



## GOODRICKE GROUP LIMITED

**MINUTES OF THE THIRTY-SEVENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF THE COMPANY HELD AT EASTERN ZONAL CULTURAL CENTRE, IB 201, SECTOR III, SALT LAKE CITY, KOLKATA – 700 106 ON SATURDAY, THE 20<sup>TH</sup> APRIL, 2013 AT 10 A.M.**

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### Present

#### Directors

Mr. P.J. Field	- Chairman
Mr. A.N. Singh	- Managing Director & C.E.O (& Member)
Dr. S. Kaul	- Director
Mr. K. Sinha	- Director & Chairman, Audit Committee

#### Members present by person

Mr. S. Ghattani	Mr. T.N. Chakraborty	Mr. V. S. Chandak
Mr. J.N. Kundu	Mr. M. S. Dey	Mr. S. K. Sukhani
Mr. Saunak Mitra	Mr. P.N. Rajendran	Mr. A. S. Roy
	Mr. A. K. Pal	

And 160 more members were present.

#### Representation under section 187 of the Companies Act, 1956

Assam Dooars Investments Ltd., U.K.	: Represented by Mr. P.J. Field
Western Dooars Investments Ltd., U.K.	: Represented by Mr. P.J. Field

#### Present by Proxy – 5 Nos.

#### In attendance:

Vice President & Secretary	: Mr. D.P. Chakravarti (& Member)
Chief Financial Officer	: Mr. A. Sengupta (& Member)

The Chairman welcomed the members, the proxy holders and the representatives of the press to the Thirty-seventh Annual General Meeting. The Chairman stated that except Mr.A.K.Mathur and Mr. P. K. Sen all other Directors were present on the dais. He, thereafter, requested the Vice President & Secretary to read out the Statement of Statutory requirements and the Auditors' Report dated 27<sup>th</sup> February, 2013.

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### **COMPANY SECRETARY'S STATEMENT & AUDITORS' REPORT**

The Vice President & Secretary in his statement confirmed that necessary quorum, as required under the Companies Act, 1956, was present and the meeting could proceed to transact the business as laid out in the Notice of the Meeting dated 27<sup>th</sup> February, 2013. He added that pursuant to Section 307 (7) of the Companies Act, 1956, the Register of Directors' shareholdings has been tabled and such register would remain open and accessible to any Member of the Company during the continuance of the meeting. A list of proxies as received was also available. He drew attention of Members to the fact that under the Articles of Association, a proxy could vote in a poll as well as by show of hands, but in terms of the provisions of The Companies Act, 1956, a proxy was not entitled to speak at the Meeting.

The Auditors' Report was thereafter read out.

### **CHAIRMAN'S ADDRESS**

The Chairman thereafter addressed the members.

The salient features of the Chairman's speech are as follows:-

- Turnover was higher by 17% at Rs. 5,383 million essentially due to the increase in prices, higher exports and growth in Branded tea business.
- The Profit before Tax decreased substantially to Rs. 274 million against Rs. 503 million in the previous year on account of a 21% crop loss in the two Assam gardens, lower crop in Dooars & Darjeeling gardens and significant cost increase. The crop losses are the result of prolonged drought and erratic weather. The significant change in the rainfall pattern from adverse climatic change is evident in Dooars and Assam from the rainfall statistics :-

	January to March (Rainfall in cm)	
	DOOARS	(ASSAM) Mangaldai District
20 Year average	10.72	13.56
2012	1.87	0.83

However, the Reserves & Surplus strengthened by Rs. 100 million to Rs. 1,590 million and the net worth per Equity share increased to Rs. 84 from Rs. 79 in the previous year against the face value of Rs. 10/-.

