



Financial Performance 8 year track record

Rs. Crs.

	02-03	03-04	04-05	05-06	06-07	07-08	08-09	09-10
Profit & Loss Account								
Total Income	124.29	139.10	147.22	151.39	208.56	209.14	292.58	350.66
Personnel cost	61.68	62.44	60.51	62.66	65.69	70.01	89.33	103.14
Raw materials & Purchases	7.16	7.46	7.33	13.41	50.95	52.69	92.62	126.45
Power & Fuel	8.81	9.57	9.55	10.51	11.20	11.05	14.12	12.43
Cultivation & Other Operating Expenses	33.59	32.31	35.48	38.35	41.33	42.74	58.10	68.71
Depreciation	3.37	3.00	2.69	3.04	2.97	3.00	3.42	4.40
	114.61	114.78	115.56	127.97	172.14	179.49	257.59	315.13
Selling Expenses	8.72	8.67	9.01	8.66	10.47	12.09	15.61	10.62
Cost of Sales	123.33	123.45	124.57	136.63	182.61	191.58	273.20	325.75
PBIT @	0.96	15.65	22.65	14.76	25.95	17.56	19.38	24.91
PBT @	(8.79)	5.23	15.77	5.31	15.06	6.99	8.01	12.36
Earnings per Share of Rs 10/-		Rs 2.83	Rs 8.12	Rs 2.50	Rs 7.65	Rs 3.35	Rs 3.27	Rs 5.37
Dividend per Share of Rs 10/-			Rs 1.00	Rs 1.00	Rs 1.50	Rs 1.50	Rs 1.50	Rs 2.00
Balance Sheet								
Fixed Assets	209.07	206.06	203.47	184.11	182.44	181.92	183.33	421.58
Investments	49.81	49.81	49.59	12.11	12.10	12.10	12.10	0.01
Net Current Assets	23.76	20.15	40.92	203.23	194.68	196.97	205.03	(0.54)
Misc. Exps to the extent not written off	0.60	0.40						
	283.24	276.42	293.98	399.45	389.22	390.99	400.46	421.05
Share Capital	18.45	18.45	18.45	18.45	18.45	18.45	18.45	18.45
Reserves & Surplus	184.97	190.20	226.76	283.24	294.11	287.05	289.85	298.31
Loan Funds	79.82	67.77	48.77	97.76	76.66	85.49	92.16	104.29
	283.24	276.42	293.98	399.45	389.22	390.99	400.46	421.05

@ Before Exceptional / Extra ordinary Items

NOTICE

Notice is hereby given that the Thirty Third Annual General Meeting of the Company will be held at 10.30 a.m. on Thursday the September 30, 2010 at Durbar Hall, Casino Hotel, Willingdon Island, Cochin – 682 003, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at March 31, 2010, the Profit & Loss Account for the year ended on that date and the Report of the Directors and Auditors.
2. To declare a dividend.
3. To appoint a Director in place of Mr. Sanjiv Goenka who retires by rotation and is eligible for reappointment.
4. To appoint a Director in place of Mr. Haigreve Khaitan who retires by rotation and is eligible for reappointment.
5. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and fix their remuneration.

SPECIAL BUSINESS

6. To consider and if thought fit, to pass, with or without modification the following resolution as an ordinary resolution:

"RESOLVED THAT the consent of the Company be and is hereby accorded in terms of Section 293 (1)(a) and other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof) for creating such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on the immovable properties both present and future, situated at

1. Arrapetta estate in Wynad District, Kerala and charged

On pari-passu First Charge basis in favour of the Consortium Bankers viz., State Bank of India (SBI), State Bank of Travancore (SBT), State Bank of Hyderabad (SBH), and ICICI Bank Ltd. (ICICI) for the Total Working Capital Facility of Rs. 4126 lacs sanctioned to the Company and

On a pari-passu Second Charge basis in favour of SBI and SBT for the Bank Guarantee facility of Rs.1100 Lacs sanctioned to the Company.

2. Mayfield estate in Nilgiris District, Tamilnadu, with IDBI Bank Limited acting on behalf of State Bank of India (SBI), National Bank for Agriculture & Rural Development (NABARD), State Bank of Travancore (SBT), State Bank of Hyderabad (SBH), and ICICI Bank Ltd. (ICICI) and charged

On pari-passu First Charge basis in favour of SBI for Rs.1392 lacs and NABARD for Rs.464 lacs for the Agricultural Term Loan sanctioned to the Company and

On pari-passu Second Charge basis in favour of the Consortium Bankers viz. of State Bank of India (SBI), State Bank of Travancore (SBT), State Bank of Hyderabad (SBH), and ICICI Bank Ltd. (ICICI) up to the value of Rs.800 lacs for covering the Total Working Capital Facility of Rs.4126 lacs sanctioned to the Company.

3. Veerakeralam, Thondamuthur in Coimbatore District, Tamilnadu and charged in favour of IDBI Bank Limited for the Term Loan aggregating to Rs.5800 lacs lent and advanced by IDBI Bank Limited to the Company during 2008-09.

By Order of the Board

Ravi A.

Company Secretary

August 30, 2010

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER
2. Proxies in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 16.09.2010 to 30.09.2010 (both days inclusive).



4. The dividend recommended by the Directors, if approved by the Members, will be paid on or before 29.10.2010 to those members whose names appear in the Company's Register of Members, or, who are notified as beneficiaries by the Depositories viz., National Securities Depository Limited and Central Depository Services (India) Limited at the close of business on 15.09.2010.
5. Members are requested to notify immediately any change in address to the Company's Registrars and Share Transfer Agents M/s. Link Intime India Pvt. Ltd., Surya 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore – 641028.

EXPLANATORY STATEMENT

Pursuant to Section 173(2) of the Companies Act, 1956

Item No. 6

During the year the Company had approached the banks for additional financial assistance for its Working Capital requirements (fund based and non fund based). With HDFC Bank Ltd. moving out and SBH and ICICI Bank Ltd. coming in, the consortium of banks was realigned. The said financial assistance sanctioned by the Consortium Banks has to be secured by way of a charge / mortgage of all the movable and immovable assets, both present and future, situated at Arrapetta Estate in Wynad, Kerala in their favour.

The Company had also approached NABARD and SBI for financial assistance for carrying out its replanting / infilling program in Rubber & Tea gardens and also for its factory modernization. For the financial assistance sanctioned by NABARD and SBI, the immovable properties of the Company, both present and future, situated at Mayfield Estate in Nilgiris District in Tamilnadu has to be secured by way of first charge / mortgage by deposit of title deeds in their favour and on second charge basis in favour of the Consortium Banks up to a value of Rs. 800 lacs for the Working Capital facility sanctioned.

In 2008-09 IDBI had sanctioned a Term Loan of Rs. 5800 lacs which was secured by way of first charge / mortgage by deposit of title deeds of all immovable assets of the Company, both present and future, situated at Mayfield and Wentworth Estates in Nilgiris District, Tamilnadu and the members had passed a resolution under Section 293(1)(a) of the Companies Act, 1956 in the AGM held on September 30, 2009. IDBI has been insisting on a first charge / mortgage by deposit of title deeds of the tea blending / packing factory situated at Coimbatore instead of Mayfield Estate.

Section 293(1)(a) of the Companies Act, 1956, provides inter alia, that the Board of Directors of a public Company shall not except with the consent of the Shareholders in the General Meeting, sell, lease or otherwise dispose off the whole or substantially the whole of the Undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole, of any such undertaking.

Since the Company proposes to mortgage by deposit of title deeds all the immovable properties of the Company both present and future, situated at Arrapetta and Mayfield estates and the tea blending / packing factory in favour of the Lenders for the facilities extended to the Company, it may be regarded as disposal of the Company's properties / undertakings. Hence it is necessary for the members to pass a resolution under Section 293(1)(a) of the Companies Act, 1956.

Copies of the letters of sanction No.

- i. CBD/HML/137 dt. 16.11.2009 of SBI, CNW/EKM/ASL/HML/118 dt. 12.10.2009 of SBT, F/HML/504 dt. 30.11.2009 of SBH, 90/E01KOL/22014 dt. 16.11.2009 of ICICI in respect of the Working Capital Facility (Rs.4126 lacs),
- ii. CNW/EKM/ASL/HML/220 dt. 11.03.2010 of SBT and CBD/HML/222 dt. 25.03.2010 of SBI in respect of the Bank Guarantee (Rs.1100 lacs).
- iii. NB. Kerala ROI/ICD/CF-4/2009-10 dt. 29.10.2009 of NABARD, CBD/HML/137 dt. 16.11.2009 of SBI in respect of the Agricultural Term Loan (Rs.1856 lacs).
- iv. IDBI. LCG NO.466/HML dt. 17.07.2008 of IDBI.

is open for inspection at the Registered Office of the Company between 11.00 a.m and 2.00 p.m on any working day, prior to the date of the meeting.

None of the Directors are interested or concerned in this resolution.

Your Directors recommend this resolution for approval.

By Order of the Board

Ravi A.

Company Secretary

August 30, 2010

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Annual Report and Audited Accounts of the Company for the financial year ended March 31, 2010.

Financial Results	Rs. lacs
Profit before Tax	1,236.10
Provision for Taxation	245.00
Profit after Tax	991.10
Surplus brought forward from previous year	8,445.30
Profit available for appropriation	9,436.40
Appropriations:	
General Reserve	74.33
Proposed Dividend	369.11
Dividend Tax	62.73
Balance Carried Forward	8,930.23

Dividend

Your Directors recommend a dividend of 20 % (Rs.2.00 per fully paid equity share of Rs.10 each.)

Composite Scheme of Arrangement

The Composite Scheme of Arrangement between the Company and its wholly owned subsidiaries has become effective on 31.03.2010 after obtaining all necessary statutory approvals. Pursuant to the Scheme, the Investment Undertaking vesting in the Company has been transferred to the new entity namely Sentinel Tea and Exports Limited (STEL). The shareholders of the Company as on the Record date of September 01, 2010 would be allotted shares of STEL as per the Composite Scheme of Arrangement, i.e., "1 (One) fully paid up equity share of Rs.10 each of STEL shall be issued and allotted for every 1(One) equity share of Rs.10 each held in HML." STEL would be listed in the BSE and NSE and the process for the same is on.

Performance

The Company achieved a turnover of Rs.33,454 lacs for the financial year under review (Previous year - Rs.29,245 lacs). Despite wide fluctuations in the price of Rubber during the year, the average RSS IV price for the industry was Rs.14 per kilo higher than the previous year. The average HML Rubber price was Rs.127.75 as against Rs.113.01 of the previous year. Tea industry experienced buoyancy after a long time. During the year, the auction averages registered an upward movement. HML Tea prices in Auction at Rs.85.38 per kilo was higher than Rs.69.27 per kilo of last year. The average price realisation for Tea was Rs.89.01 per kilo (previous year Rs.74.80). Your Company has made substantial progress in Bought Operations in Tea & Rubber which has contributed in improving the capacity utilisation of the factories. This has resulted in higher turnover and improved profitability. Your Company's efforts in improving labour productivity through incentive schemes and reorganised work continued to yield positive results. Your Company has made substantial investments in bringing larger areas under replanting in Rubber and infilling in Tea. Also, substantial improvements were made in upgrading the Tea and Rubber factories resulting in lowering the costs and improving the quality of the products. We believe these investments would give us long term benefits.

Export & Foreign Exchange Outgo

Details of foreign exchange earnings and outgo are set out in item No 14 of the Notes on Accounts.

Directors

Directors Mr. Sanjiv Goenka & Mr. Haigreve Khaitan retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment.

Mr. S. Samuel resigned from the Board of Directors of the Company on July 19, 2009. The Board wishes to place on record its appreciation for the valuable contribution made by Mr. S. Samuel during his tenure as a Director of the Company.

Corporate Governance

The Company has complied with the mandatory provisions of Corporate Governance as prescribed under the Listing Agreement with the Stock Exchanges. A separate report on the Corporate Governance forms part of the Annual Report.



Auditors

The Auditors Messrs Price Waterhouse, Chartered Accountants, Chennai retire at the forthcoming Annual General Meeting, and being eligible offer themselves for reappointment.

Cost Audit

Messrs Shome & Banerjee, Cost Accountants, were reappointed to conduct the Audit of Cost Accounting records of the Company for the year under review.

Information regarding Conservation of Energy etc.

Information required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 forms part of this Report.

