

ANNUAL REPORT 2014



GOODRICKE GROUP LIMITED



WHILE SERVING YOUR TEA, WE ALSO SERVE THE PLANET

**Danguajhar, Leesh River,
Meenglas and Chalouni Tea Gardens
in the Dooars received
the Rainforest Alliance Certificate.**

The Goodricke Group is committed to the Planet Earth and all its inhabitants.

That is why we consider it imperative to ensure that our gardens conform to the highest standards of sustainable agriculture. Our dedication has now been recognised.

The Certificate recognises that we are part of a global initiative to meet rigorous standards designed to protect ecosystems, safeguard the well-being of local communities and improve productivity.

We are proud to be recognised as a symbol of conscience.



ANNUAL REPORT 2014



GOODRICKE GROUP LIMITED

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BOARD OF DIRECTORS

P.J. Field – *Chairman*
A.N. Singh – *Managing Director & C.E.O.*
A.K. Mathur
S. Kaul
K. Sinha
P.K. Sen

COMPANY SECRETARY

S. Banerjee

CHIEF ACCOUNTANT & C.F.O.

A. Sengupta

BOARD COMMITTEES

Audit Committee

K. Sinha – Chairman
A. K. Mathur – Member
P. K. Sen – Member
S. Banerjee – Secretary

Stakeholders' Relationship Committee

Dr. S. Kaul – Chairperson
K. Sinha – Member
A. N. Singh – Member

Nomination & Remuneration Committee

K. Sinha – Chairman
P.J. Field – Member
Dr. S. Kaul – Member
P.K. Sen – Member

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

Dr. S. Kaul – Chairperson
A.N. Singh – Member
K. Sinha – Member

BANKERS

The Hongkong & Shanghai Banking Corporation Ltd.
HDFC Bank Ltd.
Axis Bank Ltd.

AUDITORS

Lovelock & Lewes

REGISTRARS & SHARE TRANSFER AGENTS

C.B. Management Services Pvt. Ltd.
P-22, Bondel Road, Kolkata 700 019
Tele No. (033) 2280 6692/4011 6700
Fax No. (033) 2287 0263/4011 6739
Email : rta@cbmsl.com
Website : www.cbmsl.com

REGISTERED OFFICE

"Camellia House", 14 Gurusaday Road
Kolkata 700 019
Tele No : (033) 2287 3067/ 8737
Website : www.goodricke.com

NOTICE

NOTICE is hereby given that the Thirty-ninth Annual General Meeting of the Members of Goodricke Group Limited will be held at the Eastern Zonal Cultural Centre, IB 201, Sector - III, Salt Lake City, Kolkata 700 106 on Monday, the 30th March, 2015 at 10.00 a.m. to transact the following business:

Ordinary Business

1. To consider and adopt the Profit & Loss Account of the Company for the year ended 31st December 2014 and the Balance Sheet as at that date and the Reports of Directors and Auditors thereon.
2. To declare a Dividend for the year ended 31st December, 2014.
3. To appoint a Director in place of Mr. A.K. Mathur who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors and to authorise the Board of Directors to fix their remuneration.

Special Business

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

“RESOLVED THAT pursuant to the provisions of Section 149, 150 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification (s) or re-enactment thereof for the time being in force) Mr. K. Sinha (holding DIN 00123811), a non-executive Director of the Company who was appointed by the members as a Director liable to retire by rotation, be and is hereby appointed as an independent director of the Company to hold office for five (5) consecutive years until the conclusion of the 44th Annual General Meeting of the Company.”

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

“RESOLVED THAT pursuant to the provisions of Section 149, 150 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification (s) or re-enactment thereof for the time being in force) Mr. P.K. Sen (holding DIN 00160160), a non-executive Director of the Company who was appointed by the members as a Director liable to retire by rotation, be and is hereby appointed as an independent director of the Company to hold office for five (5) consecutive years until the conclusion of the 44th Annual General Meeting of the Company.”



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

“RESOLVED THAT pursuant to the provisions of Section 149, 150 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification (s) or re-enactment thereof for the time being in force) Dr. S. Kaul (holding DIN 00150593) a non-executive Director of the Company who was appointed by the members as a Director liable to retire by rotation, be and is hereby appointed as an independent director of the Company to hold office for five (5) consecutive years until the 44th Annual General Meeting of the Company.”

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

“RESOLVED THAT pursuant to the provisions of Section 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act 2013 and the Rules made thereunder (including any statutory modification(s) or enactment thereof for the time being in force), the approval of the Company be and is hereby accorded to the re-appointment of Mr. Arun Narain Singh (holding DIN 00620929) as Managing Director and CEO of the Company for a period of three years with effect from 1st January, 2015 on the terms and conditions of re-appointment and remuneration as set out in the Explanatory Statement.”

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

“RESOVELD THAT in terms of Section 148 of the Companies Act 2013 the remuneration payable to the Cost Auditors namely M/s. Shome & Banerjee, Cost Accountants for conducting Audit of Cost Accounting records maintained by the Company as applicable, for the year ending 31st December, 2015 as approved by the Board of Directors based on the recommendation of the Audit Committee, the details of which are given in the Explanatory Statement in respect of this item of business be and is hereby ratified.”

The Register of Members and Share Transfer books of the Company shall remain closed from Monday, the 23rd March to Monday, the 30th March 2015, both days inclusive.

By Order of the Board

Kolkata
20th February, 2015

S. Banerjee
Company Secretary

NOTES & INFORMATION TO SHAREHOLDERS

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument of Proxy, in order to be effective, must be received at the Company's Registered Office not less than forty-eight hours before the Meeting.**

In terms of Rule 19 of the Companies (Management and Administration) Rules, 2014, a person can act as a proxy on behalf of the members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total Share capital of those carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any person or shareholder.

2. The Explanatory Statements pursuant to Section 102 of the Companies Act, 2013 in respect of items of Special Business is annexed hereto.
3. The information as required to be provided in terms of the Listing Agreement with the Stock Exchange regarding the Directors who are proposed to be appointed / re-appointed is annexed.
4. The dividend that may be declared by the Company at the Thirty-Ninth Annual General Meeting will be paid on or after the 6th April, 2015 (i) to those members holding shares in physical mode whose names appear on the Register of member on 21st March, 2015 (ii) In respect of the shares held in electronic form the dividend will be paid to the 'beneficial owners' of the shares at the end of business hours on 21st March, 2015 as per details provided by the Depositories for this purpose.
5. Dividend in respect of shares held in dematerialized form shall be credited to the owner's bank account directly through National Electronic Clearing Services (NECS), wherever, NECS facility is available subject to availability of bank account details with 9 digit MICR and 11 digit IFS Code. In case the said details have not been provided to the concerned Depository Participant or there is any change, the same may please be intimated to the concerned Depository Participant immediately.

Securities and Exchange Board of India (SEBI) vide its Circular No. CIR/MRD/DP/10/2013 dated 21st March, 2013 has mandated usage of electronic mode for making cash payments such as dividend etc. to the investors of Companies whose securities are listed on the Stock Exchange.

6. Shareholders holding shares in physical form and desirous of having NECS facility, should provide their bank details and 9 digit MICR and 11 digit IFS Code number to the Registrar and Share Transfer Agent of the Company immediately. The shareholders who have already given their bank details should furnish the same only if there is any change.

Members who are holding shares in physical form are requested to notify change in address, if any, to the Company's Share Transfer Agent quoting their Folio Numbers. Shareholders holding shares in dematerialized form, should intimate change of their address, if any, to their Depository Participant.

7. In accordance with the provisions of Section 205C of the Companies Act, 1956 any amount of dividend which remained unpaid or unclaimed for a period of seven years from the date such dividend became due for payment have been transferred to the investor Education and Protection Fund set up by the Government of India.

The Company has uploaded the details of unpaid or unclaimed amounts lying with the Company as on the date of the last AGM (11th April, 2014) on its website www.goodricke.com.

8. The Securities and Exchange Board of India (SEBI) vide Circular ref. No. MRD/DOP/CIR-05/2007 dated April 27, 2007 made PAN mandatory for all securities market transactions and off market/private transaction involving transfer of shares in physical form of listed Companies, it shall be mandatory for the transferee (s) to furnish copy of PAN



Card to the Company/RTAs for registration of such transfer of shares.

SEBI further clarified that it shall be mandatory to furnish a copy of PAN in the following cases:

- (a) Deletion of name of the deceased shareholder (s), where the shares are held in the name of two / more shareholders.
 - b) Transmission of shares to the legal heir(s), where deceased shareholder was the sole holder of shares.
 - c) Transposition of shares – when there is a change in the order of names in which physical shares are held jointly in the name of two or more shareholders.
9. Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically.

10. Instructions for e-voting:

The business of this Meeting shall be transacted through electronic system and the Company is providing facility for voting by electronic means.

The process and manner of voting by electronic means, the time schedule including the time period during which the votes may be cast and all other necessary instructions and information in this respect have been given in a separate sheet attached hereto forming part of the notice.

Explanatory Statements

(Pursuant to Section 102 of The Companies Act, 2013)

Item nos. 5 to 7

The Company appointed Mr. K. Sinha, Mr. P. K. Sen and Dr. S. Kaul to discharge the role and functions of Independent Directors in terms of Clause 49 of the Listing Agreement with the Stock Exchange. The term of office of the aforesaid Directors was liable to determination by retirement of Directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 of the Companies Act, 2013 ("the Act"), the Company is required to appoint at least one-third of its total number of Directors as Independent Directors for a fixed term and their office shall not be liable to determination by retirement of Directors by rotation. Accordingly, in compliance to Sections 149, 150 and 152 read with Schedule IV and any other applicable provisions of the Act each of Mr. K. Sinha, Mr. P. K. Sen and Dr. S. Kaul, is proposed to be appointed as an Independent Director who shall hold office from the date of this Annual General Meeting upto the expiry of five consecutive years until the 44th Annual General Meeting. Separate notices have been received from a few Members referring to Section 160 of the Act proposing each of them respectively for appointment as an Independent Director at the forthcoming Annual General Meeting of the Company.

The aforesaid persons have the desired qualifications and in depth experience in their respective field and have held very high positions in different renowned organizations. The particulars of the aforesaid Directors namely, age, qualification, past experience and other details are given separately in this Notice.

In the opinion of the Board, each of Mr. K. Sinha, Mr. P. K. Sen and Dr. S. Kaul fulfills the conditions specified in the Act and meets the criteria of independence specified in Section 149 (6) of the Act and Rules made thereunder for appointment as an Independent Director. The Board considers that the continued association of the aforesaid persons would be of immense benefit to the Company and it is desirable to continue to avail their services as Independent Directors. Accordingly, the Board recommends the resolutions set out at item Nos. 5 to 7 of the convening Notice for approval by the Shareholders of the Company. None of the Directors or the Key Managerial Personnel of the Company or their relatives except Mr. K. Sinha, Mr. P. K. Sen and Dr. S. Kaul is concerned or interested, financially or otherwise, in respect of the said resolutions.

Item No. 8

The term of appointment of Mr. Arun Narain Singh as the Managing Director & CEO of the Company expired on 31st December 2014. The Board of Directors ('The Board') of your Company by its resolution passed on 14th November 2014 re-appointed Mr. Arun Narain Singh as the Managing Director and CEO of the Company subject to the approval of the members at a General Meeting for a period of 3 years with effect from 1st January, 2015 on the following terms and conditions.

Period	1st January, 2015 to 31st December, 2017
Remuneration	Basic Salary: Rs. 5,05,000/- per month. Revision of basic salary shall be decided by the Board of Directors annually on the recommendation of the Nomination and Remuneration Committee in the salary range of Rs. 4,00,000/- to Rs. 7,00,000/- per month.
Other Terms	<p>Commission – As may be approved by the Board of Directors each year subject to the overall limit of the total managerial remuneration as provided under Section 197 of the Act on recommendation of the Nomination and Remuneration Committee.</p> <p>Special Allowance: Rs. 1,50,000/- per month.</p> <p>Perquisites:</p> <p>a. Fully furnished residential accommodation will be provided by the Company. In case accommodation is not provided by the Company, House Rent Allowance not exceeding 60% of the salary.</p> <p>b. Gas, electricity, water, medical reimbursement including premium for medical insurance, leave travel concession for self and family once in a year, payment of fees/subscriptions to Clubs, payment of premium on personal accident insurance, provision of car with chauffeur, telephone at residence etc. as per applicable rules of the Company.</p> <p>c. Leave: 35 days for every completed year of service with full pay including perquisites and allowances. Leave accumulated shall be encashed at the end of the appointment as per Company rules.</p> <p>Retirement benefits: Company's contribution to Provident Fund, Pension Fund & Gratuity fund as per rules and regulations of the said funds. Post Retirement Benefits shall be as per rules of the Company.</p>
Minimum Remuneration	In case of loss or inadequacy of profit in any year during the tenure of the Managing Director, he shall be entitled to receive a total remuneration including salary and perquisites etc. not exceeding the applicable ceiling of Part II of Schedule V of the Act or such other modified ceiling as may be notified.
Termination of Appointment	The appointment may be terminated by either party giving six months' prior notice.
Memorandum of Interest	None of the Directors except Mr. Arun Narain Singh is concerned or interested in this appointment.
Duties	Mr. Arun Narain Singh, as the Managing Director & Chief Executive Officer (MD & CEO), will have overall responsibility of the Company and shall exercise such powers under the general superintendence, control and direction of the Board of the Company.



NOTE:

- i) OVERALL LIMIT: The aggregate of the total salary, commission and monetary value of the perquisites payable to the Managing Director of the Company shall not exceed 5% of the profits of the Company in accordance with Section 197 of the Act.
- ii) Perquisites shall be evaluated as per Income Tax Rules wherever applicable and in the absence of any such Rule, perquisites shall be evaluated at actual cost;
- iii) Use of Company car with chauffeur for official purposes and telephone at residence (including payment for local calls and long distance official calls) shall not be considered as perquisites.
- iv) The Board, may in its discretion, revise/modify any of the terms from time to time within limits stipulated above.

The aforesaid terms and conditions have been set out in the agreement dated 20th November, 2014, with Mr. Arun Narain Singh.

Pursuant to the provisions of Section 196, 197 and 203 and any other applicable provisions of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013, the re-appointment of Mr. Arun Narain Singh, Managing Director & CEO and the terms as to remuneration require the approval of the Members in General Meeting. The above terms as to remuneration have been approved by the Nomination and Remuneration Committee of the Board at its Meeting held on 14th November 2014. Mr. Arun Narain Singh, had taken charge as the Managing Director & CEO of the Company in 2006 and since then under his leadership and guidance the Company has achieved considerable growth, both in terms of volume of business as well as profitability. The particulars of Mr. Arun Narain Singh namely, age, qualification, past experience and other details are given separately in this Notice.

Keeping in view his vast experience in the tea industry and his high level of performance during his earlier terms of appointment, the Board is of the opinion that the re-appointment of Mr. Arun Narain Singh as the Managing Director & CEO will be very beneficial to the Company. The resolution set out in item No. 8 of the convening Notice is to be considered accordingly and the Board recommends the same.

A copy of the Agreement dated 20th November, 2014 between the Company and Mr. Arun Narain Singh, for re-appointing him as the Managing Director & CEO is available for inspection by the Members at the Registered Office of the Company on any working day prior to the date of the Meeting between 3:00 p.m. and 5:00 p.m. and also will be available at the Meeting.

None of the other directors, except Mr. Arun Narain Singh being one of the Key Managerial Personnel are in any way concerned or interested, financially or otherwise in respect of the said resolution.

ITEM NO. 9

The Company being engaged in tea plantation and manufacturing activities, was required to appoint Cost Auditor/s to audit its cost accounting records in respect of plantation products in terms of Section 233B of the Companies Act, 1956 and the Order issued thereunder.

In terms of Section 148 of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 ('the Rule'), the Board of Directors of the Company at its Meeting held on 20th February, 2015 appointed Messrs Shome & Banerjee, Cost Accountants, as the Cost Auditors of the Company for the Financial Year ending 31st December, 2015 on the recommendation of the Audit Committee of the Company ('the Audit Committee').

The Board, in terms of the Rule, approved the remuneration of the Cost Auditors as recommended by the Audit Committee, which is subject to ratification by the Shareholders of the Company.

The remuneration fixed by the Board is as under:

Cost Auditors	Remuneration
Shome & Banerjee	Rs. 175,000/- for auditing the records of 17 tea estates.