- The total manufactured crop was marginally higher at 20.73 million kgs. compared to 20.66 million kgs. in the previous year. The loss in own crop was made up to some extent by outsourced leaf leading to the marginal increase. The all India production in 2012 was a little lower at 1,112 million kgs. against 1,116 million kgs. in the previous year. These figures are based on the revised methodology of compiling crop statistics by Tea Board of India and hence are not comparable with earlier years. The price realization for Assam teas were encouraging but the same was not true for Dooars gardens. Non quality teas continue to be lower priced with distinct preference for better teas. The Company's teas consistently attracted premium over the auction averages.
- All India exports were lower than the previous year at 201 million kgs. However, the Company's exports of black tea and Instant tea increased by 22% with improved prices especially for Darjeeling & Assam CTC teas. Instant tea sales in the domestic tariff area was also encouraging.

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- As reported last year, the independent plant for instant tea based Pre-mix flavoured powder has commenced operation both for retail and bulk packs. A variety of flavours covering lemon, peach, orange and pudina in cold water soluble powder are being manufactured to appeal to a wider range of consumer groups. The Company has tied up with a leading tea marketing Company for the retail sale of these pre-mix powders and the initial market reports are encouraging. Bulk marketing for these products are being done by the Company with direct retail distribution planned for the current year.
- The Branded tea operation have also contributed to the overall growth in turnover by achieving an all time increase in the quantum sold at 7.8 million kgs. As stated earlier, the strengthening of the distribution system through new depots and brand promotions have been given emphasis to further enhance this value added operation. A centralized packing unit is being made operational in Madhya Pradesh to ensure improved logistics and standardization.
- The Company has been regularly making Capital expenditure in plantation, irrigation, machineries & utilities. Over the last 5 years an amount of Rs. 948 million has been spent on Capital expenditure. Out of the above, an amount of Rs. 157 million has been spent on irrigation itself to overcome the vagaries of rainfall to some extent.
- The Company's three Darjeeling properties are well on the way to conversion to organic. Badamtam and Barnesbeg tea gardens have achieved full conversion and have received Fair Trade and UTZ certifications. A substantial portion of Thurbo has been certified as organic. All these properties are also covered under Rain Forest Alliance (RA) certification. Two Assam gardens, Orangajuli & Nonaipara continues to be certified under Rain Forest Alliance (RA) which is part of the Global Sustainable Agricultural Network. These certifications confirm adherence to Labour & Environmental standards of International quality.
- The Company continues its core CSR activities at the Tea Garden areas and at the Goodricke School for Special Education at Siliguri. The third phase extension of the Siliguri School was inaugurated last week and it now has a specialized infrastructure including a state of the art hydro-therapy unit for treatment of challenged children. An initiative on social awareness under CSR for challenged children is underway in the State of Madhya Pradesh under the project name of "Umeed Ka Payala" or "Cup of Hope".
- The Directors have recommended a dividend of 40% i.e. at 4/- Rupees per share for the year 2012 which is at the same level of Rs.4/- per share last year. In spite of a substantial lower profit it may be appreciated that Dividend has been maintained at the previous year's level. The management is committed to share profit with the shareholders in line with changes in profitability and hence look forward to improved profitability in 2013.
- The "Report on Corporate Governance" as contained in the annexure to the Directors' Report is in terms of Clause 49 of the Listing Agreement. A number of significant requirements therein like Audit Committee, Risk Management, Remuneration Committee and others were in place in the Company, particularly Audit Committee from 1997, well before the same were made mandatory by the Indian regulatory authorities. The Audit Committee, Shareholders'/Investors' Grievance Committee and the Remuneration Committee of the Board continue to play an important role towards effective Corporate Governance.

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- The Company is a major constituent of Camellia Plc., U.K. which is listed on the London Stock Exchange. As per its last audited accounts it has a total revenue of £ 247 million and net worth around £ 362 million. Camellia Plc. is the second largest tea producer in the world with plantations also in Kenya, Malawi and Bangladesh. It also has substantial interests in other agricultural crops, engineering and private banking. The private banking is operated under the name Duncan Lawrie Ltd. which has been granted permission by RBI to operate a representative office in India.

