



ANNUAL | REPORT
2018-19



KANCO TEA & INDUSTRIES LIMITED



KANCO TEA & INDUSTRIES LIMITED

(CIN L15491WB1983PLC035793)

Annual Report 2018-2019

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BOARD OF DIRECTORS

Mr. U. Kanoria

Chairman & Director

Mrs. A. Kanoria

Whole-time Director

Mr. G. Momen

Mr. N. Nayar

Mr. G. R. Banka

Mr. Om Kaul

Directors

COMPANY SECRETARY

Ms. C. Kabra

CHIEF FINANCIAL OFFICER

Mr. S. K. Parhi

AUDITORS

M/s. Jain & Co.

Chartered Accountants

BANKERS

Punjab National Bank

REGISTERED OFFICE

Jasmine Tower, 3rd Floor

31, Shakespeare Sarani, Kolkata 700 017

Telefax : +91 33 2281 5217

Email : contact@kancotea.in

Website : www.kancotea.in

TEA ESTATES

Mackeypore Tea Estate

Lakmijan Tea Estate

Bamonpookrie Tea Estate

P.O. Nazira 785685

Dist. Sivasagar (Assam)

SHARE REGISTRARS

C B Management Services (P) Ltd.

P-22, Bondel Road, Kolkata 700 019

Phone : +91 33 2280 6692/93/94

Email : rta@cbmsl.com

NOTICE**TO THE MEMBERS**

Notice is hereby given that the 36th Annual General Meeting of the Members of KANCO TEA & INDUSTRIES LIMITED will be held at Bharatiya Bhasha Parishad, Fourth Floor, 36A Shakespeare Sarani, Kolkata-700 017 on Tuesday, 13th August, 2019 at 2:00 p.m. to transact the following business:

Ordinary Business:

1. To consider and adopt
 - a. the Audited Standalone Financial Statement of the Company for the year ended 31st March, 2019, the reports of the Board of Directors and Auditors thereon; and
 - b. the Audited Consolidated Financial Statement of the Company for the year ended 31st March, 2019 and the report of the Auditors thereon.
2. To appoint a director in place of Mr. Umang Kanoria (DIN: 00081108), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s NKSJ & Associates, Chartered Accountants (Registration No. 329563E) as Statutory Auditors of the Company from the conclusion of the 36th Annual General Meeting until the conclusion of the 41st Annual General Meeting, to fix their remuneration and to pass the following Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with the Companies (Audit and Auditors) Rules, 2014, and other relevant Rules to the Act (including any statutory modification(s) or re-enactment thereof for the time being in force) as may be applicable and pursuant to the recommendations of the Audit Committee, M/s NKSJ & Associates, Chartered Accountants (Registration No. 329563E), be and is hereby appointed as Statutory Auditors of the Company, in place of retiring auditors M/s Jain & Co., Chartered Accountants (Firm Registration No. 302023E), to hold office from the conclusion of 36th Annual General Meeting until the conclusion of the 41st Annual General Meeting at such remuneration and out of pocket expenses, as may be decided by the Board of Directors of the Company in consultation with the said Auditor."

Special Business:

4. **To re-appoint Mr. Golam Momen as an Independent Director of the Company**

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

"RESOLVED THAT pursuant to the provisions of Section 149,150,152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modifications or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and on the recommendation of the Nomination and Remuneration Committee of the Company, Mr. Golam Momen (DIN : 00402662), Independent Director of the Company, whose term of office as an Independent Director is liable to expire at the conclusion of the Annual General Meeting for the Financial Year ended 31st March, 2019, be and is hereby re-appointed as an Independent Director of the Company to hold office for a further period of 5(five) years from the conclusion of this Annual General Meeting till the Annual General Meeting for the Financial Year ended 31st March, 2024, not liable to retire by rotation."

5. **To re-appoint Mr. Navin Nayar as an Independent Director of the Company**

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

"RESOLVED THAT pursuant to the provisions of Section 149,150,152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modifications or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and on the recommendation of the Nomination and Remuneration Committee of the Company, Mr. Navin Nayar (DIN:00136057), Independent Director of the Company, whose term of office as an Independent Director is liable to expire at the conclusion of the Annual General Meeting for the Financial Year ended 31st March, 2019, be and is hereby re-appointed as an Independent Director of the company to hold office for a further period of 5(five) years from the conclusion of this Annual General Meeting till the Annual General Meeting for the Financial Year ended 31st March, 2024, not liable to retire by rotation."