Employee Relations

Employee relations remained normal during the year under review. Your Directors place on record their appreciation of the contribution made by employees at all levels during the year.

Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 is annexed.

Fixed Deposits

As at March 31, 2010 deposits amounting to Rs.1,73,000 remained unclaimed.

Prospects

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

Realisation for both tea and rubber are expected to improve further in view of the Company's focus on quality for its products coupled with encouraging market outlook for tea and rubber prices in the next twelve months.

Directors' Responsibility Statement

The Directors confirm having:

1. In the preparation of annual accounts for the financial year ended March 31, 2010, the applicable Accounting Standards have been followed along with proper explanation relating to the material departures;
2. Selected such accounting policies and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
3. Taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, and
4. Prepared the annual accounts on a going concern basis.

Acknowledgements

Your Directors take this opportunity to thank the Central and State Governments, the Financial Institutions, Banks, Investors, Suppliers, Business Associates, Shareholders and all Customers who continue to repose their trust in the Company.

On behalf of the Board of Directors

Kolkata
August 30, 2010

Ajit Singh Chouhan
Director

Pankaj Kapoor
Managing Director

ANNEXURE TO THE DIRECTORS' REPORT

Information under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended March 31, 2010

Name	Age	Designation	Qualification & Experience (in years)	Gross Remuneration (Rs.)	Date of commencement of Employment	Last Employment
Mr. Pankaj Kapoor	47	Managing Director	M.Sc., (Agri. Economics) PG Diploma in Management from IIM, Ahmedabad (22)	62,70,687	24-04-2008	Jubliant Organosys Ltd.
Mr. N. Dharmaraj	58	Vice-President (Tea)	B.Sc. (Agri.) (35)	39,21,815	01-09-1999	Hindustan Lever Ltd.
Mr. K.N. Mathew	57	Vice-President (Finance)	B.Com., ACA, AICWA (30)	30,32,753	07-06-2004	Associated CEAT Ltd., Sri Lanka
Mr. C. Vinayaraghavan	54	Vice-President (Rubber)	B.Sc. (Botany) (33)	26,06,140	01-04-1977	Malayalam Plantations (India) Ltd.
Mr. Baburaj V. Nair*	46	General Manager (HR)	B.A.(Econ.), LLB, PGDIRPM, DIM (22)	24,83,483	06-04-2009	VE Commercial Vehicles (P) Ltd.

* Employed for the part of the year

Note:

1. The remuneration includes salary, allowances, value of perquisites, Company's contribution to provident fund & superannuation fund.
2. None of the above employees is related to any Director of the Company and their employment is contractual in nature.

On behalf of the Board of Directors

Kolkata
August 30, 2010

Ajit Singh Chouhan
Director

Pankaj Kapoor
Managing Director



REPORT ON CORPORATE GOVERNANCE

1. Philosophy on Code of Governance

The Company maintains high standards of disclosures to the Shareholders, Employees, Government and Customers.

2. Board of Directors

The Board has an optimum combination of Executive and Non-Executive Directors, and is in conformity with Clause 49 of the listing agreement entered into with the stock exchanges, in which the Company's shares are listed.

a) The Composition of the Board of Directors as on March 31, 2010 is given below:

Name of Director	Executive / Non-Executive	No. of Outside Directorships*	Total number of Committee Memberships in other Companies **	Total number of Committee Chairmanships in other Companies**	No. of Shares Held
Mr. Sanjiv Goenka	Non-Executive	11	2	2	35000
Mr. Haigreve Khaitan	Non-Executive & Independent	14	7	–	–
Mr. P.K. Chowdhary	Non-Executive	6	3	–	–
Mr. G. Momen	Non-Executive & Independent	9	7	1	560
Mr. Umang Kanoria	Non-Executive & Independent	3	2	–	–
Mr. Ajit Singh Chouhan	Non-Executive	4	1	–	–
Mr. Pankaj Kapoor	Executive	–	–	–	90001

*Excludes Directorships in Indian Pvt. Ltd. Companies, Foreign Companies and Alternate Directorships.

**Represents Memberships / Chairmanships of Audit Committee and Investor Grievance Committee.

b) Board Procedure

Board Meetings held during the financial year 2009-10 and attendance of Directors.

The Board meets at least once in a quarter to consider among other business, the quarterly performance of the Company and financial results. Four Board Meetings were held during the financial year 2009-10 on 26.05.2009, 23.07.2009, 26.10.2009 and 29.01.2010.

The attendance of each Director at the Board Meeting and the last AGM is as given below :

Name of Director	Number of Board Meetings attended	Attendance at last AGM
Mr. Sanjiv Goenka	2	–
Mr. Haigreve Khaitan	3	–
Mr. P.K. Chowdhary	2	–
Mr. G. Momen	4	–
Mr. Umang Kanoria	2	–
Mr. S. Samuel*	–	–
Mr. Ajit Singh Chouhan	4	–
Mr. Pankaj Kapoor	4	Yes

*Mr. S. Samuel resigned with effect from July 19, 2009.

c) Code of Conduct

The Board has laid down a Code of Conduct for all Board members and senior management personnel of the Company which is posted on the website of the Company.

All Board members and senior management personnel have affirmed compliance with the Code on an annual basis. A declaration to this effect signed by the Managing Director forms part of this Annual Report.

3. Committees of the Board**a) Audit Committee**

The Audit Committee comprises of three Independent Directors. The terms of reference of the Audit Committee cover the matters specified under Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956.

Four Audit Committee Meetings were held during the financial year 2009-10 on 26.05.2009, 23.07.2009, 26.10.2009 and 29.01.2010.

The composition of the Audit Committee and the attendance of each Member of the Committee are as below:

Composition	Mr. Haigreave Khaitan (Chairman)	Mr. Umang Kanoria	Mr. G. Momen	Mr. Ajit Singh Chouhan	Mr. S. Samuel*
No. of meetings attended	3	2	4	4	–

*Mr. S. Samuel resigned with effect from July 19, 2009.

The Company Secretary acts as the Secretary to the Audit Committee.

b) Share Transfer Committee

The Board has delegated the powers relating to the approval of share transfers to a committee consisting of Managing Director, Company Secretary and Chief Manager- Legal of the Company.

The Committee generally meets at least once in a fortnight. During the financial year 2009-10 twenty six (26) meetings were held.

c) Investors' Grievance Committee

The Investors' Grievance Committee oversees the redressal of Investors' complaints relating to share transfers/ transmission, non receipt of Annual Reports, dividend warrants etc. The Committee met once during the financial year 2009-10 on 29.01.2010.

The composition and the attendance of each Member of the Committee is as below:

Composition	Mr. S. Samuel*	Mr. G. Momen (Chairman)	Mr. Pankaj Kapoor	Mr. Umang Kanoria
No. of Meetings attended	–	1	1	1

*Mr. S. Samuel resigned with effect from July 19, 2009 and Mr. G. Momen was appointed with effect from January 29, 2010

Mr. Ravi A., Company Secretary is the Compliance Officer of the Investors' Grievance Committee.

The status of Investor complaints are as below:

No. of Investor queries/complaints received during the year	No. of complaints pending at the end of the Financial Year
49	Nil

There were no pending share transfers pertaining to the Financial Year ended March 31, 2010.



d) Remuneration Committee

The Company has a Remuneration Committee comprising of three Directors viz., Mr. Haigreve Khaitan (Chairman), Mr. G Momen and Mr. Umang Kanoria. During the year the Committee met on 26.10.2009 to take note of the approval received from the Central Government pertaining to the appointment of Mr. Pankaj Kapoor as the Managing Director of the Company and remuneration payable to him. While the appointment of Mr. Pankaj Kapoor was approved by the Central Government for a period of 3 years (from 24.04.2008 to 23.04.2011), the remuneration payable to him was approved for a period of 2 years (from 24.04.2008 to 23.04.2010).

An application has been submitted to the Central Government seeking consent for payment of remuneration for the period 24.04.2010 to 23.04.2011 based on the earlier approved limit, the sanction of which is awaited.

4. Remuneration of Directors

Figures in Rs.

Name of the Director	Salary & Perquisites	Sitting Fees	Total
Mr. Haigreve Khaitan	–	75000	75000
Mr. P.K. Chowdhary	–	40000	40000
Mr. G. Momen	–	1,00,000	1,00,000
Mr. Umang Kanoria	–	50000	50000
Mr. S. Samuel	–	Nil	Nil
Mr. Ajit Singh Chouhan	–	1,00,000	1,00,000
Mr. Pankaj Kapoor*	62,70,687	–	62,70,687

* Break up of Salary & Perquisites of Managing Director.

Basic Salary	Other allowance	Perquisites	Retirement Benefits	Total
21,00,000	34,56,668	1,47,019	5,67,000	62,70,687

5. Annual General Meetings

Location, date and time of the Annual General Meetings held in last three years.

Sl. No.	AGM	Year	Date	Time	Location
1.	32 nd	2009	30-9-2009	10.30 a.m.	Durbar Hall, Casino Hotel Willingdon Island Cochin – 682 003
2.	31 st	2008	18-9-2008	10.00 a.m.	
3.	30 th	2007	28-9-2007	10.00 a.m.	

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

6. Disclosures

There were no significant related party transactions during 2009-10 year having conflict with the interest of the Company.

The Company has complied with the requirements of the Listing Agreement with Stock Exchanges and the regulations and guidelines of SEBI. No penalties or strictures have been imposed by SEBI, Stock Exchanges or any statutory authority on matters relating to capital markets during the last three years.

Risk Management

The Company has laid down procedures to inform Board members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management controls risks through means of a properly defined framework.

Certificate from CEO/ CFO

Certificate from Mr. Pankaj Kapoor, Managing Director and Mr. K.N. Mathew, Vice President (Finance) in terms of Clause 49 (V) of the Listing Agreement with the Stock Exchanges for the financial year ended March 31, 2010 was placed before the Board of Directors of the Company in its meeting held on August 30, 2010.

Whistle Blower Policy

The Company does not have a Whistle Blower Policy as of now but no personnel is denied any access to the Audit Committee.

7. Means of Communication

The quarterly, half yearly and annual results are published in Business Standard / Business Line (English), Economic Times (English) and Deshabhimani (Malayalam). These results are also displayed in the Company's website www.hml.co.in, and in the EDIFAR website.

During the year, the Company has not made any presentation to Institutional Investors or Analysts.

The Management Discussion & Analysis Report forms part of the Annual Report.

8. General Shareholders' Information**a) Annual General Meeting**

Date and Time : Thursday September 30, 2010 10.30 a.m.

Venue : Durbar Hall, Casino Hotel, Willingdon Island, Cochin – 682 003

b) Details of Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting of the Company.**Mr. Sanjiv Goenka**

Mr. Sanjiv Goenka (49) is the Vice Chairman of RPG Enterprises, one of the leading industrial houses in India having a turnover of Rs.17,000 crores per annum.

Currently he is the:

- Vice President, All India Management Association
- Member, Board of Governors, International Management Institute, New Delhi
- Member, International Chamber of Commerce, India
- Member, Confederation of Indian Industry (New Delhi)
- Member, Confederation of Indian Industry (Eastern Region)
- Member, Indian Chamber of Commerce

He has held the position as the:

- President of Confederation of Indian Industry (CII)
- Chairman, Board of Governors' Indian Institute of Technology, Kharagpur
- Member, Prime Minister's Council on Trade and Industry
- President of Indian Chamber of Commerce.
- Director, Indian Airlines & Air India.

He is a Director in the following Companies:

- RPG Enterprises Ltd.
- CESC Limited
- Philips Carbon Black Ltd.
- Spencer and Company Ltd.
- Spencer International Hotels Ltd.
- Spencer's Travel Services Ltd.
- Saregama India Ltd.
- Noida Power Company Limited
- Graphite India Ltd.
- Eveready Industries India Ltd.
- Woodlands Medical Centre Ltd.



Haigreve Khaitan

Mr. Haigreve Khaitan (40) is an Advocate practicing since 1995 with specialization in Commercial & Corporate Laws, Tax Laws, Mergers & Acquisitions, Restructuring, Foreign Collaboration and Licensing.

