

ANNUAL REPORT 2013



GOODRICKE GROUP LIMITED

WE ARE RESPONSIBLE FOR MORE THAN YOUR MORNING CUPPA!

Apart from honing our skills in the craft of tea manufacturing for over the past 140 years, we have remained deeply interested in the welfare of those who have made us what we are. Adhering to the principles of our parent company, we are devoted to the promotion of business integrity, environmental protection & social welfare of all our stakeholders.

As part of our Corporate Social Responsibility, we have set up tea packing units in Kolkata, Bhopal & Indore in partnership with local NGOs, employing persons with disability. We believe that given equal opportunity, persons with disability can also contribute towards their home & society. Goodricke believes in breaking barriers to build a better world!

TEA AND RESPONSIBILITY:

Goodricke School for Special Education, Siliguri, for children with disability | Vocational training in collaboration with NGO – Interlink | Creches & Schools for garden employees' children | Hospitals & Maternity clinics for employees | Promoting environmental sustainability and biodiversity, certified by the Rainforest Alliance Certification | Acknowledgement by Ethical Tea Partnership for improving the lives of tea workers and their environment

OUR RANGE OF UNIQUE TEAS

CASTLETON

This superlative Darjeeling fetched an unbeatable Rs.88,000/- for 1.2 kgs, the highest bid at the Russian Charity Auction. It was also declared as the 'World's Best Darjeeling Cup' by the jury at the Bermuda Tea Convention. Acclaimed the world over, Castleton tea is the essential Darjeeling for the discerning connoisseur.

ROASTED

Synonymous with Darjeeling Tea in Kolkata, it has a unique touch of fire and malty taste providing robustness, while maintaining the finesse of classic Darjeeling.

BARNESBEG

A 100% Organic Darjeeling Green Tea packed with anti-oxidants, this green tea has a distinct mellow flavour which helps one sit back and unwind. Above all, it has received the Rainforest Alliance Certificate.

KHAASS

An exclusive Assam black tea created by Goodricke, the world leader in Assam Orthodox Tea production, Khaass is specially blended with 15% Long Leaves and Golden Buds. These Golden Buds give the tea its unparalleled aroma and distinct flavour – which you can experience only with a sip of Khaass!

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BOARD OF DIRECTORS

P.J. Field - *Chairman*

A.N. Singh - *Managing Director & C.E.O.*

A.K. Mathur

S. Kaul

K. Sinha

P.K. Sen

COMPANY SECRETARY

S. Banerjee

CHIEF ACCOUNTANT & C.F.O.

A. Sengupta

BANKERS

The Hongkong & Shanghai Banking Corporation Ltd.

HDFC Bank Ltd.

Axis Bank Ltd.

AUDITORS

Lovelock & Lewes

REGISTRARS & SHARE TRANSFER AGENTS

C.B. Management Services Pvt. Ltd.

P-22, Bondel Road, Kolkata 700 019.

Tele No. (033) 2280 6692/4011 6700 Fax No. (033) 4011 6739

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

REGISTERED OFFICE

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

Tele No : (033) 2287 3067/ 8737

Website :- www.goodricke.com

NOTICE

NOTICE is hereby given that the Thirty-eighth Annual General Meeting of the Members of Goodricke Group Limited will be held at the Eastern Zonal Cultural Centre, IB 201, Sector - III, Salt Lake City, Kolkata 700 106 on Friday, the 11th April, 2014 at 10.00 a.m. to transact the following business:-

Ordinary Business

1. To consider and adopt the Profit & Loss Account of the Company for the year ended 31st December 2013 and the Balance Sheet as at that date and the Reports of Directors and Auditors thereon.
2. To declare a Dividend for the year ended 31st December, 2013.
3. To appoint a Director in place of Mr. K. Sinha who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. P. J. Field who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors and to authorise the Board of Directors to fix their remuneration.

The Register of Members and Share Transfer books of the Company shall remain closed from Thursday, the 3rd April to Friday, the 11th April, 2014, both days inclusive.

By Order of the Board

Kolkata
26th February, 2014

S. Banerjee
Company Secretary



NOTES & INFORMATION TO SHAREHOLDERS

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company. Proxies, in order to be effective, must be received at the Company's Registered Office not less than forty-eight hours before the Meeting.**
2. Dividend that may be declared by the Company will be paid on and from 17th April, 2014 to those members whose names appear on the Company's Register of Members on the date of the Annual General Meeting or to their mandatees, subject however, to the provisions of Section 206A of the Companies Act, 1956 (Act).
3. Members are requested to:

- (i) Quote their Registered Folio number in all correspondence with the Company or its Registrars.
Notify the Company or its Registrars immediately of change, if any, in their registered address or of their mandatees. Members holding shares in dematerialised form to advise respective depository participants about change of address. Intimation of change of address must state the Pin Code for proper delivery.
- (ii) **Members who have not so far encashed their Dividend Warrants for the Accounting years ended 31st December, 2006, 2007, 2008, 2009, 2010, 2011 and 2012 may immediately approach the Registrars for revalidation of unclaimed Dividend Warrants.**

Members are hereby informed that pursuant to the provisions of the Act, the Company is obliged to transfer any money lying in the Unpaid Dividend Account, which remains unpaid or unclaimed for a period of seven years from the date of such transfer, to the unpaid Dividend Account, to the credit of Investor Education and Protection Fund ("the Fund") established by the Central Government. Unpaid Dividend for the year ended 31st December 2005 has been deposited accordingly. In accordance with Section 205B of the Act, no claim shall lie against the Company or the Fund in respect of individual amounts of dividends remaining unclaimed and unpaid for a period of seven years from the dates they first became due for payment and no payment shall be made in respect of any such claims. Accordingly, the money lying in the unpaid Dividend Account for the year ended 31st December 2006, will fall due for deposit on 11th April, 2014.

