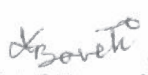
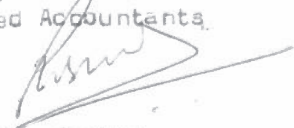


FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company:	McLeod Russel India Limited
2.	Annual financial statements for the year ended	31 st March 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
McLEOD RUSSEL INDIA LIMITED  Managing Director  Chief Financial Officer  Audit Committee Chairman For Price Waterhouse Firm Registration Number 301112E Chartered Accountants  Prabal Kr. Sarkar Partner Membership No. 52340  Auditor of the Company		

Date: 2nd July 2013



MCLEOD RUSSEL

Believe in tea

MCLEOD RUSSEL INDIA LIMITED

Registered Office : Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata-700 001

NOTICE

Notice is hereby given that the Fifteenth Annual General Meeting of the Members of the Company will be held on Friday, 26th July 2013 at 11.30 a.m. at Kalamandir, 48, Shakespeare Sarani, Kolkata-700 017 to transact the following business :-

1. To receive, consider and adopt the audited Profit and Loss Account (Profit and Loss Statement) for the financial year ended 31st March 2013 and Balance Sheet as at that date together with the Reports of the Directors and Auditors thereon.
2. To declare a dividend for the financial year ended 31st March 2013.
3. To appoint a Director in place of Mr. Brij Mohan Khaitan, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Dr. Raghavachari Srinivasan, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Bharat Bajoria, who retires by rotation and, being eligible, offers himself for re-appointment.
6. To appoint a Director in place of Mr. Ranabir Sen, who retires by rotation and, being eligible, offers himself for re-appointment.
7. To appoint Auditors and fix their remuneration.

By Order of the Board
MCLEOD RUSSEL INDIA LIMITED
A. GUHA SARKAR
Vice President & Company Secretary

Kolkata,
Date: 27th May 2013

NOTES:

- a) **A Member entitled to attend and vote at the Annual General Meeting may appoint a Proxy to attend and vote thereat instead of himself. 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 situated at Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata-700 001 not later than forty-eight hours before the Meeting.**
- b) The information as required to be provided in terms of the Listing Agreement with the Stock Exchanges regarding the Directors who are proposed to be re-appointed is annexed.
- c) The Register of Members and Share Transfer Books of the Company will remain closed from 18th July 2013 to 26th July 2013 (both days inclusive).

- d) The dividend that may be declared by the Company at the Fifteenth Annual General Meeting will be paid on or after 30th July 2013 (i) to those Members holding shares in physical mode whose names appear on the Register of Members of the Company after giving effect to all valid share transfers in physical form lodged with the Company and its Registrars on or before 17th July 2013. (ii) In respect of the shares held in electronic form the dividend will be paid to the 'beneficial owners' of the shares as at the end of business hours on 17th July 2013 as per details provided by the Depositories for this purpose.
- e) Dividend in respect of shares held in dematerialised form shall be credited to the beneficial owner's bank account directly through National Electronic Clearing Services (NECS), wherever NECS facility is available subject to availability of bank account details with 9 digit MICR and 11 digit IFS Code. In case the said details have not been provided to the concerned Depository Participant or there is any change, the same may please be intimated to the concerned Depository Participant immediately.
- f) Securities and Exchange Board of India (SEBI) vide its Circular No.CIR/MRD/DP/10/2013 dated 21st March 2013, has mandated usage of electronic mode for making cash payments such as dividend etc. to the investors of Companies whose securities are listed on the Stock Exchanges.

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

- g) Members who are holding shares in physical form are requested to notify change in address, if any, to the Company's Share transfer Agent quoting their Folio Number. Shareholders holding shares in dematerialised form, should intimate change of their address, if any, to their Depository Participant.
- h) In accordance with the provisions of Section 205C of the Companies Act, 1956 any amount of dividend remaining unpaid or unclaimed for a period of seven years from the date such dividend became due for payment shall be transferred to the investor Education and Protection Fund set up by the Government of India and no claims shall lie against the Fund or the Company in respect of individual amounts so transferred.

Members of the Company and the persons who were the Members of the erstwhile The Moran Tea Company (India) Limited (since merged with the Company) who have not yet encashed their dividend warrant(s) for the financial year ended 31st March 2006 and onwards as applicable, are requested to contact the Company forthwith.

- i) The Securities and Exchange Board of India (SEBI) vide Circular Ref.No.MRD/DoP/Cir-05/2007 dated April 27, 2007 made PAN mandatory for all securities market transaction. Thereafter, vide Circular No.MRD/DoP/Cir-05/2009 dated May 20, 2009 it was clarified that for securities market transactions and off market/private transactions involving transfer of shares in physical form of listed Companies, it shall be mandatory for the transferee(s) to furnish copy of PAN Card to the Company/RTAs for registration of such transfer of shares.

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

- i) Deletion of name of the deceased shareholder(s), where the shares are held in the name of two or more shareholder(s).
- ii) Transmission of shares to the legal heir(s), where deceased shareholder was the sole holder of shares.
- iii) Transposition of shares – when there is a change in the order of names in which physical shares are held jointly in the names of two or more shareholders.
- j) A Member desirous of getting any information on the accounts or operations of the Company is requested to forward his queries to the Company at least seven days prior to the Meeting so that the required information can be made available at the Meeting.

PARTICULARS RELATING TO DIRECTORS PROPOSED TO BE RE-APPOINTED

Name of Director	MR. BRIJ MOHAN KHAITAN
Date of Birth	14 th August 1927
Qualification	Bachelor of Commerce from Calcutta University
Expertise	Mr. B. M. Khaitan is a renowned Industrialist having interest in Tea, Batteries and Engineering. Mr. Khaitan has great contributions to the Tea Industry with which he has been associated for around six decades. He is on the Boards of certain other renowned Companies having diversified business interests.
Directorships held in other Companies (excluding foreign Companies)	Williamson Magor & Co. Limited Eveready Industries India Limited Babcock Borsig Limited CESC Limited Jay Shree Tea & Industries Limited
Committee Memberships in other companies, if any, with position	1. Member of Audit Committee of CESC Limited 2. Chairman of Remuneration Committee of Jay Shree Tea & Industries Limited.
Shareholding in the Company	36,288 Equity Shares of Rs.5/- each.

Name of Director	DR. RAGHAVACHARI SRINIVASAN
Date of Birth	30 th May 1931
Qualification	Ph. D. (in Banking & Finance from Bombay University), CAIIB., FIB.
Expertise	A renowned expert in Banking and Finance, Dr. Srinivasan has held very senior positions in this field including the Chairmanship of two large nationalized Banks, viz. Bank of India and Allahabad Bank and New Bank of India (which got merged with Punjab National Bank) and of the Indian Bank's Association, the apex body of the Banking Industry. He advises various corporates in the areas of Banking, Finance and Capital Market. He has to his credit several publications in national and international media as well as prestigious awards in the area of Banking.
Directorships held in other Companies (excluding foreign Companies)	Williamson Magor & Co. Limited J. Kumar Infraprojects Limited Shalimar Paints Limited Graphite India Limited JM Financial Trustee Co Pvt Ltd Suchirindia Developers Pvt Ltd Sunvik Steels Pvt Ltd Elder Pharmaceuticals Limited Goldiam International Limited Shubhalaxmi Polyesters Limited Snowcem Paints Pvt Ltd Nayamode Solutions Pvt Ltd New Turn Consulting Pvt Ltd
Committee Memberships in other companies, if any, with position	1. Chairman of Audit Committee of Shalimar Paints Limited. 2. Chairman of Investors' Grievance Committee of Elder Pharmaceuticals Limited. 3. Chairman of Remuneration Committee of : (a) J. Kumar Infraprojects Limited (b) Elder Pharmaceuticals Limited (c) Williamson Magor & Co. Limited. 4. Member of Audit Committee of : (a) J. Kumar Infraprojects Limited (b) Elder Pharmaceuticals Limited (c) Graphite India Limited (d) Goldiam International Limited (e) Williamson Magor & Co. Limited. 5. Member of Remuneration Committee of Graphite India Limited.
Shareholding in the Company	Nil

Name of Director	MR. BHARAT BAJORIA
Date of Birth	12 th March 1953
Qualification	B. Sc. (Hons.)
Expertise	Mr. Bajoria is associated with tea industry since 1975 and during his long career for about 4 decades has gathered considerable experience in all aspects of tea plantation business. Mr. Bajoria is the Managing Director of Teesta Valley Tea Co. Limited and The Bormah Jan Tea Co. (1936) Limited and he is having directorships in other companies. As a leader of the Indian tea industry, Mr. Bajoria held in the past, the position of Chairman of Indian Tea Association and Consultative Committee of Plantation Association. Mr. Bajoria was also the Chairman of Darjeeling Planters Association and Special Committee for Generic Tea Promotion in India. Mr. Bajoria is a member of Indian Chamber of Commerce.
Directorships held in other Companies (excluding foreign Companies)	Williamson Magor & Co. Limited Banarhat Investment Co. Private Limited The Bormah Jan Tea Co. (1936) Limited Birdie Trading Private Limited Teesta Valley Tea Co. Limited Teesta Valley Exports Limited McLeod & Co. Limited Speedways International Private Limited Trishul Co. Private Limited Globe (India) Limited Dhunseri Petrochem & Tea Ltd The Budge Budge Investment Co. Private Limited
Committee Memberships in other companies, if any, with position	1. Member of Audit Committee of Dhunseri Petrochem & Tea Ltd. 2. Member of Remuneration Committee of Williamson Magor & Co. Limited.
Shareholding in the Company	1,400 Equity Shares of Rs.5/- each.

Name of Director	MR. RANABIR SEN
Date of Birth	18 th October 1945
Qualification	Graduate from St. Joseph's College in Darjeeling.
Expertise	Mr. Sen joined J. Thomas & Co. Private Limited in 1964 and served the Company in various capacities at Kolkata and various branches in India and also abroad. He was the key person in setting up the Siliguri Tea Auctions and also the Singapore Auctions. Inducted into the Board of J. Thomas & Co. Private Limited in 1987 and became the Managing Director in 1995 and Chairman in 2001. He retired from J. Thomas & Co. Private Limited as CMD on 31st March 2004. He was an active member of various tea committees including Tea Board.
Directorships held in other Companies (excluding foreign Companies)	DLX Limited
Committee Memberships in other companies, if any, with position	Nil
Shareholding in the Company	133 Equity Shares of Rs.5/- each.



McLEOD RUSSEL

Believe in tea



**CULTURE
OF
EXCELLENCE**

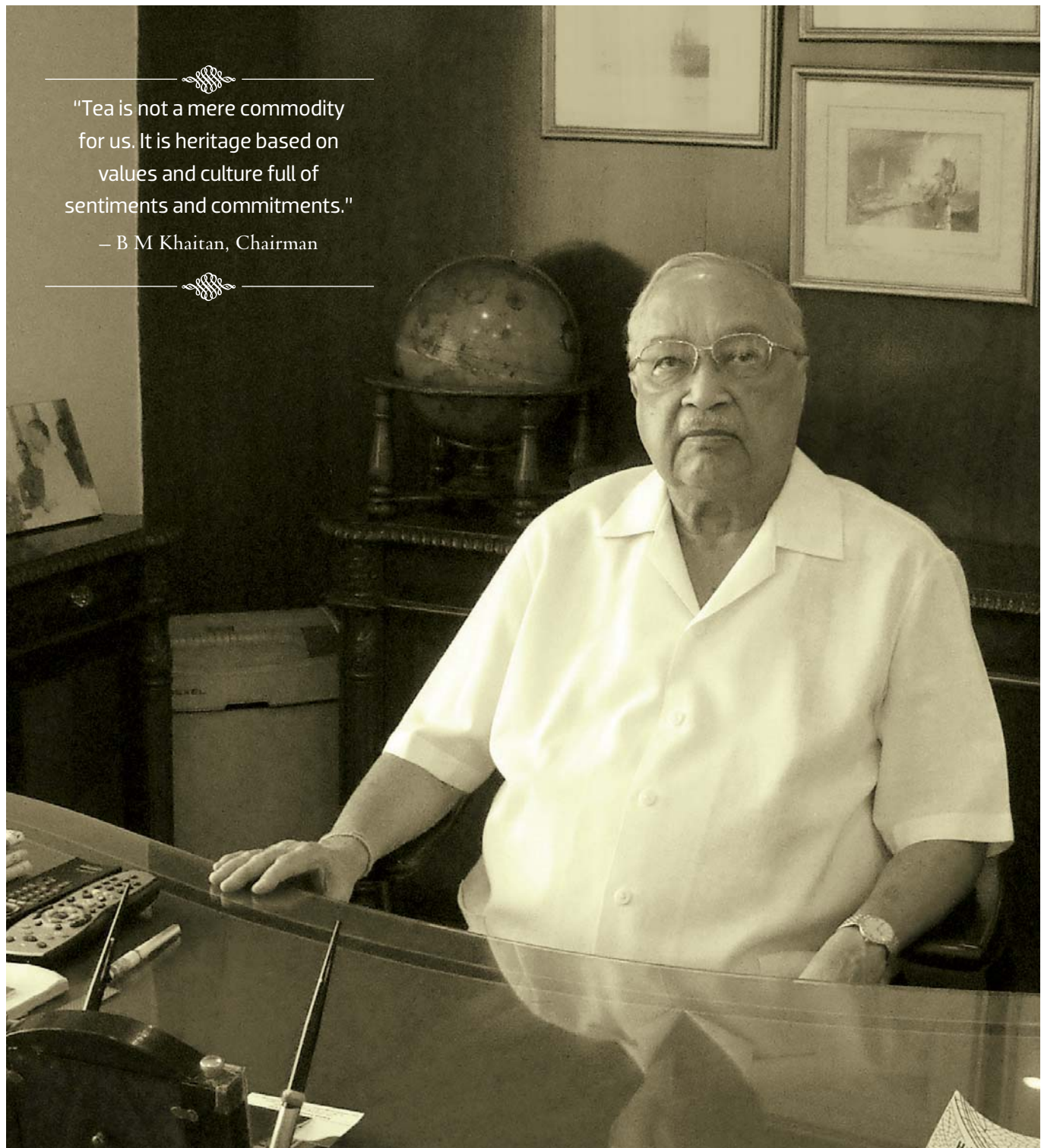
McLeod Russel India Limited | Annual Report 2012-13





"Tea is not a mere commodity
for us. It is heritage based on
values and culture full of
sentiments and commitments."

— B M Khaitan, Chairman



Contents

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MISSION STATEMENT

“

"McLEOD RUSSEL INDIA LIMITED
FOLLOWS THE TENETS OF A GOOD
CORPORATE CITIZEN, PROVIDING EQUAL
OPPORTUNITY TO ALL EMPLOYEES,
IN A SAFE AND HEALTHY WORKING
ENVIRONMENT, ENSURING SOCIAL AND
ECONOMIC DEVELOPMENT TO SUSTAIN
AND IMPROVE QUALITY OF LIFE. IT
IS COMMITTED TO SAFEGUARDING
THE ENVIRONMENT BY ADOPTING AN
ECO-FRIENDLY, TRANSPARENT AND
PARTICIPATORY APPROACH IN ALL
ACTIVITIES WHILST ENSURING THAT THE
BEST QUALITY OF TEA IS PRODUCED."

”

– ADITYA KHAITAN, MANAGING DIRECTOR

CORPORATE IDENTITY

63 TEA ESTATES. 62 FACTORIES. 4 COUNTRIES.
38758 HECTARES. 87000 EMPLOYEES.
THIS COMBINATION MAKES McLEOD RUSSEL INDIA LIMITED (INCLUDING SUBSIDIARIES) THE LARGEST PRIVATE SECTOR TEA PLANTATION COMPANY IN THE WORLD ACCOUNTING FOR 8 PER CENT OF INDIA'S TEA OUTPUT AND 2 PER CENT OF ALL THE BLACK TEA GROWN IN THE WORLD.

Lineage

- McLeod Russel India Limited (MRIL) is a member of the Williamson Magor Group engaged in the business of tea production for over 140 years.
- Effective April 2004, the Bulk Tea Division of Eveready Industries India Limited, another Company of the group, demerged to become McLeod Russel India Limited to enhance its focus on the tea plantation business.
- In July 2005, McLeod Russel acquired Borelli Tea Holdings Limited, UK, gained control over its subsidiary Williamson Tea Assam Limited, owning 17 tea estates in India. In 2006 and 2007, McLeod Russel acquired Doom Dooma Tea Company Limited and the Moran

Tea Company (India) Limited. All acquired companies were merged with McLeod Russel between 2006 and 2008.

- Borelli acquired 100% control of Phu Ben Tea Company Limited of Vietnam in March 2009 and McLeod Russel Uganda Limited in January 2010 and 60% of Gisovu Tea Company Limited of Rwanda in February 2011. Borelli formed another subsidiary called McLeod Russel Middle East DMCC in Dubai in 2011 engaged in tea trading and blending activities.

Management

McLeod Russel represents a balance of proprietary and professional interests. The Company is managed by a Board of Directors comprising Mr. Brij Mohan Khaitan (Chairman),

Mr. Deepak Khaitan (Vice Chairman), Mr. Aditya Khaitan (Managing Director), three Wholetime Directors and six Independent Directors.

Listing

The shares of the Company are listed on Calcutta (CSE), Bombay (BSE) and National (NSE) Stock Exchanges. The Company enjoyed a market capitalization of Rs.3828 crore as on 31st March 2013.

Business

- The Company is engaged in the cultivation, processing and sale of tea. It produces CTC and Orthodox black tea. CTC teas account for nearly 90 per cent of its production, the rest being the Assam Orthodox variety.
- The Company (including



subsidiaries) produced 102 million kgs of tea in 2012-13 making it one of the largest global black tea exporters.

- The Company established a state-of-the-art tea blending facility at Nilpur (Assam) to cater to the growing demand for bespoke blends of the Company's own teas from India.

- McLeod Russel Middle East DMCC, a subsidiary, was established in Dubai in 2011 to serve as a trading and marketing hub for multi-origin blends emerging from the Group's estates in India, Vietnam and Africa. It provides solutions to customers looking for teas in straight line,

blended or value added forms.

Location

- MRIL is headquartered in Kolkata (India) with 38,758 hectares under global tea cultivation.

- The plantations of the Company (and subsidiaries) comprise 53 Tea Estates in India (48 in Assam, 5 in West Bengal), 3 in Vietnam, 6 in Uganda and 1 in Rwanda.

- The Company and its subsidiaries export teas to 23 countries covering all continents.

Accreditations and awards

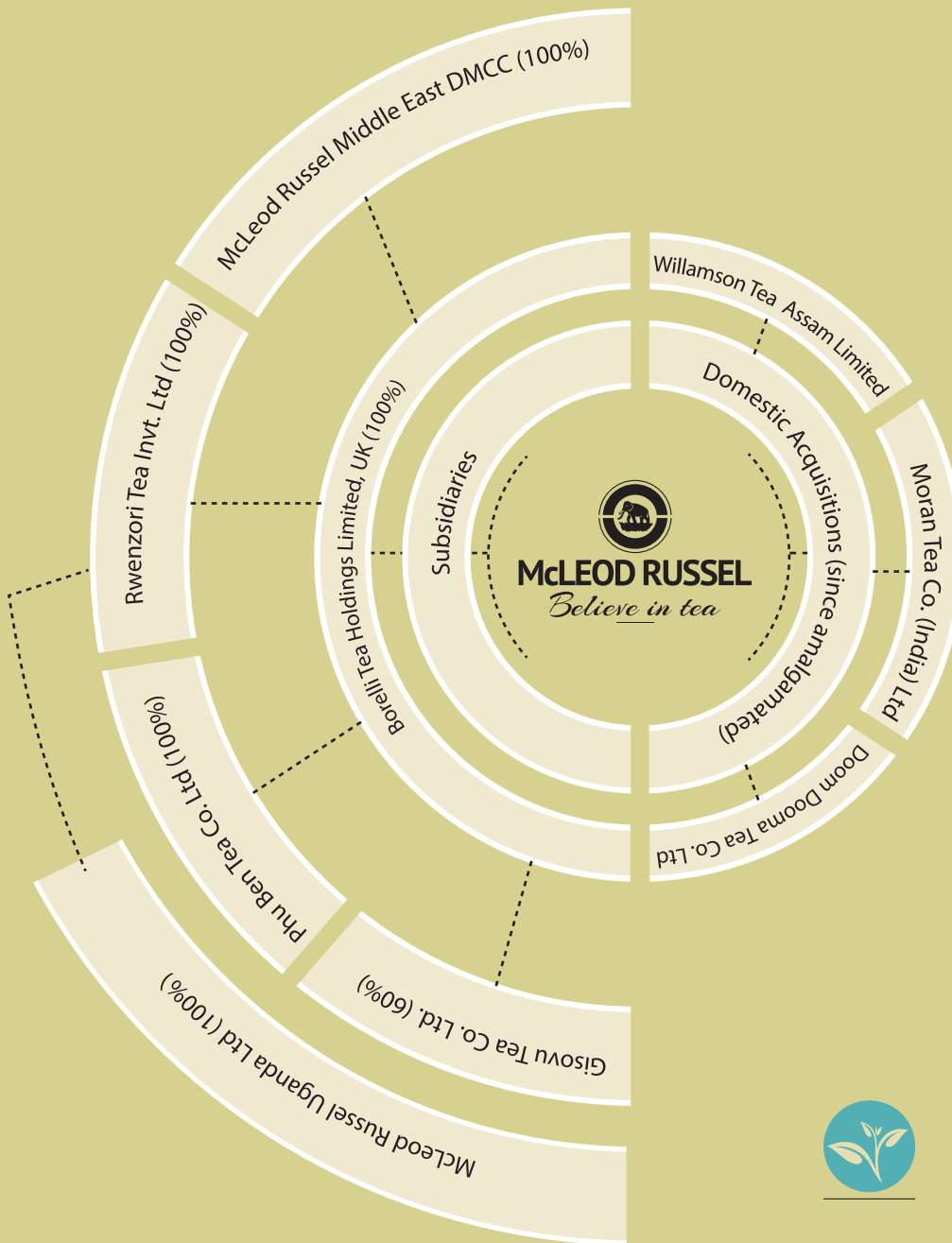
McLeod Russel's internationally

respected accreditations and certifications enhance its export footprint and realisations.

The certifications comprise Fairtrade, Rainforest Alliance, Hazard Analysis Critical Control Point (HACCP), Ethical Tea Partnership and International Organisation for Standardisation (ISO 22000), extending across a number of tea estates.

McLeod Russel was voted India's Best Managed Small Cap Corporate 2009 by ASIA MONEY for its commitment to quality, acquisitions and growth.

OUR ORGANISATION STRUCTURE

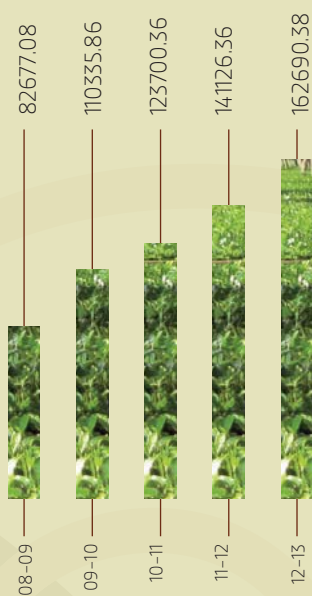


PERFORMANCE HIGHLIGHTS

(CONSOLIDATED)



Saleable production
(million kgs)



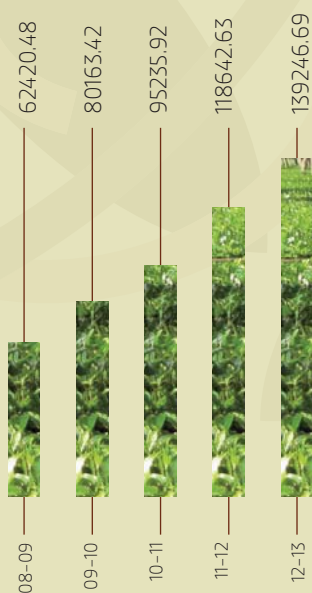
Sale of Tea
(Rs. in Lakhs)



Profit after tax
(Rs. in Lakhs)



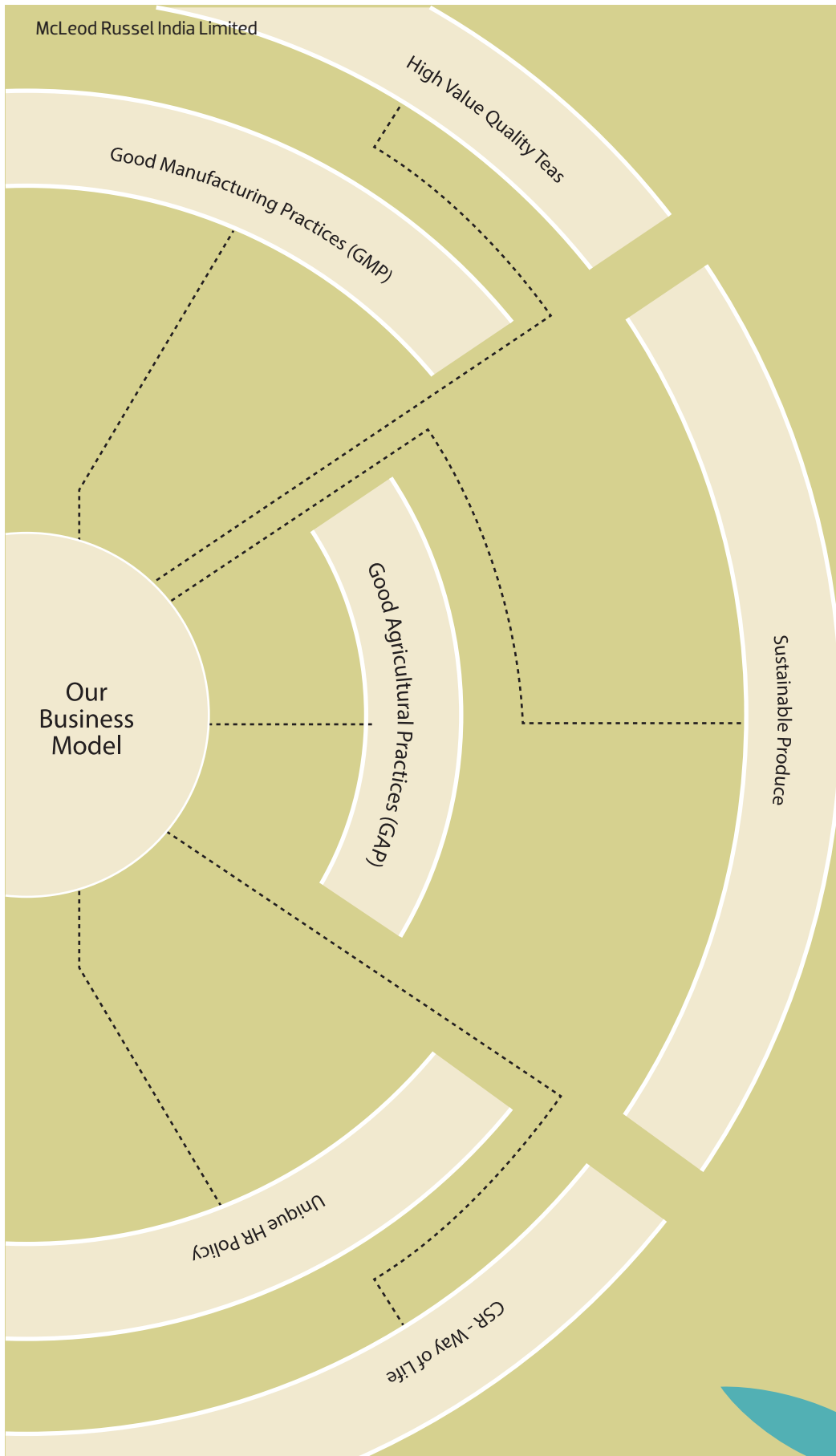
EBITDA margin
(as a % on Sales)



Net Worth
(Rs. in Lakhs)



Return on Net Worth
(%)





Good agricultural practices

- Selective clonal policy developed over the years of cutting-edge R&D
- Strict maintenance of plucking rounds
- Production of quality raw material (high fine leaf component)
- Good green leaf handling and transport
- Uprooting and replanting @ 2% per year (since 1994)
- Productive age profile; 40% of area under 25 years
- Average yields in India at 2000 Kg/Ha (industry average 1700 Kg/Ha)

Good manufacturing practices

- Robust manufacturing policy
 - Capacity geared for peak crop
 - All factories HACCP certified
 - Standardisation of global factories
- Complete compliance on product safety, traceability and product recall.
- Standardisation of practices via our Policy Manual.

- Manufacturing policy formulated by the legendary John Trinick (tea technologist declared National Treasure of UK by the Queen of England).

Unique HR policy

- Workplace governed by a healthy and safe work environment.
- Minimal employee attrition rate (< 3%).
- Leadership and personnel development including succession plan.
- Internal growth of human resources (no external recruitment in the middle and senior levels).
- Training, best practices and exchange through exposure visits to global plantations.
- Transparent reward and recognition policy.

High value quality tea

- Business plan through effective discussions.
- Targets (commercial and personal development) covered by KPIs
- Mid-term target review to

discourage wrong/irregular behaviour

- Transparent performance evaluation

Sustainable produce

- Soil conservation and management
- Water conservation with an emphasis on rain water harvesting
- Integrated pest and weed management
- Afforestation and preservation of natural habitat
- Prudent energy conservation
- Waste management and disposal

CSR – a way of life

- Extension of health facilities/ services to neighbouring communities.
- Creation of an educational institution (Assam Valley School).
- Promotion and recognition of literary / scholastic pursuits.
- Economic empowerment for local / neighbouring communities
- Vocational training for communities in and around estates.



CULTURE OF EXCELLENCE PLANTATION



In the business of tea plantations, sustainable success is derived from the ability to extract the largest quantity of the best quality from a given area.

McLeod Russel has demonstrated this ideal through an enduring culture of excellence, generating superior teas (accounting for 2 per cent of all the black tea grown in the world) from nearly 39,000 hectares the world over.

THE RESULT OF
OUR PLANTATION
EXCELLENCE IS THAT
40% OF OUR GARDENS
ARE LESS THAN 25
YEARS OLD WITH
YIELDS SIGNIFICANTLY
HIGHER THAN THE
INDUSTRY AVERAGE

Excellence drivers

At McLeod Russel, the road to plantation excellence is paved with diverse challenges. Even as the business of tea growing was always subject to climatic unpredictability, this downside has increased significantly over the last couple of decades. Global warming and deforestation have resulted in pest attacks, extended droughts and unexpected cloudbursts, warranting unprecedented plantation preparedness.

McLeod Russel has responded to this reality through an overarching culture of excellence (63 estates in four countries) reflected in the following initiatives:

Lifecycle: At McLeod Russel, we have created a foundation of plantation excellence through a nursery in each of our gardens. This nursery commences from hands-on bush management to a time six to seven decades later when the full-grown bush is ready for replacement. This lifecycle approach



makes it possible to provide the right bush type for the right terrain and climate leading to timely maturity, robust growth, attractive yield and optimum life.

Replenishment: The Company practices a discipline to uproot around 2% of its aggregate bush population each year, replenished with a blend of new tea bushes (high quality or high quantity). The Company uprooted a cumulative 8000 hectares from 1995-96 onwards.

Plucking technique: The effectiveness of the Company's plantation excellence is also derived from a seven-day plucking discipline, which ensures that one of seven segments of the Company's garden is plucked on a specific day, generating optimum leaf size. Nearly 70 per cent of the company's plucking during the peak season corresponds to this seven-day cycle with leaf size and quality implications.

Emergency preparedness:

The Company has progressively strengthened its preparedness against global warming through an extensive irrigation network, natural in-plantation reservoirs that pool rainwater as an insurance against drought, as well as competent drainage management that makes it possible for rain water to drain easily into rivers without backflow.

SOP culture: At the heart of the Company's plantation excellence lies a Policy Manual, which is a documentation of standard operating procedures generally followed to manage a variable plantation-based business with consistency, efficiency and predictability. Every existing or probable risk is documented with recommended risk management initiatives, periodically reviewed by a committee.

Environment conscious: The Company is in a sensitive business where the end product needs to

be pest-protected through the responsible use of chemicals and where the end product needs to have minimal chemical residue so that it can be consumed by people. The company has reconciled this balance through a complete compliance with EU norms on pesticide use; the company uses soft pesticides wherever needed; in the event that hard pesticides are selectively used, the Company ring-fences that area's produce out of commercial circulation.

Excellence outcome

The result of this plantation excellence is that 40% of the Company's gardens are less than 25 years old with yields significantly higher than the industry average; nearly 75% of the Company's bushes are less than 50 years old, a period when they are most productive and resistant to natural vagaries.



CULTURE OF EXCELLENCE PRODUCTION



In the business of tea manufacture, profitable growth is achieved from the ability to process and produce superior teas that sell the quickest and fetch attractive realisations.