He is a Director in the following Companies:

- CEAT Ltd.
- Dhunseri Tea & Industries Ltd.
- Hindustan Composites Ltd. (Alternate Director)
- Inox Leisure Ltd.
- National Engineering Industries Ltd.
- Jindal Steel & Power Ltd.
- Rama Newsprint & Papers Ltd.
- Sterlite Technologies Ltd.
- The Madras Aluminium Company Ltd.
- The Oudh Sugar Mills Ltd.
- Xpro India Ltd.
- AVTEC Limited
- Bajaj Corp. Ltd.
- Bennett, Coleman & Co. Ltd.
- Great Eastern Energy Corporation Ltd.
- I.G.E. (India) Limited (Alternate Director)
- Khaitan Consultants Ltd. (Alternate Director)

c) Financial Calendar (Tentative)

Quarter ending June 30, 2010	Second week of August 2010
Quarter ending September 30, 2010	Second week of November 2010
Quarter ending December 31, 2010	Second week of February 2011
Year ending March 31, 2011 (Audited)	Fourth week of May 2011

d) Date of Book Closure : 16.09.2010 to 30.09.2010 (both days inclusive)

e) Details of Stock Exchanges where listed

- Bombay Stock Exchange Ltd. (BSE)
- National Stock Exchange of India Ltd., Mumbai (NSE)
- Cochin Stock Exchange Ltd., Cochin (CSE)

The Company has remitted the listing fees payable to the Stock Exchanges.

f) Market Price Data

Market Price and volume of the Company's shares traded in the major stock exchanges during the financial year 2009-10 :

Year – 2009-10	BSE		NSE		Volume (Nos.)	
Months	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)	BSE	NSE
April	55.00	39.00	54.60	38.35	1522437	2207684
May	86.30	50.00	87.00	50.00	3131160	5545644
June	88.45	70.00	88.55	68.35	5026107	7787797
July	82.30	65.20	82.40	65.00	2186023	3278849
August	112.00	76.55	111.90	77.15	9423074	19487455
September	138.30	105.00	138.25	105.00	8289560	19874779
October	129.30	99.20	129.70	99.20	3030007	6842531
November	123.50	98.85	123.40	99.00	3494497	7286738
December	142.30	120.30	142.50	120.55	3708975	6044368
January	147.60	107.40	147.80	106.95	2865904	5851849
February	123.25	104.80	123.30	105.05	777778	1905739
March	142.40	111.00	142.40	108.55	2040951	4354981

g) Shareholding Pattern as on March 31, 2010

Category	Shares held (Nos.)	% of holding
Promoters Holdings (Indian and Foreign)	9284005	50.31
Mutual Funds	49000	0.26
Banks, Financial Institutions, Insurance Companies and others	67878	0.37
Foreign Institutional Investors	–	–
Non Resident Indians	303790	1.65
Corporate Bodies, Indian Public and others	8750732	47.41
TOTAL	18455405	100.00



h) Distribution of Shareholding as on March 31, 2010

No. of Equity Shares held	No. of Shareholders	No. of Shares held	% Shareholding
Up to 500	31478	3640961	19.73
501 to 1000	1157	908015	4.92
1001 to 2000	622	948679	5.14
2001 to 3000	144	369586	2.00
3001 to 4000	108	386956	2.10
4001 to 5000	58	271676	1.47
5001 to 10000	88	626245	3.39
10001 and above	90	11303287	61.25
TOTAL	33745	18455405	100.00

i) Share Transfer Process

Share Transfer in physical form is normally effected within a period of thirty days of receipt of documents complete in all respects. All share transfers are approved by the Share Transfer Committee which meets at least once in a fortnight. Request for dematerialisation of shares are processed and confirmed to the respective depositories within 15 days.

j) Dematerialisation of Shares

The Company has entered into a tripartite agreement with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) to provide trading of shares in dematerialised form. International Securities Identification Number (ISIN) allotted to the equity shares of the Company is INE544A01019. As on March 31, 2010, 1,24,66,869 equity shares representing 67.55% were in dematerialised form.

k) Appointment of Share Transfer Agents

M/s.Link Intime India Pvt. Ltd., Coimbatore has been appointed as Registrars and Share Transfer Agents of the Company with effect from 1.4.2003 for both physical and electronic segments.

l) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments

Not Applicable

m) Plant Locations

Tea Estates : Eleven Estates located in Kerala and two in Tamil Nadu
 Rubber Estates : Eleven Estates located in Kerala
 Plant Tissue Culture : Located in Surianalle in Kerala

n) Address for Correspondence

Company

Harrisons Malayalam Ltd.
 24/1624, Bristow Road
 Willingdon Island
 Cochin – 682 003
 Telephone No.: 0484-2668023
 E-Mail : secretarial@harrisonsmalayalam.com

Registrars & Share Transfer Agents

M/s. Link Intime India Pvt. Ltd.
 Surya, 35, Mayflower Avenue
 Behind Senthil Nagar
 Sowripalayam Road
 Coimbatore – 641 028.
 Telephone No.: 0422-2314792
 E-mail: coimbatore@linkintime.co.in

DECLARATION – CODE OF CONDUCT

All Board members and senior management personnel of the Company have, for the year ended March 31, 2010, affirmed compliance with the Code of Conduct laid down by the Board of Directors in accordance with Clause 49 of the Listing Agreement with the Stock Exchanges.

for **HARRISONS MALAYALAM LIMITED**

Pankaj Kapoor
Managing Director

August 30, 2010

PRACTICING COMPANY SECRETARY'S CERTIFICATE

AS PER CLAUSE 49 OF THE LISTING AGREEMENT

To the Members of **Harrisons Malayalam Ltd.**

I have examined the compliance of conditions of Corporate Governance by Harrisons Malayalam Limited ("the Company") for the year ended March 31, 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

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

I state that as per the records maintained by the Company and certified by the Registrars and Share Transfer Agents of the Company, there were no investors' grievances remaining unattended/pending for more than 30 days as at March 31, 2010.

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

Thomas P. Chacko
FCS 4066

Company Secretary in Practice
CP 4251

Cochin
August 30, 2010



MANAGEMENT DISCUSSION AND ANALYSIS

TEA

World tea production during the calendar year 2009 at 3860 Million kgs. was marginally lower compared to 3864 Million Kgs., a decline of 4 Million kgs. While Kenya & Sri Lanka showed a drop in their production by over 9%, Indian production at 979 Million kgs. in 2009 is almost stagnant at the previous year level. This means that inventories in the supply chain are almost dry and any trigger in supply concerns may move the prices sharply.

In India, North regions reported an incremental crop of 2.8 Million kgs., South Indian crop was lower by 1 Million kg. during 2009 as compared to previous year.

The first six months of the current calendar year 2010 shows the tea production on the rise and is 5.1 Million kgs. higher than in 2009. On the export front, South Indian Tea exports were higher by 11.7 Million kgs. during the period Jan – Jun 2010.

The average price realization in South India during the first six months of 2010 was Rs. 12.28 per kg lower than 2009, while it was down by Rs. 4.60 per kg. on an all India basis.

Outlook

Tea production during 2010 would be in line with the 2009 production. However, the prices which have so far have shown a decline, is expected to improve in the second half. HML has modernized its tea factories in Wallardie, Arrapetta and Chundale which produce tea that fetch remunerative prices. Various cost reduction initiatives have been initiated at the factories which would result in lower conversion costs. Flexibility has also been built into the manufacturing process to switch over between CTC and Orthodox production at a very short notice. Large areas have been taken up for infilling thus increasing the bush stand per hectare. Soil Conservation and Water Management initiatives would result in HML bettering its production in the years to come.

RUBBER

Global warming has had an impact on the world natural rubber production in 2009 resulting in production being down by 4.2%. While production in Thailand, Vietnam and China increased, the output in Indonesia, Malaysia and India declined. Overall consumption has also been low by 7.7%, while there has been a marginal increase in the consumption in India.

The rubber prices have been bullish during the year and RSS IV touched a high of Rs. 156 per kg. on March 31, 2010. The prices have since continued to increase and on 28th August stood at a high of Rs.171.

Continued focus on quality and optimum product mix such as manufacturing Pale Latex Crepe etc and strategic exports enabled the Company to fetch premium in the market for its products. The premium for the Company's rubber over RSS IV grades is one of the highest in recent times. This year the Company exported the highest quantity of rubber. The modernizing of the factories carried out during the year should ensure that the Company maintains the leadership for different grades of rubber produced.

Outlook

Preliminary studies by the Rubber Research Institute of India and feedback from International Study group also indicate Global warming is expected to have a negative impact on future production.

The Indian Auto sector's performance has been good and with the general increase in domestic consumption, the natural rubber prices are expected to be bullish for the year. The Company's focus on quality and the initiatives for increasing the production levels further should lead to better performance in future. Company's own production levels would remain flat as currently the Company is going for massive replanting exercise that would start producing results in 2-3 year's time and would make HML the highest land productivity in the Rubber Plantation Sector.

OPPORTUNITIES AND THREATS

At the expected price levels of Tea & Rubber and considering the investments made in Replanting and Infilling in Rubber & Tea, the Company will be better placed to perform well. The investments made in the Fruits, Spices and Other crops segment (FSO) has started yielding results. Also, the Company has bagged some prestigious Engineering projects which would pave the way to insulate the Company against the volatile commodity prices of Tea & Rubber. While there may be odd quarters showing negative profitability, Management is confident of showing incrementally better results in the coming years.

HUMAN RESOURCES

Keeping in mind the scarcity of labour in the times to come and possible increase in wages, the Company has initiated steps to mechanize its field activities. The Company has also initiated necessary action to curb unauthorized absenteeism to bring in more disciplined and productive work environment.

Because of continuous increase in immature area in both Tea and Rubber, our crops continue to go down. So while wages are continuously going up, our own crops are coming down, resulting in increased cost pressure.

Union leadership has always reciprocated to our requests and was engaged in meaningful dialogue to find mutually effective solutions. While our relationship with the Government has improved considerably, encroachment is still a threat. The Chengara issue still continues despite the Company's efforts to resolve the same.

HML is in the process of developing a talent pool of Executives, by directly recruiting from some of the best Agri-based Institutes in the Country, to broad- base the manpower. The Company has also developed a comprehensive in-house induction process to ensure adequate training and belonging to the new recruits.

More focus is given on process improvement and culture shift to build a more youthful, vibrant Plantation Organization. Safety initiatives have helped to reduce accidents across various factories. Six out of eleven factories in Tea and four out of six factories in Rubber have maintained "Zero Accidents" status during this year.

HML received ISO 9001 in HO, two Rubber Factories and Engineering sites, as a testimony to its continued focus on process improvements.

RPG Group recognizes committed team efforts and individual brilliance and they are being rewarded and recognized based on merit and performance evaluation using the Balance Score Card Process.

Many new initiatives, such as 360 degree feedback process on Leadership for senior management, Employee Engagement survey to benchmark and improve engagement amongst staff and executives, continued work on Organization Excellence based on RPG Business Excellence Model, have been taken to make HML one of the best places to work in.

HML, as a Corporate Citizen, has given more focus on Corporate Social Responsibility and has concentrated on Health, Education and Environment during the year and conducted many health camps in and around its various locations to spread the message of creating a hygienic living and working environment.

FINANCE

In 2009-10, Revenue has shown a growth of 14% over the previous year. The EBDITA has grown by 29%. Our relationship with the bankers has been good and we are hopeful of ensuring that adequate funds are made available for all future requirements. The Company also has a pro-active cash management that takes care of immediate business requirements.

INTERNAL CONTROL

The Company has an appropriate and adequate system of internal control to ensure that all assets are safeguarded and protected against any loss and that all transactions are authorized and reported correctly. The internal control is supplemented by regular review by management, documented policies, guidelines and procedures and internal audits.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations are "forward looking statements" within the meaning of applicable securities laws and regulations. Actual result could defer materially from those expressed or implied. Significant factors that could make a difference to the Company's operations include domestic and internal economic conditions affecting demand and supply, the commodity prices, changes in the Government regulations, tax regimes and other statutes.



SUSTAINABILITY REPORT

Background

Harrisons Malayalam Limited is a 100 year old Company with a strong presence in Tea & Rubber Plantations. It is the largest producer of Natural Rubber in India and the second largest single producer of Tea in South India.

The Companies operations are spread over 24 estates, 6 rubber factories and 12 tea factories along with a blending and processing unit in Coimbatore for Tea. The Company cultivates about 13,389 Ha. of land. In addition to the main crops of Tea & Rubber, the Company also cultivates pineapple and banana in these areas as intercrops. With a production of about 10000 tonnes of Rubber, 18500 tonnes of tea and 2500 tonnes of pineapple, HML is South India's largest agriculture operator.

