



**KANCO TEA & INDUSTRIES LIMITED**  
(Formerly : Dhanvaridhi Concerns Limited)

CIN : L15491WB1983PLC035793

**Annual Report  
2014-2015**

**CONTENTS**

Notice	2
Directors' Report	8
Auditors' Report	33
Balance Sheet	36
Statement of Profit & Loss	37
Cash Flow Statement	38
Notes on Financial Statements	39

**BOARD OF DIRECTORS**

**Mr. U. Kanoria**  
*Chairman & Director*

**Mrs. A. Kanoria**  
*Wholetime Director*

**Mr. G. Momen**  
**Mr. N. Nayar**  
**Mr. G. R. Banka**  
*Directors*

**CHIEF FINANCIAL OFFICER**

**Mr. S. K. Parhi**

**COMPANY SECRETARY**

**Mr. A. K. Gangopadhyay**

**AUDITORS**

**M/s. Jain & Co.**  
*Chartered Accountants*

**BANKER**

**Punjab National Bank**

**REGISTERED OFFICE**

Jasmine Tower, 3rd Floor  
31, Shakespeare Sarani,  
Kolkata 700 017  
Telefax : 2281 5217  
Email : contact@kancotea.in  
Website : www.kancotea.in

**TEA ESTATES**

**Mackeypore &  
Lakmijan Tea Estate**  
P. O. Nazira 785 685  
Dist. Sivasagar (Assam)

**SHARE REGISTRARS**

**CB Management Services (P) Ltd.**  
P-22, Bondel Road, Kolkata 700 019  
Phone : 2280 6692/93/94  
E-mail : rta@cbmsl.com



**Notice**

Notice is hereby given that the 32nd Annual General Meeting of the members of Kanco Tea & Industries Limited will be held at "Bharatiya Bhasha Parishad", 36A, Shakespeare Sarani, Kolkata – 700017 on Friday, the 31st day of July 2015 at 2:00 p.m. to transact the following business:

**Ordinary Business:**

1. To receive, consider and adopt the Audited Financial Statement for the year ended 31st March 2015 and the Reports of the Board of Directors and Auditors thereon.
2. To consider declaration of dividend on 7% Non Cumulative Redeemable Preference Shares for the financial year ended 31st March, 2015.
3. To consider declaration of dividend on Equity Shares for the financial year ended 31st March, 2015.
4. To appoint a director in place of Mr. Umang Kanoria (holding DIN: 00081108), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
5. To appoint M/s. Jain & Co., Chartered Accountants (Firm Registration No: 302023E) as Statutory Auditors of the Company and authorise the Board of Directors to fix their remuneration.

**Special Business:**

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

"RESOLVED THAT pursuant to the provisions of Section 73 of the Companies Act 2013 and provisions of Companies (Acceptance of Deposits) Rules, 2014(including any statutory modifications(s) or re-enactments(s) thereof, for the time being in force) consent of shareholders of the company be and is hereby accorded to the Board of Directors of the Company including any committee thereof, for inviting and accepting unsecured deposits from members of the company subject to the maximum aggregating to not more than ₹.5,00,00,000/- (Rupees Five Crores Only) outstanding at any one point of time or an amount representing 25% of the paid-up share capital and free reserves as per the latest audited balance sheet whichever is less, in accordance with the provisions of Companies (Acceptance of Deposits) Rules, 2014, framed under section 73 of the Companies Act, 2013."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**Registered Office:**

Jasmine Tower, 3rd Floor  
31, Shakespeare Sarani, Kolkata – 700017  
CIN: L15491WB1983PLC035793  
Telefax: (033) 22815217  
Email: [compliance@kancotea.in](mailto:compliance@kancotea.in)  
Website: [www.kancotea.in](http://www.kancotea.in)

By Order of the Board  
For **Kanco Tea & Industries Limited**

A K Gangopadhyay  
Company Secretary

Dated: 16th June, 2015



**NOTES:**

- I. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The proxy form duly completed and signed, should be deposited with the company, at its registered office at least 48 hours before the time of the meeting. Proxies submitted on behalf of the Companies, Societies, etc., must be supported by an appropriate resolution/authority as may be applicable. A proxy form for the Annual General Meeting is enclosed.

A person can act as a proxy on behalf of the members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or members.

- II. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf in the meeting.
- III. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in relation to the Special Business of the Meeting is annexed hereto and forms part of this notice.
- IV. Pursuant to the provisions of Section 91 of the Companies act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from 25th day of July 2015 to 31st day of July, 2015 (both days inclusive) for the purpose of payment of the final dividend for the financial year ended March 31, 2015 and the Annual General Meeting.
- V. Members are requested to bring their copy of Annual Report at the Meeting and produce the enclosed attendance slip at the entrance to the place of the meeting.
- VI. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company on weekdays (3.00 p.m. to 5 p.m.) up to and including the date of the Annual General Meeting of the Company.
- VII. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
- VIII. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
- IX. Dividend, as recommended by the Board, if approved at the Annual General Meeting by the Members, will be paid latest within a period of 30 days from the date of declaration, to those persons whose names stand registered in the Company's Register of Members or their mandatees :
- (a) as Beneficial Owners at the end of business hours on 24th day of July, 2015, as per names and address to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form, and



- (b) as Members of the Company after giving effect to the valid share transfers in physical form lodged with the Company on or before commencement of book closure i.e. 24th day of July, 2015.
- X. Members who have neither received or encashed their dividend warrant(s) for the financial years 2009-2010 up to 2013-2014, are requested to write to the Company or its Registrar and Share Transfer Agent, mentioning the relevant Folio Number or DP ID and Client ID, for issuance of duplicate/revalidated dividend warrant(s). Members are requested to note that the dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 124 of the Companies Act, 2013, be transferred to the Investor Education and Protection Fund.
- XI. Members holding shares in physical form may intimate the Company necessary particulars for ECS credit of the dividend directly to their bank accounts wherever ECS facility is available, or, for printing of their bank account details on the dividend warrants to prevent possibilities of fraud in encashing the warrants.
- XII. Members holding shares in electronic form are requested to notify the changes in the above particulars, if any, directly to their Depository Participants (DP). Members are encouraged to utilize the Electronic Clearing System (ECS) for receiving dividends.
- XIII. Copies of the Annual Report 2014-2015, the Notice of the 32nd Annual General Meeting, instructions for e-voting, Attendance Slip and Proxy Form, are being sent by electronic mode only to all the members whose email addresses are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report 2014-2015, the Notice of the 32nd Annual General Meeting, instructions for e-voting, Attendance Slip and Proxy Form are being sent by the permitted mode. Members may register their email address by visiting Website namely [www.cbmsl.com / green.php](http://www.cbmsl.com/green.php) of our Registrar and Share Transfer Agent.
- XIV. Members may also note that the Notice of the Annual General Meeting and the Annual Report for 2014-2015 will also be available on the Company's website [www.kancotea.in](http://www.kancotea.in) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Kolkata for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the members may also send requests to the email id: [compliance@kancotea.in](mailto:compliance@kancotea.in) or [rta@cbmsl.com](mailto:rta@cbmsl.com).
- XV. Members seeking any information with regard to Accounts may write to the Company 7 (seven) days before the date of the Annual General Meeting.
- XVI. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN to the Company or its Registrar and Share Transfer Agent.



- XVII. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form can be downloaded from the Company's website.
- XVIII. Voting through electronic means:
- a. Pursuant to Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, the Company is pleased to provide its members facility of 'remote voting' (e-voting from a place other than venue of the AGM) to exercise their right to vote at the 32nd Annual General Meeting. The business may be transacted through e-voting Services provided by Central Depository Services (India) Limited (CDSL).
  - b. The facility for voting either through ballot/polling papers shall also be made available at the venue of the 32nd Annual General Meeting. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.
  - c. Ms. Priti Todi, Practising Company Secretary (Membership No. 14611) (Address: 225D, AJC Bose Road, 3rd Floor, Kolkata - 700020) has been appointed as the Scrutinizer for conducting the remote evoting and voting process at the AGM in a fair and transparent manner.
  - d. The e-Voting procedure to be followed by the shareholders to cast their votes:

**A. In case of members receiving e-mail:**

- (i) The voting period begins on 28th day of July, 2015 (9.00 am) and ends on 30th day of July, 2015 (5.00 pm) During this period the shareholders' of the company, holding shares either in physical form or in dematerialised form, as on the cut-off date i.e 24th day of July, 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 5.00 pm on 30th day of July, 2015.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Log on to the e-voting website **www.evotingindia.com**
- (iv) Click on "Shareholders" tab.
- (v) Now Enter your User ID
  - a. For **CDSL**: 16 digits beneficiary ID,
  - b. For **NSDL**: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:



<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"><li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li><li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li></ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. the said demat account or folio. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <KANCO TEA & INDUSTRIES LIMITED> on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/ NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xviii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Institutional Shareholders
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).



- After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (xiii) Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. 24th of July, 2015, may obtain the USER ID and password by sending an e-mail request to [rta@cbmsl.com/compliance@kancotea.in](mailto:rta@cbmsl.com/compliance@kancotea.in).

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**Item No. 6**

Keeping in view the fund requirements, the Company may accept deposits from its members as per the provisions of Section 73 read with Companies (Acceptance of Deposits) Rules, 2014.

For the above mentioned purpose a special resolution is to be passed by shareholders for authorizing the Board of Directors to accept the unsecured deposits from shareholders up to a maximum amount of ₹.5,00,00,000/- (Rupees Five Crores Only) or up to an amount representing 25% of the paid-up share capital and free reserves as per the latest audited balance sheet, whichever is less and also for doing all necessary acts in this regard.

The Directors recommends the resolution for members’ approval as Special Resolution.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item No.6 of the Notice

**Registered Office:**

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Website: [www.kancotea.in](http://www.kancotea.in)

By Order of the Board  
For **Kanco Tea & Industries Limited**

A K Gangopadhyay  
Company Secretary

Dated: 16th June, 2015

**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors are pleased to present their Thirty Second Annual Report and the Company's audited financial statement for the financial year ended 31<sup>st</sup> March, 2015.

**Financial Results**

The Company's financial performance, for the year ended March 31, 2015 is summarized below:

Particulars	Current Year	Previous Year	₹in Lacs
Profit Before Interest, Depreciation and Tax	602.22	689.36	
Less : Interest	110.26	115.55	
Gross Profit for the year	491.96	573.81	
Less : Depreciation	151.85	91.57	
Profit Before Tax	340.11	482.24	
Less : Provision For :-			
Net Current Tax	57.73	87.53	
Provision for MAT Credit Entitlement	(15.97)	(43.25)	
Deferred Tax	41.76	44.28	
	(10.61)	9.27	
	31.15	53.55	
Profit/(Loss) After Taxation	308.96	428.69	
Add : Balance Brought Forward from Last Account	1454.49	1171.84	
	1763.45	1600.53	
Less : Transfer to General Reserve	30.90	42.87	
Less : Proposed dividend	70.23	88.18	
Less : Dividend Distribution Tax	17.95	14.99	
Balance Carried to Balance Sheet	1644.37	1454.49	

**Results of Operations and the State of the Company's Affairs**

During the year under review, the production of own tea and tea made from bought leaves went down by 78261 Kgs and 101100 Kgs compared to previous year. The profit before tax stood at ₹340.11 Lacs compared to ₹482.24 Lacs for the previous year. The decline in working results was mainly due to loss of crop, increase in depreciation due to reassessment of useful lives of its fixed assets as specified in Part C of Schedule II to the Companies Act, 2013 and substantial increase in provision for gratuity pursuant to actuarial valuation.

Your Company continued to take advantage of the Special Purpose Tea Fund Scheme announced by the Tea Board of India. In the financial year 2014-2015, 28.13 hectares, 24.19 hectares and 24.10 hectares of the plantation area were replanted, rehabilitated and uprooted respectively. We have added an irrigation set in Mackeypore Tea Estate and investment has been made in factory. Your Company has also built labour latrines to improve the living condition of its workforce.

The current season started with an increase in crop due to favourable weather conditions. The north India auction average price upto May, 2015 is lower by 8.35% compared to corresponding period in the previous year. Your Company being producer of premium quality teas will be less affected by fall in tea prices compared to medium and low quality producers. The increase in wage rate and inputs like H.S.D.Oil, Pesticides, Natural Gas and Manures will hit the bottom line. The thrust on irrigation and replanting under SPTF will continue.

**Certifications**

The quality management system of Mackeypore Tea Estate, Kanco Tea & Industries Limited bearing ANZSIC Code: 2180 has been assessed and found to meet the requirements of ISO 9001:2008. The certificate no. IN/QMS/00270 is valid for manufacturing of black tea from green tea leaves till 20/05/2016.





The food safety systems of Mackeypore Tea Estate, Kanco Tea & Industries Limited bearing ANZSIC Code: 2180 has been assessed and found to meet the requirements of HACCP (Hazard Analysis and Critical Point). The certificate no. IN/HACCP/00027 is valid for manufacturing of black tea from green tea leaves till 20/05/2016.

The food safety systems of Mackeypore Tea Estate, Kanco Tea & Industries Limited has been assessed and found to meet the requirements of ISO 22000:2005 (Food Safety Management System). The certificate no. IN/FSMS/00065 is valid for manufacturing of black tea from green tea leaves till 20/05/2016.

Mackeypore Tea Estate & Lakmijan Tea Estate has been issued verification certificate bearing no. TS-VC/CUC/03/834385/14 & TS-VC/CUC/04/8347386/14 under trustea code for sustainable tea in India by Control Union. The trustea code covers social, agronomic, food safety, occupational health & safety and environmental criteria. The certificates are valid till 22/12/2016.

### **Appropriations**

#### **Transfer to reserves**

₹30.90 Lacs has been transferred to general reserve and ₹189.88 has been retained in surplus.

#### **Dividend**

The Directors of your Company has recommended a dividend of ₹7/- and ₹5/ (Last Year ₹7 /- and ₹5/-) per Preference Share of Face Value of ₹100/- and Equity Share of Face Value of ₹10/-share respectively for the year under review.

#### **Extract of Annual Return**

The details forming part of the extract of the Annual Return in Form No. MGT-9 as required under Section 92 of the Companies Act, 2013 is annexed herewith marked as Annexure A to this report.

#### **Directors**

During the year under review, the members approved the appointment of Mr. Umang Kanoria (DIN: 00081108) as Non-Executive Non-Independent Director, who is liable to retire by rotation and in accordance with the provisions of the Act and the Articles of Association of the Company, he retires by rotation at the ensuing Annual General Meeting and being eligible has offered himself for reappointment.

Mr. Navin Nayar (DIN: 00136057) and Mr. Golam Momen (DIN: 00402662) were appointed as the Independent Directors of the Company who are not liable to retire by rotation. The Members have also re-appointed Mrs. Anuradha Kanoria (DIN: 00081172) as the Whole time Director of the Company.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement with the Stock Exchanges.

The Company has devised a Policy for Performance evaluation of Independent Directors, Board, Committees and other Individual Directors which includes criteria for performance evaluation of the non-executive directors and executive directors and is annexed herewith marked as Annexure B to this report.

The performance evaluation of the Chairman and the non independent Directors was carried out by the Independent Directors. On the basis of the Policy the Performance Evaluation of Independent Directors, Board, Committees and other individual Directors were carried. The Board of Directors expressed their satisfaction with the evaluation process.

#### **Key mangerial Personnel**

The following persons are the Key Mangerial Personnel (KMP) of the Company in compliance with the provisions of Section 203 of the Companies Act, 2013 :

- a) Mrs. A. kanoria (DIN : 00081172), Wholetime Director
- b) Mr. A. K. Gangopadhay, Company Secretary
- c) Mr. S. K. Parhi, Cheif Financial Officer (w.e.f. 01/07/2014)

#### **Number of Meetings of the Board**

Six meeting of the Board of Directors were held during the year.



**Audit Committee**

The Audit Committee comprises Independent Directors namely Mr. Navin Nayar (Chairman) and Mr. Golam Momen and Mr. Govind Ram Banka, Non-Executive Director. All the recommendations made by the Audit Committee were accepted by the Board.