In addition to above, the Cost Auditors will be reimbursed out of pocket expenses as may be incurred by them on actual basis.

The Resolution set out in item No. 9 of the convening Notice is to be considered accordingly and the Board recommends the same.

No Director or any Key Managerial Personnel of the Company or any of their relatives is concerned or interested, financially or otherwise, in respect of the said Resolution.

PARTICULARS RELATING TO DIRECTORS PROPOSED TO BE APPOINTED / RE-APPOINTED

Name of Director	Mr. A. K. Mathur	Mr. K. Sinha
Date of Birth	2nd November 1947	7th September 1947
Qualification	F.C.A. (Fellow, Institute of Chartered Accountants of England & Wales).	M.A.
Expertise	Executive Director (Finance), Camellia Plc. U.K. Indepth experience in the field of Finance & Accounts of a wide range of Companies in diverse lines of activities ranging from Tea & other plantations, banking, engineering, food storage and distribution.	Retired as Head, Eastern India, Hongkong & Shanghai Banking Corporation Ltd. He has indepth experience in areas of Finance & Banking.
Directorship held in other Companies (excluding foreign Companies)	Stewart Holl (India) Ltd. Amgoorie India Ltd.	The Statesman Ltd.
Committee Memberships, if any, with position	Member of Audit Committee, Goodricke Group Limited	Chairman of Audit Committee and Nomination & Remuneration Committee, Member of Shareholders' Relationship Committee and Corporate Social Responsibility Committee, Goodricke Group Limited
Shareholding in the Company	NIL	NIL



PARTICULARS RELATING TO DIRECTORS PROPOSED TO BE APPOINTED / RE-APPOINTED (Contd.)

Name of Director	Mr. P.K. Sen	Dr. S. Kaul	Mr. A. N. Singh
Date of Birth	3rd July, 1942	19th April, 1945	1st July, 1953
Qualification	B. Com (Hons.) Economics	Ph. D., awarded Padmashri by Govt. of India in 2010.	M.Sc.
Expertise	Retired as Chairman, J. Thomas & Co. (P) Ltd., the world's largest and oldest Tea Broking House.	An eminent Administrator and Social Worker. She has been associated with a number of National and International Institutions in the field of cerebral Palsy and has a number of books and other publications to her credit.	Joined the Company as Tea Garden Assistant at its inception. In early 2002, was transferred to Head Office and promoted later to Vice President (Operations). He is Managing Director & CEO from 1st August, 2006.
Directorship held in other Companies (excluding foreign Companies)	Manjushree Plantations Ltd., Bengal Multiple Housing Development Co. Ltd.	NIL	Stewart Holl (India) Limited. Amgoorie India Limited Elgin Investments & Trading Co. Ltd. Goodricke Technical & Management Services Limited
Committee Memberships, if any, with position	Member, Audit Committee and Nomination & Remuneration Committee, Goodricke Group Limited	Chairperson, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee and Member, Nomination & Remuneration Committee, Goodricke Group Limited	Member, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee Goodricke Group Limited
Shareholding in the Company	NIL	NIL	180 Equity Shares of Rs. 10/- each

DIRECTORS' REPORT

The Directors have pleasure in presenting their Thirty-ninth Annual Report and Accounts for the year ended 31st December 2014.

FINANCIAL RESULTS

For the year ended 31st December

	2014	2013
	(Rs. in millions)	
GROSS SALES	6,001.63	5,783.10
PROFIT BEFORE TAXATION	290.39	486.18
Less: Provision for Taxation (net)	68.00	152.61
PROFIT AFTER TAX	222.39	333.57
Add: Profit brought forward from last year	47.85	48.67
	270.24	382.24
APPROPRIATIONS:		
Dividend	97.20	97.20
Tax on Dividend	19.43	17.19
Transfer to General Reserve	110.00	220.00
Balance carried forward	43.61	47.85

The turnover for the year 2014 marginally increased by over 3.78% to Rs. 6,001.63 million from Rs5,783 million in the previous year essentially due to improved prices.

OPERATIONS

The total manufactured crop was slightly lower at 22.09 million kgs vis-à-vis 22.29 million kgs for 2013 on account of the severe drought in the early part of the year. Augmented irrigation facilities enabled the gardens to minimize crop loss vis-à-vis the rest of the region. Outsourced leaf production was higher than 2013 as concerted efforts were made in order to maximize this very remunerative operation.

Withdrawal of monsoon by early October denied chances of a prolific backend harvest resultant of which the gardens were unable to attain the budgeted crop levels by minor margin. The increase in sale price did not substantially improve the profitability due to steep escalation in the cost of coal, fuel, oil, electricity, fertilizer, agrochemicals etc. Fresh wage agreements which would come into effect retrospectively from 1st April 2014 have also impinged on profitability levels in West Bengal gardens.

All India tea production decreased by 1.33 percent to 1184 million kgs in 2014 against 1200 million kgs in 2013.

The markets remained selective with the price levels of better quality teas maintaining and even surpassing 2013 levels by a fair margin. But the medium and plainer category of teas attracted only tepid demand resultant of which marks / gardens / producers who did not adhere to "quality" production were left at the mercy of market forces. Export markets were also selective with Iran especially being apprehensive of the adverse media reporting on proliferation of chemically tainted teas being produced in India.

Nonetheless, the Company as a whole did manage to attain 2013 export levels in 2014 and the buoyant price levels attained in auction centers for all its marks did enable the Company to enhance its turnover over 2013.

The Packet Tea Division continued to make inroads into the major established brands' traditional domain



and the newly launched "Goodricke Khaass" brand is currently recognized as a major rival to the established brands in the premium segment.

As a part of our endeavour to adhere to global standards, four of our gardens in Dooars have been certified under the Rainforest Alliance regime. Goodricke is the first major tea manufacturer to attain this norm in Dooars. The certification of the balance gardens of Dooars will be pursued in the year ahead. The rest of the Dooars gardens are in the process of being certified under ISO 22000.

The Company continues to avail Tea Board's replanting/ rejuvenation subsidy schemes for replacement of old tea areas with quality planting material. These have been helpful in ensuring sustained growth and to improve productivity along with the quality profile of the Company.

In terms of Corporate Governance disclosure under Clause 49 of the Stock Exchange Listing Agreement, the Management discussion and analysis report is given in annexure 'E' forming part of the report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company is a constituent of Camellia Plc., U.K., one of the largest global producer of tea with interests in other plantation crop, agriculture, engineering and private banking. It is committed to CSR in its global operation. The Statement of Business Principles of the U. K. Principal, as well as norms followed by global bodies like Rainforest Alliance (RA) and Fair Trade Practices (FTP) are in place for environment sustainability. The policies adopted as standing operating procedures covers:

- Health & Safety
- Waste Management
- Social
- Environment

Some of the major activities covered under the above groups are:

- Primary Hospitals at all gardens.
- Group Hospital with specialized equipment at Dooars, North Bengal
- Tracking of family health status at the gardens.
- Camps for sterilization, reconstructive surgery by overseas Doctors, eye surgery and child immunization programmes.
- Malaria prevention schemes for residents of Garden and adjoining villages.
- Primary schools at all gardens and buses for school children to go to the Secondary schools.
- Special School for making difference in the lives of physically challenged students at Siliguri.
- Self help centres for vocational training.
- Afforestation / vegetation on non- traditional tea areas in order to improve the Micro-environment.
- Scholarship scheme for meritorious students of the tea garden employees.
- Packing of teas by physically challenged students at The Indian Institute of Cerebral Palsy (IICP), as part of vocational training.
- Green initiative for sustainable operation through use of dual fired boilers to use woody biomass instead of coal thereby lowering consumption of carbon fuel and reducing methane emission.
- Water harvesting and Creation of Waterbodies to charge underground water table.
- Encourage use of smokeless chullas.

DIVIDEND

The Board recommends a dividend of Rs. 4.50/- per share (45%). Such dividend, on declaration, will be paid to those members recorded in the Registers of the Company at the close of business on 21st March, 2015, subject, however to the provision of Section 206A of the Companies Act, 1956/Section 126 of the Companies Act, 2013.

FINANCE AND ACCOUNTS

Overall increase in price have compensated to a certain extent the cost escalation of most of the inputs. However the major factor for lower profitability is on account of substantial shortage in the Retirement Funds due to the negative swing in the Bond yields coupled with the proposed increase in labour wages.

COST AUDIT

For the Current financial year beginning on 1st January 2015 and ending on 31st December, 2015, the Board of Directors, based on the recommendation of the Audit Committee, has appointed Messrs. Shome & Banerjee, Cost Accountants as the Cost Auditors of the Company to comply with the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of Companies (Audit and Auditors) Rules 2014, as may be applicable.

As required under Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit & Auditors) Rules 2014, the remuneration payable to the Cost Auditors for this year ending 31st December, 2015 will be placed before the members at the ensuing Annual General Meeting for ratification.

PROSPECTS

Overall prospect of the tea business appears to be encouraging with strong demand for CTC teas. The Company is in process of replacing high cost coal with alternative fuels i.e., waste wood, bio-mass etc. Modernisation of spraying equipments are under process which will reduce costs as well as deployment on pest control which had been a major drain on revenues over the past decades.

Barring unforeseen adverse weather conditions, to combat which, substantial investment on augmenting irrigation infrastructure has been undertaken, the Company is expected to strengthen its profitability in future years with upgraded factories and renewed tea areas. The slower off-take of Orthodox teas by Iran is a cause for worry as is the proposed sharp increase in wages and the continuing clamour for "minimum wages in tea" by some sections of the Unions.

CORPORATE GOVERNANCE & AUDIT COMMITTEE

Clause 49 of the Listing Agreement on Corporate Governance in terms of quarterly and annual results etc. were complied with during the year. A certificate from the Statutory Auditors of your Company regarding the compliance by the Company of the conditions stipulated under Clause 49 of the Listing Agreement is also attached with this report.

The Audit Committee of the Board was set up in 1997 well before it became mandatory. The Committee has played an important role during the year. It co-ordinated with the Statutory Auditors, Internal Auditors and other key personnel of the Company and has rendered guidance in the areas of Corporate Governance, internal audit, finance and accounts.

The Code of Conduct for the Directors and Senior management personnel is being complied with and Risk Profile Analysis is being carried out from time to time. In terms of Clause 49 of the Listing Agreement, disclosures under Corporate Governance are given in Annexure - 'F' of the report.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Committee has met regularly in course of the year. With the compulsory dematerialization of the Company's shares and electronic mode of transfers, postal despatches which led to usual complaints, have been minimized. At the year end 97.97% of the total shares were dematerialized with no unresolved pending investor grievances.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee recommends to the Board the remuneration Package of Directors, Key Managerial Personnel and other employees.



PERSONNEL

The Company has a large work force employed on tea estates which are located in remote areas away from towns and cities. In spite of these isolated locations and disturbed political environment in some areas, the morale of the managerial staff and other personnel were high throughout the year. There were no major disruptions of work at the garden or any other establishment of the Company during the year.

Your Directors place on record the co-operation received and dedication of all employees at the gardens and other establishments of the Company.

PARTICULARS IN TERMS OF SECTION 217 OF THE COMPANIES ACT, 1956

The particulars of Conservation of Energy and Technology absorption in terms of Section 217(1)(e) are given in Annexures "A" and "B". The particulars of employees attracting the provisions of Section 217(2A) are given in Annexure "C". Directors' Responsibility Statement, in terms of Section 217(2AA), is given in Annexure 'D'. All the Annexures form part of the Report.

DIRECTORS

In terms of the provisions of the Companies Act, and the Company's Articles of Association, Mr. A. K. Mathur shall retire by rotation and being eligible, offers himself for reappointment. The Board has re-appointed Mr. Arun Narain Singh as Managing Director and CEO for a period of three years with effect from 1st January, 2015. The Board recommends the appointment/ re-appointment of the aforesaid Directors on the ensuing Annual General Meeting.

Pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 the Board of Directors is seeking appointment of Mr. K. Sinha, Mr. P. K. Sen and Dr. S. Kaul as Independent Directors for a term of five consecutive years i.e. upto the conclusion of the forty fourth (44) Annual General Meeting to be held in 2020. Details of the proposal for appointment of Mr. K. Sinha, Mr. P.K. Sen and Dr. S. Kaul have been mentioned in the statement pursuant to Section 102 of the Companies Act 2013 in the Notice of the Annual General Meeting. The aforesaid Directors fulfill the conditions specified in the Companies Act, 2013 and Rules made thereunder for their appointment as Independent Directors.

The Board is of the opinion that their continued association as Independent Directors shall immensely benefit the Company. The Board recommends their appointment as Independent Directors by the shareholders.

AUDITORS

The Auditors, Messrs Lovelock & Lewes, Chartered Accountants, retire and are eligible for reappointment.

Applicability of the Companies Act, 1956

As clarified by the Govt. of India., Ministry of Corporate Affairs, vide its General Circular No. 08/2014 dated 4th April, 2014 the information given and contents of this Report are governed by the relevant provisions / schedules / Rules of the Companies Act, 1956.

On behalf of the Board

A. N. Singh

Managing Director

S. Kaul

K. Sinha

P.K. Sen

Directors

Kolkata
20th February, 2015

ANNEXURE TO THE DIRECTORS' REPORT – ANNEXURE 'A'

Particulars of Conservation of Energy and Technology absorption in terms of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors), Rules 1988 forming part of Directors' Report for the year ended 31st December, 2014.

CONSERVATION OF ENERGY

I. Energy conservation measures undertaken:

- a) Installation of capacitor banks on main panel boards of grid supply for improved Power Factor. All gardens achieving power factor of 0.97 and above.
- b) Installation of capacitors on all motors (above 3 HP) in the factory processing areas and in irrigation pumps & water supply motors in the fields to improve motor efficiency and lowering current consumption (amps).
- c) Replacement of old electrical motors by new energy efficient motors EE1 standard in a phased manner. These energy efficient motors consume much less current compared to conventional motors.
- d) Regular monitoring of installed capacitors and replacing damaged capacitors wherever found.
- e) Phasewise replacement of incandescent Halogen, Sodium Vapour, CFL Lamps by LED Lights having P.F. of 0.96.
- f) Optimization of factory running hours and machinery usage to achieve a load factor greater than 45% to avail minimum tariff rates.
- g) Increase in throughput in the factories to reduce energy consumption. This is being done by replacing old machinery with new generation modern machinery and improved efficiency.
- h) Steps initiated for phase-wise replacement of Genset operated irrigation sets and water supply units with electrically powered units to cut down on energy cost.
- i) Replacement of coal fired heaters by woody biomass based boilers to reduce carbon emission.
- j) Replacement of old inefficient tea driers and furnaces with more efficient high throughput equipment like VFBDs to reduce coal consumption and also to reduce factory running hours.
- k) Phased replacement of old Genset.

II. Additional investments and proposals:

- a) Replacement of damaged/ malfunctioning capacitors.
- b) Replacement of all boiler water heating systems in bungalows by geysers / solar heating panels.
- c) Replacement of old model Air Conditioners with new power efficient and star rated Air Conditioners.
- d) Replacement of old transport utilities with new fuel efficient vehicles.
- e) Provision of new generation D.G. sets to enhance captive power generation capacity and improve fuel conservation.
- f) Replacement of over/underrated transformers with optimum rated transformers for better power utilization.

III. Impact of measures undertaken:

In spite of steep increases in grid tariff and diesel rates, the Group's power cost has stayed within permissible limits. This has been achieved by regular monitoring of power related components.

FORM 'A'

Form for disclosure of particulars with respect to Conservation of energy.

A. Power and Fuel Consumption

	Current Year	Previous Year
I. Electricity		
(a) Purchased		
Units (Kwh)	30,452,480	26,542,538
Total Amount (Rs. '000)	263,992	223,474
Rate/Unit (Rs.)	8.67	8.42



ANNEXURE TO THE DIRECTORS' REPORT – ANNEXURE 'A' (Contd.)

Particulars of Conservation of Energy and Technology absorption in terms of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors), Rules 1988 forming part of Directors' Report for the year ended 31st December, 2014.