NOTICE (Contd.)**6. To re-appoint Mrs. Anuradha Kanoria as Whole time Director of the Company**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 of the Companies Act, 2013 (“Act”) read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) and enactment(s) thereof for the time being in force), the consent of the members be and is hereby accorded for the re-appointment of Mrs. Anuradha Kanoria (DIN : 00081172) as a Whole Time Director of the Company for a period of 5 years, with effect from 1st December, 2019 with the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting and as recommended by Nomination and Remuneration Committee (“Committee”) and approved by the Board, with liberty to the Board of Directors (including Committee) to alter and vary the terms and conditions of the said re-appointment /remuneration in such manner as deemed fit necessary.”

“RESOLVED FURTHER THAT the remuneration payable to Mrs. Anuradha Kanoria, shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 and Schedule V of the Companies Act, 2013 or such other limits as may be prescribed from time to time.”

“RESOLVED FURTHER THAT where in any financial year during the currency of her tenure, the Company has no profits or its profits are inadequate, the remuneration payable to Mrs. Anuradha Kanoria, Whole Time Director by way of salary, perquisites and allowances shall not exceed the maximum remuneration payable in accordance with Section II of Part II of Schedule V of the Companies Act, 2013 with liberty to the Board / Committee to decide the breakup of the remuneration from time to time in consultation with the Whole Time Director.”

“RESOLVED FURTHER THAT Mrs. Anuradha Kanoria, Whole Time Director be entrusted with such powers and perform such duties as may from time to time be delegated / entrusted to her subject to the supervision and control of the Board.”

7. To approve the remuneration payable to Cost Auditors

To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and as approved by the Board of Directors of the Company, remuneration of Rs. 50,000/- (Rupees Fifty Thousand Only) plus re-imbursment of out-of-pocket expenses and taxes incurred in connection with the audit to be paid to M/s A. C. Dutta & Co. (Registration No.000125), Cost Accountants, appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company’s Tea Estates namely Mackeypore Tea Estate and Bamonpookrie Tea Estate situated at Nazira, Sivasagar, Assam-785685 for financial year ending 31st March, 2020 be and is hereby ratified.”

Registered Office :

Jasmine Tower, 3rd Floor
31, Shakespeare Sarani, Kolkata 700 017
CIN: L15491WB1983PLC035793
Telefax: (033) 22815217
Email: contact@kancotea.in
Website: www.kancotea.in
Dated: 28th May, 2019

By Order of the Board
For KANCO TEA & INDUSTRIES LIMITED
CHARULATA KABRA
Company Secretary
Membership No. F9417

NOTICE (Contd.)**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 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 in number 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.

As per Secretarial Standard on General Meeting (SS-2), the Proxy-holders are requested to bring valid identity proofs (viz., PAN Card, Voter ID, Passport, Aadhar Card, Driving License, Bank Pass Book with attested customer photograph and signature etc.) at the venue of the meeting for identification.
- 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 setting out material facts, pursuant to Section 102 of the Companies Act, 2013, in respect to the Ordinary Business –Item No. 3 and Special Business- Item No. 4 to 7 of the accompanying Notice is annexed hereto.
- IV. A brief resume of the directors proposed to be reappointed, nature of his/her expertise in specific functional areas, names of companies in which he/she holds directorship and memberships/ chairmanships of Board Committees, shareholding and relationships between directors inter se as stipulated under Regulation 36 of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of Secretarial Standard on General Meeting (SS-2) as amended, are provided in Details of Directors seeking reappointment at the Annual General Meeting annexed hereto.
- V. 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 Wednesday, 7th August, 2019 to Tuesday, 13th August, 2019 (both days inclusive) for the purpose of the Annual General Meeting.
- VI. 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.
- VII. All documents referred to in the accompanying Notice shall be open for inspection at the Registered Office of the Company on weekdays (3:00 p.m. to 5:00 p.m.) up to and including the date of the Annual General Meeting of the Company.
- VIII. 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 Annual General Meeting.
- IX. 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 Annual General Meeting.
- X. Members who have neither received or encashed their dividend warrant(s) for the financial years 2011-12 up to 2017-2018, 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 for the year 1st April 2018 to 31st March, 2019, the Notice of the 36th Annual General Meeting, instructions for e-voting, Attendance Slip, Proxy Form and the route map to the venue are being sent by electronic mode only to 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 for the year 1st April 2018 to 31st March, 2019, the Notice of the 36th Annual General Meeting, instructions for e-voting, Attendance Slip, Proxy Form and the route map to the venue are being sent by the permitted mode. Members may register their email address by visiting Website namely www.cbmsl.com/green.php of our Registrar and Share Transfer Agent.

NOTICE (Contd.)