**Directors' Responsibility Statement**

The Directors hereby confirms that

- a) in the preparation of the annual accounts, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- b) they had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2015 and of the profit of the Company for the year ended on that date;
- c) they 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;
- d) they had prepared the annual accounts on a going concern basis;
- e) they had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- f) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**Statutory Auditors**

Messrs. Jain & Co., Chartered Accountants, Registration No. 302023E, Statutory Auditor of the Company, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. They have expressed their willingness to continue as Statutory Auditors of the Company, if so appointed by the members. Your Company has received the consent and certificate from Messrs. Jain & Co., Chartered Accountants to the effect that their re-appointment if made, would be within the limits prescribed under the section 141 of the Companies Act, 2013 read with rules and that they are not disqualified for reappointment within the meaning of Section 141 of the Companies Act 2013. They have also confirmed that they hold a valid peer review certificate as prescribed under Clause 41(1) (h) of the Listing Agreement.

**Statutory Auditors' Report**

The report by the Auditors is self-explanatory and has no qualification, reservation, adverse remark or disclaimer; hence no explanation or comments by the Board were required.

**Secretarial Audit Report**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed P.S. & Associates a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report is annexed herewith marked as Annexure C to this report.

Further, this report has no qualification, reservation, adverse remark or disclaimer; hence no explanation or comments by the Board were required.



**Particulars of Loans, Guarantees or Investments by Company**

Particulars of investments made by the Company are provided in note no.12 & 15 to the financial statements. The Company has neither given any loan & guarantee nor provided any security during the financial year under review. The particulars of loan as on 01/04/2014 and 31/03/2015 are provided in note no.13 to the financial statements.

**Contracts and Arrangements with Related Parties**

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis.

**Material Changes and commitments occurred between the end of the Financial Year under Review and the date of this report.**

No material changes and commitments have occurred between the end of the financial year under review and the date of this report.

**Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo**

A statement pursuant to Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 on conservation of energy, technology absorption, foreign exchange earnings and outgo is annexed herewith marked as Annexure D to this report.

**Risk Management**

As per requirement of Section 134(3) (n) of the Companies Act, 2013 the Board of Directors in its meeting held on 9<sup>th</sup> May, 2014 has approved the Risk Management Policy. The Board envisaged the following elements of risks which may threaten the existence of the Company-

**Nature Related Risk**

Tea being an agricultural produce is affected by the vagaries of weather. Weather plays a major role in determining the final output of produce. Both excess and scarcity of rainfall play havoc with the final output of produce. KTIL has carried out extensive drainage network to deal with the problem arising out of excess rainfall. KTIL has a detailed plan of action for bringing its plantation areas under irrigation and more than 70% of its plantation areas are under irrigation now.

**Pest Management**

Tea bushes are prone to attack by various pests like cater pillars, Loppers, Red Slugs, Red Spiders, Helopeltis, Thrips, Green Fly, etc. KTIL has experienced competent senior personnel in the garden, who controls pest by way of timely detection and spray of agro-chemicals. KTIL has also a policy of keeping adequate agro chemicals in stock in anticipation of pest attack during a particular month based on past behavior of pests. KTIL is working out on a plan on integrated pest management, which will promote the use of physical, biological and mechanical control methods, and the least possible use of agrochemicals.

**Labour**

Tea being a labour intensive industry is prone to loss of output due to labour unrest. KTIL provides all its workforce employed in the estate along with their families access to drinking water, food, housing and basic medical care as per the guideline of Plantation Labour Act,1951 and Assam Plantation Labour Rules. Workers are paid the official agreed wage as per the agreement entered into between the recognised trade union and KTIL. KTIL follows a strict 'Non-Discrimination Policy'on the basis of race, creed, gender, political opinion and membership of trade union. KTIL always aim to maintain cordial relationship with its workforce.



**Market Risk**

The tea prices are volatile and affected by the conditions prevailing in the market. The inferior quality teas are affected more by volatility in prices in comparison to top quality teas. KTIL's thrust on making top quality teas minimized the risk due to volatility in prices.

**Bought Leaf Operation**

KTIL purchases green leaves from outside suppliers and produces it under a different mark called Lakmijan to protect its own mark Mackeypore. KTIL processes the bought leaves separately from its own leaves. The physical segregation of own tea leaves and bought leaves manufacturing process is clearly visible. The Company is vulnerable to volatility in selling price of tea made from bought leaves.

**Risks due to Fire, Accident, Theft, Etc.**

KTIL has taken appropriate insurance policy to safeguard itself against loss that may arise from risks associated with fire, earthquake etc.

**Risk due to Fraud**

KTIL has installed adequate internal control measures to minimise the occurrence of fraud and internal audit is also conducted at regular intervals by an external agency.

**Risk of Doubtful and Bad Debt**

The credit worthiness of sundry debtors is checked by the senior management to fix the credit period, if any to be given. The background check of new party is also carried out before deciding on the credit period.

**Corporate Social Responsibility Committee and Policy**

a)The Company's CSR activities shall primarily include one or more of the items covered under Schedule VII to the Act as detailed below: -

- (i) eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water;
- (ii) promotion of education including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- (iii) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- (iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;
- (v) protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- (vi) measures for the benefit of armed forces veterans, war widows and their dependents;
- (vii) training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
- (viii) contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- (ix) contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- (x) rural development projects.



- (xi) slum area development

Preference shall be given to Company's Business and areas around Company's Tea Estates for spending the amount earmarked for CSR.

- b) The Corporate Social Responsibility Committee comprises of the Directors viz, Mr. Umang Kanoria (Chairman), Mr. Navin Nayar and Mr. Govind Ram Banka as other members of the Committee.

The Corporate Social Responsibility Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board.

- c) Average net profit of the company for last three financial years – ₹.4,43,36,867/-  
d) Prescribed CSR Expenditure (two per cent of the amount as in item c above) - ₹.8,86,737/-

The Company was unable to identify a registered trust to carry out activities on its behalf in areas around its Tea Estates during the year under review and therefore ₹.8,86,737/- being 2% of average net profit of the Company for last three financial years has been kept as liability in the financial year under review. The Company has formed "Kanco- CSR Trust", which got registered on 31st March, 2015 and ₹. 8,86,737/- earmarked in the financial year under review for CSR activities will be incurred in the financial year 2015-2016 through the said trust. The CSR policy can be viewed at <http://kancotea.in/pdf/CSR%20POLICY.PDF>

#### **Formation of Wholly Owned Subsidiary Company**

During the year under review, Winnow Investments and Securities Private Limited, a Wholly owned Subsidiary of the Company was incorporated on 30th March 2015. Winnow Investments and Securities Private Limited did not commence its business in the financial year under review and therefore consolidated accounts has not been prepared.

#### **Associates**

Pursuant to section 129(3) of the Companies Act, 2013 the statement containing salient features of the financial statements of the Company's Associates (in Form AOC-1) is attached to the financial statements.

#### **Deposits**

Deposits which were accepted under Section 58A of the erstwhile Companies Act, 1956 read with Companies (Acceptance of Deposits) Rules, 1975 had been repaid with Interest on their due dates and those deposits whose due dates were after 31st March, 2015 have also been repaid on 31st March, 2015 in accordance with Section 74 (1) (a) of the Companies Act, 2013 read with rule 20 of the Companies (Acceptance of Deposits) Rules, 2014. During the year under review, the Company has not accepted any deposits, within the meaning of Section 73 of the Companies Act, 2013, read with the Companies (Acceptance of Deposits) Rules, 2014.

#### **Material Orders Passed by the Regulators /Courts/ Tribunals**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

#### **Internal Controls**

The Company has an effective Internal Control system with reference to Financial Statements. The Audit Committee of the Board of Directors reviews the adequacy and effectiveness of the Internal Control System. The Company's internal Control System is commensurate with its size, scale and complexities of its operations.

**Vigil Mechanism**

The Company has a Vigil Mechanism / Whistle Blower policy to report genuine concerns and grievances. Protected disclosures can be made by a whistle blower through an email or dedicated telephone line or a letter to the Chairman of the Audit Committee.

Website: [http://kancotea.in/pdf\\_VIGIL%20MECHANISM\\_WHISTLE%20BLOWER%20POLICY.PDF](http://kancotea.in/pdf_VIGIL%20MECHANISM_WHISTLE%20BLOWER%20POLICY.PDF)

**Stock Exchange**

The Company's equity shares are listed at the Calcutta Stock Exchange Limited (CSE) and the Uttar Pradesh Stock Exchange Limited. The Company's equity shares (Scrip Code 590130) are traded at the Bombay Stock Exchange Limited (BSE) as per MOU signed between CSE and BSE.

Listing Fees for the financial year 2015-2016 has been paid.

SEBI has allowed the UPSE to exit in terms of Clause 8 of the Exit Circular, 2012 vide its order dated 9<sup>th</sup> of June, 2015.

**Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

No complaints have been received during the year under review by the respective Internal Complaints Committee.

**Details Pertaining to Remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014.**

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2014-15, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sl. No.	Name of Director/ KMP and Designation	Remuneration of Director/ KMP for financial year 2014-15 (₹. In Lacs)	% increase in Remuneration in the F.Y. 2014-15	Ratio of remuneration of each Director to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
1.	Mrs. Anuradha Kanoria, Wholetime Director	25.51	-9.25%	21.87	The profit before tax decreased by 29.43% compared to previous year mainly due to drop in production of tea from own leaves and the drop is attributable to vagaries of weather. The Company has paid fixed part of the salary as per the agreement signed pursuant to passing of resolution by the members at the general meeting.
2.	Mr.Umang Kanoria, Non-Executive Director	0.80	100%	0.69	
3.	Mr.Golam Momen Independent Director	0.65	62.50%	0.56	



4.	Mr.Navin Nayar Independent Director	0.80	60%	0.69	
5.	Mr.G.R.Banka Non-Executive Director	0.80	60%	0.69	
6.	Mr.A.K.Gangopadhyay Company Secretary & Compliance Officer	2.89	169.72%	2.47	The profit before tax decreased by 29.43% compared to previous year mainly due to drop in production of tea from own leaves and the drop is attributable to vagaries of weather. The increase was based on the recommendation of the Nomination & Remuneration Committee to revise the remuneration at par with Industry benchmarks.
7.	Mr.S.K.Parhi Chief Financial Officer	12.41	19.86%	10.64	

- ii) The median remuneration of employees of the Company during the financial year was ₹.1,16,627/-
- iii) the percentage increase in median remuneration of the employees of the Company-15.11 %
- iv) Number of permanent employees on the rolls of the Company - 1677
- v) Explanation on the relationship between average increase in remuneration and company performance – The average increase in remuneration is 7.12%. The dip in profit is mainly attributable to external factor i.e. vagaries of weathers and therefore the increase in salary, which is as per agreement entered into with trade unions at tea estate and in line with the industry bench mark at the registered office is justified.
- vi) Comparison of the remuneration of the Key Managerial Personnel Against the performance of the Company – The total remuneration of Key Managerial Personnel declined by (-)3.44%, whereas the profit before tax declined by 29.43%. The fixed part of the salary was paid to the KMPs and the drop in profit is mainly attributable to vagaries of weather, which is an external factor.
- vii) Variations
  - a) in the market capitalisation of the company- The market capitalisation as on March 31, 2015 was ₹.2219.89 Lacs (₹.1553.92 Lacs as on March 31,2014)
  - b) in the Price Earning Ratio of the Company was 7.25 as at March 31,2015 and was 3.65 as at March 31, 2014.
  - c) Percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in the year- Not Applicable.
- viii) Average percentile increase already made in the last financial year
  - a) In the salaries of employees other than the managerial personnel- 7.51%
  - b) Percentile increase in the managerial remuneration- (-) 3.44%
  - c) Justification for such increase in remuneration & exceptional circumstances for increase in the managerial remuneration - (Please refer point-v)
- ix) Key parameters for any variable component of remuneration availed by the directors- ₹.Nil for the year under review.
- x) Ratio of remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year- Not applicable as there are no employees receiving higher remuneration than the highest paid director.
- xi) It is hereby affirmed that the remuneration paid to the directors, key managerial personnel and other employees is as per the remuneration policy of the company.



Note- Liability for gratuity and leave encashment as required by Accounting Standard-15 issued by The Institute of Chartered of Accountants of India is provided on actuarial valuation report for the Company as a whole. The amount pertaining to individual employee is not ascertainable and therefore not included in the above calculation.

**B.** Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable.

**General**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- i) No disclosure required under clause 49 of the listing agreement has been made by the Company, as the same is not applicable.
- ii) Equity shares of the Company were never suspended from trading during the year under review.

**Acknowledgement**

Your Directors place on record their appreciation for the cooperation and support extended by the Employees, Banks/ Financial Institutions and all other business partners.

For and on behalf of the Board of Directors

Kolkata, the 16th June, 2015

U.Kanoria  
Chairman & Director



**Annexure A****Form No. MGT-9****EXTRACT OF ANNUAL RETURN****As on the financial year ended on 31.03.2015**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

- (i) CIN: L15491WB1983PLC035793  
(ii) Registration Dates: 07.02.1983  
(iii) Name of the Company: KANCO TEA & INDUSTRIES LIMITED  
(iv) Category / sub-category of the Company: COMMERCIAL & INDUSTRIAL COMPANY  
(v) Address of the Registered office and Contact details:  
JASMINE TOWER, 3rd FLOOR,  
31, SHAKESPEARE SARANI,  
KOLKATA – 700017  
TELEFAX : 2281 5217  
E mail Id : contact@kancotea.in  
(vi) Whether listed company Yes  No   
(vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:  
C.B Management Services (P) Ltd.  
P – 22, Bondel Road, Kolkata – 700019  
Phone: 2280 6692  
Email id: rta@cbmsl.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl.No.	Name and Description of the main products / services	NIC Code of the products / services	% of total turnover of the Company
1.	Growing of Tea	01271	
32.	Manufacturer of tea	10791	90.45

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Name & Address of Company	CIN	Holding / Subsidiary/ Associate	% of Shares Held*	Applicable Section
Winnow Investments and Securities Private Limited Jasmine Tower, 3rd Floor 31 Shakespeare Sarani Kolkata- 700017	U65910WB2015PTC205912	Subsidiary	100.00	2(87)(ii)
B.T. Investments Private Limited Jasmine Tower, 3rd Floor 31, Shakespeare Sarani, Kolkata-17	U67120WB1991PTC051211	Associate	23.54	2(6)
E. T. Resources Private Limited Jasmine Tower, 3rd Floor 31, Shakespeare Sarani, Kolkata-17	U65993WB1991PTC051304	Associate	23.63	2(6)
Facitcon Investments Private Limited Jasmine Tower, 3rd Floor 31, Shakespeare Sarani, Kolkata-17	U65993WB1991PTC053281	Associate	20.62	2(6)

\* During the year under review, Winnow Investments and Securities Private Limited, a Wholly owned Subsidiary of the Company was incorporated on 30th March 2015. Winnow Investments and Securities Private Limited did not commence its business in the financial year under review and therefore consolidated accounts has not been prepared.