		Current Year	Previous Year
(b) Own Generation			
i) Through Diesel Generator Unit/(Kwh)		2,302,736	2,270,525
Unit Per ltr. of Diesel Oil		3.00	2.82
Cost/Unit (Rs.)		20.31	18.75
(ii) Through Steam Turbine/Generator		—	—
2. Coal			
Quantity (Tonnes)		17,418	17,145
Total Cost (Rs. '000)		148,001	135,570
Average Rate (Rs.)		8,497	7,907
3. Others/Internal Generation		—	—
B. Consumption per unit of production	Standards (If any)	Current Year	Previous Year
Product – Tea	—	—	—
Units – Qtls.			
Electricity	—	146.97	128.16
Coal	—	78.16	76.26
Others	—	—	—

FORM 'B'

Form for Disclosure of particulars with respect to absorption:
RESEARCH AND DEVELOPMENT (R & D)

1. SPECIFIC AREAS IN WHICH R&D CARRIED OUT BY THE COMPANY

- Use of "Light Trap" to control the looper moth Population.
- Use of micro-organisms in controlling Lepidopteron pest attack.
- Creation of eco-friendly plantation area development.
- Field mechanization
 - A) A comprehensive field trial was conducted to study the effect of machine plucking on yield, plucking round, plucker's productivity, leaf quality, green leaf cost/kg.
 - B) A study was conducted to see the efficacy of single man operated pruning machine.
- Irrigation scheduling with the help of a scientific instrument.
- Introduction of CRS (Condensate recovery system) in Instant Tea Plant.
- Evolving different method to improve recovery of Instant Tea.

ANNEXURE TO THE DIRECTORS' REPORT – ANNEXURE 'A' (Contd.)

Particulars of Conservation of Energy and Technology absorption in terms of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors), Rules 1988 forming part of Directors' Report for the year ended 31st December, 2014.

- Development of new CWS product from Green Tea.
- Development of bio-pesticide involving locally available herbs.
- Formulation of enriched bio-compost using dairy by-product.
- Utilization of dairy by-product in making vermicompost and bio-pesticide.
- Role of Phosphate solubilizing bacteria as a bio-fertilizer.
- Mass culture of mutant *Trichoderma viride* for the enhancement of the production of potent antagonist bio-control agent by using cheap source material like molasses and yeast.
- Mass production of Nitrogen fixing bacteria to increase the fertility of the soil.
- Soil health reclamation through population enhancement of beneficial microbes.
- Two stage extraction process to improve the recovery of instant tea.
- Method for recovery of tea aroma.

2. BENEFITS DERIVED AS A RESULT OF THE ABOVE R&D

- Light trapping of the looper moth is a part of the IPM (Integrated Pest Management) and proving extremely beneficial in controlling the looper pest attack.
- A bacterium was isolated from the nature which has shown tremendous potential in controlling the Lepidopteron pest attack in tea gardens.
- It was found that Machine plucking can be a suitable alternative of manual plucking which is far more economic. However, considering quality aspect only a certain percentage of selective areas with high frame heights/high bush population where plucker deployment is maximum were kept under machine plucking. The deployment of Plucking machines reduced the manpower deployment and helped to lower the plucking cost.
- Pruning machine trial revealed that it can save lot of man-power, however, may not be economic considering the high fuel cost at present.
- It was found that a simple but not so sophisticated instrument like "Tensiometer" is capable of optimizing irrigation which in turn can help to reduce water and energy consumption.
- Introduction of CRS brought down the fuel (coal) consumption quite significantly.
- An increase in recovery percentage was observed by adopting different extraction method.
- A new product for the first time made at ITP by converting green tea into 'Instant Green Tea' which was well accepted by our overseas buyer.
- Bio-pesticide produced out of dairy bi-product is giving satisfactory result. This experiment to continue.
- *Trichoderma viride* found to be very useful in post pruning application.
- Application of vermicompost in large scale is helping in soil reclamation and thus increasing the fertility level of the soil.
- Uses of certain in house R&D products like Metabass, Bio-N, Bio-P, *Trichoderma*, Bio-inoculants have now become an integral part of our agricultural practice.
- With the introduction of the dairy project, large quantity of raw material is now available for the production of high quality vermicompost.
- Large scale application of locally prepared compost for extension and rejuvenation planting.
- A cost effective new product was developed in the instant tea factory keeping the essence of the black tea characteristics.
- Patent obtained for HWS and CWS processes.



ANNEXURE TO THE DIRECTORS' REPORT – ANNEXURE 'A' (Contd.)

Particulars of Conservation of Energy and Technology absorption in terms of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors), Rules 1988 forming part of Directors' Report for the year ended 31st December, 2014.

3. FUTURE PLAN OF ACTION

- a) To explore possibilities of using more number of micro-organisms in controlling pest and diseases in tea plantation.
- b) Large scale production of the bio-pesticides.
- c) To explore possibilities of using solar energy to reduce the fossil fuel consumption.
- d) New method for aroma recovery.
- e) Aroma induced new product development.
- f) Use of alternative fuel to reduce coal consumption.
- g) Optimization of irrigation based on scientific data.

4. EXPENDITURE ON R&D (Rs. in million)

- | | | |
|--|---|---------|
| a) Capital | – | 1.89 |
| b) Recurring | – | 11.68 |
| c) Total | – | 13.57 |
| d) Total R&D expenditure as percentage of total turnover | | - 0.25% |

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts, in brief, made towards technology absorption, adaptation and innovation.

Mass production of biofertilizers / biocides / bio-inoculants together with value addition in terms of soil health, reclamation, nutrient mobilization based on reduced chemical use.
Independent process development and application capability.

2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc.

Lowering of pesticide load from the tea bushes as well environment thereby minimising pollution and rejuvenation of soil health and environment. Cost effective method was developed to produce improved variety HWS or CWS products.

3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished:

No technology was imported during the last 5 years.

Kolkata
20th February, 2015

On behalf of the Board
A. N. Singh
Managing Director
S. Kaul
K. Sinha
P.K. Sen
Directors

ANNEXURE TO THE DIRECTORS' REPORT – ANNEXURE 'B'

Particulars of Foreign Exchange earnings and outgo in terms of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 forming part of Directors' Report for the year ended 31st December 2014.

The Company has established Export Agents in Europe. The Export Agents are engaged in promotion of the Company's teas in the foreign markets, both for teas in bulk and value added forms. With greater emphasis on marketing value added products joint efforts are required and the export Agents perform an important role in this regard.

During the year, the foreign exchange outgo was Rs. 148.83 million and foreign exchange earning was Rs. 1,243.92 million.

Kolkata
20th February, 2015

On behalf of the Board

A. N. Singh
Managing Director
S. Kaul
K. Sinha
P.K. Sen
Directors

ANNEXURE TO THE DIRECTORS' REPORT – ANNEXURE 'C'

Particulars of Employees in terms of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975, forming part of Directors' Report for the year ended 31st December 2014.

Name	Age	Designation and Nature of Duties	Remuneration (Rs. '000)	Qualification and Experience (Years)	Date of Commencement of Employment	Last Employment held	Designation
Singh, A.N.	61	Managing Director & C.E.O	15,240	M.Sc (40)	01.01.78	Duncan Brothers & Co. Ltd.	Tea Garden Assistant.

Notes: The above remuneration includes salary, allowance, contribution to Provident Fund, Superannuation & Gratuity Funds and perquisites.

Kolkata
20th February, 2015

On behalf of the Board

A. N. Singh
Managing Director
S. Kaul
K. Sinha
P.K. Sen
Directors



ANNEXURE TO THE DIRECTORS' REPORT – ANNEXURE 'D'

DIRECTORS' RESPONSIBILITY STATEMENT (DRS)

(As per section 217 (2AA) of the Companies Act, 1956)

The Directors hereby confirm:

- That in the preparation of the Annual Accounts for the year ended 31st December 2014, the applicable Accounting Standards have been followed and there are no material departures;
- That they have selected such accounting policies and applied them consistently and made judgements 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 ended 31st December 2014 and the Profit of the Company for the financial year;
- That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- That they have prepared the Annual Accounts for the year ended 31st December 2014, on a going concern basis.

On behalf of the Board

A. N. Singh
Managing Director
S. Kaul
K. Sinha
P.K. Sen
Directors

Kolkata
20th February, 2015

ANNEXURE TO THE DIRECTORS' REPORT – ANNEXURE 'E'

MANAGEMENT DISCUSSION & ANALYSIS REPORT

The year 2014 saw the reaffirmation of the markets preference for quality teas for the price concertina between best, good & medium and inferior teas widened further across all auction centres in the country. Harvest in Assam was severely affected on account of drought and pests. Dooars & Darjeeling reported harvests marginally lower than 2013 whilst South India had a substantially higher harvest which also perhaps affected the quality of the produce, for the markets of South Indian teas were depressed throughout the season and has severely eroded the profitability of the estates in that region.

Orthodox teas initially fetched prices at par with 2013 but with Iran off-take being selective in the wake of the media reports about excessive presence of agrochemical taint in Indian teas, the market for ordinary Orthodox declined rapidly.

Crop

The slight drop in crop was on account of the lower crop in Assam which for a second year in succession suffered on account of extended drought and resultant pest infestation. Severe environmental degradation

vide deforestation in Assam is causing extensive migration of chewing pests into tea areas. To combat this, gardens which are under stringent MRL standards have been struggling.

There was marginal decline in the harvest levels in Dooars as well as on account of the winter drought and early withdrawal of monsoon in October. The substantial investment undertaken towards augmenting irrigation infrastructure has principally been effective in enabling the garden of the Group in Dooars from combating the ill effects of the extended droughty periods.

There has been drastic changes in global climatic condition and this has affected all crops in South Asia and a concerted effort is being undertaken by the Group to ensure that the micro environment in and around the individual estates is maintained in pristine condition.

Market Scenario

The Company has seventeen Tea Estates in Darjeeling, Dooars (North Bengal) and Assam with state-of-the-art modern processing factories. These produce a wide range of premium quality teas for both the domestic and the world markets.

Global crops from major producing countries were lower by approximately 7.5 million kgs in 2014 out of which the all India crop showed an annual decrease of 15.61 million kgs in 2014.

2014 was a good year in terms of prices for all categories of CTC and Dust teas in North India caused primarily by lower crops in Assam. The North India CTC/Dust average was higher by Rs. 8.58 per kg. Assam Valley CTC/Dust district average at Rs. 158.09 per kg was higher by Rs. 10.24 per kg when compared to 2013. Dooars/Terai averages showed an increase of Rs. 6.10 per kg whilst Cachar averages were up by Rs. 12.07 per kg. Good liquoring teas in particular were well received throughout the season. Assam fannings were a weak feature this season as lower international markets impacted Indian exports.

Following lower production, 18.1 million kgs of Orthodox teas were sold in the auctions this season compared to 29.9 million kgs last year. Average price at Rs. 191.70 in 2014 was lower by Rs. 10.69 against 2013. Lower exports to Iran owing to higher carryover stocks and documentation/certification issues were key factors in dragging the averages down. The price difference between Assam Orthodox and CTC reduced to Rs. 33.61 per Kg in 2014.

Darjeeling crop declined across the district with figures up to end December reading at 8.51 million kgs in 2014 as against 9.13 million kgs in 2013. Despite the overall quality being preferred to that of season 2013, markets were lower for much of the season due to lower enquiry from major packeters and blenders at reduced price levels. Darjeeling District average at Rs 274.78 per kg (end December) for 2014 was lower by Rs 56.53 per kg compared to 2013 (Rs 331.31). Averages for all grades declined, particularly Fannings grade, which shed Rs. 43.14 per kg against last year.

The average price at the Global Auction Centers (April to December) are as follows:

Country	Average Auction Price			
	US\$/Kg		Rs/Kg	
	2014	2013	2014	2013
North India	2.45	2.34	149.45	145.08
Kenya (Mombasa)	2.03	2.41	123.83	149.42
Sri Lanka (Colombo)	3.51	3.38	214.11	209.56
Malawi (Limbe)	1.43	1.82	87.23	112.84
Bangladesh (Chittagong)	2.18	2.89	132.98	179.18



ANNEXURE TO THE DIRECTORS' REPORT – ANNEXURE 'E' (Contd.)

MANAGEMENT DISCUSSION & ANALYSIS REPORT

A comparative chart is given below which shows how the Company's teas command premium in the market (Season 2014):

(Average prices – Rs. /Kg.)
(Rounded off)

Tea Areas	Company's Teas	Other Quality Tea Companies	Consolidated Auction Averages
Darjeeling	453	330	275
Dooars	176	149	138
Assam	214	162	161

PROSPECTS FOR 2015

CTC

- Opening levels will be determined by demand pattern in the first quarter 2015 and weather conditions.
- Good quality teas will continue to sell well and realize attractive premiums.

ORTHODOX

- Iranian buying should be stronger than 2014 as stocks have reportedly depleted.
- This will have a positive effect on the market and good Orthodox in particular will be readily absorbed at attractive levels.

DARJEELING

- Market for First flush Darjeeling is expected to be buoyant with the overall demand set to improve over the same period last year. Major tea blender who have traditionally operated during this particular season are expected to be back after their absence during the same period last year.

GENERAL

- Increased input costs will have a major impact on the Industry.
- Tea Board/ITA delegations to Russia and Iran are expected to boost Indian Exports.

EXPORTS (upto end November)

All India exports are lower by 8.01 million kgs. Less Orthodox production and higher stocks at destination resulted in lower shipment to Iran i.e.16.48 million kgs exported in 2014 vs. 20.64 million kgs in 2013. Shipments to the USA decreased to 11.47 million kgs as against 13.31 million kgs last year. Exports to Bangladesh were 5.26 million kgs against 10.17 million kgs last year. Shipments to Pakistan declined to 14.79 million kgs (-1.54 million kgs).

Branded Tea

Efforts to increase distribution continued in Company's approach to increase its footprints in the market. Till end 2014, as per report received from Nelson, Goodricke was the No. 1 brand (CTC category) in Madhya Pradesh in terms of volume and market share. In the premium market of Kolkata, the company made impactful strides with its most popular brand Goodricke Darjeeling Roasted recording a 20% increase. Under the Goodricke Roasted Umbrella – tea bags and the Organic Jar have found positive acceptability by the consumers. Castleton, the connoisseur's favourite tea recorded an impressive 23% growth while Thurbo

ANNEXURE TO THE DIRECTORS' REPORT – ANNEXURE 'E' (Contd.)

MANAGEMENT DISCUSSION & ANALYSIS REPORT

another popular brand indicated an increase of 15%. The premium CTC brand Goodricke Khaass has established well in the city and is making steady progress as a sought after retail pack.

Barnesbeg Organic Green Tea made an impressive show in 2014, recording an increase in sale by 52%. So far the tea is available only in leaf and tea bag without flavor formats. Flavoured Tea bags will be launched in the first quarter of 2015.

The new packing unit initiated at Dewas in 2013 increased its output by 40% over last year. Company as an extension of its CSR program has instituted packing operations for the mentally/physically disabled persons at Bhopal, Indore and Siliguri in addition to the existing set up at IICP in Kolkata. This has created a very welcome avenue of income generation for the concerned.

Instant Tea Plant (ITP) / Premix Plant

Year 2014 is so far the best year for the instant tea plant since it started its commercial journey back in June, 1996. It has ended the year with an all time record production of 380 MT. Export figure touched to 357 MT which was also an all time record.

Like last year this year also a sizeable part of the production was exported to Japan where it is increasing its market share steadily. Apart from Japan instant Tea found its market in UK and Taiwan also.

In house R&D, the back bone of ITP successfully produced couple of new products. The new product which was made out of Srilankan Black Tea was well accepted by the Japanese buyer and a new high value business was initiated with them.

As a part of continuous machinery Upgradation programme at the end of this year a new generation state of the art evaporator machine (Plate Heat Evaporator) was installed which is expected to give much better result in 2015.

Introduction of CRS, (Condensate Recovery System) one of the noteworthy engineering achievements of the year could able to bring down the fuel (coal) cost quite significantly. Certain other technical modifications related to processing not only reduced the cost of production but also improved the overall plant productivity.

As a whole it was a very fruitful year in the history of Instant Tea Plant.

Pre-mix: The independent premix plant at Danguajhar have been producing the Instant Tea premix powders both for own marketing as well as for the third parties. In-house R & D has developed a haze free lemon flavored premix for fulfillment of current market demand.

Corporate Governance & Internal Control System

The Company is complying with the norms laid down in Clause 49 of the Stock Exchange Listing agreement on Corporate Governance. Some of the key mandatory compliances in place are:

- The Audit Committee consists of only non-executive Directors, 2/3rd of whom are independent Directors, the Chairman being one. The Chairman has the requisite financial expertise. The other members are well versed in financial aspects of tea garden operation.
- The Board of Directors meets the 1/3rd minimum criterion for independent non-Executive Directors. In fact it is now 50%.



