

# **ANNUAL REPORT 2012**



## **GOODRICKE GROUP LIMITED**

**GOODRICKE GROUP LTD**

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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

## **VICE PRESIDENT & SECRETARY**

D. P. Chakravarti

## **CHIEF ACCOUNTANT & C.F.O.**

A. Sengupta

## **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) 4011-6739

Email : rta@cbmsl.com, Website : www.cbmsl.com

## **REGISTERED OFFICE**

"Camellia House", 14 Gurusaday Road, Kolkata 700 019

Tele. No. (033) 2287-8737/3067

Website : www.goodricke.com

**GOODRICKE GROUP LTD**

## NOTICE

NOTICE is hereby given that the Thirty-seventh 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 Saturday, the 20th April, 2013 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 2012 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, 2012
3. To appoint a Director in place of Mr. Prodosh Kumar Sen who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. Anil Kumar Mathur who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors and to authorise the Board of Directors to fix their remuneration.

The Register of Members and Share Transfer books of the Company shall remain closed from Friday, the 12th April to Saturday, the 20th April, 2013, both days inclusive.

By Order of the Board

Kolkata  
27th February, 2013

D. P. Chakravarti  
*Vice President & 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 in his stead. A proxy need not be a member of the Company. Proxies, in order to be effective, must be received at the Company's Registered Office not less than forty-eight hours before the Meeting.**
2. Dividend that may be declared by the Company will be paid on and from 23rd April, 2013 to those members whose names appear on the Company's Register of Members on the date of the Annual General Meeting or to their mandatees, subject however, to the provisions of Section 206A of the Companies Act, 1956 (Act).
3. Members are requested to:
  - (i) Quote their Registered Folio number in all correspondence with the Company or its Registrars  
Notify the Company or its Registrars immediately of change, if any, in their registered address or of their mandatees. Members holding shares in dematerialised form to advise respective depository participants about change of address. Intimation of change of address must state the Pin Code for proper delivery.
  - (ii) **Members who have not so far encashed their Dividend Warrants for the Accounting years ended 31st December, 2005, 2006, 2007, 2008, 2009, 2010 and 2011 may immediately approach the Registrars for revalidation of unclaimed Dividend Warrants.**  
Members are hereby informed that pursuant to the provisions of the Act, the Company is obliged to transfer any money lying in the Unpaid Dividend Account, which remains unpaid or unclaimed for a period of seven years from the date of such transfer, to the unpaid Dividend Account, to the credit of Investor Education and Protection Fund ("the Fund") established by the Central Government. Unpaid Dividend for the year ended 31st December 2004 has been deposited accordingly. In accordance with Section 205B of the Act, no claim shall lie against the Company or the Fund in respect of individual amounts of dividends remaining unclaimed and unpaid for a period of seven years from the dates they first became due for payment and no payment shall be made in respect of any such claims. Accordingly, the money lying in the unpaid Dividend Account for the year ended 31st December 2005, will fall due for deposit on 6th May, 2013.
4. Pursuant to Section 205A of the Act, all unclaimed/unpaid Dividends upto the Dividend for the period 31st December, 1995 have been transferred to the General Revenue Account of the Central Government. Any claim for payment of such unpaid/unclaimed Dividend should be made by an application in the prescribed form to the Registrar of Companies, West Bengal, at the address given below :
 

Nizam Palace  
II M.S.O. Building  
234/4, Acharya Jagadish Chandra Bose Road  
Kolkata 700 020.
5. As per the provisions of the Act, facility for making nominations is available for shareholders in respect of Equity shares held by them. Nomination forms (Form 2B) can be obtained from the Registrars of the Company for physical shares. In respect of nomination for dematerialised shares, the concerned Depository Participant of the members should be approached.
6. In terms of Clause 5A of the Listing agreement, the Company's Registrars & Share Transfer Agent has sent three reminders to those shareholders whose physical share certificates are lying with them after being returned as undelivered. There has been fairly good response leading to reduction in such unclaimed physical certificates.

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## 7. DETAILS OF DIRECTORS

Particulars	Directors retiring by rotation and seeking reappointment	
Name	Prodosh Kumar Sen	Anil Kumar Mathur
Designation	Non-Executive Director (Independent)	Non-Executive Director
Date of Appointment	7th April, 2005	25th July, 1990
Date of Birth	3rd July, 1942	2nd November, 1947
Qualification	B.A. (Hons) Economics	F.C.A. (Fellow, Institute of Chartered Accountants of England & Wales).
Experience	Retired as Chairman, J. Thomas & Co. (P) Ltd., the world's oldest and largest Tea broking house.	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 & distribution.
Directorship of other Companies (Excluding foreign Companies and Private limited Companies).	Manjushree Plantation Ltd. Bengal Multiple Housing Development Co. Ltd.	Stewart Holl (India) Ltd. Amgoorie India Ltd.
Chairman/Member of Committee of the Boards of Companies	Member, Audit Committee & Remuneration Committee of Goodricke Group Ltd.	Member, Audit Committee of Goodricke Group Ltd.
Shareholding in the Company (Nos.)	Nil	Nil
Inter-se relationship	Not related to any Director on the Board.	Not related to any Director on the Board.



## DIRECTORS' REPORT

The Directors have pleasure in presenting their Thirty-seventh Annual Report and Accounts for the year ended 31st December 2012.

### FINANCIAL RESULTS

### For the year ended 31st December

	2012	2011
	(Rs. in millions)	
GROSS SALES	<b>5,383.81</b>	4,581.30
PROFIT BEFORE TAXATION	<b>274.44</b>	503.35
Less: Provision for Taxation (net)	<b>74.45</b>	129.10
PROFIT AFTER TAX	<b>199.99</b>	374.25
Add: Profit brought forward from last year	<b>49.10</b>	55.27
	<b>249.09</b>	429.52
APPROPRIATIONS:		
Dividend	<b>86.40</b>	86.40
Tax on Dividend	<b>14.02</b>	14.02
Transfer to General Reserve	<b>100.00</b>	280.00
Balance carried forward	<b>48.67</b>	49.10

The turnover for the year 2012 increased by over 17% to Rs.5,383 million from Rs.4,581 million in the previous year essentially due to improved prices. The Profit Before Tax (PBT) has decreased substantially from last year due to significant crop loss and adverse impact on costs.

### OPERATIONS

The total manufactured crop was marginally higher at 20.73 million kgs. against 20.66 million kgs. in 2011. Dooars own crop suffered due to adverse weather conditions, the total quantum made up to some extent by outsourced leaf. Two Assam gardens i.e. Orangajuli & Nonaipara lost 21% crop from prolonged drought and erratic weather. These two gardens are prime profit making properties and the significant crop loss has impacted the overall profitability severely. Orangajuli and Nonaipara, are located in the Mangaldai area and as per Industry statistics this sub-district lost nearly 25% crop from the previous year. The three Darjeeling gardens were marginally down in crop from previous year's levels due to organic conversion.

Tea Board of India has revised the methodology of compiling all India tea crop statistics. The 2012 crop is marginally lower at 1,112 million kgs. against 1,116 million kgs in 2011. While the organized sector has suffered substantial crop loss there has been significant increase from the small growers. The price realizations for Assam teas were encouraging but the same was not true for Dooars gardens. Against the spiralling cost inflation, the price increase was limited particularly for Dooars teas.

Market was selectively buoyant for quality teas. Teas from non quality areas continued to be lower priced with preference for better teas. Your Company's teas attracted a premium over the auction averages. A payment settlement system has been put in place for exports to Iran which has paved the way for increased export to this vital destination. Prices for Darjeeling varieties were firmer largely due to a higher export demand. Globally there has been a decrease in crop mainly due to substantial reduction in Kenya, Malawi and Sri Lanka.

All India net exports was lower than last year's level at 201 million kgs. However, the Company's exports of bulk teas and instant teas was 3.3 million kgs. which is 22% higher with improved prices especially for Darjeeling and Assam CTC teas.

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The domestic auction and private bulk tea sales were higher. Both the volume and value of Branded tea operations also improved. Sales were higher at 7.8 million kgs supported by new brand launches, extension of own depot operations and Institutional sales. Further, streamlining of packeting operation is in progress to strengthen logistics and cut down on multiple units and inventory. The marketing tie-up for retail sales of Pre-mix instant teas of several flavours continues. The Iced tea pouches launched last year were well received by the market. New flavours are planned for the summer launch.

The Company's three Darjeeling properties are well on the path of conversion to organic. For Barnesbeg, it was the second year of operation after conversion with favourable exports and higher prices. Badamtam has achieved full conversion recently while a substantial portion of Thurbo has been certified as organic. All the three properties have received certification for environment sustainability from global Rainforest Alliance (RA). Certification from UTZ and Fair Trade are enjoyed by Barnesbeg & Badamtam tea gardens. The two Assam gardens, Orangajuli & Nonaipara, continues to be certified under Rainforest Alliance (RA) which is part of the Global Sustainable Agriculture Network. These certifications confirm adherence to labour & environmental standards of International quality. Your company continues to uproot and replant @ 2.5% for long term sustainability in Dooars and Assam regions.

Two key subsidy schemes of Tea Board of India continues to provide useful support to the garden development efforts. These are being availed by all the gardens and consists of (a) Plantation Development Scheme (PDS) for replanting/ rejuvenation of the old tea bushes and for irrigation, transport & drainage (b) Quality Upgradation & Product Diversification Scheme (QUPDS) for modernization of factory machineries and buildings.

Substantial investments have been done in developing irrigation facilities to combat the adverse effects of drought, which has become a regular feature than exception.

A chart of the rainfall of the two quarters in the company's tea areas, compared to the 20 year average, highlights the significant change in climatic condition :-

(Rainfall in cm)

	JANUARY/ MARCH			OCTOBER / DECEMBER		
	DOOARS	DARJEELING	MANGALDAI (ASSAM)	DOOARS	DARJEELING	MANGALDAI (ASSAM)
A) 20 Year Average	10.72	6.39	13.56	24.52	12.13	16.01
B) 2012 Actual	1.87	1.93	0.83	9.74	4.64	4.84

Climate change globally has been the biggest challenge being faced by tea industry. To meet these challenges your Company has taken sustainable programme on water harvesting, large scale planting of fuel trees, efforts to reduce carbon emission and streamline utilization of marginal resources.

The Management Discussion and Analysis Report in terms of clause 49 of the Stock Exchange listing agreement is given in Annexure - 'E' forming part of the Report

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Companies Bill 2012, as passed by the Lok Sabha (lower house of Parliament) provides for specific provision for spending on Corporate Social Responsibility. It stipulates expenditure of 2% of the average profit of past three years on CSR activities. The Bill further requires the Board Report to give a note on such activities and in the event of shortfall from the specified quantum, the reasons for the same to be explained





therein. A Committee of the Board has since been constituted with independent Director Dr. Sudha Kaul as its Chairperson. Dr Kaul is recipient of Padma Shree Award from President of India for her contribution to Charitable Institutions and is eminently suited to guide the Company to draw up the Policy framework.