**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**(i) Category-wise share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year (as on 01.04.2014)				No. of Shares held at the end of the year (as on 31.03.2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>1. INDIAN</b>									
(a) Individual/ HUF	502797	-	502797	29.44	502797	-	502797	29.44	-
(b) Central Government	-	-	-	-	-	-	-	-	-
(c) State Government(s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corporate	697984	-	697984	40.88	698497	-	698497	40.91	0.03
(e) Banks/Financial Institutions	-	-	-	-	-	-	-	-	-
(f) Any Other (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-Total(A)(1)</b>	1200781	-	1200781	70.32	1201294	-	1201294	70.35	0.03
<b>2. Foreign</b>									
(a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
(b) Other - Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corporate	-	-	-	-	-	-	-	-	-
(d) Banks/Financial Institutions	-	-	-	-	-	-	-	-	-
(e) Any Other (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-Total(A)(2)</b>	-	-	-	-	-	-	-	-	-
<b>Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)</b>	1200781	-	1200781	70.32	1201294	-	1201294	70.35	0.03
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
(a) Mutual funds	5268	26	5294	0.31	5268	26	5294	0.31	-
(b) Banks/ FI	6	123	129	0.01	6	123	129	0.01	-
(c) Central Govt / State Govt(s)	-	1497	1497	0.09	-	1497	1497	0.09	-
(d) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e) Insurance Companies	2578	-	2578	0.15	123	-	123	0.01	(0.15)
(f) FIs	-	-	-	-	-	-	-	-	-
(g) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(h) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(1)</b>	7852	1646	9498	0.56	5397	1646	7043	0.41	(0.15)
<b>(2) Non- Institutions</b>									
(a) Bodies Corp									
(i) Indian	49059	1045	50104	2.94	47605	1039	48644	2.85	(0.09)
(ii) Overseas	-	-	-	-	-	-	-	-	-


**KANCO TEA & INDUSTRIES LIMITED**

Category of Shareholders	No. of Shares held at the beginning of the year (as on 01.04.2014)				No. of Shares held at the end of the year (as on 31.03.2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs.1 lakh	200544	106386	306930	17.97	225247	98557	323804	18.96	0.99
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	61516	68500	130016	7.61	47578	68500	116078	6.80	(0.81)
(c) Others (specify)									
NRI/OCBs	3711	561	4272	0.25	2449	561	3010	0.18	(0.07)
Clearing Member	6008	-	6008	0.35	7736	-	7736	0.45	0.10
<b>Sub-Total (B)(2)</b>	<b>320838</b>	<b>176492</b>	<b>497330</b>	<b>29.12</b>	<b>330615</b>	<b>168657</b>	<b>499272</b>	<b>29.24</b>	<b>0.12</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>328690</b>	<b>178138</b>	<b>506828</b>	<b>29.68</b>	<b>336012</b>	<b>170303</b>	<b>506315</b>	<b>29.65</b>	<b>(0.03)</b>
<b>C. Shares held by Custodians for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>1529471</b>	<b>178138</b>	<b>1707609</b>	<b>100%</b>	<b>1537306</b>	<b>170303</b>	<b>1707609</b>	<b>100</b>	<b>-</b>

**(ii) Shareholding of Promoters**

Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year
		No of Shares	% of total Shares of the company	% of Shares pledged / encumbered to total shares	No of Shares	% of total Shares of the company	% of Shares pledged / encumbered to total shares	
1	Stuti Kanoria	68574	4.02	-	68574	4.02	-	-
2	Anuradha Kanoria	183147	10.73	-	183147	10.73	-	-
3	Satvik Kanoria	95541	5.60	-	95541	5.60	-	-
4	Umang Kanoria (HUF)	155535	9.11	-	155535	9.11	-	-
5	Satvik Welfare Trust	249300	14.60	-	249300	14.60	-	-
6	E.T Resources Pvt. Ltd.	279084	16.34	-	292541	17.13	-	0.79
7	S.T Investment Pvt. Ltd.	27006	1.58	-	27006	1.58	-	-
8	Innova Properties Pvt. Ltd.	12000	0.70	-	12000	0.70	-	-
9	Facitcon Investments Pvt. Ltd.	86650	5.07	-	86650	5.07	-	-
10	Nidhi Private Limited	31000	1.81	-	31000	1.81	-	-
11	OCL Investments & Leasing Ltd	12944	0.76	-	-	-	-	(0.76)
	<b>TOTAL</b>	<b>1200781</b>	<b>70.32</b>	<b>-</b>	<b>1201294</b>	<b>70.35</b>	<b>-</b>	<b>-</b>

**(iii) Change in Promoters' Shareholding (Please specify, if there is no change)**

Sl. No.	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total Shares of the company	No of Shares	% of total Shares of the company
1	Stuti Kanoria				
	At the beginning of the year	68574	4.02	68574	4.02
	Increase/Decrease	-	-	-	-
	At the end of the year			68574	4.02
2	Anuradha Kanoria				
	At the beginning of the year	183147	10.73	183147	10.73
	Increase/Decrease	-	-	-	-
	At the end of the year			183147	10.73
3	Satvik Kanoria				
	At the beginning of the year	95541	5.60	95541	5.60
	Increase/Decrease	-	-	-	-
	At the end of the year			95541	5.60
4	Umang Kanoria (HUF)				
	At the beginning of the year	155535	9.11	155535	9.11
	Increase/Decrease	-	-	-	-
	At the end of the year			155535	9.11
5	Satvik Welfare Trust				
	At the beginning of the year	249300	14.60	249300	14.60
	Increase/Decrease	-	-	-	-
	At the end of the year			249300	14.60
6	E.T Resources Private Limited				
	At the beginning of the year	279084	16.34	279084	16.34
	Purchase of Shares on 23.12.2014	12944	0.76	292028	17.10
	Purchase of Shares on 27.03.2015	513	0.03	292541	17.13
	At the end of the year			292541	17.13
7	S.T Investment Private Limited				
	At the beginning of the year	27006	1.58	27006	1.58
	Increase/Decrease	-	-	-	-
	At the end of the year			27006	1.58
8	Innova Properties Private Limited				
	At the beginning of the year	12000	0.70	12000	0.70
	Increase/Decrease	-	-	-	-
	At the end of the year			12000	0.70
9	Facitcon Investments Private Limited				
	At the beginning of the year	86650	5.07	86650	5.07
	Increase/Decrease	-	-	-	-
	At the end of the year			86650	5.07
10	Nidhi Private Limited				
	At the beginning of the year	31000	1.81	31000	1.81
	Increase/Decrease	-	-	-	-
	At the end of the year			31000	1.81
11	OCL Investments & Leasing Limited				
	At the beginning of the year	12944	0.76	12944	0.76
	Sale of Shares on 23.12.2014	(12944)	(0.76)	-	-
	As at 23.12.2014	-	-	-	-


**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total Shares of the company	No of Shares	% of total Shares of the company
1	Deepa Bagla				
	At the beginning of the year	47774	2.80	47774	2.80
	Sale of Shares on 11.04.2014	(1500)	(0.09)	46274	2.71
	Sale of Shares on 25.04.2014	(1022)	(0.06)	45252	2.65
	Sale of Shares on 02.05.2014	(700)	(0.04)	44552	2.61
	Sale of Shares on 09.05.2014	(1025)	(0.06)	43527	2.55
	Sale of Shares on 16.05.2014	(782)	(0.04)	42745	2.51
	Sale of Shares on 23.05.2014	(2262)	(0.13)	40483	2.38
	Sale of Shares on 06.06.2014	(171)	(0.01)	40312	2.37
	Sale of Shares on 13.06.2014	(1556)	(0.09)	38756	2.28
	Sale of Shares on 20.06.2014	(500)	(0.03)	38256	2.25
	Sale of Shares on 12.09.2014	(5758)	(0.34)	32498	1.91
	Sale of Shares on 19.09.2014	(10023)	(0.59)	22475	1.32
	Sale of Shares on 30.09.2014	(1000)	(0.06)	21475	1.26
	Sale of Shares on 10.10.2014	(2000)	(0.12)	19475	1.14
	Sale of Shares on 31.10.2014	(269)	(0.01)	19206	1.13
	Sale of Shares on 07.11.2014	(7966)	(0.47)	11240	0.66
	Sale of Shares on 07.11.2014	(11240)	(0.66)	-	-
	As on 07.11.2014	-	-	-	-
2	Manoj Bajaj HUF				
	At the beginning of the year	27500	1.61	27500	1.61
	Purchase/Sale	-	-	-	-
	At the end of the year			27500	1.61
3	Gauri Shankar Bajaj HUF				
	At the beginning of the year	26000	1.52	26000	1.52
	Purchase/Sale	-	-	-	-
	At the end of the year			26000	1.52
4	Wind Power Vinimay Private Limited				
	At the beginning of the year	20895	1.22	20895	1.22
	Purchase/ Sale	-	-	-	-
	At the end of the year			20895	1.22
5	Manoj Bajaj				
	At the beginning of the year	15000	0.88	15000	0.88
	Purchase/Sale	-	-	-	-
	At the end of the year			15000	0.88
6	N. Lalitha				
	At the beginning of the year	13742	0.80	13742	0.80
	Sale of Shares on 21.11.2014	( 43)	(0.00)	13699	0.80
	Sale of Shares on 05.12.2014	(107)	(0.01)	13592	0.79
	At the end of the year			13592	0.79
7	Anmol Rubber Products Private Limited				
	At the beginning of the year	8350	0.49	8350	0.49
	Sale of Shares on 12.09.2014	(2930)	(0.17)	5420	0.32



## KANCO TEA & INDUSTRIES LIMITED

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total Shares of the company	No of Shares	% of total Shares of the company
	Sale of Shares on 21.11.2014	(1500)	(0.09)	3920	0.23
	Sale of Shares on 28.11.2014	(1000)	(0.06)	2920	0.17
	Sale of Shares on 05.12.2014	( 500)	(0.03)	2420	0.14
	At the end of the year			2420	0.14
8	Subhash Punamchand Shah				
	At the beginning of the year	7726	0.45	7726	0.45
	Purchase of shares on 11.04.2014	500	0.03	8226	0.48
	Purchase of shares on 02.05.2014	500	0.03	8726	0.51
	Purchase of shares on 23.05.2014	228	0.01	8954	0.52
	Purchase of shares on 13.06.2014	2139	0.12	11093	0.64
	Purchase of shares on 18.07.2014	500	0.03	11593	0.67
	Purchase of shares on 25.07.2014	500	0.03	12093	0.70
	Sale of shares on 11.08.2014	(767)	(0.04)	11326	0.66
	At the end of the year			11326	0.66
9	Apurva Consultants Private Limited				
	At the beginning of the year	6000	0.35	6000	0.35
	Purchase/Sale	-	-	-	-
	At the end of the year			6000	0.35
10	L.F.C Securities Private Limited				
	At the beginning of the year	5496	0.32	5496	0.32
	Sale of shares on 11.07.2014	(250)	(0.01)	5246	0.31
	Sale of shares on 03.10.2014	(400)	(0.02)	4846	0.29
	Purchase of shares on 31.03.2015	250	0.01	5096	0.30
	At the end of the year			5096	0.30
11	Sathya S				
	Purchase of shares on 28.11.2014	5805	0.34	5805	0.34
	Purchase of shares on 05.12.2014	8494	0.50	14299	0.84
	Purchase of shares on 12.12.2014	1192	0.07	15491	0.91
	Purchase of shares on 19.12.2014	3050	0.18	18541	1.09
	Purchase of shares on 31.12.2014	2049	0.12	20590	1.21
	Purchase of shares on 09.01.2015	630	0.03	21220	1.24
	Purchase of shares on 16.01.2015	450	0.03	21670	1.27
	Purchase of shares on 23.01.2015	990	0.06	22660	1.33
	At the end of the year			22660	1.33
12	Deepak Nangalia				
	At the beginning of the year	5107	0.30	5107	0.30
	Purchase/ Sale	-	-	-	-
	At the end of the year			5107	0.30


**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
<b>DIRECTORS</b>					
1.	Umang Kanoria				
	At the Beginning of the year	-	-	-	-
	Purchase/Sale	-	-	-	-
	At the end of the year	-	-	-	-
2.	Navin Nayar				
	At the Beginning of the year	-	-	-	-
	Purchase/Sale	-	-	-	-
	At the end of the year	-	-	-	-
3.	Govind Ram Banka				
	At the Beginning of the year	-	-	-	-
	Purchase/Sale	-	-	-	-
	At the end of the year	-	-	-	-
4.	Golam Momen				
	At the Beginning of the year	65	0.00	65	0.00
	Purchase/Sale	-	-	-	-
	At the end of the year	-	-	65	0.00
<b>KEY MANAGERIAL PERSONNEL</b>					
1.	Anuradha Kanoria				
	At the Beginning of the year	183147	10.73	183147	10.73
	Purchase/Sale	-	-	-	-
	At the end of the year	-	-	183147	10.73
2.	Subhra Kanta Parhi				
	At the Beginning of the year	30	0.00	30	0.00
	Purchase/Sale	-	-	-	-
	At the end of the year	-	-	30	0.00
3.	A K Gangopadhyay				
	At the Beginning of the year	-	-	-	-
	Purchase/Sale	-	-	-	-
	At the end of the year	-	-	-	-

**V. INDEBTEDNESS**
**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
(i) Principal Amount	6,50,44,738.47	40,34,000.00	93,93,286.33	7,84,72,024.80
(ii) Interest due but not paid	38,12,750.00	-	-	38,12,750.00
(iii) Interest accrued but not due	-	-	74,232.58	74,232.58
<b>Total (i+ii+iii)</b>	<b>6,88,57,488.47</b>	<b>40,34,000.00</b>	<b>94,67,518.91</b>	<b>8,23,59,007.38</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition				
• Reduction	36,07,930.60	15,34,000.00	94,67,518.91	1,46,09,449.51


**Net Change**
**Indebtedness at the end of the financial year**

(i)	Principal Amount	6,05,28,184.87	25,00,000.00	-	6,30,28,184.87
(ii)	Interest due but not paid	47,21,373.00	-	-	47,21,373.00
(iii)	Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>		<b>6,52,49,557.87</b>	<b>25,00,000.00</b>	<b>-</b>	<b>6,77,49,557.87</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Whole time Director :**

Sl. No.	Particulars of Remuneration	Name of Whole Time Director- Anuradha Kanoria		Total Amount
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	20,80,000.00		20,80,000.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	4,68,554.00		4,68,554.00
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-		-
2.	Stock Option	-		-
3.	Sweat Equity	-		-
4.	Commission	-		-
	- as % of profit	-		-
	- others, specify	-		-
5.	Others, please specify	-		-
	Total (A)	25,48,554.00		25,48,554.00
	Ceiling as per the Act	₹42,00,000.00		₹42,00,000.00

**B. Remuneration of other Directors:**

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount
		Golam Momen	Navin Nayar	
1.	<b>Independent Directors</b>			
	Fee for attending Board/ Committee meetings	65,000.00	80,000.00	1,45,000.00
	Commission	-	-	-
	Others (please specify)	-	-	-
	Total (1)	65,000.00	80,000.00	1,45,000.00
2.	<b>Other Non-Executive Directors</b>			
	Fee for attending Board/ Committee meetings	80,000.00	80,000.00	1,60,000.00
	Commission	-	-	-
	Others (please specify)	-	-	-
	Total (2)	80,000.00	80,000.00	1,60,000.00
	Total (B)= (1+2)	1,45,000.00	1,60,000.00	3,05,000.00
	Total Managerial Remuneration			28,53,554.00
	Overall Ceiling as per the Act			₹42,00,000.00

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN WTD**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Company Secretary	CFO	
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,88,600.00	12,36,808.00	15,25,408.00





	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	4,452.00	4,452.00
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5.	Others, please specify	-	-	-
	Total	2,88,600.00	12,41,260.00	15,29,860.00

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NOT APPLICABLE**

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment Compounding fees imposed	Authority [RD/NCLT/COURT]	Appeal made, if any (give details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of the Board of Directors

Kolkata, the 16<sup>th</sup> June, 2015

U.Kanoria  
Chairman & Director



**Annexure B**

**NOMINATION & REMUNERATION POLICY & PERFORMANCE EVALUATION OF DIRECTORS**

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**Introduction**

The Board of Directors (herein after referred as 'Board') of the Company at its meeting held on May 9, 2014 have re-constituted the existing Remuneration Committee by changing its nomenclature as Nomination & Remuneration Committee (herein after referred as 'Committee') of the Board of Directors in accordance with the provision of Section 178 of the Companies Act, 2013 and also stipulated additional terms of reference in line with the Companies Act, 2013.

The Committee in their meeting held on May 12, 2014 has formulated the criteria for identification and selection of the suitable candidates for various positions in senior management and also candidates who are qualified to be appointed as director on the Board of the Company. The Committee also recommended a policy relating to the remuneration for the directors, key managerial personnel and other senior management personnel and a process by which the performance of the directors could be evaluated.

**I. Criteria for selection of members on the board of directors and senior management**

The Committee has adopted the following criteria for selection of members on the Board of the Company and also candidates eligible to be appointed in the senior management of the Company.

**A) Criteria for Selection of Directors**

Before making any recommendation to the Board for appointment of any director, the Committee shall ensure that the candidate:

possess positive attributes/qualities such as leadership, accumenship, and experience in running industrial units, entrepreneurship or such other attributes which in the opinion of the Committee the candidate possess, and are in the interest of the Company.

- a) is not disqualified under Sections 164 and 167 of the Companies Act, 2013
- b) complies with the conditions of being independent as stipulated under the Companies Act, 2013 and Listing Agreement entered into with Stock Exchanges in case of appointment as an independent director.
- c) possesses appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, corporate governance, technical operations, infrastructure or such other areas or disciplines which are relevant for the Company's business.