McLeod Russel has demonstrated just such a capability across a throughput of 102 million kgs of saleable tea (2012-13) derived from its complement of 62 factories across 63 gardens in four countries.

The result is that our quality indicates a sustainable ability to produce quality teas free from contaminants... and not just a cup of tea.

Excellence drivers Complement:

At McLeod Russel, we have balanced our garden throughput with corresponding processing capacity, as a result of which we process 100 per cent of our grown leaf; we have 46 factories for 47 Assam estates and five factories for five Dooars estates; these factories are proximate enough to bring the tea into the factory within the shortest possible time to retain freshness.

Processing: Given the seasonal

nature of the business as a result of which 60% of the annual tea crop is plucked in a third of the year (July to October), the Company has invested in corresponding peak load tea processing capacity. Besides, the processing schedule is structured to liquidate the day's plucked tea inventory within a day, ensuring that the tea retains its desired characteristics on the one hand and the company liquidates its plucked inventory by day-end.

Capability: The Company leveraged in-house engineering competence to upgrade a number of factories a year with extensive equipment leading to enhanced efficiency; this replacement discipline has translated into equipment youthfulness; gains from their efficient use have far exceeded the cost of their periodic replacement.

Efficiency: In a business where the raw material has a perishable



shelf-life, the key lies in being able to operate factories at a high asset utilization to address peak throughput; the Company's factories reported a 90-95% average utilization during the year under review; 80% of the factories were covered by captive power generation (DG sets) to counter downtime.

Pioneers: The Company pioneered the vacuum packing technology to retain processed tea freshness leading to premium realizations and quicker offtake; this technology is now in use across 15 of the company's 63 estates.

Automation: The Company

works closely with tea processing equipment manufacturers to customise equipment innovatively as per the company's specific needs translating into attractive gains in productivity and quality.

Process in process: The Company has progressively strengthened its manual-based approach to manage factories across locations, which eliminates uninformed human interventions on the one hand and increases a worker's learning curve on the other.

Certifications: The Company's quality-management practices are showcased in its international certifications i.e. FAIRTRADE

Mark, Rainforest Alliance, Hazard Analysis Critical Control Point (HACCP), Ethical Tea Partnership and International Organization for Standardization (ISO 22000) which enhances buyer confidence.

Excellence outcome

The result of the Company's culture of factory-based excellence is reflected in the fact that maximum of the Company's teas were produced within the standard processing schedule (with corresponding quality and throughput implications).

Highlights, 2012-13

The Company was faced with the challenge of additional worker recruitment, training and retention. The company was required to manage drainage initiatives to counter backflow from rivers and widen its irrigation network. The Company invested in modernising irrigation

equipment to adapt to the changing climate and longer dry span. The company also invested in additional processing machinery towards achieving a complete on-line (continuous) manufacturing process. It invested in additional garden mechanization (withering, fermenting and machine plucking).

■ Produced 102 mn kgs of

saleable tea.

■ Vietnam gardens increased production from 5.4 million kgs in 2012 to 5.9 million kgs in 2013.

■ Undertook technological upgradation in factories across the globe to enhance process efficiencies.



CULTURE OF EXCELLENCE MARKETING



In the business of tea, sustainable growth is achieved through a focus on sustainable qualitative performance

At McLeod Russel, profitable growth through tea marketing is achieved by the ability to map customer palates, back-ended by a deep understanding of the quality potential deliverable by each estate. This is combined with world class service catered to specific customer needs and generate optimum realizations.

The Company has demonstrated this capability consistently over the years. In 2012-13, McLeod Russel exported about a third of its production and generated 36 per cent of its revenues from overseas clients who have been buying the company's teas for a number of years.

Excellence drivers

Reputation: The Company's annual export of 25 mn kg of tea represents approximately 13% of the country's total tea export. The company produces premium quality teas in full compliance with national/ international compliance norms and food safety standards, generating optimum realisation on account of these attributes.

Extensive marketing network:

The Company markets its teas through a combination of direct service and an extensive network of agents, both domestic and international. These service agents are handpicked for their reputation, marketing capability, sectoral knowledge and sound financials. Through its direct marketing and agency network, the company is able to reach

a wide customer base, spread across 20 Indian states and 23 countries.

Brand preference: The Company markets teas under the name of its various tea estates known as 'selling marks'. As a result of the high quality and compliance standards maintained over the years, these selling marks have evolved into individual bulk tea brands with a strong customer



following in each of their preferred markets. The company's selling marks have now been trademarked for brand protection.

Product portfolio: The Company has an extensive portfolio of teas catering to a wide section of various markets. This includes quality and value Assam CTC teas as well as high value Orthodox teas and quality Dooars CTC teas. The Company has enhanced the production of its high value Orthodox teas by over 50 percent and has upgraded its medium quality Assam and Dooars CTC teas over the last few years, thereby adding value to its portfolio.

Direct marketing: The Company has progressively increased the proportion of tea marketed directly through strategic and private contracts in national and international markets, generating higher realizations and safeguarding the company against cyclical market trends.

Spread: The Company's objective is to expand its presence in domestic and global markets in line with its growing production base.

Trust: The Company has developed strong customer trust by providing teas which conform to national and international food safety and compliance norms, specific to each country of import.

Value-added services: The Company has created a culture of in-house blending excellence, which calibrates leaf appearance, liquor and aroma in a consistent manner in the final product to address wide-ranging customer needs. The Company also provides customers with just-in-time and round the year deliveries as well as cost saving logistics innovations.

Excellence outcome

The strength of the Company's marketing excellence is reflected in a growing annual off-take of branded teas in the domestic and international arena.



CULTURE OF EXCELLENCE GOVERNANCE



THE COMPANY
PRE-SELLS NEARLY
70 PERCENT OF ITS
EXPORT VOLUMES
AND 40 PERCENT
OF ITS DOMESTIC
SALES, SECURING
REALIZATIONS

In a plantation business, there is a need to strengthen governance with the objective to protect stakeholder interests.

At McLeod Russel, we recognise that we are custodians of the investments made by our various stakeholders. Only an embedded governance ethic can address their diverse interests in an ongoing way.

The Company's primary governance-strengthening capability lies in mitigating its extensive weather-dependence through various initiatives leading to financial stability.



De-risking

Pre-sale: As a hedge against unforeseens, the Company pre-sells nearly 70 percent of its export volumes and 40 percent of its domestic sales, securing realizations.

Multi-climatic profile: The Company recognised the potential downside of a business model where 100 percent of its revenues were derived from a single region (NE India) with all corresponding

climatic, social, geographic and political risks; within four years, the quantum of NE Indian revenues as a proportion of the overall revenues was moderated to 75 per cent .

Multi-geography: Over the years, the company broad-based its garden presence across India, Uganda, Rwanda and Vietnam. Within Assam, half the Company's gardens are in Upper Assam and half in Lower Assam (as against a 65-35 presence for the rest of the

Assam tea industry) and five of the company's estates were across the Dooars.

Excellence outcome

The multi-climatic profile, multi-geographic nature of gardens, international buyers and stronger regulatory compliance strengthened the business model, making it possible for the Company to resist sectoral downtrends better and capitalise on sectoral rebounds faster.



CULTURE OF EXCELLENCE

PEOPLE



THE COMPANY IS
THE LARGEST SINGLE
EMPLOYER (87,000
EMPLOYEES, 2012-13)
IN THE GLOBAL TEA
PLANTATION SECTOR.

Our HR policies are driven by empathy where each individual is considered a family member, contributing to the Company's growth with integrity and passion.

In the business of tea plantations, the ability to manage diverse sectoral realities comes down to one overarching competence – knowledge.

At McLeod Russel, we enriched our sustainability through an institutionalised body knowledge with the conviction that the richer this knowledge, the better our performance.



Excellence drivers

Promoter-professional interests:

The Company enjoys hands-on promoter engagement on the one hand and extensive delegation to professionals on the other

People: The Company is the largest single employer (87,000 employees, 2012-13) in the global tea plantation sector. This represents a competitive advantage at a time when global plantation labour availability has been declining.

Provisions: The Company provides plantation employees with social supports (housing, electricity, school, hospital, worship places) in complete compliance with the Labour Plantation Act, which has helped evolve the plantation into a self-contained quasi-village.

Extra-statutory compliance: The Company has extended beyond statutory requirements to create and manage full-fledged hospitals within its each plantation areas along with four central hospital (equipped with modern technology), which also cater to external patients.

Local recruitment: The Company practices a culture of trust; following the acquisition of the Uganda and Vietnam gardens, the Company selected to induct Indian competence only to replace expatriates while the rest of the local team was empowered to grow in their roles in the Company.

Work-life balance: The Company practices a work-life balance; there are six golf courses across its plantations; a weekly Club Day (football, tennis and golf) brings various plantation managers together; a workers' club supports sports (cricket, football, basketball etc.) among the worker group and children; the Company supports cultural activities to help workers retain their cultural identities; it arranges monthly film shows in each estate for employees; it created a children's sports school programme.

Knowledge: The Company rotates managers across gardens at least every five years or so, broadening their terrain knowledge.

Community support: The Company spends a sizeable amount every year in meeting its Corporate Social Responsibility (covering education, housing, medical, health and hygiene). The Company is also engaged in the education sector through support to a number of Assam schools (including the commissioning and management of Assam Valley School through a trust). The Company has also extended its support to LP schools organise sporting meets for children, cultural programs and other activities.

Excellence outcome

The result of this people-centric excellence is that manager attrition has been less than 1% coupled with an average employment tenure executive of 15 years. The Company reported among the industry's highest labour productivity standards of 27 kg per person day (industry average of 18 kg per person day).

OUR ENDURING EXCELLENCE CULTURE HAS MADE US ONE OF THE MOST VALUABLE TEA PLANTATION COMPANIES IN THE WORLD



23.68%

(2006-07)

EBIDTA margin
(as % of Sales)

24.26%

(2012-13)

EBIDTA margin
(as % of Sales)

0.70

(2006-07)

Net gearing

0.17

(2012-13)

Net gearing

38,620.08

Net debt
as on 31.03.07
(Rs. in Lakhs)

19,038.88

Net debt
as on 31.03.13
(Rs. in Lakhs)

Long Term:

'A-',

Short Term:

'A1'

Credit rating, ICRA,
2008-09

Long Term:

'AA',

Short Term:

'A1+'

Credit rating, ICRA,
2012-13

2.90

(2006-07)

Net interest
coverage ratio

11.79

(2012-13)

Net interest
coverage ratio

14.41%

(2006-07)

ROCE

22.38 %

(2012-13)

ROCE

CORPORATE INFORMATION

Board of Directors

Brij Mohan Khaitan	Chairman
Deepak Khaitan	Vice-Chairman
Aditya Khaitan	Managing Director
Raghavachari Srinivasan	
Bharat Bajoria	
Ranabir Sen	
Utsav Parekh	
Srikandath Narayan Menon	
Ramni Nirula	
Rajeev Takru	Wholetime Director
Azam Monem	Wholetime Director
Kamal Kishore Baheti	Wholetime Director & CFO

Company Secretary

Amitabha Guha Sarkar

Board Committees

Audit Committee

Raghavachari Srinivasan	Chairman
Bharat Bajoria	
Ranabir Sen	
Srikandath Narayan Menon	

Shareholders'/Investors' Grievance Committee

Ranabir Sen	Chairman
Bharat Bajoria	
Utsav Parekh	

Remuneration Committee

Bharat Bajoria	Chairman
Raghavachari Srinivasan	
Ranabir Sen	

Auditors

Price Waterhouse
Plot No.Y-14, Block-EP, Sector-V
Salt Lake Electronic Complex, Bidhan Nagar, Kolkata-700091

Registered Office

Four Mangoe Lane
Surendra Mohan Ghosh Sarani
Kolkata – 700 001
Phone: (033) 2210-1221/2243-5391/2248-9434/35
Fax: (033) 2248-8114 / 2248-3683
E-mail: administrator@mcleodrussel.com

Bankers

Allahabad Bank
Axis Bank Ltd.
HDFC Bank Ltd.
ICICI Bank Ltd.
State Bank of India
State Bank of Bikaner and Jaipur
UCO Bank
United Bank of India

Solicitors

Khaitan & Co LLP

Registrar

Maheshwari Datamatics Pvt Ltd.
6, Mangoe Lane, 2nd Floor
Surendra Mohan Ghosh Sarani, Kolkata-700001
TEL: (033) 2243-5809/2243-5029
FAX: (033) 2248-4787
E-mail: mdpl@cal.vsnl.net.in

DISCLAIMER: With a view to enabling the Members of the Company to understand the Company better, certain information has been provided in page Nos.1 to 17 of this Annual Report, which is not purported to be a part of any statutory disclosure. The estimates mentioned and assumptions made therein and the particulars relating to the market and the industry contained therein have been based on information gathered from various published and unpublished reports and their accuracy, reliability and completeness cannot be assured.



REPORT OF THE DIRECTORS

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2013

Your Directors have pleasure in presenting the Annual Report with the audited Accounts of your Company, for the financial year ended 31st March 2013.

Review of performance

The financial Results of the Company for the year ended 31st March 2013 are summarized below:

Rs. in lakhs

	2012-13	2011-12
Profit before finance costs, depreciation, exceptional Items and Taxation	33245	34713
Less : Finance costs	4478	4724
Less : Depreciation and amortisation expenses	2872	2940
Profit before exceptional items and tax	25895	27049
Less : Exceptional items	233	1382
Profit before tax	25662	25667
Tax expense : Current tax	4965	5150
Less : MAT credit	(1780)	(1022)
Provision/(Write back) relating to earlier years	(592)	(607)
Deferred tax	499	119
Profit for the year	22570	22027
Balance brought forward from previous year	10181	10099
Balance available for appropriations	32751	32126
Proposed dividend	7662	6567
Tax on proposed dividend	1302	1065
Transfer to general reserve	11000	14313
Balance carried forward	12787	10181

The Board is pleased to report that despite loss of crop during the year under review your Company earned higher Sales Revenue of Rs.137802 lakhs as against Rs.123783 lakhs earned in the previous year. This was possible for higher price realisation per kg. of tea produced by the Company. Profit after tax was also higher at Rs.22570 lakhs as against Rs.22028 lakhs in the previous year. The profit would have been higher but for steep rise in some input costs like employee expenses and power and fuel.

Dividend

Your Directors are pleased to recommend for approval of the shareholders a dividend of Rs.7/-per equity share on 10,94,55,735 fully paid up equity shares of Rs.5/- each being 140% on the paid up value of the equity shares of the Company for the year ended 31st March 2013 as against 120% (Rs.6/- per share) paid for the earlier year.

Review of operations

During the Financial year under review, your Company produced 782 Lakh Kgs tea as compared to 793 Lakh Kgs in the previous year. Unfavorable weather, with early season drought and thereafter excessive rain with low temperature during the peak harvest months contributed towards the decline in Crop.

The Uprooting and Replanting Policy of your Company has further improved the profile of tea under fifty years which now stands at approximately 75% of the area. All tea Estates have established good Clonal Tea nurseries with requisite, approved Clonal Blend. The shade nurseries are also of a good standard.

It has always been Your Company's focus to produce quality teas, which continued to command a premium both in the domestic and international market. As part of an up-gradation and modernization programme of factories withering capacity was increased on seven estates. One Withering Machine is being put on trial. Ten Rotorvane feeders, eleven Rotorvanes, fifteen CTC machines, twelve CFM's, eight VFBD's, three coal stoves, two boilers, twenty three Milling machines, sixteen lathe machines were purchased

and installed in various factories. In some factories civil construction work was undertaken to install additional sorting machinery. To improve and monitor quality three colour sorters for Orthodox sorting were purchased. One Vacpac machine and thirteen De-humidifiers for the tea storage bins were installed. To augment the standby generating capacity fifteen diesel generating sets, five Gas generating sets, ten cooling towers for generating sets and nine new transformers were also installed. For making river embankment and for deepening of outlet drains two new JCB Excavators were purchased. To facilitate weighment and recording of bought leaf six weighbridges, ten easy log based weighment system were commissioned. For Field operations one hundred forty six plucking machines and eighty three pruning machines were purchased. With changing weather pattern, additional irrigation equipment was augmented on eighteen Estates. Transport fleet was upgraded on Estates with the purchase of twenty nine new tractors.

The Company's HACCP certified factories are all in the process of being upgraded to ISO 22000. Your Company also has four estates certified as "Fairtrade" and fourteen estates certified as "Rainforest Alliance." The Nilpur Blending Unit is a HACCP Certified unit. An additional twenty one Estates are being prepared for Rainforest Alliance Certification.

The average price realization for the Company's tea for the year was Rs. 171/- per kg. as compared to Rs.150/- realized in the previous year.

The Company saw a total export quantum (both Direct as well as Deemed) of 251 lakh kgs in 2012-13 with an overall turnover of Rs. 47938 lakhs. Favourable feedback was received from the buyers both in terms of quality and deliveries.

Subsidiary Companies and Consolidated Financial Statements

The Company has one wholly owned subsidiary namely, Borelli Tea Holdings Limited, U.K. (Borelli) and five step down subsidiaries. Borelli is inter alia engaged in the business of investing funds in various Companies engaged in tea production, blending, marketing and investment activities.

As at the end of the year on 31st March 2013 Borelli had the following subsidiaries in different countries:-

- (i) Phu Ben Tea Company Limited, Vietnam –controlling stake of Borelli being 100%
- (ii) Rwenzori Tea Investments Limited, Uganda – controlling stake of Borelli being 100%
- (iii) McLeod Russel Uganda Limited – 100% subsidiary of Rwenzori
- (iv) Gisovu Tea Company Limited, Rwanda – controlling stake of Borelli being 60%
- (v) McLeod Russel Middle East DMCC – controlling stake of Borelli being 100%

Borelli has set up a new Company in Kenya known as McLeod Russel Africa Limited which was granted Certificate of Incorporation on 20th May 2013. This Company initially proposes to engage itself in Tea Trading activities in Africa.

Olyana Tea Holdings LLC, a step-down subsidiary of the Company in USA was closed in the year under review for not having any business activity.

In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept for inspection at the Registered Office of the Company and that of the respective subsidiary companies. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary companies. A Statement containing brief financial details of the subsidiary companies is included in the Annual Report in the Chapter containing Consolidate Financial Statements. The performance of the major subsidiaries are summarized below for your information.

As required under the Listing Agreement with the Stock Exchanges, Consolidated Financial Statements of the

Company, its five subsidiaries and one Associate Company namely D1 Williamson Magor Bio Fuel Limited prepared in accordance with the applicable Accounting Standards issued by The Institute of Chartered Accountants of India are attached.

Borelli Tea Holdings Limited

Borelli Tea Holdings Limited (Borelli) has invested in its subsidiaries in Vietnam, Uganda, Rwanda and Dubai. During the year ended 31st March 2013, Borelli has achieved higher profit after tax equivalent to Indian Rs.3876 lakhs as compared to Rs.2937 Lakhs earned in the earlier year. Its Board has recommended payment of dividend at the rate 300% on its equity capital held by your Company.

Phu Ben Tea Company Limited

During the financial year of the Company ended 31st December 2012, Phu Ben Tea Company Limited (Phu Ben) earned a net profit equivalent to Indian Rs.427 Lakhs on a sales turnover equivalent to Rs.6468 Lakhs.

Phu Ben achieved a total production of 58.97 lakh kgs. and made sales & shipment of 62.46 lakh kgs. with average selling price of USD 1.95/kg which was 10% higher than last year.

Total production from plantations was 43.81 lakh kgs. with average yield of 2,911 kgs/hectares – another record in terms of quantity and yield. Implementations of improved field and cultural practices and favourable weather conditions contributed to this achievement. Purchased leaf production at 18.52 lakh kgs. is an increase by 24% over previous year.

Capacity expansion of factories by installation of an additional CTC line at Phu Tho, Ha Hoa and Doan Hung has improved the operational efficiency and contributed to increase in production

The company continues to lay stress on quality control in both field and factory and adheres to GAP for plantation activities, along with IPM for pest control.

All Phu Ben estates, with an exception of Van Linh factory, are accredited with Rainforest Alliance, ISO 9000: 2008 and ISO 22000: 2005, GMP & Halal.

The Company, which has a dedicated working team of 4,405 farmers, workers and staffs, was recognised for its effort and contribution in 2012 as a Model Business Enterprise in Phu Tho province and a Prestigious Exporter by Ministry of Industry & Commerce. In addition, Phu Ben Tea Company was awarded for special achievement and contribution to the development of Vietnam Tea Industry and for good implementation of tax policies by Phu Tho province.

McLeod Russel Uganda Limited

During the financial year of the Company ended 31st December 2012, McLeod Russel Uganda Limited (MRUL) earned a post tax profit equivalent to Indian Rs.6261 Lakhs as against Rs.7949 lakhs in the year 2011. The production during the year was 156.30 lakh kgs. compared to 162.50 lakh kgs. during the previous year, recording a decline of 6.2 lakh kgs. However, the sales realisation was higher at USD 2.06 per kg. as compared to USD 1.95 per kg. realised in 2011. The reduction in profit was primarily due to lower production in 2012. The Company has declared a dividend equivalent to Indian Rs.2584 lakhs against a dividend equivalent to Indian Rs.2301 lakhs declared in the earlier year.

The year 2012 began with a promising start on account of good rainfall in the last few months of the previous year. Towards end January however commenced the advent of extreme dry conditions not witnessed since the drought of 2006. The drought intensified and lifted only towards early April. With the onset of delayed rains, crops picked up and all locations registered steadily rising levels. The years finish was strong and MRUL was able to achieve a yield of 3867 kgs/hectares, positioning itself as 2nd highest among all tea companies in East Africa; a creditable accomplishment in a difficult year starting with severely inclement weather. Bought leaf production was scaled down by 10% to allow development at Ankole factory.

Developments in Machine harvesting continued as planned with Single Operator Harvesters covering 17% of area, up from 7% in previous year. Machine pruning was further strengthened and all estates moved up to a 4 year pruning cycle without recourse to crop control. In-house trails permitted the

reduction of fertilizer application with resultant environmental and financial benefits. Extension planting covered 27 hectares at 2 locations and a clonal blend was introduced. Eucalyptus extension covered 24 hectares within grant area and an additional 6 hectares on out grower holdings.

Two factory projects, commenced in the first year of company's operations, were completed in time for the season under review and maximum benefit was gained from equipping of these plants with new processing machinery. In addition old mono-rails were replaced at 3 other locations. Stand-by power augmentation reduced down time and plants were geared for more efficient processing with the institutionalization of Low Season Machinery Maintenance. Forward sales registered increased volumes and acceptance levels. Additional 3rd Line Factory project with Withering Troughs upgrade was undertaken at Ankole and progressed to near completion. This will enable additional bought leaf intake in years to come.

Vehicle replacement and Workers housing, conservancy and facilities continued with momentum developed in the initial year of operations. A Nursery School was completed at Mwenge and measures for augmenting water supply, rain-water harvesting and energy conservation continued. Rainforest Alliance and ISO 22,000 standards were maintained and Fairtrade certification applied for and audit undertaken in respect of Mwenge and Bugambe Tea Estates.

Acquisition of customary tenure land from holders neighboring Kisaru Division for tea extension process commenced and is now advancing to stage of land lease approved by District Land Boards.

Terms and Conditions of Service for unionisable employees were reviewed with NUPAW and revised for a term of 2 years. Sporting and Cultural activities continued and industrial relationships remained cordial at all times. Training programmes, including industrial safety orientation, were organized for Senior and Middle level Management under the aegis of Federation of Ugandan Employees, Uganda Manufacturing Association and Management for Development Uganda. MRUL was featured in the

February 2013 issue of the African Business Review and Food Digital magazine. The Company received Best Employer Award in Hoima, Mityana and Fort Portal regions, from the National Social Security Fund.

Gisovu Tea Company Limited

The Management of Gisovu Tea Company Limited in Rwanda was taken over by Borelli Tea Holdings Limited, U.K. the wholly owned subsidiary of the Company on 24th February 2011. In its first full year of operation in 2012 under the new Management, Gisovu recorded significant improvement both on production and price front. In 2012, the Company achieved highest ever production of 22.89 lakh kgs. in a declining production scenario in Rwanda, the Company's Estate was one of the three Estates to have recorded improvement in production. The Company's sale price recorded a significant jump, from USD 3.39 per kg. in 2011 to USD 3.71 in 2012. During the year the Company achieved a post tax profit equivalent to Indian Rs.1477 Lakhs compared to Indian Rs.1074 Lakhs earned in the earlier year. Gisovu has declared a dividend equivalent to Indian Rs.503 Lakhs for the year 2012.

The area under tea has improved, with implementation of good field practices and this will be continued. Eucalyptus forestry used for firing the factory boilers was recycled and consolidated where there was no regeneration of plants.

The new machinery ordered against the Factory expansion project was installed and Gisovu now has a 42" CTC machine with a 18" Rotorvane. A new workshop was equipped with a Lathe and an Auto Axis Milling Machine. The Transformer was upgraded to cater for the ultimate factory production and a new Panel Board was installed to give greater flexibility. The Withering area was enhanced by adding 8 new troughs and an additional 4.5 ton Boiler was installed along with radiators in the withering troughs. Gisovu achieved Rainforest Alliance certification during the year. The Estate is in the process of obtaining an ISO 22000 certification. Gisovu Tea Company has endeavoured to maintain CSR activities in its area of operations. Vocational training and schools are being supported by the Company. Good relations both with the

local Cooperatives and the Government of Rwanda has been maintained.

McLeod Russel Middle East DMCC

During the year 2012-13, the Company completed its first full year of operations. It expanded its trading activities to new markets as well as strengthened its business in the existing markets. The Company's turnover improved from an amount equivalent to Indian Rs.234 Lakhs to Indian Rs.2076 Lakhs. However, Company's operations are in a fledgling state and it is expected to turn around in the current year. The Company incurred a net loss of an amount equivalent to Indian Rs.82 Lakhs compared to a loss of Indian Rs.99 Lakhs incurred in the earlier period.

D1 Williamson Magor Bio Fuel Limited

D1 Williamson Magor Bio Fuel Limited (D1WML) was incorporated under a 50:50 joint venture agreement between Williamson Magor & Co. Limited (WML) and D1 Oils Trading Ltd. UK to facilitate development of Jatropha plantation under contract farming arrangements for production of bio diesel from Jatropha oilseeds. Being an associate of WML your Company presently holds 34.30% of the equity capital of D1WML.

D1WML has abandoned most of the plantations in the North East on account of excessive growth of weed damaging Jatropha plantation to a great extent. The Plantation in Jharkhand however is gradually becoming productive. It is now expected that the Company is likely to procure oil seeds at sub-commercial scale till 2015 and on a commercial scale thereafter mainly at Jharkhand. The longer gestation period of Jatropha plantation and the poor yield as compared to initial indication has been a global phenomenon and most of the Companies engaged in this business are adversely affected. In view of abandonment of the plantations in the North East your Company has made an appropriate provision in the Accounts against the investments made by it in D1 WML.

Corporate Social Responsibility

Your Company is conscious of its social responsibilities and

the environment in which it operates. The Company has, over the years, successfully formulated a methodology for improving the environment, which surround the units of the Company and thereby enriching the society.

The Company continued with its welfare activities for development in the field of education, culture and other welfare measures to improve the general standard of living in and around the Tea Estates. The emphasis was on improvement of health, development of education, culture and sports. Medical assistance was also provided to the nearby villages through medical camps. The Company also conducts out-reach programmes to cover the medical needs of certain remote areas accessible from its Tea Estates. The Company continues to render assistance both monetarily and with man power, to hold regular camps for eye-related needs. In this initiative the Company receives immense support from Sri Sankardeva Nethralaya and District Health Departments. There were around 1000 persons who underwent cataract operations in the year under review. Your Company continues to support the Moran Blind School like earlier years.

The Tea Estates of the Company have Schools of varying capacities, both in terms of numbers and quality. This is an endeavour which your Company tries to improve upon ceaselessly. It also assists Schools in and around its business units.

The Williamson Magor Education Trust was formed for development of education. Over the years, the Trust with generous donations from your Company has awarded over 125 scholarships to deserving students selected by the autonomous Expert Committee and Selection Board. With its main objective of spreading education, the Trust had set up Assam Valley School several years ago. The school is now rated amongst the best residential schools in India, and the first in the North East with Pan-Indian recognition.

Each year under the aegis of Assam Valley Literary Award, the Trust confers upon an eminent living Assamese litterateur, an award consisting of a trophy, citation and a cash award. This year the award was conferred on an eminent Assamese writer

Shri Sameer Tanti in acknowledgement of his contributions in the field of Assamese literature.

The Company gives importance to preservation of the natural habitat around its Tea Estates and engages in several programmes and initiatives to preserve the bio-diversity in its surrounding areas. The Company has undertaken a tree planting and soil preservation programme and participates in the Ethical Tea Partnership programmes, a global initiative. Your Company is also sensitive to the requirements of world bodies which regulate cultivation and manufacturing practices. A small but significant social measure is the Heritage conservation, which your Company has been supporting over a long period of time.

The Company is continuing with its support to Bodo Handloom scheme in Mangaldai which leads to gradual empowerment of women and promotion of local handicrafts both at the Tea Estates and village level. The Company also supports a programme for financial assistance towards education of some under-privileged children in Kolkata and also contributes to a recognised institution in Kolkata, which addresses the needs of children challenged by Cerebral Palsy. Your Company also takes active interest in promotion of art and has been generously contributing towards promotion of Kolkata Museum of Modern Art ('KMOMA'), a museum of international standard being set up at Kolkata.

Directors

Since the last Report there was no change in the Board of Directors of the Company. In accordance with the provisions of the Articles of Association of the Company Mr. B. M. Khaitan, Dr. R. Srinivasan, Mr. B. Bajoria and Mr. R. Sen will retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

Cost Audit

The Ministry of Corporate Affairs, Government of India by an Order directed audit of the Cost Accounts maintained by the Company under Section 209(1) (d) of the Companies Act, 1956 in respect of the Plantation Product on a yearly basis. In terms of the said Order Cost Audit is conducted by

four firms of Cost Accountants appointed with the approval of the Ministry of Corporate Affairs ('MCA'). In terms of the General Circular No.15/2011 dated 11th April, 2011 issued by MCA, full particulars of the Cost Auditors as also other details pertaining to the Cost Audit are given in the Annexure forming part of this Report.

Auditors

Messrs. Price Waterhouse retire as the Auditors at the conclusion of the forthcoming Annual General Meeting and, being eligible, offer themselves for re-appointment.

Management Discussion & Analysis Report and Report on Corporate Governance

As required in terms of the Listing Agreement with the Stock Exchanges, a Management Discussion and Analysis Report and a Report on Corporate Governance are annexed forming part of this Report.

Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956 ('the Act') the Directors state as follows:

1. That in the preparation of the annual accounts for the financial year ended 31st March 2013, the applicable accounting standards had been followed with no material departures;
2. That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;

3. That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

4. That the Directors had prepared the annual accounts on a going concern basis.

Conservation of Energy and Technology Absorption

A statement giving details of conservation of energy and technology absorption in accordance with the Companies (Disclosure of Particulars in the report of the Board of Directors) Rules, 1988, is annexed.

Particulars Of Employees

A statement of particulars of employees as required under section 217(2A) of the Act read with the Rules made thereunder forms a part of this report as a separate Annexure.

Employee Relations

The Company has a large work force employed on tea estates. The welfare and well being of the workers are monitored closely and harmonious relations with its employees are being maintained.

The Industrial relations remained cordial throughout the year and your Board of Directors wish to place on record its appreciation for the dedicated services rendered by the executives, staff and workers at all levels and for the smooth functioning of all estates. The policy of transparency and recognition inspired the employees to contribute their best for the Company.

For and on behalf of the Board

Place : Kolkata
Date : 27th May 2013

A. Khaitan – Managing Director
K. K. Baheti – Wholetime Director & CFO

ANNEXURE TO THE DIRECTORS' REPORT 2012-2013

Information In accordance to the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1998, and forming part of the Directors' Report for the year ended 31st March 2013.

A. Conservation of Energy

The Company has installed different energy efficient machines in the tea estates. Withering capacity has been increased in seven estates. Ten Rotorvane feeders, eleven Rotorvanes,

fifteen CTC machines, twelve CFM's, eight VFBD's, three coal stoves, two boilers, twenty three milling machines, sixteen lathe machines were purchased and installed in various factories. This would reduce energy consumption in the tea factories with improved productivity of machinery resulting in lesser hours of manufacture. Fifteen diesel generating sets and five gas generating sets were installed. The energy consumption for domestic purposes has been rationalized through creation of awareness and regular monitoring.