Your Company is a constituent of Camellia Plc., U.K., the second largest global producer of tea with interests also in agriculture, engineering and private banking. 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:-

- ❑ Group Hospital with specialized equipment at Dooars, North Bengal
- ❑ Primary Hospitals at all gardens.
- ❑ Tracking of family health status at the gardens.
- ❑ Camps for sterilization, reconstructive surgery by overseas Doctors, eye surgery and child immunization programmes.
- ❑ Primary schools at all gardens and buses for school children to go to the Secondary schools.
- ❑ Self help centres for vocational training.
- ❑ Afforestation / vegetation on non-tea areas.
- ❑ Malaria prevention schemes for residents of Garden and adjoining villages.
- ❑ 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.
- ❑ The Goodricke School for Special Education at Siliguri, North Bengal, will inaugurate in April 2013 its third phase expansion of the School building. This will provide additional classrooms and hydro-therapy facilities.

## **DIVIDEND**

In spite of a lower profit the Board recommends maintaining the dividend at last year's level. The Board recommends a dividend of Rs. 4/- per share (40%). Such dividend, on declaration, will be paid to those members recorded in the Registers of the Company at the close of business on the date of Annual General Meeting, subject, however to the provision of Section 206A of the Companies Act, 1956.

## **FINANCE AND ACCOUNTS**

The lower crop, limited price increase for Group's Dooars gardens and significant rise in input cost had an adverse effect on the profitability and cash flow. Consequently, the interest cost has increased with higher bank borrowings. However, the ratios of Debt/Equity and the Interest covers are healthy. The accounts have been prepared as per the revised Schedule VI of the Companies Act '56

The internal accruals have been utilized for capital expenditure on upgrading the basic infrastructure, plantations and labour welfare.

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Cost Audit u/s 233 of the Companies Act 1956 is being carried out by Messrs Shome & Banerjee, Cost Accountants, appointed with the approval of the Ministry of Corporate Affairs, Government of India.

Enterprise Resource Planning (ERP) system is in place both at the Gardens and at the Registered office. This has provided for greater control and effective Management Information System (MIS).

### PROSPECTS

The shortfall in the global tea market for the last three years is expected to continue into 2013. The limited carryover and rising domestic demand have all contributed to a demand supply mismatch. Good and better CTC are likely to fetch further premiums. The settlement system for export to Iran, which has become operational, will provide a steady market for the Company's Orthodox teas. The demand at the auctions and private sales have resulted in premium prices for the Company's quality teas. Darjeeling markets are expected to witness buoyant trends. These are evident from the price differentials between the prices commanded by the Company's teas as compared to the auction averages. Barring unforeseen adverse weather conditions, the Company is expected to strengthen its profitability in the coming years. The operations of Branded teas, exports and Instant tea are poised towards contributing to a higher profitability in the coming years.

### 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. Your Company has been one of the pioneers in effecting Corporate Governance, the Audit Committee of the Board being set up in 1997 well before it became mandatory. The Committee has played an important role in course of 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.

### SHAREHOLDERS' / INVESTORS' GRIEVANCE 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 97.72% of the total shares were dematerialized with no unresolved pending investor grievances.

### REMUNERATION COMMITTEE

The Remuneration Committee met twice during the year to review and recommend annual increment and payment of commission to Managing Director within the terms of appointment.

### PERSONNEL

There were no major work disruptions at the gardens or at any other establishments of the Company during the year. Several courses on field management, motivation, finance & ERP System etc. were organized. Personnel were nominated to courses at Business Chambers, Tea Research Association (TRA), Administrative Staff College (ASC) and other professional bodies for specialized topics.

The various fellowship group activities covering Annual sports, Flower shows, Merchant Cup participations in Golf, Football & Cricket at the garden and at Kolkata were held as per tradition.



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**

There has been no change in the Board of Directors of the Company during the year under report.

Mr. P.K. Sen and Mr. A.K. Mathur, retire by rotation and being eligible offer themselves for re-appointment subject to approval of the General Body. Your Board of Directors commends the reappointments.

#### **AUDITORS**

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

Kolkata  
27th February, 2013

On behalf of the Board

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

## GOODRICKE GROUP LTD

### 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, 2012.

#### CONSERVATION OF ENERGY

##### I. Energy conservation measures undertaken:

- a) Installation of capacitor banks on main panel boards of grid supply for improved Power Factor. Most 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 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) Complete replacement of incandescent lamps, halogen and sodium vapour lamps by energy saving lamps like CFLs and LEDs.
- 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.
- 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 Gensets.

##### 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
<b>1. Electricity</b>		
(a) Purchased		
Units (Kwh)	<b>23,956,175</b>	22,756,883
Total Amount (Rs.'000)	<b>195,868</b>	136,725
Rate/Unit (Rs.)	<b>8.18</b>	6.01



## 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, 2012.

		<b>Current Year</b>	Previous Year
(b) Own Generation			
i) Through Diesel Generator Unit/(Kwh)		<b>3,412,839</b>	3,541,638
Unit Per ltr. of Diesel Oil		<b>2.88</b>	2.96
Cost/Unit (Rs.)		<b>15.65</b>	13.39
(ii) Through Steam Turbine/Generator		—	—
<b>2. Coal*</b>			
Quantity (Tonnes)		<b>18,370</b>	17,584
Total Cost (Rs.'000)		<b>150,898</b>	108,172
Average Rate (Rs.)		<b>8,214</b>	6,152
<b>3. Furnace Oil*</b>			
Quantity (Ltrs.)		—	7,380
Total Amount (Rs.'000)		—	215
Average Rate (Rs.)		—	29.18
<b>4. Others/Internal Generation</b>		—	—
B. Consumption per unit of production	Standards (If any)	<b>Current Year</b>	Previous Year
Product - Tea	—	—	—
Units - Qtls.			
Electricity	—	<b>169.56</b>	126.20
Coal	—	<b>113.81</b>	84.39
Furnace Oil	—	<b>NIL</b>	0.04
Others	—	—	—

\*Note : 1. Increase in units is mainly from substantial usage of irrigation pumps due to dry conditions. Further, the increase in tariff rate by over 35% has also contributed to the increased in the total cost.

2. The cost of coal consumption has increased from 30% escalation in rates. Steam coal is used for the driers.

3. Furnace oil usage has been eliminated as it is unviable.

### 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

- a) Control of Lepidopteron pest attack utilizing micro-organisms in collaboration with a nationalized university involving the following steps.
  - Isolation of the microbial strain from the natural habitat.
  - In vitro test of the isolated strains to determine their potency.
  - Characterisation of the isolate by different biochemical and morphological test.
  - Genomic DNA isolation for 16 S rDNA sequencing.

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### 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, 2012.

- b) Plucking machine trial. The main objective of this trial was to study the effect of machine plucking on the following parameters.
  - Yield
  - Plucking round
  - Plucker's productivity
  - Leaf quality
  - Green leaf cost/kg
  - Social impact if any.
- c) Development of bio-pesticide involving locally available herbs.
- d) Role of Potassium (K) in increasing yield of tea.
- e) Indepth study to find out the reason behind poor LP recovery in the previous season and recommendation for the better LP recovery.
- f) Production of bio-pesticide utilizing dairy by-products.
- g) 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.
- h) Vermiculture biotechnology for soil enrichment, soil reclamation and nutrient mobilization through earthworms.
- i) Role of phosphate solubilizing micro-organisms through solubilization of insoluble phosphate.
- j) Mass production of Nitrogen fixing bacteria to increase the fertility of the soil.
- k) Formulation of enriched bio-fertilizer i.e. vermicompost sourced from unadulterated pure cow dung
- l) Improvement of composting technique using a consortium of microbial strains through inoculation.
- m) Soil health reclamation through population enhancement of beneficial microbes.
- n) Process for tea concentrate using enzymes.
- o) Process for Hot Water Soluble (HWS) and Cold Water Soluble (CWS) Instant teas.
- p) Process for extraction and processing of green leaf solids.
- q) Method for recovery of tea aroma.

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

- Pest control project work helped to isolate a bacterium which is showing tremendous potential in controlling the Lepidopteron pest attack in tea gardens.
- Promising result was noticed from the plucking machine trial. More number of plucking machines will be put into use during next year.
- It has been found that Potassium plays a major role in increasing yield. Further trial to be conducted in this regard.
- A satisfactory LP recovery was observed in the last season following the recommendation of R&D.
- Bio-pesticide produced out of dairy bi-product is giving satisfactory result. 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 agricultural practice.
- With the introduction of the dairy project, large quantity of raw material is now available for the production of high quality vermicompost.
- Commercial application of biocide products which is a fungal pathogen for pest suppression



## 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, 2012.

- Large scale application of locally prepared compost for extension and rejuvenation planting.
- Creation of eco-friendly plantation area development.
- Commercial application for readily soluble Instant tea in hot and cold water for convenience of end users/consumers.
- Patent obtained for HWS and CWS processes.
- Encouraging results obtained from vermi compost and vermi wash processing.

### 3. FUTURE PLAN OF ACTION

- a) Optimization of the growth parameters for the large scale production of the bacterial isolate.
- b) Effect of mechanical plucking and pruning.
- c) Effect of weed suppressant film in young tea development.
- d) Irrigation scheduling based on soil moisture tension.
- e) Visible near infrared VNIR spectroscopy in estimation of tea leaf biochemical's, a collaborative project with ISRO.
- f) Cost effective processes for Instant teas retaining the distinctive flavours/colours of Black teas.

### 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. Retention of flavour and other characteristics of black teas of separate regions.

#### 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.

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

Kolkata  
27th February, 2013

## GOODRICKE GROUP LTD

### 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 2012.

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 bulk teas and value added forms. With continued emphasis on marketing value added products like branded tea and Instant tea, joint efforts are required and the export Agents perform an important role in this regard.

During the year, the foreign exchange outgoing on expenses was to the extent of Rs. 40.49 million. The import of Capital goods and spare parts were NIL. Dividend remittance in foreign exchange was Rs. 63.94 million. The foreign exchange earned was Rs. 872 million.

On behalf of the Board

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

Kolkata  
27th February, 2013

### 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 2012.

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.	59	Managing Director & C.E.O	14,480	M.Sc (37)	1.01.78	Duncan Brothers & Co. Ltd.	Tea Garden Assistant.

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

On behalf of the Board

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

Kolkata  
27th February, 2013





## 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 2012, 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 2012 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 2012, on a going concern basis.

On behalf of the Board

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

Kolkata  
 27th February, 2013

## ANNEXURE TO THE DIRECTORS' REPORT - ANNEXURE 'E'

### MANAGEMENT DISCUSSION & ANALYSIS REPORT

The Global Tea Industry in 2012 witnessed lower crop in major tea producing countries except Bangladesh. The all India tea crop was marginally lower from the previous year, prices were firmer, exports were lower and rainfall uneven. Overall, due to lower crop in Assam and South India, coupled with a stagnant crop in Dooars, the Industry target of achieving a decent growth could not be achieved. The Industry-wise wage agreements effective 1st January 2012 for Assam gardens, coupled with that of West Bengal since last year and higher input cost, have brought in further escalation in garden costs. The full impact of these were felt in 2012. There was overall increase in prices with quality teas attracting premium prices with the range between medium and quality teas becoming sharper with the market's preference for quality. While Assam & Darjeeling teas witnessed encouraging prices, Dooars failed to keep pace with only a nominal firming up which failed to compensate for the cost escalation.