**B) Criteria for selection of Senior Management Personnel**

The term Senior Management shall have the same meaning as provided under the explanation to Section 178 of the Companies Act, 2013.

The Committee shall, before making any recommendation to the Board for appointment should ensure that the candidate has the following attributes:

- a) rich experience in any of the areas viz. banking, financial management, legal, sales, marketing, administration, corporate governance, technical operations, or such other areas or disciplines which in the opinion of the management and committee are relevant for the Company's business.
- b) possesses qualities that demonstrate leadership skills, decision making skills, effective communication, hard work, commitment and such other attributes which in the opinion of the Committee the candidate possess and are in the interest of the Company.

If the Committee after due deliberation finds that the candidate meets the above criteria for appointment (as director on the Board or in senior management), hen it shall make its recommendation to the Board.

Any amendment to the above criteria for directors and senior management shall be subject to the prior approval of the Committee and any such amendment shall be informed to the Board of Directors.



**II. Remuneration policy for directors, senior management and Key managerial Personnel**

**A) Remuneration of Managing Director, Whole Time Director and Manager**

The Committee while considering the remuneration of the Managing Director, the Whole Time Director and Manager (wherein there is no Managing Director), may take into consideration the performance, the experience of the person, his/her background, job-profile and suitability, his/her past remuneration, the comparative remuneration profile in the industry, size of the company, responsibilities shouldered by the Managing Director / Whole Time Director etc., provided that any remuneration considered by the Committee shall be in accordance and within the limits stipulated under the Companies Act, 2013.

**B) Remuneration of Non – Executive Director (NED)**

- a) The remuneration to the NEDs may be restricted to the sitting fees being paid for attendance of the meeting of the Board of the Directors
- b) The Independent Directors of the Company shall be entitled to remuneration restricted to the sitting fees being paid for attendance of the meeting of the Board of the Directors provided that any sitting fees paid to the Independent Director shall not be less than the sitting fees paid to non-executive directors.
- c) Independent Directors shall not be eligible for stock options of the Company, if any
- d) The NEDs and Independent Directors of the Company shall be paid in addition to the sitting fees a percentage of net profits in a Financial Year, subject to the approval of the Shareholders in the General Meeting.

**C) Remuneration of Senior Management Personnel and KMPs**

The Remuneration of the Senior Management Personnel and KMPs shall be in accordance with the policy of the Company which is applicable to the employees. The Committee may consider the remuneration of a Senior Management Personnel keeping in view of the achieving yearly targets, Performance of Business/Functions under his control, contribution for long term & strategic growth of the Company.

**III. Evaluation of performance of Directors**

**A) Evaluation of the performance of Managing Director / Whole Time Director**

The performance of the Managing Director/Whole Time Director of the Company may be carried out taking into consideration the performance of the Company vis-à-vis the budgets as well as performance of its competitors, emphasis on achieving top line and bottom line targets, influencing the executives to achieve specific and predetermined goals during the financial year, looking after the interest of Shareholders and ensuring sustained long-term goals.

**B) Evaluation of the performance of Non-Executive Directors and Independent Directors (NEDs and IDs)**

The Committee while evaluating the performance of the NEDs and IDs may take into consideration various factors as mentioned below:

- a) Attendance at Meetings – attendance at Board Meetings, AGMs, Committee Meetings
- b) Other Directorships held by the NED – in listed or unlisted companies
- c) Other companies in which NED is a Chairperson
- d) Participation at Board/Committee Meetings
- e) Input in strategy decisions
- f) Review of Financial Statements, risks and business performance
- g) Time devoted towards discussion with Management
- h) Review of Minutes – Board Minutes, Committee Meeting Minutes and AGM Minutes



**Annexure C**

**SECRETARIAL AUDIT REPORT**

**for the financial year ended 31<sup>st</sup> March 2015**

**[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

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To,

**The Members,**

**Kanco Tea & Industries Limited.**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Kanco Tea & Industries Limited** (hereinafter called "the Company").

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2015, according to the provisions of:
  - (i) The Companies Act, 2013 (the Act) and the rules made thereunder.
  - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
  - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
    - c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) were not applicable to the Company under the financial year under report :
  - a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - b. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - c. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - e. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
3. We have also examined compliance with the applicable clauses of the following:
  - (i) Secretarial Standards issued by The Institute of Company Secretaries of India:

**Presently not applicable on the Company**



- (ii) The Listing Agreements entered into by the Company with the Bombay Stock Exchange Limited, Uttar Pradesh Stock Exchange Limited and Calcutta Stock Exchange Limited.
4. During the financial year under report, the Company has complied with the provisions of the New Companies Act, 2013, Old Companies Act, 1956 to the extent applicable and the Rules, Regulations, Guidelines, Standards, etc., mentioned above subject to the following observations:

**OBSERVATIONS :**

- (a) As per the information and explanations provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we report that the provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of :
- (i) External Commercial Borrowings were not attracted to the Company under the financial year under report;
  - (ii) Foreign Direct Investment (FDI) were not attracted to the company under the financial year under report;
  - (iii) Overseas Direct Investment by Residents in Joint Venture / Wholly Owned Subsidiary abroad were not attracted to the company under the financial year under report.
- (b) As per the information and explanations provided by the company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we report that the Company has not made any GDRs/ADRs or any Commercial Instrument under the financial year under report.
- (c) The Company has formed a CSR Trust and made provisioning of funds for the activities to be undertaken.
5. We have relied on the information and representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws, and Regulations to the Company.
6. We further report that:
- (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
  - (b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
7. We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
8. We further report that:

During the year the Company has created a wholly owned subsidiary for holding some investments of the Company.

For PS & Associates

Priti Todi  
Partner  
C.P.No. 7270, ACS:14611

Place: Kolkata  
Date: 28/04/2015



**Annexure D**

**A statement pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 on conservation of energy, technology absorption, foreign exchange earning & outgoings**

**a. Conservation of energy-**

(i) the steps taken for conservation of energy: -

The Company is aware of the importance of energy conservation in decreasing the inimical effects of global warming and climate change. The Company has undertaken various energy conservation measures for reducing the carbon foot print.

Major energy conservation initiatives taken during the year under review are: -

- The Company has replaced old sprinklers with energy efficient R-25 sprinklers in all its irrigation sets. R-25 sprinklers results in saving in energy consumption by 18% compared to conventional sprinkler. The R-25 sprinklers results with an exceptional throw range at a modest pressure and thereby, requires less pump pressure and horsepower.
- The Company has replaced 18 nos. old motors of various horse powers with energy efficient motors.
- New automatic milling machine for roller sharpening installed at our factory has reduced sharpening time resulting in saving of power in workshop.
- A new vibratory fluidised bed dryer of higher out put has been installed at our factory, which is energy efficient.
- Efficient automatic duel fuel burner, which can run on low gas pressure was installed at our factory.

(ii) the steps taken by the company for utilising alternate sources of energy: -

The Company's factory is situated in north east India, where the solar irradiation and wind speed is lower than rest of India. The cost of installation of solar power & wind power is also too high at present. The Company will consider installation of the same as and when the costs become economical.

(iii) the capital investment on energy conservation equipment: -

The Company has made a capital investment of ₹.55,42,831/- on energy conservation equipment during the year under review.

**b. Technology absorption-**

**(i) the efforts made towards technology absorption**

The Company has two tea estates in state of Assam and manufactures tea at its factory. The cultivation of tea is basically an agricultural operation. The Company is improving the field practices at field and the manufacturing process at factory indigenously.

The Company has adopted the following to mitigate the shortage of workers and reduce the cost of production: -

- JCB is used for uprooting of old tea bushes
- Tractor mounted pit digger is used for digging holes for planting of teas in uprooted areas.
- Tea Pruners and power sprayers are used for pruning and spraying of pesticides.

The Company has started processing of vermicompost at its tea estates to reduce the use of chemical fertilisers.



**(ii) the benefits derived like product improvement, cost reduction, product development or import substitution**

The Company has derived benefit in terms of reducing cost of production, mitigating shortage of labour to some extent and improvement in quality of work.

**(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) - Not Applicable**

**(iv) the expenditure incurred on Research and Development**

The Company subscribes to Tea Research Association which is registered under Section 35(1) (ii) of the Income Tax Act, 1961, to carry out R&D work for Tea industry and their expert advice is also taken through visits by their Advisory Officers to the garden from time to time.

The Company has given a subscription of ₹.3,30,560/- to Tea Research Association during the year under review.

**c. Foreign exchange earnings and Outgo**

The Company has not made any direct export but its teas are sold to merchant exporters. The Company continues its efforts to find a suitable market for direct export of its teas.

Particulars	₹ in Lakhs
1. Foreign Exchange earned in terms of Actual Inflows	Nil
2. Foreign Exchange Outgo	31.70

For and on behalf of the Board of Directors

Kolkata, the 16th June, 2015

U.Kanoria  
Chairman & Director

**Information required under revised Clause 5A (I) of the Listing Agreement with respect to Shares issued under the Scheme of De-merger, remaining unclaimed and lying in the Escrow Account :-**

Aggregate No. of Share Holders whose shares are lying in the Suspense Account as on 01/04/2014	84
Aggregate No. of Shares lying in the Suspense Account as on 01/04/2014	900
Number of shareholders who approached issuer for transfer of shares from Suspense Account during the year	–
Number of shareholders to whom shares were transferred from Suspense Account during the year.	–
Aggregate No. of Share Holders whose shares are lying in the Suspense Account as on 31/03/2015.	84
Aggregate No. of Shares lying in the Suspense Account as on 31/03/2015.	900

Note :

\*\* The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

**Information required under revised Clause 5A (II) of the Listing Agreement with respect to Shares issued in Physical Form under the Scheme of De-merger, which remains unclaimed: -**

The Shares are lying in a single folio in the name of "Unclaimed Suspense Account" in the dematerialized account opened with CDSL. The Members concerned are requested to lodge their Claim with the Company's Registrars and Share Transfer Agents, CB Management Services Private Limited in case no Equity Shares have been received by them after demerger of tea division of Kanco Enterprises Limited into the Company





## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF KANCO TEA & INDUSTRIES LIMITED REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of **KANCO TEA & INDUSTRIES LIMITED**, which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standard specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

#### **AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 auditor considers internal financial control relevant to the Company's preparation of the financial statement that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### **OPINION**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at 31st March, 2015 and its profit and its cash flows for the year ended on that date.

#### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

- 1) As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2) As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer note no. 28 to the financial statements
    - (ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
    - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Jain & Co.  
Chartered Accountants  
Registration No 302023E

P-21/22, Radhabazar Street,  
Kolkata-700 001

Dated : the 14th day of May, 2015

M.K. Jain  
Partner

Membership No. 055048



## **ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT**

REFEERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. a) The company has maintained proper records showing full particulars including, quantitative details and situation of fixed assets.  
b) As explained to us some of the fixed assets have been physically verified by the management at reasonable intervals. We have been informed that no material discrepancies were noticed on such verification.
2. a) As explained to us, inventory has been physically verified during the year by the management at reasonable intervals.  
b) In our opinion and according to the information and explanations given to us, 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) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventory. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. According to the information and explanations given to us and on the basis of our examination of the books of account, We are of the opinion that the Company has granted unsecured loans to companies listed in the register maintained under Section 189 of the Act. The amount of outstanding loans as on 31st March, 2015 is ₹ 4,37,24,766/-. We are also of the opinion that the company is regular in receipt of both principal and interest amount.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories, fixed assets and with regards to sale of goods and services. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. The Company has not accepted deposits from the public covered within the meaning of directives issued by the Reserve Bank of India and provisions of Sections 73 to Section 76 or any other relevant provisions of the Act and rules framed there under;
6. As per information & explanation given by the management, maintenance of cost records has been specified by the Central Government under sub section (1) of Section 148 of the Act and we 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;
7. a) According to the records of the company, undisputed statutory dues including Provident Fund, Employees State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, and Cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2015 for a period of more than six months from the date they became payable.  
b) According to the information and explanations given to us and on the basis of the documents and records the disputed statutory dues which have not been deposited with the appropriate authorities are as under:

**Annexure to the Independent Auditors' Report (Contd.)**

Serial No.	Name of Statute	Nature of Dues	Financial Year to which the matter pertains	Amount in (₹)	Forum where dispute is pending
1	West Bengal Value Added Tax Rules, 2005	West Bengal VAT	2009-10	7,94,960/-	West Bengal Commercial Taxes Appellate & Revision Board.
2	Agricultural Income Tax Act, 1939	Assam Agricultural Income Tax	2008-09	4,58,943/-	Deputy Commissioner of Taxes (Appeals) Guwahati
3	Agricultural Income Tax Act, 1939	Assam Agricultural Income Tax	2009-10	5,39,698/-	
4	Income Tax Act, 1961	Income Tax	2009-10	2,48,520/-	CIT (Appeals) -IV, Kolkata
5	CST, West Bengal Rule, 1958	West Bengal CST	2011-12	5,62,917/-	JCCT, West Bengal Kolkata
6.	West Bengal Value Added Tax Rules, 2005	West Bengal VAT	2011-12	2,99,714/-	JCCT, West Bengal Kolkata

- c) According to the information and explanations given to us and on the basis of the documents no amount is required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under for the year ending 31st March, 2015.
8. The Company does not have any accumulated losses as at 31st March, 2015 and has not incurred cash losses in the financial year and in the immediately preceding financial year.
9. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to financial institutions and banks;
10. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from bank or financial institutions;
11. Based on our audit procedures and on the information given by the management, we report that the company has applied the money received as term loans during the year for the purposes for which they were obtained;
12. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

For Jain & Co.  
Chartered Accountants  
Registration No 302023E

P-21/22, Radhabazar Street,  
Kolkata-700 001  
Dated : the 14th day of May, 2015

M.K. Jain  
Partner  
Membership No. 055048

**KANCO TEA & INDUSTRIES LIMITED****BALANCE SHEET AS AT 31ST MARCH, 2015**

Particulars	Note No.	For the year ended 31st March, 2015 ₹	For the year ended 31st March, 2014 ₹
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Fund</b>			
Share Capital	1	2,10,76,090	2,10,76,090
Reserves & Surplus	2	20,39,06,314	18,38,49,791
		<b>22,49,82,404</b>	<b>20,49,25,881</b>
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	3	2,87,68,748	3,14,36,993
Deferred Tax Liabilities (Net)	4	24,29,750	34,90,674
Other Long Term Liabilities	5	24,07,755	28,41,906
Long Term Provisions	6	32,98,753	32,59,882
		<b>3,69,05,006</b>	<b>4,10,29,455</b>
<b>Current Liabilities</b>			
Short-Term Borrowings	7	2,18,50,442	2,76,53,467
Trade Payables	8	55,73,620	84,94,407
Other Current Liabilities	9	5,73,21,582	5,76,94,147
Short-Term Provisions	10	4,71,01,341	3,99,91,123
		<b>13,18,46,985</b>	<b>13,38,33,144</b>
	<b>TOTAL</b>	<b>39,37,34,395</b>	<b>37,97,88,480</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	11 (i)	13,96,63,651	13,70,62,444
Intangible Assets	11 (ii)	81,922	-
Capital Work-in-Progress		93,030	35,99,731
		13,98,38,603	14,06,62,175
Non-Current Investments	12	5,34,40,575	4,89,89,513
Long Term Loans and Advances	13	13,67,19,935	13,43,36,489
Other Non-Current Assets	14	33,36,922	30,96,121
		<b>33,33,36,035</b>	<b>32,70,84,298</b>
<b>Current Assets</b>			
Current Investments	15	78,31,800	43,50,886
Inventories	16	3,04,68,079	2,60,45,309
Trade Receivables	17	24,12,198	8,31,340
Cash and Bank Balances	18	44,11,817	95,68,854
Short-Term Loans and Advances	19	1,52,74,466	1,19,07,793
		<b>6,03,98,360</b>	<b>5,27,04,182</b>
	<b>TOTAL</b>	<b>39,37,34,395</b>	<b>37,97,88,480</b>

The accompanying notes 1 to 44 form an integral part of the financial statements.

In terms of our report of even date attached

For Jain & Co.