B. Power & Fuel Consumption

	Year ended 31.03.2013	Year ended 31.03.2012
1. Electricity		
(a) Purchased:		
- Units (Kwh)	53105013	56658427
- Total Amount (Rs.)	392269851	389143633
- Rate/Unit (Rs.)	7.39	6.87
(b) Own Generation:		
Through Diesel Generator		
- Units (Kwh)	23406584	18015027
- Units per Litre of Diesel oil	3.09	3.13
- Cost/Unit (Rs.)	14.30	13.51
(c) Own Generation:		
Through Gas Generator		
- Units (Kwh)	3030486	3414199
- Units per (SCUM) of Gas	2.44	2.63
- Cost/Unit (Rs.)	5.98	4.57
2. Coal		
- Quantity (Tonnes)	49985	45124
- Total Amount (Rs.)	342806129	246931742
- Average Rate (Rs.)	6858.18	5472.29
3. Furnace Oil		
- Quantity (Litres)	175350	76572
- Total Amount (Rs.)	7866682	3127437
- Average Rate (Rs.)	44.86	40.84
4. Gas (excluding used for Generator)		
- Quantity (SCUM)	18364666	18682206
- Total Amount (Rs.)	156794294	142192031
- Rate/Unit (Rs.)	8.54	7.61
5. Total Power and Fuel consumption Per unit of production of Tea		
- Saleable Production – Tea (Kgs.)	78213259	79308106
- Electricity (Kwh)	1.02	0.98
- Furnace Oil (Litre)	0.00	0.00
- Coal (Kgs) for tea dried by coal	1.16	1.04
- Gas (SCUM) for tea dried by gas	0.52	0.52

C. Research and Development

The Company continues with the policy of reviewing clone blends to improve the yield and quality of tea estates.

The production of Vermicompost was increased by tea estates to improve the organic status of the soil. This will result in improving the yield in all areas of extension and replanted teas.

Expenditure on Research & Development

	Year ended 31.03.2013	Year ended 31.03.2012
(a) Capital (Rs. Lakhs)	Nil	Nil
(b) Revenue (Rs. Lakhs)	110.43	113.89
(c) Total (Rs. Lakhs)	110.43	113.89
(d) Total R&D Expenditure as % of turnover	0.08	0.09

D. Technology Absorption, Adaptation & Innovation

- The Company undertakes modernization and upgradation of factories on a regular basis with improved technology.
- Seminars, workshops and group discussions with regular flow of feedback from field and factory workers are held regularly.
- Efficient training of staff with a definite approach towards improving their efficiency are conducted regularly.
- Innovative achievements of the operating people in the agriculture and manufacture of tea are highly encouraged in the Company's interest.

E. Foreign Exchange Income & Outgo

During the year, the Company's direct exports were 250.52 lakh kgs (2011-12 : 235.58 lakh kgs) of Tea.

	Year ended 31.03.2013	Year ended 31.03.2012
Foreign Exchange Earnings (Rs. Lakhs)	48,433.31	40,263.38
Foreign Exchange Outgo (Rs. Lakhs)	2,971.04	2,439.19

For and on behalf of the Board

Place : Kolkata
Date : 27th May 2013

A. Khaitan
Managing Director

K.K.Baheti
Wholetime Director & CFO

PARTICULARS OF COST AUDITORS AND DETAILS OF FILING OF COST AUDIT REPORT FOR THE YEAR ENDED 31ST MARCH 2012

Details of Cost Auditor		Units (Tea Estates) Audited	Due Date of Filing	Actual Date of Filing
Name:	Mani & Co.	Bhooteachang, Dimakusi, Attareekhat, Borengajuli, Corramore, Paneery, Addabarie, Tarajulie, Tezpore & Gogra, Harchurah, Phulbari, Rupajuli	28th February 2013	28th December 2012
Address:	Ashoka, 111, Southern Avenue, KOLKATA 700 029			
Registration No. allotted by ICWAI :	00004			
Name:	SPK Associates	Baghjan, Bordubi, Koomsong, Phillobari, Bhatpara, Central Dooars, Chuapara, Jainti, Jaybirpara, Mathura, Mahakali, Dirial, Itakhooli, Keyhung	28th February 2013	28th December 2012
Address:	Kailash Apartment, P-89, C.I.T. Road (IV M), Beliaghata, KOLKATA 700 010			
Registration No. allotted by ICWAI :	00040			
Name:	Kumar & Associates	Dekorai, Mijicajan, Pertabghur, Monabarie, Behali, Dufflaghur, Halem, Nya Gogra, Bargang, Boroi, Attabarrie, Lepetkatta, Moran, Sepon	28th February 2013	28th December 2012
Address:	Vedanta 44 C, Dharmatala, Flat - 2B, KOLKATA 700 042			
Registration No. allotted by ICWAI :	00250			
Name:	DGM & ASSOCIATES	Rajmai, Dirai, Bogapani, Dehing, Dirok, Margherita, Namdang, Bukhial, Hunwal, Behora, Beesakopie, Raidang, Samdang, Daimukhia	28th February 2013	28th December 2012
Address:	9-B Arpuli Lane, KOLKATA 700 012			
Registration No. allotted by ICWAI :	00038			

For and on behalf of the Board

Place : Kolkata

Date : 27th May 2013

A. Khaitan Managing Director**K. K. Baheti** Wholetime Director & CFO

STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO THE PROVISION OF SECTION 217(2A) OF THE COMPANIES ACT, 1956

Name	Designation / Nature of Duties	Remuneration (Rs. In Lakhs)	Qualifications	Experience (Years)	Date of Employment	Age	Previous Employment / Position held
A. Khaitan	Managing Director	278.58	B.Com. (Hons.)	22	01.04.2005	45	NA
R. Takru	Wholetime Director	138.48	B.A. (Hons.)	38	01.04.2005	58	Eveready Industries India Limited Senior Vice-President
A. Monem	Wholetime Director	138.73	B.Com. (Hons.)	33	01.04.2005	53	Eveready Industries India Limited Senior Vice-President
K.K. Baheti	Wholetime Director	137.69	B.Com. (Hons.) FCA., ACS., AICWA	24	01.04.2005	50	Eveready Industries India Limited Vice-President

Notes:

1. Remuneration as shown above includes, inter alia, value of perquisites and Company's contribution to retiral funds as applicable.
2. The above employees were wholetime employees during the financial year ended 31st March 2013.
3. None of the above employees is related to any Director of the Company within the meaning of Section 6 of the Companies Act, 1956 except Mr. A. Khaitan, who is a relative of Mr. B. M. Khaitan and Mr. D. Khaitan.

For and on behalf of the Board

Place : Kolkata

Date : 27th May 2013

A. Khaitan - Managing Director**K.K. Baheti** -Wholetime Director & CFO

MANAGEMENT DISCUSSION AND ANALYSIS



Industry Structure And Development

India is the largest black tea producer in the world, producing approximately 1111 million Kgs (revised) during calendar year 2012 as against 1115 million Kgs (revised) during 2011. This represents around 40% of the total global tea production. Kenya (370 million Kgs), Sri Lanka (326 million Kgs), other African countries (156 million kgs), Indonesia (54 million Kgs), Bangladesh (62 million kgs) are other main black tea producers in the world. China produces predominantly green tea with a production of 1700 million Kgs.

Kenya and other African countries had dry weather conditions upto March 2012, thereby, lost around 7 million Kgs of crop as compared to 2011. India also lost approximately 5 million Kgs of crop during 2012 as compared to the previous year due to unfavorable weather condition during peak production months. Strong consumption growth, low inventory, lower production has helped in higher prices by Rs. 22 per Kg in domestic market. Prices in global markets were also higher by 5 to 7 % due to lower production in Kenya.

Substantial revision in the wage cost as per the agreement with the unions in Assam, substantially higher cost on all components of power and fuel and loss in own crop due to unfavorable weather conditions has taken the cost in India up by approximately Rs. 21 per Kg.

Opportunities And Threats

India and global tea production is likely to remain

stagnant to very insignificant growth in next few years due to negligible addition of land under tea cultivation by organized sector. Demand however, is expected to increase by 2 to 3 % per annum thereby creating further shortages and lower inventory levels. Indian exports are likely to improve on strong demand of orthodox tea from Iran. Global black tea production is likely to be higher by 50 to 60 million Kgs on normal weather conditions. This will have a positive impact in containing the cost at last year's level. However, prices are likely to be stable and positive on recovery of crop. Depreciating currency in India during 2012 had a positive impact, however any reversal of the trend may impact export realisation.

The small tea growers form a considerable part of the industry. The recent revised figures show a total production of around 200 million Kgs from these small growers in North India. This gives an opportunity to create a segment based more on variable cost as compared to fixed cost for own production.

Risk And Concerns

The Tea Industry is largely dependent on the vagaries of nature. The Industry is highly labour intensive and is subject to stringent labour laws. Comparatively high labour costs, high social cost over most other tea producing countries, high infrastructure costs and increasing energy and other input costs remain the major problems for the Indian Tea Industry. Shortage of labour during peak season in some pockets is also a cause for concern.

These problems need to be addressed by improved productivity and energy conservation. The Tea Industry both in Assam and West Bengal have discussed with the Trade Unions and implemented productivity linked wages for the tea workers with a view to regain the Industry's competitiveness in the global market. Tea industry in Assam had signed an agreement with Labour Union in Assam for the period 1st January 2012 to 31st December 2014.

The Special Purpose Tea Fund (SPTF) has been set up by Commerce Ministry to implement uprooting and replanting programme which would help improvement in the productivity and yield thereby reduce cost in the coming years.

The Industry is also subject to taxation from the State Government as well as Central Government and while the level of direct taxes has come down over a period, some of the State levies like cess on green leaf in Assam and substantial increase in Land Revenue charges put the industry at a very disadvantageous position.

To mitigate various types of risks that the Company has to face, the Board of Directors of the Company has adopted a Risk Management Policy and implemented the same at the Tea Estates and at Head Office of the Company. In view of fluctuations in foreign exchange and interest rates, the Company has adopted a specific Risk Management Policy to address the risks concerning the foreign exchange and derivative transactions. The Company has introduced Hazard Analysis and Critical Control Points (HACCP) at all the Tea Factories to ensure better quality product.

Outlook

Normal weather condition across all black tea producing countries as compared to dry weather last year has improved production during the 1st Quarter of calendar year 2013. Tea production in these countries is estimated to be higher by 45 million Kgs upto March. Production in India during calendar year 2013 is expected to recover to 2011 levels. Significantly lower inventory in India and strong consumption growth, but recovery in production due to normal weather condition should stabilize the prices during 2013-14. However, prices of better quality teas are expected to be higher both in domestic and global markets. Tea prices in India are currently ruling lower by Rs. 5 to 10 per Kg as compared to last year. Normal increase in wages as per agreement, normal increase in input costs and recovery of crop during the year should have positive impact on the cost during current financial year. Costs per Kg are expected to be lower as compared to last year.

Internal Control Systems And Their Adequacy

The Company has in place adequate systems of internal control commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use or losses, executing transactions with proper authorization and ensuring compliance of corporate policies. Three independent firms of Chartered Accountants carry out the internal audit at the Tea Estates on a regular basis.

Another firm of Chartered Accountants conducts internal audit at the Head Office.

The Company has an Audit Committee, the details of which have been provided in the Corporate Governance Report. The Audit Committee reviews Audit Reports submitted by the internal Auditors. Suggestions for improvement are considered and the Audit Committee follows up the implementation of corrective actions. The Committee also meets the Company's statutory auditors to ascertain, inter alia, their views on the adequacy of internal control systems in the Company and keeps the Board of Directors informed of its major observations from time to time. The Risk Management Policy adopted by the Company has further strengthened the internal control system.

Finances

Financial ratios have improved substantially over last couple of years. Gross debt (consolidated) as on 31st March, 2013 amounted to Rs. 249 crores as compared to Rs. 263 crores as on 31st March, 2012 Net Debt (Net of NABARD Deposits and Cash Balance) has come down to Rs 30 crores as against Rs. 105 crores last year. Internal generations have been used to reduce the debt by Rs. 15 crores during the year.

Human Resources

Tea Industry is highly labour intensive. The Company employs over 80,000 personnel at its Tea Estates and other establishments in India. Employee relations remained satisfactory during the period under review. The Company would like to record its appreciation of the wholehearted support and dedication from employees at all levels in maintaining smooth production and manufacture of tea from all the Tea Estates during the year.

Cautionary Statement

Statements in the Management Discussion and Analysis Report in regard to projections, estimates and expectations have been made in good faith. Many unforeseen factors may come into play and affect the actual results, which could be different from what the Directors envisage in terms of future performance and outlook. Market data and product information contained in this Report have been based on information gathered from various published and unpublished reports, and their accuracy, reliability and completeness cannot be assured.

For and on behalf of the Board

Place : Kolkata
Date : 27th May 2013

A. Khaitan
Managing Director

K.K.Baheti
Wholetime Director & CFO

REPORT ON CORPORATE GOVERNANCE



1. Company's Philosophy

The Company's philosophy on Corporate Governance is aimed at efficient conduct of its operations and in meeting its obligations towards various stakeholders such as Customers, Vendors, Employees, Shareholders and Financiers and to the Society at large. The Company is in the business of cultivation and production of Tea and is one of the major producers of Tea in the world. The Company endeavours to produce quality Tea that consistently commands respect, trust and loyalty throughout the world by way of sustained efforts, research and development in plantation and adoption of latest technology. The Company strives for successful management of contingencies like drought and flood. While it is the endeavour of your Company to continue to produce Tea of premium quality to the satisfaction of its Customers worldwide, it also gives due importance to its obligations to the large workforce that it employs on the Tea Estates. The Company runs a business that has a human face and values the environment, people, products, plantation practices, customers and shareholders. The Company believes in achieving its goals, which result in enhancement of Shareholders' value through transparency, professionalism and accountability and nurture these core values in all aspects of its operations.

2. Board of Directors

i. Composition

The Board of Directors of your Company as on 31st March

2013 consisted of twelve Directors as under:

- Two Non-Executive Directors being the Chairman & Vice Chairman
- Four Wholtime Directors including the Managing Director
- Six Non-Executive Independent Directors.

The Board has an optimum combination of Executive and Non-Executive Directors and half of the Board consisted of Independent Directors. No Director is related to any other Director on the Board in terms of the definition of 'relative' given under the Companies Act, 1956, except Mr. D. Khaitan and Mr. A. Khaitan who are brothers and are also sons of Mr. B. M. Khaitan.

ii. & iii. Attendance at the Board Meetings/last AGM, Directorship and Chairmanship/ Membership in other Board/Board Committees

Name and category of the Directors on the Board, their attendance at Board Meetings held during the financial year ended 31st March 2013, number of Directorships and Committee Chairmanships/Memberships held by them in other public limited companies are given below. Other Directorships do not include alternate Directorships, Directorship in Private Limited Companies and Companies under Section 25 of the Companies Act, 1956 and of the Companies incorporated outside India. Chairmanship/ Membership of Board Committees relates to only Audit and Shareholders'/ Investors' Grievance Committees.

Name of Directors	Category	No. of Board Meetings		Whether attended last AGM held on 27th July 2012	No. of Directorships in other public limited companies	No. of Committee positions held in other public limited companies	
		Held during the year	Attended			As Chairman/Chairperson	As Member (#)
MR. B. M. KHAITAN	NON-EXECUTIVE CHAIRMAN	4	3	YES	5	-	1
MR. D. KHAITAN	NON-EXECUTIVE VICE-CHAIRMAN	4	1	NO	7	-	1
MR. A. KHAITAN	MANAGING DIRECTOR	4	4	YES	7	1	2
DR. R. SRINIVASAN	NON-EXECUTIVE & INDEPENDENT	4	4	YES	7	3	8
MR. B. BAJORIA	NON-EXECUTIVE & INDEPENDENT	4	4	YES	7	-	1
MR. R. SEN	NON-EXECUTIVE & INDEPENDENT	4	4	YES	1	-	-
MRS. R. NIRULA	NON-EXECUTIVE & INDEPENDENT	4	4	YES	6	2	5
MR. U. PAREKH	NON-EXECUTIVE & INDEPENDENT	4	1	YES	6	-	3
MR. S. N. MENON	NON-EXECUTIVE & INDEPENDENT	4	0	NO	3	-	-
MR. R. TAKRU	WHOLETIME DIRECTOR	4	4	YES	3	-	-
MR. A. MONEM	WHOLETIME DIRECTOR	4	4	YES	-	-	-
MR. K.K. BAHETI	WHOLETIME DIRECTOR & CFO	4	4	YES	9	-	2

(#) Including Chairmanship, if any.

None of the Directors on the Board is a Member of more than 10 Committees or Chairman/Chairperson of more than 5 Committees as specified in Clause 49, across all the Companies in which he/she is a Director. The Directors have made necessary disclosures regarding Committee positions held in other public limited companies.

iv. Number & Dates of Board Meetings/Date of last AGM held

a) Four Board Meetings were held during the year and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held are as follows: 28th May 2012, 27th July 2012, 30th October 2012 and 25th January 2013.

The last Annual General Meeting of the Members of the Company was held on 27th July 2012.

b) Necessary information where applicable as mentioned in Annexure 1A to Clause 49 of the Listing Agreement has been placed before the Board for its consideration.

3. Audit Committee

i. The role and terms of reference of the Audit Committee covers the areas mentioned under Clause 49 of the Listing Agreement and in Section 292A of the Companies Act, 1956. Brief descriptions of the terms of reference of the Audit Committee are as follows:

a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

b) Recommending to the Board, the appointment, re-appointment and, if required the replacement or removal of the statutory auditor and the fixation of audit fees, and also approval for payment of any other services rendered by the statutory auditors.

c) Discussion with the statutory auditors before the audit commences about nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

d) Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.

e) Reviewing, with the management, the quarterly financial Results before submission to the Board for approval.

f) Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:

- Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause 2AA of Section 217 of the Companies Act, 1956.
- Changes, if any, in accounting policies and practices and reasons for the same;

- Major accounting entries involving estimates based on exercise of judgment by management;

- Significant adjustments made in the financial statements arising out of audit findings;

- Compliance with listing and other legal requirements relating to financial statements;

- Disclosure of any related party transactions;

- Qualifications in the draft audit report.

g) Reviewing the adequacy of internal audit function.

h) Discussion with internal auditors of any significant findings and follow-up thereon.

i) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

j) Looking into the reasons for substantial defaults in payments to the shareholders and creditors.

k) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

ii. Composition

The Audit Committee of the Board as on 31st March 2013 consisted of Dr. R. Srinivasan, Messrs. B. Bajoria, R. Sen and S. N. Menon. Dr. R. Srinivasan, a Non-Executive Independent Director, having adequate financial and accounting qualification and expertise, is the Chairman of the Audit Committee. The other members of the Committee are also financially literate. The Committee consists of four Non-Executive Independent Directors. Mr. A. Guha Sarkar, Vice President & Company Secretary acts as the Secretary to the Committee.

iii. Meetings and attendance during the year

The particulars of meetings attended by the members of the Audit Committee during the financial year ended 31st March 2013 are given below:

Name of Directors	Category	No. of Meetings	
		Held during the year	Attended
Dr. R. Srinivasan, Chairman	Non-Executive & Independent	4	4
Mr. B. Bajoria	Non-Executive & Independent	4	4
Mr. R. Sen	Non-Executive & Independent	4	4
Mr. S. N. Menon	Non-Executive & Independent	4	-

Four Meetings of the Audit Committee were held during the financial year ended 31st March 2013. The dates on which the Audit Committee Meetings were held are as follows:

28th May 2012, 27th July 2012, 30th October 2012 and 25th January 2013.

The necessary quorum was present at all the Meetings.

4. Remuneration Committee

i. Brief description of terms of reference

The broad terms of reference of the Remuneration Committee are as follows:

(a) to approve/recommend to the Board of Directors the remuneration package of the Managing Director and Wholtime Directors and also to recommend remuneration payable to the Non-Executive Directors.

(b) to approve, in the event of loss or inadequacy of profits in any year, the minimum remuneration payable to the Managing Director and Wholtime Directors within the limits and subject to the parameters prescribed in Schedule XIII to the Companies Act, 1956.

ii. Composition

The Remuneration Committee of the Board as on 31st March 2013 comprised Mr. B. Bajoria, a Non-Executive Independent Director, as the Chairman, Dr. R. Srinivasan and Mr. R. Sen, Non-Executive Independent Directors as its Members.

iii. Attendance during the year

One Meeting of the Remuneration Committee was held on 28th May 2012 during the financial year ended 31st March 2013.

Name of Directors	Category	Attended
Mr. B. Bajoria, Chairman	Non-Executive & Independent	1
Dr. R. Srinivasan	Non-Executive & Independent	1
Mr. R. Sen	Non-Executive & Independent	1

iv. Remuneration Policy

The Managing Director and Wholtime Directors are appointed by the Board at such remuneration as approved by the Remuneration Committee and confirmed by the Board subject to the Shareholders' approval in a General Meeting.

In terms of the decision taken by the Board on 28th July 2009, each Non-Executive Director is entitled to a sitting fee of Rs.20,000/- for each meeting of the Board or any Committee thereof attended by him.

Besides the sitting fees as aforesaid, the approval of the shareholders by a Special Resolution passed at the Annual General Meeting held on 29th July 2011 enables the Company to pay commission to its non-executive Directors, subject to the aggregate limit of 1% of the net profit (restricted to Rs.2,50,000/- per Director, as approved by the Board) of the Company computed in accordance with the provisions of Sections 198, 349 and 350 of the Companies Act, 1956 for each of the five financial years commencing from 1st April 2011.

v. Details of Remuneration to all the Directors

a) The details of remuneration for the financial year ended 31st March 2013 to the Non-Executive Directors and their shareholding in the Company are as under:

Name of Directors	Sitting Fees (Rs.) for Board Meetings (#)	Sitting Fees (Rs.) for Committee Meetings (#)	Commission(#)(Rs.)	No. of Shares held as on 31st March 2013 (#)
Mr. B. M. Khaitan	60,000	-	2,50,000	36,288
Mr. D. Khaitan	20,000	-	2,50,000	11,818
Dr. R. Srinivasan	80,000	1,00,000	2,50,000	-
Mr. B. Bajoria	80,000	1,40,000	2,50,000	1,400
Mr. R. Sen	80,000	1,40,000	2,50,000	133
Mr. U. Parekh	20,000	20,000	2,50,000	-
Mr. S. N. Menon	-	-	2,50,000	-
Mrs. R. Nirula	80,000	-	2,50,000	-
TOTAL	4,20,000	4,00,000	20,00,000	49,639

(#) Other than the above there is no pecuniary relationship or transactions with any of the Non-Executive Directors.

The Company has not issued any convertible instruments.

b) Details of Remuneration for the financial year ended 31st March 2013 to the Managing Director and Wholtime Directors are given below:

	Mr. A. Khaitan Rs.	Mr. R. Takru Rs.	Mr. A. Monem Rs.	Mr. K.K. Baheti Rs.
Salary	1,20,00,000	54,00,000	54,00,000	54,00,000
Contribution to Provident Fund and other Funds	32,40,000	14,58,000	14,58,000	14,58,000
Bonus and Allowances	92,23,256	67,90,000	67,90,000	67,90,000
Monetary value of Perquisites	33,95,083	2,00,257	2,25,049	1,20,789
Period of appointment	3 years w.e.f. 01.04.2011	3 years w.e.f. 01.04.2011	3 years w.e.f. 01.04.2011	3 years w.e.f. 01.04.2011
Notice period	3 months	3 months	3 months	3 months
Severance fees	Not specified	Not specified	Not specified	Not specified

5. Shareholders'/Investors' Grievance Committee

i. Composition of the Committee and the Non-Executive Director heading the Committee

The Shareholders'/Investors' Grievance Committee of the Board as at 31st March 2013 consisted of three members.

Mr. R. Sen, a Non-Executive Independent Director, is the Chairman of the Committee. Mr. B. Bajoria and Mr. U. Parekh both Non-Executive and Independent Directors were the other Members of the Committee.

a) Brief description of the terms of reference

The terms of reference of the Committee are to look into

redressal of Shareholders'/Investors' complaints relating to non-receipt of notices, share certificates, annual reports, dividends, transfer of shares, dematerialization of shares and other grievances.

b) Meetings and attendance during the year

During the financial year two Meetings of the Shareholders'/Investors' Grievance Committee were held on 30th October 2012 and 25th March 2013 and the attendance of Members are as follows:

Name of Directors	Category	Attended
Mr. R. Sen, Chairman	Non-Executive & Independent	2
Mr. B. Bajoria	Non-Executive & Independent	2
Mr. U. Parekh	Non-Executive & Independent	1

ii. Name and designation of the Compliance Officer

Mr. A. Guha Sarkar

Vice President & Company Secretary

McLeod Russel India Limited

Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata 700001

iii. Details of complaints recieved, redressed and pending during the financial year ended 31st March, 2013

Pending at the beginning of the year	Received during the year	Redressed/Replied during the year	Pending at the year end
Nil	30	30	Nil

6. General body meetings

i. Location and time of last three Annual General Meetings:

Financial Year ended	Date	Time	Venue
31.03.2010	02.08.2010	11.00 a.m.	Kala Mandir, 48 Shakespeare Sarani, Kolkata 700 017
31.03.2011	29.07.2011	11.00 a.m.	Kala Mandir, 48 Shakespeare Sarani, Kolkata 700 017
31.03.2012	27.07.2012	11.30 a.m.	Kala Mandir, 48 Shakespeare Sarani, Kolkata 700 017

ii. Special Resolutions passed in the previous three AGMs.

AGM held on	Special Resolution passed:
02.08.2010	A Special Resolution was passed pursuant to provisions of Section 31 altering the existing Article 5 of the Articles of Association of the Company so as to empower the Company to buy back its own fully paid shares out of its free reserves or securities premium at the appropriate time in future subject to the provisions of Sections 77A, 77AA, and 77B of the Companies Act, 1956.
29.07.2011	A Special Resolution pursuant to the provisions of Section 309(4) of the Companies Act, 1956 for payment of remuneration by way of commission to the Non-Executive Directors.
27.07.2012	None

iii. No Special Resolution was passed during the financial year ended 31st March 2013 through Postal Ballot.

iv. Resume and other information regarding the Directors

being re-appointed as required under Clause 49 IV(G)(i) of the Listing Agreement have been given in the Notice of the Annual General Meeting annexed to this Annual Report.

7. Disclosures

i) Transactions with the related parties have been disclosed in Note No.36 of the Notes to Financial Statements in the Annual Report for the year under review.

ii) The Company has complied with all the mandatory requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters related to capital markets during the financial year. No penalties or strictures were imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority, on any matter relating to the capital markets during the financial years ended 31st March 2011, 31st March 2012 and 31st March 2013.

iii) a) The Company has adopted separate Codes of Conduct ('Code') for the Members of the Board and Senior Management Personnel as required under Clause 49 of the Listing Agreement. All the Board Members and the Senior Management Personnel have affirmed compliance of the Code. The Annual Report of the Company contains a declaration to this effect signed by the CEO. The Company has also adopted a Code for Prohibition of Insider Trading.

All the aforesaid Codes have been posted on the Company's Website.

b) The Company has obtained Certificate from the Statutory Auditors on compliance of Clause 49 of the Listing Agreement and a copy of such Certificate is attached to this report.

iv) The Company has laid down a procedure for risk assessment and minimization thereof. The Company maintains a Risk Register wherein the various risks the Company is exposed to and the steps for mitigation thereof are recorded.

v) All the mandatory requirements have been appropriately complied with and the non-mandatory requirements are dealt with at the end of this Report.

8. Means Of Communication

i. Quarterly Results and publication thereof in newspapers.

Quarterly, half-yearly and annual results are published in prominent dailies which inter alia include Business Standard

(English), The Economic Times (English) and Aajkal (Bengali) in the form prescribed by Clause 41 of the Listing Agreements with the Stock Exchanges.

ii. Display in Website

Financial Results, Shareholding Pattern, Information Update etc., are displayed on the Company's Website www.mcleodrussel.com

iii. Display of Official news and presentation made to the Shareholders/ Institutional Investors/Analysts:

Press releases and Information Updates as and when made are displayed in the Company's website and also sent to the Stock Exchanges to enable them to put the same on their own websites.

iv. Management Discussion and Analysis forms a part of the Company's Annual Report.

9. General shareholders' information

i. 15th Annual General Meeting

Date and Time : 26th July 2013 (Friday) at 11.30 a.m.

Venue : Kala Mandir, 48, Shakespeare Sarani, Kolkata – 700 017

ii. Financial Year : 1st April to 31st March.

iii. Dates of Book Closure

The Share Transfer Books and Register of Members of the Company will remain closed from 18th July 2013 to 26th July 2013 (both days inclusive) for the purpose of the Annual General Meeting of the Company and payment of Dividend.

iv. Dividend Payment Date

The Dividend, if declared, shall be paid/credited on or after 30th July 2013.

v. Listing on Stock Exchanges

The Company's Shares are listed at the following Stock Exchanges and the Annual Listing Fees for the year 2013-2014 have been paid to all these Stock Exchanges.

Name of the Stock Exchange

1. Bombay Stock Exchange Limited [BSE]
2. National Stock Exchange of India Limited [NSE]
3. The Calcutta Stock Exchange Association Limited [CSE]

vi. Stock Code

Name of the Stock Exchanges [where the Company's Shares are listed]	Date of Listing of 5,59,05,402 Equity Shares of Rs.5/- each of the Company	Date of Listing of 4,25,25,000 Equity Shares of Rs.5/- each of the Company	Date of Listing of 99,07,305 Equity Shares of Rs.5/- each of the Company	Date of Listing of 11,18,028 Equity Shares of Rs.5/- each of the Company	Stock Code
BSE	28.07.2005	21.08.2006	09.11.2006	01.08.2008	532654
NSE	29.07.2005	28.08.2006	09.11.2006	18.08.2008	MCLEODRUSS
CSE	23.08.2005	31.08.2006	16.11.2006	24.09.2008	10023930

Demat ISIN for NSDL & CSDL : INE942G01012

vii. Stock Price Data:

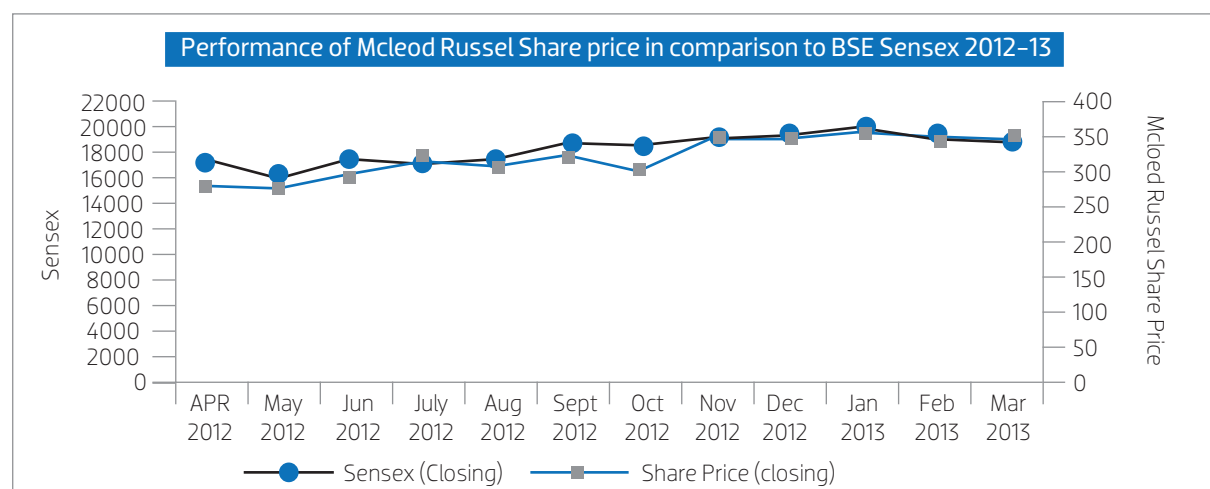
Month	Bombay Stock Exchange				National Stock Exchange	
	High Rs.	Low Rs.	Share Price (closing) Rs.	Sensex (closing)	High Rs.	Low Rs.
April 2012	288.20	262.40	280.15	17318.81	285.00	262.25
May 2012	284.70	254.15	279.85	16218.53	285.65	254.25
June 2012	302.75	270.00	298.00	17429.98	302.60	267.35
July 2012	345.00	294.25	321.20	17236.18	346.45	293.65
August 2012	329.00	296.00	311.50	17429.56	329.80	295.25
September 2012	341.00	316.95	323.65	18762.74	340.95	317.30
October 2012	332.95	293.05	302.65	18505.38	332.95	293.10
November 2012	367.30	302.55	352.20	19339.90	367.45	265.55
December 2012	372.00	342.50	349.25	19426.71	372.00	342.25
January 2013	364.00	331.40	361.90	19894.98	364.40	331.80
February 2013	386.95	343.20	356.70	18861.54	386.45	321.25
March 2013	374.85	325.15	349.75	18835.77	374.95	319.00

viii. Performance in comparison to BSE Sensex:

Share Price Performance (April 2012 to March 2013)

Share Price (Closing)

Sensex (Closing)



ix. Registrar and Share Transfer Agents:

In accordance with the SEBI directive vide Circular Nos. D&CC/FITTC/CIR-15/2002 dated 27th December 2002 the Company appointed the following SEBI registered Agency as the Common Registrar and Share Transfer Agents of the Company for both the Physical and Dematerialized segments with effect from 14th March 2005:-

Maheshwari Datamatics Pvt Ltd.

