stock of Finished Goods		
Tea	14,950,000	27,100,000
Minor Produce	—	2,050
	14,950,000	27,102,050
Less : Closing Stock of Finished Goods		
Tea	34,760,000	14,950,000
Minor Produce	—	—
	(19,810,000)	12,152,050



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd..)

(₹)

	31.3.2014	31.3.2013
22 EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages and Bonus	171,711,172	155,924,315
Contribution to Provident, Gratuity and Pension Fund	27,063,368	42,761,136
Employees Welfare Expenses	14,070,687	12,861,578
	<u>212,845,227</u>	<u>211,547,029</u>
23 FINANCE COSTS		
Interest expense		
Public Deposits	315,611	755,922
Cash Credit and others	2,844,736	391,970
	<u>3,160,347</u>	<u>1,147,892</u>
24 OTHER EXPENSES		
Power and Fuel	40,988,059	43,257,279
Rent	7,707,250	7,460,800
Repairs to Buildings	16,884,397	19,007,071
Repaires to Machinery	13,105,638	11,082,492
Insurance	2,401,072	1,776,681
Rates and Taxes	1,766,256	649,358
Transport	4,948,860	4,280,285
General Charges - Estate	5,206,883	6,626,440
Commission and Brokerage	4,693,139	4,418,260
Selling Expenses	7,717,395	8,818,245
Payments to Auditors for :		
For Statutory Audit fee	151,686	136,236
For Certification	115,169	71,295
For Taxation	143,259	84,270
	<u>410,114</u>	
Payment to Cost Auditors	35,000	30,000
Travelling Expenses	9,233,812	9,363,788
Miscellaneous Expenses	12,271,309	11,660,884
	<u>127,369,184</u>	<u>128,723,384</u>



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd..)

7. ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS

A. ACCOUNTING POLICIES

1. *Basis of Preparation*

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

2. *Principles of Consolidation*

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

3. *Method of Accounting*

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

4. *Revenue Recognition*

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

5. *Fixed Assets*

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

6. *Depreciation*

Depreciation is provided on Straight Line basis in accordance 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 Statement of Profit & Loss.

14. *Wind Power*

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

B. OTHER NOTES TO FINANCIAL STATEMENTS

Contingent Liabilities and commitments:-

- a) 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.
- b) 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.

Subsidiary companies considered in the consolidated financial statements.

Name of the Company	Country of Incorporation	% of Voting Power held on 31.03.2014	% of Voting Power held on 31.03.2013
PKT Plantations Limited	India	100%	100%
Shivphal Vinimay (P) Limited	India	100%	100%



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd..)

c) Deferred Tax:

Deferred tax liability as at 31st March 2014 comprises of:

Particulars	Opening as on 01.04.2013 ₹	Provided during the year ₹	Closing as on 31.03.2014 ₹
On account of depreciation	51,82,890	24,21,134	76,04,024
On account of 43 B Disallowances	—	25,45,171	25,45,171
Deferred tax liability (Net)	51,82,890	(1,24,037)	50,58,853

d) Earnings in Foreign Exchange

e) Expenditure in Foreign Currency

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

	31.3.2014 ₹	31.3.2013 ₹
d) Earnings in Foreign Exchange	Nil	Nil
e) Expenditure in Foreign Currency	Nil	13,21,450