Chartered Accountants

Firm Registration No. 302023E

(M.K.JAIN)

Partner

Membership No. 055048

P-21/22, Radhabazar Street

Kolkata - 700001

Dated : the 14th day of May, 2015

For and on behalf of the Board of Directors

U. KANORIA

Chairman & Director

SUBHRA KANTA PARHI

Chief Financial Officer

A. K. GANGOPADHYAY

Company Secretary

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015**

<b>Particulars</b>	<b>Note No.</b>	<b>For the year ended 31st March, 2015</b> ₹	<b>For the year ended 31st March, 2014</b> ₹
<b>Income</b>			
Revenue from Operations	<b>20</b>	34,08,06,544	37,08,68,274
Other Income	<b>21</b>	<u>3,59,79,343</u>	<u>1,05,44,229</u>
<b>Total Revenue</b>		<b><u>37,67,85,887</u></b>	<b><u>38,14,12,503</u></b>
<b>Expenditure</b>			
Cost of Materials Consumed	<b>22</b>	3,83,79,054	4,50,07,537
Changes in Inventories of Finished Goods	<b>23</b>	(29,63,085)	38,63,032
Employee Benefit Expense	<b>24</b>	14,80,86,515	13,28,81,520
Finance Costs	<b>25</b>	1,10,26,159	1,15,55,087
Depreciation & Amortisation Expenses	<b>26</b>	1,51,85,382	91,56,756
Other Expenses	<b>27</b>	<u>13,30,61,362</u>	<u>13,07,24,827</u>
<b>Total Expenses</b>		<b><u>34,27,75,387</u></b>	<b><u>33,31,88,759</u></b>
<b>Profit Before Tax</b>		<b><u>3,40,10,500</u></b>	<b><u>4,82,23,744</u></b>
<b>Tax Expenses</b>			
Current Tax			
Central Income Tax (MAT Payable)		40,57,268	56,19,245
Agricultural Income Tax		17,15,544	31,34,328
MAT Credit Entitlement		(15,97,241)	(43,25,531)
Deferred Tax		<u>(10,60,924)</u>	<u>9,26,986</u>
<b>Total Tax Expenses</b>		<b><u>31,14,647</u></b>	<b><u>53,55,028</u></b>
<b>Profit After Tax</b>		<b><u>3,08,95,853</u></b>	<b><u>4,28,68,716</u></b>
Basic & Diluted Earning per equity share [Nominal Value of ₹ 10/- each] (Refer Note No. 37)		17.93	24.91

The accompanying notes 1 to 44 form an integral part of the financial statements.

In terms of our report of even date attached  
For Jain & Co.  
*Chartered Accountants*  
Firm Registration No. 302023E  
(M.K.JAIN)  
Partner  
Membership No. 055048

P-21/22, Radhabazar Street  
Kolkata - 700001  
Dated : the 14th day of May, 2015

For and on behalf of the Board of Directors

U. KANORIA  
Chairman & Director  
SUBHRAKANTA PARHI  
Chief Financial Officer

A. K. GANGOPADHYAY  
Company Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015**

Particulars	For the year ended 31st March, 2015 ₹	For the year ended 31st March, 2014 ₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax & extraordinary items	3,40,10,500	4,82,23,744
Finance Costs	1,10,26,159	1,15,55,087
Depreciation	1,51,85,382	91,56,756
Interest Received	(99,32,598)	(63,87,206)
(Profit)/Loss on Sale of Tangible Assets	7,66,919	(1,031)
Dividend Received	(23,20,121)	(16,27,588)
Provision for diminution in the value of Investment Reversed	(91,901)	(99,388)
(Profit)/Loss on sale of Current investment	(9,46,618)	(4,48,974)
(Profit)/Loss on sale of Non- Current investment	(1,68,26,113)	4,34,574
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>3,08,71,609</b>	<b>6,08,05,974</b>
<b>ADJUSTMENT FOR CHANGES IN WORKING CAPITALS:</b>		
Trade & Other Receivables	(1,23,13,584)	(24,92,584)
Inventories	(44,22,770)	52,27,685
Trade & Other Payables	(23,51,226)	(1,36,01,737)
Cash Generated From Operations	1,17,84,029	4,99,39,338
Income Tax Paid (Net of Refund)	(44,70,953)	(42,65,205)
<b>Net Cash Flow from Operating Activities</b>	<b>73,13,076</b>	<b>4,56,74,133</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(1,78,56,509)	(2,44,28,855)
Fixed Assets Sold	7,06,495	7,61,700
Interest Received	99,32,598	63,87,206
Dividend Received	23,20,121	16,27,588
Purchase of Investments	(1,46,50,902)	(73,06,381)
Sale of Investments	2,45,83,558	1,09,65,916
<b>Net Cash Flow from Investing Activities</b>	<b>50,35,361</b>	<b>(1,19,92,826)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long Term Borrowings	(26,68,245)	(51,54,865)
Long Term Loans & Advances	1,08,10,000	1,02,000
Short Term and Current borrowings from Banks	(58,03,025)	(86,85,840)
Short Term Loans & Advances	-	22,28,225
Finance Costs	(1,10,26,159)	(1,15,55,087)
Dividends Paid	(70,22,898)	(88,18,045)
Dividend Distribution Tax Paid	(17,95,147)	(14,98,627)
<b>Net Cash Used in Financing Activities</b>	<b>(1,75,05,474)</b>	<b>(3,33,82,239)</b>
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	95,68,854	92,69,786
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(51,57,037)	2,99,068
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	<b>44,11,817</b>	<b>95,68,854</b>

**Notes :**

1. The above Cash Flow Statement has been prepared under the 'Indirect Method' set out in Accounting Standard 3 - Cash Flow Statement referred to in The Companies (Accounting Standards) Rules, 2006.
2. Cash and Cash Equivalents represent cash and bank balances. Refer Note No. 18 for details of Cash & Bank Balances.
3. Figures in brackets indicate Cash outflow.
4. Previous year's figures have been regrouped/rearranged, wherever considered necessary to confirm to this year's classification.

In terms of our report of even date attached  
For Jain & Co.

Chartered Accountants  
Firm Registration No. 302023E  
(M.K.JAIN)  
Partner  
Membership No. 055048

P-21/22, Radhabazar Street  
Kolkata - 700001  
Dated : the 14th day of May, 2015

For and on behalf of the Board of Directors

U. KANORIA  
Chairman & Director

SUBHRAKANTA PARHI  
Chief Financial Officer

A. K. GANGOPADHYAY  
Company Secretary



**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015**

	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
<b>1. SHARE CAPITAL</b>		
<b>Details of Authorised, Issued, Subscribed and Fully Paid up Shares</b>		
20,00,000 (Previous Year 20,00,000) Equity Shares of ₹10/- each	2,00,00,000	2,00,00,000
1,00,000 (Previous Year 1,00,000) 7% Non Cumulative Redeemable Preference Shares of ₹100/- each	1,00,00,000	1,00,00,000
	<b>3,00,00,000</b>	<b>3,00,00,000</b>
<b>ISSUED, SUBSCRIBED AND FULLY PAID UP SHARES</b>		
17,07,609 (Previous Year 17,07,609) Equity Shares of ₹10/- each fully paid up	1,70,76,090	1,70,76,090
40,000 (Previous Year 40,000) 7% Non Cumulative Redeemable Preference Shares of ₹100/- each	40,00,000	40,00,000
<b>Total Issued, Subscribed and Fully Paid up Share Capital</b>	<b>2,10,76,090</b>	<b>2,10,76,090</b>

Reconciliation of Paid up Share Capital	As at 31st March, 2015		As at 31st March, 2014	
	No. of Shares	Amount ₹	No. of Shares	Amount ₹
<b>Equity Shares of ₹10/- each</b>				
At the beginning of the Year	17,07,609	1,70,76,090	17,07,609	1,70,76,090
Outstanding at the end of the Year	17,07,609	1,70,76,090	17,07,609	1,70,76,090
<b>7% Non Cumulative Redeemable Preference Shares</b>				
At the beginning of the Year	40,000	40,00,000	40,000	40,00,000
Outstanding at the end of the Year	40,000	40,00,000	40,000	40,00,000

**Terms and rights attached to Equity Shares**

The company has only one class of Equity Share having par value of ₹ 10/- per share. Each holder of Equity Share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of Equity Share will be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the Shareholders.

**Terms and rights attached to Preference Shares**

During the year ended 31st March, 2004, The Company had issued 40,000 7% Non Cumulative Redeemable Preference Shares of ₹100/- each fully paid up. Preference Shares carry a dividend of 7% ,only when it is declared by the company. The dividend is paid by the company in Indian Rupees only. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. Each holder of Preference share is entitled to one vote per share only on resolutions placed before the company which directly affect the rights attached to Preference Shares.

The 7% Non Convertible Preference Shares will be redeemed in the year ended 31st March,2023 at par value only. In the event of liquidation of the company before redemption of Preference Shares, the holder of Preference Shares will have priority over Equity Shares in the payment of dividend and repayment of capital.

**Aggregate Number of Equity Shares Issued for consideration other than cash during the period of five years immediately preceding the year.**

	As at 31st March, 2015 Nos.	As at 31st March, 2014 Nos.
Equity shares issued and allotted pursuant to scheme of Arrangement sanctioned by Hon'ble High Court at Calcutta on 17/05/2010.	12,11,609	12,11,609



**NOTES ON FINANCIAL STATEMENTS (Contd.)**

**Details of Shareholders holding more than 5 percent of Shares in the Company**

Name of the Shareholders	As at 31st March, 2015		As at 31st March, 2014	
	No of shares Held	(%) of Holding	No of shares Held	(%) of Holding
<b>Equity Shares of ₹10/- Each Fully Paid</b>				
E.T.Resources Private Limited	2,92,541	17.13	2,79,084	16.34
Satvik Welfare Trust	2,49,300	14.60	2,49,300	14.60
Anuradha Kanoria	1,83,147	10.73	1,83,147	10.73
Umang Kanoria HUF	1,55,535	9.11	1,55,535	9.11
Satvik Kanoria	95,541	5.60	95,541	5.60
Facitcon Investments Private Limited	86,650	5.07	86,650	5.07

**Preference Shares of ₹100/- Each Fully Paid**

Facitcon Investments Pvt Ltd	26,000	65.00	-	-
Sumitra Devi Pasari	5,200	13.00	5,200	13.00
Stuti Welfare Trust	4,000	10.00	4,000	10.00
Sumitra Nangalia	3,790	9.48	3,790	9.48
OCL Investments & Leasing Limited	-	-	26,000	65.00

**2. Reserves & Surplus**

	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
<b>a. General Reserve</b>		
Balance as per Last Financial Statement	3,44,00,489	3,01,13,617
Less : Amount adjusted from Retained Earning (Refer Note No.40)	20,21,285	-
	<u>3,23,79,204</u>	<u>3,01,13,617</u>
Add: Transfer from Statement of Profit and Loss	30,89,585	42,86,872
Closing Balance	<u><b>3,54,68,789</b></u>	<u><b>3,44,00,489</b></u>
<b>b. Preference Share Redemption Reserve</b>		
	<u><b>40,00,000</b></u>	<u><b>40,00,000</b></u>
<b>c. Surplus in Statement of Profit and Loss</b>		
Balance as per Last Financial Statement	14,54,49,302	11,71,84,130
Add : Profit for the Year	3,08,95,853	4,28,68,716
Less : Appropriations		
(i) Transfer to General Reserve	30,89,585	42,86,872
(ii) Proposed Dividend on Preference Shares	2,22,998	2,80,000
(iii) Proposed Dividend on Equity Shares	67,99,900	85,38,045
(iv) Dividend distribution tax on Proposed Dividend	17,95,147	14,98,627
<b>Total Appropriation</b>	<u><b>1,19,07,630</b></u>	<u><b>1,46,03,544</b></u>
Net Surplus in the Statement of Profit and Loss	<u><b>16,44,37,525</b></u>	<u><b>14,54,49,302</b></u>
<b>Total</b>	<u><b>20,39,06,314</b></u>	<u><b>18,38,49,791</b></u>





**NOTES ON FINANCIAL STATEMENTS (Contd.)**

**3. Long-term Borrowings**

	<b>Non-Current Portion</b>		<b>Current Maturities</b>	
	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2015	As at 31st March, 2014
	₹	₹	₹	₹
<b>LONG TERM BORROWINGS</b>				
<b>Term Loan (Secured)</b>				
From Banks	2,14,64,161	2,19,12,036	1,17,22,625	99,88,278
From Others	48,04,587	54,90,957	6,86,370	-
	<u>2,62,68,748</u>	<u>2,74,02,993</u>	<u>1,24,08,995</u>	<u>99,88,278</u>
<b>Unsecured Loans</b>				
From Related Parties (Refer Note No. 35)	-	15,34,000	-	-
From Others	25,00,000	25,00,000	-	-
	<u>25,00,000</u>	<u>40,34,000</u>	<u>-</u>	<u>-</u>
<b>Deposits</b>				
From Related Parties (Refer Note No. 35)	-	-	-	93,93,286
	<u>-</u>	<u>-</u>	<u>-</u>	<u>93,93,286</u>
<b>Total</b>	<b><u>2,87,68,748</u></b>	<b><u>3,14,36,993</u></b>	<b><u>1,24,08,995</u></b>	<b><u>1,93,81,564</u></b>
<b>The above Includes</b>				
Secured borrowings	2,62,68,748	2,74,02,993	1,24,08,995	99,88,278
Unsecured borrowings	25,00,000	40,34,000	-	93,93,286
Amount disclosed under the head Current liabilities	-	-	(1,24,08,995)	(1,93,81,564)
<b>Net Amount</b>	<b><u>2,87,68,748</u></b>	<b><u>3,14,36,993</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

**Nature of security**

Term Loan from Bank is secured by hypothecation of green tea leaves, before and after plucking, teas in process, finished tea in stock/transit or tea lying with brokers, book debts (present and future) and by way of equitable mortgage of immovable properties and machineries of tea estates as collateral security and further guaranteed by a director.

Term Loan in the nature of Car Loan is secured by Hypothecation of Motor Cars.

Loan from Tea Board is secured by hypothecation of tea crops and mortgage of title deeds of Tea Estates in favour of Tea Board ranking subsequent to charge created in favour of Punjab National Bank.

**Terms of Repayment of Term Loan**

<b>Particulars of Loan</b>	<b>Date of Sanction</b>	<b>Original Loan Amount (₹)</b>	<b>Repayment Schedule</b>
PNB Term Loan-A/C-No-104496	04/06/2003	4,08,00,000	8 Annual Installments of varying amount starting from June,2008.
PNB Term Loan-A/C No-156161	05/07/2008	2,34,87,000	8 Annual Installments of varying amount starting from July,2013.
PNB Term Loan-A/C No-156213	12/09/2013	5,85,36,000	7 Annual Installments of varying amount starting from the F.Y. 2015-16.
SPTF Loan	07/08/2009	54,90,957	16 equal half yearly Installments commencing from 6th year from the date of sanction. The first installment shall fall due on the last day of the 66th month from the date of disbursement, i.e. w.e.f May'15.
ICICI Bank Car Loan	07/03/2013	15,55,000	36 Monthly Installments starting from 1st April,2013.


**NOTES ON FINANCIAL STATEMENTS (Contd.)**
**Notes on Unsecured Loans**

Unsecured Loan from the related parties are outstanding for a period of more than twelve months. Repayment of these loans will be made beyond 12 months from the date of reporting.

Deposits have been repaid on their due date and those deposits whose due dates were after 31st March,2015 have also been repaid on 31st March,2015 in accordance with section 74 (1) (a) of Companies Act, 2013 read with rule 20 of the Companies (Acceptance of Deposits Rules) 2014.