6, Mangoe Lane, 2nd Floor, Surendra Mohan Ghosh Sarani, Kolkata – 700001. TEL. : (033) 2243-5809; 2243-5029; 2248-2248, FAX : (033) 2248-4787
E-MAIL : mdpl@calvsnl.net.in

x. Share Transfer System:

The requests for transfer of shares held in physical mode should be lodged at the office of the Company's Registrar & Share Transfer Agents, Maheshwari Datamatics Private Limited (Registered with SEBI), 6 Mangoe Lane, 2nd Floor, Surendra Mohan Ghosh Sarani, Kolkata 700001 or at the

Registered Office of the Company. The Board of Directors has unanimously delegated the powers of share transfer, transmission, sub-division, consolidation and issue of duplicate Share Certificate/s to a Share Transfer Committee comprising Messrs. R. Takru, A. Monem and K. K. Baheti in order to expedite transfer, transmission etc. in the physical form. During the first half of the year the Committee met once in every fortnight and thereafter the Committee has been holding meetings every week for approving Share Transfers and for other related activities. Share Transfers are registered and returned in the normal course within an average period of 14 days, if the transfer documents are found technically in order and complete in all respects.

The Company conducts a weekly review of the functions of the Registrar and Share Transfer Agent for upgrading the level of service to the Shareholders. Weekly review is also conducted on the response to the shareholders pertaining to their communication and grievances, if any.

xi. (a) Distribution of shareholding as on 31st March 2013

Size of holding	No. of holders	Percentage	No. of Shares	Percentage
1 to 500	51,626	93.08	51,00,125	04.66
501 to 1000	2,249	04.05	16,36,573	01.50
1001 to 2000	850	01.53	12,32,385	01.12
2001 to 3000	225	00.41	5,66,035	00.52
3001 to 4000	81	00.15	2,88,116	00.26
4001 to 5000	54	00.10	2,50,712	00.23
5001 to 10000	113	00.20	8,39,666	00.77
10001 and above	268	00.48	9,95,42,123	90.94
Total	55,466	100.00	10,94,55,735	100.00

(b) Shareholding Pattern as on 31st March 2013

Sr. No.	Category	Number of Shareholders	No. of Shares held	% of holding
1	Promoters	22	5,00,33,585	45.71
2	Mutual Funds/UTI	25	20,46,356	01.87
3	Financial Institutions/Insurance Companies/Banks	97	18,87,341	01.72
4	Central/State Government(s)	1	112	00.00
5	FII's	158	3,82,84,458	34.98
6	Bodies Corporate	869	59,91,956	05.48
7	NRIs/OCBs	665	5,35,729	00.49
8	Resident Individuals	53,526	1,03,22,705	09.43
9	Trust	13	1,95,466	00.18
10	Clearing Member	90	1,58,027	00.14
	Total:	55,466	10,94,55,735	100.00

xii. Dematerialization of Shares and liquidity:

The Company's Shares form part of the SEBI's Compulsory Demat segment for all Shareholders/investors. The Company has established connectivity with both the Depositories viz. National Securities Depository Limited [NSDL] and Central Depository Services (India) Limited [CDSL] through the Registrar, Maheshwari Datamatics Private Limited, 6 Mangoe Lane, 2nd Floor, Surendra Mohan Ghosh Sarani, Kolkata 700001. Requests for dematerializations of shares are processed and confirmations are being given to the respective Depositories.

As on 31st March 2013, 97.35% of the Company's equity

shares of Rs.5/- each representing 10,65,55,047 shares were in dematerialized form and the balance 2.65% representing 29,00,688 shares were in physical form. The entire shareholding of the Promoters is in the dematerialized form.

xiii. Outstanding GDRs/ADRs/Warrants or any Convertible Instruments:

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments.

xiv. Plant Locations:

Tea manufacturing plants are located at the following Tea Estates –

Locations	Tea Estates
Assam:-	
Bishnauth	Dekorai, Mijicajan, Monabarie, Pertabghur
Dhunseri	Behora, Bukhial
Doom Dooma	Baghjan, Bordubi, Koomsong, Phillobari, Beesakopie/Daimukhia, Raidang, Samdang
East Boro	Bargang, Behali, Boro, Dufflaghur, Halem, Nya Gogra
Jorhat	Hunwal
Mangaldai	Attareekhat, Bhootechang, Borengajuli, Corramore, Dimakusi, Paneery
Margherita	Bogapani, Dehing, Dirok, Margherita, Namdang
Moran	Attabarrie, Dirai, Lepetkatta, Moran, Rajmai, Sepon
Thakurbari	Addabarrie, Harchurah, Nilpur, Phulbari, Rupajuli, Tarajulie, Tezpore & Gogra
Tingri	Dirial, Itakhooli, Keyhung, Mahakali
West Bengal:-	
Dooars	Bhatpara, Central Dooars, Chuapara, Jainti/Chuniajhora, Mathura

xv. Address for correspondence for Share and related services:

Any assistance regarding Share transfers and transmission, change of address, non-receipt of share certificate/duplicate share certificate, demat and other matters and for redressal of all share-related complaints and grievances, the Members are requested to write to or contact the Registrar & Share Transfer Agents or the Share Department of the Company for all their queries or any other matter relating to their

shareholding in the Company at the addresses given below:

i. The Company's Registered Office at :

MCLEOD RUSSEL INDIA LIMITED

'Four Mangoe Lane', Surendra Mohan Ghosh Sarani, Kolkata – 700001.

TEL : 033-2210-1221, 033-2243-5391, 033-2248-9434, 033-2248-9435

FAX : 91-33-2248-3683, 91-33-2248-8114,

E-Mail: administrator@mcleodrussel.com

ii. Registrar and Share Transfer Agents'**Registered Office at:****Maheshwari Datamatics Pvt Ltd.**

6, Mangoe Lane, 2nd Floor

Surendra Mohan Ghosh Sarani

Kolkata – 700001.

Tel. : (033) 2243-5029; 2243-5809; 2248-2248,

Fax : (033) 2248-4787

E-mail: mdpl@cal.vsnl.net.in

In case of any difficulty, the Compliance Officer at the Registered Office of the Company may be contacted.

Special E-mail Id. :

investors@mcleodrussel.com

Compliance of Non-Mandatory Requirements**(i) The Board:**

During the financial year ended 31st March 2013, a part of the expenses for maintenance of the office of the Non-Executive Chairman was borne by the Company.

(ii) Remuneration Committee:

The Company has a Remuneration Committee comprising

Mr. B. Bajoria, Dr. R. Srinivasan and Mr. R. Sen as Members as stated in Paragraph 4 of this Report.

(iii) Shareholder Rights:

Half-yearly results including summary of the significant events are presently not being sent to the Shareholders of the Company.

(iv) Audit Qualification: Nil**(v) Training of Board Members:**

The Company has not yet adopted any training programme for its Directors.

(vi) Mechanism for evaluating Non-Executive Board Members:

There is no mechanism for evaluating Non-Executive Board Members at present. All the Non-Executive Board Members are having requisite qualification and expertise in the respective functional areas.

(vii) Whistle Blower Policy:

There is no Whistle Blower Policy at present.

For and on behalf of the Board

Place : Kolkata

Date : 27th May 2013

A. Khaitan

Managing Director

K.K.Baheti

Wholetime Director & CFO

AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of McLeod Russel India Limited

We have examined the compliance of conditions of Corporate Governance by McLeod Russel India Limited, for the year ended 31st March 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by The Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For Price Waterhouse
Firm Registration Number 301112E
Chartered Accountants

Place : Kolkata
Date: 27th May 2013

Prabal Kr. Sarkar
Partner
Membership No: 52340

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODES OF CONDUCT

This is to confirm that the Company has adopted two separate Codes of Conduct to be followed by the Members of the Board and Senior Management Personnel of the Company respectively in compliance with Clause 49 of the Listing Agreement with the Stock Exchanges. Both these Codes are available on the Company's website.

I confirm that the Company has in respect of the financial year ended 31st March 2013 received from the Members of the Board and Senior management personnel, a Declaration of Compliance with the Code of Conduct as applicable to them.

Place : Kolkata
Date: 27th May 2013

A. Khaitan
Managing Director (CEO)

INDEPENDENT AUDITORS' REPORT

To the Members of McLeod Russel India Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of McLeod Russel India Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2013, and the Profit and Loss Statement and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report. The aforesaid Financial Statements incorporate the transactions and balances relating to the Company's Marketing & Representative Office, United Kingdom, which we have audited on the basis of returns, records, information and explanations received from the said Marketing and Representative Office of the Company not visited by us during the year.

Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of 'the Companies Act, 1956' of India (the "Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
 - (b) in the case of the Profit and Loss Statement, of the profit for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.



INDEPENDENT AUDITORS' REPORT

To the Members of McLeod Russel India Limited
Report on the Financial Statement

Report on Other Legal and Regulatory Requirements

7. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. **As required by section 227(3) of the Act, we report that:**
- (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the Marketing & Representative Office not visited by us;
 - (c) The Balance Sheet, the Profit and Loss Statement and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the Marketing & Representative Office not visited by us;
 - (d) In our opinion, the Balance Sheet, the Profit and Loss Statement and the 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, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For Price Waterhouse

Firm Registration Number: 301112E

Chartered Accountants

Prabal Kr. Sarkar

Partner

Membership Number 52340

Kolkata
27th May, 2013

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of McLeod Russel India Limited on the Financial Statements as of and for the year ended March 31, 2013

- 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 and/or have been verified with reference to subsequent sale. 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 granted unsecured demand loan to a 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 loan aggregated to Rs. 360.00 lakhs and Rs. 360.00 lakhs, respectively. The Company has not granted any secured/ unsecured loans to firms or other parties covered in the register maintained under Section 301 of the Act.
(b) In our opinion, the rate of interest and other terms and conditions of such loan are not prima facie prejudicial to the interest of the Company.
(c) In respect of the aforesaid loan, repayment of the principal amount and the payment of interest were not due at the year end. Therefore, the provision of clause 4(iii) (d) is not applicable to the company.
(d) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Therefore, the provisions of Clause 4(iii) (f) and (g) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. 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.
- 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.



ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of McLeod Russel India Limited on the Financial Statements for the year ended March 31, 2013

- 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 regular in depositing the undisputed statutory dues, including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty and other material statutory dues, as applicable, with the appropriate authorities. As explained by the Management, Employees' State Insurance Scheme is not applicable to the Company.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, sales tax, wealth tax, service tax, customs duty, excise duty as at March 31, 2013 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax	Sales tax	4.60	2009-10	Sr. Joint Commissioner of Sales Tax
Assam General Sales Tax Act	Sales Tax	23.32	1999-00	DCT Appeal, Nagaon
Value Added Tax Act	Sales Tax	24.22	2008-09	Sr. Joint Commissioner of Sales Tax
Income Tax Act, 1961	Tax deducted at source and Interest (Refer Note 39 to Financial Statement)	4578.00	2005-06	CIT (Appeals)
	Fringe Benefit Tax	66.96	2008-09	Income Tax Appellate Tribunal
	Tax Deducted at Source	49.13	2008-09 to 2011-12	Appeal/Rectification
Finance Act, 1994	Service tax	70.13	2004-05 to 2007- 08	Commissioner Central Excise

- 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 as at the balance sheet date. The Company did not have any dues outstanding to any debentures holders or financial institutions as at the beginning of the year nor did it obtain any such loans during the year.

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of McLeod Russel India Limited on the Financial Statements for the year ended March 31, 2013

- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of Clause 4(xii) of the Order are not applicable to the Company.
- xiii. As the provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company, the provisions of Clause 4(xiii) of the Order are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Order are not applicable to the Company.
- xv. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 4(xv) of the Order are not applicable to the Company.
- xvi. In our opinion, and according to the information and explanations given to us, the term loans have been applied, on an overall basis, for the purposes for which they were obtained.
- xvii. According to the information and explanation given to us and on an overall examination of the balance sheet of the Company, we report that the company has used funds raised on short term basis for long-term investment. The company has obtained funds by way of short term borrowings aggregating Rs. 6,938.78 lakhs on a short term basis, which has been used for long term investment in Tangible Assets and Long-term Loans and Advances.
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year. Accordingly, the provisions of Clause 4(xviii) of the Order are not applicable to the Company.
- xix. The Company has not issued any debentures during the year and does not have any debentures outstanding as at the beginning of the year and at the year end. Accordingly, the provisions of Clause 4(xix) of the Order are not applicable to the Company.
- xx. The Company has not raised any money by public issues during the year. Accordingly, the provisions of Clause 4(xx) of the Order are not applicable to the Company.
- xxi. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For Price Waterhouse

Firm Registration Number: 301112E

Chartered Accountants

Prabal Kr. Sarkar

Partner

Membership Number 52340

Kolkata

27th May, 2013



BALANCE SHEET AS AT 31ST MARCH, 2013

	Note	31st March 2013		31st March 2012	
		Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	2	5472.79		5472.79	
Reserves and Surplus	3	174097.14	179569.93	160667.50	166140.29
Non-current Liabilities					
Long - term Borrowings	4	1750.00		4100.00	
Deferred Tax Liabilities (Net)	5	6969.23		6470.06	
Long - term Provisions	6	7204.63	15923.86	7145.87	17715.93
Current Liabilities					
Short-term Borrowings	7	14276.39		10401.23	
Trade Payables	8	7017.20		6930.67	
Other Current Liabilities	9	9398.43		9545.66	
Short-term Provisions	10	13755.09	44447.11	11612.07	38489.63
TOTAL			239940.90		222345.85
ASSETS					
Non-Current Assets					
Fixed Assets					
Tangible Assets	11	152790.89		147427.22	
Intangible Assets	12	3522.25		3187.50	
Capital Work-in-Progress		2538.99		2684.26	
Intangible Assets under Development		-	158852.13	399.34	153698.32
Non-Current Investments	13	24282.49		24517.19	
Long - term Loans and Advances	14	19953.66		15135.51	
Other Non-current Assets	15	2496.96	46733.11	2496.96	42149.66
Current Assets					
Inventories	16	11251.02		7499.85	
Trade Receivables	17	1622.76		1465.16	
Cash and Bank Balances	18	379.59		331.11	
Short-term Loans and Advances	19	16385.96		13243.12	
Other Current Assets	20	4716.33	34355.66	3958.63	26497.87
TOTAL			239940.90		222345.85

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

The notes are an integral part of these Financial Statements

For **PRICE WATERHOUSE**

Firm Registration Number 301112E
Chartered Accountants

For and on behalf of the Board of Directors

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

	Note	Year ended 31st March 2013 Rs. Lakhs	Year ended 31st March 2012 Rs. Lakhs
Revenue from Operations	21	137802.28	123783.08
Other Income	22	4007.99	4271.35
Total Revenue		141810.27	128054.43
Expenses:			
Cost of Materials Consumed	23	19731.38	11256.54
Purchase of Tea		1.14	-
Changes in Inventories of Finished Goods	24	(762.07)	979.21
Employee Benefits Expense	25	47913.52	42621.48
Finance Costs	26	4477.79	4724.44
Depreciation and Amortisation Expense	27	2871.42	2940.14
Other Expenses	28	41681.52	38483.95
Total Expenses		115914.70	101005.76
Profit before Exceptional Items and Tax		25895.57	27048.67
Exceptional Item	53	233.44	1381.97
Profit before Tax		25662.13	25666.70
Tax expense:			
Current Tax		4965.00	5150.00
Less: MAT Credit		(1779.88)	(1022.19)
Provision/ (Write back) relating to earlier years		(592.16)	(607.46)
Deferred Tax		499.17	118.81
Profit for the Year		22570.00	22027.54
Earnings per Equity Share:			
[Nominal Value per share : Rs. 5/- (Previous Year : Rs. 5/-)]	40		
– Basic		20.62	20.12
– Diluted		20.62	20.12

This is the Profit and Loss Statement referred to in our report of even date

The notes are an integral part of these Financial Statements

For **PRICE WATERHOUSE**

Firm Registration Number 301112E
Chartered Accountants

For and on behalf of the Board of Directors

Prabal Kr. Sarkar
Partner
Membership Number 52340
Kolkata, 27th May, 2013

A. Khaitan
Managing Director

K. K. Baheti
Wholetime Director & CFO

A. Guha Sarkar
Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

	2012-13		2011-12	
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax		25662.13		25666.70
Adjustments for :				
Provision for Doubtful Debts		177.06		3.10
Provision for Diminution in Long - Term Investments		233.44		1500.00
Provision for doubtful advances		11.54		-
Liabilities no longer required written back		(297.76)		(367.22)
Bad Debts written off		2.28		-
Reversal of Impairment Loss		(350.00)		-
Depreciation on Tangible Assets		2941.09		2690.14
Amortisation on Intangible Assets		280.33		250.00
Profit on Disposal of Fixed Assets (Net)		(365.67)		(155.32)
Profit on Disposal of Long Term Trade Investments		-		(118.03)
Interest Subsidy		-		(567.81)
Dividend on Long Term Trade Investments		(675.44)		(357.28)
Interest Income		(2290.22)		(2536.15)
Interest Expense		4343.31		4461.98
Unrealised Foreign Exchange Losses/ (Gains)		127.38		549.46
Operating Profit before Working Capital changes		29799.47		31019.57
Changes in Working Capital				
Increase / (Decrease) In Trade Payables	86.52		1315.86	
Increase / (Decrease) In Other Current Liabilities	(76.07)		1452.75	
Increase / (Decrease) In Provision	475.44		125.24	
(Increase) / Decrease In Trade Receivables	(336.94)		(342.46)	
(Increase) / Decrease In Inventories	(3751.17)		(459.53)	
(Increase) / Decrease In Loans and Advances and Fixed Deposits	(4946.12)		(5122.41)	
(Increase) / Decrease In Other Current Assets	(520.88)		(606.64)	
(Increase) / Decrease In Other Non Current Assets	-	(9069.22)	(0.95)	(3638.14)
Cash Generated from operations		20730.25		27381.43
Taxes paid (Net of Refunds)		(5345.46)		(5972.03)
Net Cash from Operating Activities		15384.79		21409.40
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets		(7615.02)		(11827.40)
Purchase of Investments		-		(72.92)
Disposal of Fixed Assets		562.52		264.14
Capital Subsidy Received		232.28		287.25
Loans Recovered /(given)		(1097.47)		1,528.25
Redemption / Sale of Long Term Trade Investments		1.26		209.76
Interest Received		2046.24		1,964.00
Interest on Tax Refunds		7.16		189.79
Dividend Received		675.44		357.28
Net Cash used for Investing Activities		(5187.59)		(7099.85)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

	2012-13		2011-12	
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Short-term Borrowings		3875.16		3582.70
Repayment of Long-term Borrowings		(2300.00)		(7563.44)
Interest paid		(4364.87)		(4509.68)
Dividend paid / Transferred to Investor Education and Protection Fund		(6496.63)		(5416.28)
Dividend Tax paid		(862.46)		(466.74)
Net Cash used for Financing Activities		(10148.80)		(14373.44)
D. EFFECT OF FOREIGN EXCHANGE DIFFERENCE ON				
Cash and Cash Equivalents		0.08		0.78
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C+D)		48.48		(63.12)
Cash and Cash Equivalents at the beginning of the year (Refer Note 18)		331.11		394.23
Cash and Cash Equivalents at the end of the year (Refer Note 18) *		379.59		331.11
Changes in Cash and Cash Equivalents - Increase/ (Decrease)		48.48		(63.12)
* Includes the following balances which are available for use for specific purposes.				
Unpaid Dividend Account		241.95		171.24
Escrow Accounts/Fractional Share sale Proceeds Account		0.61		0.61

- (a) The above Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard 3 on Cash Flow Statement prescribed under the Companies Act, 1956.
- (b) Also refer notes 54 to the Financial Statements.
- (c) Notes referred to above form an integral part of the Cash Flow Statement.

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

For **PRICE WATERHOUSE**

Firm Registration Number 301112E
Chartered Accountants

For and on behalf of the Board of Directors

Prabal Kr. Sarkar
Partner
Membership Number 52340
Kolkata, 27th May, 2013

A. Khaitan
Managing Director

K. K. Baheti
Wholetime Director & CFO

A. Guha Sarkar
Company Secretary



NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual and prudent basis, except for certain tangible assets which are being carried at revalued amounts.

These financial statements have been prepared to comply, in all material aspects, with the applicable accounting standards notified under Section 211 (3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956.

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 Revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

1.2 Tangible Assets

Tangible Assets are stated at acquisition cost or valuation net of accumulated depreciation and accumulated impairment losses, if any. Cost of extension planting is capitalised. An impairment loss is recognised wherever the carrying amount of the tangible assets of a cash generating unit exceeds its net selling price or value in use, whichever is higher. Assessment is also done at each balance sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

1.3 Intangible Assets

Intangible assets are stated at acquisition cost net of accumulated amortisation and accumulated impairment losses, if any. An impairment loss is recognised whenever the carrying amount of the intangible assets of a cash generating unit exceeds its net selling price or value in use, whichever is higher. Assessment is also done at each balance sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

1.4 Depreciation and Amortisation

Depreciation on straight line method is provided on book value of tangible Fixed Assets (other than Estate and Development and Freehold Land) in the manner and at rates as per Schedule XIV to the Companies Act, 1956. Items of fixed assets for which related actual cost do not exceed Rs.5,000 are fully depreciated in the year of purchase.

Intangible fixed assets are amortised on straight line method over their estimated economic life.

Additional charge of depreciation on amount added on revaluation is adjusted against Revaluation Reserve, wherever available.

1.5 Investments

Long Term Investments are stated at cost. Provision is made for diminution, other than temporary. Gains/losses on disposal of investments are recognised as income / expenditure.

NOTES TO FINANCIAL STATEMENTS (Contd.)

1.6 Inventories

Inventories are valued as under :

- Stores and Spare Parts : At lower of cost (determined under weighted average method) and net realisable value.
- Finished Goods : At lower of cost (including attributable charges and levies) and net realisable value.

1.7 Revenue Recognition

Sale of products is recognised on completion of sale of goods. Sale includes tea claim and is net of sales return, sales tax etc. Other items are recognised on accrual basis.

1.8 Employee Benefits

a. Short Term Employee Benefits:

These are recognised at the undiscounted amount as expense for the year in which the related service is rendered.

b. Post Employment Benefit Plans:

Contributions under Defined Contribution Plans payable in keeping with the related schemes are recognised as expenditure for the year.

In case of Defined Benefit Plans, the cost of providing the benefit is determined using the Projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in full in the Profit and Loss Statement for the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, if any, and as reduced by the fair value of plan assets, where funded. Any asset resulting from this calculation is limited to the present value of any economic benefit available in the form of refunds from the plan or reductions in future contributions to the plan.

c. Other Long Term Employee Benefits (Unfunded):

The cost of providing long-term employee benefits is determined using Projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date. Actuarial gains and losses and past service cost are recognised immediately in the Profit and Loss Statement for the period in which they occur. Long term employee benefit obligation recognised in the Balance Sheet represents the present value of related obligation.

1.9 Borrowing Cost

Interest and other costs in connection with the borrowing of funds by the Company are recognised as an expense in the period in which they are incurred unless these are attributable to the acquisition and construction of qualifying assets and added to the cost up to the date when such assets are ready for their intended use.

1.10 Research and Development

Revenue expenditure on Research and Development is recognised as a charge to the Profit and Loss Statement. Capital expenditure on assets acquired for Research and Development is added to Fixed Assets.



NOTES TO FINANCIAL STATEMENTS (Contd.)

1.11 Accounting for Taxes on Income

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdiction.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Company re-assesses unrecognised deferred tax assets, if any.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Minimum Alternative Tax credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

1.12 Transactions in Foreign Currencies

Transactions in foreign currency are recorded at exchange rates prevailing on the date of the transaction. Monetary items denominated in foreign currency are restated at the exchange rate prevailing on the Balance Sheet date. Foreign currency non-monetary items carried in terms of historical cost are reported using the exchange rate at the date of the transactions. Exchange differences arising on settlement of transactions and/or restatements are dealt with in the Profit and Loss Statement.

1.13 Derivative Instruments

The Company uses derivative financial instruments such as forward exchange contracts, currency swaps etc. to hedge its risks associated with foreign currency fluctuations relating to the underlying transactions, highly probable forecast transactions and firm commitments. In respect of Forward Exchange Contracts with underlying transactions, the premium or discount arising at the inception of such contract is amortised as expense or income over the life of contract.

Other Derivative contracts outstanding at the Balance Sheet date are marked to market and resulting loss, if any, is provided for in the financial statements. Any profit or losses arising on cancellation of derivative instruments are recognised as income or expenses for the period.

1.14 Government Grants

Government grants related to specific fixed assets are deducted from gross values of related assets in arriving at their book value.

Government grants related to revenue are recognised in the Profit and Loss Statement.

NOTES TO FINANCIAL STATEMENTS (Contd.)

2. SHARE CAPITAL

	31st March 2013 Rs. Lakhs	31st March 2012 Rs. Lakhs
Authorised		
12,00,00,000 (31.03.2012 – 12,00,00,000) Equity Shares of Rs. 5/- each	6000.00	6000.00
Issued, subscribed and paid-up		
10,94,55,735 (31.03.2012 – 10,94,55,735) Equity Shares of Rs. 5/- each fully paid up	5472.79	5472.79
	5472.79	5472.79

- (a) 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. 5/- 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, except in case of interim dividend. 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.

- (b) Details of Equity Shares held by shareholders holding more than 5 per cent of the aggregate Equity Shares in the Company

	Number of Equity Shares 31st March 2013	Number of Equity Shares 31st March 2012
Kamal Baheti (Trustee – Borelli Tea Holdings Limited, U.K.)	27067500 (24.73%)	27067500 (24.73%)
Williamson Magor & Co. Limited	11649946 (10.64%)	11649946 (10.64%)
Williamson Financial Services Limited	5898725 (5.39%)	5898725 (5.39%)
CLSA (Mauritius) Limited	6021166 (5.50%)	5495459 (5.02%)

- (c) Aggregate number of Equity Shares allotted as fully paid up pursuant to Scheme of Arrangement / Schemes of Amalgamation without payment being received in cash (during five years immediately preceding the Balance Sheet date)

	31st March 2013	31st March 2012
	1118028	1118028



NOTES TO FINANCIAL STATEMENTS (Contd.)

3. RESERVES AND SURPLUS

Rs. Lakhs

	General Reserve [Refer Note (a) below]	Securities Premium Account	Capital Reserve	Revaluation Reserve	Other Reserve [Refer Note (b) below]	Surplus in Profit and Loss Statement	Total
Balance at the beginning of the year	64000.00	11053.58	201.68	56022.54	19209.20	10180.50	160667.50
Add: Profit for the year	-	-	-	-	-	22570.00	22570.00
Less: Transferred to General Reserve	-	-	-	-	-	11000.00	11000.00
Add: Transferred from Surplus in Profit and Loss Statement	11000.00	-	-	-	-	-	11000.00
Less: Adjustment on account of disposal of Revalued Assets	-	-	-	12.57	-	-	12.57
Less: Withdrawn on account of depreciation on amount added on Revaluation of Fixed Assets (Refer Note 27)	-	-	-	363.75	-	-	363.75
Add: Adjustment on account of Write back of Impairment Provision (Refer Note 11)	-	-	-	200.00	-	-	200.00
Less: Proposed Dividend	-	-	-	-	-	7661.90	7661.90
Less: Tax on Proposed Dividend	-	-	-	-	-	1302.14	1302.14
Balance at the end of the year	75000.00	11053.58	201.68	55846.22	19209.20	12786.46	174097.14

- a) Represents a free reserve not meant for any specific purpose.
- b) Represents the balance amount of reserve which had arisen on transfer of Bulk Tea Division of Eveready Industries India Limited.

4. LONG-TERM BORROWINGS

	31st March 2013 Rs. Lakhs	31st March 2012 Rs. Lakhs
SECURED		
Term Loans from a Bank		
ICICI Bank Limited	1750.00	4100.00
a) Nature of Security		
The above Term Loans are secured / to be secured by first pari-passu charge on WM - Brand, first pari passu mortgage of certain tea estates and subservient mortgage of certain tea estates; and additionally secured by pledge of certain investments		
	1750.00	4100.00
b) Terms of Repayment		
i) Tranches of above Term Loans are repayable in :		
Twelve (31.03.2012 - Twenty four) equal monthly instalments	250.00	500.00
Nil (31.03.2012 - Nine) equal monthly instalments	-	600.00
Twelve (31.03.2012 - Twenty four) equal monthly instalments	1500.00	3000.00
	1750.00	4100.00
ii) Interest is payable on monthly basis at base rate plus 2.50% p.a. on above Term Loans		

NOTES TO FINANCIAL STATEMENTS (Contd.)

5. DEFERRED TAX LIABILITIES (NET)

	31st March 2013		31st March 2012	
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
A. Deferred Tax Liability				
i) Difference between net book value of depreciable capital assets as per books vis-à-vis written down value as per tax laws		8279.49		7615.45
B. Deferred Tax Assets				
i) Voluntary Retirement Compensation	-		0.08	
ii) Items allowed for tax purpose on payment	644.44		548.45	
iii) Provision for Doubtful Debts, Advances etc.	665.82	1310.26	596.86	1145.39
Net Deferred Tax Liabilities (A-B)		6969.23		6470.06

6. LONG-TERM PROVISIONS

	31st March 2013	31st March 2012
	Rs. Lakhs	Rs. Lakhs
Provision for Employee Benefits	2853.21	2794.45
Provision for Contingencies (Refer Note 31)	4351.42	4351.42
	7204.63	7145.87

7. SHORT-TERM BORROWINGS

Secured Loans repayable on demand from Banks		
Cash Credit, Packing Credit and Demand Loans	14276.39	10401.23
a) Nature of Security		
The above loans are secured/to be secured by equitable first mortgage by way of deposit of title deeds of immovable properties of certain tea estates ranking pari passu with others; and hypothecation of tea crop, movable properties and book-debts present and future of the Company		
	14276.39	10401.23

8. TRADE PAYABLES

Trade payables (Refer Note 42)	7017.20	6930.67
	7017.20	6930.67

9. OTHER CURRENT LIABILITIES

Current maturities of long-term debts	3152.67	2975.22
Interest accrued but not due on borrowings	29.98	51.54
Advances from Customers / Selling Agents	2.09	367.26
Unpaid Dividends [Refer (a) below]	241.95	171.24
Unclaimed Fractional Share Sale Proceeds	0.61	0.61
Deposits Received from Agents	156.50	182.33
Employee Benefits Payable	4949.30	4806.52
Remuneration payable to Non - Whole time Directors	18.00	18.86
Statutory dues (including Provident Fund and Tax deducted at Source)	640.10	918.66
Capital Liabilities	207.23	53.42
	9398.43	9545.66

(a) There are no amounts due for payment to the Investor Education and Protection Fund as at the year end

NOTES TO FINANCIAL STATEMENTS (Contd.)