#### Crop

The Company's manufactured crop was marginally higher at 20.73 million kgs. as compared to 20.66 million kgs. in the previous year. The increase was wholly contributed by the Dooars gardens. Darjeeling crop was a little short of last year's level with Assam substantially lower by 21%. In Dooars, the outsourced leaf intake was higher due to improved availability which somewhat made up for the lower own Crop. All India crop in 2012 was marginally lower at 1,112 million kgs. against 1,116 million kgs. last year. There has been a revision by Tea Board of India in the methodology of computation of all India crop. The Tea Board's

## GOODRICKE GROUP LTD

figures are based on cess collection at the tea factories both in the organized and unorganized sector. Consequently, there has been significant changes in crop statistics for 2011 and 2012.

In Assam valley, the season started with drought and crop loss. There was some recovery in June/July but September/October again saw a sharp decline. Assam gardens particularly in Mangaldai district suffered from erratic weather by way of substantial deficit in rainfall. Dooars was impacted by dry conditions followed by heavy precipitation within a short period in some areas. All the major global producers of Kenya, Malawi, Sri Lanka & Indonesia had a decline in crop of varying degrees.

Due to deforestation and other environmental degradation, rainfall in some of the tea areas has become scarce with long dry spells. This led to more irrigation wherever feasible, thereby escalating the cost of cultivation. Since early October 2012 till mid February of the current year there has been little rainfall in Assam, Dooars & Darjeeling raising some doubts over the current year's crop.

### Market Scenario

The Company has seventeen tea estates in Darjeeling, Dooars (North Bengal) and Assam with integrated modern processing factories. These produce a wide range of teas for blending and also choice of specialized single estates whether for domestic or export market. The all India average tea price, which peaked in July remained buoyant at year end for Assam and Darjeeling. Dooars prices moved within a narrow range of 10/- to 12/- at the top end but higher for average quality but nowhere near Assam's increase. The year 2012 started with a low carryover stock and with no significant increase in crop, the opening stock for the current year is expected to be nominal.

The North Indian average price in 2012 was higher at Rs. 135.60 per kg. as compared to Rs. 117.20 per kg. in 2011. The higher average price was largely due to firming up of Assam Orthodox prices by over Rs. 50/- and better realizations for Assam CTC / Dust by about Rs.24/-. The firmer Orthodox prices was due to lower production of this category particularly from the second flush coupled with higher demand from Iran in the last quarter on account of the Rupee L/C trade being re-established. The substantial increases in the input costs of wages, coal, fertiliser and chemicals alongwith the shortfall has also sustained higher base prices. Price increases were mainly for Assam teas with Dooars showing much lower increase. The bulk of Goodricke gardens being in Dooars could not get the benefit of the favourable price increase.

The movement of average auction prices over the last four years as follows :-

(Rs/Kg)

Auction Centres	2012	2011	2010	2009
Kolkata	149.55	131.12	132.97	124.63
Guwahati	131.01	108.47	112.93	110.42
Siliguri	120.17	103.46	104.44	104.65

Darjeeling tea prices in general improved by about 8% . However, Goodricke's Darjeeling gardens gained by 28% which partly compensated for the lower yield. The average prices at the global auction centres have shown a positive trend as follows:-

(US\$/Kg)

Country	Average Auction Price	
	2012	2011
India (Guwahati)	2.45	2.33
Kenya (Mombasa)	3.18	2.98
Sri Lanka (Colombo)	3.07	3.26
Malawi (Limbe)	1.70	1.61
Bangladesh (Chittagong)	2.41	2.14



## 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:-

(Average prices - Rs./Kg.)

Tea Areas	Company's Teas	Other Quality Tea Companies	Consolidated Auction Prices
Darjeeling	466	440	384
Dooars	156	152	132
Assam	194	181	153

Note: Company's teas exclude sale of teas produced from bought leaf.

### PROSPECTS FOR 2013

Expectation are :-

- Negative carry forward of old season stock into the new season to pave the way for strong opening markets.
- Good and best CTC to fetch further premiums in the coming season and expected to break the Rs. 300/- barrier as per brokers.
- Medium and Plain CTCs should do well in the April/June quarter.
- From July, price levels for plainer sorts will be influenced by Crop and formal commitments to major International buyers.
- Demand will be driven by the domestic market and exporters will continue to be prominent.
- Good demand anticipated for Orthodox from Iran, other Middle East, Continent and CIS countries.
- Orthodox likely to continue to attract premium over comparable CTC teas.
- Darjeeling markets expected to witness buoyant trends due to effort made to propagate these teas in the International market.

### Exports

The all India exports in 2012 was lower at 201 million kgs. against 215 million kgs. in the previous year. The average price realization however were higher at Rs. 186/-per kg against Rs. 153/- per kg last year. The Industry's Orthodox tea export were much reduced due to lower production, this being the third consecutive year of reduction. The Company's exports increased to 3.28 million kgs. with improved unit prices. All categories of Company's exports covering Assam CTC / Orthodox and Instant tea contributed to the encouraging growth. Payment mechanism for exports to Iran was put in place at the year end and this would lead to greater despatches to Iran in the coming years.

Export orders and trade enquiries are encouraging for the current year. The Certification of the Gardens under Fair Trade and Rainforest Alliance have been renewed and are in place to make it attractive to European buyers.

The grant of Geographical Indication (GI) status for Darjeeling teas provides it exclusivity and a distinct International identity.

## GOODRICKE GROUP LTD

### ANNEXURE TO THE DIRECTORS' REPORT - ANNEXURE 'E' (Contd.)

#### MANAGEMENT DISCUSSION & ANALYSIS REPORT

##### Branded Tea

Branded tea business witnessed a higher volume of 7.85 million kgs. against 7.18 m/kg. last year. As per trade practice and to meet competition, various consumer schemes were launched which were well received. The Company has established its own depot during the year at Nagpur apart from its existing depots at Madhya Pradesh, Chattisgarh and Rajasthan. A major brand building campaign has been launched. The in-film advertisement in the megahit movie 'BARFI', new packaging, special campaigns in specific centres are part of the brand awareness plans. Retail tea counters named 'Goodricke Tea Pot' have been set up or in process at Jaipur, Bhopal, Darjeeling, Kolkata and Gurgaon. In Madhya Pradesh, in branded tea segment, Goodricke has achieved second position both in volume and value terms. In Kolkata metro, in the Darjeeling tea packet category, Goodricke has attained No. 1 position.

The Company is in the process of rationalizing the multiple packaging units to reduce packaging and inventory holding costs and improve on logistics.

A novel CSR initiative combined with Brand building is underway in Madhya Pradesh which is a major market of the Branded Tea Division. The campaign is named 'Umeed Ka Pyala' or 'Cup of Hope' designed to create awareness amongst all sections of people about mentally challenged children and how to absorb them into society.

##### Instant Tea Plant (ITP) / Premix Plant

The Instant Tea Plant had a profitable operation in 2012 with increased production, higher exports and profits. The in-house R&D has developed newer flavours of premix powders of 'nimbu' & "pudina" from instant tea. The independent premix plant has been manufacturing retail packs of pre-mix covering a range of flavours like lemon & peach (iced tea) and ginger (hot). The Pre-mix powder in convenient pouches had a successful commercial launch during last summer mainly in Gujarat in collaboration with a marketing Company. Larger economy packs were marketed directly by the Company. The plant will continue to manufacture the Premix powders both for own marketing as well as for third parties.

##### 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.

In respect of non-mandatory clauses, the Company has a Remuneration Committee since 2001. No formal whistle blower policy is in place, yet every employee is given opportunity to highlight issues in the interest of the Company. No employee is victimized for raising such issues.

The Companies Bill 2012 has incorporated most of the above requirements of clause 49 and the Company is in compliance thereof.



A new Committee of the Board consisting of three Directors with Dr. Sudha Kaul as Chairperson has been formed to lay down policy on Corporate Social Responsibility to recommend to the Board and thereafter monitor its implementation.

### **Risk Analysis**

- The Risk Analysis Report was reviewed from time to time. The analysis covers the garden 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**

Human Resource development are ongoing and continuing process. The Company is one of the largest employers in Eastern India and employs over 24,000 direct employees consisting of pluckers, tea factory operatives, office staff and executives. It has laid down policies on Health & Safety, Waste Management, Environment and Social. Activities under Corporate Social Responsibility (CSR) have been highlighted in the Directors Report. Community welfare including afforestation through active labour participation is an ongoing process. Vocational training courses are being organized to upgrade skill levels. Various types of courses covering factory safety, agricultural practices, fire fighting, first aid, general management and leadership development have been organised in course of the year under review.

The Company has now emerged as a vertically integrated operating Company starting from field, black tea factory, instant tea / premix plants, packaging units and retail outlets. However the core remains cultivation and manufacture of black tea.

### **Financials**

The substantial crop losses in the Assam gardens, the increased wages and the sharp inflation in coal, fertilizer and chemicals have impacted cash flow during the year. Exports & Packet Tea operations have entailed higher inventory of teas and packaging materials. Consequently, Bank borrowings for working capital have increased. The capital expenses on plantation and factories were done through internal accruals. Over the last five years there has been steady investment in upgrading the tea factories. These are expected to give the benefit of quality, lower energy cost and enhance profitability.

### **General**

The steady investments in the irrigation facilities, plantations, machineries and utilities over the years have laid down a modern and efficient infrastructure. One measure of energy efficiency is the improved coal ratio in Dooars tea factories from 1.02 in 2007 to 0.80 in 2012. All these are contributing towards greater efficiency and are expected to sustain quality manufacture and better realization.

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

Kolkata  
27th February, 2013

# GOODRICKE GROUP LTD

## 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 2012, 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 27th February, 18th April, 14th May, 27th July, 5th October, 12th November, 22nd November, and 28th December, 2012.

The last AGM was held on 18th April 2012.

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	8	Yes
Mr. K. Sinha	8	Yes
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 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, is 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, five meetings of the Audit committee were held, the dates being 27th February, 14th May, 27th July, 12th November, and 22nd November 2012.



# GOODRICKE GROUP LTD

## 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	5
Mr. A.K. Mathur, Member	2
Mr. P.K. Sen, Member	5

The Vice President & 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. 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 22nd February and 22nd November, 2012. At both the meetings all members, except Mr. Field on 22nd February, 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 2012:

a.	Rs. in '000				
	Name	Salary	Commission	Value of Perquisites	Retiral Benefits
	Mr. A.N.Singh	4,800	4,000	3,970	1,710
					Total
					14,480

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

Notice period : Six (6) months.

Severance Fees : Not applicable.

b.	Rs. in '000		
	Non-Executive Directors	Board Fees	Committee Fees
	Dr. S.Kaul	96	26
	Mr. K.Sinha	96	76
	Mr. P.K.Sen	96	50
			Total
			146

There are no stock option plans of the Company.





## ANNEXURE TO THE DIRECTORS' REPORT - ANNEXURE 'F' (Contd.)

### REPORT ON CORPORATE GOVERNANCE

#### 5. Shareholders'/Investors' Grievance 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 thirteen times during the year.