**4. Deferred Tax Liability**

	<b>As at 31st March, 2015 ₹</b>	<b>As at 31st March, 2014 ₹</b>
<u>Deferred Tax Liability being the Tax impact on- Difference of Written Down Value of Tangible Assets as per Income Tax Laws and Books</u>	37,88,510	45,35,963
	<u>37,88,510</u>	<u>45,35,963</u>
<u>Deferred Tax Assets being the Tax impact on- Expenses charged in books but allowance thereof deferred under Income Tax Laws</u>	13,58,760	10,45,289
	<u>13,58,760</u>	<u>10,45,289</u>
Deferred Tax Liability (Net) (Refer Note No. 39)	<b><u>24,29,750</u></b>	<b><u>34,90,674</u></b>
<b>5. Other Long Term Liabilities</b>		
(i) Trade Payables (Refer Note No. 30)	1,27,013	1,32,419
(ii) Other Payables	<u>22,80,742</u>	<u>27,09,487</u>
	<b><u>24,07,755</u></b>	<b><u>28,41,906</u></b>
<b>6. Long Term Provisions</b>		
Provision for Employee Benefits (Refer Note No. 33)		
For Gratuity	19,50,756	17,64,410
For Leave Encashment	<u>13,47,997</u>	<u>14,95,472</u>
	<b><u>32,98,753</u></b>	<b><u>32,59,882</u></b>
<b>7. Short Term Borrowings</b>		
Cash Credit from Punjab National Bank (Secured)	<u>2,18,50,442</u>	<u>2,76,53,467</u>
	<b><u>2,18,50,442</u></b>	<b><u>2,76,53,467</u></b>
Cash credit from bank is secured by hypothecation of green tea leaves, before and after plucking, teas in process, finished tea in stock/transit or tea lying with brokers, book debts (present and future) and by way of equitable mortgage of immovable properties and machineries of tea estates as collateral security and further guaranteed by a director.		
<b>8. Trade Payables</b>		
Trade payables (Refer Note No. 30)	<u>55,73,620</u>	<u>84,94,407</u>
	<b><u>55,73,620</u></b>	<b><u>84,94,407</u></b>
<b>9. Other Current Liabilities</b>		
Current Maturities of Long Term Borrowings (Refer Note No. 3)	1,24,08,995	1,93,81,564
Interest accrued but not due on borrowings	-	74,233
Interest accrued and due on borrowings	47,21,373	38,12,750
Unpaid dividend (Refer Note (i))	12,25,073	9,01,136
Trustee for Disposal of Fractional Shares (Refer Note (i))	2,78,641	2,80,099
Others Payables (Refer Note (ii))	<u>3,86,87,500</u>	<u>3,32,44,365</u>
	<b><u>5,73,21,582</u></b>	<b><u>5,76,94,147</u></b>
(i) Investor Education and Protection Fund will be credited, as and when due		
(ii) Others Payables		
Advance received from Consignment Agents	81,85,859	41,29,393
Payable to Employees	1,45,34,487	1,38,83,646
Brokerage on Sales	22,82,880	41,12,121
Statutory Liabilities	27,60,443	13,55,041
Others	<u>1,09,23,831</u>	<u>97,64,164</u>
	<b><u>3,86,87,500</u></b>	<b><u>3,32,44,365</u></b>


**NOTES ON FINANCIAL STATEMENTS (Contd.)**
**10. Short Term Provisions**

	As at 31st March, 2015	As at 31st March, 2014
	₹	₹
Provision for Employee Benefits (Refer Note No.33)		
For Gratuity	52,37,243	24,21,068
For Leave Encashment	2,81,587	2,61,729
	<b>55,18,830</b>	<b>26,82,797</b>
<b>Other Provisions</b>		
Provision for Tax	3,27,64,466	2,69,91,654
Proposed Equity Dividend	67,99,900	85,38,045
Proposed Preference Dividend	2,22,998	2,80,000
Provision for Tax on Proposed Dividend	17,95,147	14,98,627
	<b>4,15,82,511</b>	<b>3,73,08,326</b>
	<b>4,71,01,341</b>	<b>3,99,91,123</b>

**11.i TANGIBLE ASSETS**
**(Figures In ₹)**

Particulars	Land & Plantation	Building & Water Supply	Machinery & Elec. Installation	Vehicle	Furniture & Fittings	Total
<b>Cost</b>						
At 1st April,2013	3,03,38,738	3,24,92,299	5,74,89,710	1,60,93,497	1,22,60,143	14,86,74,387
Additions	5,81,288	31,42,000	1,30,29,550	48,14,303	4,28,340	2,19,95,481
Disposals	-	-	(1,53,889)	(15,58,862)	(1,42,500)	(18,55,251)
Other adjustments	-	(39,40,228)	60,60,829	25,51,548	4,31,517	51,03,666
Subsidy	-	-	-	-	-	-
<b>At 31st March,2014</b>	<b>3,09,20,026</b>	<b>3,16,94,071</b>	<b>7,64,26,200</b>	<b>2,19,00,486</b>	<b>1,29,77,500</b>	<b>17,39,18,283</b>
Additions	1,25,867	71,48,060	1,04,01,498	34,35,764	1,69,650	2,12,80,839
Disposals	-	(2,15,118)	(8,60,046)	(15,26,940)	(2,37,499)	(28,39,603)
Other adjustments	-	(11,30,076)	(5,12,040)	1,19,435	(4,98,604)	(20,21,285)
Subsidy	-	-	(1,10,495)	-	-	(1,10,495)
<b>At 31st March,2015</b>	<b>3,10,45,893</b>	<b>3,74,96,937</b>	<b>8,53,45,117</b>	<b>2,39,28,745</b>	<b>1,24,11,047</b>	<b>19,02,27,739</b>
<b>Depreciation</b>						
At 1st April,2013	-	17,93,875	1,58,06,816	29,80,871	31,08,437	2,36,89,999
Charge for the Year	-	7,33,386	54,02,245	19,83,967	10,37,158	91,56,756
Disposals	-	-	(1,04,965)	(9,83,434)	(6,183)	(10,94,582)
Other adjustments	-	(6,129)	21,26,729	25,51,549	4,31,517	51,03,666
<b>At 31st March,2014</b>	<b>-</b>	<b>25,21,132</b>	<b>2,32,30,825</b>	<b>65,32,953</b>	<b>45,70,929</b>	<b>3,68,55,839</b>
Charge for the Year	-	7,89,036	75,37,308	31,00,392	37,58,197	1,51,84,933
Disposals	-	(46,230)	(5,73,642)	(7,27,925)	(1,28,887)	(14,76,684)
Other adjustments	-	-	-	-	-	-
<b>At 31st March,2015</b>	<b>-</b>	<b>32,63,938</b>	<b>3,01,94,491</b>	<b>89,05,420</b>	<b>82,00,239</b>	<b>5,05,64,088</b>
<b>Net Block</b>						
As At 31st March,2014	3,09,20,026	2,91,72,939	5,31,95,375	1,53,67,533	84,06,571	13,70,62,444
As At 31st March,2015	3,10,45,893	3,42,32,999	5,51,50,626	1,50,23,325	42,10,808	13,96,63,651

**NOTES ON FINANCIAL STATEMENTS (Contd.)****11.(ii) INTANGIBLE ASSETS (Figures In ₹)**

<b>Particulars</b>	<b>SOFTWARE</b>
<b>Cost</b>	
At 1st April,2013	-
Additions	-
Disposals	-
Other adjustments	-
Subsidy	-
<b>At 31st March,2014</b>	<b>-</b>
Additions	82,371
Disposals	-
Other adjustments	-
Subsidy	-
<b>At 31st March,2015</b>	<b>82,371</b>
<b>Depreciation</b>	
At 1st April,2013	-
Charge for the Year	-
Disposals	-
Other adjustments	-
<b>At 31st March,2014</b>	<b>-</b>
Charge for the Year	449
Disposals	-
Other adjustments	-
<b>At 31st March,2015</b>	<b>449</b>
<b>Net Block</b>	
<b>As At 31st March,2014</b>	<b>-</b>
<b>As At 31st March,2015</b>	<b>81,922</b>


**NOTES ON FINANCIAL STATEMENTS (Contd.)**
**12. Non Current Investments**

	As at 31st March, 2015		As at 31st March, 2014	
	No. of Shares	Amount (₹)	No. of Shares	Amount (₹)
<b>Other than Trade</b>				
<b>Investment in Equity Instruments</b>				
<b>(i) Quoted (Valued at Cost)</b>				
Gujarat Nylons Limited of ₹10/- each	100	3,468	100	3,468
Warren Tea Limited ₹10/- each	10	2,133	10	2,133
The Methoni Tea Co.Ltd ₹10/- each	100	12,688	100	12,688
Mangalore Refinery & Petrochemicals Ltd ₹10/- each	200	5,900	200	5,900
Oriental Carbon & Chemicals Ltd ₹10/- each	2,56,404	17,75,526	3,04,954	21,11,924
Kanco Enterprises Ltd ₹10/- each *	33,14,291	3,53,55,657	33,14,291	3,53,55,657
Srei Infrastructure Finance Ltd ₹10/- each	3,985	5,20,193	3,985	5,20,193
Electro Steel Castings Ltd ₹1/- each	2,000	1,80,767	2,000	1,80,767
Reliance Industries Limited ₹10/- each	1,650	12,99,726	1,650	12,99,726
Andhra Petrochemicals Ltd ₹10/- each	28,450	7,54,976	28,450	7,54,976
Dhampur Sugar Mills Ltd ₹10/- each	15,000	5,05,334	5,000	1,93,946
L&T Finance Holding Ltd ₹10/- each	31,000	22,65,318	15,000	7,03,547
Butterfly Gandhimati Appliances Ltd ₹10/- each	9,500	29,14,301	-	-
<b>Total (i)</b>		<b>4,55,95,987</b>		<b>4,11,44,925</b>
<b>(ii) Unquoted (Valued at Cost)</b>				
The Grob Tea Co.Limited ₹10/- each	150	12,120	150	12,120
Rydak Syndicate Limited ₹10/- each	100	12,688	100	12,688
E.T.Resources Private Limited ₹10/- each	92,400	12,54,025	92,400	12,54,025
B.T. Investments Private Limited ₹10/- each	92,400	11,06,897	92,400	11,06,897
Cosmos Resources Private Limited ₹10/- each	75,000	9,63,240	75,000	9,63,240
Facitcon Investments Private Limited ₹10/- each	95,500	9,91,022	95,500	9,91,022
S.T. Investment Private Limited ₹10/- each	1,32,000	13,22,690	1,32,000	13,22,690
Nidhi Private Limited ₹10/- each	1,60,000	4,02,050	1,60,000	4,02,050
Innova Properties Private Limited ₹10/- each	77,500	7,78,875	77,500	7,78,875
Suryasakti Commodities Pvt Ltd ₹10/- each	46,000	4,62,300	46,000	4,62,300
OCL Investments & Leasing Ltd ₹10/- each	5,36,000	5,38,681	5,36,000	5,38,681
<b>Total (ii)</b>		<b>78,44,588</b>		<b>78,44,588</b>
<b>Total Non-Current Investments (i + ii)</b>		<b>5,34,40,575</b>		<b>4,89,89,513</b>
<b>Aggregate Amount of Quoted Investments</b>		<b>4,55,95,987</b>		<b>4,11,44,925</b>
<b>Market Value of Quoted Investments</b>		<b>12,58,87,795</b>		<b>5,37,26,163</b>
<b>Aggregate Amount of Unquoted Investments</b>		<b>78,44,588</b>		<b>78,44,588</b>

\*Out of which 30,86,080 Equity Shares are lying pledged.

**13. Long Term Loans and Advances**

	As at 31st March, 2015	As at 31st March, 2014
	₹	₹
<b>(Unsecured considered good unless otherwise stated)</b>		
(i) Capital Advance	-	78,750
(ii) Security Deposits		
(a) with Related parties	70,21,112	70,21,112
(b) with others	24,36,879	20,81,026
(iii) Loans and Advances to Related Parties (Refer Note No. 35)	7,77,88,766	8,84,68,766
(iv) Loan & Advances to the Private Company, wherein, Director is a member	2,90,000	4,20,000
(v) Other Loan & Advances		
(a) Advance Taxes	3,18,43,951	2,67,58,451
(b) Balance with Statutory and Govt. authorities	23,20,121	1,90,007
(c) TDS Receivables	27,97,706	18,15,012
(d) Advances recoverable in cash or kinds or for value to be received	1,22,21,400	75,03,365
	<b>4,91,83,178</b>	<b>3,62,66,835</b>
	<b>13,67,19,935</b>	<b>13,43,36,489</b>


**NOTES ON FINANCIAL STATEMENTS (Contd.)**

<b>14. Other Non-Current Assets</b>	<b>As at 31st March, 2015</b>	<b>As at 31st March, 2014</b>
<b>(Unsecured considered good unless otherwise stated)</b>	<b>₹</b>	<b>₹</b>
Non-Current Portion of Bank Balances		
Fixed Deposit with Bank having balance maturity of more than twelve months	3,00,000	-
Trade Receivables	90,461	98,611
Housing Subsidy Receivables	53,862	53,862
Interest Subsidy Receivables	28,92,599	28,92,599
Insurance Claim Recoverable	-	51,049
	<b><u>33,36,922</u></b>	<b><u>30,96,121</u></b>
<b>15. Current Investments</b>	<b>As at 31st March, 2015</b>	<b>As at 31st March, 2014</b>
	<b>No. of Shares</b>	<b>Amount (₹)</b>
	<b>No. of Shares</b>	<b>Amount (₹)</b>
<b>(i) Investments in Equity Instruments</b>		
<b>Quoted (Valued at cost unless otherwise stated)</b>		
Dhampur Sugar Mills Ltd ₹10/- each	-	10,000
Usha Martin Limited ₹1/- each	-	40,000
Balrampur Chini Mills Ltd. ₹1/- each	-	10,000
Butterfly Gandhimati Appliances Ltd ₹10/- each	-	6,000
TV-18 Broadcasting Limited ₹2/- each	-	30,000
<b>Aggregate Amount of quoted Investments</b>	-	<b><u>44,42,787</u></b>
Less- Provision in Diminution for Value of Investments	-	<b><u>91,901</u></b>
		<b><u>43,50,886</u></b>
<b>(ii) Investment in Mutual Fund</b>	<b>No of Units</b>	<b>No of Units</b>
ICICI Prudential Value Discovery Fund	78,073.444	-
Regular Plan (Growth Option)	<b><u>78,31,800</u></b>	<b><u>-</u></b>
<b>Total Value of Current Investment</b>	<b><u>78,31,800</u></b>	<b><u>43,50,886</u></b>
<b>Aggregate Market Value of Equity Investments</b>	-	<b><u>48,89,900</u></b>
<b>Market Value of Mutual Fund</b>	<b><u>89,19,110</u></b>	<b><u>-</u></b>
<b>16. Inventories</b>	<b>As at 31st March, 2015 (₹)</b>	<b>As at 31st March, 2014 (₹)</b>
Finished Goods - Black Tea	1,60,52,859	1,30,89,774
Stores and Spares	1,42,70,609	1,14,01,127
Stores-in-Transit	1,44,611	15,54,408
	<b><u>3,04,68,079</u></b>	<b><u>2,60,45,309</u></b>
<b>17. Trade Receivables</b>		
<b>(Unsecured considered good unless otherwise stated)</b>		
Outstanding for more than six months	86,404	89,050
Others	23,25,794	7,42,290
	<b><u>24,12,198</u></b>	<b><u>8,31,340</u></b>
<b>18. Cash and Bank Balances</b>		
<b>(i) Cash and Cash Equivalents</b>		
On Current Accounts	7,98,555	61,39,954
On Unclaimed Dividend Accounts	12,07,765	8,88,328
Deposits with Bank (Less than three months maturity)	8,37,824	10,98,056
NABARD Tea Development A/C	3,400	1,93,100
Bank Account for Disposal of Fractional shares	2,78,641	2,80,099
Cash in Hand	4,69,957	6,31,817
	<b><u>35,96,142</u></b>	<b><u>92,31,354</u></b>
<b>(ii) Other Bank Balances</b>		
Fixed Deposits bank having balance maturity of twelve months or less (under Lien)	8,15,675	3,37,500
	<b><u>8,15,675</u></b>	<b><u>3,37,500</u></b>
<b>Total (i + ii)</b>	<b><u>44,11,817</u></b>	<b><u>95,68,854</u></b>