- A Code of Conduct has been adopted by the Board. This has been accepted by all Directors and Senior Executives and posted on the Company's website. Declaration of compliance thereof from the C.E.O. has been incorporated in the Annual Report.
- The Audit Committee had met formally as well as separately with the Chief internal auditor, statutory auditors and external Auditors. It reviewed the quarterly and annual financial statements, analyzed internal control systems and other activities as per the terms of reference.
- A formal Whistle Blower Policy, has been adopted by the Board of Directors on 24th September 2014.
- The Company has a Nomination and Remuneration Committee since 2001.

Risk Analysis

- The Risk Analysis Report was reviewed from time to time. The analysis covers the gardens operations, hail/rainfall, marketing, financial, regulatory, locational risk and others. Based on this analysis, necessary corrective actions were suggested by the Audit Committee. Risk Management procedures have also been laid down therein. These are being evaluated to ensure that all identified risks are provided for adequately and unidentified risks guarded against to the extent feasible.
- Risk on realization of auction proceeds has been largely eliminated due to the new settlement system which is in effective operation.
- The Company is in compliance with the Risk Management framework of Camellia Plc. for its global operation with country-wise risk analysis.

Human Resource Development

Tea Production being labour intensive the human factor is a critical factor. The Company employs over 25000 persons and the 2014 garden operations did not face any disruptions.

The Company would like to record its appreciation to the whole hearted support and dedication from employees at all levels in maintaining smooth production and manufacturing of tea from all the different estates during the year.

Financials

The overall increase in prices have had a favourable impact on the cash flow which has compensated the increase in cost of most of the inputs resulting in maintaining the year end borrowing level.

General

It is expected that the strengthening of the tea Industry will continue to enable the industry to modernize further the tea factories and plantations.

On behalf of the Board
A. N. Singh
Managing Director
S. Kaul
K. Sinha
P.K. Sen
Directors

Kolkata
20th February, 2015

ANNEXURE TO THE DIRECTORS' REPORT – ANNEXURE 'F'

REPORT ON CORPORATE GOVERNANCE

The Stock Exchange Listing Agreement in clause 49 has laid down a Code of Corporate Governance which the Company has complied with as follows:

1. Company's Philosophy on Code of Governance:

The Company's core business is the cultivation and production of tea and it is among the top three producers in India.

The Company strives to produce teas of premium quality, which are acceptable to the discerning world market. This particularly applies to production from the Darjeeling, Dooars and Assam gardens.

Likewise, the Company endeavours to care for all its employees by providing medical, educational and welfare facilities way beyond the basic requirements.

The Company's overall philosophy is excellence in all spheres of its operations.

2. Board of Directors – Composition:

The Board is headed by the Non-Executive Chairman, Mr. P.J. Field and comprises of persons with considerable professional experience in their respective fields. The Board consists of five Non-Executive Directors, three of whom are Independent Directors. Thus, 50% of the Board consists of Non-Executive Independent Directors. Particulars as at 31st December 2014, are given below:

Director*	Category	OTHER COMPANIES*		
		Member of Board	Board Committees	
			Chairman	Member
Mr. P.J. Field	Chairman – Non-Executive	4	—	—
Mr. A.N.Singh	Managing Director & CEO	4	—	—
Mr. A.K.Mathur	Non-Executive	2	—	—
Dr. Sudha Kaul	Non-Executive – Independent	—	—	—
Mr. K.Sinha	Non-Executive – Independent	1	—	—
Mr. P.K.Sen	Non-Executive – Independent	2	—	—

* Excludes Directorships in Private Limited Companies, Foreign Companies and Companies under section 25 of the Companies Act, 1956.



ANNEXURE TO THE DIRECTORS' REPORT – ANNEXURE 'F' (Contd.)

REPORT ON CORPORATE GOVERNANCE

Board Meetings & Annual General Meeting (AGM):

During the year under review, eight Board Meetings were held, the dates being 26th February, 11th April, 13th May, 24th July, 12th August, 10th November, 14th November, and 29th December, 2014.

The last AGM was held on 11th April 2014.

Details of attendance:

Director	No. of Board Meetings Attended	Whether attended last AGM
Mr. A.N. Singh	8	Yes
Mr. P.J. Field	3	Yes
Mr. A.K. Mathur	2	No
Dr. S. Kaul	7	No
Mr. K. Sinha	7	No
Mr. P.K. Sen	8	Yes

3. Audit Committee:

The Audit committee comprises of three non-executive Directors of whom the Chairman and one member are independent Directors. The Committee was first constituted in April 1997. The committee has been meeting at regular intervals. The Chairman and other members of the Audit committee has in-depth knowledge in the areas of Finance and Accounts.

A brief description of the terms of reference of the Audit committee, which covers the areas mentioned under clause 49 of the Listing agreement and Section 292A of the Companies Act 1956, are as follows:

- To review with the management, statutory Auditors and internal Auditors on the adequacy of the internal control systems.
- To review the adequacy of the internal audit function, including the nature and scope of internal audit and approve the internal audit plan for the year.
- To review the internal audit reports, to discuss with the internal auditors and management about their findings and suggest corrective action wherever necessary.
- To recommend appointment and removal of statutory Auditors, fixation of audit fees and approval for payment for any other services.
- To consider the nature and scope of statutory audit and review significant audit observations, if any.
- To review the financial reporting process and disclosure of financial information.
- To review the quarterly, half yearly and annual financials before submission to the Board.
- To review the Company's financial and risk management policies.
- To analyse substantial defaults in respect of payments to stakeholders, if any.
- To investigate into any other matters covered by Section 292A of the Companies Act, 1956.

During the year under review, six meetings of the Audit committee were held, the dates being 26th February, 13th May, 24th July, 12th August, 10th November, and 14th November 2014.

ANNEXURE TO THE DIRECTORS' REPORT – ANNEXURE 'F' (Contd.)

REPORT ON CORPORATE GOVERNANCE

The composition and attendance at the Audit committee meetings are as follows:

Name	No. of Audit Committee Meetings Attended
Mr. K. Sinha, Chairman	6
Mr. A.K. Mathur, Member	2
Mr. P.K. Sen, Member	6

The Company Secretary acts as the Secretary to the Committee. The Managing Director and Statutory Auditors are invited for the meetings. The Head of internal Audit also attends the meetings.

4. Nomination and Remuneration Committee:

The Committee is responsible for recommending to the Board the remuneration package of Managing Director including annual increment and commission, if any, after reviewing performance. The committee consists of:

Mr. K. Sinha	Chairman
Mr. P.J. Field	Member
Dr. S. Kaul	Member
Mr. P.K. Sen	Member

The Committee had met twice on 26th February and 14th November, 2014. At both the meetings all members, except Mr. Field on 14th November, were present.

The remuneration policy takes into account the Company's performance and that of the Managing Director.

Remuneration paid to Directors during the year 2014:

Rs. in '000						
a.	Name	Salary	Commission	Value of Perquisites	Retiral Benefits	Total
	Mr. A.N. Singh	7,440	3,400	2,157	2,243	15,240

Service contract : 1st January, 2012 to 31st December, 2014.

Re-appointment w.e.f. 1st January, 2015 to 31st December, 2017
as Managing Director & CEO.

Notice period : Six (6) months.

Severance Fees : Not applicable.

Rs. in '000				
b.	Non-Executive Directors	Board Fees	Committee Fees	Total
	Dr. S. Kaul	105	32	137
	Mr. K. Sinha	105	104	209
	Mr. P.K. Sen	120	72	192

There are no stock option plans of the Company.



ANNEXURE TO THE DIRECTORS' REPORT – ANNEXURE 'F' (Contd.)

REPORT ON CORPORATE GOVERNANCE

5. Stakeholders' Relationship Committee:

The Committee comprises of the following Directors:

Dr. Sudha Kaul	Chairperson (Non-Executive)
Mr. K. Sinha	Member (Non-Executive)
Mr. A.N. Singh	Member (Managing Director)

The Committee, which generally meets once a month, met sixteen times during the year.

a)	No. of complaints received from Stock Exchange/SEBI/Shareholders	1
b)	No. of complaints not resolved/no action taken	NIL
c)	No. of pending complaints	NIL

Name and designation of Compliance Officer:

Mr. S. Banerjee, Company Secretary.

6. General Body Meetings:

Location and time where last three AGMs were held:

Date	Location	Time
18th April, 2012	Science City, Mini Auditorium, JBS Haldane Avenue, Kolkata - 700 046	10.00 AM
20th April, 2013	Eastern Zonal Cultural Centre 1B, 201, Sector- III, Salt Lake City, Kolkata - 700 106	10.00 AM
11th April, 2014	- Do -	10.00 AM

No special Resolution was passed at the Annual General Meeting in 2013 and 2014. There was only one Special Resolution in 2012 which did not come under the purview of postal ballot in terms of Section 192A of the Companies Act, 1956.

No resolution proposed through postal ballot.

No other General meetings were held in course of the last three years.

7. Other Disclosures:

A. Related party transactions:

Disclosures on materially significant related party transactions:

Details of related party transactions as specified in Accounting Standard 18 of the Companies (Accounting Standards) Rules, 2006 have been reported in the Notes to the Accounts.

The Company has not entered into any transactions of material nature with any of its related parties that may have potential conflict with the interest of the Company.

B. No penalties/strictures have been imposed on the Company by Stock Exchange, SEBI or any regulatory authority for non-compliance of any laws on any matter related to capital markets, during the last three years.

ANNEXURE TO THE DIRECTORS' REPORT – ANNEXURE 'F' (Contd.)

REPORT ON CORPORATE GOVERNANCE

- C. The revised Clause 49 of the Listing agreement consists of mandatory and non-mandatory requirements. The Company is compliant with the mandatory as well as non-mandatory clauses.

The Nomination and Remuneration Committee has been in operation since 29th November, 2001. There is no audit qualification pertaining to the financial statements of the Company. A formal whistle blower policy, has been adopted by the Board of Directors on 24th September 2014.

8. Means of Communication:

- a) No half-yearly report is sent to the shareholders directly.
- b) Quarterly results and the Half-yearly results are published in newspapers such as Business Standard and Aajkal (Bengali). Such financials are covered by limited review by the statutory Auditors. The annual audited results are also published within two months of the close of the financial year.
- c) Financial results are posted on the Company's website: www.goodricke.com. Also results are sent to the Stock exchange for incorporation in their Website.

Company's e-mail address: goodricke@goodricke.com

In terms of clause 51 of the Listing Agreement, the Company is also making electronic filing of shareholding pattern, quarterly and annual financial results under corporate filing system of Bombay Stock Exchange.

- d) Management Discussion and Analysis Report forms part of the Directors' Report.
- e) No formal presentation has been made to Institutional investors or analysts during the year.

9. Shareholder Information:

(a) **AGM date, time and venue:**

Monday, the 30th March 2015, at 10.00 AM.

Eastern Zonal Cultural Centre, IB201, Sector-III, Salt Lake City, Kolkata-700 106.



ANNEXURE TO THE DIRECTORS' REPORT – ANNEXURE 'F' (Contd.)

REPORT ON CORPORATE GOVERNANCE

(b) Financial calendar & Publication of Results:

The financial year of the Company is January to December.

Publications of Results will be as follows:

Period	Approval by the Board of Directors
1st quarter ending March 31, 2015	Within 15th May 2015
2nd quarter and 1st half ending June 30, 2015	Last week of July 2015
3rd quarter ending September 30, 2015	Within 15th November 2015
Final Audited results of December 31, 2015 including 4th quarter	February 2016
AGM for the year ending December 31, 2015	April 2016

(c) Book closure and Dividend payment date:

Monday, the 23rd March, 2015 to Monday, the 30th March, 2015, both days inclusive.

Dividend payment date : On & from 6th April, 2015

(d) Listing on Stock Exchanges:

The Company's securities are listed at:

The Bombay Stock Exchange Ltd (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001.

Note: 1) Listing fees, as prescribed, have been paid to the aforesaid Stock Exchange upto 31st March, 2015.

2) The securities of the Company have been de-listed from The Calcutta Stock Exchange Association Ltd. with effect from 10th August, 2007.

Stock Code:

Stock Exchange	Stock Code
The Bombay Stock Exchange Ltd.	500166

ANNEXURE TO THE DIRECTORS' REPORT – ANNEXURE 'F' (Contd.)

REPORT ON CORPORATE GOVERNANCE

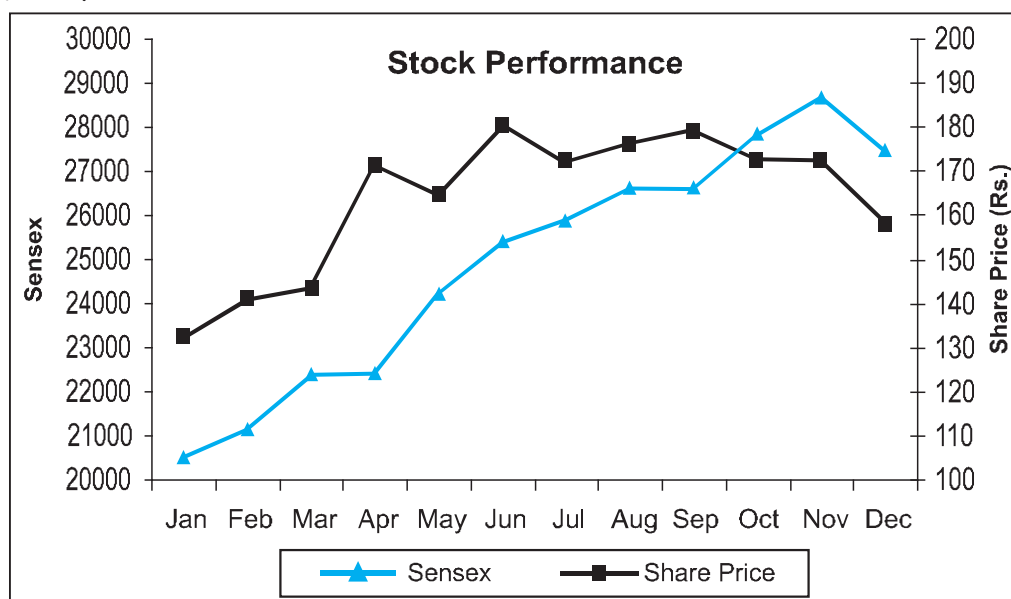
**(e) Stock Price Data:
Year 2014**

(Rs.)

Month	The Bombay Stock Exchange Ltd. (BSE)	
	High	Low
January	152.00	128.00
February	147.45	120.00
March	148.00	137.00
April	180.00	141.20
May	186.50	152.50
June	191.50	162.00
July	202.00	168.20
August	186.95	162.50
September	199.00	167.05
October	181.95	162.50
November	191.20	169.00
December	174.00	145.05

(f) Stock Performance:

Company's Share Price in relation to BSE Sensex:
(January to December 2014)





ANNEXURE TO THE DIRECTORS' REPORT – ANNEXURE 'F' (Contd.)

REPORT ON CORPORATE GOVERNANCE

(g) Share Transfer System:

The Company's shares are compulsorily traded in the demat form with effect from 21st March 2000 for all categories of shareholders. All transfers are debited/credited through the respective Accounts maintained with the Depository Participants (DPs) of the Investor.

SEBI vide its circular dated 16th December 2010 has amended clause 5A of the Listing agreement by laying down a uniform procedure for dealing with unclaimed shares in physical mode and getting the same dematerialized after completing the said procedure. The Company's Registrar & Share Transfer Agent has sent reminders to all such shareholders and there has been fair number of responses thereby reducing the number of unclaimed shares.

Code No. allotted by NSDL/CDSL:

(ISIN) INE 300A01016.

(h) In accordance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 1992, as amended, the Company has formulated an Internal Code in terms of the above regulations.

(i) Dematerialisation of Shares:

As on 31st December 2014, 97.97% of total holdings has been dematerialised.