## CONCLUSION

The Chairman noted the dedication of all personnel of the Company at the tea gardens and at other establishments. GGL is one of the largest employers in Eastern India and employs over 24,000 direct employees. To ensure well being of employees and their families there are laid down policies on Health and Safety, Waste Management and Environment & Social.

He mentioned that it gave him great pleasure to address the shareholders. He was happy that inspite of adverse weather condition in the two Assam gardens, the significant crop loss and substantial cost increase, the Company has achieved improvements in quality, price realizations, exports, Branded tea and Instant tea businesses. The Company is financially sound inspite of global and domestic economic difficulties and continues to enjoy good credit rating, a healthy Debt/Equity ratio and Interest cover.

The current year has commenced with better rainfall coverage over some tea areas and crop has been encouraging till date. The prices are also expected to firm up in 2013 and this, coupled with improved crop, will bring in improved profit.

He acknowledged the support given during the year by all stakeholders particularly investors, business associates and local administration. ✓

He extended his sincere thanks to the representatives of the media and all shareholders who were present for their continued support to the Group over the years.

The Chairman requested the Managing Director to give more insight of the operations. Mr. A. N. Singh thereafter spoke briefly and covered the various aspects of operations & market.

### **Business Agenda :-**

The Chairman thereafter asked the Shareholders to seek clarifications if any, on the Report & Accounts. Some Shareholders spoke and the Chairman and the Managing Director answered the queries raised. The Chairman thereafter moved the Resolutions on the Agenda.

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**RESOLUTIONS PASSED****AS ORDINARY BUSINESS****1. Adoption of Accounts, Directors' & Auditors' Report**

As an Ordinary Resolution

Proposed by : Mr. J. N. Kunda  
Seconded by : Mr. M. S. Dey

"Resolved that the Balance Sheet as on 31<sup>st</sup> December, 2012 and the Statement of Profit & Loss for the year ended as on that date, together with the Directors' and Auditors' Reports thereon as laid before the Meeting be and are hereby received and adopted."

Declared carried with requisite majority

**2. Declaration of Dividend**

As an Ordinary Resolution

Proposed by : Mr. A. S. Roy  
Seconded by : Mr. A. K. Pal

"Resolved that a Dividend of Rs.4/- per share (40%) on 21,600,000 Equity Shares absorbing Rs. 864 lacs be and is hereby declared on the Equity Shares of the Company out of the profits for the year ended 31<sup>st</sup> December, 2012 for payment to the shareholders whose names appear on the Company's Register of Members on 20<sup>th</sup> April, 2013 subject to the provisions of Section 206A of the Companies Act, 1956."

Declared carried unanimously

**3. Re-appointment of Director retiring by rotation**

As an Ordinary Resolution

Proposed by : Mr. T. N. Chakraborty  
Seconded by : Mr. J. N. Kundu

"Resolved that Mr. Prodesh Kumar Sen who retires by rotation and being eligible for reappointment, be and is hereby reappointed a Director of the Company."

Declared carried with requisite majority

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4. Re-appointment of Director retiring by rotation

As an Ordinary Resolution

Proposed by : Mr. A. K. Pal  
Seconded by : Mr. M. S. Dey

"Resolved that Mr. Anil Kumar Mathur who retires by rotation and being eligible for reappointment, be and is hereby reappointed a Director of the Company."

Declared carried unanimously

5. Re-appointment of Auditors

As an Ordinary Resolution

Proposed by : Mr. V. S. Chandak  
Seconded by : Mr. S. Modak

"Resolved that the retiring Auditors, M/s. Lovelock & Lewes, Chartered Accountants, be and are hereby reappointed Auditors of the Company, to hold office till the conclusion of the next Annual General Meeting, at a remuneration to be determined by the Board of Directors of the Company."

Declared carried with requisite majority

IN CONCLUSION

The Chairman thereafter thanked all members and representatives of the press for attending the meeting and for their useful suggestions.

A vote of thanks was moved to the Chair and the same was carried.

The Chairman thereafter declared the meeting closed.

Chairman

20th April, 2013  
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