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

Name and designation of Compliance Officer:

Mr. D.P. Chakravarti, Vice President & Company Secretary.

#### 6. General Body Meetings:

Location and time where last three AGMs were held:

Date	Location	Time
13th April, 2010	Science City Auditorium, JBS Haldane Avenue, Kolkata - 700 046	10.00 AM
12th April, 2011	-do-	10.00 AM
18th April, 2012	-do-	10.00 AM

No special Resolution was passed at the Annual General Meeting in 2010 and in 2011. 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.

## GOODRICKE GROUP LTD

### 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 clauses.

In respect of the non-mandatory provisions, the Remuneration Committee has been in operation since 29th November, 2001. There is no audit qualification pertaining to the financial statements of the Company. The Board and the Audit Committee review adoption of other non-mandatory requirements and will have the same in place at an appropriate time. There is no formal whistle blower policy but no employee is denied access to the Audit Committee or to make any reference.

#### 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](http://www.goodricke.com). Also results are sent to the Stock exchange for incorporation in their Website.

Company's e-mail address: [goodricke@goodricke.com](mailto: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:

Saturday the 20th April 2013, 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, 2013	Within 15th May 2013
2nd quarter and 1st half ending June 30, 2013	Last week of July 2013
3rd quarter ending September 30, 2013	Within 15th November 2013
Final Audited results of December 31, 2013 including 4th quarter	February 2014
AGM for the year ending December 31, 2013	April 2014

**(c) Book closure and Dividend payment date:**

Friday the 12th April 2013 to Saturday, the 20th April 2013, both days inclusive.

Dividend payment date : On & from 23rd April 2013

**(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, 2013.

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

# GOODRICKE GROUP LTD

## ANNEXURE TO THE DIRECTORS' REPORT - ANNEXURE 'F' (Contd.)

### REPORT ON CORPORATE GOVERNANCE

#### (e) Stock Price Data:

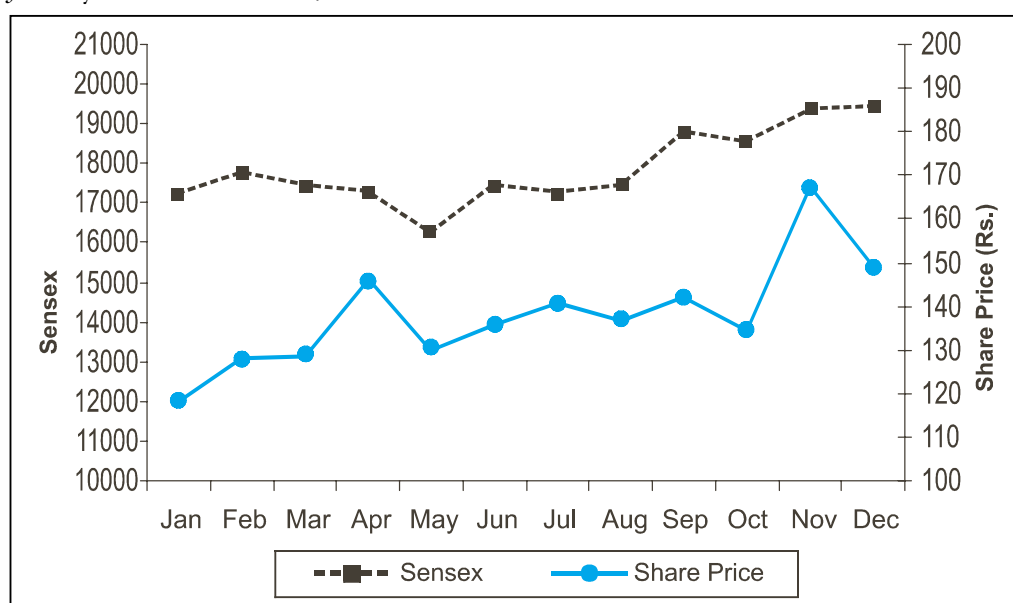
Year 2012

(Rs.)

Month	The Bombay Stock Exchange Ltd. (BSE)	
	High	Low
January	124.45	104.10
February	135.70	116.00
March	131.30	120.00
April	160.80	129.00
May	156.20	127.00
June	139.50	126.70
July	164.90	135.20
August	149.70	134.55
September	144.50	131.00
October	145.00	131.00
November	174.30	133.30
December	168.50	148.10

#### (f) Stock Performance:

Company's Share Price in relation to BSE Sensex:  
(January to December 2012)





## 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 2012, 97.72% of total holdings has been dematerialised.

#### (j) (i) Distribution of shareholding as on 31st December 2012

Group of Shares	No. of Shareholders	%	No. of Shares held	% to Total Shares
1 to 500	13,052	92.92	1,493,697	6.92
501 to 1000	509	3.62	389,556	1.80
1001 to 2000	225	1.60	344,643	1.60
2001 to 3000	99	0.71	253,169	1.17
3001 to 4000	42	0.30	151,725	0.70
4001 to 5000	26	0.19	121,056	0.56
5001 to 10000	51	0.36	372,448	1.72
10001 & higher	42	0.30	18,473,706	85.53
<b>Total</b>	<b>14,046</b>	<b>100.00</b>	<b>21,600,000</b>	<b>100.00</b>

#### (ii) Shareholding pattern as at 31st December 2012

Category	No. of Shareholders	No. of Shares held	% of Shareholding
Foreign Companies	2	15,984,000	74.00
Non-Resident Individuals & Companies	85	40,099	0.19
Foreign Institutional Investors/ Foreign Banks	2	2,050	0.01
Banks & Insurance Companies	11	1,189	negligible
Mutual Funds	11	502,271	2.33
Resident individuals	13,566	3,666,202	16.97
Other Bodies Corporate & Trusts	316	1,380,309	6.39
Clearing Members	53	23,880	0.11
<b>Total</b>	<b>14,046</b>	<b>21,600,000</b>	<b>100.00</b>

## GOODRICKE GROUP LTD

**(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 a Tea Blending Unit.

**DOOARS (NORTH BENGAL) - IN JALPAIGURI DISTRICT**

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

**ASSAM - IN DARRANG DISTRICT**

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

**DIAMONDPORE TEA BLENDING UNIT - IN JALPAIGURI DISTRICT**

At Aibheel, Dooars

**(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  
27th February, 2013

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, 2012 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, 2012 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  
27th February, 2013

**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 Clause 49 of the Listing Agreement with the Stock Exchanges. Both these Codes are available on the Company's website [www.goodricke.com](http://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  
27th February, 2013

**A. N. Singh**  
Managing Director & CEO

**GOODRICKE GROUP LTD****AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF  
CORPORATE GOVERNANCE**

**To**

**The Members of  
Goodricke Group Limited**

We have examined the compliance of conditions of Corporate Governance by Goodricke Group Limited (the Company) for the year ended on 31st December 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with the 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 Clause 49 of the above mentioned Listing Agreement.

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

Kolkata  
27th February, 2013

For LOVELOCK & LEWES  
*Firm Registration No. 301056E*  
Chartered Accountants  
Prabal Kr Sarkar  
Partner  
Membership No. 52340



## AUDITORS' REPORT TO THE MEMBERS OF GOODRICKE GROUP LIMITED



1. We have audited the attached Balance Sheet of Goodricke Group Limited (the "Company") as at 31st December, 2012, and the related Statement of Profit and Loss and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order"), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (c) The Balance Sheet, 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 referred to in sub-section (3C) of Section 211 of the Act;
  - (e) On the basis of written representations received from the directors, as on 31 December, 2012 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 December, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
  - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - (i) in the case of the Balance Sheet, of the state of affairs of the company as at 31 December, 2012;
    - (ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
    - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date

For LOVELOCK & LEWES  
Firm Registration No. 301056E  
Chartered Accountants  
Prabal Kr Sarkar  
Partner  
Membership No. 52340

Kolkata  
27th February, 2013

## GOODRICKE GROUP LTD

### ANNEXURE TO AUDITORS' REPORT

Referred to in paragraph 3 of the Auditors' Report of even date to the members of Goodricke Group Limited on the financial statements as of and for the year ended 31 December, 2012.

- 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 three 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. 90,000,000 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, 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 does not 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 provident fund, Value Added Tax, Electricity Duty and Professional Tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including investor education and protection fund, employees' state insurance, income tax, wealth tax, service 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 31 December, 2012 which have not been deposited on account of a dispute are given in Appendix 1.
- 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 bank. The Company does not have any borrowings from any financial institution nor has it issued any debentures 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.

**GOODRICKE GROUP LTD**

- 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.

Kolkata  
27th February, 2013

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



## Appendix – 1

### Statement Of Disputed Dues as at 31st December 2012

Name of the Statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending
The Income Tax Act, 1961	Central Income Tax	1,051,656	1996-97	The Commissioner of Income Tax (Appeals), Kolkata
	Central Income Tax	4,318,753	2001-02	The Commissioner of Income Tax (Appeals), Kolkata
	Central Income Tax	3,162,478	2002-03	The Commissioner of Income Tax (Appeals), Kolkata
	Central Income Tax	2,995,905	2006-07	The Commissioner of Income Tax (Appeals), Kolkata
	Central Income Tax	26,234,173	2008-09	The Commissioner of Income Tax (Appeals), Kolkata
The Bengal Agricultural Income Tax Act, 1944	Bengal Agricultural Income Tax	5,533,624	1984-85	The West Bengal Commercial Taxes Appellate and Revisional Board
	Bengal Agricultural Income Tax	10,874,512	1989-90	The West Bengal Commercial Taxes Appellate and Revisional Board
	Bengal Agricultural Income Tax	13,333,356	1990-91	The West Bengal Commercial Taxes Appellate and Revisional Board
	Bengal Agricultural Income Tax	5,202,053	2001-02	Agricultural Income Tax Officer- West Bengal
	Bengal Agricultural Income Tax	4,265,589	2002-03	Agricultural Income Tax Officer-West Bengal
W.B.VAT Act, 2003	Sales Tax Authorities	318,851	2008-09	Dy.Commissioner, Commercial Tax
CST Act,1956	Sales Tax Authorities	1,183,654	2008-09	Dy.Commissioner, Commercial Tax

**GOODRICKE GROUP LTD**

**BALANCE SHEET**  
**as at 31st December 2012**

	Note	As at December 31, 2012 Rs.	As at December 31, 2011 Rs.
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	216,000,000	216,000,000
Reserves & Surplus	3	1,590,441,217	1,490,868,430
		<u>1,806,441,217</u>	<u>1,706,868,430</u>
<b>Non-Current Liabilities</b>			
Deferred Tax Liabilities (Net)	4	2,389,267	10,434,060
Long Term Provisions	5	73,656,549	73,779,761
		<u>76,045,816</u>	<u>84,213,821</u>
<b>Current Liabilities</b>			
Short Term Borrowings	6	420,000,000	210,000,000
Trade Payables	7	651,718,795	579,288,734
Other Current Liabilities	8	420,908,954	476,785,999
Short Term Provisions	9	157,989,358	139,607,396
		<u>1,650,617,107</u>	<u>1,405,682,129</u>
<b>Total</b>		<u><b>3,533,104,140</b></u>	<u><b>3,196,764,380</b></u>
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Fixed Assets			
Tangible Assets	10	949,930,613	857,492,882
Intangible Assets	10	2,735,181	4,312,953
Capital Work in Progress		6,661,209	35,721,448
Non Current Investments	11	17,517	17,517
Long Term Loans and Advances	12	99,924,394	87,241,763
Other Non Current Assets	13	2,780,000	16,665,000
		<u>1,062,048,914</u>	<u>1,001,451,563</u>
<b>Current Assets</b>			
Inventories	14	1,329,183,755	1,144,573,953
Trade Receivables	15	829,005,190	805,934,003
Cash and Bank Balances	16	96,719,028	46,527,569
Short Term Loans and Advances	17	106,217,124	125,322,740
Other Current Assets	18	109,930,129	72,954,552
		<u>2,471,055,226</u>	<u>2,195,312,817</u>
<b>Total</b>		<u><b>3,533,104,140</b></u>	<u><b>3,196,764,380</b></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  
Plot No. Y-14, Block EP  
Sector V, Salt Lake  
Kolkata - 700 091  
27th February, 2013