The Projects division of the Company takes up civil & electrical projects and is presently handling some prestigious projects in the state of Kerala. The Company also has a Plant Tissue Culture unit in Surianalle in the High Range, which essentially caters to the internal needs.

As a part of insulating the Company's main products namely Tea & Rubber from the commodity price cycle and ensure robust performance in the future years and also to sustain the stake holders interest, the Company has embarked upon a series of initiatives, which would definitely yield results in the years to come.

Sustainability of the crop yields essentially depend upon the

1. **Soil Conservation techniques & Land Productivity Management**, wherein the soil productivity is assessed periodically in a scientific manner and specific supplements are given timely.
2. **Water Conservation and Effective Water Management**, which is by control and judicious use of water and implementing a system of rain water harvesting.
3. **Age profile of the tea bushes and rubber trees**. It is of prime importance that we continuously
 - a. Invest in Replanting in Rubber & Tea to keep the age profile in the economically viable range.
 - b. Move over to Newer Clones which are better yielding and are resistant to diseases.
 - c. Rejuvenation of the plantations and its assets in a systematic way.

Initiatives in Field – Replanting & Infilling:

Of the Total Rubber area of 7338 Ha, about 40% of the area is under replanting. Against a normal 3% of the area being taken up for replanting, the Company covered up an area equivalent to 10% last year with high yielding clones like PB 217, RR11 105, RR11 414 and RR11 430. These clones have also been proven to be disease resistant. And with all these plants having been raised in-house with specific care and attention, they sure are going to contribute to the company's overall growth. Full-fledged Rubber & Tea nurseries have been put in place to cater to the needs of the estates.

Chairman Emeritus Dr. R.P. Goenka visited the Tea plantations in High Range to kick start the accelerated Infilling program in Tea. Infilling of the fields have being carried out in a massive manner and during the year 22 lac plants were planted. Certain old areas went in for replanting. The Nursery in Surianallie Estate is Micro Sprinkler irrigated and is very useful in creating right humidity and moisture during dry months for young plants to grow in the nursery.

Various Soil and Water conservation measures have been initiated by the Company to ensure that these in-filled and replanted areas are well irrigated and moisture is retained in the soil. The measures adopted by the Company include

- Contour inward sloping terraces
- Leader drains
- Cover crop
- Water harvesting structures like check dams, staggered pits, silt pits etc.
- Planting of vetiver on bunds for prevention of erosion
- Gully plugging and kayalas

The Company has also introduced drip irrigation systems in its Rubber estates at Palapilly and Venture valley. This ensures judicious use of water by directing it to the root zone of the plant. The Company is also experimenting on raising rubber plants in large size gunny bags and their subsequent planting in the field. This in a way reduces the immaturity period.

A small beginning has been made in Organic Farming. In-house Vermi-compost and Coir-pith compost are being nurtured. Estates have established their own production units and produce compost in a most scientific manner. These when applied in the tea & rubber replanting fields and nursery, improve the yields and also act as good soil conditioners. Approximately 4 lac kgs of compost was produced during the year. This initiative is supported by National Horticultural Mission.

Initiatives in the Factory:

For keeping the cost low in factories it is important that we continuously upgrade our technology by investing in factory up gradation. During the year the Company modernized its Wallardie factory and has built in it, capability to manufacture both CTC and Orthodox teas. Also with a view of building in cost efficiencies, the Company has installed Hot Water boilers in its Arrapetta, Wallardie and Chundale tea factories whereby hot air generated by the boilers is channelized to dry the manufactured teas and also to remove the excess moisture in the green tea leaves in the withering ducts, thus reducing the dependence on fuel wood. Mooply and Kumbazha rubber factories that manufacture Cenex, which commands a premium in the market, were also upgraded and additional capacities built in.

HR Initiatives

Manpower availability becoming more and more scarce, investments in mechanization is the need of the hour. HML not to be left behind has pro-actively initiated action. Mechanical harvesting machines are being deployed in the tea fields which cover wider areas in a shorter time frame. Investments have been made in High power light weight sprayers which ensure judicious use of agri chemicals and cover a wider area. In the rubber replanting, augurs are being used in a big way to dig pits for planting. Possibilities of tapping the rubber trees using mechanical devices are also being explored.

HML strongly believes in Retention and development of Talent for its growth and success. For this, emphasis is on the value of human assets employed. For sustainability, it is imperative that the Company has a procedure for retention of talent within the organization. During the year various initiatives taken by HML in this direction are as detailed below.

Employee Engagement Program launched during the year helped identify initiatives, that been put into action. This is expected to improve the work place culture that will finally lead to higher employee engagement, retention and greater productivity for the Company.

During the year "Envision" a 360 degree feedback process on Leadership for senior management personnel was launched, wherein the managers were being rated by their superiors, peers and also by their subordinates. The observations were tabulated and feedback passed on to the person depicting his / her strengths and weakness, with suggestions for improvising upon the weak areas. In the coming year we would be deploying it amongst the middle and lower levels of management.

As a part of the ongoing process, continued efforts are being made to achieve higher levels of Organization Excellence, based on RPG Business Excellence Model, to make HML one of the best places to work in.

Committed Team efforts and individual brilliance continues to be recognized and individuals are being rewarded based on Balanced Business Score Card – a Performance Evaluation process -followed across the RPG group.

Open Door Policy – A platform for redressal of all employee related issues, has been initiated underlining the intention of the organization to be more transparent and ethical in all its dealings. We would be extending this to our customers, vendors and other stake holders.

Directly and indirectly, HML has employed thousands of people over many generations during the 100 plus years that the Company has been conducting business. HML currently provides direct employment to around 15000 people.

Recognitions

During the year the Company was awarded the ISO 22000:2005 certificate by Bureau Veritas for blending, packing and despatch of Teas. It also received the Good Manufacturing Practice certification from SGS for blending, packing, warehousing and despatch of Tea in Consumer pack and Bulk form, for domestic sales and exports.

Listed on the National, Bombay and Cochin Stock Exchanges, HML has a paid up capital of Rs.18.45 crs. and a shareholder base of 33733 as on August 30, 2010.



AUDITORS' REPORT

TO THE MEMBERS OF HARRISONS MALAYALAM LIMITED

1. We have audited the attached Balance Sheet of HARRISONS MALAYALAM LIMITED as at March 31, 2010 and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together "the Order"), issued by the Government of India in terms of Section 227 (4A) of the Companies Act, 1956 of India (the Act) and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we set out in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, 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 purposes of our audit.
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - (c) the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (d) in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply in all material respects with the applicable accounting standards referred to in Section 211 (3C) of the Act.
 - (e) on the basis of written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of Section 274 (1) (g) of the Act.
 - (f) in our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner, the information required by the Act and also give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010;
 - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

S. Datta
Partner
(Membership No. F14128)

Kolkata
August 30, 2010

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Paragraph 3 of our report of even date to the members of

**HARRISONS MALAYALAM LIMITED
on the financial statements for the year ended March 31, 2010)**

1. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) The fixed assets of the Company are physically verified by the management according to a phased programme designed to cover all the items over a period of three years, which we consider reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
- (c) No substantial part of fixed assets of the Company has been disposed off during the year.
2. (a) The inventories (excluding stocks with third parties) have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. In respect of inventories lying with third parties, confirmations have been received from most of the parties.
- (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company has maintained proper records of inventories and the discrepancies between the physical inventories and the book records, which have been properly dealt with in the books of account, were not material.
3. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
- (b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
4. In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventories and fixed assets and for the sale of goods and services. We have not observed any major weaknesses in the aforesaid internal control system during the course of our audit. However, procedures relating to quality inspection at the time of receipt of bought leaf and latex need to be further strengthened.
5. According to the records produced, there have been no contracts or arrangements referred to in Section 301 of the Act during the year to be entered in the register required to be maintained under that section.
6. In our opinion, the Company has complied with the provisions of Sections 58A and 58AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public and no Order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Government of India, the maintenance of cost records has been prescribed under Section 209(1)(d) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been maintained. However, we are not required to and have not carried out a detailed examination of such accounts and records.
9. (a) The Company has generally been regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, value added tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities.
- (b) According to the records produced, at the end of the financial year there were no dues of income-tax, sales-tax, value added tax, wealth tax, service tax, customs duty, excise duty and cess, which have not been deposited on account of any dispute, except as set out below:



Name of the statute	Nature of dues	Amount Rs. Lacs	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax and interest thereon	2,637.80	Assessment Years from 1995-96, 1996-97, 1999- 2000, 2005-2006 and 2006-07	Various Appellate Authorities/High Court
Companies (Profits) Surtax	Surtax and Interest thereon	26.99	Assessment Year 1984-85	Commissioner of Income Tax (Appeals)
Kerala Agricultural Income Tax Act, 1950/1991	Tax on Agricultural Income	752.50	Assessment Years 1983-84, 1991-92, 1993-94, 1994-95, 1996-97 to 1998-99	Various Appellate Authorities/High Court
Tamil Nadu Agricultural Income Tax Act, 1955	Tax on Agricultural Income	3.28	Assessment Years 1988- 89, 1992-93, 1996-97 and 1999-2000	Various Appellate Authorities
Kerala General Sales Tax Act, 1963	Sales Tax	8.09	Assessment Years 1984-85 to 1987-88	Various Appellate Authorities
Central Sales Tax Act, 1956 (Kerala)	Central Sales Tax	21.91	Assessment Years 1984-85 to 1987-88	Various Appellate Authorities
Central Sales Tax Act, 1956 (Tamil Nadu)	Central Sales Tax	0.54	Assessment Year 1999-2000	Assessing Officer

10. The Company has no accumulated losses as at March 31, 2010 and it has not incurred any cash losses during the financial year ended on that date or in the immediately preceding financial year.
11. According to the records produced, the Company has not defaulted in repayment of its dues to any financial institution or bank as at the balance sheet date.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
14. On the basis of review of utilisation of funds on an overall basis, in our opinion, the term loans taken by the Company were applied for the purposes for which the loans were obtained.
15. On the basis of review of utilisation of funds on an overall basis, in our opinion, the funds raised on short term basis have not been used for long term investment.
16. The Company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under Section 301 of the Act.
17. The Company has not issued any debentures during the year.
18. During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.
19. Clauses (xiii), (xiv) and (xx) of the aforesaid Order are not applicable to the Company.

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

S. Datta
Partner
(Membership No. F14128)

Kolkata
August 30, 2010

BALANCE SHEET AS AT MARCH 31, 2010

	Schedule	As at March 31, 2010 Rs. Lacs	As at March 31, 2009 Rs. Lacs
SOURCES OF FUNDS			
1. Shareholders' Funds			
(a) Share Capital	1	1,845.43	1,845.38
(b) Reserves and Surplus	2	29,831.40	28,985.06
		<u>31,676.83</u>	<u>30,830.44</u>
2. Loan Funds	3		
(a) Secured loans		9,150.92	8,482.26
(b) Unsecured loans		1,277.73	733.53
		<u>10,428.65</u>	<u>9,215.79</u>
Total		<u>42,105.48</u>	<u>40,046.23</u>
APPLICATION OF FUNDS			
1. Fixed Assets	4		
(a) Gross Block		48,513.80	24,564.28
(b) Less: Depreciation		6,714.37	6,573.03
(c) Net Block		41,799.43	17,991.25
(d) Capital Work-In-Progress		358.60	341.94
		<u>42,158.03</u>	<u>18,333.19</u>
2. Investments	5	1.20	1,209.73
3. Current Assets, Loans and Advances	6		
(a) Inventories		3,388.56	1,298.12
(b) Sundry Debtors		1,337.03	1,113.66
(c) Cash and Bank Balances		728.00	896.75
(d) Other Current Assets		582.15	293.97
(e) Loans and Advances		1,648.88	22,401.61
		<u>7,684.62</u>	<u>26,004.11</u>
Less: Current Liabilities and Provisions	7		
(a) Liabilities		4,737.10	3,172.88
(b) Provisions		3,001.27	2,327.92
		<u>7,738.37</u>	<u>5,500.80</u>
Net Current Assets		<u>(53.75)</u>	<u>20,503.31</u>
Total		<u>42,105.48</u>	<u>40,046.23</u>

Significant Accounting Policies and Notes on Accounts

12

Schedules referred to above form an integral part of the accounts

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

 For **Price Waterhouse**

Firm Registration No. 301112E

Chartered Accountants

For and on behalf of the Board

S. Datta

Partner

(Membership No. F14128)

Kolkata

August 30, 2010

Ravi A.