(j) (i) Distribution of shareholding as on 31st December 2014

Group of Shares	No. of Shareholders	%	No. of Shares held	% to Total Shares
1 to 500	12763	91.54	1468153	6.80
501 to 1000	559	4.01	438426	2.03
1001 to 2000	310	2.22	460142	2.13
2001 to 3000	108	0.77	272700	1.26
3001 to 4000	52	0.37	187125	0.87
4001 to 5000	37	0.27	175500	0.81
5001 to 10000	65	0.47	477313	2.21
10001 to 50000	38	0.27	708008	3.28
50001& above	11	0.08	17412633	80.61
Total	13,943	100.00	21,600,000	100.00

(ii) Shareholding pattern as at 31st December 2014

Category	No. of Shareholders	No. of Shares held	% of Shareholding
Foreign Companies	2	15984000	74.00
Non-Resident Individuals & Companies	82	51428	0.24
Foreign Institutional Investors/ Foreign Banks	2	2550	0.01
Banks & Insurance Companies	11	2679	0.01
Mutual Funds	10	2671	0.01
Resident individuals	13509	4215008	19.51
Other Bodies Corporate & Trusts	277	1271362	5.89
Clearing Members	50	70302	0.33
Total	13,943	21,600,000	100.00

(k) Outstanding GDR/Warrants and Convertible Bonds, Conversion dates and likely impact on Equity:

Not Applicable.

(l) Plant Locations:

The Company owns seventeen Tea Gardens each having its own processing factory, one Instant Tea Plant and two Tea Blending Unit.

DOOARS (NORTH BENGAL) – IN JALPAIGURI DISTRICT

Aibheel
Chalouni
Chulsa
Danguajhar
Gandrapara
Hope
Jiti
Kumargram
Lakhipara
Leesh River
Meenglas
Sankos

ASSAM – IN UDALGURI DISTRICT (BTAD)

Nonaipara
Orangajuli

DARJEELING DISTRICT

Badamtam
Barnesbeg
Thurbo

Note: Particulars of area under Tea, Crop & others given later in the Report.

INSTANT TEA PLANT – IN JALPAIGURI DISTRICT

At Aibheel, Dooars

The Company has got two Tea blending units as follows:

At Aibheel, Dooars, West Bengal
At Dewas, Madhyapradesh

(m) Address for correspondence:

(Registrars & Share Transfer Agents & Depository Registrar)

C.B.Management Services Pvt. Ltd.
P-22, Bondel Road, Kolkata - 700 019
Tel: 4011 6700/715/724/729
E-Mail: rta@cbmsl.com

Note: In case of continuing difficulty, the Compliance Officer at the Registered Office to be intimated at e-mail: investor@goodricke.com

Kolkata
20th February, 2014

On behalf of the Board
A. N. Singh
Managing Director
S. Kaul
K. Sinha
P.K. Sen
Directors



CEO AND CFO CERTIFICATION

We, A.N. Singh, Managing Director & C.E.O. and A. Sengupta, Chief Accountant & C.F.O. certify that:

- a) We have reviewed the financial statements and cash flow statement for the year ended 31st December, 2014 and to the best of our knowledge and belief:
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st December, 2014 are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d)
 - i) There has not been any significant change in internal control over financial reporting during the year under reference;
 - ii) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and
 - iii) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Kolkata
20th February 2015

A.N. Singh
Managing Director & CEO

A. Sengupta
Chief Accountant & CFO

Declaration regarding compliance with the Company's Code of Conduct.

The Board of Directors of Goodricke Group Limited has adopted two separate Code of Conducts; one to be followed by all members of the Board and the other for Senior Management personnel of the Company in compliance with the revised Clause 49 of the Listing Agreement with the Stock Exchange. Both these Codes are available on the Company's website www.goodricke.com.

This is to confirm that the Company has received from each member of the Board and Senior Management personnel a Declaration of Compliance with the Code of Conduct as applicable.

Kolkata
20th February 2015

A. N. Singh
Managing Director & CEO

AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To

**The Members of
Goodricke Group Limited
"Camellia House"
14, Gurusaday Road
Kolkata - 700 019**

We have examined the compliance of conditions of Corporate Governance by Goodricke Group Limited (the "Company"), for the year ended 31st December, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchange in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to 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 our opinion and to the best of our information and according to the explanations given to us,

We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We 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.

Kolkata
20th February, 2015

Prabal Kr Sarkar
Partner
Membership No. 052340
For LOVELOCK & LEWES
Firm Registration No. 301056E
Chartered Accountants




Goodricke



BARNESBEG

ORGANIC DARJEELING GREEN TEA



DIP YOUR WAY TO AN ALL-NATURAL TREAT !

Goodricke Barnesbeg Green Tea is 100% organic. Cultivated without the use of chemical fertilizers or pesticides, the tea leaves are free of harmful properties that could have negative effects on your health. Furthermore, a cool, moist climate and the sloping Darjeeling terrain are the perfect combination of natural factors to produce tea that is completely organic. Carrying a distinct mellow flavour, it is ideal for sitting back and unwinding.



Available
in Leaf and
Tea Bags



Available at Spencer's and all leading stores



EVERY SIP, A KHAASS MOMENT!

Khaass, exclusive Assam Tea from the House of Goodricke, is blended with Golden Long Leaves. Every sip of this rich blend makes any moment a special and priceless one. The Long Leaves in Khaass are carefully rolled, to give exquisite taste and aroma. Take a Khaass sip, live a Khaass moment.



GOODRICKE KHAASS EXCLUSIVE ASSAM TEA



Our Khaass Moment



A Khaass Break at Work



My Khaass Moment



Available at a Spencer's near you and all leading outlets

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GOODRICKE GROUP LIMITED



Report on the Financial Statements

1. We have audited the accompanying financial statements of Goodricke Group Limited (the "Company"), which comprise the Balance Sheet as at December 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the "Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at December 31, 2014;
 - (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

8. As required by section 227(3) of the Act, we report that:
- (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books ;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
 - (e) On the basis of written representations received from the directors as on December 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For LOVELOCK & LEWES
Firm Registration No. 301056E
Chartered Accountants
Prabal Kr Sarkar
Partner
Membership No. 052340

Kolkata
20th February, 2015

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of Goodricke Group Limited on the financial statements as of and for the year ended December 31, 2014

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) In our opinion, and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
- ii. (a) The inventory [excluding stocks with third parties] has been physically verified by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.



- (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Therefore, the provisions of Clause 4(iii)(b),(c) and (d) of the said Order are not applicable to the Company.
- (b) The Company has taken unsecured loans from one company covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year and the year-end balance of such loans aggregated to Rs. 8,00,00,000 and Rs. Nil, respectively. There are no firms /other parties covered in the register maintained under Section 301 of the Act.
- (c) In our opinion, the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the Company.
- (d) In respect of the aforesaid loans, the Company is regular in repaying the principal amounts, as stipulated, and is also regular in payment of interest, as applicable.
- iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system. The company doesn't sell services.
- v. (a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- viii. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- ix. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of value added tax, central sales tax, service tax and tax deducted at source, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, professional tax, investor education and protection fund, employees' state insurance, income tax, wealth tax, customs duty, excise duty and other material statutory dues, as applicable, with the appropriate authorities.

- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of wealth-tax, service-tax, customs duty, and excise duty which have not been deposited on account of any dispute. The particulars of dues of income tax and sales tax as at December 31, 2014 which have not been deposited on account of a dispute, are as follows:

Name of the Statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act,1961	Central Income Tax	1,051,656	1996-97	Commissioner of Income Tax (Appeals)
Income Tax Act,1961	Central Income Tax	3,162,478	2002-03	Commissioner of Income Tax (Appeals)
Income Tax Act,1961	Central Income Tax	2,995,905	2006-07	Commissioner of Income Tax (Appeals)
Income Tax Act,1961	Central Income Tax	26,234,173	2008-09	Commissioner of Income Tax (Appeals)
Income Tax Act,1961	Central Income Tax	4,600,440	2009-10	Commissioner of Income Tax (Appeals)
Income Tax Act,1961	Central Income Tax	2,303,100	2010-11	Commissioner of Income Tax (Appeals)
Bengal Agricultural Income Tax Act,1944	Bengal Agricultural Income Tax	5,533,624	1984-85	Commissioner of Agricultural Income Tax,West Bengal
Bengal Agricultural Income Tax Act,1944	Bengal Agricultural Income Tax	10,874,512	1989-90	Commissioner of Agricultural Income Tax,West Bengal
Bengal Agricultural Income Tax Act,1944	Bengal Agricultural Income Tax	13,333,356	1990-91	The West Bengal Commercial Taxes Appellate and Revisional Board
Bengal Agricultural Income Tax Act,1944	Bengal Agricultural Income Tax	5,202,053	2001-02	Agricultural Income Tax Officer-West Bengal
Bengal Agricultural Income Tax Act,1944	Bengal Agricultural Income Tax	159,356	2002-03	Agricultural Income Tax Officer-West Bengal
W.B. Vat Act,2003	Sales Tax Authorities	318,581	2007-2008	The West Bengal Commercial Taxes Appellate and Revisional Board
CST Act,1956	Sales Tax Authorities	1,183,654	2007-2008	The West Bengal Commercial Taxes Appellate and Revisional Board
Central Excise Act, 1944	Excise Authorities	2,131,177	April 2008 to October 2011	Additional Commissioner, Central Excise and Service Tax, Siliguri Commissionerate
Central Excise Act, 1944	Excise Authorities	10,803,421	January 2010 to November 2014	Commissioner, Central Excise, Customs and Service Tax, Siliguri Commissionerate



- x. The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- xi. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of Clause 4(xii) of the Order are not applicable to the Company.
- xiii. As the provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company, the provisions of Clause 4(xiii) of the Order are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Order are not applicable to the Company.
- xv. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 4(xv) of the Order are not applicable to the Company.
- xvi. The Company has not raised any term loans. Accordingly, the provisions of Clause 4(xvi) of the Order are not applicable to the Company.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year. Accordingly, the provisions of Clause 4(xviii) of the Order are not applicable to the Company.
- xix. The Company has not issued any debentures during the year and does not have any debentures outstanding as at the beginning of the year and at the year end. Accordingly, the provisions of Clause 4(xix) of the Order are not applicable to the Company.
- xx. The Company has not raised any money by public issues during the year. Accordingly, the provisions of Clause 4(xx) of the Order are not applicable to the Company.
- xxi. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For LOVELOCK & LEWES
Firm Registration No. 301056E
Chartered Accountants
Prabal Kr Sarkar
Partner
Membership No. 052340

Kolkata
20th February, 2015

BALANCE SHEET as at 31st December 2014

	Note	As at December 31, 2014 Rs.	As at December 31, 2013 Rs.
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	216,000,000	216,000,000
Reserves and Surplus	3	<u>1,915,375,978</u>	<u>1,809,623,333</u>
		2,131,375,978	2,025,623,333
Non-Current Liabilities			
Long Term Provisions	5	<u>102,314,182</u>	<u>79,396,767</u>
		102,314,182	79,396,767
Current Liabilities			
Short Term Borrowings	6	79,466,823	75,689,605
Trade Payables	7	630,908,288	723,345,091
Other Current Liabilities	8	686,483,578	552,469,923
Short Term Provisions	9	<u>332,065,877</u>	<u>148,214,682</u>
		1,728,924,566	1,499,719,301
Total		<u>3,962,614,726</u>	<u>3,604,739,401</u>
ASSETS			
Non Current Assets			
Fixed Assets			
Tangible Assets	10	1,004,514,047	976,671,132
Intangible Assets	10	353,428	520,970
Capital Work in Progress		17,857,698	15,757,359
Non Current Investments	11	17,296	17,517
Deferred Tax Assets (Net)	4	70,492,424	5,996,993
Long Term Loans and Advances	12	58,472,421	42,563,611
Other Non Current Assets	13	<u>27,137,092</u>	<u>27,043,672</u>
		1,178,844,406	1,068,571,254
Current Assets			
Inventories	14	1,628,026,184	1,367,508,063
Trade Receivables	15	914,931,917	920,656,379
Cash and Bank Balances	16	35,806,123	83,546,428
Short Term Loans and Advances	17	137,505,047	111,450,265
Other Current Assets	18	<u>67,501,049</u>	<u>53,007,012</u>
		2,783,770,320	2,536,168,147
Total		<u>3,962,614,726</u>	<u>3,604,739,401</u>

The accompanying notes 1 to 40 form an integral part of the Financial Statements.

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

Prabal Kr. Sarkar
Partner
Membership No. 052340
LOVELOCK & LEWES
Firm Registration No. 301056E
Chartered Accountants

S. Banerjee
Company Secretary

On behalf of the Board
A. N. Singh
Managing Director
S. Kaul
K. Sinha
P. K. Sen
Directors

STATEMENT OF PROFIT & LOSS for the year ended 31st December 2014



	Note	Year ended December 31, 2014 Rs.	Year ended December 31, 2013 Rs.
INCOME			
Revenue from Operations (Gross)	21	6,023,075,062	5,797,886,121
Less: Excise Duty		5,952,602	3,140,316
Revenue from Operations (Net)		6,017,122,460	5,794,745,805
Other Income	22	101,639,686	102,867,893
Total Revenue		6,118,762,146	5,897,613,698
Expenses			
Cost of Materials Consumed	23	1,460,714,265	1,447,892,765
Purchase of Stock in Trade		362,266,284	425,071,090
Changes in Inventories of Finished Goods	24	(55,256,893)	(64,499,034)
Employee Benefit Expenses	25	2,136,473,866	1,728,971,838
Finance Costs	26	31,859,037	47,772,518
Depreciation and Amortization	10	131,441,040	129,608,535
Other Expenses	27	1,760,873,051	1,696,613,550
Total Expense		5,828,370,650	5,411,431,262
Profit Before Tax		290,391,496	486,182,436
Tax Expense			
Current Tax		132,500,000	161,000,000
Deferred Tax		(64,495,431)	(8,386,260)
Profit for the Year		222,386,927	333,568,696
Earnings per Equity Share of Face value of Rs. 10 each Basic and Diluted (in Rs.)		10.30	15.44

The accompanying notes 1 to 40 form an integral part of the Financial Statements.
This is the Statement of Profit and Loss referred to in our report of even date.

On behalf of the Board

Prabal Kr. Sarkar
Partner
Plot No. Y-14, Block EP
Sector V, Salt Lake
Kolkata - 700 091
20th February, 2015

Membership No. 052340
LOVELOCK & LEWES
Firm Registration No. 301056E
Chartered Accountants

A. N. Singh
Managing Director
S. Kaul
K. Sinha
P. K. Sen
Directors

S. Banerjee
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st DECEMBER 2014

	Year ended 31.12. 2014 (Rs.)	Year ended 31.12.2013 (Rs.)
(A) CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before taxation	290,391,496	486,182,436
Adjustments for:		
Depreciation	131,441,040	129,608,535
Interest expense	31,849,216	47,772,518
Interest Income	(18,513,308)	(16,143,333)
Profit on sale/Discard of Fixed Assets(net)	(771,910)	(1,484,926)
Liabilities no longer required written back	(18,982,454)	(13,136,679)
Debts, Loans & Advances Written off	668,348	2,428,603
Provision for doubtful debts,Loans & advances	2,188,145	3,880,078
Investment Income	(2,615,422)	(391,908)
Unrealised (gain)/loss on exchange	(2,642,628)	495,847
	<u>122,621,027</u>	<u>153,028,735</u>
Operating profit before working capital changes	413,012,523	639,211,171
Adjustments for:		
Trade and other receivables	(34,032,701)	(67,879,207)
Inventories	(260,518,122)	(38,324,308)
Trade payables	251,885,400	188,977,613
	<u>(42,665,423)</u>	<u>82,774,098</u>
Cash generated from operations	370,347,100	721,985,269
Direct Taxes paid	(150,641,267)	(105,751,991)
Net Cash from Operating Activities	<u>219,705,833</u>	<u>616,233,278</u>
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(147,448,215)	(154,025,629)
Sale of Fixed Assets	1,614,937	2,360,612
Purchase of Investments	(350,000,000)	(50,000,000)
Sale of Investments	352,615,422	50,391,908
Interest received	16,317,505	17,149,701
Net Cash used in Investing Activities	<u>(126,900,351)</u>	<u>(134,123,408)</u>
(C) CASH FLOW FROM FINANCING ACTIVITIES		
(Decrease)/Increase in Working capital facilities from Bank	3,777,218	(344,636,118)
Dividend paid	(96,557,808)	(85,943,612)
Income Tax on dividend paid	(16,519,140)	(14,683,680)
Interest paid	(31,246,057)	(50,019,060)
Net Cash used in Financing Activities	<u>(140,545,787)</u>	<u>(495,282,470)</u>
Net increase in Cash and Cash equivalents	<u>(47,740,305)</u>	<u>(13,172,600)</u>
(D) CASH AND CASH EQUIVALENTS		
Balance at the Beginning of the Year	83,546,428	96,719,028
Balance at the End of the Year*	<u>35,806,123</u>	<u>83,546,428</u>
Changes in Cash and Cash Equivalents – Increase/(Decrease)	<u>(47,740,305)</u>	<u>(13,172,600)</u>
*Includes Unpaid Dividend Account	4,594,436	3,952,244

Note: 1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statements issued by The Institute of Chartered Accountants of India.