Particulars	31.03.2014			31.03.2013		
	Tea	Windmill	Total	Tea	Windmill	Total
Revenue						
External Sales	36,58,48,541	38,33,510	36,96,82,051	39,74,61,428	34,28,142	40,08,89,570
Inter segment revenue		1,78,75,810	1,78,75,810		1,37,43,465	1,37,43,465
Total	36,58,48,541	2,17,09,320	38,75,57,861	39,74,61,428	1,71,71,607	41,46,33,035
Less Inter Segment Revenue			1,78,75,810			1,37,43,465
			36,96,82,051			40,08,89,570
Results						
Operating Profit/(Loss)	(2,42,81,578)	1,70,08,200	(72,73,378)	(1,91,22,966)	1,50,25,934	(40,97,032)
Less: Interest			(31,60,347)			(11,47,892)
Add: Other Income			3,01,82,705			2,31,28,023
Profit before tax			1,97,48,980			1,78,83,099
Provision for taxation			49,53,421			35,21,169
Profit after tax			1,47,95,559			1,43,61,930
Other Information						
Segment Assets	50,02,40,637	9,175	50,02,49,812	41,32,04,684	36,319	41,32,41,003
Add: Unallocated assets			63,82,62,694			70,82,15,035
Total			113,85,12,506			112,14,56,042
Segment Liabilities	10,50,18,730		10,50,18,730	9,73,24,787		9,73,24,787
Add: Unallocated liabilities			103,34,93,776			102,41,31,255
Enterprise Liabilities			113,85,12,506			112,14,56,042
Capital Expenditure	94,79,760		94,79,760	1,25,27,901		1,25,27,901
Depreciation	1,56,15,601	27,144	1,56,42,745	1,56,44,074	27,144	1,56,71,218



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd..)

g) The Company has taken office buildings on lease and the lease rent amounts to ₹ 77,07,250/- (previous year ₹ 74,60,800/-) 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	:	₹ 82,95,641
Later than one year but not later than five years	:	₹ 1,49,26,984
More than five years	:	₹ Nil

h) Related Party Disclosures

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

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

j) 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) M.B. Commercial Co.Ltd	8,24,999 (5,60,274)			
	b) The General Investment Co. Ltd.	1,32,328 (Nil)			



NOTES TO CONSOLIDATED 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	3,10,000 (3,00,000)			
3	Inter Corporate loans given to				
	M.B. Commercial Co. Ltd.	75,00,000 (75,00,000)			
	The General Investment Co.Ltd.	1,00,00,000 (Nil)			
4	Printing				
	Samay Industries Limited (Formerly Samay Books Ltd.)			31,106 (Nil)	
5	Remuneration				
	a) Smt. Alka Bangur		37,76,153 (33,27,353)		
	b) Shri. Shreeyash Bangur		34,34,510 (13,25,680)		
6	Rent Receipts				
	Navjoti Commodity Management Service Ltd.		69,000 (2,76,000)		
7	Registration Fees				
	Soul Beauty and Wellness Centre			3,15,450 (Nil)	
8	Outstandings				
	Receivables				
	M.B. Commercial Co. Ltd.	75,69,000 (Nil)			
	Payables		Nil (Nil)		

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



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd..)

Statement of information relating to subsidiaries in terms of Government of India, Ministry of Corporate Affairs General Circular No. 2/2011, No: 5/12/2007-CL-III dated 8th February, 2011 pursuant to Section 212 of the Companies Act, 1956 for the year ended 31 March,2014

Name of the Subsidiary	PKT Plantations Limited ₹	Shivphal Vinimay Private Limited ₹
Capital	25,00,000	5,00,000
Reserves & Surplus	3,16,624	4,60,427
Total Assets (Fixed Assets + Current Assets)	28,51,573	4,82,787
Total Liabilities (Debts + Current Liabilities)	34,949	22,360
Investments *excluding investment in Subsidiary	—	—
Miscellaneous Expenditure (to the extent not written off)	—	—
Total Income	2,62,869	75,510
Profit before tax	1,95,813	40,013
Provision for taxation	67,458	10,000
Profit / (Loss) after tax	1,28,355	30,013
Proposed Dividend	—	—

j) Earnings Per Share

	31.03.2014 ₹	31.03.2013 ₹
Profit after tax	1,47,95,559	1,43,61,930
Weighted average No. of shares outstanding	30,95,879	30,95,879
Basic earnings per share ₹ (Nominal value of equity shares ₹10/- per share)	4.78	4.64

k) 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,
29th May, 2014

For and on behalf of the Board
L.N. Bangur **Alka Bangur**
Chairman Managing Director
R.V. Sridharan
CFO & Company Secretary