Company Secretary

Ajit Singh Chouhan

Director

Pankaj Kapoor

Managing Director



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

	Schedule	Year ended March 31, 2010 Rs. Lacs	Year ended March 31, 2009 Rs. Lacs
INCOME			
Sales		30,671.76	26,751.12
Services - Contract Jobs and Others		812.31	524.13
Sale of Rubber/Grevillea Trees		1,056.22	1,450.75
Other Income	8	914.17	518.86
		<u>33,454.46</u>	<u>29,244.86</u>
Increase /(Decrease) in value of Stock in Trade	9	1,611.18	12.74
		<u>35,065.64</u>	<u>29,257.60</u>
EXPENDITURE			
Cultivation, Manufacturing and Operating Expenses	10	31,072.98	25,789.28
Selling and Other Expenses	11	2,316.16	2,325.03
Depreciation		440.40	342.05
		<u>33,829.54</u>	<u>28,456.36</u>
Profit before Tax		<u>1,236.10</u>	<u>801.24</u>
Provision for Tax			
Current Tax			138.00
Fringe Benefits Tax		245.00	59.36
Profit after Tax		<u>991.10</u>	<u>603.88</u>
Profit brought forward from previous year		8,445.30	8,195.47
Profit available for appropriation		<u>9,436.40</u>	<u>8,799.35</u>
Appropriations			
General Reserve		74.33	30.20
Proposed Dividend		369.11	276.81
Dividend Tax		62.73	47.04
		<u>506.17</u>	<u>354.05</u>
Profit carried to Balance Sheet		<u>8,930.23</u>	<u>8,445.30</u>
Earnings per Share of Rs.10 each - Basic / Diluted (in Rs.)		<u>5.37</u>	<u>3.27</u>
Significant Accounting Policies and Notes on Accounts	12		

Schedules referred to above form an integral part of the accounts

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

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

For and on behalf of the Board

S. Datta
Partner
(Membership No. F14128)

Ravi A.
Company Secretary

Ajit Singh Chouhan
Director

Pankaj Kapoor
Managing Director

Kolkata
August 30, 2010

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

	For the year ended March 31, 2010 Rs. Lacs	For the year ended March 31, 2009 Rs. Lacs
Cash Flow from Operating Activities		
Profit before Tax and Exceptional Items	1,236.10	801.24
Adjustments for:		
Depreciation	440.40	342.05
Investment Income	(0.04)	(0.03)
Interest Income	(13.96)	(29.80)
Interest Expense	1,267.74	1,266.44
Investments written off	—	0.15
(Profit)/Loss on Sale of Fixed Assets	0.98	207.90
	<u>1,695.12</u>	<u>1,786.71</u>
Operating Profit before Working Capital changes	2,931.22	2,587.95
(Increase)/Decrease in Inventories	(2,090.44)	372.93
(Increase)/Decrease in Trade and Other Receivables	(223.35)	(220.31)
(Increase)/Decrease in Loans and Advances	(973.10)	1,187.62
Increase/(Decrease) in Trade and Other Payables	1,670.96	840.36
	<u>(1,615.93)</u>	<u>2,180.60</u>
Cash Generated from Operations	1,315.29	4,768.55
Income Tax (paid)/ refund received	(64.80)	(268.08)
Net Cash from Operating Activities (A)	<u>1,250.49</u>	<u>4,500.47</u>
Cash Flow from Investing Activities		
Purchase of Fixed Assets	(1,625.39)	(1,063.53)
Sale of Fixed Assets	23.31	400.47
Refund of advance received against sale of estate	—	(2,700.00)
Interest Received from Bank Deposits and Others	15.49	29.51
Income from Investments	0.04	0.03
Sale of Investments	(0.02)	0.02
Increase in Loans given to subsidiary	—	(18.61)
Net Cash from Investing Activities (B)	<u>(1,586.75)</u>	<u>(3,352.11)</u>
Cash Flow from Financing Activities		
Proceeds from Long-term Borrowings	1,704.53	5,469.70
Repayment of Long-term Borrowings	(1,959.07)	(5,483.80)
Loan from Subsidiary received/ (repaid)	—	(0.43)
Proceeds / (Repayment) of Short-term Loans	1,723.20	692.66
Share allotment / premium money received	0.23	—
Guarantee Commission Received	—	50.35
Interest Paid	(1,252.30)	(1,197.33)
Dividend / Dividend tax Paid	(323.85)	(323.86)
Net Cash from Financing Activities (C)	<u>(107.26)</u>	<u>(792.71)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(443.34)	355.65
Cash and Cash Equivalents at the beginning of the year	794.97	439.32
Add: Cash and Cash Equivalents taken over from amalgamating companies	5.75	—
Cash and Cash Equivalents at the close of the year	357.38	794.97
Notes :		
1. Cash and cash equivalents		
Cash and bank balances	728.00	896.75
Less : Restricted deposits/balances (including Rs.29.87 Lacs; previous year Rs.23.01 Lacs in Unclaimed Dividend Account)	370.62	101.78
Net Balance	357.38	794.97
2. Figures in bracket indicate outflow.		

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

 For **Price Waterhouse**

Firm Registration No. 301112E

Chartered Accountants

S. Datta

Partner

(Membership No. F14128)

Kolkata

August 30, 2010

Ravi A.

Company Secretary

For and on behalf of the Board

Ajit Singh Chouhan

Director

Pankaj Kapoor

Managing Director



SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE - 1 SHARE CAPITAL

AUTHORISED

3,00,00,000 Equity Shares of Rs.10 each

ISSUED AND SUBSCRIBED

1,84,55,405 Equity Shares of Rs.10 each fully paid up

Less: Allotment Money in Arrears

Notes :

1. Number of Equity Shares allotted as fully paid up for consideration other than cash in terms of the Scheme of Arrangement and Amalgamation.
2. Number of Equity Shares allotted as fully paid up by way of Bonus Shares through capitalisation of general reserve.

As at March 31, 2010 Rs. Lacs	As at March 31, 2009 Rs. Lacs
3,000.00	3,000.00
1,845.54	1,845.54
0.11	0.16
1,845.43	1,845.38
2,620.005	2,620.005
5,850.000	5,850.000

SCHEDULE - 2 RESERVES AND SURPLUS

	As at March 31, 2009 Rs. Lacs	Additions Rs. Lacs	Deductions Rs. Lacs	As at March 31, 2010 Rs. Lacs
Capital Reserve				
Share Premium Account	5,002.71	0.18	—	5,002.89
Fixed Asset Revaluation Reserve	13,957.19	22,739.61 *	22,739.61 **	13,957.19
Housing Subsidiary Reserve	5.26	—	—	5.26
Others arising from amalgamation	4.43	286.90 **	—	291.33
General Reserve				
Add: Transfer from Profit and Loss Account	1,570.17	74.33	—	1,644.50
Surplus				
Profit and Loss Account Balance	8,445.30	—	—	8,930.23
	28,985.06	23,101.02	22,739.61	29,831.40

* Refer Note 1 (c) on Schedule 4

** Refer Note 2.6 on Schedule 12

SCHEDULE - 3
LOAN FUNDS
SECURED LOANS

From Banks

- Term Loans

- Cash Credit

From Others

- Term Loans

UNSECURED LOANS

Fixed Deposits

Due to Subsidiary

Intercompany Deposits

Short Term Loan from Bank

Interest Accrued and Due

**As at
March 31, 2010
Rs. Lacs**
**As at
March 31, 2009
Rs. Lacs**
5,349.62

5,750.00

3,421.93

2,498.73

379.37

233.53

9,150.92

8,482.26

110.96

110.96

-

243.80

466.77

16.77

700.00

350.00

-

12.00

1,277.73

733.53

Notes :

1. (a) Term Loan from a bank to the extent of Rs.4,411.08 Lacs (previous year Rs.5,250 Lacs) is secured by equitable mortgage of immovable properties of the Company situated in Wentworth Estate and Coimbatore factory and also by a charge on the movable assets of the Company situated in the above properties.
- (b) Term Loans from banks to the extent of Rs.938.54 Lacs (previous year Rs.Nil) are secured on a pari passu basis by equitable mortgage of immovable property of the Company situated in Mayfield Estate and also by a charge on the movable assets of the Company situated in the above estate.
- (c) Term Loan from a bank to the extent of Rs.Nil Lacs (previous year Rs.500 Lacs) was secured by equitable mortgage of immovable properties of the Company situated in Kumbazha, Koney, Wallardie, Mooply, Palapilly, Kundai Estates and also by a charge on the movable assets of the Company situated in the above estates.
2. Cash Credit facilities are secured by equitable mortgage of immovable properties of the Company situated in Arrapetta Estate, hypothecation of standing crop in Achoor, Arrapetta, Panniar, Mayfield, Lahai, Isfield and Nagamallay Estates and by hypothecation of stocks of tea, rubber, trading merchandise, stores and spares, book debts and other movable assets both present and future.
3. Term loans from others are secured by hypothecation of assets acquired out of these loans.
4. Unsecured Loans include Rs.1,212.15 (previous year Rs.350.00) repayable within one year.

SCHEDULE - 4

FIXED ASSETS

Description of Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK		Rs. Lacs
	Cost/ Valuation as at March 31, 2009	Additions	Disposals/ Retirements	Cost/ Valuation as at March 31, 2010	As at March 31, 2009	For the year	On Disposals/ Retirements	As at March 31, 2010	
Land and Development - Freehold and Leasehold (Note 1 below)	15,553.64	22,899.71	—	38,453.35				38,453.35	15,553.64
Buildings	3,091.80	398.95	197.37	3,293.38	2,009.87	74.95	121.39	1,963.43	1,329.95
Plant and Machinery	4,482.59	815.11	145.89	5,151.81	3,465.72	285.97	131.39	3,620.30	1,531.51
Furniture and Fittings	266.47	7.80	27.15	247.12	230.99	7.37	25.84	212.52	34.60
Water Supply	597.47	135.18	0.93	731.72	461.69	17.46	0.83	478.32	253.40
Vehicles	572.31	91.60	27.49	636.42	404.76	54.65	19.61	439.80	196.62
	24,564.28	24,348.35	398.83	48,513.80	6,573.03	440.40	299.06	6,714.37	41,799.43
Previous Year	24,935.49	881.18	1,252.39	24,564.28	6,874.98	342.05	644.00	6,573.03	17,991.25
Capital Work-In-Progress - at cost (including Capital Advances Rs.146.67 Lacs; previous year Rs.81.01 Lacs)									358.60
									341.94
									42,158.03
									18,333.19

Notes:

- Land and development includes
 - Certain leasehold lands the value of which is not separately ascertainable.
 - Rs. 13,957.19 Lacs added on revaluation during 1990-91 and credited to Fixed Assets Revaluation Reserve.
 - Rs. 22,739.61 Lacs added on revaluation during 2009-10 (included under Additions) and credited to Fixed Assets Revaluation Reserve.
- Disposals and adjustments include Rs.75.47 Lacs being assets relating to Investment Undertaking transferred pursuant to a Scheme of Arrangement referred to in Note 2 on schedule 12.



SCHEDULE - 5
INVESTMENTS
LONG TERM - NON TRADE

Quoted

In fully paid up Equity Shares of Rs.10 each

392 Shares in Vaikundam Rubber Company Limited (Notes below)

Unquoted

In fully paid Equity Shares of Rs.10 each except otherwise stated :

In Wholly Owned Subsidiary Companies

1,00,35,220 Shares in Harrisons Malayalam Financial Services Ltd.

49993 Shares in Sentinel Tea and Exports Ltd.

30,76,600 Shares in Harrisons Agro Products Ltd. of Rs. 0.50 each

20,00,000 Shares in Harrisons Rubber Products Ltd.