10. SHORT-TERM PROVISIONS

	31st March 2013	31st March 2012
	Rs. Lakhs	Rs. Lakhs
Provision for Employee Benefits	1379.11	959.43
Others		
Provision for Income Tax (Net of Advance Tax)	1802.59	1576.64
Provision for Fringe Benefit Tax (Net of Advance Tax)	66.38	100.23
Proposed Dividend	7661.90	6567.34
Provision for Tax on Proposed Dividend	2813.11	2373.43
Provision for Wealth Tax	32.00	35.00
	13755.09	11612.07

11. TANGIBLE ASSETS

Rs. Lakhs

	GROSS BLOCK AT COST OR VALUATION				DEPRECIATION					NET BLOCK	
Particulars	As at 31st March, 2012	Additions/ adjustments during the year	Disposal/ adjustments during the year [Refer (a) below]	As at 31st March, 2013	Up to 31st March, 2012 [Refer (c) below]	For the year	On disposal/ adjustments during the year	Impairment written back during the year	Up to 31st March, 2013 [Refer (c) below]	Written down value as at 31st March, 2013	Written down value as at 31st March, 2012
Estade and Development	91561.80	16.65	246.41	91332.04	2450.47	-	-	353.15	2097.32	89234.72	89111.34
Freehold – Land [Refer (b) below]	3007.20	1305.12	-	4312.32	-	-	-	-	-	4312.32	3007.20
Buildings	56437.88	2789.88	288.12	58939.64	17507.32	1133.13	67.07	405.69	18167.69	40771.95	38930.56
Plant and Equipment	33275.79	3667.40	456.69	36486.50	20296.66	1627.52	195.90	141.16	21587.12	14899.38	12979.12
Furniture and Fixtures	1458.17	91.43	16.98	1532.62	800.47	68.83	14.10	-	855.20	677.42	657.70
Vehicles	5382.06	559.39	369.53	5571.92	3047.33	397.11	316.00	-	3128.44	2443.48	2334.73
Office Equipment	476.16	20.74	8.15	488.75	236.00	22.16	5.31	-	252.85	235.90	240.16
Computer	602.19	109.60	37.89	673.90	435.78	56.09	33.69	-	458.18	215.72	166.41
31st March, 2013	192201.25	8560.21	1423.77	199337.69	44774.03	3304.84	632.07	900.00	46546.80	152790.89	147427.22
31st March, 2012	184310.54	9045.91	1155.20	192201.25	42453.63	3075.06	754.66	-	44774.03	147427.22	

a) Includes Capital Subsidy in respect of following Tangible Assets

- | | |
|-----------------------|--|
| - Plant and Equipment | - Rs. 175.66 lakhs (31.03.12 - Rs. 271.39 lakhs) |
| - Vehicles | - Rs. 56.62 lakhs (31.03.12 - Rs. 15.86 lakhs) |

b) Represents cost of proportionate share of undivided land pertaining to certain portion of a multistoried building

c) The opening and closing balance of Depreciation includes an Impairment Loss as set out below:-

	Impairment Loss as at 31st March	
	2013	2012
	Rs. Lakhs	Rs. Lakhs
Estate and Development	2087.17	2440.32
Buildings	811.56	1217.25
Plant and Equipment	221.27	362.43
	3120.00	4020.00

During the year 2012-13, reduction in accumulated impairment loss is as under:-

- i) Estate and Development Rs.151.35 lakhs, Building Rs.173.84 lakhs and Plant & Equipment Rs.24.81 lakhs aggregating Rs.350.00 lakhs upon sale of Jaibirpara Tea Estate.
- ii) Estate and Development Rs.322.01 lakhs, Building Rs.151.81 lakhs and Plant & Equipment Rs.76.18 lakhs aggregating Rs.550.00 lakhs in the nature of reversal of impairment loss by adopting discounted cash flow method (based on value in use considering the discounting factor at 8.5 % in the current estimate and previous estimate) upon improvement in profitability of Jainti Tea Estate. Out of this, Rs.200.00 lakhs has been added to Revaluation Reserve (Refer Note 3) and Rs.350.00 lakhs has been subtracted from depreciation for the year (Refer Note 27)

NOTES TO FINANCIAL STATEMENTS (Contd.)

12. INTANGIBLE ASSETS

Rs. Lakhs

Particulars	GROSS BLOCK AT COST				AMORTISATION				NET BLOCK	
	As at 31st March, 2012	Additions/ adjustments during the year	Disposal/ adjustments during the year	As at 31st March, 2013	Up to 31st March, 2012	For the year	On disposal/ adjustments during the year	Up to 31st March, 2013	Written down value as at 31st March, 2013	Written down value as at 31st March, 2012
Goodwill	20.44	-	-	20.44	20.44	-	-	20.44	-	-
Trade Mark [Brand] [Refer (a) below]	5000.00	-	-	5000.00	1812.50	250.00	-	2062.50	2937.50	3187.50
Computer Software	-	615.08	-	615.08	-	30.33	-	30.33	584.75	-
31st March, 2013	5020.44	615.08	-	5635.52	1832.94	280.33	-	2113.27	3522.25	3187.50
31st March, 2012	5020.44	-	-	5020.44	1582.94	250.00	-	1832.94	3187.50	-

- (a) The above represents the trade mark (Brand - WM logo) acquired in January 2005 and the same is being amortised under straight line method over a working life of 20 years on prudent basis based on the valuation obtained by the management, considering the factors like effective life/utility.

13. NON - CURRENT INVESTMENTS

	31st March 2013 Rs. Lakhs	31st March 2012 Rs. Lakhs
(valued at cost unless stated otherwise)		
(In Equity Shares of Rs. 10 each fully paid, except otherwise stated)		
Long Term		
Trade		
<u>Investments in Equity Instruments - Subsidiaries</u>		
<u>Unquoted</u>		
Borelli Tea Holdings Limited (U.K.)		
362000 Shares (31.03.2012 - 362000 Shares) of GBP 1 each	22936.98	22936.98
<u>Investments in Equity Instruments - Associates</u>		
<u>Unquoted</u>		
D1 Williamson Magor Bio Fuel Limited		
7281201 Shares (31.03.2012 - 7281201 Shares)	484.35	684.35
[Net of Provision other than temporary diminution in carrying amount of investment - Rs. 1700.00 lakhs (31.03.2012 - Rs. 1500.00 lakhs)]		
<u>Investments in Equity Instruments - Others</u>		
<u>Quoted</u>		
Murabblack India Limited		
500000 Shares (31.03.2012 - 500000 Shares)	*	*
McNally Bharat Engineering Co. Limited		
3052295 Shares (31.03.2012 - 3052295 Shares)	131.25	131.25
Williamson Financial Services Limited		
1666853 Shares (31.03.2012 - 1666853 Shares)	485.89	519.33
[Net of Provision other than temporary diminution in carrying amount of investment - Rs. 33.44 lakhs (31.03.2012 - Rs. Nil)]		
Eveready Industries India Limited		
1663289 Shares of Rs. 5/- each (31.03.2012 - 1663289 Shares)	169.66	169.66
Kilburn Engineering Limited		
848168 Shares (31.03.2012 - 848168 Shares)	36.05	36.05
The Standard Batteries Limited		
1003820 Shares of Re. 1/- each (31.03.2012 - 1003820 Shares)	*	*
Kilburn Chemicals Limited		
350200 Shares (31.03.2012 - 350200 Shares)	14.04	14.04
Kilburn Office Automation Limited		
31340 Shares (31.03.2012 - 31340 Shares)	1.27	1.27



NOTES TO FINANCIAL STATEMENTS (Contd.)

13. NON - CURRENT INVESTMENTS (Contd.)

	31st March 2013 Rs. Lakhs	31st March 2012 Rs. Lakhs
Unquoted		
Dewrance Macneill & Co. Limited		
200000 Shares (31.03.2012 - 200000 Shares)	*	*
Kilburn Electricals Limited		
28000 Shares (31.03.2012 - 28000 Shares)	*	*
Cosepa Fiscal Industries Limited		
350000 Shares (31.03.2012 - 350000 Shares)	*	*
Delhi Golf & County Club Private Limited		
35750 Shares of Rs.100/- each (31.03.2012 - 35750 Shares)	*	*
Project India Blend Private Limited		
Written off during the year (31.03.2012 - 250000 Shares)	-	-
[Net of Provision other than temporary diminution in carrying amount of investment - Rs. Nil (31.03.2012 - Rs. 8.25 lakhs)]		
Other than Trade		
Investments in Equity Instruments - Others		
Quoted		
Suryachakra Seafood Limited		
400000 Shares (31.03.2012 - 400000 Shares)	*	*
Unquoted		
Jalpaiguri Club Limited		
523 Shares (31.03.2012 - 523 Shares)	-	-
Johnston Casting and Allied Industries Limited		
Written off during the year (31.03.2012 - 3500 Shares)	-	-
Indonilpur Marketing Pvt. Ltd.		
(formerly known as Nilpur Marketing Pvt. Limited)		
12500 Shares (31.03.2012 - 12500 Shares)	-	-
[Net of Provision other than temporary diminution in carrying amount of investment - Rs. 1.25 lakhs (31.03.2012 - Rs. 1.25 lakhs)]		
Nilhat Shipping Company Limited		
1000 Shares (31.03.2012 - 1000 Shares)	-	-
[Net of Provision other than temporary diminution in carrying amount of investment - Rs. 0.10 lakhs (31.03.2012 - Rs. 0.10 lakhs)]		
Woodlands Multispeciality Hospital Limited		
229610 Shares (31.03.2012 - 229610 Shares)	22.35	22.35
[Net of Provision other than temporary diminution in carrying amount of investment - Rs. 0.01 lakhs (31.03.2012 - Rs. 0.01 lakhs)]		
Investments in Preference shares - Others		
Unquoted		
Thakurbari Club Limited		
56 Preference Shares of Rs.100 each (31.03.2012 - 56 Preference Shares)	*	*
CFL Capital Financial Services Ltd. -		
1154790 13% Redeemable Cumulative Preference Shares of Rs.100 each (31.03.2012 - 1154790 Preference Shares)	-	-
[Net of Provision other than temporary diminution in carrying amount of investment - Rs. 1160.56 lakhs (31.03.2012 - Rs. 1160.56 lakhs)]		

NOTES TO FINANCIAL STATEMENTS (Contd.)

13. NON - CURRENT INVESTMENTS (Contd.)

	31st March 2013 Rs. Lakhs	31st March 2012 Rs. Lakhs
Investments in Government or trust securities		
Quoted		
8% Government of India Loan - 2011	-	1.26
9% Government of India Loan - 2013	0.63	0.63
Unquoted		
National Defence Bond (Deposited with Excise Authorities)	0.02	0.02
	24282.49	24517.19
* Amount is below the rounding off norm adopted by the Company.		
(a) Aggregate amount of quoted investments	872.23	873.49
Aggregate market value of quoted investments	3023.33	3829.42
Aggregate amount of unquoted investments;	26305.62	26313.87
Aggregate provision for diminution in value of investments	2895.36	2670.17
(b) Following shares are pledged against loans availed by the Company		
Name of the Company	Nos.	Nos.
Borelli Tea Holdings Limited (U.K.)	83404	83404

14. LONG-TERM LOANS AND ADVANCES

(Unsecured - considered good unless otherwise stated)		
[Refer Note 31]		
Capital Advances	699.14	1714.80
Security Deposits;		
Considered good	1256.90	1165.28
Considered doubtful	26.25	26.25
Less: Allowance for Doubtful Security Deposits	(26.25)	(26.25)
Deposits with National Bank for Agriculture and Rural Development	12938.67	8354.14
Other Loans and Advances		
MAT Credit Entitlement	2582.51	1385.96
Prepaid Expenses	384.12	405.24
Advances to Suppliers, Service Providers etc.	1217.20	1217.20
Loans to Others	850.00	850.00
Loans to Employees	23.19	38.56
Loans to Related Parties (Key Management Personnel) (a)	1.93	4.33
	19953.66	15135.51

(a) Such loans to key managerial personnel who are directors were originally initiated as advances to employees in the books of Eveready Industries India Limited, taken over in terms of a Scheme of Arrangement in 2004-05.

15. OTHER NON-CURRENT ASSETS

[Refer Note 31]		
Margin Money Deposit with bank (a)	13.98	13.98
Other Long Term Receivable		
From Sale of Tea Estates	198.76	198.76
Interest Accrued on Loans and Deposits	2284.22	2284.22
	2496.96	2496.96

(a) For issuing Bank Guarantee

16. INVENTORIES

At lower of cost and net realisable value		
Finished Goods (Stock of Tea)	2725.47	1963.40
[including in transit Rs. 272.97 lakhs (31.03.2012 - Rs. 191.56 lakhs)]		
Stores and Spares	8525.55	5536.45
	11251.02	7499.85



NOTES TO FINANCIAL STATEMENTS (Contd.)

17. TRADE RECEIVABLES

	31st March 2013 Rs. Lakhs	31st March 2012 Rs. Lakhs
Debts outstanding for a period exceeding six months from the date they are due for payment -		
Secured		
- Considered Good	350.00	350.00
Unsecured		
- Considered Good	-	203.23
- Considered Doubtful	394.08	217.02
Less: Provision for Doubtful Debts	(394.08)	(217.02)
Other Debts -		
Unsecured		
- Considered Good	1272.76	911.93
	1622.76	1465.16

18. CASH AND BANK BALANCES

A. Cash and Cash Equivalents		
Cash on hand	35.90	71.32
Balance with banks in Current Accounts	101.13	87.94
Dividend Accounts*	241.95	171.24
Escrow Accounts/Fractional Share Sale Proceeds Account	0.61	0.61
	379.59	331.11

*Earmarked for payment of unclaimed dividend

(a) Margin Money Deposit kept with bank for issuing guarantee in favour of Third party has been disclosed under Other Non-Current Assets (Refer Note 15)

19. SHORT-TERM LOANS AND ADVANCES

(Unsecured - considered good unless otherwise stated)		
Loans to Related Parties		
- Subsidiary	2600.00	1500.00
- Key Managerial Personnel (a)	2.40	2.53
Loans to Others		
Considered Good;	408.00	408.00
Considered Doubtful;	248.00	248.00
Less: Provision for Bad and Doubtful Loans	(248.00)	(248.00)
Deposits with National Bank for Agriculture and Rural Development	4000.00	4000.00
Other Loans and Advances		
MAT Credit Entitlement	1058.56	475.23
Advance Tax	2654.17	1489.45
Prepaid Expenses	758.33	703.02
Balance with Excise Authorities	11.33	12.03
Advance for Employee Benefits	782.54	725.77
Advance to Employees	571.08	290.76
Advances to Suppliers, Service Providers etc.		
Considered Good	2607.32	2606.85
Considered Doubtful	103.69	92.15
Less: Provision for Bad and Doubtful Advances	(103.69)	(92.15)
Loans to Employees	101.86	203.09
Claim Receivable	130.37	126.39
Tax payment under protest (Refer Note 39)	700.00	700.00
	16385.96	13243.12

(a) Such loans to key managerial personnel who are directors were originally initiated as advances to employees in the books of Eveready Industries India Limited taken over in terms of a Scheme of Arrangement in 2004-05.

NOTES TO FINANCIAL STATEMENTS (Contd.)

20. OTHER CURRENT ASSETS

	31st March 2013 Rs. Lakhs	31st March 2012 Rs. Lakhs
(Unsecured – considered good unless otherwise stated)		
Interest Accrued on Loans and Deposits		
Considered good;	1126.05	889.23
Considered Doubtful	173.35	173.35
Less: Provision for Doubtful Interest Receivable	(173.35)	(173.35)
Subsidies receivable from Government	1628.78	1586.21
Compensation receivable from Government	77.79	36.98
Accrued duty exemption benefits pertaining to exports	1883.71	1446.21
	4716.33	3958.63

21. REVENUE FROM OPERATIONS

	Year ended 31st March 2013		Year ended 31st March 2012	
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Sale of Products				
– Tea	133707.15		120289.49	
– Tea Waste	257.16	133964.31	72.36	120361.85
Other Operating Revenues				
Consultancy Fees	126.68		111.15	
Subsidy on Orthodox Tea	228.40		100.84	
Replantation Subsidy	382.50		546.53	
Transport Subsidy	356.47		301.78	
Accrued duty exemption entitlement and other Benefits relating to exports / premium on sale thereof	2743.92	3837.97	2360.93	3421.23
		137802.28		123783.08

22. OTHER INCOME

Interest Income (Gross)				
On Deposits	973.23		792.58	
On Loans	1309.83		1553.78	
On Tax Refunds	7.16	2290.22	189.79	2536.15
Interest Subsidy		–		567.81
Dividend on Long Term Trade Investments				
From Subsidiary Company		639.66		263.19
From Others		35.78		94.09
Insurance Claims		302.20		227.52
Sundry Income		76.70		60.05
Profit on Disposal of Fixed Assets (net)		365.67		155.32
Liabilities no Longer Required Written Back		297.76		367.22
		4007.99		4271.35



NOTES TO FINANCIAL STATEMENTS (Contd.)

23. COST OF MATERIALS CONSUMED

	Year ended 31st March 2013	Year ended 31st March 2012
	Rs. Lakhs	Rs. Lakhs
Green Leaf (purchased and consumed)	19731.38	11256.54
	19731.38	11256.54

24. CHANGES IN INVENTORIES OF FINISHED GOODS

Stock of Tea at the beginning of the year	1963.40	2942.61
Less: Stock of Tea at the end of the year	2725.47	1963.40
(Increase)/Decrease	(762.07)	979.21

25. EMPLOYEE BENEFITS EXPENSE

Salaries and Wages	37777.75	33307.63
Contribution to Provident and Other Funds	4955.26	4492.37
Labour and Staff Welfare	5180.51	4821.48
	47913.52	42621.48

26. FINANCE COSTS

	Year ended 31st March 2013		Year ended 31st March 2012	
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Interest Expense				
On Fixed Loans	1365.77		1520.51	
Others	2977.54	4343.31	2941.47	4461.98
Other Borrowing Costs		134.48		262.46
		4477.79		4724.44

27. DEPRECIATION AND AMORTISATION EXPENSE

Depreciation on Tangible Assets	3304.84		3075.06	
Less: Withdrawn on account of Depreciation on amount added on Revaluation of Tangible Assets (Refer Note 3)	(363.75)		(384.92)	
Less: Reversal of Impairment Loss (Refer Note 11)	(350.00)	2591.09	-	2690.14
Amortisation of Intangible Assets		280.33		250.00
		2871.42		2940.14

NOTES TO FINANCIAL STATEMENTS (Contd.)

28. OTHER EXPENSES

	Year ended 31st March 2013		Year ended 31st March 2012	
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Consumption of Stores and Spare Parts		5120.74		4994.71
Consumption of Packing Materials		1062.03		1118.46
Power and Fuel		14434.91		11945.20
Rent		68.48		220.15
Lease Rent		18.75		-
Repairs				
- Buildings		1384.47		1706.62
- Machinery		2455.93		2272.16
- Others		1201.49		1224.23
Insurance		777.32		546.64
Rates and Taxes [including Wealth Tax Rs. 32.00 lakhs (2011-2012 - Rs. 35.00 lakhs)]		427.01		431.31
Cess on Black Tea		409.92		395.55
Assam Green Leaf Cess		991.41		1116.10
Travelling		1227.61		1216.56
Legal and Professional Fees		726.11		669.25
Freight, Shipping and Selling Expenses		6643.83		5889.84
Brokerage on Sales		559.65		535.04
Selling Agents' Commission		417.49		458.06
Loss on Sale/Disposal of Investments	8.25		-	
Less : Adjusted from Provisions	(8.25)	-	-	-
Bad Debts written off		2.28		-
Provision for Doubtful Debts		177.06		3.10
Provision for Doubtful Advances		11.54		-
Net Loss on Foreign Currency Transaction and Translation		404.77		916.35
Miscellaneous Expenses		3158.72		2824.62
		41681.52		38483.95

29. Schemes of Amalgamation/Scheme of Arrangement given effect to in earlier years

Pending completion of the relevant formalities of transfer of certain assets and liabilities acquired pursuant to the Schemes, such assets and liabilities remain included in the books of the Company under the name of the transferor companies (including other companies which were amalgamated with the transferor companies from time to time).

30. Employee Benefits :

I. Post Employment Defined Contribution Plans:

During the year an amount of Rs. 3602.80 lakhs (31st March 2012 - Rs. 3239.20 lakhs) has been recognised as expenditure towards Defined Contribution plans of the Company.

II. Post Employment Defined Benefit Plans:

a) Gratuity (Funded)

The Company's gratuity scheme, a defined benefit plan, covers the eligible employees and is administered through certain gratuity fund trusts. Such gratuity funds, whose investments are managed by insurance companies/trustees themselves, make payments to vested employees or their nominees upon retirement, death, incapacitation or cessation of employment, of an amount based on the respective employee's salary and tenure of employment subject to a maximum limit of Rs. 10.00 lakhs. Vesting occurs upon completion of five years of service.



NOTES TO FINANCIAL STATEMENTS (Contd.)

b) Superannuation (Funded)

The Company's Superannuation scheme, a Defined Benefit plan, is administered through trust funds and covers certain categories of employees. Investments of the funds are managed by insurance companies / trustees themselves. Benefits under these plans had been frozen in earlier years with regard to salary levels then prevailing with the exception of a few employees. Upon retirement, death or cessation of employment, Superannuation Funds purchase annuity policies in favour of vested employees or their spouses to secure periodic pension. Such superannuation benefits are based on respective employee's tenure of employment and salary.

c) Staff Pension – Type A (Funded)

The Company's Staff Pension Scheme – Type A, a Defined Benefit plan, is administered through a trust fund and covers certain categories of employees. Investments of the fund are managed by Life Insurance Corporation of India. Pursuant to the scheme, monthly pension is paid to the vested employee or his/her nominee upon retirement, death or cessation of service based on the respective employee's salary and tenure of employment subject to a limit on the period of payment in case of nominee. Vesting occurs upon completion of twenty years of service.

d) Staff Pension – Type B (Unfunded)

The Company's Staff Pension Scheme – Type B, a Defined Benefit plan, covers certain categories of employees. Pursuant to the scheme, monthly pension is paid to the vested employee or his/her nominee upon retirement, death or cessation of service based on the respective employee's salary and tenure of employment subject to a limit on the period of payment in case of nominee. Vesting occurs upon completion of twenty years of service.

e) Medical Insurance Premium Re-imbursement (Unfunded)

The Company has a scheme of re-imbursement of medical insurance premium to certain categories of employees and their surviving spouses, upon retirement, subject to a monetary limit. The Company has introduced a scheme of re-imbursement of medical expenses to a certain category of employees up to a certain monetary limit. The scheme is in the nature of Defined Benefit plan.

f) Expatriate Pension (Unfunded)

The Company has an informal practice of paying pension to certain categories of retired expatriate employees and in certain cases to their surviving spouses. The scheme is in the nature of Defined Benefit plan.

The following Tables sets forth the particulars in respect of aforesaid Defined Benefit plans of the Company for the year ended 31st March 2013 and corresponding figures for the previous year.

NOTES TO FINANCIAL STATEMENTS (Contd.)

Description	Gratuity Fund (Funded)	
	2012-2013 Rs. Lakhs	2011-2012 Rs. Lakhs
Changes in present value of defined benefit obligation during the year ended 31st March		
Present value of obligation at the beginning of the year	10574.50	9579.29
Interest Cost	802.21	775.77
Current Service Cost	687.90	573.76
Past Service Cost	-	-
Benefits Paid	1093.67	905.26
Actuarial loss/(gain) on obligation	786.18	550.94
Present Value of obligation at the end of the year	11757.12	10574.50
Changes in the fair value of plan assets during the year ended 31st March		
Fair Value of Plan Assets at the beginning of the year	10920.69	9773.53
Expected Return on Plan Assets	873.66	781.88
Contributions	1099.60	1323.42
Benefits Paid	1093.67	905.26
Actuarial gain/(loss) on Plan Assets	231.30	(52.88)
Fair Value of Plan Assets at the end of the year	12031.58	10920.69
Amount recognised in Balance Sheet		
Present Value of obligation at the end of the year	11757.12	10574.50
Fair Value of Plan Assets at end of the year	12031.58	10920.69
Net Asset/(Liability) Recognised in Balance Sheet	274.46	346.19
Expense Recognised in Profit and Loss Statement		
Current Service Cost	687.90	573.76
Past Service Cost	-	-
Interest Cost	802.21	775.77
Expected Return on Plan Assets	873.66	781.88
Actuarial loss/(gain) recognised in the year	554.88	603.82
Expense Recognised in Profit and Loss Statement	@ 1171.33	@ 1171.47
@ included in Contribution to Provident and Other Funds (Note 25)		
Category of Plan Assets		
Investments in Bonds and Special Deposit	30.97	36.21
Investments with Life Insurance Corporation of India	1962.17	1797.08
Investments with other Insurance Companies	9952.47	9006.92
Others including Bank Balances	85.97	80.48
Total	12031.58	10920.69
Actual Return on Plan Assets	1104.96	729.00
Principal Actuarial Assumptions		
Discount Rate (%)	8.0	8.5
Inflation Rate (%)	5.0	5.0
Return on Asset (%)	8.0	8.0



NOTES TO FINANCIAL STATEMENTS (Contd.)

Description	Superannuation Fund (Funded)	
	2012-2013 Rs. Lakhs	2011-2012 Rs. Lakhs
Changes in present value of defined benefit obligation during the year ended 31st March		
Present value of obligation at the beginning of the year	1910.35	1879.33
Interest Cost	146.20	156.68
Current Service Cost	-	-
Benefits Paid	165.77	71.98
Actuarial loss/(gain) on obligation	(41.02)	(53.68)
Present Value of obligation at the end of the year	1849.76	1910.35
Changes in the fair value of plan assets during the year ended 31st March		
Fair Value of Plan Assets at the beginning of the year	2297.83	2209.49
Expected Return on Plan Assets	183.83	176.76
Contributions	-	-
Benefits Paid	165.77	71.98
Actuarial gain/(loss) on Plan Assets	49.85	(16.44)
Fair Value of Plan Assets at the end of the year	2365.74	2297.83
Amount recognised in Balance Sheet		
Present Value of obligation at the end of the year	1849.76	1910.35
Fair Value of Plan Assets at end of the year	2365.74	2297.83
Net Asset/(Liability) Recognised in Balance Sheet	515.98	387.48
Expense Recognised in Profit and Loss Statement		
Current Service Cost	-	-
Interest Cost	146.20	156.68
Expected Return on Plan Assets	183.83	176.76
Actuarial loss/(gain) recognised in the year	(90.87)	(37.24)
Expense Recognised in Profit and Loss Statement	@ (128.50)	@ (57.32)
@ Included in Contribution to Provident and other Funds (Note 25)		
Category of Plan Assets		
Investments in Bonds and Special Deposit	47.80	64.24
Investments with Life Insurance Corporation of India	209.07	203.12
Investments with other Insurance Companies	2080.25	2004.24
Others including Bank Balances	28.62	26.23
Total	2365.74	2297.83
Actual Return on Plan Assets	233.68	160.32
Principal Actuarial Assumptions		
Discount Rate (%)	8.0	8.5
Return on Asset (%)	8.0	8.0

NOTES TO FINANCIAL STATEMENTS (Contd.)

Description	Staff Pension Fund Type A (Funded)	
	2012-2013 Rs. Lakhs	2011-2012 Rs. Lakhs
Changes in present value of defined benefit obligation during the year ended 31st March		
Present value of obligation at the beginning of the year	396.96	441.38
Interest Cost	31.74	36.58
Current Service Cost	51.60	39.38
Benefits Paid	0.31	21.95
Actuarial loss/(gain) on obligation	(43.08)	(98.43)
Present Value of obligation at the end of the year	436.91	396.96
Changes in the fair value of plan assets during the year ended 31st March		
Fair Value of Plan Assets at the beginning of the year	90.76	105.24
Expected Return on Plan Assets	7.26	8.42
Contributions	0.31	0.23
Benefits Paid	0.31	21.95
Actuarial gain/(loss) on Plan Assets	0.14	(1.18)
Fair Value of Plan Assets at the end of the year	98.16	90.76
Amount recognised in Balance Sheet		
Present Value of obligation at the end of the year	436.91	396.96
Fair Value of Plan Assets at end of the year	98.16	90.76
Net Asset/(Liability) Recognised in Balance Sheet	(338.75)	(306.20)
Expense Recognised in Profit and Loss Statement		
Current Service Cost	51.60	39.38
Interest Cost	31.74	36.58
Expected Return on Plan Assets	7.26	8.42
Actuarial loss/(gain) recognised in the year	(43.22)	(97.25)
Expense Recognised in Profit and Loss Statement	@ 32.86	@ (29.71)
@ Included in Contribution to Provident and Other Funds (Note 25)		
Category of Plan Assets		
Investments with Life Insurance Corporation of India	98.16	90.76
Total	98.16	90.76
Actual Return on Plan Assets	7.40	7.24
Principal Actuarial Assumptions		
Discount Rate (%)	8.0	8.5
Inflation Rate (%)	5.0	5.0
Return on Asset (%)	8.0	8.0



NOTES TO FINANCIAL STATEMENTS (Contd.)

Description	Staff Pension Type B (Unfunded)	
	2012-2013 Rs. Lakhs	2011-2012 Rs. Lakhs
Changes in present value of defined benefit obligation during the year ended 31st March		
Present value of obligation at the beginning of the year	2803.16	2686.96
Interest Cost	218.71	222.49
Current Service Cost	267.75	182.63
Benefits Paid	138.65	138.83
Actuarial loss/(gain) on obligation	(73.40)	(150.09)
Present Value of obligation at the end of the year	3077.57	2803.16
Amount recognised in Balance Sheet		
Present Value of obligation at the end of the year	3077.57	2803.16
Fair Value of Plan Assets at the end of the year	-	-
Net Asset/(Liability) Recognised in Balance Sheet	(3077.57)	(2803.16)
Expense Recognised in Profit and Loss Statement		
Current Service Cost	267.75	182.63
Interest Cost	218.71	222.49
Expected Return on Plan Assets	-	-
Actuarial loss/(gain) recognised in the year	(73.40)	(150.09)
Expense Recognised in Profit and Loss Statement	# 413.06	# 255.03
# included in Salaries and Wages (Note 25)		
Principal Actuarial Assumptions		
Discount Rate (%)	8.0	8.5
Inflation Rate (%)	5.0	5.0

Description	Medical Benefit Liability (Unfunded)	
	2012-2013 Rs. Lakhs	2011-2012 Rs. Lakhs
Changes in present value of defined benefit obligation during the year ended 31st March		
Present value of obligation at the beginning of the year	326.50	282.73
Interest Cost	26.12	24.03
Current Service Cost	-	-
Benefits Paid	22.98	22.57
Actuarial loss/(gain) on obligation	90.01	42.31
Present Value of obligation at the end of the year	419.65	326.50
Amount recognised in Balance Sheet		
Present Value of obligation at the end of the year	419.65	326.50
Fair Value of Plan Assets at the end of the year	-	-
Net Asset/(Liability) Recognised in Balance Sheet	(419.65)	(326.50)
Expense Recognised in Profit and Loss Statement		
Current Service Cost	-	-
Interest Cost	26.12	24.03
Expected Return on Plan Assets	-	-
Actuarial loss/(gain) recognised in the year	90.01	42.31
Expense Recognised in Profit and Loss Statement	* 116.13	* 66.34
* included in Insurance (Note 28)		
Principal Actuarial Assumptions		
Discount Rate (%)	8.0	8.5

NOTES TO FINANCIAL STATEMENTS (Contd.)

Description	Expatriate Pension (Unfunded)	
	2012-2013 Rs. Lakhs	2011-2012 Rs. Lakhs
Changes in present value of defined benefit obligation during the year ended 31st March		
Present value of obligation at the beginning of the year	42.65	43.46
Interest Cost	1.81	2.36
Current Service Cost	-	-
Benefits Paid	39.98	31.49
Actuarial loss/(gain) on obligation	34.50	28.32
Present Value of obligation at the end of the year	38.98	42.65
Amount recognised in Balance Sheet		
Present Value of obligation at the end of the year	38.98	42.65
Fair Value of Plan Assets at the end of the year	-	-
Net Asset/(Liability) Recognised in Balance Sheet	(38.98)	(42.65)
Expense Recognised in Profit and Loss Statement		
Current Service Cost	-	-
Interest Cost	1.81	2.36
Expected Return on Plan Assets	-	-
Actuarial loss/(gain) recognised in the year	34.50	28.32
Expense Recognised in Profit and Loss Statement	# 36.31	# 30.68
# included in Salaries and Wages (Note 25)		
Principal Actuarial Assumptions		
Discount Rate (%)	8.0	8.5

The estimates of rate of inflation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment sphere.

Plan assets represent investment in various categories. The return on amounts invested with LIC is declared annually by them. Return on amounts invested with Insurance companies, other than LIC, is mostly by way of Net Asset Value declared on units purchased, with some schemes declaring returns annually. Investment in Bonds and Special Deposit carry a fixed rate of interest.

The expected return on plan assets is determined after taking into consideration composition of the plan assets held, assessed risk of asset management and other relevant factors.



NOTES TO FINANCIAL STATEMENTS (Contd.)