Membership No. 52340  
LOVELOCK & LEWES  
Firm Registration No. 301056E  
Chartered Accountants

D.P. Chakravarti  
Vice President & 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 2012

	Note	Year ended December 31, 2012 Rs.	Year ended December 31, 2011 Rs.
<b>INCOME</b>			
Revenue from Operations (Gross)	21	<b>5,402,752,307</b>	4,603,155,587
Less: Excise Duty		<b>7,479,961</b>	5,820,254
Revenue from Operations (Net)		<b>5,395,272,346</b>	4,597,335,333
Other Income	22	<b>82,760,993</b>	78,090,959
<b>Total Revenue</b>		<b>5,478,033,339</b>	4,675,426,292
<b>Expenses</b>			
Cost of Materials Consumed	23	<b>1,567,375,822</b>	1,271,507,049
Purchase of Stock in Trade		<b>417,015,003</b>	129,715,588
Changes in Inventories of Finished Goods	24	<b>(87,622,945)</b>	(97,372,926)
Employee Benefit Expenses	25	<b>1,609,286,216</b>	1,453,032,590
Finance Costs	26	<b>49,623,367</b>	27,906,398
Depreciation and Amortization	10	<b>123,012,333</b>	106,683,356
Other Expenses	27	<b>1,524,899,309</b>	1,280,604,483
<b>Total Expense</b>		<b>5,203,589,105</b>	4,172,076,538
<b>Profit Before Tax</b>		<b>274,444,234</b>	503,349,754
<b>Tax Expense</b>			
Current Tax		<b>82,500,000</b>	132,771,000
Deferred Tax		<b>(8,044,793)</b>	(3,665,506)
<b>Profit for the Year</b>		<b>199,989,027</b>	374,244,260
Earnings per Equity Share of Face value of Rs.10 each Basic and Diluted (in Rs.)		<b>9.26</b>	17.33

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  
27th February, 2013

Membership No. 52340  
LOVELOCK & LEWES  
Firm Registration No. 301056E  
*Chartered Accountants*

D.P. Chakravarti  
*Vice President & Secretary*

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



# GOODRICKE GROUP LTD

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st DECEMBER 2012

	Year ended 31.12. 2012 (Rs.)	Year ended 31.12.2011 (Rs.)
(A) CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before taxation	274,444,234	503,349,754
Adjustments for:		
Depreciation	123,012,333	106,683,356
Interest expense	49,623,367	27,906,398
Interest Income	(7,388,358)	(6,400,800)
Profit on sale/Discard of Fixed Assets(net)	(2,054,140)	1,663,165
Liabilities no longer required written back	(14,684,791)	(15,490,852)
Debts , Loans & Advances Written off	1,684,797	3,429,768
Provision for doubtful debts,Loans & advances.	1,180,876	—
Investment Income	(449,505)	(880,130)
Unrealised (gain)/loss on exchange	155,957	1,192,928
	<u>151,080,536</u>	<u>118,103,833</u>
Operating Profit before Working capital changes	425,524,770	621,453,587
Adjustment for :		
Trade and other receivables	(45,768,793)	(440,211,141)
Inventories	(184,609,801)	(261,180,949)
Trade payables	46,611,689	250,689,240
	<u>(183,766,905)</u>	<u>(450,702,850)</u>
Cash generated from operations	241,757,865	170,750,737
Direct Taxes Paid	(76,088,504)	(131,602,455)
Net cash from operating activities	165,669,361	39,148,282
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(185,640,729)	(243,819,048)
Sale of Fixed Assets	2,882,818	4,852,084
Purchase of Investments	(225,000,000)	(610,025,543)
Sale of Investments	225,449,505	610,905,673
Interest received	4,858,523	6,266,438
Net Cash used in Investing Activities	(177,449,883)	(231,820,396)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
(Decrease)/Increase in Working capital facilities from Bank	210,000,000	210,000,000
Repayment of long term borrowings	—	—
Dividend paid	(85,739,765)	(107,159,471)
Income Tax on dividend paid	(14,016,240)	(17,937,450)
Interest paid	(48,272,013)	(26,567,483)
Net Cash used in Financing Activities	61,971,982	58,335,596
Net increase in Cash and Cash equivalents	50,191,460	(134,336,518)
(D) CASH AND CASH EQUIVALENTS		
Balance at the Beginning of the Year	46,527,569	180,864,087
Balance at the End of the Year*	96,719,028	46,527,569
Changes in Cash and Cash Equivalents - Increase/(Decrease)	50,191,460	(134,336,518)
*Includes Unpaid Dividend Account	3,495,856	2,835,621

- 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.

Kolkata  
27th February, 2013

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

D. P. Chakravarti  
Vice President & Secretary

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

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  
27th February, 2013





## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st December, 2012

### 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 and the relevant provisions of the Companies Act, 1956. 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.

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.

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### 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 straight line basis over the lease term.

## 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.

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	As at December 31,2012 Rs.	As at December 31,2011 Rs.
<b>2. SHARE CAPITAL</b>		
<b>Authorised:</b>		
22,000,000 Equity Shares of Rs.10/- each	<b>220,000,000</b>	220,000,000
<b>Issued &amp; Subscribed:</b>		
21,600,000 (Previous Year 21,600,000) Equity Shares of Rs.10/- each fully paid up	<b>216,000,000</b>	216,000,000
<b>Total</b>	<b>216,000,000</b>	216,000,000

## 2.1 Shares held by subsidiaries of Ultimate Holding Company:

	As at December 31,2012 No of Shares	As at December 31,2011 No of Shares
Assam Dooars Investment Limited #	<b>10,389,600</b>	10,389,600
Western Dooars Investment Limited #	<b>5,594,400</b>	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 31,2012 No of Shares   (%)	As at December 31,2011 No of Shares   (%)
Assam Dooars Investment Limited	<b>10,389,600   (48.10%)</b>	10,389,600   (48.10%)
Western Dooars Investment Limited	<b>5,594,400   (25.90%)</b>	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, 2012 Rs	As at December 31, 2011 Rs
<b>Capital Reserve</b>		
At the Beginning & at the End of the Year	13,558,262	13,558,262
<b>Development Rebate Reserve</b>		
At the Beginning & at the End of the Year	991,762	991,762
<b>Development Allowance Reserve</b>		
At the Beginning & at the End of the Year	978,599	978,599
<b>Investment Allowance (Utilised) Reserve</b>		
At the Beginning & at the End of the Year	895,961	895,961
<b>General Reserve</b>		
At the Beginning of the Year	1,425,340,088	1,145,340,088
Add: Transfer from Statement of Profit and Loss	100,000,000	280,000,000
Balance at the end of the year	1,525,340,088	1,425,340,088
<b>Surplus in Statement of Profit and Loss</b>		
At the Beginning of the Year	49,103,758	55,275,741
Add: Profit for the Year	199,989,027	374,244,257
Less: Appropriations		
Proposed Dividend on Equity Shares [Dividend per share Rs.4/-(Previous year-Rs.4/-)]	86,400,000	86,400,000
Dividend Distribution Tax on Proposed Dividend	14,016,240	14,016,240
Transfer to General Reserve	100,000,000	280,000,000
Balance at the end of the year	48,676,545	49,103,758
<b>Total</b>	<b>1,590,441,217</b>	<b>1,490,868,430</b>

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.

### 4 DEFERRED TAX LIABILITIES (NET)

	As at December 31, 2012 Rs	As at December 31, 2011 Rs
Deferred Tax Liabilities:		
Timing Difference between Book and Tax Depreciation	26,411,304	30,389,334
Deferred Tax Assets:		
Employee Benefits	24,022,037	19,955,274
<b>Total</b>	<b>2,389,267</b>	<b>10,434,060</b>

# GOODRICKE GROUP LTD

## 5 LONG TERM PROVISIONS

	As at December 31,2012 Rs	As at December 31,2011 Rs
Provision for Employee Benefits:		
Medicals	62,597,286	64,237,864
Compensated Absences	11,059,263	9,541,897
<b>Total</b>	<b>73,656,549</b>	<b>73,779,761</b>

## 6 SHORT TERM BORROWINGS

	As at December 31,2012 Rs	As at December 31,2011 Rs
Secured:		
Rupee Loans From Banks:		
Working Capital Loans repayable on demand	420,000,000	210,000,000
<b>Total</b>	<b>420,000,000</b>	<b>210,000,000</b>

- 6.1 Working Capital Loans 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 31,2012 Rs	As at December 31,2011 Rs
Trade Payables	651,718,795	579,288,734
<b>Total</b>	<b>651,718,795</b>	<b>579,288,734</b>

- 7.1 There are no Micro, Small and Medium Enterprises, as required to be disclosed under "The Micro, Small and Medium Enterprises Development Act, 2006" identified by the company on the basis of information available with the company.