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

CIN: L01132TZ1913PLC000350

Registered Office: 286, Race Course Road, Coimbatore - 641 018

Email ID: periatea@dataone.in Website: www.lnbgroun.com

Phone: 0422-2221352 Fax: 0422-2220380

101st Annual General Meeting

ATTENDANCE SLIP

DP ID	Folio No.
Client ID	No. of Shares
Name of the Member	
Name of the Proxy	

I hereby record my presence at the 101st Annual General Meeting of the Company held on **Monday the 22nd September 2014 at 10.30 A.M.** at The Indian Chamber of Commerce & Industry, 732, Avinashi Road, Coimbatore - 641 018.

Member's / Proxy's Signature

Form No. MGT-11

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

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

CIN: L01132TZ1913PLC000350

Registered Office: 286, Race Course Road, Coimbatore - 641 018

Email ID: periatea@dataone.in Website: www.lnbgroupp.com

Phone: 0422-2221352 Fax: 0422-2220380

**101st Annual General Meeting
22nd September 2014**

Name of the Shareholder	
Registered address	
E-mail ID	
Folio No. / Client ID	
DP ID	

I / we, being the shareholder(s) of shares of the above named company, hereby appoint:

1	Name	
	Address	
	E-mail ID	
	Signature	

or failing him

2	Name	
	Address	
	E-mail ID	
	Signature	

or failing him

3	Name	
	Address	
	E-mail ID	
	Signature	

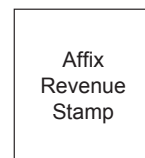
as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 101st Annual General Meeting of the Company, to be held on **Monday the 22nd September 2014 at 10.30 A.M.** at The Indian Chamber of Commerce & Industry, 732, Avinashi Road, Coimbatore - 641 018 and at any adjournment thereof in respect of such resolutions as are indicated below:-

S. No.	Resolutions	Optional*	
		For	Against
Ordinary Business			
1	Adoption of Financial Statements for the year ended 31st March 2014.	<input type="checkbox"/>	<input type="checkbox"/>
2	Declaration of dividend for the year ended 31st March 2014,	<input type="checkbox"/>	<input type="checkbox"/>
3	Re-appointment of Shri L.N.Bangur who is retiring by rotation and seeking re-election.	<input type="checkbox"/>	<input type="checkbox"/>
4	Re-appointment of Statutory Auditors and to fix their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>
Special Business			
5	Appointment of Shri R.L. Gaggar as an Independent Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
6	Appointment of Shri N.Swaminathan as an Independent Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
7	Appointment of Shir H.M.Parekh as an Independent Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
8	Appointment of Shri P.R.Ramakrishnan as an Independent Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
9	Alteration of Article 155 of the Articles of Association to make the office of Managing Director/Wholetime Director liable for retirement by rotation.	<input type="checkbox"/>	<input type="checkbox"/>
10	Modification of the terms of appointment of Shri Shreeyash Bangur, Deputy Managing Director of the Company so as to make his office liable for retirement by rotation.	<input type="checkbox"/>	<input type="checkbox"/>
11	Mortgage or otherwise dispose of or to create or modify charge, hypothecate the whole or substantially the whole of the undertaking of the Company pursuant to Section 180(1)(a) of the Companies Act, 2013.	<input type="checkbox"/>	<input type="checkbox"/>
12	Re-appointment of Smt Alka Bangur as Managing Director of the Company for a further term of three years.	<input type="checkbox"/>	<input type="checkbox"/>

Signed this day of, 2014.

Signature of Shareholder

Signature of Proxy holder(s)



Notes:

- Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**
- For the resolutions, explanatory statement and notes, please refer to the Notice of 101st Annual General Meeting.
- It is optional to put '✓' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all resolution, your proxy will be entitled to vote in the manner as he / she thinks appropriate.
- Please complete all details including details of member(s) in the above box before submission.

BOOK POST

To

If undelivered, please return to :

THE PERIA KARAMALAI TEA AND PRODUCE COMPANY LIMITED

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