In Others

500 Shares in Cochin International Airport Authority

In Government Securities

National Savings Certificates

Treasury Savings Account

Provision for diminution in the value of Investments

**As at
March 31, 2010
Rs. Lacs**
**As at
March 31, 2009
Rs. Lacs**

–

–

–

1,003.52

–

5.00

–

15.38

–

200.00

–

0.03

0.20

0.18

1.00

1.00

1.20

1,225.11

–

(15.38)

1.20

1,209.73

Note:

The shares in Vaikundam Rubber Company Limited were taken over from the amalgamating companies at nil cost. The above shares have been transferred to Sentinel Tea & Exports Limited pursuant to the Scheme of Arrangement referred to in Note 2 on Schedule 12



SCHEDULE - 6

CURRENT ASSETS, LOANS AND ADVANCES

INVENTORIES

	As at March 31, 2010 Rs. Lacs	As at March 31, 2009 Rs. Lacs
Stores and Spare Parts	1,109.16	678.85
Nurseries	133.40	84.45
Stock-in-Trade	2,146.00	534.82
	<u>3,388.56</u>	<u>1,298.12</u>

SUNDRY DEBTORS

Unsecured		
Debts outstanding for a period exceeding six months		
- Considered Good	118.71	98.52
- Considered Doubtful	299.63	298.16
	<u>418.34</u>	<u>396.68</u>
Other Debts		
- Considered Good	1,218.32	1,015.14
	<u>1,636.66</u>	<u>1,411.82</u>
Less : Provision for Doubtful Debts	(299.63)	(298.16)
	<u>1,337.03</u>	<u>1,113.66</u>

CASH AND BANK BALANCES

Cash in hand	21.68	10.62
Balances with Scheduled Banks in		
Current Accounts	335.70	375.81
Deposit Accounts (Note below)	340.75	487.31
Unpaid Dividend Account	29.87	23.01
	<u>728.00</u>	<u>896.75</u>

Note :

Deposits held as margin money	340.75	78.77
-------------------------------	--------	-------

OTHER CURRENT ASSETS

Interest accrued on fixed deposits	—	1.53
Tea Board Subsidy Receivable	582.15	292.44
	<u>582.15</u>	<u>293.97</u>

LOANS AND ADVANCES

Unsecured - considered good unless otherwise stated

Loans to Subsidiary Companies		21,174.76
-------------------------------	--	-----------

Advances recoverable in cash or in kind or for value to be received (including Rs.174.00 Lacs; previous year Rs.174.00 Lacs, considered doubtful)

Deposits	1,580.88	974.86
Balance with Customs, Port Trust, Excise etc.	241.90	425.50
	0.10	0.49
	<u>1,822.88</u>	<u>22,575.61</u>
Less : Provision for doubtful advances	(174.00)	(174.00)
	<u>1,648.88</u>	<u>22,401.61</u>

SCHEDULE - 7
CURRENT LIABILITIES AND PROVISIONS
LIABILITIES

Sundry Creditors

 Due to Micro and Small Enterprises
(Note 7 on Schedule 12)

Due to Subsidiaries (See Note 2 below)

Others

Advance from customers

Unclaimed dividends

Unclaimed matured deposits

Interest warrants for fixed deposits issued but not encashed

Interest Accrued but not due on loans

Notes:

1. Amounts due to be credited to the Investor Education and Protection Fund.
2. Also refer Note 2 on Schedule 12 regarding the Scheme of Arrangement.

PROVISIONS

Gratuity

Compensated Absences

 Current Tax (Net of Advance Tax of Rs.8,884.92 Lacs;
Previous year Rs.8,846.16 Lacs)

 Fringe Benefits Tax (Net of Advance Tax of Rs.83.94 Lacs;
Previous year Rs.57.89 Lacs)

Contingencies

Proposed Dividend

Dividend Tax thereon

SCHEDULE - 8
OTHER INCOME

Income from Non-Trade Long Term Investments

Liabilities / Provisions no longer required written back

Tea Board Subsidy

Miscellaneous Income

SCHEDULE - 9
INCREASE / (DECREASE) IN VALUE OF STOCK IN TRADE

Opening stock

Closing stock

Increase / (Decrease)

 As at
March 31, 2010
Rs. Lacs

 As at
March 31, 2009
Rs. Lacs

5.22

11.04

–

73.66

3,668.71

2,813.54

3,673.93

2,898.24

904.55

134.46

29.87

23.01

1.73

2.48

–

3.11

127.02

111.58

4,737.10

3,172.88

–

0.12

1,962.75

1,782.84

21.13

15.88

254.43

48.19

131.12

157.16

200.00

–

369.11

276.81

62.73

47.04

3,001.27

2,327.92

7,738.37

5,500.80

 For the year ended
March 31, 2010
Rs. Lacs

 For the year ended
March 31, 2009
Rs. Lacs

0.04

0.03

255.23

–

281.77

226.85

377.13

291.98

914.17

518.86

 For the year ended
March 31, 2010
Rs. Lacs

 For the year ended
March 31, 2009
Rs. Lacs

534.82

522.08

2,146.00

534.82

1,611.18

12.74



SCHEDULE - 10

CULTIVATION, MANUFACTURING AND OPERATING EXPENSES

	For the year ended March 31, 2010 Rs. Lacs	For the year ended March 31, 2009 Rs. Lacs
Green Leaf/ Latex purchased and consumed	9,705.54	7,899.10
Purchase of tea and latex	2,912.48	1,362.13
Engineering Contract Cost - Materials and Other Expenses	555.04	449.99
Consumption of Stores and Spare Parts	2,587.60	2,250.15
Salaries, Wages and Bonus	8,623.07	7,802.55
Contribution to Provident and other Funds	760.30	623.01
Workmen and Staff Welfare Expenses	321.34	334.91
Gratuity	609.00	662.00
Power and Fuel	1,509.51	1,557.10
Rent	96.95	87.56
Rates and Taxes	102.41	157.94
Repairs and Maintenance		
- Buildings	133.55	107.44
- Plant and Machinery	147.31	128.05
- Others	62.37	66.36
Insurance	57.83	48.46
Tea Cess	57.51	48.55
Replanting Expenses	840.39	698.81
Travelling and Conveyance	516.88	472.04
Miscellaneous Expenses	1,473.90	1,033.13
	<u>31,072.98</u>	<u>25,789.28</u>

SCHEDULE - 11

SELLING AND OTHER EXPENSES

	For the year ended March 31, 2010 Rs. Lacs	For the year ended March 31, 2009 Rs. Lacs
Brokerage and Discount	165.69	203.27
Advertisement and Selling Expenses	193.13	82.85
Commission to Selling Agents	—	26.75
Freight, Shipping, Transport and other charges	497.46	611.99
Interest (Note below)	1,253.78	1,137.09
Directors' Sitting Fees	3.65	3.10
Loss on sale of assets (net)	0.98	207.90
Provision for contingencies	200.00	—
Provision for Doubtful Debts/ Advances (net of recovery)	1.47	52.08
	<u>2,316.16</u>	<u>2,325.03</u>

Note:

Interest Expense		
On Term Loans	740.50	765.80
On Other Loans	527.24	500.64
	<u>1,267.74</u>	<u>1,266.44</u>
Interest Income on bank deposits and Others - Gross	(13.96)	(29.80)
(Tax Deducted at source Rs. 1.18 Lacs; Previous year Rs.4.26 Lacs)		
Interest on Income Tax Refund	—	(99.55)
	<u>1,253.78</u>	<u>1,137.09</u>

Significant Accounting Policies and Notes on Accounts for the year ended March 31, 2010

SCHEDULE-12

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

1. Significant Accounting Policies

1.1 Basis of Preparation of Financial Statements

The financial statements are prepared under historical cost convention except in so far they relate to revaluation of fixed assets (referred to in Note 1.3) in accordance with the generally accepted accounting principles in India and comply in all material aspects with the accounting standards notified by the Companies (Accounting Standards) Rules, 2006 and with the relevant provisions of the Companies Act, 1956.

1.2 Use of estimates

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

1.3 Fixed Assets

Fixed Assets are stated at cost less depreciation except in the case of Land and Development which is stated at the market value as on June 30, 1990 and April 1, 2009 based on revaluation carried out by independent valuers and additions/deletions thereto since then, at cost.

Expenses relating to new planting are capitalised.

1.4 Depreciation

Fixed assets other than land and development are depreciated under the written down value method in the manner and at the rates specified in Schedule XIV of the Companies Act, 1956. No depreciation is charged on the land and development. Assets costing individually Rs.5000 and below are fully depreciated in the year of addition.

1.5 Impairment of assets

Consideration is given at each balance sheet date to determine whether there is any modification or impairment of the carrying amount of the fixed assets. If any condition exists, an asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of any asset exceeds recoverable amount.

1.6 Investments

Long Term Investments are stated at cost and provision for diminution is made if the decline in value is other than temporary in nature. .

1.7 Inventories

Stores and spare parts are valued at cost ascertained generally on specific identification method. Nursery stocks are valued at cost incurred in raising and maintaining such stocks till transplantation. Stocks in trade are valued at lower of cost and net realisable value. The cost comprises of cost of purchase, cost of conversion and other costs including appropriate production overheads incurred in bringing such inventories to their present condition and location.

1.8 Revenue Recognition

i. Sales

Revenue from sale of tea at auction is recognised on receipt of sale note from brokers. Revenue from sale of tea other than at auction and from sale of rubber is recognised on despatch of goods to customers.

Revenue from sale of trees is recognised at the point of felling and removing the trees from the estates.



ii. Services

Revenue from fixed price construction contracts is recognised on the percentage of completion method measured by the proportion that costs incurred up to the reporting date bear to the estimated total cost of the contract.

1.9 Employee Benefits

i. Short Term

Short term employee benefits are recognised as an expense as per the Company's scheme based on expected obligations.

ii. Post Retirement

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

a) Provident fund

This is a defined contribution plan. Contributions in respect of staff and workers remitted to provident fund authorities in accordance with the relevant statute are charged to profit and loss account as and when due. The Company has no further obligations for future provident fund benefits in respect of these employees other than its monthly contributions. Contributions with respect to management staff are made to a trust administered by the Company and are charged to profit and loss account as and when due. The interest rate payable to the members of the trust shall not be lower than the rates notified by the government. In the event the income earned by the trust falls short of the interest payable based on the rates notified by the government the Company shall make good the shortfall.

b) Superannuation

This is a defined contribution plan. The Company makes contribution as per the scheme to superannuation fund administered by Life Insurance Corporation of India. The Company has no further obligation of future superannuation benefits other than its annual contributions and recognises such contributions as expense as and when due.

c) Gratuity

This is a defined benefit plan. Provision for gratuity is made based on actuarial valuation using projected unit credit method. Actuarial gains and losses comprising of experience adjustments and the effects of changes in actuarial assumptions are recognised immediately in the profit and loss account as income or expense.

iii. Long term

Long term employee benefits represent compensated absence which is provided for based on actuarial valuation using projected unit credit method.

1.10 Replanting Expenses

Replanting expenses are charged to revenue as and when incurred.

1.11 Foreign Currency Transactions

Foreign currency transactions are accounted at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are restated at the contracted / year end exchange rates. The exchange differences arising on payments/ realisations and from the year end restatement referred to above are recognised as income or expense in the profit and loss account. In respect of forward contracts the difference between forward rate and exchange rate at the inception of the foreign exchange contract is recognised as income or expense over the period of the contract.

1.12 Taxation

Provision for current tax is made based on the liabilities computed in accordance with the relevant tax rates and tax laws. Provision for deferred tax is made for the timing differences arising between the taxable income and accounting income computed at the rates enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised only if there is a reasonable/ virtual certainty that they will be realised in the foreseeable future and are reviewed for appropriateness of their respective carrying values at each Balance Sheet date.

2. Scheme of arrangement

- 2.1 Pursuant to a scheme of arrangement ('the Scheme') approved by the Hon'ble High Court of Judicature at Kerala vide its order dated July 28, 2010 Harrisons Malayalam Financial Services Limited (HMFSL), Harrisons Rubber Products Limited (HRPL), and Harrisons Agro-Products Limited (HAPL), all wholly owned subsidiaries of the Company were amalgamated with the Company effective April 1, 2009 under the "Purchase Method" as prescribed in the Accounting Standard (AS-14) "Accounting for Amalgamations"
- 2.2 Prior to amalgamation HMFSL was carrying on investment activities holding investments primarily in the group companies. HRPL and HAPL which were formed with the objective of engaging in the business of agro products and timber products respectively did not carry out any business prior to amalgamation.
- 2.3 As per the Scheme the entire business and the whole of the undertaking of HMFSL, HRPL and HAPL including all the debts, liabilities, duties and obligations and also including without limitation, all properties and assets of whatsoever nature and wherever situated after adjusting inter-company deposits, loans and advances outstanding and investments in the capital of HMFSL, HRPL and HAPL as appearing in the books of the Company, would, without any further act or deed, stand transferred to and vested in the Company on April 1, 2009 at their respective book values, except for the investments made by HMFSL which were transferred at their respective fair values as determined by the board of directors of the Company.
- 2.4 Further, pursuant to the Scheme, the Investment Undertaking of the Company (all assets and liabilities of the Company pertaining to the investment business including investments appearing in the books of account of the Company) was demerged on April 2, 2009 and without any further act or deed, was transferred to and vested in Sentinel Tea & Exports Limited on that date.
- 2.5 The assets and liabilities of HMFSL, HRPL and HAPL transferred to and vested in the Company after giving effect to the demerger of the Investment Undertaking referred to in Note 2.4 above are set out below.