2. Previous year's figures have been rearranged / regrouped wherever necessary

On behalf of the Board

A. N. Singh
Managing Director

S. Kaul
K. Sinha
P.K. Sen
Directors

Kolkata
20th February, 2015

S. Banerjee
Company Secretary

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

Prabal Kr. Sarkar
Partner
Membership No. 052340
For LOVELOCK & LEWES
Firm Registration No. 301056E
Chartered Accountants

Plot No. Y-14, Block EP, Sector V, Salt Lake, Kolkata-700091
20th February, 2015



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st December, 2014

1 SIGNIFICANT ACCOUNTING POLICIES

1.1 CONVENTION

The financial statements have been prepared to comply in all material aspects with all the applicable accounting principles in India, the applicable accounting standards, notified u/s 211(3C) of the Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006, as amended] and the relevant provisions of the Companies Act, 1956 and/or the notified sections of Companies Act, 2013, to the extent applicable. A summary of important accounting policies which have been applied consistently, are set out below. Financial Statements have also been prepared in accordance with relevant presentational requirements of the Companies Act, 1956 of India.

1.2 BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with the historical cost convention and on accrual basis. All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act 1956. The Company has ascertained its operating cycle as twelve months for the purpose of current and non current classification of assets and liabilities.

1.3 FIXED ASSETS

1.3.1 TANGIBLE

Fixed assets are stated at cost of acquisition together with any incidental expenses of acquisition.

Depreciation on fixed assets other than Livestock and Estate & Development has been provided on Written Down value method in accordance with Schedule XIV of the Companies Act, 1956. Estate & Development is not depreciated. Livestock is expensed over its useful life.

All expenditure incurred for extension of new areas of cultivation are capitalised. However, cost of upkeep and maintenance and cost of replanting in existing areas are charged to revenue.

Subsidies from Government in respect of fixed assets are deducted from the cost of respective assets.

Profit or Loss on disposal of Fixed Assets is recognised in the Statement of Profit and Loss.

1.3.2 INTANGIBLE

Cost of software is capitalised where it is expected to provide future enduring economic benefits. Capitalisation costs include licence fees and cost of implementation / system integration services. The costs are capitalised in the year in which the relevant software is implemented for use. Expenses incurred on upgradation / enhancements is charged off as revenue expenditure unless they bring similar significant additional benefits.

Capitalised software costs is amortised on a straight line basis over a period of five years.

1.3.3 IMPAIRMENT OF FIXED ASSETS

An impairment loss is recognised where applicable, when the carrying value of the fixed assets of a cash generating unit exceeds its net selling price or value in use, whichever is higher.

1.4 INVESTMENTS

Long Term Investments are stated at cost and where applicable, provision is made in case of other than temporary diminution in value of investments. Current investments are stated at lower of cost or fair value.

1.5 INVENTORIES

Inventories are valued at lower of cost and net realisable value. Cost is determined on weighted average basis. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to their location and condition and includes appropriate overheads. Provision is made for obsolete and slow moving stocks where necessary.

1.6 RESEARCH AND DEVELOPMENT

Research and Development Expenditure of revenue nature is charged to the Statement of Profit and Loss and capital expenditure is treated as fixed assets.

1.7 RETIREMENT BENEFITS

The Company operates defined contribution schemes like Provident Fund and defined Contribution Pension Schemes.

The Company makes regular contribution to provident funds which are fully funded and administered by Government and are independent of Company's finance. Contributions are recognized in Statement of Profit and Loss on an accrual basis. The Company operates a non contributory defined contribution pension scheme for certain employees. The Company contributes 15% of the employees' current salary to the above contribution fund which is recognised in the Statement of Profit and Loss.

The Company also operates defined benefit Provident Fund Schemes for certain employees which are fully funded and administered by trustees and are independent of the Company's finance. The Company makes regular contributions to the fund and shortfall if any, determined by annual actuarial valuation, is recognized in the Statement of Profit and Loss.

Defined Benefit Gratuity Plan is maintained by the company for all its eligible employees. The Company also operates a Non Contributory Defined Benefit Pension Scheme for certain employees. The Company contributes to such funds on the basis of actuarial valuation at the end of each year after setting off any net asset in respect of either fund. Both the Pension Fund and gratuity fund are administered by the Trustees and is independent of the Company's finance.

For Schemes where recognized funds have been set up annual contributions determined as payable in the actuarial valuation report are contributed. Actuarial gains & losses are recognized in the Statement of Profit and Loss. The Company recognizes in the Statement of Profit and Loss gains or losses on curtailment or settlement of a defined benefit plan as and when the curtailment or settlement occurs.

Post retirement medical benefits are provided by the Company for certain category of employees. Liability is determined through independent year end actuarial valuation and is recognized in the Statement of Profit and Loss.

Provision is made for retirement leave encashment benefit payable to employees on the basis of independent actuarial valuation, at the end of each year and charge is recognized in the Statement of Profit and Loss.

1.8 SALES

Sales represent the invoiced value of goods supplied less Sales Tax / Value Added Tax.

1.9 INCOME FROM INVESTMENTS

Income from investments is included together with the related tax credit in the Statement of Profit and Loss.

1.10 REPLANTING AND OTHER SUBSIDIES

Replanting and other subsidies of revenue nature are recognised as income in the Statement of Profit and Loss.

1.11 FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are recorded in rupees by applying the exchange rate prevailing on the date of transaction. Transactions remaining unsettled are translated at the rate of exchange ruling at the end of the year. Exchange gain or loss arising on settlement/translation is recognised in the Statement of Profit and Loss.

Premium or discount on forward contracts are amortised as expense or income over the life of the contract. Foreign exchange forward contracts are revalued at the balance sheet date and the exchange difference is recognised as gain/loss in the Statement of Profit and Loss. Profit or Loss on cancellations/renewals of forward contracts is recognised in the Statement of Profit and Loss.



1.12 **TAXES ON INCOME**

Current tax represents the amount computed as per prevailing taxation laws under the Income Tax Act, 1961.

Deferred Tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax assets have been recognized where there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

1.13 **BORROWING COSTS**

Borrowing cost attributable to acquisition and/or construction of qualifying assets are capitalised as a part of the cost of such assets up to the date when such assets are ready for intended use. Other borrowing costs are charged to Statement of Profit and Loss.

1.14 **LEASES**

Lease Payments under the Operating Lease are recognised as an expense in the Statement of Profit and Loss, on a systematic basis.

1.15 **PROVISIONS AND CONTINGENT LIABILITIES**

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

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

1.16 **USE OF ESTIMATES**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgements, estimates and assumptions that effect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in the future periods. Any revision to accounting estimates is recognised prospectively in the current and future periods.

1.17 **EARNING PER SHARE**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

	As at December 31,2014 Rs.	As at December 31,2013 Rs.
2. SHARE CAPITAL		
Authorised Share Capital		
22,000,000 Equity Shares of Rs. 10/- each	<u>220,000,000</u>	<u>220,000,000</u>
Issued Subscribed and Paid up		
21,600,000 (Previous Year 21,600,000) Equity Shares of Rs. 10/- each fully paid up	<u>216,000,000</u>	<u>216,000,000</u>
Total	<u>216,000,000</u>	<u>216,000,000</u>

2.1 Shares held by subsidiaries of Ultimate Holding Company:

	As at December 31,2014 No of Shares	As at December 31,2013 No of Shares
Assam Dooars Investment Limited #	10,389,600	10,389,600
Western Dooars Investment Limited #	5,594,400	5,594,400
# Subsidiaries of Camellia PLC, the ultimate holding Company		

2.2 Details of Shares held by Shareholders holding more than 5% of the aggregate shares in the Company:

	As at December 31,2014 No of Shares (%)	As at December 31,2013 No of Shares (%)
Assam Dooars Investment Limited	10,389,600 (48.10%)	10,389,600 (48.10%)
Western Dooars Investment Limited	5,594,400 (25.90%)	5,594,400 (25.90%)

2.3 Rights, Preferences and Restrictions attached to Shares

The Company has only one class of shares referred to as Equity shares having a par value of Rs. 10 per share. Each Shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting. In the event of liquidation, the Equity Shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

2.4 There is no movement of Share Capital during the year.



3. RESERVES AND SURPLUS

	As at December 31,2014 Rs.	As at December 31,2013 Rs.
Capital Reserve		
At the Beginning & at the End of the Year	13,558,262	13,558,262
Development Rebate Reserve		
At the Beginning & at the End of the Year	991,762	991,762
Development Allowance Reserve		
At the Beginning & at the End of the Year	978,599	978,599
Investment Allowance (Utilised) Reserve		
At the Beginning & at the End of the Year	895,961	895,961
General Reserve		
At the Beginning of the Year	1,745,340,088	1,525,340,088
Add: Transfer from Statement of Profit and Loss	110,000,000	220,000,000
Balance at the end of the year	1,855,340,088	1,745,340,088
Surplus in Statement of Profit and Loss		
At the Beginning of the Year	47,858,661	48,676,545
Add: Profit for the Year	222,386,927	333,568,696
Less: Appropriations		
Proposed Dividend on Equity Shares [Dividend per share Rs. 4.50/- (Previous year-Rs. 4.50/-)]	97,200,000	97,200,000
Dividend Distribution Tax on Proposed Dividend (Refer Note 3.3 below)	19,434,282	17,186,580
Transfer to General Reserve	110,000,000	220,000,000
Balance at the end of the year	43,611,306	47,858,661
Total	1,915,375,978	1,809,623,333

3.1 Capital Reserve includes Rs. 3,883,676/- pre-acquisition profit

3.2 Development Rebate Reserve, Development Allowance Reserve and Investment Allowance (Utilised) Reserve are transferred from Pre-Merger Reserves.

3.3 Dividend Distribution Tax on Proposed Dividend for the year ended 31st December, 2013 includes Rs. 667,440 pertaining to 2012

4. DEFERRED TAX (ASSETS)/ LIABILITIES (NET)

	As at December 31,2014 Rs.	As at December 31,2013 Rs.
Deferred Tax Liabilities:		
Timing Difference between Book and Tax Depreciation	19,223,926	22,689,899
Deferred Tax Assets:		
Employee Benefits	84,713,751	24,375,660
Others	5,002,599	4,311,232
Total	(70,492,424)	(5,996,993)

5 LONG TERM PROVISIONS

	As at December 31,2014 Rs.	As at December 31,2013 Rs.
Provision for Employee Benefits:		
Medicals	86,881,841	69,097,948
Compensated Absences	15,432,341	10,298,819
Total	102,314,182	79,396,767

6 SHORT TERM BORROWINGS

	As at December 31,2014 Rs.	As at December 31,2013 Rs.
Secured:		
Rupee Loans From Banks:		
Working Capital Loans repayable on demand	79,466,823	—
Packing Credit Facilities	—	72,350,533
Foreign Currency Loans from Banks:		
Packing Credit Facilities	—	3,339,072
Total	79,466,823	75,689,605

6.1 Working Capital Loans and Packing Credit Facilities are secured by equitable mortgage by deposit of title deeds of the Company's Tea Estates and hypothecation of entire tea crop and other produces of Tea Estates as well as stocks of tea manufactured or in process and book debts, and entire movable plant and machinery, tools and accessories and other movable fixed assets both present and future.

7 TRADE PAYABLES

	As at December 31,2014 Rs.	As at December 31,2013 Rs.
Trade Payables	630,908,288	723,345,091
Total	630,908,288	723,345,091

7.1 Trade Payables include Rs. 381,552 (2013 - Rs. 410,081) due to Micro & Small Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006, based on information available with the Company. Rs. 1,23,134 represents interest accrued on amount outstanding as at the year end and remaining unpaid.



8 OTHER CURRENT LIABILITIES

	As at December 31,2014 Rs.	As at December 31,2013 Rs.
Interest Accrued but not due on Borrowings	1,046,886	443,727
Unpaid Dividend	4,594,436	3,952,244
Advance from Customers	89,823,184	164,915,770
Payable towards Purchase of Fixed Assets	32,931,026	15,663,260
Employee Benefits Payable	481,796,690	289,028,785
Statutory dues	26,817,678	31,079,162
Others (including security deposits)	49,473,678	47,386,975
Total	<u>686,483,578</u>	<u>552,469,923</u>

8.1 There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at 31st December 2014

9 SHORT TERM PROVISIONS

	As at December 31,2014 Rs.	As at December 31,2013 Rs.
Provision for Employee Benefits:		
Gratuity	199,041,000	13,884,000
Pension	2,773,532	—
Medicals	2,064,026	2,384,424
Provident Fund	4,646,155	2,083,713
Compensated Absences	4,139,618	7,220,040
Provision for Taxation (2013-Net of Advance Tax Rs. 1,664,173,276)	—	5,985,743
Provision for Proposed Dividend on Equity Shares	97,200,000	97,200,000
Provision for Dividend Distribution Tax on Proposed Dividend	19,434,282	16,519,140
Provision for Wealth Tax	2,767,264	2,937,622
Total	<u>332,065,877</u>	<u>148,214,682</u>

10. FIXED ASSETS - TANGIBLE AND INTANGIBLE

(Rs.)

Fixed Assets	TANGIBLE										Total Tangible		INTANGIBLE (Computer Software)	
	Estate & Development	Bridges & Roads	Buildings	Plant & Equipment	Water Supply & Tubewell	Furniture & Fixture	Office Equipment	Vehicles	Livestock	As at		As at		
										31.12.2014	31.12.2013	31.12.2014	31.12.2013	
Gross Block as at 1.1.2014	68,899,231	12,734,874	868,710,644	1,120,666,420	40,319,144	55,345,153	36,568,558	144,905,662	4,267,304	2,352,416,990	2,204,749,809	20,285,003	19,376,699	
Additions	—	1,342,777	52,265,040	87,300,337	131,730	2,580,150	5,231,507	10,353,104	108,000	159,312,645	154,102,225	646,794	908,304	
Disposals/Adjustments	—	—	—	1,117,846	—	—	—	4,469,969	182,000	5,769,815	6,435,044	—	—	
Refer Note (iii)	—	—	—	—	—	—	—	—	—	—	—	—	—	
Gross Block as at 31.12.2014 (A)	68,899,231	14,077,651	920,975,684	1,206,848,911	40,450,874	57,925,303	41,800,065	150,788,797	4,193,304	2,505,959,820	2,352,416,990	20,931,797	20,285,003	
Accumulated Depreciation/Amortization as at 1.1.2014	—	6,165,721	424,483,468	730,553,114	29,769,849	42,307,251	32,402,651	93,798,297	728,549	1,360,208,900	1,239,282,238	19,764,033	16,641,518	
Depreciation/Amortization for the Year	—	331,914	38,019,641	71,389,864	900,798	2,325,484	2,006,336	15,366,326	286,341	130,626,704	126,486,020	814,336	3,122,515	
Depreciation on Disposals/Adjustments	—	—	—	1,051,679	—	—	—	3,842,176	32,933	4,926,788	5,559,358	—	—	
Accumulated Depreciation/Amortization as at 31.12.2014 (B)	—	6,497,635	462,503,109	800,891,299	30,670,647	44,632,735	34,408,987	105,322,447	981,957	1,485,908,816	1,360,208,900	20,578,369	19,764,033	
Impaired Assets as at 1.1.2014	—	—	—	15,536,958	—	—	—	—	—	15,536,958	15,536,958	—	—	
Impairment during the year	—	—	—	—	—	—	—	—	—	—	—	—	—	
Impairment reversed during the year	—	—	—	—	—	—	—	—	—	—	—	—	—	
Impairment as at 31.12.2014 (C)	—	—	—	15,536,958	—	—	—	—	—	15,536,958	15,536,958	—	—	
Net Block as at 31.12.2014 (A-B-C)	68,899,231	7,580,016	458,472,575	390,420,654	9,780,227	13,292,568	7,391,078	45,466,350	3,211,347	1,004,514,046	976,671,132	553,428	520,970	
Net Block as at 31.12.2013	68,899,231	6,569,153	444,227,176	374,576,348	10,549,295	13,037,902	4,165,907	51,107,365	3,538,755	976,671,132	—	520,970	—	