## 8 OTHER CURRENT LIABILITIES

	As at December 31, 2012 Rs	As at December 31, 2011 Rs
Interest Accrued but not due on Borrowings	2,690,269	543,699
Interest Accrued and due on Borrowings	—	795,216
Unpaid Dividend	3,495,856	2,835,621
Advance from Customers	102,895,241	117,280,500
Payable towards Purchase of Fixed Assets	10,431,373	9,742,430
Employee Benefits Payable	243,065,270	273,185,259
Statutory dues	18,259,763	31,613,288
Others (including security deposits)	40,071,182	40,789,986
<b>Total</b>	<b>420,908,954</b>	<b>476,785,999</b>

8.1 There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at 31st December 2012

## 9 SHORT TERM PROVISIONS

	As at December 31, 2012 Rs	As at December 31, 2011 Rs
Provision for Employee Benefits:		
Gratuity	3,330,115	531,000
Pension	12,785,277	512,876
Medicals	2,592,932	2,143,057
Provident Fund	—	2,906,049
Compensated Absences	36,184,618	30,687,512
Provision for Proposed Dividend on Equity Shares	86,400,000	86,400,000
Provision for Dividend Distribution Tax on Proposed Dividend	14,016,240	14,016,240
Provision for Wealth Tax	2,680,176	2,410,662
<b>Total</b>	<b>157,989,358</b>	<b>139,607,396</b>

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## 10. FIXED ASSETS - TANGIBLE AND INTANGIBLE

Fixed Assets	TANGIBLE											Total TANGIBLE		INTANGIBLE	
	Estate & Development	Bridges & Roads	Buildings	Plant & Equipment	Water Supply & Tubewell	Furniture & Fixture	Office Equipment	Vehicles	Livestock			As at 31.12.2012	As at 31.12.2011	As at 31.12.2012	As at 31.12.2011
Gross Block as at 1.1.2012	68,899,231	11,825,689	765,948,675	907,790,593	38,078,493	50,211,338	33,007,112	120,996,166	3,337,304	2,000,094,601	1,871,762,589	17,386,296	17,257,611	17,386,296	17,257,611
Additions	—	230,458	66,960,649	118,086,348	1,035,173	2,405,717	1,314,146	21,748,077	930,000	212,710,568	197,860,872	1,990,403	128,685	1,990,403	128,685
Disposals/Adjustments	—	—	—	2,824,290	—	84,253	—	5,146,817	—	8,055,360	69,528,860	—	—	—	—
Gross Block as at 31.12.2012 (A)	68,899,231	12,056,147	832,909,324	1,023,052,651	39,113,666	52,532,802	34,321,258	137,597,426	4267304	2,204,749,809	2,000,094,601	19376699	17,386,296	19376699	17,386,296
Accumulated Depreciation/Amortization as at 1.1.2012	—	5,459,573	349,090,380	605,995,614	28,084,083	38,094,064	29,340,366	70,797,452	203,230	1,127,064,762	1,086,857,244	13,073,343	9,611,115	13,073,343	9,611,115
Depreciation/Amortization for the Year	—	324,488	37,952,599	60,890,856	801,743	2,218,906	1,514,401	15,500,333	240,832	119,444,158	103,221,128	3,568,175	3,462,228	3,568,175	3,462,228
Depreciation on Disposals/Adjustments	—	—	—	2,801,906	—	74,856	—	4,349,920	—	7,226,682	63,013,611	—	—	—	—
Accumulated Depreciation/Amortization as at 31.12.2012 (B)	—	5,784,061	387,042,979	664,084,564	28,885,826	40,238,114	30,854,767	81,947,865	444,062	1,239,282,238	1,127,064,761	16,641,518	13,073,343	16,641,518	13,073,343
Impaired Assets as at 1.1.2012	—	—	—	15,536,958	—	—	—	—	—	15,536,958	15,536,958	—	—	—	—
Impairment during the year	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Impairment reversed during the year	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Impairment as at 31.12.2012 (C)	—	—	—	15,536,958	—	—	—	—	—	15,536,958	15,536,958	—	—	—	—
Net Block as at 31.12.2012 (A-B-C)	68,899,231	6,272,086	445,866,345	343,431,129	10,227,840	12,294,688	3,466,491	55,649,561	3,823,242	949,930,613	857,492,882	2,735,181	4,312,953	2,735,181	4,312,953
Net Block as at 31.12.2011	68,899,231	6,366,116	416,858,295	286,258,021	9,994,410	12,117,274	3,666,746	50,198,714	3,134,074	857,492,881	—	4,312,953	—	4,312,953	—

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.2,999,812 (2011- Rs.4,304,458)
- (iii) Intangible Assets mentioned above are other than self generated.





## 11 NON CURRENT INVESTMENTS

	As at December 31, 2012 Rs	As at December 31, 2011 Rs
At Cost less Provision for other than temporary diminution		
<b>Trade Investments</b>		
<b>In Equity Instruments-Quoted, fully paid up</b>		
1,107 Equity shares of Rs.10 each in Duncan Industries Limited	664,340	664,340
<b>In Equity Instruments- Unquoted, fully paid up</b>		
20,000 Equity Shares of Rs.10 each in ABC Tea Workers Welfare Services	200,000	200,000
<b>Total Trade Investments</b>	864,340	864,340
Less: Provision for diminution in value of investments	846,823	846,823
<b>Total Non Current Investments</b>	17,517	17,517
Aggregate Amount of Quoted Investments	7,074	7,074
Aggregate Market Value of Quoted Investments	12,232	9,742
Aggregate Amount of Unquoted Investments	10,443	10,443
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	19,969,534	33,241,000
Security Deposits	11,587,732	10,931,260
Advance Income Tax (Net of Provision of Rs.1,509,159 (2011-Rs1,426,659))	49,262,266	23,173,762
Loans and Advances to Employees	18,268,710	19,059,589
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)
<b>Total</b>	99,924,394	87,241,763

## 13 OTHER NON CURRENT ASSETS

Margin Money Deposit # (with maturity more than 12 months)	2,780,000	16,665,000
<b>Total</b>	2,780,000	16,665,000

# Kept with Bank for issuing Bank Guarantee

# GOODRICKE GROUP LTD

## 14 INVENTORIES

	As at December 31, 2012 Rs	As at December 31, 2011 Rs
Raw Materials ( Includes in Transit Rs.203,635,532 (2011-Rs.169,665,867))	553,660,361	437,828,022
Packing Materials	43,125,467	68,717,180
Finished Goods (Includes in Transit Rs.7,628,912 (2011-Rs.5,757,216))	629,924,524	542,301,578
Stores and Spares	102,473,403	95,727,173
<b>Total</b>	<b>1,329,183,755</b>	<b>1,144,573,953</b>

## 15 TRADE RECEIVABLES

Unsecured, Considered Good:		
Outstanding for a period exceeding six months from the due date	13,042,721	13,945,320
Others	815,962,469	791,988,683
	<b>829,005,190</b>	<b>805,934,003</b>
Unsecured, Considered Doubtful:		
Outstanding for a period exceeding six months from the due date	9,764,789	8,583,913
Less: Provision for Doubtful Debts	9,764,789	8,583,913
	<b>—</b>	<b>—</b>
<b>Total</b>	<b>829,005,190</b>	<b>805,934,003</b>

## 16 CASH AND BANK BALANCES

Cash and Cash Equivalents:		
Cash on Hand	4,256,971	4,587,866
Cheques on Hand	—	4,295,056
Bank Balances in:		
-Current Accounts	69,035,232	32,269,190
-Margin Money Deposit (with less than 3 months maturity)#	45,969	39,835
	<b>73,338,172</b>	<b>41,191,947</b>
Other Bank Balances:		
Margin Money Deposit # (with maturity more than 3 months and less than 12 months)	19,885,000	2,500,000
Unpaid Dividend Account	3,495,856	2,835,621
	<b>23,380,856</b>	<b>5,335,622</b>
<b>Total</b>	<b>96,719,028</b>	<b>46,527,569</b>

# Kept with Bank for issuing Bank Guarantee



## 17 SHORT TERM LOANS AND ADVANCES

	As at December 31,2012 Rs	As at December 31,2011 Rs
Unsecured, Considered Good:		
Loans and Advances to Employees	13,110,383	16,122,294
Advances to Suppliers	41,545,782	54,610,098
Prepaid Expenses	5,891,496	5,751,769
Balance with Government Authorities	400,696	347,098
Others (Nursery, Gratuity recoverable from Fund etc.)	45,268,767	48,491,481
<b>Total</b>	<b>106,217,124</b>	<b>125,322,740</b>

## 18 OTHER CURRENT ASSETS

Unsecured, Considered Good:		
Deposit with NABARD	94,002,500	61,166,700
Deposit with Others	9,238,432	7,628,490
Interest accrued on Deposits	6,689,197	4,159,362
<b>Total</b>	<b>109,930,129</b>	<b>72,954,552</b>

## 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)	98,434,848	98,434,848
Sales Tax Matters	1,502,235	1,502,235
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.2,64,83,208 (2011- Rs.5,34,96,262)

## 21 REVENUE FROM OPERATIONS

	Year ended December 31,2012	Year ended December 31,2011
Sale of Products:		
Finished Goods	4,948,097,754	4,434,071,263
Traded Goods	435,716,969	147,227,166
	<b>5,383,814,723</b>	<b>4,581,298,429</b>
Other Operating Revenues:		
Replanting and Other Subsidies	18,937,584	21,857,158
	<b>5,402,752,307</b>	<b>4,603,155,587</b>
Less: Excise Duty	7,479,961	5,820,254
<b>Total</b>	<b>5,395,272,346</b>	<b>4,597,335,333</b>

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## 22 OTHER INCOME

	Year ended December 31,2012	Year ended December 31,2011
	Rs	Rs
Interest on Nabard Deposits	4,292,945	3,650,046
Interest on Other Deposits	2,015,571	2,355,352
Interest on Overdue Bills	1,079,842	395,402
Profit on Sale/Discard of Fixed Assets (Net)	2,054,140	3,597,868
Liabilities no longer required written back	14,684,791	15,490,852
Profit on Sale of Investments	449,505	880,130
Exchange Gain (Net)	—	1,654,087
Miscellaneous Receipts	58,184,199	50,067,222
<b>Total</b>	<b>82,760,993</b>	<b>78,090,959</b>

## 23 COST OF MATERIALS CONSUMED

Raw and Packing Material Consumed:		
Opening Stock	506,545,202	351,978,440
Add: Purchase	1,657,616,448	1,426,073,811
Less: Closing Stock	596,785,828	506,545,202
<b>Total</b>	<b>1,567,375,822</b>	<b>1,271,507,049</b>

### 23.1 Details of Raw and Packing material consumed:

Green Leaf (Bought)	389,739,108	248,323,364
Tea including Tea waste	1,062,387,692	932,306,100
Packing material	115,249,022	90,877,585
<b>Total</b>	<b>1,567,375,822</b>	<b>1,271,507,049</b>

### 23.2 Value of imported and indigenous raw and packing material consumed

Imported	25,282,192	14,726,676
Indigenous	1,542,093,630	1,256,780,373

## 24 CHANGES IN INVENTORIES OF FINISHED GOODS

Opening Stock of Finished Goods	542,301,578	444,928,652
Less: Closing Stock of Finished Goods	629,924,523	542,301,578
<b>Total</b>	<b>(87,622,945)</b>	<b>(97,372,926)</b>



## 25 EMPLOYEE BENEFIT EXPENSES

	Year ended December 31,2012	Year ended December 31,2011
	Rs	Rs
Salaries,Wages and Bonus	1,267,466,373	1,144,772,406
Contribution to Provident, Gratuity and Other Funds	149,938,061	125,204,773
Workmen & Staff Welfare Expenses	191,881,782	183,055,411
<b>Total</b>	<b>1,609,286,216</b>	<b>1,453,032,590</b>

## 26 FINANCE COSTS

Interest on Borrowings	49,486,397	27,589,524
Interest on Income Tax	136,970	316,874
<b>Total</b>	<b>49,623,367</b>	<b>27,906,398</b>