	(Rs.Lacs)
Investments	10,582.78
Current Assets, Loans and Advances	
Cash and Bank balances	11.21
Loans and advances	317.82
	10,911.81
Less : Current Liabilities and Provisions	21,436.66
	(10,524.85)
Less : Demerger of investment undertaking (value of all investments including those taken over pursuant to the Scheme and those appearing in the books of the Company net of related liabilities)	(10,708.95)
Excess of liabilities over assets taken over	21,233.80

- 2.6 The above excess of liabilities over the assets taken over and the carrying value of investments in the shares of the wholly owned subsidiary companies amounting to Rs1,218.91 Lacs have been adjusted against the revaluation surplus of Rs.22,739.61 (referred to in Note 1 (c) on Schedule 4 and the balance revaluation surplus of Rs.286.90 Lacs has been transferred to Capital Reserve arising from amalgamation as per the Scheme

As at March 31, 2010 Rs. Lacs	As at March 31, 2009 Rs. Lacs
-------------------------------------	-------------------------------------

3. Contingent Liabilities

- i. Claims against the Company not acknowledged as debt

A Employee related	206.21	157.32
B Interest @12% on Levy of damages under section 14B of Employees' Provident Fund Miscellaneous Provisions Act 1952.	81.50	67.35



	As at March 31, 2010 Rs. Lacs	As at March 31, 2009 Rs. Lacs
ii. Disputed Sales Tax / Income Tax demands	69.53	Nil
iii. Customs Duty payable, pending fulfillment of export obligation	23.50	23.50
iv. The Government of Kerala had issued a notification in February 2006, enhancing the minimum wages of plantation workers which has been challenged by the Association of Planters of Kerala of which the Company was a member and an interim stay was granted by the High Court of Kerala. As the Company resigned from Association of Planters of Kerala with effect from 12.02.2007, a separate writ petition was filed and an interim stay of the Government Notification obtained. The possible impact would be Rs. 822.75 Lacs (Previous year Rs.822.75 Lacs), which has not been considered in preparing these Financial Statements, as the Company has been legally advised that the claim is not maintainable.		
4. Capital Commitment		
Estimated amount of contracts remaining to be executed on Capital Account and not provided for, net of advance payments	–	125.46
5. Other Financial Information		
(a) Net exchange difference debited/ (credited) to profit and loss account.	1.03	3.25
(b) Outstanding bank guarantees	1,083.44	263.93
6. No adjustment has been made in the accounts in respect of :		
(a) An area of 398 hectares (approximately) declared to be vested with the Government of Tamil Nadu under the provision of Gudalur Jenmam Estate (Abolition and Conversion into Ryotwari) Act, 1969 as this has been disputed by the Company.		
(b) An area of 1050 hectares (approximately) deemed to have been vested with the Government of Kerala pursuant to Kerala Private Forests (Vesting and Assignment) Act, 1971, as the Company's claim for the exclusion of the area from the purview of the Act has been upheld by the Forest Tribunal, Palghat.		
(c) An area of 2588 hectares (approximately) liable to be surrendered to the Government of Kerala under the Kerala Private Forests (Vesting and Assignment) Act, 1971 as the appeals relating to this area are pending before the Supreme Court of India.		
(d) The Vythiri Taluk Land Board's order directing the Company to surrender 707 hectares (approximately) as excess land under the Kerala Land Reforms Act, 1963 has been set aside by the High Court of Kerala on a revision petition filed by the Company and the matter has been remanded to the Taluk Land Board, Vythiri for fresh consideration and disposal.		
(e) An area of 415 hectares (approximately) held to be surplus under the Tamil Nadu Land Reforms (Fixation of Ceiling on Land) Act, 1961 as the Special Land Tribunal, Madras has remanded the matter for fresh consideration by the Authorised Officer, Coimbatore.		
(f) An area of 1471.17 Hectares, in respect of which cases filed by Janmies (original owners) of Lahai, Koney and Arrapetta Estates challenging the validity of the lease is pending before the Sub-Court, Pathanamthitta and Sub-Court, Sulthan Battery.		
(g) An area of 22 Hectares (approximately) resumed by the Government of Kerala, as the Company's writ petition challenging the resumption order is pending before the High Court of Kerala.		
(h) An area of 304 hectares (approximately) re-notified as vested forests by the Government of Kerala as Company's Writ Petition challenging the notification is pending before the High Court of Kerala.		
(i) An area of 4896.65 acres of Mooply Valley estates notified by the Government of Kerala for resumption alleging violation of lease conditions as proceedings has been stayed by the Sub Court, Irinjalikuda.		

7. Disclosure relating to Micro and Small Enterprises

	2009-2010 Rs. Lacs	2008-2009 Rs. Lacs
Total amount outstanding as on March 31	5.22	11.04
Total amount outstanding beyond the appointed date	3.54	5.44
Amount of interest accrued and due as on March 31, on balance outstanding	0.68	6.54
Total amount paid during the year beyond the appointed date	42.17	Nil
Amount of interest accrued and due as on March 31, on amount paid during the year beyond the appointed date	1.13	Nil
Total Interest due but not paid as on March 31.	1.81	6.54

The above information and that given in Schedule 7 – Current Liabilities and Provisions regarding Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company.

Interest payable as per Section 16 of Micro and Small Enterprises Act, 2006 is Rs.1.81 Lacs (previous year Rs.6.54 Lacs) which has not been accrued in the books of account as the amount is not contractually payable.

	2009-2010 Rs. Lacs	2008-2009 Rs. Lacs
8. Amounts paid/ payable to Auditors		
For Audit	20.00	15.00
For other services including tax audit	18.50	9.25
Out of pocket expenses	0.61	0.96
	39.11	25.21
9. Remuneration to Managing Director*		
	2009-2010 Rs. Lacs	2008-2009 Rs. Lacs
Salary	55.57	47.12
Contribution to Provident funds and Other Funds	5.67	5.31
Money value of perquisites	1.47	0.22
	62.71	52.65

* The above remuneration does not include provision for gratuity and leave encashment, which are determined on a group basis and for which employee-wise breakup is not available.

10. Capacities, Production etc.

	2009-2010	2008-2009
	MT	MT
(a) Licensed Capacity	Not Applicable	
(b) Installed Capacity		
Tea and Rubber	Not ascertainable	
Centrifuge Rubber Latex	8633	6275
(As Certified by the Management)		
(c) Actual Production		
Tea	18404.285	17113.689
Rubber (including Centrifuge Rubber Latex)	9978.456	11006.739



11. Quantitative information of finished goods

	2009-2010		2008-2009	
	Quantity MT	Value Rs. Lacs	Quantity MT	Value Rs. Lacs
(a) Tea				
Opening Stock	594.464	383.29	771.107	418.04
Purchases*	505.106	591.56	450.833	269.66
Sales	16,424.480	14,619.47	17,645.670	13,198.85
Samples/Gratis	130.793	Nil	103.994	Nil
Closing Stock	2,948.582	2,046.95	594.464	383.29
* Excluding Blend gain Nil MT (Previous year 8.499 MT)				
(b) Rubber (including Centrifuge Rubber Latex)				
Opening Stock	121.226	101.31	131.738	93.21
Purchases	1,642.305	2,034.72	938.533	1,024.19
Sales #	11,760.694	15,024.38	11,858.461	13,401.22
Closing Stock *	91.323	97.18	121.226	101.31
# Including FC sale of 159.850 M.T.				
* Excluding captive consumption of 49.820 MT (Previous year 97.323 MT)				

12. Raw Materials Consumed (all indigenous)

	2009-2010 MT	2008-2009 MT
Green Leaf (Own)	55,244.582	54,936.850
Green Leaf (Purchased)	24,840.717	19,257.477
Rubber (Own)	5,169.500	6,000.050
Bought Latex and Sheets	5,069.559	5,137.165

13. Stores and Spares Consumed

	2009-2010		2008-2009	
	Value	%	Value	%
Indigenous	2,548.33	98.48	2,229.07	99.06
Imported	39.27	1.52	21.08	0.94
	<u>2,587.60</u>	<u>100.00</u>	<u>2,250.15</u>	<u>100.00</u>

14. (a) Dividend remitted during the year in Foreign Currency

	2009-2010	2008-2009
No. of Shareholders	1	1
No. of Shares held	3,640,000	3,640,000
Dividend Remitted (Net of Tax) - Rs. in Lacs	54.60	54.60
Year to which dividend relates	2008-09	2007-08

	2009-2010 Rs. Lacs	2008-2009 Rs. Lacs
(b) Expenditure in Foreign Currency		
Travelling	69.11	13.65
Subscription	1.09	1.94
Others	13.58	20.36
(c) Value of Imports on C.I.F. Basis		
Capital Goods	75.02	27.66
Stores and Spare Parts	39.27	21.08
(d) Earnings in Foreign Currency		
FOB value of Exports	2740.29	2840.82
15. Disclosure in respect of AS-7 (Revised)		
Contract revenue recognised during the year	750.34	451.68
Disclosure regarding contracts in progress:		
Aggregate amount of costs incurred and recognised profits upto March 31	648.17	421.14
Amount of advances received	466.70	Nil
Amount of retentions	22.15	35.87
Gross amount due from customers	525.91	368.88
16. Disclosure in respect of AS 15 (Revised) "Employee Benefits"		
(a) Defined benefit plan – Gratuity		
	2009-2010 Rs. Lacs	2008-2009 Rs. Lacs
Present value of obligation at the beginning of the year	1,782	1,464
Interest cost	118	78
Current service cost	268	143
Benefits paid	428	344
Actuarial (gain) / loss on obligation	223	441
Present value of obligation as at the end of the year	1,963	1,782
Fair value of plan assets at the beginning of the year		
Expected return on plan assets	—	—
Contributions	—	—
Benefits paid	—	—
Actuarial gain / (loss) on plan assets	—	—
Fair value of plan assets at the end of the year	—	—
Amounts recognized in the balance sheet		
Present value of obligation as at the end of the year	1,963	1,782
Fair value of plan assets at the end of the year	—	—
Funded status of the plan - (asset) / liability	—	—
Liability recognised in the balance sheet	1,963	1,782
Amounts recognized in the statement of profit and loss		
Current service cost	268	143
Interest cost	118	78
Net actuarial (gain) / loss recognized in the year	223	441
Expenses recognized in the statement of profit and loss	609	662
Principal actuarial assumptions		
Discount rate	7.50%	6.00%
Salary escalation	5.00%	4.00%
Attrition rate	3.00%	3.00%



	2009-2010 Rs. Lacs	2008-2009 Rs. Lacs
(b) Long term benefit – Compensated absence		
Principal actuarial assumptions		
Discount rate	7.50%	6.00%
Salary escalation	5.00%	4.00%
Attrition rate	3.00%	3.00%

17. Segment Reporting

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

(a) Primary Segment Information - By Business Segments *

Description	Tea (Rs. Lacs)	Rubber (Rs. Lacs)	Other (Rs. Lacs)	Total (Rs. Lacs)
External Sales	15,503 (13,516)	16,025 (14,983)	1,926 (746)	33,454 (29,245)
Segment Result - Profit/(Loss)	763 (-) (69)	1,530 (2,063)	197 (-) (56)	2,490 (1,938)
Unallocated Corporate Expenses				
Interest Expenses				(-) 1,268 (-) (1,266)
Interest and Dividend Income				14 (129)
Profit/(Loss) before Tax & Exceptional Items				1,236 (801)
Profit/(Loss) after Exceptional Items				1,236 (801)
Income Taxes				(-) 245 (-) (197)
Profit/(Loss) after Tax				991 (604)
Other Information				
Segment Assets	37,587 (11,805)	11,554 (10,982)	703 (615)	49,844 (23,402)
Unallocated Corporate Assets				NIL (22,145)
Total Assets				49,844 (45,547)
Segment Liabilities	4,089 (2,767)	2,529 (1,748)	256 (187)	6,874 (4,702)
Unallocated Corporate Liabilities				11,293 (10,015)
Total Liabilities				18,167 (14,717)
Capital Expenditure	1,293 (845)	269 (213)	63 (6)	1,625 (1,064)
Depreciation	314 (197)	118 (106)	8 (39)	440 (342)

(b) Secondary Segment information - By Geographical Segments *

Description	India (Rs. Lacs)	Outside India (Rs. Lacs)	Total (Rs. Lacs)
External Sales	30,661 (26,245)	2,793 (3,000)	33,454 (29,245)
Segment Assets	49,516 (45,406)	328 (141)	49,844 (45,547)
Capital Expenditure	1,625 (1,064)	— —	1,625 (1,064)

All operating facilities are located in India.