NOTE:

- (i) Renewal of lease agreements of certain estates are pending.
- (ii) Additions to Plant & Equipment during the year is net of Capital Subsidy of Rs. Nil (2013- Rs. 3,146,668)
- (iii) Intangible Assets mentioned above are other than self generated



11 NON CURRENT INVESTMENTS

	As at December 31, 2014 Rs.	As at December 31, 2013 Rs.
At Cost less Provision for other than temporary diminution		
Trade Investments		
In Equity Instruments-Quoted, fully paid up		
442 Equity shares (Previous year 1107) of Rs. 10 each in Duncan Industries Limited	664,119	664,340
In Equity Instruments-Unquoted, fully paid up		
20,000 Equity Shares of Rs. 10 each in ABC Tea Workers Welfare Services	<u>200,000</u>	<u>200,000</u>
Total Trade Investments	864,119	864,340
Less: Provision for diminution in value of Quoted investments	657,266	657,266
Less: Provision for diminution in value of Unquoted investments	189,557	<u>189,557</u>
Total Non Current Investments	17,296	<u>17,517</u>
Aggregate Amount of Quoted Investments	664,119	664,340
Aggregate Market Value of Quoted Investments	8,752	18,487
Aggregate Amount of Unquoted Investments	200,000	200,000
Aggregate provision for diminution in value of investments	846,823	846,823

12 LONG TERM LOANS AND ADVANCES

Unsecured, Considered Good (Unless Otherwise Stated):		
Capital Advances	17,776,576	15,120,373
Security Deposits	11,723,526	11,554,977
Advance Income Tax (Net of Provision of Rs. 1,802,659,019)	12,155,524	-
Loans and Advances to Employees	15,980,643	15,052,109
Balance with Government Authorities	836,152	836,152
Other Loans and Advances		
-Considered Doubtful	7,419,646	7,419,646
Less: Provision for doubtful advances	(7,419,646)	(7,419,646)
Total	58,472,421	<u>42,563,611</u>

13 OTHER NON CURRENT ASSETS

Margin Money Deposit # (with maturity more than 12 months)	27,137,092	27,043,672
Total	27,137,092	<u>27,043,672</u>

Kept with Bank for issuing Bank Guarantee

14 INVENTORIES

	As at December 31, 2014 Rs.	As at December 31, 2013 Rs.
Raw Materials (Includes in Transit Rs. 17,335,377 (2013 - Rs. 119,991,461))	694,576,526	533,089,193
Packing Materials	76,728,830	46,456,480
Finished Goods (Includes in Transit Rs. 24,354,689 (2013 - Rs. 27,438,787))	747,317,447	692,060,554
Stores and Spares	109,403,381	95,901,836
Total	<u>1,628,026,184</u>	<u>1,367,508,063</u>

15 TRADE RECEIVABLES

Unsecured, Considered Good:		
Outstanding for a period exceeding six months from the due date	22,283,395	9,676,116
Others	892,648,522	910,980,263
	914,931,917	920,656,379
Unsecured, Considered Doubtful:		
Outstanding for a period exceeding six months from the due date	15,833,013	13,644,868
Less: Provision for Doubtful Debts	15,833,013	13,644,868
	—	—
Total	<u>914,931,917</u>	<u>920,656,379</u>

16 CASH AND BANK BALANCES

Cash and Cash Equivalents:		
Cash on Hand	7,409,073	7,011,349
Bank Balances in:		
-Current Accounts	16,649,726	66,796,873
-Margin Money Deposit(with less than 3 months maturity)#	29,698	27,575
	24,088,497	73,835,797
Other Bank Balances:		
Margin Money Deposit # (with maturity more than 3 months and less than 12 months)	7,123,190	5,758,387
Unpaid Dividend Account	4,594,436	3,952,244
	11,717,626	9,710,631
Total	<u>35,806,123</u>	<u>83,546,428</u>

Kept with Bank for issuing Bank Guarantee



17 SHORT TERM LOANS AND ADVANCES

	As at December 31, 2014 Rs.	As at December 31, 2013 Rs.
Unsecured, Considered Good:		
Loans and Advances to Employees	17,054,189	12,363,563
Advances to Suppliers	62,978,565	41,508,923
Prepaid Expenses	6,806,817	7,240,559
Balance with Government Authorities	639,836	457,608
Others (Nursery, Gratuity recoverable from Fund etc.)	50,025,640	49,879,612
Total	137,505,047	111,450,265

18 OTHER CURRENT ASSETS

Unsecured, Considered Good:		
Deposit with NABARD	48,037,600	36,406,400
Deposit with Others	11,584,817	10,917,783
Interest accrued on Deposits	7,878,632	5,682,829
Total	67,501,049	53,007,012

19 CONTINGENT LIABILITIES (To the extent not provided for)

Claims against the Company not acknowledged as Debts:		
Income Tax Matters (without considering concomitant liability in respect of Agricultural Income Tax)	56,282,212	90,569,279
Central Excise Matters	12,934,600	-
Sales Tax Matters	1,502,235	3,484,438
Disputed Claims	2,516,000	2,516,000

Future cash flows if any, in respect of above cannot be determined at this stage

20 COMMITMENTS (To the extent not provided for)

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 15,909,800 (2013 - Rs. 22,458,655)

	Year ended December 31, 2014	Year ended December 31, 2013
21 REVENUE FROM OPERATIONS		
Sale of Products:		
Finished Goods	5,619,901,217	5,319,932,802
Traded Goods	381,737,745	463,174,558
	6,001,638,962	5,783,107,360
Other Operating Revenues:		
Replanting and Other Subsidies	21,436,100	14,778,761
	6,023,075,062	5,797,886,121
Less: Excise Duty	5,952,602	3,140,316
Total	6,017,122,460	5,794,745,805

22 OTHER INCOME

	Year ended December 31, 2014	Year ended December 31, 2013
	Rs.	Rs.
Interest on Nabard Deposits	3,899,682	4,324,375
Interest on Other Deposits	2,821,957	4,105,885
Interest on Overdue Bills	464,005	1,339,786
Interest on Income Tax	10,179,664	6,373,287
Interest on Loans	1,148,000	—
Profit on Sale/Discard of Fixed Assets (Net)	771,910	1,484,926
Liabilities no longer required written back	18,982,454	13,136,679
Profit on Sale of Investments	2,615,422	391,908
Exchange Gain (Net)	1,767,286	2,074,252
Miscellaneous Receipts	58,989,306	69,636,795
Total	<u>101,639,686</u>	<u>102,867,893</u>

23 COST OF MATERIALS CONSUMED

Raw and Packing Material Consumed:		
Opening Stock	579,545,673	599,148,831
Add: Purchase	1,575,745,118	1,428,289,607
Less: Closing Stock	694,576,526	579,545,673
Total	<u>1,460,714,265</u>	<u>1,447,892,765</u>

23.1 Details of Raw and Packing material consumed:

Green Leaf (Bought)	367,104,602	336,073,825
Tea including Tea waste	988,421,576	1,007,239,140
Packing material	105,188,087	104,579,800
Total	<u>1,460,714,265</u>	<u>1,447,892,765</u>

23.2 Value of imported and indigenous raw and packing material consumed

Imported	61,420,010	25,910,853
Indigenous	1,399,294,255	1,421,981,912

24 CHANGES IN INVENTORIES OF FINISHED GOODS

Opening Stock of Finished Goods	692,060,554	627,561,520
Less: Closing Stock of Finished Goods	747,317,447	692,060,554
Total	<u>(55,256,893)</u>	<u>(64,499,034)</u>



25 EMPLOYEE BENEFIT EXPENSES

	Year ended December 31,2014 Rs	Year ended December 31,2013 Rs
Salaries,Wages and Bonus	1,570,117,701	1,339,122,194
Contribution to Provident, Gratuity and Other Funds	333,729,956	173,672,060
Workmen & Staff Welfare Expenses	232,626,209	216,177,584
Total	2,136,473,866	1,728,971,838

26 FINANCE COSTS

Interest on Borrowings	31,573,722	47,235,532
Interest on Income Tax	275,494	194,968
Applicable net loss on foreign currency transactions and translation	9,821	342,018
Total	31,859,037	47,772,518

27 OTHER EXPENSES

Consumption of Stores and Spare Parts (Refer Note 27.1)	346,623,188	315,463,003
Power and Fuel	509,377,154	459,658,118
Excise Duty and Cess	13,179,173	11,228,260
Insurance	9,515,667	10,502,316
Rent	23,338,281	22,204,284
Rates and Taxes	20,464,655	25,934,751
Repairs to Buildings	27,147,291	28,878,778
Repairs to Machinery	42,033,122	43,045,438
Advertisement	22,470,812	51,581,696
Sales Promotion	167,767,193	166,012,532
Brokerage and Commission	90,652,858	67,842,184
Warehousing and Packing Charges	71,766,708	86,215,464
Freight & Shipping Charges	167,620,452	167,285,895
Other Selling Expenses	33,226,591	20,623,219
Directors Fees	538,000	436,000
Payment to Auditors:		
As Auditor-Audit Fee	1,650,000	1,450,000
For Other Services:		
Tax Audit Fee	500,000	450,000
Others	2,350,000	2,276,000
For Reimbursement of Expenses	556,200	516,154
Debts / Loans and advances Written Off	668,348	2,428,603
Provision for Doubtful Debts & Advances	2,188,145	3,880,078
Miscellaneous Expenses	207,239,213	208,700,777
Total	1,760,873,051	1,696,613,550

27.1 Value of imported and indigenous stores and Spare parts consumed

	Year Ended		Year Ended	
	December 31, 2014		December 31, 2013	
	Rs.	%	Rs.	%
Imported	—	—	1,434,531	0.45
Indigenous	346,623,188	100	314,028,472	99.55

27.2 Research and Development Expenditure charged to Revenue Rs. 13,403,450 (2013 - Rs. 14,895,338)

28 CIF VALUE OF IMPORTS

Raw Materials	65,228,991	20,334,543
Packing Material/Stores & Spares	1,572,703	1,434,531
Total	66,801,694	21,769,074

29 EXPENDITURE IN FOREIGN EXCHANGE

Pension	467,973	425,189
Commission	3,221,518	3,686,498
Bank Charges	733,279	463,838
Consultancy	1,643,372	1,050,283
Others	4,032,587	3,122,334

30 EARNINGS IN FOREIGN EXCHANGE

FOB Value of Export Sale	1,243,918,812	1,215,650,486
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31 NET DIVIDEND REMITTED IN FOREIGN CURRENCY TO NON RESIDENT SHAREHOLDERS	Year ended December 31, 2014	Year ended December 31, 2013
No. of non-resident shareholders	2	2
No. of equity shares held by them on which dividend was due	15,984,000	15,984,000
Year to which dividend relates	31.12.2013	31.12.2012
Amount remitted	71,928,000	63,936,000

32 The Company has taken various premises under operating lease having tenure of 11 months to 72 months. There is no specific obligation for renewal of these agreements. Lease rent for the year amounts to Rs. 18,914,272 (2013 - Rs. 16,571,918) This includes lease arrangements with escalation clauses of 5% to 10% at the end of each year.

33 Consequent upon the vesting of the Indian undertakings on 1st January 1978 of the eight Sterling Company's under the scheme of amalgamation, the title in respect of certain tea estates acquired under such scheme, are to be transferred in the name of the Company. The Company has been legally advised that the notification issued by the Government of West Bengal in 1994 for payment of salami does not apply to the Company.

34 Provision for taxation has been made as per the Income Tax Act, 1961 and the rules framed there under with reference to the profit for the year ended 31st December, 2014 which extends over two assessment years, Assessment Year 2014-2015 and Assessment Year 2015-2016. The ultimate tax liability for the Assessment Year 2015-2016 will be determined on the total income for the period from 1st April, 2014 to 31st March, 2015.

35. **Post Retirement Employee Benefits**

The Company operates defined contribution schemes like provident fund and defined contribution pension schemes. For these schemes, contributions are made by the Company, based on current salaries, to recognized funds maintained by the Company and for certain employees contributions are made to State Plans. In case of Provident fund schemes, contributions are also made by the employees. An amount of Rs. 124,042,025 (2013 - Rs. 124,024,445) has been charged to the Profit & Loss Account on account of defined contribution schemes.

The Company also operates defined benefit gratuity scheme, leave encashment, defined benefit pension scheme, defined benefit provident fund scheme and post retirement medical scheme. The pension benefits, medical benefits and leave encashment benefits are restricted to certain categories of employees. These schemes offer specified benefits to the employees on retirement. Annual actuarial valuations are carried out by an independent actuary in compliance with Accounting Standard 15 (revised 2005) on Employee Benefits. Wherever recognized funds have been set up, annual contributions are made by the Company, as required. Employees are not required to make any contribution.

35. Post Retirement Employee Benefits (Contd.)

(Rs.)

	Provident Fund				Pension				Gratuity				Medical				Leave Encashment				
	2014	2013	2012	2011	2014	2013	2012	2011	2014	2013	2012	2011	2014	2013	2012	2011	2014	2013	2012	2011	
Present value of funded obligation	272,623,214	255,210,338	231,055,000	211,198,260	279,274,767	258,176,601	249,619,601	217,470,253	814,277,000	632,350,000	618,190,000	614,252,000	—	—	—	—	—	—	—	—	
Fair Value of Plan Assets	268,028,899	254,210,080	231,917,251	208,351,274	276,501,235	261,387,224	236,834,324	216,957,277	615,256,000	615,255,000	614,800,000	613,721,000	—	—	—	—	—	—	—	—	
	4,594,315	1,000,258	(862,254)	2,846,986	2,773,532	(3,210,723)	12,785,277	512,876	199,041,000	17,095,000	3,330,000	531,000	—	—	—	—	—	—	—	—	
Present Value of Unfunded Obligation	—	—	—	—	—	—	—	—	—	—	—	—	—	88945866	71,482,372	65,190,218	66,380,921	19,571,959	17,518,858	16,343,680	14,146,139
Unrecognized past service cost	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Net Liability/(Asset)	4,594,315	1,000,258	(862,254)	2,846,986	2,773,532	(3,210,723)	12,785,277	512,876	199,041,000	17,095,000	3,330,000	531,000	88945866	71,482,372	65,190,218	66,380,921	19,571,959	17,518,858	16,343,680	14,146,139	



Amounts recognized in "Contribution to Provident, Gratuity and other funds", "Salaries, Wages, Bonus etc" and "Workmen and Staff Welfare Expenses" under Note 25 are as follows:

(Rs.)

	Provident Fund		Pension		Gratuity		Medical		Leave Encashment	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	Current Service Cost	19,679,158	19,039,716	24,705,252	6,325,000	32,410,000	31,403,000	3,243,502	3,856,454	1,551,974
Interest cost	22,052,956	19,818,348	24,361,830	20,398,000	56,446,000	49,265,000	5,657,520	5,996,426	1,354,859	1,407,239
Expected Return on plan assets	(21,859,634)	(19,351,439)	(20,910,961)	(19,889,000)	(47,837,000)	(48,457,000)	—	—	—	—
Past Service Cost	—	—	(73,588,682)	—	(6,559,000)	—	7,132,878	—	(1,689,974)	—
Net actuarial loss/(gain) recognized during the year	3,417,523	1,512,639	6,182,355	(4,105,000)	147,486,000	(18,446,000)	2,956,330	(2,135,681)	2,002,485	585,953
Total	23,290,003	21,019,264	(39,250,206)	2,729,000	181,946,000	13,765,000	18,990,230	7,717,199	3,219,344	3,599,338

Reconciliation of opening and closing balances of the present value of the obligations:

(Rs.)