**NOTES ON FINANCIAL STATEMENTS (Contd.)**

	As at 31st March, 2015	As at 31st March, 2014
	₹	₹
<b>19. Short Term Loans &amp; Advances</b>		
<b>(Unsecured considered good unless otherwise stated)</b>		
(i) Advances recoverable in cash or kinds or for value to be received	73,61,561	96,47,090
(ii) Balance with statutory and Govt. authorities	19,35,271	62,409
(iii) Interest Accrued and Due on Fixed Deposits	97,412	80,747
(iv) Interest Accrued and Due on Unsecured Loan	35,18,216	-
(v) Prepaid expenses	23,62,006	21,17,547
	<b><u>1,52,74,466</u></b>	<b><u>1,19,07,793</u></b>
<b>20. Revenue from Operations</b>		
<u>Sale of Products</u>		
Finished Goods	34,08,06,544	37,08,68,274
	<b><u>34,08,06,544</u></b>	<b><u>37,08,68,274</u></b>
The Company's revenue from operations is from sale of black tea.		
<b>21. Other Income</b>		
<u>Interest Income</u>		
(i) Current Interest	15,21,201	8,20,611
(ii) Non-Current Interest	84,11,397	55,66,595
<u>Dividend Income</u>		
(i) Current Investments	37,500	225
(ii) Non-Current Investments	22,82,621	16,27,363
Profit on sale of Tangible Assets (Net)	-	1,031
<u>Profit on Sale of Investments (Net)</u>		
(i) Current	9,46,618	4,48,974
(ii) Non-Current	1,68,26,113	-
Tea Board Subsidy	29,33,526	16,26,636
Speculation Profit	32,153	-
Income from Investment in Mutual Fund	46,064	-
Prior Period Income	23,98,037	-
Excess Provision for diminution in value of current investments w/back	91,901	99,388
Other non-operating income	4,52,212	3,53,406
	<b><u>3,59,79,343</u></b>	<b><u>1,05,44,229</u></b>
<b>22. Cost of Materials Consumed</b>		
Purchase of Green Tea Leaves	3,83,79,054	4,50,07,537
	<b><u>3,83,79,054</u></b>	<b><u>4,50,07,537</u></b>
<b>23. (Increase)/Decrease in Inventories</b>		
Finished Goods		
Inventories at Commencement	1,30,89,774	1,69,52,806
Inventories at Close	1,60,52,859	1,30,89,774
	<b><u>(29,63,085)</u></b>	<b><u>38,63,032</u></b>
<b>24. Employee Benefit Expense</b>		
Salaries, Wages and Bonus	11,72,04,802	10,94,46,835
Contribution to Provident Fund and Other Funds (Refer Note No. 33)	1,69,62,085	1,04,61,136
Staff Welfare Expenses	1,39,19,628	1,29,73,549
	<b><u>14,80,86,515</u></b>	<b><u>13,28,81,520</u></b>
<b>25. Finance Costs</b>		
Interest Expenses	1,07,12,259	1,03,82,373
Other Interest Expenses	-	70,046
Other Borrowing Costs	3,13,900	11,02,668
	<b><u>1,10,26,159</u></b>	<b><u>1,15,55,087</u></b>

**NOTES ON FINANCIAL STATEMENTS (Contd.)**

	As at 31st March, 2015	As at 31st March, 2014
	₹	₹
<b>26. Depreciation &amp; Amortisation Expenses</b>		
Depreciation of Tangible Assets	1,51,84,933	91,56,756
Amortisation of Intangible Assets	449	-
	<u>1,51,85,382</u>	<u>91,56,756</u>
<b>27. Other Expenses</b>		
Consumption of Stores & Spares	4,07,73,089	4,44,99,856
Power & Fuel	3,13,41,380	2,72,44,134
Rent	7,98,600	7,78,000
Repair to Building	36,63,462	29,80,510
Repair to Machinery	31,41,833	30,56,130
Insurance Charges	17,40,305	16,96,081
Rates & Taxes	45,94,655	47,80,223
Prior Period Expenses	-	21,325
Vehicle Running & Maintenance Charges	65,21,673	61,11,873
Donation	50,50,000	46,00,000
Selling & Distribution Expenses	1,89,99,433	2,01,97,889
Auditors' Remuneration (Refer Note i)	2,13,939	1,99,284
Travelling Expenses	58,89,864	72,65,546
Director Sitting Fees	3,05,000	1,80,000
Loss on Sale Plants	18,690	1,18,823
Loss on Sale of Assets	7,66,919	-
Loss on Sale of Non current Investment	-	4,34,574
Miscellaneous Expenditure	92,42,520	65,60,579
	<u>13,30,61,362</u>	<u>13,07,24,827</u>
<b>(i) Auditors' Remuneration (including Service Tax)</b>		
As Auditor		
Statutory Audit Fees	89,888	89,888
Tax Audit Fees	33,708	33,708
For Other Services (Certificates)	83,168	70,763
Reimbursement of Expenses	7,175	4,925
	<u>2,13,939</u>	<u>1,99,284</u>





**NOTES ON FINANCIAL STATEMENTS (Contd.)**

**28. Contingent Liabilities and commitments (To the extent not provided for)**

**a) Contingent Liabilities**

Claims, disputes and demands not acknowledged as debts:

- i) Demand of ₹ 7,94,960/- (P.Y. ₹7,94,960/-) for F.Y. 2009-10 has been raised under West Bengal Value Added Tax Rules,2005 by Joint Commissioner of Commercial Taxes,for which an appeal has been filed on 18/03/2014 before the West Bengal Commercial Taxes Appellate & Revision Board, West Bengal.
- ii) Demand of ₹5,62,917/- (P.Y. Nil) for A.Y. 2011-2012 has been raised on 07/07/2014 under The Central Sales Tax (West Beangal) Rules, 1958 and against which, the Company has filed an Appeal with JCCT, West Bengal, Kolkata (South Circle) on 11/09/2014.
- (iii) Demand of ₹2,99,714/- (P.Y. Nil) for A.Y. 2011-2012 has been raised on 07/07/2014 under The West Bengal Value Added Tax Rules, 2005 and against which, the Company has filed an Appeal with JCCT, West Bengal, Kolkata (South Circle) on 11/09/2014.
- (iv) Income Tax demand of ₹1,24,257/- has been raised by the I.T.O. Ward 4(4) after giving effect to the order of CIT (Appeals)-IV passed under section 250 of the Income Tax Act, 1961 against which the Company has filed a rectification application.
- (v) The Company has paid ₹ Nil (P.Y. ₹24,72,214/-) as interim measure as per order of Hon'ble High Court at Guwahati against debit note raised by GAIL (India) Limited for ₹68,80,820/- (P.Y. ₹68,80,820/-). Matter is now pending with Hon'ble Supreme Court.
- (vi) Demand of ₹4,58,943/- (P.Y.₹4,58,943/-) & ₹5,39,698/- (P.Y.₹5,39,698/-) for A.Y. 2009-10 & 2010-11 respectively has been raised for Assam Agricultural Income Tax. The Company has filed an appeal and ₹Nil (P.Y. ₹1,14,736/-) & ₹Nil (P.Y. ₹1,34,925/-) for A.Y. 2009-10 & 2010-11 respectively has been paid.
- (vii) Demand of ₹35,684/- has been raised u/s 143(3) of The Income Tax Act,1961 for the A.Y 2012-13 on date 13/06/2014 and an appeal against the same has been filed with CIT (Appeal), Kolkata.

The amounts shown in the item (a) represent the best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be predicted accurately. The Company engages reputed professional advisors to protect its interests and has been advised that it has strong legal positions against such disputes.

**b) Commitments**

Outstanding commitment in respect of Irrevocable Stand by Revolving Letter of Credit issued in favour of GAIL (India) Ltd. ₹5,34,325/- (Previous Year ₹8,74,910/-).

**29. Estimated value of contracts on capital account, excluding capital advances, remaining to be executed and not provided for, amount to ₹Nil (P.Y. ₹1,73,250/-)**

**30. Sundry Creditors do not include any amount due (Previous Year ₹ Nil) from suppliers as defined under the "Micro Small & Medium Enterprises Development Act,2006" as per the information available with the Company.Hence disclosures regarding a) Amount due and outstanding to suppliers as at the accounting period, b)Interest paid during period, c) Interest payable at the end of the accounting period and d) Interest accrued at the end of the accounting period has not been disclosed or provided.**

**31. Value of Raw Materials, Spares and Components Consumed**

	Raw Materials				Components & Spare Parts Consumed			
	2014-2015		2013-2014		2014-2015		2013-2014	
	₹	%	₹	%	₹	%	₹	%
Imported	-	-	-	-	-	-	-	-
Indigenous	3,83,79,054	100	4,50,07,537	100	4,07,73,089	100	4,44,99,856	100
	<u>3,83,79,054</u>	<u>100</u>	<u>4,50,07,537</u>	<u>100</u>	<u>4,07,73,089</u>	<u>100</u>	<u>4,44,99,856</u>	<u>100</u>

**32. Expenditure in Foreign Currency**

	2014-2015 (₹)	2013-2014 (₹)
Travelling Expenses	30,20,628	43,93,490
Subscription	1,49,468	1,18,212
	<u>31,70,096</u>	<u>45,11,702</u>

**NOTES ON FINANCIAL STATEMENTS (Contd.)****33. Disclosure pursuant to Accounting Standard -15 (Revised) "Employee Benefits"**

## a. Defined Contribution Plans :

Contribution to Defined Contribution Plans, recognised as expense for the year included in "Employee Benefit Expense" in Note-24 to the statement of Profit & Loss Account is as under :

<b>Particulars</b>	<b>2014-2015 (₹)</b>	<b>2013-2014 (₹)</b>
Employer's Contribution to Provident and other Funds	1,69,62,085	1,04,61,076

## b. Defined Benefit Plans :

## i. Reconciliation of opening and closing balances of the Present Value of the Defined Benefit Obligation :

<b>Particulars</b>	<b>Gratuity (Funded)</b>	
	<b>2014-2015 (₹)</b>	<b>2013-2014 (₹)</b>
a. Present value of Defined Benefit obligation at the beginning of the year	<b>2,57,00,098</b>	2,54,71,463
b. Interest cost	23,38,709	20,36,671
c. Current service cost	19,07,132	18,00,998
d. Actuarial Losses/(Gains)	25,94,877	(23,41,020)
e. Benefits paid	(13,40,877)	(12,68,014)
f. Present value of Defined Benefit Obligation at the close of the year	<b>3,11,99,939</b>	2,57,00,098



**NOTES ON FINANCIAL STATEMENTS (Contd.)**

- ii. Changes in the fair value of Plan Assets representing and the reconciliation of opening and closing balances thereof as follows :

Particulars	2014-2015 (₹)	2013-2014 (₹)
a. Fair value of Plan Assets at the beginning of the year	<b>2,15,14,620</b>	1,46,79,267
b. Add : Expected return on Plan Assets	18,82,529	15,21,568
c. Add/Less : Actuarial Losses/(Gains)	57,745	(1,06,374)
d. Add : Contributions	18,97,923	66,88,173
e. Benefits Paid	(13,40,877)	(12,68,014)
f. Fair value of Plan Assets at the close of the year	<b>2,40,11,940</b>	2,15,14,620

- iii. Amount Recognised in the Balance Sheet including a reconciliation of the present value of the defined obligation in (i) and the fair value of the plan assets in (ii) to assets and liabilities recognised in the Balance Sheet :

a. Present value of Defined Benefit obligation	3,11,99,939	2,57,00,098
b. Fair value of plan Assets	2,40,11,940	2,15,14,620
c. Present value of unfunded obligation	(71,87,999)	(41,85,478)
d. Net Liability/(Asset) recognised in the Balance Sheet	<b>(71,87,999)</b>	(41,85,478)

- iv. Amount recognised in the Profit and Loss Account are as follows:

a. Current Service Cost	19,07,132	18,00,998
b. Interest Cost	23,38,709	20,36,671
c. Expected return on Plan Assets	(18,82,529)	(15,21,568)
d. Actuarial Losses/(Gains)	25,37,132	(22,34,646)
e. Recognised in the Profit and Loss Account	<b>49,00,444</b>	81,455

- v. Actuarial Assumptions at the Balance Sheet date :

Discount Rate	7.78%	9.10%
Expected rate of return on Plan Assets	9.00%	8.75%
Salary Escalation rate-Management Staff	5.00%	5.00%
Salary Escalation rate - Non Management Staff	5.00%	5.00%
Mortality	IALM 06-08 ultimate	IALM 06-08 ultimate
Withdrawal Rate	2.00%	2.00%

The Estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in employment market.

- vi. Amount recognised as an expense in respect of Compensated Leave Absences is ₹ 1,50,592/- and (Previous Year ₹ 2,82,996/-) based on actuarial valuation. During the year ended 31st March, 2015 the company has paid ₹ 2,78,209/- and (Previous Year ₹ 1,23,981/-) as actual leave encashment.

**Note:** Encashment of leave is payable on death whilst in service, withdrawal from service or from retirement from services. In the view of salary growth rates have been used to project the salary at the time when encashment of leave is assumed to take place. While making actuarial valuations certain assumptions, such as mortality rates, withdrawal rates and retirement age etc . have been taken into consideration by the actuarial valuer. The Method used for such valuation is projected Unit Credit Method, which are in compliance with AS-15 (Revised 2005) as issued by ICAI and Guidance Note 26 issued by Institute of Actuaries of India.

**34. Segment Reporting**

The Company has only one segment i.e. manufacturing of Black Tea and as a result the reporting required of AS - 17 "Segment Reporting" are not attracted.

**NOTES ON FINANCIAL STATEMENTS (Contd.)****35. Related Party Disclosures**

Related party disclosures, as required by AS-18 "Related Party Disclosures" are given below :-

**1. Relationships :**

(i) Key Management Personnel and their relatives :

Mrs. Anuradha Kanoria

Mr. Umang Kanoria

Ms. Stuti Kanoria

Mr. Satvik Kanoria

Stuti Welfare Trust

Satvik Welfare Trust

Umang Kanoria H.U.F.

(ii) Enterprises over which the key management personnel and/or their relatives have significant influence :

B. T. Investments Private Limited

Cosmos Resources Private Limited

E. T. Resources Private Limited

Facitcon Investments Private Limited

Innova Properties Private Limited

Kanco Enterprises Limited

Milan Agencies Private Limited

Nidhi Private Limited

OCL Investments & Leasing Limited

S. T. Investment Private Limited

Suryasakti Commodities Private Limited

2. The following transactions were carried out with the related parties in the ordinary course of business.

Details relating to parties referred to in item 1(i) and 1(ii) above:

Particulars	2014-2015		2013-2014	
	In Relation to Item 1(i)	In Relation to Item 1(ii)	In Relation to Item 1(i)	In Relation to Item 1(ii)
	Amount in (₹)		Amount in (₹)	
<b>Rent Paid</b>				
Milan Agencies Private Limited	-	3,60,000	-	3,60,000
Innova Properties Private Limited	-	2,52,000	-	2,52,000
Suryasakti Commodities Private Limited	-	3,60,000	-	3,60,000
<b>Maintenance Expenses Reimbursed</b>				
Milan Agencies Private Limited	-	4,49,440	-	3,37,080
Suryasakti Commodities Private Limited	-	4,49,440	-	3,37,080
<b>Electricity Charges Reimbursed</b>				
Milan Agencies Private Limited	-	1,39,564	-	1,64,263
Suryasakti Commodities Private Limited	-	1,05,716	-	1,13,450
<b>Rent Realised</b>				
Mrs. Anuradha Kanoria	3,12,000	-	2,70,000	-
<b>Intercorporate Loan Repaid/Given</b>				
E.T.Resources Private Limited	-	-	-	4,90,000
Nidhi Private Limited	-	1,10,00,000	-	4,20,300
Cosmos Resources Private Limited	-	90,00,000	-	-
S.T.Investment Private Limited	-	26,50,000	-	26,50,000