* Figures in bracket represent previous year's figures

18. Related Party Disclosures
a) List of Related Parties where control exists

Wholly Owned Subsidiaries (ceased to be subsidiaries effective April 1, 2009 pursuant to the Scheme of Arrangement referred to in Note 2 on Schedule 12)

Sentinel Tea and Exports Limited.
 Harrisons Agro- Products Limited.
 Harrisons Rubber Products Limited.
 Harrisons Malayalam Financial Services Limited.

b) Key management personnel

Mr. Sanjiv Goenka (Chairman)

Mr. Pankaj Kapoor (Managing Director)

c) The above information regarding related parties have been determined to the extent such parties have been identified on the basis of information available with the Company.
d) Related party transactions

Particulars	2009-2010 Rs. Lacs	2008-2009 Rs. Lacs
Transactions during the year		
Enterprises where control exists		
Interest paid on loan taken		
- Harrisons Rubber Products Limited	—	10.70
Reimbursement of expenses received		
- Harrisons Malayalam Financial Services Limited	—	4.98
- Others	—	1.32
Loan Repayment Received		
- Harrisons Malayalam Financial Services Limited	—	102.75
Loans/Advances given		
- Harrisons Malayalam Financial Services Limited	—	116.10
Key Management Personnel		
Remuneration to Managing Director	62.71	52.65



Particulars	As at March 31, 2010 Rs. Lacs	As at March 31, 2009 Rs. Lacs
Balances as at year end		
Enterprises where control exists		
Loans		
- Harrison's Malayalam Financial Services Limited	–	21,173.66
- Harrison's Agro Products Limited	–	1.10
Current Liabilities		
- Sentinel Tea and Exports Limited	–	73.66
Unsecured Loan		
- Harrison's Rubber Products Limited	–	255.40
Key Management Personnel		
Remuneration payable to Managing Director	3.03	2.51

19. Earnings per Share

Particulars	2009-2010	2008-2009
Profit after tax as per Profit and Loss Account (Rs. in Lacs) – (A)	991.10	603.88
Weighted average number of equity shares outstanding – (B)	18,455,405	18,455,405
Earnings Per Share - Basic / Diluted (in Rs.) – (A/B)	5.37	3.27

20. Taxation

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

21. Previous year's figures have been regrouped/ reclassified wherever necessary to conform to the current year's presentation. Current year figures are not comparable with that of the previous year figures due to the acquisition/ transfer referred to in Note 2 above relating to merger of the subsidiary companies and demerger of the Investment Undertaking through a Scheme of Arrangement.

For **Price Waterhouse**

Firm Registration No. 301112E

Chartered Accountants

S. Datta

Partner

(Membership No. F14128)

Ravi A.

Company Secretary

For and on behalf of the Board

Ajit Singh Chouhan

Director

Pankaj Kapoor

Managing Director

Kolkata

August 30, 2010

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.	<div style="display: flex; justify-content: space-between; padding: 0 5px;"> 2 9 4 7 </div>	State Code	<div style="display: flex; justify-content: space-between; padding: 0 5px;"> 0 9 </div>
Balance Sheet Date	<div style="display: flex; justify-content: space-between; padding: 0 5px;"> 3 1 0 3 2 0 1 0 </div>		

II. Capital raised during the year (Amount in Rs. Lacs)

Public Issue	<div style="display: flex; justify-content: space-between; padding: 0 5px;"> N I L </div>	Rights Issue	<div style="display: flex; justify-content: space-between; padding: 0 5px;"> N I L </div>
Bonus Issue	<div style="display: flex; justify-content: space-between; padding: 0 5px;"> N I L </div>	Private Placement	<div style="display: flex; justify-content: space-between; padding: 0 5px;"> N I L </div>

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Lacs)

Total Liabilities	<div style="display: flex; justify-content: space-between; padding: 0 5px;"> 4 2 1 0 5 </div>	Total Assets	<div style="display: flex; justify-content: space-between; padding: 0 5px;"> 4 2 1 0 5 </div>
Sources of Funds			
Paid up Capital	<div style="display: flex; justify-content: space-between; padding: 0 5px;"> 1 8 4 5 </div>	Reserves and Surplus	<div style="display: flex; justify-content: space-between; padding: 0 5px;"> 2 9 8 3 1 </div>
Secured Loans	<div style="display: flex; justify-content: space-between; padding: 0 5px;"> 9 1 5 1 </div>	Unsecured Loans	<div style="display: flex; justify-content: space-between; padding: 0 5px;"> 1 2 7 8 </div>
Application of Funds			
Net Fixed Assets	<div style="display: flex; justify-content: space-between; padding: 0 5px;"> 4 2 1 5 8 </div>	Investments	<div style="display: flex; justify-content: space-between; padding: 0 5px;"> 1 </div>
Net Current Assets	<div style="display: flex; justify-content: space-between; padding: 0 5px;"> - 5 4 </div>	Misc. Expenditure	<div style="display: flex; justify-content: space-between; padding: 0 5px;"> N I L </div>
Accumulated Losses	<div style="display: flex; justify-content: space-between; padding: 0 5px;"> N I L </div>		

IV. Performance of the Company (Amount in Rs. Lacs)

Turnover	<div style="display: flex; justify-content: space-between; padding: 0 5px;"> 3 5 0 6 6 </div>	Total Expenditure	<div style="display: flex; justify-content: space-between; padding: 0 5px;"> 3 3 8 3 0 </div>
Profit/Loss Before Tax	<div style="display: flex; justify-content: space-between; padding: 0 5px;"> + 1 2 3 6 </div>	Profit/Loss After Tax	<div style="display: flex; justify-content: space-between; padding: 0 5px;"> + 9 9 1 </div>
(Please tick appropriate box (+) for profit, (-) for loss)			
Earning per share in Rs.	<div style="display: flex; justify-content: space-between; padding: 0 5px;"> + 0 5 · 3 7 </div>	Dividend rate %	<div style="display: flex; justify-content: space-between; padding: 0 5px;"> 2 0 </div>

V. Generic names of three principal products/services of the company (as per monetary terms)

Item Code No.	<div style="display: flex; justify-content: space-between; padding: 0 5px;"> 0 9 - 0 2 - 3 0 </div>
Product Description	<div style="display: flex; justify-content: space-between; padding: 0 5px;"> B L A C K T E A </div>
Item Code No.	<div style="display: flex; justify-content: space-between; padding: 0 5px;"> 4 0 - 0 1 - 1 0 </div>
Product Description	<div style="display: flex; justify-content: space-between; padding: 0 5px;"> N A T U R A L R U B B E R L A T E X </div>
Item Code No.	<div style="display: flex; justify-content: space-between; padding: 0 5px;"> 4 0 - 0 1 - 2 1 </div>
Product Description	<div style="display: flex; justify-content: space-between; padding: 0 5px;"> S M O K E D R </div>



**Information u/s 217(1) (e) of the Companies Act, 1956 read with the Companies
(Disclosures of Particulars in the Report of Board of Directors) Rules, 1988**

		Tea		Rubber		PTC	
		Twelve Months Ended 31-03-2010	Twelve Months Ended 31-03-2009	Twelve Months Ended 31-03-2010	Twelve Months Ended 31-03-2009	Twelve Months Ended 31-03-2010	Twelve Months Ended 31-03-2009
1. ELECTRICITY							
(a) Purchased							
Units	(KWH)	12,022,407	11,136,822	2,753,926	2,677,609	31,771	62,120
Total Amount	(Rs.)	57,481,754	61,904,894	13,000,733	15,004,033	160,110	299,121
Rate/Unit	(Rs./KWH)	4.78	5.56	4.72	5.60	5.04	4.82
(b) Own Generation							
Through Diesel Generator							
Units	(KWH)	710,651	852,036	208,088	280,637	800	6,344
Units per litre of Diesel Oil	(KWH)	2.66	2.99	2.41	2.31	1.65	1.67
Fuel – Cost/Unit	(Rs./KWH)	13.48	12.39	15.20	16.09	22.52	22.18
2. FIREWOOD							
Total Quantity of Firewood	(Cu. Mtr.)	39,568	29,066	3,646	7,795	–	–
Total Amount	(Rs.)	27,335,313	23,189,827	848,312	2,032,915	–	–
Rate/Cu. Mtr.	(Rs.)	690.85	797.83	232.66	260.81	–	–
3. OTHERS							
HSD Oil for Transport & Material Handling etc.							
Quantity	(K. Ltr.)	192.76	218.97	118.39	133.14	–	–
Total Cost	(Rs.)	7,013,578	8,032,942	4,256,065	4,927,334	–	–
Rate/Unit Cost	(Rs./K. Ltr.)	36,384	36,685	35,949	37,009	–	–
Consumption per Unit of Production							
Products:							
TEA/RUBBER/PTC	(Kgs./Nos.)	18,404,285	17,113,689	99,78,456	11,006,739	–	433,783
Energy Used:							
Electricity (including own generation)	(KWH/Kg No. of plants)	0.69	0.70	0.30	0.27	–	0.16
Briquetted Fuel	(Kgs.)	2,909,298	5,078,222	–	–	–	–
Veneer Waste	(Kgs.)	14,424,928	11,731,600	–	–	–	–
Coconut Shells	(Kgs.)	–	66,138	59,230	27,129	–	–
Coal	(Kgs.)	1,227	–	–	–	–	–
Petroleum Coke	(Kgs.)	1,070,624	–	–	–	–	–
Wood Waste	(Kgs.)	112,321	1,081,277	–	–	–	–

For and behalf of the Board

Kolkata
August 30, 2010

Ajit Singh Chouhan
Director

Pankaj Kapoor
Managing Director

Approximate Area Statement as at March 31, 2010

State, District and Estate	TEA			RUBBER			Total Planted Ha.	Fuel and Other Plantings Ha	Reserves etc. Ha.	Total Ha.
	Mature Ha.	Immature Ha.	Total Ha.	Mature Ha.	Immature Ha.	Total Ha.				
KERALA										
Venture Valley										
Nagamallay				391	217	608	608	104	167	879
Isfield				494	173	667	667	99	283	1049
Venture				322	166	488	488	47	93	627
Ranni Valley										
Koney				401	224	625	625	101	337	1063
Kumbazha				585	377	962	962	–	85	1047
Lahai				516	336	852	852	44	116	1012
Mundakayam				265	262	527	527	5	39	571
Mooply Valley										
Mooply				239	280	519	519	31	47	597
Palapilly				257	281	538	538	3	210	751
Kundai				625	393	1018	1018	4	81	1103
Kaliyar				329	205	534	534	3	58	594
Vandiperiyar										
Wallardie	521		521				521	95	212	828
Moongalaar	734	10	744				744	26	376	1146
Pattumalay	232		232				232	58	10	300
High Range										
Upper Surianalle	647		647				647	131	214	992
Lockhart	388		388				388	–	257	645
Panniar	303		303				303	46	52	401
Wynad										
Achoor	631	21	652				652	246	2587	3485
Chundale	266		266				266	11	600	877
Arrapetta	731		731				731	14	723	1468
Sentinel Rock	505		505				505	488	522	1515
Touramulla	143		143				143	35	120	298
TAMIL NADU										
Nilgiris-Wynad										
Wentworth	611		611				611	226	525	1362
Mayfield	308		308				308	77	422	807
Total	6020	31	6051	4424	2914	7338	13389	1894	8136	23417

Notes:

- 1) Certain areas of fuel and reserve land are in the process of being acquired by the State Government, but the extent to which acquisition will be made has not yet been determined as the litigation involved is not over.
- 2) Fuel and other planting include Cardamom, Coffee, Cocoa, etc. 341 Ha.