	Funded						Unfunded			
	Provident Fund		Pension		Gratuity		Medical		Leave Encashment	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Opening defined benefit obligation	255,210,338	231,055,000	258,176,601	249,619,601	632,350,000	618,190,000	71,482,372	65,190,218	17,518,858	16,343,680
Current service cost	19,679,158	19,039,716	24,705,252	6,325,000	32,410,000	31,403,000	3,243,502	3,856,454	1,551,974	1,606,146
Past service cost	—	—	(73,588,682)	—	(6,559,000)	—	7,132,878	—	(1,689,974)	—
Interest Cost	22,052,956	19,818,348	20,257,461	20,398,000	56,446,000	49,265,000	5,657,520	5,996,426	1,354,859	1,407,239
Actuarial loss/(gain)	1,713,022	132,919	59,633,344	(5,017,000)	150,430,000	(17,234,000)	2,956,330	(2,135,681)	2,002,485	585,953
Transfer from/to Other Funds	—	—	—	(5,422,000)	—	—	—	—	—	—
Benefit Paid	(26,032,260)	(14,835,645)	(9,909,209)	(7,727,000)	(50,800,000)	(49,274,000)	(1,526,734)	(1,425,046)	(1,166,244)	(2,424,160)
Closing Defined Benefit Obligation	272,623,214	255,210,338	279,274,767	258,176,601	814,277,000	632,350,000	88,945,868	71,482,372	19,571,958	17,518,858

Reconciliation of opening and closing balances of the fair value of plan assets:

(Rs.)

	Provident Fund		Pension		Gratuity	
	2014	2013	2014	2013	2014	2013
Opening fair value of plan Assets	254,210,080	231,917,254	261,387,324	236,834,324	615,255,000	614,860,000
Expected Return on Plan Assets	21,859,634	19,351,439	20,910,961	19,889,000	47,837,000	48,457,000
Actuarial gain/(loss)	(1,697,661)	(1,379,721)	(1,954,572)	(912,000)	2,944,000	1,212,000
Contribution by employer	19,689,106	19,156,752	6,066,731	18,725,000	—	—
Transfer from/to Other Funds	—	—	—	(5,422,000)	—	—
Benefits Paid	(26,032,260)	(14,835,644)	(9,909,209)	(7,727,000)	(50,800,000)	(49,274,000)
Closing Fair value of Plan Assets	268,028,899	254,210,080	276,501,235	261,387,324	615,236,000	615,255,000
Actual Return on Plan Assets	20,161,973	17,971,718	18,956,389	18,977,000	50,781,000	49,669,000

Major Categories of Plan Assets as a percentage of fair value of the total plan assets:

	2014	2013
Equities	3.33%	3.26%
Fixed Income Debt /Securities/Bonds	88.43%	88.74%
Other Assets	8.24%	8.00%
Total	100.00%	100.00%

Experience Gain/(Loss) adjustments on plan assets related to Gratuity Scheme for 2014 and the preceeding three years are Rs. 29,44,000; Rs. 1,212,000; Rs. 4017000 and Rs. (144,000) respectively

Experience Gain/(Loss) adjustments on plan liabilities related to Gratuity Scheme for 2014 and the preceeding three years are Rs. (49,562,000) Rs. 6,618,000; Rs. (6,577,000) and Rs. (78,761,000) respectively

Effect of increase/ decrease of one percentage point in the assumed medical cost trend rates:

As per Actuary, the cost trend in rates in case of medical benefits have no effect on the amount recognised since the benefit is in the form of a fixed amount.

Principal Actuarial assumptions used:

	2014	2013	2012	2011
Discount rates	8.00%	9.30%	8.30%	8.50%
Expected rate of return on plan assets	8.27%, 8%, 8.78%,8.42%	8.11%,7.61%, 7.97%,8.73%	8.21%,8.3%, 7.67%,8.42%	7.9%,8%, 7.72% & 7.96%
Expected Salary Increase Rates	6% to 7%	6% to 7%	5% to 7%	5% to 7%
Mortality rates	IALM (2006-2008)	LIC(2006-08) mortality tables	LIC(1994-96) mortality tables	LIC(1994-96) mortality tables

The estimates of future salary increase considered in the actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The expected return on plan assets is based on actuarial expectation of the average long term rate of return expected on investments of the Funds during the estimated term of the obligations.

The contribution expected to be made by the Company for the year ended 31st December 2015 has not been ascertained.



36. Segment Information

(Rs.)

	Export		Domestic		Total	
	2014 Rs	2013 Rs	2014 Rs	2013 Rs	2014 Rs	2013 Rs
Total Segment Revenue from sales	1,286,040,809	1,249,156,250	5,020,274,226	4,806,774,716	6,306,315,035	6,055,930,966
Less: Inter Segment Revenue from sales	17,562,602	10,194,891	287,113,471	262,628,715	304,676,073	272,823,606
	1,268,478,207	1,238,961,359	4,733,160,755	4,544,146,001	6,001,638,962	5,783,107,360
Less Excise Duty	5,952,602	3,140,316	—	—	5,952,602	3,140,316
Total Revenue from Sales to External Customers	1,262,525,605	1,235,821,043	4,733,160,755	4,544,146,001	5,995,686,360	5,779,967,044
Segment Result	80,655,236	70,878,851	308,454,753	521,994,948	389,109,989	592,873,799
Less: Unallocable expense net of income					66,859,456	58,918,845
Less: Interest					31,859,037	47,772,518
Profit Before Taxation					290,391,496	486,182,436
Provision for Taxation					68,004,569	152,613,740
Profit After Taxation					222,386,927	333,568,696
Segment Assets	562,280,046	453,688,748	3,141,258,444	2,949,883,191	3,703,538,490	3,403,571,939
Unallocated Corporate Assets					271,536,540	205,434,699
Total Assets					3,975,075,030	3,609,006,638
Segment Liabilities	350,830,613	376,891,472	1,140,424,611	876,080,125	1,491,255,224	1,252,971,597
Unallocated Corporate Liabilities					352,443,828	330,411,709
Total Liabilities					1,843,699,052	1,583,383,305
Capital Expenditure	18,605,759	3,173,233	121,768,508	134,300,753		
Depreciation	5,737,883	4,784,611	113,410,199	110,045,387		
Non Cash - Expenditure	—	—	2,856,493	6,308,681		

Notes

- i) The Company is engaged in the business of cultivation, manufacture and sale of Tea. The products and their applications are homogeneous in nature. The segments are classified as Exports and Domestic.
- ii) The Segment wise Revenue, results, assets and liabilities figures relate to the respective amounts directly identifiable to each of the segments. Unallocable income / expenditure relate to the Company as a whole and are earned / incurred at the corporate level.
- iii) Pricing of inter segment transfers is based on benchmark market price.

37 **Related Party Disclosures**

a) Shareholders of the Company:

Western Dooars Investment Ltd. and Assam Dooars Investment Ltd. together hold 74% of the Equity Share Capital of the Company. Camellia Plc is the ultimate holding company which is indirectly holding Western Dooars Investment Ltd. and Assam Dooars Investment Ltd.

b) Other related parties with whom transactions have taken place during the year:

Fellow Subsidiary Companies:

Stewart Holl (India) Limited

Amgoorie India Limited

Koomber Properties & Leasing Company Private Limited

Goodricke Technical & Management Services Limited

Borbam Investments Limited

Koomber Tea Company Private Limited

Lebong Investments Private Limited

c) Key Management Personnel:

A.N.Singh-Managing Director & CEO



d) Particulars of transactions during the year ended 31st December, 2014

(Rs.)

Nature of Transactions	Shareholders	Fellow Subsidiary Companies	Key Management Personnel	Total
Sale of Goods: To two fellow Subsidiaries: Rs. 910,241 (Rs. 474,557), Rs. 16,924 (Rs. 223,642)	— —	927,165 (698,199)	— —	927,165 (698,199)
Purchase of Fixed Assets From a Fellow Subsidiary Rs. Nil (Rs. 782,340)	— —	— (782,340)	— —	— (782,340)
Purchase of Goods & Services: From three fellow Subsidiaries: Rs. 199,895,094 (Rs. 330,856,884), Rs. 562,795,389 (Rs. 429,259,593), Rs. 61,538,447 (Rs. 97,024,944)	— —	824,228,930 (857,141,421)	— —	824,228,930 (857,141,421)
Remuneration Paid: To Managing Director	— —	— —	15,239,926 (16,414,503)	15,239,926 (16,414,503)
Dividends Paid: To Two Shareholders: Rs. 46,753,200 (Rs. 41,558,400), Rs. 25,174,800 (Rs. 22,377,600) To four fellow Subsidiaries: Rs. 888,359 (Rs. 789,652), Rs. 1,859,130 (Rs. 1,818,036), Rs. 344,912 (Rs. 306,588), Rs. 949,500 (Rs. 844,000)	71,928,000 (63,936,000)	4,041,901 (3,758,276)	— —	75,969,901 (67,694,276)
Interest paid To a Fellow Subsidiary Rs. 3,109,150 (Rs. 3,937,585)	— —	3,109,150 (3,937,585)	— —	3,109,150 (3,937,585)
Reimbursement of Expenses (Net) From One Fellow Subsidiary: Rs. 2,875,197 (Rs. 1,060,237), To three Fellow Subsidiaries: Rs. 2,294,902 (Rs. 808,717) Rs. 1,714,104 (Rs. 91,734); Rs. 6,755,645 (Rs. 6,112,048),	— —	7,889,454 (5,768,794)	— —	7,889,454 (5,768,794)
Rent paid to fellow subsidiary	— —	6,310,076 (6,312,328)	— —	6,310,076 (6,312,328)
Loan taken: From a Fellow Subsidiary: Rs. 80,000,000 (Rs. 102,500,000)	— —	80,000,000 (102,500,000)	— —	80,000,000 (102,500,000)
Repayment of loan: To a Fellow Subsidiary: Rs. 80,000,000 (Rs. 102,500,000)	— —	80,000,000 (102,500,000)	— —	80,000,000 (102,500,000)
Outstanding as at year end: Credit	— —	260,638,977 (352,370,852)	3,400,000 (4,750,000)	264,038,977 (357,120,852)

Note: Previous year's figures are in brackets.

38 Earning Per Equity Share (Basic and Diluted)

The calculation of earning per share is based on the Profit after taxation of Rs. 222,386,927 (2013 - Rs. 333,568,696) and Equity Shares outstanding (Nominal value Rs. 10/- each) during the year aggregating to 21,600,000 (2013 - 21,600,000).

39 a) Outstanding Foreign Currency exposure:

	As at December 31, 2014		As at December 31, 2013	
	US\$	Rs	US\$	Rs
Amount Receivable in Foreign currency	3,282,798	207,899,589	5,018,923	311,323,773
Amount Payable in Foreign currency	34,573	2,189,481	132,061	8,191,713
b) Outstanding Forward exchange contracts for sale of Foreign Currency	Nil	Nil	Nil	Nil

40 The Company has reclassified previous years figure to conform to this years classification alongwith other regrouping/ rearrangement wherever considered necessary.

Plot No. Y-14, Block EP
Sector V, Salt Lake
Kolkata - 700 091
20th February, 2015

Prabal Kr. Sarkar
Partner
Membership No. 052340
LOVELOCK & LEWES
Firm Registration No. 301056E
Chartered Accountants

A. N. Singh
Managing Director
S. Kaul
K. Sinha
P. K. Sen
Directors

S. Banerjee
Company Secretary




Financial, Production and Other Statistics

(Rs. in millions)

	2009	2010	2011	2012	2013	2014
Fixed Assets (at cost less depreciation)	686.14	812.76	943.38	959.33	992.95	1,022.72
Investments	0.02	0.02	0.02	0.02	0.02	0.02
Current Assets (Less current liabilities)	523.76	634.36	984.70	1,240.44	1,112.13	1,134.33
Non Current Assets (Less non current liabilities)	—	—	—	29.04	(9.79)	(16.70)
Deferred Tax Assets/ (Liabilities)	(8.35)	(14.10)	(10.43)	(2.39)	6.00	70.49
TOTAL ASSETS EMPLOYED	1,201.57	1,433.04	1,917.67	2,226.44	2,101.31	2,211.24
Equity shares	216.00	216.00	216.00	216.00	216.00	216.00
Reserves and Surplus	893.01	1,217.04	1,490.87	1,590.44	1,809.62	1,915.37
SHAREHOLDERS' FUND (NET WORTH)	1,109.01	1,433.04	1,706.87	1,806.44	2,025.62	2,131.37
Secured and Unsecured loans	92.56	—	210.80	420.00	75.69	79.46
TOTAL FUNDS EMPLOYED	1,201.57	1,433.04	1,917.67	2,226.44	2,101.31	2,211.23
Sales	3,721.59	4,004.30	4,851.30	5,383.81	5,783.11	6,001.63
Profit before tax	530.67	630.71	503.35	274.44	486.18	290.39
Provision for tax	111.24	180.75	129.11	74.40	152.61	68.00
Profit after tax	419.43	449.96	374.24	199.99	333.57	222.39
Earning per share (Rs.)	19.42	20.83	17.32	9.26	15.44	10.30
Net worth per Equity Share (Rs.)	51.34	66.34	79.02	83.63	93.78	98.69
DIVIDEND						
Percentage	40.00	50.00	40.00	40.00	45.00	45.00
Amount	86.40	108.00	86.40	86.40	97.20	97.20
TOTAL NO. OF SHAREHOLDERS	13,057	14,315	13,688	14,046	13,862	13,943
PLANTED AREA & PRODUCTION:						
Area under Mature Tea (hectares)	8,615.93	8,582.11	8,533.82	8,515.30	8,490.94	8,529.61
Area under Young Tea (hectares)	1,053.56	1,127.84	1,173.88	1,127.66	1,108.85	1,115.78
Total planted area (hectares)	9,669.49	9,709.95	9,807.70	9,642.96	9,599.79	9,645.39
Production-Kgs. (millions) (own crop)	16.16	17.00	17.21	16.14	17.99	17.50
NUMBER OF EMPLOYEES	25,357	24,931	24,571	24,449	24,321	24,466

STATISTICS—Area and Crop (2014)

GARDENS	Mature Tea Area (in Hectares)	Young Tea Area (in Hectares)	Total Planted Area (in Hectares)	Own Crop (Gross) (Kgs)	Yield per Hectare (Kgs)
DOOARS					
Danguajhar	592.14	78.73	670.87	1,396,160	2,358
Leesh River	528.95	78.86	607.81	1,205,067	2,278
Meenglas	535.96	70.68	606.64	1,347,684	2,515
Aibheel	733.92	93.12	827.04	1,838,853	2,506
Chulsa	361.50	48.68	410.18	729,617	2,018
Chalouni	461.65	79.96	541.61	740,823	1,605
Hope	370.95	46.69	417.64	862,554	2,325
Jiti	460.89	81.10	541.99	1,046,592	2,271
Gandrapara	688.75	107.31	796.06	1,866,753	2,710
Lakhipara	532.62	70.03	602.65	1,425,087	2,676
Kumargram	496.73	124.67	621.40	1,297,056	2,611
Sankos	592.13	71.60	663.73	1,390,432	2,348
Total	6,356.19	951.43	7,307.62	15,146,678	2,383
Previous year	6,359.41	919.40	7,278.81	15,395,716	2,421
ASSAM					
Orangajuli	657.16	59.51	716.67	853538	1299
Nonaipara	626.83	57.79	684.62	1062294	1695
Total	1283.99	117.30	1401.29	1915832	1492
Previous year	1,240.10	142.50	1,382.60	2,146,293	1,731
DARJEELING					
Thurbo	469.88	18.56	488.44	253,902	540
Badamtam	292.21	23.83	316.04	130,344	446
Barnesbeg	127.34	4.66	132.00	52,109	409
Total	889.43	47.05	936.48	436,355	491
Previous year	891.43	46.95	938.38	448,927	504
GRAND TOTAL	8,529.61	1,115.78	9,645.39	17,498,865	2,052
Previous year	8,490.94	1,108.85	9,599.79	17,990,936	2,119



**We believe,
the most precious gift
is a perfect smile.**

47 underprivileged cleft-lip patients successfully treated at Goodricke-organised surgery camp



Goodricke has dedicated itself to making countless tea lovers all over the world smile. Our exquisite range of products ensure that. However, not everyone can flash a perfect smile even when they want to.

Which is why, Goodricke recently organised a corrective surgery camp to treat 47 underprivileged patients congenitally afflicted with cleft lip or palate.

At the camp, organised in November 2014 at a Goodricke Group Hospital at Chalsa in collaboration with the Howrah South Point Handicapped Children's Home, patients from Jalpaiguri, Cooch Behar and Darjeeling were successfully operated on. The operations were performed by a team of surgeons from German NGO Pro-Interplast.

A smile is, after all, the most precious gift one can give.



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