Rs. Lakhs

Other Particulars	31st March				
	2013	2012	2011	2010	2009
Gratuity Fund (Funded)					
Defined Benefit Obligation	11757.12	10574.50	9579.29	8508.40	6903.02
Plan Assets	12031.58	10920.69	9773.53	7100.68	4952.18
Surplus/(Deficit)	274.46	346.19	194.24	(1407.72)	(1950.84)
Experience Adjustments on Plan Liabilities	535.36	939.06	499.79	235.67	(1.77)
Experience Adjustments on Plan Assets	231.30	(52.88)	57.67	306.47	(51.77)
Superannuation Fund (Funded)					
Defined Benefit Obligation	1849.76	1910.35	1879.33	2018.52	2222.68
Plan Assets	2365.74	2297.83	2209.49	2233.99	2031.74
Surplus/(Deficit)	515.98	387.48	330.16	215.47	(190.94)
Experience Adjustments on Plan Liabilities	(63.34)	(36.74)	(23.17)	(8.67)	67.79
Experience Adjustments on Plan Assets	49.84	(16.44)	(20.80)	141.63	(88.31)
Staff Pension Fund Type A (Funded)					
Defined Benefit Obligation	436.91	396.96	441.38	407.45	373.73
Plan Assets	98.16	90.76	105.24	98.55	113.81
Surplus/(Deficit)	(338.75)	(306.20)	(336.14)	(308.90)	(259.92)
Experience Adjustments on Plan Liabilities	(108.33)	(30.19)	4.21	1.71	12.58
Experience Adjustments on Plan Assets	0.14	(1.18)	0.05	0.09	(58.99)
Staff Pension Fund Type B (Unfunded)					
Defined Benefit Obligation	3077.57	2803.16	2686.96	2537.87	2241.47
Plan Assets	NA	NA	NA	NA	NA
Surplus/(Deficit)	NA	NA	NA	NA	NA
Experience Adjustments on Plan Liabilities	(164.59)	(69.00)	112.42	47.53	(88.07)
Experience Adjustments on Plan Assets	NA	NA	NA	NA	NA
Medical Benefit Liability (Unfunded)					
Defined Benefit Obligation	419.65	326.50	282.73	289.88	291.04
Plan Assets	NA	NA	NA	NA	NA
Surplus/(Deficit)	NA	NA	NA	NA	NA
Experience Adjustments on Plan Liabilities	64.13	(14.55)	(10.95)	(4.51)	(0.17)
Experience Adjustments on Plan Assets	NA	NA	NA	NA	NA
Expatriate Pension (Unfunded)					
Defined Benefit Obligation	38.98	42.65	43.46	59.02	85.60
Plan Assets	NA	NA	NA	NA	NA
Surplus/(Deficit)	NA	NA	NA	NA	NA
Experience Adjustments on Plan Liabilities	25.88	28.80	5.59	7.52	(10.30)
Experience Adjustments on Plan Assets	NA	NA	NA	NA	NA

NA : Not Applicable

NOTES TO FINANCIAL STATEMENTS (Contd.)

g) Provident Fund:

Contributions towards provident funds are recognised as expense for the year. The Company has set up Provident Fund Trusts in respect of certain categories of employees which is administered by Trustees. Both the employees and the Company make monthly contributions to the Funds at specified percentage of the employee's salary and aggregate contributions along with interest thereon are paid to the employees/nominees at retirement, death or cessation of employment. The Trusts invest funds following a pattern of investments prescribed by the Government. The interest rate payable to the members of the Trusts is not lower than the rate of interest declared annually by the Government under The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, on account of interest is to be made good by the Company.

In terms of the Guidance on implementing Accounting Standard 15 (Revised 2005) on Employee Benefits issued by the Accounting Standard Board of The Institute of Chartered Accountants of India (ICAI), a provident fund set up by the Company is defined benefit plan in view of the Company's obligation to meet shortfall, if any, on account of interest.

The Actuary has carried out actuarial valuation of plan's liabilities and interest rate guarantee obligations as at the balance sheet date using Project Unit Credit Method and Deterministic Approach as outlined in the Guidance Note 29 issued by the Institute of Actuaries of India. Based on such valuation, there is no future anticipated shortfall with regard to interest rate obligation of the Company as at the balance sheet date. Further during the year, the Company's contribution of Rs. 284.90 lakhs (31st March 2012 – Rs. 237.07 lakhs) to the Provident Fund Trust has been expensed under the "Contribution to Provident and Other Funds". Disclosures given hereunder are restricted to the information available as per the Actuary's report.

	2012-2013	2011-2012
Principal Actuarial Assumptions		
Discount Rate	8.50%	8.50%
Expected Return on Exempted Fund	8.90%	8.90%
Expected EPFO Return	8.50%	8.25%

31. There are certain overdue loans and advances, interest accrued on loans and other recoverable items aggregating Rs. 4351.42 lakhs (31st March 2012 – Rs. 4351.42 lakhs). These advances became overdue on account of the sluggish market conditions and the resultant difficulty in liquidating the assets by these parties. The management is actively continuing to pursue options for recovery of these loans and advances. As a measure of prudence, and in the management's best judgement Rs. 4351.42 lakhs (31st March 2012 – Rs. 4351.42 lakhs) is being held in provision for contingency, for overdue loans and advances etc. at the year end. (Refer Note 6).

32. Contingent Liabilities

a) Claims against the Company not acknowledged as debts : –

	31st March 2013 Rs. Lakhs	31st March 2012 Rs. Lakhs
Sales Tax	52.14	26.37
Electricity Dues	29.27	29.27
Assam Pollution Control Board	–	7.41
Provident Fund	68.43	68.43
Income Tax	150.10	247.65
Service Tax	70.13	75.48
Others	–	0.86



NOTES TO FINANCIAL STATEMENTS (Contd.)

- b) Guarantees given on behalf of a subsidiary – Rs. 12213.00 lakhs (31st March 2012 – Rs. 11445.75 lakhs); Year end utilisation Rs. 4094.58 lakhs (31st March 2012 – Rs. 7089.93 lakhs).
- c) Bank Guarantees Rs. 117.58 lakhs (31st March 2012 – Rs. 102.94 lakhs)
- d) Bills Discounted – Rs. 9490.76 lakhs (31st March 2012 – Rs. 1014.45 lakhs)

33. TAXATION

Current Tax charge for the year has been reckoned after taking into account, benefit under Section 33AB of the Income Tax Act, 1961 (which are available on timely deposit of required amount with development bank).

34. COMMITMENTS

Estimated Capital Commitment on account of contracts remaining to be executed and not provided for at the year-end is Rs. 1431.11 lakhs (31st March 2012 – Rs. 3230.22 lakhs). Such commitment, net of advances, is Rs. 731.97 lakhs (31st March 2012 – Rs. 1515.42 lakhs).

35. BUSINESS SEGMENT

The Company is primarily engaged in the business of cultivation, manufacture and sale of tea and is managed organisationally as a single unit. Accordingly, the Company is a single business segment company.

Geographical (Secondary) Segments

The geographical segments have been identified as follows :

- a) Sales revenue of Tea by geographical market:

	Year ended 31st March 2013 Rs. Lakhs	Year ended 31st March 2012 Rs. Lakhs
– India	85769.05	80155.08
– Outside India	47938.10	40134.41
	133707.15	120289.49

- b) Assets by geographical market:

	As at 31st March 2013 Rs. Lakhs	As at 31st March 2012 Rs. Lakhs
– India	182750.49	174134.92
– Outside India	23.15	22.18
	182773.64	174157.10

- c) Purchase of fixed assets by geographical market :

	Year ended 31st March 2013 Rs. Lakhs	Year ended 31st March 2012 Rs. Lakhs
– India	8630.68	10648.23
– Outside India	–	–
	8630.68	10648.23

NOTES TO FINANCIAL STATEMENTS (Contd.)

36. Information given in accordance with the requirement of Accounting Standard 18 on Related Party Disclosures prescribed under the Act : -

a) List of Related Parties

Where control exists:

- Subsidiaries :
 - Borelli Tea Holdings Limited (BTHL)
 - Phu Ben Tea Company Limited (PBTCL)
 - Rwenzori Tea Investments Limited (RTI)
 - McLeod Russel Uganda Limited (MRUL)
 - Olyana Holdings LLC (Olyana) (upto 25th June 2012)
 - Gisovu Tea Company Limited (GTCL)
 - McLeod Russel Middle East (MRME)

Others:

- Associates :
 - D1 Williamson Magor Bio Fuel Limited (D1)
- Key Management Personnel
 - Managing Director Mr. Aditya Khaitan (AK)
 - Wholtime Directors Mr. R. Takru (RT)
 - Mr. A. Monem (AM)
 - Mr. K. K. Baheti (KKB)
- Relatives of Key Management Personnel with whom transactions took place during the year.
 - Mr. B. M. Khaitan (BMK) Father of Mr. A. Khaitan
 - Mr. D. Khaitan (DK) Brother of Mr. A. Khaitan

b) Transactions / Balances with Subsidiary

Name of Subsidiary	Nature of Transactions/Balances	As at/ Year ended 31st March 2013	As at/ Year ended 31st March 2012
		Rs. Lakhs	Rs. Lakhs
BTHL	Loan outstanding at beginning of the year	1500.00	2900.00
	Loan given	2600.00	1000.00
	Refund received	1500.00	2400.00
	Loan outstanding at year end	2600.00	1500.00
	Interest income	299.21	242.11
	Interest income receivable	299.21	242.11
	Royalty	483.84	398.29
	Royalty payable (Gross)	120.67	398.29
	Dividend Paid	1624.05	1353.38
	Dividend Received	639.66	263.19
	Balance of Investment at the year end	22936.98	22936.98
MRUL	Consultancy Fees	99.08	85.71
	Trade Receivable	48.99	19.45
PBTCL	Consultancy Fees	27.60	25.44
	Trade Receivable	-	25.44
MRME	Sale of Tea	256.15	162.26



NOTES TO FINANCIAL STATEMENTS (Contd.)

c) Transactions / Balances with Associate

Name of Associate	Nature of Transactions/Balances	As at/ Year ended 31st March 2013 Rs. Lakhs	As at/ Year ended 31st March 2012 Rs. Lakhs
D1	Subscription in Share Capital during the year	-	72.93
	Balance of Investments at the year-end	484.35	684.35

d) Transactions / Balances with Key Management Personnel

	Remuneration		Dividend paid		Loan Outstanding as at	
	2012-13 Rs. Lakhs	2011-12 Rs. Lakhs	2012-13 Rs. Lakhs	2011-12 Rs. Lakhs	31st March 2013 Rs. Lakhs	31st March 2012 Rs. Lakhs
AK	278.58	248.50	0.43	0.36	-	-
RT	138.48	122.80	0.03	0.04	4.33	6.73
AM	138.73	122.42	-	-	-	0.13
KKB	137.69	122.06	0.31	0.01	-	-
Total	693.48	615.78	0.77	0.41	4.33	6.86

e) Transactions / Balances with relatives of Key Management Personnel

	As at/Year ended 31st March 2013 Rs. Lakhs	As at/Year ended 31st March 2012 Rs. Lakhs
Directors' Sitting Fees		
BMK	0.60	0.80
DK	0.20	0.60
Commission		
BMK	2.50	2.50
DK	2.50	2.50
Dividend Paid		
BMK	2.18	1.81
DK	0.71	0.59
Amount outstanding at year end		
BMK	2.50	2.50
DK	2.50	2.50

37. Disclosure pursuant to SEBI's Circular No. SMD/POLICY/CIR-02/2003

	As at 31st March 2013 Rs. Lakhs	As at 31st March 2012 Rs. Lakhs
i) Loans and Advances in the Nature of Loans to Subsidiaries and Associates		
a) Loan to Subsidiary		
Borelli Tea Holdings Limited		
- Balance at the year end	2600.00	1500.00
- Maximum amount outstanding at any time during the year	4100.00	3900.00
b) Loan to Associate		
Babcock Borsig Limited		
- Balance at the year end	-	-
- Maximum amount outstanding at any time during the year	-	5675.00*
* Ceased as associate with effect from 28th March 2012		
ii) Loans and Advances in the Nature of Loans to Firms/Companies in which Directors are Interested		
a) Loan to a Company in which a Director of a Company is a Director		
United Machines Company Limited		
- Balance at the year end	360.00	360.00
- Maximum amount outstanding at any time during the year	360.00	360.00

NOTES TO FINANCIAL STATEMENTS (Contd.)

38. During the year 2012-13, a tea-manufacturing factory has been taken on non-cancellable operating lease for period from 1st January 2013 to 31st December 2017. The Lease Rent charged in Profit & Loss Statement and future lease commitments are:

	Year ended 31st March 2013 Rs. Lakhs	Year ended 31st March 2012 Rs. Lakhs
Lease Rent	18.75	-
Future lease commitment		
Not later than one year	75.00	-
Later than one year and not later than five years	281.25	-
Later than five years	-	-

39. In connection with an overseas acquisition of a subsidiary in 2005, the Income Tax authority had raised a demand of Rs.5278 lakhs during the year 2009-10 on the Company on account of alleged non-deduction of tax at source and interest thereon pertaining to the transaction. The Company has challenged the said demand before the appropriate authorities and the matter is pending. Further, the Company has obtained a stay against the said demand from the Hon'ble High Court of Calcutta. The Company has deposited Rs. 700.00 lakhs during the year 2011-12 with Income Tax Authority under protest (Refer Note 19). In any event, as per the related Share Purchase Agreement, Capital Gain tax or other tax, if any, relating to sale of shares etc. is to be borne by the seller and not the Company.

40. EARNINGS PER EQUITY SHARE :

	Year ended 31st March 2013	Year ended 31st March 2012
a] Numerator used:		
Profit after Taxation (Rs. Lakhs)	22570.00	22027.54
b] Denominator used		
Weighted Average Number of Equity Shares	10,94,55,735	10,94,55,735
c] Face Value of Equity Shares - Rs.	5	5
d] Dilutive Potential Equity Shares	-	-
e] Earnings per Share [Basic and Diluted] - Rs.	20.62	20.12

41. Revenue Expenditure on Research and Development Rs. 110.43 lakhs (31st March 2012 - Rs. 113.89 lakhs) represent subscription to Tea Research Association.

42. There are no outstanding dues of Micro and Small Enterprises (MSEs) based on information available with the Company.

43. AUDITORS' REMUNERATION : (Included in Miscellaneous Expenses under Note 28)

	Year ended 31st March 2013 Rs. Lakhs	Year ended 31st March 2012 Rs. Lakhs
As Auditors - Audit Fees	35.00	35.00
For Other Services		
Tax Audit Fees	15.00	12.50
Certification etc.	42.90	39.50
For Reimbursement of expenses		
Out of Pocket Expenses	0.88	0.94
Service Tax	11.59	10.22



NOTES TO FINANCIAL STATEMENTS (Contd.)

44. VALUE OF IMPORTS CALCULATED ON CIF BASIS

	Year ended 31st March 2013 Rs. Lakhs	Year ended 31st March 2012 Rs. Lakhs
Components and Spare Parts (including Packing Materials)	529.91	284.98
Capital Goods	44.28	331.89

45. Consumption of Stores (including Packing Material), Spare Parts and Components

[including Rs. 2712.46 lakhs (31st March 2012 – Rs. 2532.97 lakhs) debited to other accounts]

	Year ended 31st March 2013		Year ended 31st March 2012	
	Rs. Lakhs	%	Rs. Lakhs	%
Imported	347.41	3.91	265.39	3.07
Indigenous	8547.82	96.09	8380.75	96.93
	8895.23	100.00	8646.14	100.00

46. Salaries and Wages excludes Rs. 782.67 lakhs (31st March 2012 – Rs. 1080.81 lakhs) and Stores and Spares consumed excludes Rs. 2712.46 lakhs (31st March 2012 – Rs. 2532.97 lakhs) debited to other accounts.

47. EXPENDITURE IN FOREIGN CURRENCY

	Year ended 31st March 2013 Rs. Lakhs	Year ended 31st March 2012 Rs. Lakhs
Consultancy (Net of Tax)	43.37	35.29
Pension	39.22	30.55
Travel	117.00	186.86
Selling Agents' Commission, Brokerage etc.	49.54	16.30
Ocean Freight	6.94	37.19
Royalty (Net of Tax)	435.88	338.55
Others	66.57	4.86

48. AMOUNT REMITTED IN FOREIGN CURRENCY ON ACCOUNT OF :

	Year ended 31st March 2013 Rs. Lakhs	Year ended 31st March 2012 Rs. Lakhs
Dividend	1638.33	1365.31

Year to which the dividend relates	Year ended 31st March 2012	Year ended 31st March 2011
Number of Non-Resident Shareholders	53	56
Number of Shares held by Non-Resident Shareholders	27305573	27306109

49. PROPOSED DIVIDEND

	Year ended 31st March 2013 Rs. Lakhs	Year ended 31st March 2012 Rs. Lakhs
The dividend proposed for the year is as follows:		
On Equity Share of Rs. 5/- each		
Amount of Dividend Proposed	7661.90	6567.11
Dividend per Equity Shares	Rs. 7/-	Rs. 6/-

50. EARNING IN FOREIGN EXCHANGE

	Year ended 31st March 2013 Rs. Lakhs	Year ended 31st March 2012 Rs. Lakhs
Export of Goods calculated on FOB Basis	47367.76	39646.93
Interest Income	299.21	242.11
Consultancy Income	126.68	111.15
Dividend Received	639.66	263.19

NOTES TO FINANCIAL STATEMENTS (Contd.)

51. Items of Expenditure in the Profit and Loss Statement include reimbursements to and by the Company.

52. Derivative Investments and Unhedged Foreign Currency Exposure

a) Derivatives outstanding as at the reporting date:-

Particulars	Purpose	Currency	As at 31st March, 2013		As at 31st March, 2012	
			Amount in Foreign Currency	Amount in Rs. Lakhs	Amount in Foreign Currency	Amount in Rs. Lakhs
Forward contracts on past performance	Hedging of foreign currency receivables	USD	28000000	15201.20	22000000	11193.60
		GBP	2000000	1085.80	6000000	4897.20
Currency and Interest Rate Swap	Hedging of floating interest rate	USD	7439062	4038.67	9149410	4655.22

b) Particulars of unhedged foreign currency exposures as at the reporting date.

Trade/ Other Payable	GBP	146302	120.67	487981	398.29
Trade/ Other Receivables	USD	423473	229.87	88227	44.89
		2012-13		2011-12	
		Rs. Lakhs		Rs. Lakhs	
c) Mark to Market Losses Provided for			802.67		675.22

53. EXCEPTIONAL ITEM COMPRISES

	Year ended 31st March 2013 Rs. Lakhs	Year ended 31st March 2012 Rs. Lakhs
Provision in carrying amount of long term		
Investments in:		
An associate	200.00	1500.00
A Body Corporate	33.44	-
Loss/(Profit) on disposal of Investment in:		
An associate	-	(118.03)
	233.44	1381.97

54. Previous year figures have been reclassified to conform to this year's classification.

Signatures to Notes 1 to 54

For **PRICE WATERHOUSE**

Firm Registration Number 301112E
Chartered Accountants

For and on behalf of the Board of Directors

Prabal Kr. Sarkar
Partner
Membership Number 52340

A. Khaitan
Managing Director

K. K. Baheti
Wholetime Director & CFO

A. Guha Sarkar
Company Secretary

Kolkata, 27th May, 2013



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of McLeod Russel India Limited

1. We have audited the accompanying consolidated financial statements (the "Consolidated Financial Statements") of McLeod Russel India Limited ("the Company") and its subsidiaries and associate company; hereinafter referred to as the "Group" (refer Note 29 to the attached consolidated financial statements) which comprise the consolidated Balance Sheet as at March 31, 2013, and the consolidated Profit and Loss Statement and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information which we have signed under reference to this report.

Management's Responsibility for the Consolidated Financial Statements

2. The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 – Consolidated Financial Statements and Accounting Standard (AS) 23 – Accounting for Investments in Associates in Consolidated Financial Statements notified under Section 211(3C) of the Companies Act, 1956.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of McLeod Russel India Limited
Report on the Consolidated Financial Statements

7. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components of the Group as referred to in paragraph 8 below, and to the best of our information and according to the explanations given to us, in our opinion, the accompanying consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;
- (b) in the case of the consolidated Profit and Loss Statement, of the profit for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matter

8. We did not audit the financial statements of (i) one subsidiary included in the consolidated financial statements, which constitute total assets of Rs. 36,759.24 lakhs and net assets of Rs. 25,988.24 lakhs as at March 31, 2013, total revenue of Rs. 29,386.69 lakhs, net profit of Rs. 5,942.62 lakhs and net cash flows amounting to Rs. 1,244.80 lakhs for the year then ended; and (ii) one associate company which constitute net loss of Rs. 202.51 lakhs for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors.

For Price Waterhouse

Firm Registration Number: 301112E

Chartered Accountants

Prabal Kr. Sarkar

Partner

Membership Number: 52340

Kolkata

27th May, 2013



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013

	Note	31st March 2013		31st March 2012	
		Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	2	5472.79		5472.79	
Reserves and Surplus	3	189620.12	195092.91	169192.38	174665.17
Minority Interest			1531.55		1173.91
Non-current Liabilities					
Long - term Borrowings	4	2582.74		9397.07	
Deferred Tax Liabilities (Net)	5	8233.48		7692.09	
Long - term Provisions	6	7255.13	18071.35	7188.24	24277.40
Current Liabilities					
Short-term Borrowings	7	14276.39		10401.23	
Trade Payables	8	7638.82		7310.47	
Other Current Liabilities	9	16833.69		16200.21	
Short-term Provisions	10	14257.95	53006.85	12093.68	46005.59
TOTAL			267702.66		246122.07
ASSETS					
Non-Current Assets					
Fixed Assets					
Tangible Assets	11	167699.38		161573.95	
Intangible Assets	12	25115.49		24421.30	
Capital Work-in-Progress		3987.18		3138.96	
Intangible Assets under Development		-	196802.05	399.34	189533.55
Non-Current Investments	13	1665.37		1896.77	
Long - term Loans and Advances	14	20007.65		15162.43	
Other Non-current Assets	15	3779.49	25452.51	3781.74	20840.94
Current Assets					
Inventories	16	17083.21		12478.70	
Trade Receivables	17	4057.54		2965.89	
Cash and Bank Balances	18	4634.58		3341.30	
Short-term Loans and Advances	19	15146.74		12752.75	
Other Current Assets	20	4526.03	45448.10	4208.94	35747.58
TOTAL			267702.66		246122.07

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

The notes are an integral part of these Financial Statements

For **PRICE WATERHOUSE**

Firm Registration Number 301112E
Chartered Accountants

For and on behalf of the Board of Directors

CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

	Note	Year ended 31st March 2013 Rs. Lakhs	Year ended 31st March 2012 Rs. Lakhs
Revenue from Operations	21	166855.14	144531.69
Other Income	22	3442.32	4106.92
Total Revenue		170297.46	148638.61
Expenses:			
Cost of Materials Consumed	23	23795.19	15139.82
Purchase of Tea		1790.41	192.04
Changes in Inventories of Finished Goods	24	(792.93)	(727.34)
Employee Benefits Expense	25	52618.76	45886.78
Finance Costs	26	5104.94	5674.42
Depreciation and Amortisation Expense	27	3919.74	3696.63
Other Expenses	28	51321.95	45101.94
Total Expenses		137758.06	114964.29
Profit before Exceptional Items and Tax		32539.40	33674.32
Exceptional Item	45	30.93	868.19
Profit before Taxation, Share of Earnings/(Loss) from Associates and Minority Interest		32508.47	32806.13
Tax expense:			
Current Tax		6189.25	6672.63
Less: MAT Credit		(1779.88)	(1022.19)
Provision/ (Write back) relating to earlier years		(612.72)	(2363.27)
Deferred Tax		500.52	93.27
Profit after Taxation but before Share of Earnings/(Loss) from Associates and Minority Interest		28211.30	29425.69
Share of Associates' Earnings/ (Loss) Net		(202.51)	(331.50)
Minority Interest		(615.76)	(302.10)
Profit for the Year		27393.03	28792.09
Earnings per Equity Share:			
[Nominal Value per share : Rs. 5/- (Previous Year : Rs. 5/-)]	39		
– Basic		25.03	26.30
– Diluted		25.03	26.30

This is the Consolidated Profit and Loss Statement referred to in our report of even date

The notes are an integral part of these Financial Statements

For **PRICE WATERHOUSE**

Firm Registration Number 301112E
Chartered Accountants

For and on behalf of the Board of Directors

Prabal Kr. Sarkar
Partner
Membership Number 52340
Kolkata, 27th May, 2013

A. Khaitan
Managing Director

K. K. Baheti
Wholetime Director & CFO

A. Guha Sarkar
Company Secretary



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

	2012-13		2011-12	
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before taxation, Share of Earnings/(Loss) from Associates and Minority Interest		32508.47		32806.13
Adjustments for :				
Provision for Doubtful Debts		177.06		3.10
Provision for Diminution in Long-term Investments		30.93		660.77
Provision for Doubtful Advances		11.73		-
Liabilities no longer required written back		(297.76)		(367.22)
Bad Debts written off		2.28		-
Reversal of Impairment Loss		(350.00)		-
Depreciation on Tangible Assets		3939.43		3402.19
Amortisation on Intangible Assets		330.31		294.44
Profit on Disposal of Fixed Assets (Net)		(380.91)		(182.58)
Loss on Disposal of Long Term Trade Investments		-		207.42
Interest Subsidy		-		(567.81)
Dividend on Long Term Trade Investments		(35.78)		(94.09)
Interest Income		(2089.72)		(2362.02)
Interest Expense		4964.15		5411.96
Unrealised Foreign Exchange Losses / (Gains)		164.94		549.46
Exchange difference on translation of foreign currency		(153.19)		(1050.51)
Operating Profit before Working Capital changes		38821.94		38711.24
Changes in Working Capital				
Increase / (Decrease) in Trade Payables	626.11		(1692.25)	
Increase / (Decrease) in Other Current Liabilities	(943.51)		4392.29	
Increase / (Decrease) in Provision	183.05		29.74	
(Increase) / Decrease in Trade Receivables	(1270.99)		(907.17)	
(Increase) / Decrease in Inventories	(4604.51)		(2801.92)	
(Increase) / Decrease in Loans and Advances and Fixed Deposits	(5513.53)		(4655.16)	
(Increase) / Decrease in Other Current Assets	(140.22)		(990.44)	
(Increase) / Decrease in Other Non Current Assets	2.25	(11661.35)	4.11	(6620.80)
Cash Generated from operations		27160.59		32090.44
Taxes paid (Net of Refunds)		(6322.37)		(5734.06)
Net Cash from Operating Activities		20838.22		26356.38
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets		(9993.72)		(14446.34)
Purchase of Long-term Investments		-		(72.92)
Disposal of Fixed Assets		581.37		581.24
Capital Subsidy Received		232.28		-
Loans Recovered / (given)		204.71		1811.07
Redemption / Sale of Long Term Trade Investments		1.26		337.72
Interest Subsidy Received		-		-
Interest Received		1912.85		2018.21
Dividend Received		35.78		94.09
Net Cash used for Investing Activities		(7025.47)		(9676.93)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

	2012-13		2011-12	
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Short-term Borrowings		3875.16		3487.78
Repayment of Long-term Borrowings		(5446.21)		(9380.76)
Interest paid		(5107.25)		(5406.96)
Dividend paid / Transferred to Investor Education and Protection Fund		(4978.79)		(3799.71)
Dividend Tax paid		(862.46)		(466.74)
Net Cash used for Financing Activities		(12519.55)		(15566.39)
D. EFFECT OF FOREIGN EXCHANGE DIFFERENCE ON				
Cash and Cash Equivalents		0.08		0.78
Net Increase in Cash and Cash Equivalents (A+B+C+D)		1293.28		1113.84
Cash and Cash Equivalents at the beginning of the year (Refer Note 18)		3341.30		2227.46
Cash and Cash Equivalents at the end of the year (Refer Note 18) *		4634.58		3341.30
Changes in Cash and Cash Equivalents - Increase/ (Decrease)		1293.28		1113.84
* Includes the following balances which are available for use for specific purposes.				
Unpaid Dividend Account		241.95		171.24
Escrow Accounts/Fractional Share sale Proceeds Account		0.61		0.61

- (a) The above Consolidated Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard 3 on Cash Flow Statement prescribed under the Companies Act, 1956.
- (b) Also refer Note 48 to the Consolidated Financial Statements.
- (c) Notes referred to above form an integral part of the Consolidated Cash Flow Statement.

This is the Consolidated Cash Flow Statement referred to in our report of even date

For **PRICE WATERHOUSE**

Firm Registration Number 301112E
Chartered Accountants

For and on behalf of the Board of Directors

Prabal Kr. Sarkar
Partner
Membership Number 52340
Kolkata, 27th May, 2013

A. Khaitan
Managing Director

K. K. Baheti
Wholetime Director & CFO

A. Guha Sarkar
Company Secretary



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual and prudent basis, except for certain tangible assets which are being carried at revalued amounts.

These financial statements have been prepared to comply, in all material aspects, with the applicable accounting standards notified under Section 211 (3C) of the Companies Act, 1956.

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of classification of current – non current assets and liabilities.

1.2 Tangible Assets

Tangible Assets are stated at acquisition cost or valuation net of accumulated depreciation and accumulated impairment losses, if any. Cost of extension planting is capitalised. An impairment loss is recognised wherever the carrying amount of the tangible assets of a cash generating unit exceeds its net selling price or value in use, whichever is higher. Assessment is also done at each balance sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

1.3 Intangible Assets

Intangible assets are stated at acquisition cost net of accumulated amortisation and accumulated impairment losses, if any. An impairment loss is recognised whenever the carrying amount of the intangible assets of a cash generating unit exceeds its net selling price or value in use, whichever is higher. Assessment is also done at each balance sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

1.4 Depreciation and Amortisation

Depreciation on straight line method is provided on book value of Tangible Fixed Assets (other than Estate and Development and Freehold Land) in the manner and at rates as per Schedule XIV to the Companies Act, 1956 of India (the Act). Items of fixed assets for which related actual cost do not exceed Rs.5,000 are fully depreciated in the year of purchase.

Tangible fixed assets of certain subsidiary companies are depreciated using the straight-line method over the following estimated useful lives:

	Years
Buildings	20–40, 5–50
Plant and Equipment	12, 5–20
Estate and Development	33.33
Furniture and Fixtures	5–8, 3–5, 2–4
Vehicles	5–10, 4
Computer	4
Office Equipment	5–8

Intangible fixed assets are amortised on straight line method over their estimated economic lives as set out in Note 12.

Additional charge of depreciation on amount added on revaluation is adjusted against Revaluation Reserve, wherever available.

1.5 Investments

Long Term Investments are stated at cost. Provision is made for diminution, other than temporary. Gains/losses on disposal of investments are recognised as income / expenditure.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

1.6 Inventories

Inventories are valued as under :

- Stores and Spare Parts : At lower of cost (determined under weighted average method) and net realisable value.
- Finished Goods : At lower of cost (including attributable charges and levies) and net realisable value.
- In case of certain subsidiary companies, Inventories are valued at lower of cost and net realisable value, cost being determined under FIFO method.

1.7 Revenue Recognition

Sale of products is recognised on completion of sale of goods. Sale includes tea claim and is net of sales return, sales tax etc. Other items are recognised on accrual basis.

1.8 Employee Benefits

a. Short Term Employee Benefits:

These are recognised at the undiscounted amount as expense for the year in which the related service is rendered

b. Post Employment Benefit Plans:

Contributions under Defined Contribution Plans payable in keeping with the related schemes are recognised as expenditure for the year.

In case of Defined Benefit Plans, the cost of providing the benefit is determined using the Projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in full in the Profit and Loss Statement for the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, if any, and as reduced by the fair value of plan assets, where funded. Any asset resulting from this calculation is limited to the present value of any economic benefit available in the form of refunds from the plan or reductions in future contributions to the plan.

c. Other Long Term Employee Benefits (Unfunded):

The cost of providing long-term employee benefits is determined using Projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date. Actuarial gains and losses and past service cost are recognised immediately in the Profit and Loss Statement for the period in which they occur. Long term employee benefit obligation recognised in the Balance Sheet represents the present value of related obligation.

In case of a subsidiary company, Post Employment Defined Benefit Plan is accounted for on the full liability method.

1.9 Borrowing Cost

Interest and other costs in connection with the borrowing of funds by the Group are recognised as an expense in the period in which they are incurred unless these are attributable to the acquisition and construction of qualifying assets and added to the cost up to the date when such assets are ready for their intended use.

1.10 Research and Development

Revenue expenditure on Research and Development is recognised as a charge to the Profit and Loss Statement. Capital expenditure on assets acquired for Research and Development is added to Fixed Assets.

1.11 Accounting for Taxes on Income

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdiction.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Group re-assesses unrecognised deferred tax assets, if any.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Minimum Alternative Tax credit is recognised as an asset only when and to the extent there is convincing evidence that the Parent Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Parent Company will pay normal income tax during the specified period.

1.12 Transactions in Foreign Currencies

Transactions in foreign currency are recorded at exchange rates prevailing on the date of the transaction. Monetary items denominated in foreign currency are restated at the exchange rate prevailing on the Balance Sheet date. Foreign currency non-monetary items carried in terms of historical cost are reported using the exchange rate at the date of the transactions. Exchange differences arising on settlement of transactions and/or restatements are dealt with in the Profit and Loss Statement.

1.13 Derivative Instruments

Derivative financial instruments such as forward exchange contracts, currency swaps etc. are used to hedge its risks associated with foreign currency fluctuations relating to the underlying transactions, highly probable forecast transactions and firm commitments. In respect of Forward Exchange Contracts with underlying transactions, the premium or discount arising at the inception of such contract is amortised as expense or income over the life of contract.

Other Derivative contracts outstanding at the Balance Sheet date are marked to market and resulting loss, if any, is provided for in the financial statements. Any profit or losses arising on cancellation of derivative instruments are recognised as income or expenses for the period.

In case of a subsidiary company Derivative Contracts outstanding at the balance sheet date are marked to market and resulting profits are also recognised in the financial statements.

1.14 Government Grants

Government grants related to specific fixed assets are deducted from gross values of related assets in arriving at their book value.

Government grants related to revenue are recognised in the Profit and Loss Statement.