## 27 OTHER EXPENSES

Consumption of Stores and Spare Parts (Refer Note 27.1)	277,931,801	250,672,719
Power and Fuel	447,843,798	329,325,311
Excise Duty and Cess	11,725,680	10,820,164
Insurance	8,850,594	8,540,266
Rent	15,753,804	12,676,120
Rates and Taxes	17,090,612	21,186,190
Repairs to Buildings	20,846,635	27,029,663
Repairs to Machinery	44,795,751	35,825,066
Advertisement	38,102,563	22,233,959
Sales Promotion	163,238,969	170,251,268
Brokerage and Commission	71,133,728	60,430,553
Warehousing and Packing Charges	65,649,463	39,564,032
Freight & Shipping Charges	126,584,615	110,764,534
Other Selling Expenses	17,100,990	20,543,951
Directors Fees	440,000	380,000
Payment to Auditors:		
As Auditor-Audit Fee	1,250,000	920,000
For Other Services:		
Tax Audit Fee	400,000	230,000
Others	1,850,000	1,515,000
For Reimbursement of Expenses	592,586	373,410
Exchange Loss (Net)	13,694,995	—
Debts / Loans and advances Written Off	1,684,797	3,429,768
Provision for Doubtful Debts & Advances	1,180,876	
Miscellaneous Expenses	177,157,052	153,892,509
<b>Total</b>	<b>1,524,899,309</b>	<b>1,280,604,483</b>

**GOODRICKE GROUP LTD**

**27.1 Value of imported and indigenous stores and Spare parts consumed**

	<b>Year Ended December 31,2012 Rs</b>	<b>Year Ended December 31,2011 Rs</b>
Imported	—	—
Indigenous	<b>277,931,801</b>	250,672,719

27.2 Research and Development Expenditure charged to Revenue Rs.11,683,167 (2011 - Rs.12,394,465)

**28 CIF VALUE OF IMPORTS**

Raw Materials	<b>31,204,088</b>	15,802,961
Capital Goods	—	6,016,852
<b>Total</b>	<b>31,204,088</b>	21,819,813

**29 EXPENDITURE IN FOREIGN EXCHANGE**

Pension	<b>400,740</b>	370,465
Commission	<b>4,139,890</b>	1,622,598
Bank Charges	<b>341,723</b>	472,158
Consultancy	<b>1,136,270</b>	—
Others	<b>3,274,324</b>	2,407,000

**30 EARNINGS IN FOREIGN EXCHANGE**

FOB Value of Export Sale	<b>872,060,432</b>	703,048,348
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**31 NET DIVIDEND REMITTED IN FOREIGN CURRENCY TO  
NON RESIDENT SHAREHOLDERS**

	<b>Year ended December 31,2012</b>	Year ended December 31,2011
No. of non-resident shareholders	<b>2</b>	2
No. of equity shares held by them on which dividend was due	<b>15,984,000</b>	15,984,000
Year to which dividend relates	<b>31.12.2011</b>	31.12.2010
Amount remitted	<b>63,936,000</b>	79,920,000

- 32 The Company has taken various premises under operating lease having tenure of 11 months/3 years. There is no specific obligation for renewal of these agreements. Lease rent for the year amounts to Rs.9,771,764 (Previous year - Rs.9,583,000) 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, 2012 which extends over two assessment years, Assessment Year 2012-2013 and Assessment Year 2013-2014. The ultimate tax liability for the Assessment Year 2013-2014 will be determined on the total income for the period from 1st April, 2012 to 31st March, 2013.

**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.119,867,587 (2011 - Rs.105,581,925) 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.

# GOODRICKE GROUP LTD

## 35. Post Retirement Employee Benefits (Contd.)

Net Asset/Liability as per Actuarial Valuation at year end:												
(Rs.)												
	Provident Fund		Pension				Gratuity				Medical	
	2012	2011	2012	2011	2010	2009	2012	2011	2010	2009	2012	2011
Present value of funded obligation	231,055,000	211,198,260	249,619,601	217,470,253	206,291,363	165,641,486	618,190,000	614,252,000	602,761,000	420,714,000	—	—
Fair Value of Plan Assets	231,917,254	208,351,274	236,834,324	216,957,377	181,572,790	148,467,019	614,860,000	613,721,000	629,030,000	613,321,000	—	—
	(862,254)	2,846,986	12,785,277	512,876	24,718,573	17,174,467	3,330,000	531,000	(26,269,000)	(192,607,000)	—	—
Present Value of Unfunded Obligation				—	—	—		—	—	—	65,190,218	66,380,921
Unrecognized past service cost				—	—	—		—	—	—	—	—
Net Liability/(Asset)	(862,254)	2,846,986	12,785,277	512,876	24,718,573	17,174,467	3,330,000	531,000	(26,269,000)	(192,607,000)	65,190,218	66,380,921
											59,160,572	55,551,260
											16,343,680	14,146,139
											12,887,396	7,801,255

\* Surplus not recognized in the Balance Sheet..





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

(Rs.)

	Provident Fund		Pension		Gratuity		Medical		Leave Encashment	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Current Service Cost	18,077,227	15,730,492	33,297,532	28,117,918	31,470,000	21,545,000	2,467,104	7,059,319	1,384,296	1,100,603
Interest cost	17,620,904	18,928,075	17,914,685	17,097,761	50,111,000	47,208,000	5,458,330	4,971,202	1,096,708	1,066,431
Expected Return on plan assets	(16,776,304)	(15,373,799)	(18,007,462)	(14,525,823)	(46,532,000)	(49,457,000)				
Past Service Cost										
Net actuarial loss/(gain) recognized during the year	(4,553,839)	9,464,674	(14,841,632)	(24,557,563)	(32,250,000)	(17,215,000)	(7,880,325)	(3,458,490)	1,582,117	(225,995)
Total	14,367,988	28,749,442	18,363,123	6,132,293	2,799,000	2,081,000	45,109	8,572,031	4,063,121	1,941,039

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

(Rs.)

	Funded						Unfunded			
	Provident Fund		Pension		Gratuity		Medical		Leave Encashment	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Opening defined benefit obligation	211,198,260	196,043,652	217,470,253	206,291,363	614,252,000	602,761,000	66,380,921	59,160,572	14,146,139	12,887,396
Current service cost	18,077,227	15,730,492	33,297,532	28,117,918	31,470,000	21,545,000	2,467,104	7,059,319	1,384,296	1,100,603
Interest Cost	17,620,904	18,928,075	17,914,685	17,097,761	50,111,000	47,208,000	5,458,330	4,971,202	1,096,708	1,066,431
Actuarial loss/(gain)	(2,541,089)	(10,171,963)	(15,801,513)	(23,754,314)	(28,233,000)	(17,359,000)	(7,880,325)	(3,458,490)	1,582,117	(225,995)
Benefit Paid	(13,300,302)	(9,331,996)	(3,261,356)	(10,282,475)	(49,410,000)	(39,903,000)	(1,235,812)	(1,351,682)	(1,865,580)	(682,296)
Closing Defined Benefit Obligation	231,055,000	211,198,260	249,619,601	217,470,253	618,190,000	614,252,000	65,190,218	66,380,921	16,343,680	14,146,139

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

(Rs.)

	Provident Fund		Pension		Gratuity	
	2012	2011	2012	2011	2012	2011
Opening fair value of plan Assets	208,351,274	196,043,652	216,957,377	181,572,790	613,721,000	629,031,000
Expected Return on Plan Assets	16,776,304	15,373,799	18,007,462	14,525,823	46,532,000	49,457,000
Actuarial gain/(loss)	2,012,752	(9,464,674)	(959,880)	803,250	4,017,000	(144,000)
Contribution by employer	18,077,227	15,730,492	6,090,721	5,618,989		—
Transfer from/to Other Funds				24,719,000		(24,719,000)
Benefits Paid	(13,300,303)	(9,331,995)	(3,261,356)	(10,282,475)	(49,410,000)	(39,904,000)
Closing Fair value of Plan Assets	231,917,254	208,351,274	236,834,324	216,957,377	614,860,000	613,721,000
Actual Return on Plan Assets	18,789,056	16,809,000	17,047,582	15,328,000	50,549,000	49,313,000

# GOODRICKE GROUP LTD

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

	2012	2011
Equities	2.74%	2.14%
Fixed Income Debt /Securities/Bonds	90.30%	86.81%
Other Assets	6.96%	11.05%
Total	100.00%	100.00%

Experience Gain/(Loss) adjustments on plan assets related to Gratuity Scheme for 2012 and the preceeding three years are Rs.4,017,000; Rs.(144,000); Rs.3,928,000 and Rs.(1,013,000) respectively

Experience Gain/(Loss) adjustments on plan liabilities related to Gratuity Scheme for 2012 and the preceeding three years are Rs.(6,577,000); Rs.(78,761,000);Rs.(14,726,000) and Rs.(17,011,000) 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:

	2012	2011	2010	2009
Discount rates	8.30%	8.50%	8.10%	8.00%
Expected rate of return on plan assets	8.21%,8.3%, 7.67%,8.42%	7.9%,8%, 7.72% & 7.96%	8.12% & 8%	8% & 7.79%
Expected Salary Increase Rates	5% to 7%	5% to 7%	5% to 9.5%	5%
Mortality rates	LIC(1994-96) mortality tables	LIC(1994-96) 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 2013 has not been ascertained.



### 36. Segment Information

(Rs.)

	Export		Domestic		Total	
	2012 Rs	2011 Rs	2012 Rs	2011 Rs	2012 Rs	2011 Rs
Total Segment Revenue from sales	915,770,014	747,629,537	4,619,609,489	4,031,938,923	5,535,379,503	4,779,568,460
Less: Inter Segment Revenue from sales	23,707,401	25,634,520	127,857,379	172,635,511	151,564,780	198,270,031
	892,062,613	721,995,017	4,491,752,110	3,859,303,412	5,383,814,723	4,581,298,429
Less Excise Duty	7,479,961	—	—	5,820,254	7,479,961	5,820,254
Total Revenue from Sales to External Customers	884,582,652	721,995,017	4,491,752,110	3,853,483,158	5,376,334,762	4,575,478,175
Segment Result	50,892,319	60,075,937	327,297,936	585,937,080	378,190,255	646,013,017
Less: Unallocable expense net of income					54,122,654	114,756,868
Less : Interest					49,623,367	27,906,398
Profit Before Taxation					274,444,234	503,349,751
Provision for Taxation					74,455,207	129,105,494
Profit After Taxation					199,989,027	374,244,257
Segment Assets	291,474,404	361,651,988	2,948,393,768	2,597,381,006	3,239,868,172	2,959,032,994
Unallocated Corporate Assets					286,836,273	247,526,010
Total Assets					3,526,704,445	3,206,559,004
Segment Liabilities	347,826,791	206,063,241	721,239,158	809,941,258	1,069,065,949	1,016,004,499
Unallocated Corporate Liabilities					231,197,278	272,890,856
Total Liabilities					1,300,263,227	1,288,895,355
Capital Expenditure	8,513,411	5,443,304	193,602,392	177,744,597		
Depreciation	4,184,068	3,732,897	105,055,851	89,368,630		
Non Cash - Expenditure			2,865,673	8,690,801		

#### Notes

- 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.
- The Segmentwise 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.
- Pricing of inter segment transfers is based on benchmark market price.

## GOODRICKE GROUP LTD

### 37 Related Party Disclosures

a) Shareholders of the Company:

Western Dooars Investments Ltd. and Assam Dooars Investments 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 Investments Ltd. and Assam Dooars Investments 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

Eastern Produce Kenya Ltd

c) Key Management Personnel:

A.N.Singh-Managing Director & CEO

d) Particulars of transactions during the year ended 31st December, 2012 :


**Particulars of transactions during the year ended 31st December, 2012**

(Rs.)