**NOTES ON FINANCIAL STATEMENTS (Contd.)**

<b>Intercorporate Loan Realised/Received</b>				
Cosmos Resources Private Limited	-	90,00,000	-	-
E.T.Resources Private Limited	-	4,84,000	-	-
Innova Properties Private Limited	-	1,30,000	-	30,000
Nidhi Private Limited	-	1,20,50,000	-	7,50,000
S.T.Investment Private Limited	-	1,06,80,000	-	27,22,000
Kanco Enterprises Limited	-	-	-	22,28,225
<b>Fixed Deposits Received</b>				
Mrs. Anuradha Kanoria	-	-	6,50,000	-
Umang Kanoria H.U.F.	-	-	14,50,000	-
Stuti Kanoria	-	-	52,50,000	-
Satvik Welfare Trust	-	-	1,20,000	-
<b>Fixed Deposits Repaid</b>				
Mrs. Anuradha Kanoria	-	-	6,50,000	-
Umang Kanoria H.U.F.	3,50,000	-	14,50,000	-
Ms. Stuti Kanoria	-	-	52,50,000	-
Stuti Welfare Trust	2,23,286	-	-	-
Satvik Welfare Trust	1,20,000	-	1,20,000	-
<b>Remuneration Paid</b>				
Mrs. Anuradha Kanoria	29,37,780	-	31,78,372	-
Ms. Stuti Kanoria	2,40,000	-	1,14,000	-
<b>Director Fees Paid</b>				
Mr. Umang Kanoria	80,000	-	40,000	-
<b>Interest Paid</b>				
Stuti Welfare Trust	3,502	-	31,443	-
Ms. Stuti Kanoria	-	-	2,04,163	-
Satvik Welfare Trust	13,200	-	13,200	-
Umang Kanoria H.U.F.	4,008	-	99,497	-
Mrs. Anuradha Kanoria	-	-	36,044	-
Cosmos Resources Private Limited	-	8,877	-	-
E.T.Resources Private Limited	-	36,359	-	66,374
Nidhi Private Limited	-	1,17,671	-	1,64,575
<b>Interest Received</b>				
Innova Properties Private Limited	-	42,972	-	55,418
S.T.Investment Private Limited	-	57,31,287	-	56,88,705
Kanco Enterprises Limited	-	39,09,129	-	-
<b>Equity Dividend Paid</b>				
Mrs. Anuradha Kanoria	9,15,735	-	9,15,735	-
Umang Kanoria H.U.F.	7,77,675	-	7,77,675	-
Ms. Stuti Kanoria	3,42,870	-	3,42,870	-
Mr. Satvik Kanoria	4,77,705	-	4,77,705	-
Satvik Welfare Trust	12,46,500	-	12,46,500	-
E.T.Resources Private Limited	-	13,95,420	-	13,95,420
Facitcon Investments Private Limited	-	4,33,250	-	4,33,250
Innova Properties Private Limited	-	60,000	-	60,000
Nidhi Private Limited	-	1,55,000	-	1,55,000
OCL Investments & Leasing Limited	-	64,720	-	64,720
S.T.Investment Private Limited	-	1,35,030	-	1,35,030


**NOTES ON FINANCIAL STATEMENTS (Contd.)**

<b>Preference Dividend Paid</b>				
Stuti Welfare Trust	28,000	-	28,000	-
OCL Investments & Leasing Limited	-	1,82,000	-	1,82,000
<b>Outstanding Balances at the end of the F.Y.</b>				
<b>Security Deposit</b>				
Innova Properties Private Limited	-	40,00,000	-	40,00,000
Milan Agencies Private Limited	-	30,00,000	-	30,00,000
<b>(Payable)/Receivable (Net)</b>				
Mrs. Anuradha Kanoria	-	-	-	-
Umang Kanoria H.U.F.	-	-	(3,50,000)	-
Satvik Welfare Trust	-	-	(1,20,000)	-
Stuti Welfare Trust	-	-	(2,23,286)	-
E.T. Resources Private Limited	-	-	-	(4,84,000)
Innova Properties Private Limited	-	2,90,000	-	4,20,000
Kanco Enterprises Limited	-	4,34,34,766	-	4,34,34,766
Nidhi Private Limited	-	-	-	(10,50,000)
S.T.Investment Private Limited	-	3,43,54,000	-	4,50,34,000

36. A company namely Winnow Investments & Securities Pvt Ltd. has been incorporated on 30th March, 2015 and a sum of ₹2,83,770/- has been incurred on incorporation, which has been shown as an advance in Schedule 19 "Short Term Loans and Advance". The wholly owned subsidiary did not commence business within 31st March, 2015 and therefore the Consolidated Financial Statements as required under Accounting Standard - 21 "Consolidated Financial Statement" has not been prepared.
37. Earnings per share : Calculation of Basic and Diluted Earnings per Share as required by AS-20 dealing on "Earnings per Share" as given below :-

<b>Particulars</b>	<b>For the year ended 31st March, 2015 (₹)</b>	<b>For the year ended 31st March, 2014 (₹)</b>
Profit After Tax	3,08,95,853	4,28,68,716
Less : Dividend Payable to Preference Share Holders	2,22,998	2,80,000
Dividend Distribution Tax on Preference Dividend	57,002	45,423
Profit Available to Equity Shareholders	3,06,15,853	4,25,43,293
Weighted Average Number of Equity Shares of ₹10/- each Fully Paid up	17,07,609	17,07,609
Earning Per Share on Profit for the year (in ₹)		
Basic & Diluted	17.93	24.91



**NOTES ON FINANCIAL STATEMENTS (Contd.)**

38. The company has assessed the carrying amount of the assets vis a vis their recoverable values and no impairment has been envisaged at the balance sheet date as per the requirements of Accounting Standard -28 on "Impairment of Assets".
39. In terms of Accounting Standard 22, Deferred Liability Tax Liability reversed and recognised during the year is ₹10,72,782 (Previous Year DTL charged is ₹9,26,986). Consequently, the net DTL as the Year end stands ₹24,17,892 (Previous Year ₹34,90,674).
40. Effective from April 01, 2014, the Company has changed Depreciation rates on various fixed assets as per the remaining useful lives specified in Part C of Schedule II to the Companies Act,2013. Based on the current estimate, the carrying value, net of residual value as at April 01, 2014 of ₹20,21,285/- on account of the fixed assets whose useful life is already exhausted as on April 01, 2014 has been adjusted to Retained Earnings. Had there not been any change in useful lives of the assets, depreciation for the year ended March 31, 2015, would have been lower by ₹64,19,779/-.
41. The Company has made a provision of ₹8,86,737/- in its books of accounts towards contribution for Corporate Social Responsibility under section 135 of the Companies Act, 2013. The company has formed "Kanco CSR Trust", which got registered on 31st March, 2015. The amount earmarked for CSR activities in F.Y. 2014-2015 will be incurred in the financial year 2015-2016 through "Kanco CSR Trust" for activities specified in Schedule VII of the Companies Act,2013 in local areas in which tea estates of the Company are located.

**42. Corporate Information**

Kanco Tea & Industries Limited (the company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on two stock exchanges in India. The company is engaged in the manufacturing and selling of black tea. The company caters to only the domestic market. The food safety system and the quality management system of Mackeypore Tea Estate has been assessed and found to meet the requirement of HACCP (Hazard Analysis and Critical Point), ISO 22000 Food Safety Management. The quality management system of Mackeypore Tea Estate has been assessed and found to meet the requirements of ISO 9001:2008. Mackeypore Tea Estate & Lakmijan Tea Estate has been issued verification certificate under trusttea code for sustainable tea in India.

**43. Significant Accounting Policies**

**a. Basis of Preparation of Financial Statements**

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the Accounting Standards specified under section 133 of the Companies Act,2013 read with Rule 7 of the Companies (Accounts) Rule, 2014 as amended and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

**b. Use of estimates**

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



**NOTES ON FINANCIAL STATEMENTS (Contd.)**

**c. Tangible Fixed Assets**

Fixed assets are stated at cost and net of subsidies less accumulated depreciation/impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from sale/discard of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is sold/discarded.

**d. Depreciation on Tangible Fixed Assets**

Depreciation is provided using the Straight Line Method as per the useful lives of the assets specified in Schedule II of the Companies Act, 2013.

In respect of assets acquired/sold during the year, depreciation has been provided on pro-rata basis.

**e. Impairment of Tangible Assets**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the asset's net selling price and value in use, which is determined by the present value of the estimated future cash flows.

**f. Intangible Fixed Assets**

Intangible fixed assets that are acquired by the Company are measured initially at cost. After initial recognition, an intangible asset is carried at cost less any accumulated amortisation and any accumulated impairment loss. Subsequent expenditure is capitalised only when it increases the future economic benefits from the specified asset to which it relates.

Intangible assets are amortised in profit & loss over their estimated useful lives, from the date they are available for use based on the expected pattern of consumption of economic benefits of the asset.

**g. Investments**

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and direct attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis.

Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

**h. Inventories**

Stores and spares are valued at Weighted Average Cost basis.





## **NOTES ON FINANCIAL STATEMENTS (Contd.)**

Finished Tea i.e. Black Tea is valued at net realisable value.

### **i. Exchange fluctuations**

#### **Initial Recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

#### **Conversion**

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

#### **Exchange Differences**

Exchange differences arising on the settlement of monetary items are recognised as income or as expense in the year in which they arise.

### **j. Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

#### **Sale of goods**

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue.

#### **Interest**

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

#### **Other Items of Income**

Other items of Income are accounted as and when the right to receive arises.

### **k. Government Grants and Subsidies**

Grants and subsidies from the government are recognised when there is reasonable assurance that (i) the company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

Capital grants and subsidy relating to specific assets are reduced from the gross value of the fixed assets.

Revenue grants and subsidies are credited to Profit & Loss Account or deducted from the related expenses.

### **i. Employee Benefits**

#### **Defined Contribution Plan:**

The Company has defined contribution plans in the form of Provident Fund, Pension Scheme, EDLI, Super Annuation Fund and Labour Welfare Fund and the contributions are charged to the Profit & Loss Account of the year when the contribution to the respective funds are due. There are no other contribution payable to the respective funds.

#### **Defined Benefit Plan:**

The Company has defined benefit plans in the form of Gratuity and Leave Encashment, the liability for which is determined on the basis of actuarial valuation at the end of the year. Gains and losses arising out of actuarial valuation are recognised immediately to the Profit & Loss account as income or expense. The Company has an Employees Gratuity Fund managed by LIC of India. The present value of obligation is determined using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlements. The Compensated absences are unfunded.

### **m. Research & Development Expenses**

Revenue expenditure on Research and Development is charged as an expense through the normal heads of account in the year in which the same is incurred. Capital expenditure incurred on equipment and facilities that



**NOTES ON FINANCIAL STATEMENTS (Contd.)**

are acquired for research and development activities is capitalised and is depreciated according to the policy followed by the Company.

**n. Borrowing Cost**

Borrowing costs that are directly attributable to the acquisition of qualifying assets are capitalised for the period until the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use.

Other Borrowing costs are recognised as expense in the period in which they are incurred.

**o. Taxes on Income**

Current tax is measured at the amount expected to be paid to the tax authorities, computed in accordance with the applicable tax rates and tax laws. In case of tax payable as per provisions of MAT under section 115JB of the Income Tax Act, 1961, MAT 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.

Deferred Tax arising on account of "timing differences and which are capable of reversal in one or more subsequent periods is recognised, using the tax rates and tax laws that are enacted or substantively enacted. Deferred tax asset is recognised only to the extent there is reasonable certainty with respect to reversal of the same in future years as a matter of prudence.

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of Profit and Loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

**p. Earning per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**q. Provisions**

A provision is recognised when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.



**r. Contingent Liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The company does not recognise a contingent liability but discloses its existence in the financial statements.

**s. Prior Period Items**

Prior Period and Extra Ordinary items and Changes in Accounting Policies having material impact on the financial affairs of the Company are disclosed.

**t. Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

44. The previous year figures have been regrouped/reclassified, wherever necessary to conform to the current year presentation.

The accompanying notes are an integral part of the financial statements.

In terms of our report of even date attached

For Jain & Co.

*Chartered Accountants*

Firm Registration No. 302023E

(M.K.JAIN)

Partner

Membership No. 055048

P-21/22, Radhabazar Street

Kolkata - 700001

Dated : the 14th day of May, 2015

For and on behalf of the Board of Directors

U. KANORIA

Chairman & Director

SUBHRAKANTA PARHI

Chief Financial Officer

A. K. GANGOPADHYAY

Company Secretary



## AOC-1

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies

Name of Associates	B. T. Investments Private Limited	E. T. Resources Private Limited	Facitcon Investments Private Limited
<b>1. Latest Audited Balance Sheet Date</b>	30/04/2015	28/04/2015	28/04/2015
<b>2. Shares of Associate/Joint Ventures held by the company on the year end</b>			
No.	92400	92400	95500
Amount of Investments in Associates	1106897	1254025	991022
Extent of Holding%	23.54%	23.63%	20.62%
<b>3. Description of how there is significant influence</b>	Holding is more than 20% of Total Share Capital		
<b>4. Reason why the associate is not consolidated</b>	<b>Not Applicable</b>		
<b>5. Networth attributable to Shareholding as per latest audited Balance Sheet</b>	<b>4798332</b>	<b>5264028</b>	<b>2105775</b>
<b>6. Profit/Loss for the year</b>			
i. Considered in Consolidation	Not Applicable		
ii. Not considered in Consolidation	Not Applicable		

In terms of our report of even date attached  
For Jain & Co.  
*Chartered Accountants*  
Firm Registration No. 302023E  
(M.K.JAIN)  
Partner  
Membership No. 055048

P-21/22, Radhabazar Street  
Kolkata - 700001

Dated : the 14th day of May, 2015

For and on behalf of the Board of Directors

U. KANORIA  
Chairman & Director

SUBHRA KANTA PARHI  
Chief Financial Officer

A. K. GANGOPADHYAY  
Company Secretary



## KANCO TEA & INDUSTRIES LIMITED

Registered Office : Jasmine Tower, 3rd Floor 31, Shakespeare Sarani, Kolkata - 700 017

Webiste : [www.kancotea.in](http://www.kancotea.in), Telefax : +91 33 2281-5217

E-mail : [compliance@kancotea.in](mailto:compliance@kancotea.in)

CIN : L15491WB1983PLC035793

### ATTENDANCE SLIP

Registered Folio/DP ID & Client ID	
Name & Address of the Member	
E-mail ID :	

1. I hereby record my presence at the 32nd Annual General Meeting of the Company, to be held on Friday, the 31st day of July, 2015 at 2.00 P.M. at Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, Kolkata - 700 017.
2. Signature of the Member / Proxy Present.

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## KANCO TEA & INDUSTRIES LIMITED

Registered Office : Jasmine Tower, 3rd Floor 31, Shakespeare Sarani, Kolkata - 700 017  
Webiste : www.kancotea.in, Telefax : +91 33 2281-5217, E-mail : compliance@kancotea.in

### PROXY FORM

CIN : L15491WB1983PLC035793

(Pursuant to Section 105(6) of the Companies Act, 2013 and rule (19) of the Companies (Management and Administration) Rules, 2014

Name of the Member(s)	
Registered Address	
E-mail ID	
Folio No. / Client ID	
DP ID	

I/We, being the member(s) of \_\_\_\_\_ shares of the above named Company, hereby appoint.

1. Name : \_\_\_\_\_

Address : \_\_\_\_\_

E-mail Id : \_\_\_\_\_

Signature : \_\_\_\_\_, or failing him/her.

2. Name : \_\_\_\_\_

Address : \_\_\_\_\_

E-mail Id : \_\_\_\_\_

Signature : \_\_\_\_\_, or failing him/her.

3. Name : \_\_\_\_\_

Address : \_\_\_\_\_

E-mail Id : \_\_\_\_\_

Signature : \_\_\_\_\_, or failing him/her.

a my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 32nd Annual General Meeting of the Company, to be held on Friday, 31st day of July, 2015 at 2.00 P.M. at Bharatiya Bhasha Parishad", 36A, Shakespeare Sarani, Kolkata - 70 0017 and at any adjournment thereof in respect of such resolutions as are indicated below :

Sl.No.	Resolution
1.	Adoption of the Audited Statement of Profit & Loss for the year ended 31st March, 2015, the Audited Balance Sheet as at that date and the Reports of the Board of Directors and Auditors thereon
2.	To consider declaration of dividend on 7% Non Cumulative Redeemable Preference Shares for the financial year ended 31st March, 2015.
3.	To consider declaration of dividend on Equity Shares for the financial year ended 31st March, 2015.
4.	To appoint a director in place of Mr. Umang Kanoria (DIN: 00081108), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
5.	To appoint M/s. Jain & Co., Chartered Accountants (Firm Registration No: 302023E) as Statutory Auditors of the Company and fix their remuneration
6.	To approve acceptance of unsecured deposits from members.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015

Signature of Shareholder : \_\_\_\_\_

Signature of Proxy holder(S) : \_\_\_\_\_

Affix  
Revenue  
Stamp

**Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, at "Jasmine Tower", 3rd Floor, 31, Shakespeare Sarani, Kolkata-700 017 not less than FORTY EIGHT HOURS before the meeting.**