1.15 Consolidation

Consolidated financial statements relate to McLeod Russel India Limited, the Parent Company and its subsidiary companies (the Group). The consolidated financial statements are in conformity with the Accounting Standard (AS) – 21 on Consolidated Financial Statements prescribed under the Act and are prepared as set out below:

- (a) The financial statements of the Parent Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after adjustments/elimination of inter-company balances, transactions including unrealised profit etc.
- (b) The consolidated financial statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances in all material respects and are presented to the extent practicable and possible, in the same manner as the Parent Company's separate financial statements.
- (c) The excess of cost to the Parent Company of its investment in the subsidiary companies over the Parent's portion of equity of the subsidiary companies at the date those became subsidiary companies is recognised in the financial statements as goodwill which is not amortised.
- (d) The translation of the functional currencies into Indian Rupees (reporting currency) is performed for equity in the foreign subsidiaries, assets and liabilities using the closing exchange rate at the Balance Sheet date, and for revenues, costs and expenses using average exchange rates prevailing during the period. The resultant exchange difference arising out of such transactions is recognised as part of equity (Foreign Currency Translation Adjustment Account) by the Parent Company until the disposal of investment.
- (e) Investment in Associate Companies is accounted for in accordance with AS-23 on 'Accounting for Investments in Associates in Consolidated Financial Statements' prescribed under the Act, under equity method.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

2. SHARE CAPITAL

	31st March 2013 Rs. Lakhs	31st March 2012 Rs. Lakhs
Authorised		
12,00,00,000 (31.03.2012 - 12,00,00,000) Equity Shares of Rs. 5/- each	6000.00	6000.00
Issued, subscribed and paid-up		
10,94,55,735 (31.03.2012 - 10,94,55,735) Equity Shares of Rs. 5/- each fully paid up	5472.79	5472.79
	5472.79	5472.79
(a) Aggregate number of Equity Shares allotted as fully paid up pursuant to Scheme of Arrangement / Schemes of Amalgamation without payment being received in cash (during five years immediately preceding the Balance Sheet date)	1118028	1118028

3. RESERVES AND SURPLUS

Rs. Lakhs

	General Reserve [Refer Note (a) below]	Securities Premium Account	Capital Reserve	Revaluation Reserve	Other Reserve [Refer Note (b) below]	Foreign Currency Translation Adjustment Account	Surplus in Profit and Loss Statement	Total
Balance at the beginning of the year	64000.00	11053.58	201.68	56022.54	19209.20	(3203.19)	21908.57	169192.38
Add: Profit for the year	-	-	-	-	-	-	27393.03	27393.03
Less: Transferred to General Reserve	-	-	-	-	-	-	11000.00	11000.00
Less: Transferred to Capital Reserve	-	-	-	-	-	-	215.34	215.34
Add: Transferred from Surplus in Profit and Loss Statement	11000.00	-	215.34	-	-	-	-	11215.34
Less: Adjustment on account of disposal of Revalued Assets	-	-	-	12.57	-	-	-	12.57
Less: Withdrawn on account of depreciation on amount added on Revaluation of Fixed Assets (Refer Note 27)	-	-	-	363.75	-	-	-	363.75
Add: Adjustment on account of Write back of Impairment Provision (Refer Note 11)	-	-	-	200.00	-	-	-	200.00
Add: Amount adjusted during the year	-	-	(57.67)	-	-	247.05	-	189.38
Add: Adjustment on account of Dividend (Refer Note 41)	-	-	-	-	-	-	1624.05	1624.05
Add: Adjustment on account of Olyana	-	-	-	-	-	-	361.64	361.64
Less: Proposed Dividend by the Parent Company	-	-	-	-	-	-	7661.90	7661.90
Less: Tax on Proposed Dividend by the Parent Company	-	-	-	-	-	-	1302.14	1302.14
Balance at the end of the year	75000.00	11053.58	359.35	55846.22	19209.20	(2956.14)	31107.91	189620.12

a) Represents a free reserve not meant for any specific purpose.

b) Represents the balance amount of reserve which had arisen on transfer of Bulk Tea Division of Eveready Industries India Limited.

4. LONG-TERM BORROWINGS

	31st March 2013 Rs. Lakhs	31st March 2012 Rs. Lakhs
SECURED		
Term Loans from Bank		
ICICI Bank Limited	1750.00	4100.00
Standard Chartered Bank	832.74	1244.69
ICICI Bank UK Plc	-	4052.38
	2582.74	9397.07



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

5. DEFERRED TAX LIABILITIES (NET)

	31st March 2013		31st March 2012	
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
A. Deferred Tax Liability				
i) Difference between net book value of depreciable capital assets as per books vis-à-vis written down value as per tax laws		9543.74		8864.72
B. Deferred Tax Assets				
i) Voluntary Retirement Compensation	-		0.08	
ii) Items allowed for tax purpose on payment	644.44		548.45	
iii) Provision for Doubtful Debts, Advances etc.	665.82	1310.26	624.10	1172.63
Net Deferred Tax Liabilities (A-B) [Refer (c) below]		8233.48		7692.09
(c) Includes Rs. 40.87 lakhs (31.03.2012 - Net of Rs. 372.12 lakhs) on account of foreign exchange adjustment.				

6. LONG-TERM PROVISIONS

	31st March 2013	31st March 2012
	Rs. Lakhs	Rs. Lakhs
Provision for Employee Benefits	2903.71	2836.82
Provision for Contingencies (Refer Note 32 below)	4351.42	4351.42
	7255.13	7188.24

7. SHORT-TERM BORROWINGS

Secured Loans repayable on demand from Banks		
Cash Credit, Packing Credit and Demand Loans	14276.39	10401.23
	14276.39	10401.23

8. TRADE PAYABLES

Trade payables	7638.82	7310.47
	7638.82	7310.47

9. OTHER CURRENT LIABILITIES

Current maturities of long-term debts	8007.95	6512.38
Interest accrued but not due on borrowings	86.29	229.39
Advances from Customers / Selling Agents	1527.56	1077.54
Unpaid Dividends [Refer (a) below]	241.95	171.24
Unclaimed Fractional Share Sale Proceeds	0.61	0.61
Deposits Received from Agents	156.50	182.33
Employee Benefits Payable	5434.96	4806.52
Remuneration payable to Non - Whole time Directors	18.00	18.86
Statutory dues (including Provident Fund and Tax deducted at Source)	1152.64	3147.92
Capital Liabilities	207.23	53.42
	16833.69	16200.21

(a) There are no amounts due for payment to the Investor Education and Protection Fund as at the year end

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

10. SHORT-TERM PROVISIONS

	31st March 2013	31st March 2012
	Rs. Lakhs	Rs. Lakhs
Provision for Employee Benefits	1379.11	1259.95
Others		
Provision for Income Tax (Net of Advance Tax)	2104.25	1651.52
Provision for Fringe Benefit Tax (Net of Advance Tax)	66.38	100.23
Proposed Dividend	7863.10	6673.55
Provision for Tax on Proposed Dividend	2813.11	2373.43
Provision for Wealth Tax	32.00	35.00
	14257.95	12093.68

11. TANGIBLE ASSETS

Rs. in Lakhs

	GROSS BLOCK AT COST OR VALUATION					DEPRECIATION						NET BLOCK	
Particulars	As at 31st March, 2012	Added on Con -solidation	Additions/ adjustments during the year	Disposal/ adjustments during the year [Refer (a) and (c) below]	As at 31st March, 2013	Up to 31st March, 2012 [Refer (e) below]	Added on Con -solidation	For the year	On disposal/ adjustments during the year [Refer (d) below]	Impairment written back during the year	Up to 31st March, 2013 [Refer (e) below]	Written down value as at 31st March, 2013	Written down value as at 31st March, 2012
Estate and Development	99201.63	-	131.23	233.28	99099.58	3779.11	-	53.76	(31.69)	353.15	3511.41	95588.17	95422.52
Freehold - Land [Refer (b) below]	3007.20	-	1305.12	-	4312.32	-	-	-	-	-	-	4312.32	3007.20
Buildings	61813.60	-	3180.86	121.96	64872.50	19188.69	-	1295.78	16.85	405.69	20061.93	44810.57	42624.91
Plant and Equipment	43899.63	-	4580.29	184.65	48295.27	27058.37	-	2297.85	51.99	141.16	29163.07	19132.20	16841.26
Furniture and Fixtures	1691.45	-	122.70	9.30	1804.85	1014.17	-	81.85	6.46	-	1089.56	715.29	677.28
Vehicles	5905.69	-	613.02	365.96	6152.75	3344.79	-	481.43	320.22	-	3506.00	2646.75	2560.90
Office Equipment	656.28	-	41.15	2.83	694.60	388.87	-	33.82	0.61	-	422.08	272.52	267.41
Computer	625.17	-	111.68	37.22	699.63	452.70	-	58.69	33.32	-	478.07	221.56	172.47
31st March, 2013	216800.65	-	10086.05	955.20	225931.50	55226.70	-	4303.18	397.76	900.00	58232.12	167699.38	161573.95
31st March, 2012	201276.29	3223.54	11733.89	(566.93)	216800.65	50433.86	1096.39	3787.11	90.66	-	55226.70	161573.95	

- a) Includes Capital Subsidy in respect of following Tangible Assets
- Plant and Equipment - Rs. 175.66 lakhs (31.03.2012 - Rs. 271.39 lakhs)
 - Vehicles - Rs. 56.62 lakhs (31.03.2012 - Rs. 15.86 lakhs)
- b) Represents cost of proportionate share of undivided land pertaining to certain portion of a multistoried building
- c) Net of foreign exchange adjustment of Rs. 2908.85 lakhs [31.03.2012 - Rs. 1963.74 lakhs]
- d) Net of foreign exchange adjustment of Rs. 300.23 lakhs [31.03.2012 - Rs. 903.02 lakhs]
- e) The opening and closing balance of Depreciation includes an Impairment Loss as set out below:-

	Impairment Loss as at 31st March	
	2013	2012
	Rs. Lakhs	Rs. Lakhs
Estate and Development	2087.17	2440.32
Buildings	811.56	1217.25
Plant and Equipment	221.27	362.43
	3120.00	4020.00

During the year 2012-13, impaired loss has been reversed as under -

- i) Estate and Development Rs. 151.35 lakhs, Building Rs. 173.84 lakhs and Plant & Equipment Rs. 24.81 lakhs aggregating Rs. 350.00 lakhs upon sale of Jaibirpara Tea Estate.
- ii) Estate and Development Rs. 322.01 lakhs, Building Rs. 151.81 lakhs and Plant & Equipment Rs. 76.18 lakhs aggregating Rs. 550.00 lakhs in the nature of reversal of impairment loss by adopting discounted cash flow method (based on value in use considering the discounting factor at 8.5 % in the current estimate and previous estimate) upon improvement in profitability of Jainti Tea Estate. Out of this, Rs. 200.00 lakhs has been added to Revaluation Reserve (Refer Note 3) and Rs. 350.00 lakhs has been subtracted from depreciation for the year (Refer Note 27)



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

12. INTANGIBLE ASSETS

Rs. in Lakhs

Particulars	GROSS BLOCK AT COST					AMORTISATION					NET BLOCK	
	As at 31st March, 2012	Added on Con -solidation	Additions/ adjustments during the year	Disposal/ adjustments during the year [Refer (b) below]	As at 31st March, 2013	Up to 31st March, 2012	Added on Con -solidation	For the year	On disposal/ adjustments during the year [Refer (c) below]	Up to 31st March, 2013	Written down value as at 31st March, 2013	Written down value as at 31st March, 2012
Intangible Assets												
Goodwill	20.44	-	-	-	20.44	20.44	-	-	-	20.44	-	-
Goodwill on Consolidation	20568.58	-	-	(400.51)	20969.09	-	-	-	-	-	20969.09	20568.58
Trade Mark [Brand] [Refer (a) below]	7810.47	-	-	1850.23	5960.24	3957.75	-	299.98	1859.14	2398.59	3561.65	3852.72
Computer Software	3.65	-	615.08	(0.13)	618.86	3.65	-	30.33	(0.13)	34.11	584.75	-
31st March, 2013	28403.14	-	615.08	1449.59	27568.63	3981.84	-	330.31	1859.01	2453.14	25115.49	24421.30
31st March, 2012	27222.42	358.47	-	(822.25)	28403.14	3416.14	-	294.44	(271.26)	3981.84	24421.30	

- a) The above comprise :
- Trade Mark (Brand - WM logo) of Rs. 5000.00 lakhs (31.03.12 - Rs. 5000.00 lakhs) acquired by the Parent Company which is being amortised over a working life of 20 years on prudent basis based on the valuation obtained by the management, considering the factors like effective life/utility; and
 - Other Trade Marks of Rs. 2340.45 lakhs (31.03.12 - Rs. 2340.45 lakhs) acquired by a subsidiary, which are being amortised over the expected economic lives of 5 to 20 years.
- b) Net of foreign exchange adjustment of Rs. 130.48 lakhs (31.03.12 - Rs. 822.25 lakhs)
- c) Net of foreign exchange adjustment of Rs. 97.52 lakhs (31.03.12 - Rs. 271.26 lakhs)

13. NON - CURRENT INVESTMENTS

	31st March 2013 Rs. Lakhs	31st March 2012 Rs. Lakhs
(valued at cost unless stated otherwise)		
(In Equity Shares of Rs. 10 each fully paid and at cost, except otherwise stated)		
Long Term		
Trade		
Investments in Equity Instruments - Associates		
Unquoted		
D1 Williamson Magor Bio Fuel Limited [Refer (b) below]		
7281201 Shares (31.03.2012 - 7281201 Shares)	484.35	684.35
[Net of Provision other than temporary diminution in carrying amount of investment - Rs. 321.87 lakhs (31.03.2012 - Rs. 324.38 lakhs)]		
Investments in Equity Instruments - Others		
Quoted		
Murabblack India Limited		
500000 Shares (31.03.2012 - 500000 Shares)	*	*
McNally Bharat Engineering Co. Limited		
3052295 Shares (31.03.2012 - 3052295 Shares)	131.25	131.25
Williamson Financial Services Limited		
1666853 Shares (31.03.2012 - 1666853 Shares)	485.89	519.33
[Net of Provision other than temporary diminution in carrying amount of investment - Rs. 33.44 lakhs (31.03.2012 - Rs. Nil)]		
Eveready Industries India Limited		
1663289 Shares of Rs. 5/- each (31.03.2012 - 1663289 Shares)	169.66	169.66
Kilburn Engineering Limited		
848168 Shares (31.03.2012 - 848168 Shares)	36.05	36.05
The Standard Batteries Limited		
1003820 Shares of Re. 1/- each (31.03.2012 - 1003820 Shares)	*	*
Kilburn Chemicals Limited		
350200 Shares (31.03.2012 - 350200 Shares)	14.04	14.04
Kilburn Office Automation Limited		
31340 Shares (31.03.2012 - 31340 Shares)	1.27	1.27

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

13. NON - CURRENT INVESTMENTS (Contd.)

	31st March 2013 Rs. Lakhs	31st March 2012 Rs. Lakhs
Unquoted		
Babcock Borsig Limited		
1299600 Shares (31.03.2012 - 1299600 Shares)	319.86	316.56
[Net of Provision other than temporary diminution in carrying amount of investment - Rs. 363.48 lakhs (31.03.2012 - Rs. 359.74 lakhs)]		
Dewrance Macneill & Co. Limited		
200000 Shares (31.03.2012 - 200000 Shares)	*	*
Kilburn Electricals Limited		
28000 Shares (31.03.2012 - 28000 Shares)	*	*
Cosepa Fiscal Industries Limited		
350000 Shares (31.03.2012 - 350000 Shares)	*	*
Delhi Golf & County Club Private Limited		
35750 Shares of Rs.100/- each (31.03.2012 - 35750 Shares)	*	*
Project India Blend Private Limited		
Written off during the year (31.03.2012 - 250000 Shares)	-	-
[Net of Provision other than temporary diminution in carrying amount of investment - Rs. Nil (31.03.2012 - Rs. 8.25 lakhs)]		
Other than Trade		
Investments in Equity Instruments - Others		
Quoted		
Suryachakra Seafood Limited		
400000 Shares (31.03.2012 - 400000 Shares)	*	*
Unquoted		
Jalpaiguri Club Limited		
523 Shares (31.03.2012 - 523 Shares)	-	-
Johnston Casting and Allied Industries Limited		
Written off during the year (31.03.2012 - 3500 Shares)	-	-
Indonilpur Marketing Pvt. Ltd. (formerly known as Nilpur Marketing Pvt. Limited)		
12500 Shares (31.03.2012 - 12500 Shares)	-	-
[Net of Provision other than temporary diminution in carrying amount of investment - Rs. 1.25 lakhs (31.03.2012 - Rs. 1.25 lakhs)]		
Nilhat Shipping Company Limited		
1000 Shares (31.03.2012 - 1000 Shares)	-	-
[Net of Provision other than temporary diminution in carrying amount of investment - Rs. 0.10 lakhs (31.03.2012 - Rs. 0.10 lakhs)]		
Woodlands Multispeciality Hospital Limited		
229610 Shares (31.03.2012 - 229610 Shares)	22.35	22.35
[Net of Provision other than temporary diminution in carrying amount of investment - Rs. 0.01 lakhs (31.03.2012 - Rs. 0.01 lakhs)]		
Investments in Preference shares		
Unquoted		
Thakurbari Club Limited		
56 Preference Shares of Rs.100 each (31.03.2012 - 56 Preference Shares)	*	*
CFL Capital Financial Services Ltd. -		
1154790 13% Redeemable Cumulative Preference Shares of Rs.100 each (31.03.2012 - 1154790 Preference Shares)	-	-
[Net of Provision other than temporary diminution in carrying amount of investment - Rs. 1160.56 lakhs (31.03.2012 - Rs. 1160.56 lakhs)]		



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

13. NON - CURRENT INVESTMENTS (Contd.)

	31st March 2013		31st March 2012	
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Investments in Government or trust securities				
Quoted				
8% Government of India Loan - 2011		-		1.26
9% Government of India Loan - 2013		0.63		0.63
Unquoted				
National Defence Bond (Deposited with Excise Authorities)		0.02		0.02
		1665.37		1896.77
* Amount is below the rounding off norm adopted by the Company.				
(a) Aggregate amount of quoted investments		872.23		873.49
Aggregate market value of quoted investments		3023.33		3829.42
Aggregate amount of unquoted investments;		2673.85		2877.57
Aggregate provision for diminution in value of investments		1880.71		1854.29
(b) Investment in D1 Williamson Magor Bio Fuel Limited (Associate Company) [Refer Note 29(b)]				
Shares in Net Assets on Acquisition		1610.01		1610.01
Add : Goodwill arising on Acquisition		574.35		574.35
Cost of Investment		2184.36		2184.36
Less : Group's share in accumulated loss:				
As per last account	1175.63		844.13	
Loss for the year	202.51	1378.14	331.50	1175.63
		806.22		1008.73
Less : Provision for diminution		321.87		324.38
		484.35		684.35

14. LONG-TERM LOANS AND ADVANCES

	31st March 2013	31st March 2012
	Rs. Lakhs	Rs. Lakhs
(Unsecured - considered good unless otherwise stated)		
[Refer Note 32]		
Capital Advances	739.24	1741.72
Security Deposits;		
Considered good	1256.90	1165.28
Considered doubtful	26.25	61.49
Less: Allowance for Doubtful Security Deposits	(26.25)	(61.49)
Deposits with National Bank for Agriculture and Rural Development	12938.67	8354.14
Other Loans and Advances		
MAT Credit Entitlement	2582.51	1385.96
Prepaid Expenses	384.12	405.24
Advances to Suppliers, Service Providers etc.	1217.20	1217.20
Loans to Others	850.00	850.00
Loans to Employees	37.08	38.56
Loans to Related Parties (Key Management Personnel) (a)	1.93	4.33
	20007.65	15162.43

(a) Such loans to key managerial personnel who are directors of the Parent Company were originally initiated as advances to employees in the books of Eveready Industries India Limited, taken over in terms of a Scheme of Arrangement in 2004-05.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

15. OTHER NON-CURRENT ASSETS

(Refer Note 32)

	31st March 2013 Rs. Lakhs	31st March 2012 Rs. Lakhs
Book value of Investments held through Trust – 2,70,67,500 (31.03.12 – 2,70,67,500) Equity Shares of Rs. 5/- each in the Parent Company pursuant to a Scheme of Arrangement and a Scheme of Amalgamation given effect to in earlier years	892.79	892.79
Margin Money Deposit with bank (a)	13.98	13.98
Other Long Term Receivable		
From Sale of Tea Estates	198.76	198.76
Receivables from Tea Growers	389.74	391.99
Interest Accrued on Loans and Deposits	2284.22	2284.22
	3779.49	3781.74

(a) For issuing Bank Guarantee

16. INVENTORIES

At lower of cost and net realisable value		
Finished Goods (Stock of Tea)	6199.38	5371.96
[including in transit Rs. 272.97 lakhs (31.03.2012 – Rs. 191.56 lakhs)]		
Stores and Spares	10883.83	7106.74
	17083.21	12478.70

17. TRADE RECEIVABLES

Debts outstanding for a period exceeding six months from the date they are due for payment –		
Secured		
– Considered Good	350.00	350.00
Unsecured		
– Considered Good	690.49	547.20
– Considered Doubtful	394.08	217.02
Less: Provision for Doubtful Debts	(394.08)	(217.02)
Other Debts –		
Unsecured		
– Considered Good	3017.05	2068.69
	4057.54	2965.89

18. CASH AND BANK BALANCES

A. Cash and Cash Equivalents		
Cash on hand	71.12	162.39
Balance with banks in Current Accounts	4320.90	3007.06
Dividend Accounts*	241.95	171.24
Escrow Accounts/Fractional Share Sale Proceeds Account	0.61	0.61
	4634.58	3341.30

*Earmarked for payment of unclaimed dividend

(a) Margin Money Deposit kept with bank for issuing guarantee in favour of Third party has been disclosed under Other Non-Current Assets (Refer Note 15)



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

19. SHORT-TERM LOANS AND ADVANCES

	31st March 2013 Rs. Lakhs	31st March 2012 Rs. Lakhs
(Unsecured – considered good unless otherwise stated)		
Loans to Related Parties		
– Key Managerial Personnel (a)	249.81	2.53
Loans to Others		
Considered Good	418.18	622.89
Considered Doubtful	248.00	248.00
Less: Provision for Bad and Doubtful Loans	(248.00)	(248.00)
Deposits with National Bank for Agriculture and Rural Development	4000.00	4000.00
Other Loans and Advances		
MAT Credit Entitlement	1058.56	475.23
Advance Tax	2654.17	1489.45
Prepaid Expenses	793.58	703.02
Balance with Excise Authorities	11.33	12.03
Advance for Employee Benefits	787.05	725.77
Advance to Employees	586.77	290.76
Advance to Suppliers, Service Providers etc.		
Considered Good	3268.52	3360.17
Considered Doubtful	103.88	92.15
Less: Provision for bad and Doubtful Advances	(103.88)	(92.15)
Loans to Employees	101.86	203.09
Deposit with Government Authorities	55.00	41.42
Claim Receivable	461.91	126.39
Tax payment under protest (Refer Note 38)	700.00	700.00
	15146.74	12752.75

(a) Such loans to key managerial personnel who are directors were originally initiated as advances to employees in the books of Eveready Industries India Limited taken over in terms of a Scheme of Arrangement in 2004–05.

20. OTHER CURRENT ASSETS

(Unsecured – considered good unless otherwise stated)		
Interest Accrued on Loans and Deposits		
Considered good	932.61	755.74
Considered Doubtful	173.35	173.35
Less: Provision for Doubtful Interest Receivable	(173.35)	(173.35)
Subsidies receivable from Government	1631.92	1586.21
Compensation receivable from Government	77.79	36.98
Accrued duty exemption benefits pertaining to exports	1883.71	1446.21
Foreign Exchange Derivative Assets	–	383.80
	4526.03	4208.94

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

21. REVENUE FROM OPERATIONS

	Year ended 31st March 2013		Year ended 31st March 2012	
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Sale of Products				
– Tea	162690.38		141126.36	
– Tea Waste	257.16	162947.54	72.36	141198.72
Other Operating Revenues				
Consultancy Fees	196.31		22.89	
Subsidy on Orthodox Tea	228.40		100.84	
Replantation Subsidy	382.50		546.53	
Transport Subsidy	356.47		301.78	
Accrued duty exemption entitlement and other Benefits relating to exports / premium on sale thereof	2743.92	3907.60	2360.93	3332.97
		166855.14		144531.69

22. OTHER INCOME

Interest Income (Gross)				
On Deposits	983.16		789.45	
On Loans	1099.40		1382.78	
On Tax Refunds	7.16	2089.72	189.79	2362.02
Interest Subsidy		–		567.81
Dividend on Long Term Trade Investments		35.78		94.09
Insurance Claims		302.20		227.52
Sundry Income		335.95		305.68
Profit on Disposal of Fixed Assets (net)		380.91		182.58
Liabilities no Longer Required Written Back		297.76		367.22
		3442.32		4106.92

23. COST OF MATERIALS CONSUMED

	Year ended 31st March 2013	Year ended 31st March 2012
	Rs. Lakhs	Rs. Lakhs
Green Leaf (purchased and consumed)	23795.19	15139.82
	23795.19	15139.82

24. CHANGES IN INVENTORIES OF FINISHED GOODS

Stock of Tea at the beginning of the year (a)	5406.45	4644.62
Less: Stock of Tea at the end of the year	6199.38	5371.96
(Increase)/Decrease	(792.93)	(727.34)

(a) Includes adjustment relating to exchange difference etc. Rs. 34.49 lakhs (31.03.12 – Rs. 8.42 lakhs)

25. EMPLOYEE BENEFITS EXPENSE

Salaries and Wages	41358.79	35990.55
Contribution to Provident and Other Funds	5606.24	4618.41
Labour and Staff Welfare	5653.73	5277.82
	52618.76	45886.78



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

26. FINANCE COSTS

	Year ended 31st March 2013		Year ended 31st March 2012	
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Interest Expense				
On Fixed Loans	1963.05		2216.75	
Others	3001.10	4964.15	3195.21	5411.96
Other Borrowing Costs		140.79		262.46
		5104.94		5674.42

27. DEPRECIATION AND AMORTISATION

Depreciation on Tangible Assets	4303.18		3787.11	
Less : Withdrawn on account of Depreciation on amount added on Revaluation of Tangible Assets (Refer Note 3)	(363.75)		(384.92)	
Less : Reversal of Impairment Loss (Refer Note 11)	(350.00)	3589.43	-	3402.19
Amortisation of Intangible Assets		330.31		294.44
		3919.74		3696.63

28. OTHER EXPENSES

Consumption of Stores and Spare Parts		8106.79		7234.33
Consumption of Packing Materials		1062.03		1118.46
Power and Fuel		16804.59		13534.49
Rent		103.11		237.58
Lease Rent		25.66		8.18
Repairs				
- Buildings		1609.64		1878.46
- Machinery		3213.27		2690.13
- Others		1368.41		1355.48
Insurance		880.84		619.98
Rates and Taxes [including wealth Tax Rs. 32.00 lakhs (2011-2012 - Rs. 35.00 Lakhs)]		785.35		431.31
Cess on Black Tea		409.92		395.55
Assam Green Leaf Cess		991.41		1116.10
Travelling		1498.20		1397.85
Legal and Professional Fees		1108.82		1032.06
Freight, Shipping and Selling Expenses		7868.81		6996.85
Brokerage on Sales		693.32		649.80
Selling Agents' Commission		417.49		459.76
Loss on Sale/Disposal of Investments	8.25		-	
Less : Adjusted from Provisions	(8.25)	-	-	-
Security Deposit written off	35.24		-	
Less : Adjusted from Provisions	(35.24)	-	-	-
Bad Debts written off		2.28		-
Provision for Doubtful Debts		177.06		3.10
Provision for Doubtful Advances		11.73		-
Net Loss on Foreign Currency Transaction and Translation		158.02		664.93
Loss on Derivative Contracts		213.96		54.01
Miscellaneous Expenses		3811.24		3223.53
		51321.95		45101.94

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

29. (a) The Consolidated Financial Statements for the year comprise the financial statements of the Parent Company and its subsidiary companies as detailed below:-

Name of the Company	Country of Incorporation	Proportion of Ownership Interest as at 31st March		Reporting Date
		2013	2012	
Subsidiaries				
i) Borelli Tea Holdings Limited (BTHL)	United Kingdom	100%	100%	31st March
ii) Phu Ben Tea Company Limited (Phu Ben)	Vietnam	100%	100%	31st December
iii) Rwenzori Tea Investments Limited (RTIL)	Uganda	100%	100%	31st December
iv) Mcleod Russel Uganda Limited (MRUL)	Uganda	100%	100%	31st December
v) Olyana Holdings LLC (OHL) upto 25th June 2012	U.S.A.	–	95%	31st December
vi) Gisovu Tea Company Limited (GTCL)	Rwanda	60%	60%	31st December
vii) McLeod Russel Middle East (MRME)	United Arab Emirates	100%	100%	31st March

- (b) The Consolidated Financial Statements also include the Group's interest in the following Associate Company accounted for under equity method based on their financial statements:

Associate	Country of Incorporation	Proportion of Ownership Interest as at 31st March	
		2013	2012
D1 Williamson Magor Bio Fuel Limited	India	34.30%	34.30%

- (c) Olyana Holdings LLC (USA), a step down subsidiary of the company has been closed down for not having business activity, after having complied with the required formalities.

	1st April 2012 to 25th June 2012	Rs. Lakhs Year ended 31st March 2012
Income	-	-
Expenditure		
Other Expenses	0.09	9.10
Profit before taxation for the period year	(0.09)	(9.10)
Taxation	-	-
Profit after taxation for the period/year	(0.09)	(9.10)
Equity & Liabilities		
Shareholders' Fund		
Share Capital	1582.30	1582.30
Reserves & Surplus	(1582.30)	(1582.21)
Current Liabilities		
Trade Payable	-	5.86
Total	-	5.95
Assets		
Current Assets		
Cash & Cash Equivalents	-	5.95
Total	-	5.95



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

30. Schemes of Amalgamation/Scheme of Arrangement given effect to in earlier years

Pending completion of the relevant formalities of transfer of certain assets and liabilities acquired pursuant to the Schemes, such assets and liabilities remain included in the books of the Parent Company under the name of the transferor companies (including other companies which were amalgamated with the transferor companies from time to time).

31. Employee Benefits :

I. Post Employment Defined Contribution Plans:

During the year an amount of Rs. 3999.76 lakhs (31st March 2012 – Rs. 3449.67 lakhs) has been recognised as expenditure towards Defined Contribution plans of the Parent Company.

II. Post Employment Defined Benefit Plans:

(a) Gratuity (Funded)

The Parent Company's gratuity scheme, a defined benefit plan, covers the eligible employees and is administered through certain gratuity fund trusts. Such gratuity funds, whose investments are managed by insurance companies/trustees themselves, make payments to vested employees or their nominees upon retirement, death, incapacitation or cessation of employment, of an amount based on the respective employee's salary and tenure of employment subject to a maximum limit of Rs. 10.00 lakhs. Vesting occurs upon completion of five years of service.

(b) Superannuation (Funded)

The Parent Company's Superannuation scheme, a Defined Benefit plan, is administered through trust funds and covers certain categories of employees. Investments of the funds are managed by insurance companies /trustees themselves. Benefits under these plans had been frozen in earlier years with regard to salary levels then prevailing with the exception of a few employees. Upon retirement, death or cessation of employment, Superannuation Funds purchase annuity policies in favour of vested employees or their spouses to secure periodic pension. Such superannuation benefits are based on respective employee's tenure of employment and salary.

(c) Staff Pension – Type A (Funded)

The Parent Company's Staff Pension Scheme – Type A, a Defined Benefit plan, is administered through a trust fund and covers certain categories of employees. Investments of the fund are managed by Life Insurance Corporation of India. Pursuant to the scheme, monthly pension is paid to the vested employee or his/her nominee upon retirement, death or cessation of service based on the respective employee's salary and tenure of employment subject to a limit on the period of payment in case of nominee. Vesting occurs upon completion of twenty years of service.

(d) Staff Pension – Type B (Unfunded)

The Parent Company's Staff Pension Scheme – Type B, a Defined Benefit Plan, covers certain categories of employees. Pursuant to the scheme, monthly pension is paid to the vested employee or his/her nominee upon retirement, death or cessation of service based on the respective employee's salary and tenure of employment subject to a limit on the period of payment in case of nominee. Vesting occurs upon completion of twenty years of service.

(e) Medical Insurance Premium Re-imbursement (Unfunded)

The Parent Company has a scheme of re-imbursement of medical insurance premium to certain categories of employees and their surviving spouses, upon retirement, subject to a monetary limit. The company has introduced a scheme of re-imbursement of medical expenses to a certain category of employees up to a certain monetary limit. The scheme is in the nature of Defined Benefit plan.