Nature of Transactions	Shareholders	Fellow Subsidiary Companies	Key Management Personnel	Total
Sale of Goods :	—	653,239	—	653,239
To two fellow Subsidiaries :	—	(853,138 )	—	(853,138 )
Rs.633,017 (Rs.643,129), Rs 20,222 (Rs 210,009)				
Sale of Fixed Assets :	—	3,500	—	3,500
To two Fellow Subsidiaries	—	(25,000 )	—	(25,000 )
Rs.3500(Rs.24000), Rs.Nil (Rs.1000),				
Purchase of Fixed Assets	—	5,399,806	—	5,399,806
From two Fellow Subsidiaries	—	(1,725,183 )	—	(1,725,183 )
Rs4,681,155 (Rs.Nil) , Rs.718,651(Rs.1,725,183)				
Purchase of Goods & Services :	—	623,587,696	—	623,587,696
From four fellow Subsidiaries : Rs. 294,989,006 (Rs.193,541,913),	—	—	—	—
Rs.266,941,837 (Rs.206,672,068),Rs.61,616,293 (Rs.21,963,059)	—	(422,177,040 )	—	(422,177,040 )
Rs.40,560 (Rs.Nil)				
Remuneration Paid :	—	—	14,512,110	14,512,110
To Managing Director	—	—	(14,209,690 )	(14,209,690 )
Dividends Paid :	63,936,000	4,353,976	—	68,289,976
To Two Shareholders : Rs.41,558,400 (Rs.51,948,000),	(79,920,000 )	(6,099,970 )	—	(86,019,970 )
Rs.22,377,600 (Rs.27,972,000)				
To four fellow Subsidiaries : Rs.832,152 (Rs.1,040,190),				
Rs. 2,371,236 (Rs.3,621,545),Rs.306,588 (Rs.383,235),				
Rs.844,000 (Rs.1,055,000)				
Interest paid	—	3,872,107	—	3,872,107
To three Fellow Subsidiary: Rs.3,872,107(Rs. 1,667,398),	—	(2,064,519 )	—	(2,064,519 )
Rs.Nil (Rs.76,027),Rs.Nil (Rs.321,094)				
Reimbursement of Expenses (Net)	—	1,793,125	—	1,793,125
From three Fellow Subsidiary : Rs 1,282,196 (Rs 867,365),	—	(722,163 )	—	(722,163 )
Rs 309,598 (Rs 2,718), Rs 1,691,492 (Rs 742,754),				
To a Fellow Subsidiary : Rs. 5,076,411 (Rs.2,335,000)				
Rent paid to fellow subsidiary	—	6,151,001	—	6,151,001
	—	(5,520,000 )	—	(5,520,000 )
Loan taken:	—	90,000,000	—	90,000,000
From three Fellow Subsidiary : Rs 90,000,000 (Rs.60,000,000)	—	(110,000,000 )	—	(110,000,000 )
Rs.Nil (Rs.40,000,000),Rs.Nil (Rs.10,000,000)				
Repayment of loan:	—	90,000,000	—	90,000,000
To three Fellow Subsidiary : Rs 90,000,000 (Rs.60,000,000)	—	(110,000,000 )	—	(110,000,000 )
Rs.Nil (Rs.40,000,000),Rs.Nil (Rs.10,000,000)				
Outstanding as at year end :				
Debit	—	1,239,241		1,239,241
	—	(560,277 )		(560,277 )
Credit	—	329,551,588	4,000,000	333,551,588
	—	(167,542,666 )	(5,000,000 )	(172,542,666 )

Note: Previous year's figures are in brackets.

# GOODRICKE GROUP LTD

## 38 Earning Per Equity Share (Basic and Diluted)

The calculation of earning per share is based on the Profit after taxation of Rs. 199,989,027 (2011 - Rs.374,244,260) and Equity Shares outstanding (Nominal value Rs. 10/- each) during the year aggregating to 21,600,000 (2011 - 21,600,000).

## 39 a) Outstanding Foreign Currency exposure:

	As at December 31,2012		As at December 31,2011	
	US\$	Rs	US\$	Rs
Amount Receivable in Foreign currency	3,715,369	203,676,511	5,445,318	289,690,944
Amount Payable in Foreign currency	186,071	10,200,412	—	—
b) Outstanding Forward exchange contracts for sale of Foreign Currency	251,175	13,769,414	1,398,400	74,394,880

## 40 The Revised Schedule VI has become effective from the financial year commencing April 1, 2011 for the preparation of financial statements. Consequent to this the previous year's figures have been regrouped/ reclassified wherever necessary to conform to the current year's classification/disclosure

Kolkata  
27th February, 2013

D. P. Chakravarti  
*Vice President & Secretary*

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

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



## Financial, Production and Other Statistics

	(Rs. in millions)					
	2007	2008	2009	2010	2011	2012
Fixed Assets (at cost less depreciation)	494.58	556.16	686.14	812.76	943.38	959.33
Investments	0.08	0.02	0.02	0.02	0.02	0.02
Current Assets (Less current liabilities)	567.96	562.10	523.76	634.36	984.70	1,240.44
Non Current Assets (Less non current liabilities)	—	—	—	—	—	29.04
Deferred Tax Assets/ (Liabilities)	(30.59)	(29.51)	(8.35)	(14.10)	(10.43)	(2.39)
<b>TOTAL ASSETS EMPLOYED</b>	<b>1,032.03</b>	<b>1,088.77</b>	<b>1,201.57</b>	<b>1,433.04</b>	<b>1,917.67</b>	<b>2,226.44</b>
Equity shares	216.00	216.00	216.00	216.00	216.00	216.00
Reserves and Surplus	474.61	574.67	893.01	1,217.04	1,490.87	1,590.44
<b>SHAREHOLDERS' FUND (NET WORTH)</b>	<b>690.61</b>	<b>790.67</b>	<b>1,109.01</b>	<b>1,433.04</b>	<b>1,706.87</b>	<b>1,806.44</b>
Secured and Unsecured loans	341.42	298.10	92.56	—	210.80	420.00
<b>TOTAL FUNDS EMPLOYED</b>	<b>1,032.03</b>	<b>1,088.77</b>	<b>1,201.57</b>	<b>1,433.04</b>	<b>1,917.67</b>	<b>2,226.44</b>
Sales	2,374.33	2,940.50	3,721.59	4,004.30	4,851.30	5,383.81
Profit before tax	104.71	235.19	530.67	630.71	503.35	274.44
Provision for tax	27.34	59.32	111.24	180.75	129.11	74.40
Profit after tax	77.37	175.87	419.43	449.96	374.24	199.99
Earning per share (Rs.)	3.58	8.14	19.42	20.83	17.32	9.26
Net worth per Equity Share (Rs.)	31.97	36.61	51.34	66.34	79.02	83.63
<b>DIVIDEND</b>						
Percentage	15.00	30.00	40.00	50.00	40.00	40.00
Amount	32.40	64.80	86.40	108.00	86.40	86.40
<b>TOTAL NO. OF SHAREHOLDERS</b>	<b>13,581</b>	<b>13,497</b>	<b>13,057</b>	<b>14,315</b>	<b>13,688</b>	<b>14,046</b>
<b>PLANTED AREA &amp; PRODUCTION:</b>						
Area under Mature Tea (hectares)	8,772.45	8,662.49	8,615.93	8,582.11	8,533.82	8,515.30
Area under Young Tea (hectares)	885.13	996.73	1,053.56	1,127.84	1,273.88	1,127.66
Total planted area (hectares)	9,657.58	9,659.22	9,669.49	9,709.95	9,807.70	9,642.96
Production-Kgs. (millions) (own crop)	18.88	18.44	16.16	17.00	17.21	16.14
<b>NUMBER OF EMPLOYEES</b>	<b>25,093</b>	<b>25,205</b>	<b>25,357</b>	<b>24,931</b>	<b>24,571</b>	<b>24,449</b>

**GOODRICKE GROUP LTD**

**STATISTICS—Area and Crop (2012)**

GARDENS	Mature Tea Area (in Hectares)	Young Tea Area (in Hectares)	Total Planted Area (in Hectares)	Own Crop (Gross) (Kgs)	Yield per Hectare (Kgs)
<b>DOOARS</b>					
Danguajhar	594.29	66.99	661.28	1,347,165	2,267
Leesh River	555.35	49.34	604.69	1,041,321	1,875
Meenglas	543.02	69.00	612.02	1,240,202	2,284
Aibheel	737.27	93.45	830.72	1,721,982	2,336
Chulsa	359.41	68.88	428.29	759,897	2,114
Chalouni	441.68	93.15	534.83	684,120	1,549
Hope	364.08	49.34	413.42	731,314	2,009
Jiti	464.45	81.74	546.19	1,039,459	2,238
Gandrapara	714.29	101.28	815.57	1,691,000	2,367
Lakhipara	539.76	72.75	612.51	1,503,776	2,786
Kumargram	497.42	108.97	606.39	1,045,470	2,102
Sankos	580.15	80.12	660.27	1,104,075	1,903
Total	<b>6,391.17</b>	<b>935.01</b>	<b>7,326.18</b>	<b>13,909,781</b>	<b>2,176</b>
Previous year	6,441.30	910.08	7,351.38	14,383,077	2,233
<b>ASSAM</b>					
Orangajuli	643.49	64.50	707.99	908,168	1,411
Nonaipara	593.29	74.92	668.21	914,164	1,541
Total	<b>1,236.78</b>	<b>139.42</b>	<b>1,376.20</b>	<b>1,822,332</b>	<b>1,473</b>
Previous year	1,255.42	125.19	1,380.61	2,398,521	1,911
<b>DARJEELING</b>					
Thurbo	474.88	13.56	488.44	217,380	458
Badamtam	286.13	34.01	320.14	131,140	458
Barnesbeg	126.34	5.66	132.00	60,398	478
Total	<b>887.35</b>	<b>53.23</b>	<b>940.58</b>	<b>408,918</b>	<b>461</b>
Previous year	881.51	55.17	936.68	430,502	488
<b>GRAND TOTAL</b>	<b>8,515.30</b>	<b>1,127.66</b>	<b>9,642.96</b>	<b>16,141,031</b>	<b>1,896</b>
Previous year	8,578.23	1,090.44	9,668.67	17,212,100	2,006

Note :- Previous year's figures have been re-arranged based on actuals.



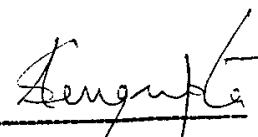
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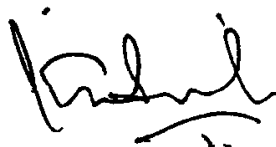
(In terms of SEBI Circular Ref. CFD/DIL/7/2012 dated 13<sup>th</sup> August 2012)

1. Name of the Company	Goodricke Group Limited
2. Audited Financial Statement for the year ended	31 <sup>st</sup> December 2012
3. Audit Observations	Unqualified
4. Frequency of observation	Not Applicable

Signatures :

  
Managing Director & CEO

  
CFO



Chairman, Audit Committee