4. Pursuant to Section 205A of the Act, all unclaimed/unpaid Dividends upto the Dividend for the period 31st December, 1995 have been transferred to the General Revenue Account of the Central Government. Any claim for payment of such unpaid/unclaimed Dividend should be made by an application in the prescribed form to the Registrar of Companies, West Bengal, at the address given below :

Nizam Palace
II M.S.O. Building
234/4, Acharya Jagadish Chandra Bose Road
Kolkata 700 020.

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

7. DETAILS OF DIRECTORS

Particulars	Directors retiring by rotation and seeking reappointment	
Name	Mr. K. Sinha	Mr. Peter John Field
Designation	Non-Executive Director	Non-Executive Director
Date of Appointment	1st January, 2001	1st May, 2009
Date of Birth	7th September, 1947	25th November, 1950
Qualification	M.A.	Banker
Experience	Retired as Head, Eastern India, of Hongkong & Shanghai Banking Corporation Ltd. He has indepth experience in areas of Finance & Banking.	Joint Managing Director, Camellia Plc. U.K. Indepth experience in the field of Banking & Finance of a wide range of Companies in diverse lines of activities ranging from Tea & other plantation, banking & engineering, warehousing and transport etc.
Directorship of other Companies (Excluding foreign Companies and Private Limited Companies).	The Statesman Ltd.	Stewart Holl (India) Ltd. Amgoorie India Ltd. Elgin Investment & Trading Co. Ltd. Goodricke Technical & Management Services Ltd.
Chairman/Member of Committee of the Boards of Companies	Chairman, Audit Committee Chairman, Remuneration Committee, Member Shareholders'/Investors' Grievance Committee of Goodricke Group Ltd.	Member, Remuneration Committee of Goodricke Group Ltd.
Shareholding in the Company (Nos.)	Nil	Nil
Inter-se relationship	Not related to any Director on the Board.	Not related to any Director on the Board, except fellow Directorship in some Companies.

DIRECTORS' REPORT



The Directors have pleasure in presenting their Thirty-eighth Annual Report and Accounts for the year ended 31st December 2013.

FINANCIAL RESULTS

For the year ended 31st December

	2013	2012
	(Rs. in millions)	
GROSS SALES	5,783.10	5,383.81
PROFIT BEFORE TAXATION	486.18	274.44
Less: Provision for Taxation (net)	152.61	74.45
PROFIT AFTER TAX	333.57	199.99
Add: Profit brought forward from last year	48.67	49.10
	382.24	249.09
APPROPRIATIONS:		
Dividend	97.20	86.40
Tax on Dividend	17.19	14.02
Transfer to General Reserve	220.00	100.00
Balance carried forward	47.85	48.67

The turnover for the year 2013 increased by over 7.40% to Rs. 5,783 million from Rs.5,383 million in the previous year essentially due to increased crop and improved prices.

OPERATIONS

The total manufactured crop was higher at 22.29 million kgs. against 20.73 million kgs in 2012. Favourable weather conditions coupled with augmented irrigation facilities were the major contributing factors. Out sourced leaf procurement recorded some decline due to our own high production.

All India tea production increased by 6.5 percent to 1200 million kgs in 2013 against 1126.33 million kgs in 2012. Majority of the increase came from North India although South Indian crop also was ahead of previous year.

Average CTC tea prices were lower in all auction centers compared to previous year. Markets were polarized at the top and bottom with top teas seeing attractive levels with virtually 100% sales. But medium and plainer sorts saw outlots with lower prices. Our Group averages however were higher than last year in both Dooars and Assam. Orthodox prices were also higher than last year.

All India Bulk tea Export figures were higher than 2012. Exports to Iran increased substantially with Rupee Letter of Credit being opened. Our Company's exports also increased to 4.20 million kgs from 3.28 million kgs in the previous year.

The domestic sales were positive and indicated future growth potential. In Packet tea division, attractive incentives were offered to maintain steady growth of business. A new brand named "Goodricke Khaass" was launched during the year at Kolkata which was very well accepted in the market. A new central packaging unit along with storage facility was inaugurated in Dewas, Madhya Pradesh to strengthen logistics and cut down on multiple units/inventory.

Our endeavours of converting the three Darjeeling gardens namely Barnesbeg, Badamtam and Thurbo into organic have been successfully completed. All three gardens as also the two Assam gardens continue to be certified under the global Rainforest Alliance.

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

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Companies Act 2013 which has been assented by the President of India on 29th August 2013 suggests for specific provisions for spending on Corporate Social Responsibility (CSR), which is yet to come into effect. It stipulates expenditure of 2% of the average profit of past three years on CSR activities. It further requires the Board's report to give a note on such activities and in the event of shortfall from the specified quantum, the reasons for the same to be explained therein. A Committee of the Board has already been constituted with Dr. Sudha Kaul, an Independent Director as its Chairperson.

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

- Health & Safety
- Social
- Waste Management
- Environment

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

- Primary Hospitals at all gardens.
- Group Hospital with specialized equipment at Dooars, North Bengal
- Tracking of family health status at the gardens.
- Camps for sterilization, reconstructive surgery by overseas Doctors, eye surgery and child immunization programmes.
- Malaria prevention schemes for residents of Garden and adjoining villages.
- Primary schools at all gardens and buses for school children to go to the Secondary schools.
- Self help centres for vocational training.
- Afforestation / vegetation on non-tea areas.
- Scholarship scheme for meritorious students of the tea garden employees.
- Packing of teas by physically challenged students at The Indian Institute of Cerebral Palsy (IICP), as part of vocational training.
- Green initiative for sustainable operation through use of dual fired boilers to use woody biomass instead of coal.