(f) Expatriate Pension (Unfunded)

The Parent Company has an informal practice of paying pension to certain categories of retired expatriate employees and in certain cases to their surviving spouses. The scheme is in the nature of Defined Benefit plan. The following Tables sets forth the particulars in respect of aforesaid Defined Benefit plans of the Parent Company for the year ended 31st March, 2013 and corresponding figures for the previous year.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Description	Gratuity Fund (Funded)	
	2012-2013 Rs. Lakhs	2011-2012 Rs. Lakhs
Changes in present value of defined benefit obligation during the year ended 31st March		
Present value of obligation at the beginning of the year	10574.50	9579.29
Interest Cost	802.21	775.77
Current Service Cost	687.90	573.76
Past Service Cost	-	-
Benefits Paid	1093.67	905.26
Actuarial loss/(gain) on obligation	786.18	550.94
Present Value of obligation at the end of the year	11757.12	10574.50
Changes in the fair value of plan assets during the year ended 31st March		
Fair Value of Plan Assets at the beginning of the year	10920.69	9773.53
Expected Return on Plan Assets	873.66	781.88
Contributions	1099.60	1323.42
Benefits Paid	1093.67	905.26
Actuarial gain/(loss) on Plan Assets	231.30	(52.88)
Fair Value of Plan Assets at the end of the year	12031.58	10920.69
Amount recognised in Balance Sheet		
Present Value of obligation at the end of the year	11757.12	10574.50
Fair Value of Plan Assets at end of the year	12031.58	10920.69
Net Asset/(Liability) Recognised in Balance Sheet	274.46	346.19
Expense Recognised in Profit and Loss Statement		
Current Service Cost	687.90	573.76
Past Service Cost	-	-
Interest Cost	802.21	775.77
Expected Return on Plan Assets	873.66	781.88
Actuarial loss/(gain) recognised in the year	554.88	603.82
Expense Recognised in Profit and Loss Statement	@ 1171.33	@ 1171.47
@ included in Contribution to Provident and Other Funds (Note 25)		
Category of Plan Assets		
Investments in Bonds and Special Deposit	30.97	36.21
Investments with Life Insurance Corporation of India	1962.17	1797.08
Investments with other Insurance Companies	9952.47	9006.92
Others including Bank Balances	85.97	80.48
Total	12031.58	10920.69
Actual Return on Plan Assets	1104.96	729.00
Principal Actuarial Assumptions		
Discount Rate (%)	8.0	8.5
Inflation Rate (%)	5.0	5.0
Return on Asset (%)	8.0	8.0



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Description	Superannuation Fund (Funded)	
	2012-2013 Rs. Lakhs	2011-2012 Rs. Lakhs
Changes in present value of defined benefit obligation during the year ended 31st March		
Present value of obligation at the beginning of the year	1910.35	1879.33
Interest Cost	146.20	156.68
Current Service Cost	-	-
Benefits Paid	165.77	71.98
Actuarial loss/(gain) on obligation	(41.02)	(53.68)
Present Value of obligation at the end of the year	1849.76	1910.35
Changes in the fair value of plan assets during the year ended 31st March		
Fair Value of Plan Assets at the beginning of the year	2297.83	2209.49
Expected Return on Plan Assets	183.83	176.76
Contributions	-	-
Benefits Paid	165.77	71.98
Actuarial gain/(loss) on Plan Assets	49.85	(16.44)
Fair Value of Plan Assets at the end of the year	2365.74	2297.83
Amount recognised in Balance Sheet		
Present Value of obligation at the end of the year	1849.76	1910.35
Fair Value of Plan Assets at end of the year	2365.74	2297.83
Net Asset/(Liability) Recognised in Balance Sheet	515.98	387.48
Expense Recognised in Profit and Loss Statement		
Current Service Cost	-	-
Interest Cost	146.20	156.68
Expected Return on Plan Assets	183.83	176.76
Actuarial loss/(gain) recognised in the year	(90.87)	(37.24)
Expense Recognised in Profit and Loss Statement	@ (128.50)	@ (57.32)
@ Included in Contribution to Provident and other Funds (Note 25)		
Category of Plan Assets		
Investments in Bonds and Special Deposit	47.80	64.24
Investments with Life Insurance Corporation of India	209.07	203.12
Investments with other Insurance Companies	2080.25	2004.24
Others including Bank Balances	28.62	26.23
Total	2365.74	2297.83
Actual Return on Plan Assets	233.68	160.32
Principal Actuarial Assumptions		
Discount Rate (%)	8.0	8.5
Return on Asset (%)	8.0	8.0

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Description	Staff Pension Fund Type A (Funded)	
	2012-2013 Rs. Lakhs	2011-2012 Rs. Lakhs
Changes in present value of defined benefit obligation during the year ended 31st March		
Present value of obligation at the beginning of the year	396.96	441.38
Interest Cost	31.74	36.58
Current Service Cost	51.60	39.38
Benefits Paid	0.31	21.95
Actuarial loss/(gain) on obligation	(43.08)	(98.43)
Present Value of obligation at the end of the year	436.91	396.96
Changes in the fair value of plan assets during the year ended 31st March		
Fair Value of Plan Assets at the beginning of the year	90.76	105.24
Expected Return on Plan Assets	7.26	8.42
Contributions	0.31	0.23
Benefits Paid	0.31	21.95
Actuarial gain/(loss) on Plan Assets	0.14	(1.18)
Fair Value of Plan Assets at the end of the year	98.16	90.76
Amount recognised in Balance Sheet		
Present Value of obligation at the end of the year	436.91	396.96
Fair Value of Plan Assets at end of the year	98.16	90.76
Net Asset/(Liability) Recognised in Balance Sheet	(338.75)	(306.20)
Expense Recognised in Profit and Loss Statement		
Current Service Cost	51.60	39.38
Interest Cost	31.74	36.58
Expected Return on Plan Assets	7.26	8.42
Actuarial loss/(gain) recognised in the year	(43.22)	(97.25)
Expense Recognised in Profit and Loss Statement	@ 32.86	@ (29.71)
@ Included in Contribution to Provident and Other Funds (Note 25)		
Category of Plan Assets		
Investments with Life Insurance Corporation of India	98.16	90.76
Total	98.16	90.76
Actual Return on Plan Assets	7.40	7.24
Principal Actuarial Assumptions		
Discount Rate (%)	8.0	8.5
Inflation Rate (%)	5.0	5.0
Return on Asset (%)	8.0	8.0



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Description	Staff Pension Type B (Unfunded)	
	2012-2013 Rs. Lakhs	2011-2012 Rs. Lakhs
Changes in present value of defined benefit obligation during the year ended 31st March		
Present value of obligation at the beginning of the year	2803.16	2686.96
Interest Cost	218.71	222.49
Current Service Cost	267.75	182.63
Benefits Paid	138.65	138.83
Actuarial loss/(gain) on obligation	(73.40)	(150.09)
Present Value of obligation at the end of the year	3077.57	2803.16
Amount recognised in Balance Sheet		
Present Value of obligation at the end of the year	3077.57	2803.16
Fair Value of Plan Assets at the end of the year	-	-
Net Asset/(Liability) Recognised in Balance Sheet	(3077.57)	(2803.16)
Expense Recognised in Profit and Loss Statement		
Current Service Cost	267.75	182.63
Interest Cost	218.71	222.49
Expected Return on Plan Assets	-	-
Actuarial loss/(gain) recognised in the year	(73.40)	(150.09)
Expense Recognised in Profit and Loss Statement	# 413.06	# 255.03
# included in Salaries and Wages (Note 25)		
Principal Actuarial Assumptions		
Discount Rate (%)	8.0	8.5
Inflation Rate (%)	5.0	5.0

Description	Medical Benefit Liability (Unfunded)	
	2012-2013 Rs. Lakhs	2011-2012 Rs. Lakhs
Changes in present value of defined benefit obligation during the year ended 31st March		
Present value of obligation at the beginning of the year	326.50	282.73
Interest Cost	26.12	24.03
Current Service Cost	-	-
Benefits Paid	22.98	22.57
Actuarial loss/(gain) on obligation	90.01	42.31
Present Value of obligation at the end of the year	419.65	326.50
Amount recognised in Balance Sheet		
Present Value of obligation at the end of the year	419.65	326.50
Fair Value of Plan Assets at the end of the year	-	-
Net Asset/(Liability) Recognised in Balance Sheet	(419.65)	(326.50)
Expense Recognised in Profit and Loss Statement		
Current Service Cost	-	-
Interest Cost	26.12	24.03
Expected Return on Plan Assets	-	-
Actuarial loss/(gain) recognised in the year	90.01	42.31
Expense Recognised in Profit and Loss Statement	* 116.13	* 66.34
* included in Insurance (Note 28)		
Principal Actuarial Assumptions		
Discount Rate (%)	8.0	8.5

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Description	Expatriate Pension (Unfunded)	
	2012-2013 Rs. Lakhs	2011-2012 Rs. Lakhs
Changes in present value of defined benefit obligation during the year ended 31st March		
Present value of obligation at the beginning of the year	42.65	43.46
Interest Cost	1.81	2.36
Current Service Cost	-	-
Benefits Paid	39.98	31.49
Actuarial loss/(gain) on obligation	34.50	28.32
Present Value of obligation at the end of the year	38.98	42.65
Amount recognised in Balance Sheet		
Present Value of obligation at the end of the year	38.98	42.65
Fair Value of Plan Assets at the end of the year	-	-
Net Asset/(Liability) Recognised in Balance Sheet	(38.98)	(42.65)
Expense Recognised in Profit and Loss Statement		
Current Service Cost	-	-
Interest Cost	1.81	2.36
Expected Return on Plan Assets	-	-
Actuarial loss/(gain) recognised in the year	34.50	28.32
Expense Recognised in Profit and Loss Statement	₹ 36.31	₹ 30.68
₹ included in Salaries and Wages (Note 25)		
Principal Actuarial Assumptions		
Discount Rate (%)	8.0	8.5

The estimates of rate of inflation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment sphere.

Plan assets represent investment in various categories. The return on amounts invested with LIC is declared annually by them. Return on amounts invested with Insurance Companies, other than LIC, is mostly by way of Net Asset Value declared on units purchased, with some schemes declaring returns annually. Investment in Bonds and Special Deposit carry a fixed rate of interest.

The expected return on plan assets is determined after taking into consideration composition of the plan assets held, assessed risk of asset management and other relevant factors.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Other Particulars	31st March				
	2013	2012	2011	2010	2009
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Gratuity Fund (Funded)					
Defined Benefit Obligation	11757.12	10574.50	9579.29	8508.40	6903.02
Plan Assets	12031.58	10920.69	9773.53	7100.68	4952.18
Surplus/(Deficit)	274.46	346.19	194.24	(1407.72)	(1950.84)
Experience Adjustments on Plan Liabilities	535.36	939.06	499.79	235.67	(1.77)
Experience Adjustments on Plan Assets	231.30	(52.88)	57.67	306.47	(51.77)
Superannuation Fund (Funded)					
Defined Benefit Obligation	1849.76	1910.35	1879.33	2018.52	2222.68
Plan Assets	2365.74	2297.83	2209.49	2233.99	2031.74
Surplus/(Deficit)	515.98	387.48	330.16	215.47	(190.94)
Experience Adjustments on Plan Liabilities	(63.34)	(36.74)	(23.17)	(8.67)	67.79
Experience Adjustments on Plan Assets	49.84	(16.44)	(20.80)	141.63	(88.31)
Staff Pension Fund Type A (Funded)					
Defined Benefit Obligation	436.91	396.96	441.38	407.45	373.73
Plan Assets	98.16	90.76	105.24	98.55	113.81
Surplus/(Deficit)	(338.75)	(306.20)	(336.14)	(308.90)	(259.92)
Experience Adjustments on Plan Liabilities	(108.33)	(30.19)	4.21	1.71	12.58
Experience Adjustments on Plan Assets	0.14	(1.18)	0.05	0.09	(58.99)
Staff Pension Fund Type B (Unfunded)					
Defined Benefit Obligation	3077.57	2803.16	2686.96	2537.87	2241.47
Plan Assets	NA	NA	NA	NA	NA
Surplus/(Deficit)	NA	NA	NA	NA	NA
Experience Adjustments on Plan Liabilities	(164.59)	(69.00)	112.42	47.53	(88.07)
Experience Adjustments on Plan Assets	NA	NA	NA	NA	NA
Medical Benefit Liability (Unfunded)					
Defined Benefit Obligation	419.65	326.50	282.73	289.88	291.04
Plan Assets	NA	NA	NA	NA	NA
Surplus/(Deficit)	NA	NA	NA	NA	NA
Experience Adjustments on Plan Liabilities	64.13	(14.55)	(10.95)	(4.51)	(0.17)
Experience Adjustments on Plan Assets	NA	NA	NA	NA	NA
Expatriate Pension (Unfunded)					
Defined Benefit Obligation	38.98	42.65	43.46	59.02	85.60
Plan Assets	NA	NA	NA	NA	NA
Surplus/(Deficit)	NA	NA	NA	NA	NA
Experience Adjustments on Plan Liabilities	25.88	28.80	5.59	7.52	(10.30)
Experience Adjustments on Plan Assets	NA	NA	NA	NA	NA

NA: Not Applicable

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

g) Provident Fund:

Contributions towards provident funds are recognised as expense for the year. The Parent Company has set up Provident Fund Trusts in respect of certain categories of employees which is administered by Trustees. Both the employees and the Parent Company make monthly contributions to the Funds at specified percentage of the employee's salary and aggregate contributions along with interest thereon are paid to the employees/nominees at retirement, death or cessation of employment. The Trusts invest funds following a pattern of investments prescribed by the Government. The interest rate payable to the members of the Trusts is not lower than the rate of interest declared annually by the Government under The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, on account of interest is to be made good by the Parent Company.

In terms of the Guidance on implementing Accounting Standard 15 (Revised 2005) on Employee Benefits issued by the Accounting Standard Board of The Institute of Chartered Accountants of India (ICAI), a provident fund set up by the Parent Company is defined benefit plan in view of the Parent Company's obligation to meet shortfall, if any, on account of interest.

The Actuary has carried out actuarial valuation of plan's liabilities and interest rate guarantee obligations as at the balance sheet date using Project Unit Credit Method and Deterministic Approach as outlined in the Guidance Note 29 issued by the Institute of Actuaries of India. Based on such valuation, there is no future anticipated shortfall with regard to interest rate obligation of the Parent Company as at the balance sheet date. Further during the year, the Parent Company's contribution of Rs. 284.90 lakhs (31st March 2012 – Rs. 237.07 lakhs) to the Provident Fund Trust has been expensed under the "Contribution to Provident and Other Funds". Disclosures given hereunder are restricted to the information available as per the Actuary's report.

	2012-2013	2011-2012
Principal Actuarial Assumptions		
Discount Rate	8.50%	8.50%
Expected Return on Exempted Fund	8.90%	8.90%
Expected EPFO Return	8.50%	8.25%

(h) Gratuity Plan (Unfunded) in respect of MRUL, a subsidiary company:

MRUL's terms and conditions of employment provide for a gratuity to Ugandan nationals employed by the company. The gratuity is payable after completion of five years' service upon resignation, retirement or termination and on condition that the employee leaves honourably. The gratuity is calculated at twenty working days per year of service for employees with five to ten years service and thirty working days per year of service for those with more than ten years service. The provision takes account of service rendered by employees up to the balance sheet date and is accounted for on the full liability method.

(i) Gratuity Plan (Unfunded) in respect of MRME, a subsidiary company:

Provision is made for end-of-service gratuity payable to the staff at the balance sheet date in accordance with United Arab Emirates labour law.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

32. There are certain overdue loans and advances, interest accrued on loans and other recoverable items aggregating Rs. 4351.42 lakhs (31st March 2012 – Rs. 4351.42 lakhs). These advances became overdue on account of the sluggish market conditions and the resultant difficulty in liquidating the assets by these parties. The management is actively continuing to pursue options for recovery of these loans and advances. As a measure of prudence, and in the management's best judgement Rs. 4351.42 lakhs (31st March 2012 – Rs. 4351.42 lakhs) is being held in provision for contingency, for overdue, loans and advances etc. at the year end (Refer Note 6).

33. Contingent Liabilities

- a) Claims against the Company not acknowledged as debts : –

	31st March 2013 Rs. Lakhs	31st March 2012 Rs. Lakhs
Sales Tax	52.14	26.37
Electricity Dues	29.27	29.27
Assam Pollution Control Board	–	7.41
Provident Fund	68.43	68.43
Income Tax	150.10	247.65
Service Tax	70.13	75.48
Disputed Labour Claims	31.10	80.22
Duty on Tea stock	18.23	18.13
Others	1.53	2.34

- b) Bank Guarantees Rs. 117.58 lakhs (31st March 2012 – Rs. 102.94 lakhs)
c) Bills Discounted – Rs. 9490.76 lakhs (31st March 2012 – Rs. 1014.45 lakhs)

34. TAXATION

Current Tax charge for the year, in case of the Parent Company, has been reckoned after taking into account, benefit under Section 33AB of the Income Tax Act, 1961 (which are available on timely deposit of required amount with development bank).

35. COMMITMENTS

Estimated capital commitment on account of contracts remaining to be executed and not provided for at the year – end is Rs. 3471.99 lakhs (31st March 2012 – Rs. 3719.85 lakhs). Such commitment, net of advances is Rs. 1687.36 lakhs (31st March 2012 – Rs. 1978.13 lakhs).

36. SEGMENT INFORMATION

The Group is primarily engaged in the business of cultivation, manufacture and sale of tea across various geographical locations with different political and economic environment, risks and returns etc, and accordingly geographical segments has been considered by the Group as primary reporting format.

The geographical segments have been identified as India, Vietnam, Uganda and Rwanda.

	31st March 2013 Rs. Lakhs	31st March 2012 Rs. Lakhs
Segment Revenue		
India	137468.45	123532.57
Vietnam	6519.62	4091.57
Uganda	16325.83	14275.40
Rwanda	4333.74	2413.18
Other	2207.50	218.97
Total	166855.14	144531.69

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

36. SEGMENT INFORMATION (Contd.)

	31st March 2013 Rs. Lakhs	31st March 2012 Rs. Lakhs
Segment Results (Profit before Interest and Tax)		
India	@ 27787.10	28587.41
Vietnam	728.34	199.51
Uganda	4680.53	5346.27
Rwanda	2092.75	1379.42
Other	5087.51	(84.00)
Total	40376.23	35428.61
Less : Finance Cost	5104.94	5674.42
Exceptional Items	30.93	868.19
Unallocable	2731.89	(3920.13)
Profit before Taxation, share of Earnings from Associates and Minority Interest	32508.47	32806.13
Less : Taxation Charge		
Current Tax	6189.25	6672.63
Less : MAT Credit	(1779.88)	(1022.19)
Provision/(write back) relating to earlier years	(612.72)	(2363.27)
Deferred Tax	500.52	93.27
Profit after Taxation but before share of Earning from Associates and Minority Interest	28211.30	29425.69
@ Refer Note 11 (e) on Consolidated Financial Statements		
Segment Assets		
India	182731.99	174112.20
Vietnam	5493.33	5078.14
Uganda	17954.90	16736.09
Rwanda	4895.00	3950.19
Other	26278.85	25448.81
	237354.07	225325.43
Unallocable	30348.59	20796.64
	267702.66	246122.07
Segment Liabilities		
India	72960.36	72715.59
Vietnam	4068.33	4123.37
Uganda	4452.65	5431.92
Rwanda	1065.19	1014.29
Other	8461.51	10975.90
	91008.04	94261.07
Unallocable	176694.62	151861.00
	267702.66	246122.07



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

36. SEGMENT INFORMATION (Contd.)

	31st March 2013 Rs. Lakhs	31st March 2012 Rs. Lakhs
Acquisition of Fixed Assets relating to Segments		
India	8630.68	10648.23
Vietnam	421.65	212.93
Uganda	1528.47	2127.96
Rwanda	569.21	251.13
	11150.01	13240.25
Depreciation and Amortisation relating to Segments		
India	* 2871.42	2940.14
Vietnam	227.98	215.81
Uganda	658.18	450.59
Rwanda	89.20	40.77
Other	72.96	49.32
	3919.74	3696.63
* Net of Reversal of Impairment Loss – Rs. 350.00 Lakhs (31.03.2012 – Rs. Nil)		
Significant non-cash expenses other than Depreciation and Amortisation relating to Segments	-	-

The Group does not have any Secondary Segment

37. Information given in accordance with the requirement of Accounting Standard 18 on Related Party Disclosures prescribed under the Act : -

a) List of Related Parties

- i. Key Management Personnel (of the Parent Company)

Managing Director	Mr. Aditya Khaitan (AK)
Wholtime Directors	Mr. R. Takru (RT)
	Mr. A. Monem (AM)
	Mr. K. K. Baheti (KKB)
- ii. Relatives of Key Management Personnel with whom transactions took place during the year.

Mr. B. M. Khaitan (BMK)	Father of Mr. Aditya Khaitan
Mr. D. Khaitan (DK)	Brother of Mr. Aditya Khaitan
- iii. Others :
 - Associate :
 - D1 Williamson Magor Bio Fuel Limited (D1)

b) Transactions / Balances with Key Management Personnel

	Remuneration		Dividend paid		Loan Outstanding as at	
	2012-13	2011-12	2012-13	2011-12	31st March 2013	31st March 2012
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
AK	278.58	248.50	0.43	0.36	-	-
RT	138.48	122.80	0.03	0.04	4.33	6.73
AM	138.73	122.42	-	-	-	0.13
KKB	137.69	122.06	0.31	0.01	-	-
Total	693.48	615.78	0.77	0.41	4.33	6.86

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

c) Transactions / Balances with relatives of Key Management Personnel

	As at /Year ended 31st March 2013 Rs. Lakhs	As at/ Year ended 31st March 2012 Rs. Lakhs
Directors' Sitting Fees		
BMK	0.60	0.80
DK	0.20	0.60
Commission		
BMK	2.50	2.50
DK	2.50	2.50
Dividend Paid		
BMK	2.18	1.81
DK	0.71	0.59
Amount outstanding at year end		
BMK	2.50	2.50
DK	2.50	2.50

d) Transactions / Balances with Associate

Name of Associate	Nature of Transactions/Balances	As at/ Year ended 31st March 2013 Rs. Lakhs	As at/ Year ended 31st March 2012 Rs. Lakhs
D1	Subscription in Share Capital during the year	-	72.93
	Balance of Investments at the year end	484.35	684.35

38. In connection with an overseas acquisition of a subsidiary in 2005, the Income Tax authority had raised a demand of Rs. 5278 lakhs during the year 2009-10 on the Parent Company on account of alleged non-deduction of tax at source and interest thereon pertaining to the transaction. The Parent Company has challenged the said demand before the appropriate authorities and the matter is pending. Further, the Parent Company has obtained a stay against the said demand from the Hon'ble High Court of Calcutta. The Parent Company has deposited Rs. 700.00 lakhs during the year 2011-12 with Income Tax Authority under protest (Refer Note 19). In any event, as per the related Share Purchase Agreement, Capital Gain tax or other tax, if any, relating to sale of shares etc. is to be borne by the seller and not the Parent Company.

39. EARNINGS PER EQUITY SHARE :

	Year ended 31st March 2013	Year ended 31st March 2012
a] Numerator used:		
Profit after Taxation and Minority Interest (Rs. Lakhs)	27393.03	28792.09
b] Denominator used		
Weighted Average Number of Equity Shares	10,94,55,735	10,94,55,735
c] Face Value of Equity Shares - Rs.	5	5
d] Dilutive Potential Equity Shares	-	-
e] Earnings per Share [Basic and Diluted] - Rs.	25.03	26.30

40. Revenue Expenditure on Research and Development Rs. 110.43 lakhs (31st March 2012 - Rs. 113.89 lakhs) represent subscription to Tea Research Association.

41. Adjustment on account of dividend comprises :

- (a) Dividend paid during the year 2012-13 by the Parent Company on Equity Share held by its subsidiary Rs. 1624.05 lakhs (2011-12 - Rs. 1353.38 lakhs); and
- (b) Dividend paid during the year 2012-13 by the subsidiary to the Parent Company Rs. Nil (2011-12 - Rs. 263.19 lakhs)



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

42. Lease Commitments:

A non cancellable operating lease agreement had been entered during the year for a period of one year, in connection with a motor car. There is an option for renewal of lease for further period of one year and purchase of the motor car at negotiated price.

During the year 2012-13, a tea-manufacturing factory has been taken on non-cancellable operating lease by parent company for the period from 1st January 2013 to 31st December 2017.

Following amount has been charged in the Consolidated Profit and Loss Statement on account of lease rental :

	Year ended 31st March 2013 Rs. Lakhs	Year ended 31st March 2012 Rs. Lakhs
Lease Rent	25.66	8.18
The future minimum lease commitment of the Group is as under :		
Not later than one year	86.18	8.92
Later than one year and not later than five years	281.25	-
Later than five years	-	-

43. Following items, to the extent indicated, have been measured and recognised on the basis of different accounting policies applied by certain subsidiary companies, as set out in Note 1 above, as compared to those applied by the Parent Company. It is not practicable to use uniform accounting policies in preparing the consolidated financial statements. Had the accounting policies of the Parent Company being applied, the impact thereof on the expenditure for the year and year-end carrying amounts of assets / liabilities is not ascertainable at this stage.

	Year ended 31st March 2013 Rs. Lakhs	Year ended 31st March 2012 Rs. Lakhs
Income and Expenditure		
Depreciation / Amortisation	1048.32	756.49
Foreign Exchange Gain on Derivative	-	383.80
	As at 31st March 2013 Rs. Lakhs	As at 31st March 2012 Rs. Lakhs
Assets and Liabilities		
Inventories	4531.65	3315.90
Accumulated Depreciation	12025.19	12601.57
Provision for Employee Benefit		
- Long term	50.50	42.37
- Short term	-	300.52
Foreign Exchange Derivative Assets	-	383.80

44. D1 an Associate apply accounting policies relating to the following items which are different from those followed by the Parent Company :

- Depreciation is provided by D1 on written down value method as against straight line method; and
- Inventory is valued by D1 on FIFO method as against weighted average method.

It is not considered practicable to quantify the impact of differences for making appropriate adjustments in the financial statements of the aforesaid Associate for the purpose of consolidation.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

45. EXCEPTIONAL ITEM COMPRISES

	Year ended 31st March 2013 Rs. Lakhs	Year ended 31st March 2012 Rs. Lakhs
Provision in carrying amount of long term		
Investments in :		
An associate	(2.51)	660.77
A Body Corporate	33.44	-
Loss/(Profit) on disposal of Investment in :		
An associate	-	207.42
	30.93	868.19

46. Items of Expenditure in the Consolidated Profit and Loss Statement include reimbursements to and by the Parent Company.

47. Derivative Investments and Unhedged Foreign Currency Exposure of the Parent Company

a) Derivatives outstanding as at the reporting date:-

Particulars	Purpose	Currency	As at 31st March, 2013		As at 31st March, 2012	
			Amount in Foreign Currency	Amount in Rs. Lakhs	Amount in Foreign Currency	Amount in Rs. Lakhs
Forward contracts on past performance	Hedging of foreign currency receivables	USD	28000000	15201.20	22000000	11193.60
		GBP	2000000	1085.80	6000000	4897.20
Currency and Interest Rate Swap	Hedging of floating interest rate	USD	7439062	4038.67	9149410	4655.22

b) Particulars of unhedged foreign currency exposures as at the reporting date.

Trade/ Other Receivables	USD	333235	180.88	-	-
			2012-13 Rs. Lakhs		2011-12 Rs. Lakhs
c) Mark to Market Losses Provided for			802.67		675.22

48. Previous year figures have been reclassified to conform to this year's classification.

Signatures to notes 1 to 48.

For **PRICE WATERHOUSE**

Firm Registration Number 301112E
Chartered Accountants

For and on behalf of the Board of Directors

Prabal Kr. Sarkar
Partner
Membership Number 52340
Kolkata, 27th May, 2013

A. Khaitan
Managing Director

K. K. Baheti
Wholetime Director & CFO

A. Guha Sarkar
Company Secretary



STATEMENT CONTAINING FINANCIAL INFORMATION OF SUBSIDIARY COMPANIES

(in terms of General Circular No.2/2011 dated 8th April,2011 issued by the Ministry of Corporate Affairs)

Name of the Subsidiary Company	Borelli Tea Holdings Limited	Phu Ben Tea Company Limited	Rwenzori Tea Investments Limited	McLeod Russel Uganda Limited	Gisovu Tea Company Limited	McLeod Russel Middle East DMCC
Reporting Currency	British Pound (GBP)	Vietnamese Dong (VND)	Uganda Shillings (Ushs)	Uganda Shillings (Ushs)	Rwandan Franc (RWF)	US Dollars (USD)
Financial Year ends on	31st March	31st December	31st December	31st December	31st December	31st March
Exchange Rate as on 31.03.2013	82.47000	0.00255	0.02067	0.02067	0.08383	54.25658
	Rs. In Lakhs*	Rs. In Lakhs*	Rs. In Lakhs*	Rs. In Lakhs*	Rs. In Lakhs*	Rs. In Lakhs*
* Capital	298.54	2,121.60	7,080.13	8,604.67	1,780.01	29.57
* Reserves and Surplus	17,676.28	(696.61)	1,241.91	10,532.40	2,049.80	(187.05)
* Total Assets	25,278.57	5,493.33	8,322.04	23,589.70	4,895.00	1,000.28
* Total Liabilities(including Shareholders' Fund)	25,278.57	5,493.33	8,322.04	23,589.70	4,895.00	1,000.28
* Non Current Investments	19,105.15	-	8,322.04	-	-	-
* Turnover	1,128.31	6,467.90	-	16,380.19	4,256.65	2,076.37
* Profit before Taxation	4,463.26	466.46	2,583.64	6,269.03	2,000.24	(81.57)
* Provision for Taxation	587.02	39.55	-	7.77	523.51	-
* Profit after Taxation	3,876.24	426.91	2,583.64	6,261.26	1,476.73	(81.57)
* Dividend (Interim/Proposed and provided in Accounts)	##	-	2,583.64	2,583.64	502.99	-
Country	United Kingdom	Vietnam	Uganda	Uganda	Rwanda	Dubai

The Board of Directors of Borelli Tea Holdings Ltd. has recommended a dividend of GBP 3 per share .

However, as per Accounting Standards in U.K., provision for the same has not been made in their books of accounts.

PARTICULARS OF TEA ESTATES

Locations	Estates	Area Under Tea (Hect.)	Saleable Production for 2012-13 (Kgs.)
Bishnauth	Dekorai	864.03	1,830,875
	Mijcajan	956.37	1,908,228
	Monabarie	1143.24	2,965,321
	Pertabghur	809.62	1,978,449
Dhunseri	Behora	699.16	1,181,502
	Bukhial	565.78	1,115,411
Doom Dooma	Baghjan	593.13	1,568,915
	Bordubi	902.66	1,648,814
	Koomsong	707.31	1,465,502
	Phillobari	397.78	995,362
	Beesakopie/Daimukhia	1249.31	1,477,878
	Samdang	920.45	1,108,385
	Raidang	974.09	1,680,986
	Bargang	1012.33	1,919,643
East Boro	Behali	580.60	2,007,131
	Boro	406.50	1,205,491
	Dufflaghur	712.71	1,778,251
	Halem	589.80	2,268,254
	Nya Gogra	647.28	1,737,373
Jorhat	Hunwal	897.52	1,934,093
Mangaldai	Attareekhat	537.55	1,685,329
	Bhooteachang	614.84	1,279,127
	Borengajuli	625.19	1,873,964
	Corramore	485.06	1,390,543
	Dimakusi	435.04	1,428,132
	Paneery	408.29	933,908
Margherita	Bogapani	846.70	2,525,851
	Dehing	498.73	1,911,462
	Dirok	788.16	2,197,910
	Margherita	607.94	1,466,074
	Namdang	756.13	1,971,494



PARTICULARS OF TEA ESTATES (Contd.)

Locations	Estates	Area Under Tea (Hect.)	Saleable Production for 2012-13 (Kgs.)
Moran	Attabarrie	397.94	818,465
	Dirai	674.71	2,150,373
	Lepetkatta	436.44	865,680
	Moran	616.30	1,594,122
	Rajmai	485.52	1,560,547
	Sepon	607.76	1,816,166
Thakurbari	Addabarrie	679.39	1,491,969
	Harchurah	452.21	1,430,757
	Phulbari	843.84	1,873,540
	Rupajuli	384.36	796,985
	Tarajulie	481.26	824,672
	Tezpore & Gogra	521.72	1,228,415
Tingri	Dirial	573.39	1,602,463
	Itakhooli	389.62	654,433
	Keyhung	620.17	1,330,573
	Mahakali	568.96	917,596
Dooars	Bhatpara	615.01	721,159
	Central Dooars	763.93	1,005,036
	Chuapara	664.02	1,007,744
	Jainti/Chuniajhora	617.27	983,326
	Mathura	683.14	1,099,580
	Total	34310.26	78,213,259

Production includes tea made out of inter-estate transfer/purchase of green leaf.

NOTES



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