- XIV. Members may also note that the Notice of the Annual General Meeting and the Annual Report for the year 1st April 2018 to 31st March, 2019 will also be available on the Company's website www.kancotea.in. 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 or 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. SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated 8th June, 2018 and further amendment vide Notification No. SEBI/ LAD-NRO/GN/2018/49 dated 30th November, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from 1st April, 2019 unless the securities are held in the dematerialised form with the depositories. Therefore, Shareholders are requested to take action to dematerialise the Equity Shares of the Company, promptly.
- XVIII. 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.
- XIX. Members are requested to furnish or update their e-mail IDs with the Registrar for sending the soft copies of the Annual Report of the Company as required vide circular no.17/2011 dated April 21, 2011 and circular no.18/2011 dated April 29, 2011 issued by the Ministry of Corporate Affairs and to avail remote e-voting facility in respect of the resolutions, which would be passed at the General Meetings of the Company.
- XX. Pursuant to prohibition imposed vide Secretarial Standard on General Meeting (SS-2) issued by The Institute of Company Secretaries of India and The Ministry of Corporate Affairs circular, no gifts/coupons shall be distributed at the Meeting.
- XXI. Voting through electronic means:
- a) In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the Company is pleased to provide its members the facility of remote e-voting to exercise their right to vote at the 36th Annual General Meeting ('AGM'). The business may be transacted through e-Voting services provided by Central Depository Services (India) Limited (CDSL). The members may cast their votes using an electronic voting system from a place other than the venue of the AGM (remote e-voting).
 - b) The facility for voting through polling paper shall be made available at the venue of the AGM and the members attending the AGM who have not cast their vote by remote e-voting shall avail to exercise their right at the AGM.
 - c) The members who have cast their votes by remote e-voting may also attend the AGM but shall not be entitled to cast their vote at the AGM.
 - d) Mr. A. K. Labh, Practising Company Secretary (FCS - 4848 / CP-3238) (Address: A. K. Labh & Co, 40, Weston Street, 3rd Floor, Kolkata - 700013) has been appointed as the Scrutinizer for conducting the remote e-voting and voting process at the AGM in a fair and transparent manner.
 - e) The e-Voting procedure to be followed by the shareholders to cast their votes:
 - A. In case of Members who receive the Notice in electronic mode**
 - (i) The remote e-voting period begins on Saturday, 10th August, 2019 (9:00 a.m.) and ends on Monday, 12th August, 2019 (5:00 p.m.). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e Tuesday, 6th August, 2019 may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
 - (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
 - (iv) Click on Shareholders.

NOTICE (Contd.)

- (v) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - 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 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 :

Particulars	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> 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. 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. e.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>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.</p> <p>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).</p>

- (ix) After entering these details appropriately, click on the "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 resolution 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 resolution contained in this Notice.
- (xii) Click on the EVSN for the relevant <KANCO TEA & INDUSTRIES LIMITED>
- (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 "RESOLUTION 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 a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login 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) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.

NOTICE (Contd.)

- (xx) Note for Non - Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to 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.
 - After receiving the login details 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 linked in the login should be mailed to 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.
- (xxi) 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, under help section or write an email to helpdesk.evoting@cDSLindia.com.

B. In case of Members who receive the Notice by post:

- (i) User ID and initial password will be provided with the Notice for the AGM.
- (ii) Please follow the steps from Sl. Nos. (iii) to (xx) mentioned in (A) above, to cast your vote.

C. Members already registered with CDSL for remote e-voting can use their existing user ID and password for Login. Thereafter please follow the steps from Sl. Nos. (xii) to (xx) mentioned in (A) above, to cast your vote.**General Information**

- (a) 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. Tuesday, 6th August, 2019, may obtain the USER ID and password by sending an e-mail request to rta@cbmsl.com/compliance@kancotea.in.
- (b) There will be one vote for every Client ID No. / Registered Folio No. irrespective of the number of joint holders.
- (c) The Results of voting will be declared within 48 hours from the conclusion of the AGM and the Resolution will be deemed to be passed on the date of the AGM, subject to receipt of requisite number of votes. The declared Results, alongwith the Scrutinizer's Report, will be available forthwith on the Company's corporate website www.kancotea.in and on the website of CDSL; such Results will also be forwarded to The Calcutta Stock Exchange Limited and Bombay Stock Exchange Limited.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**Item No. 3**

In terms of Section 139 of the Companies Act, 2013 ("the Act"), and the Companies (Audit and Auditors) Rules, 2014, made thereunder, the present Statutory Auditors of the Company, M/s Jain & Co, Chartered Accountants (Firm Registration No. 302023E), will hold office until the conclusion of the ensuing Annual General Meeting and will not seek re-appointment. The Company is required to appoint another Auditor for a period of 5(five) years to hold office from the conclusion of this Annual General Meeting till the conclusion of the thirty third Annual General Meeting.

The Board of Directors at its meeting held on 28th May, 2019, after considering the recommendations of the Audit Committee, had recommended the appointment of M/s NKSJ & Associates, Chartered Accountants (Registration No. 329563E), as the Statutory Auditors of the Company for approval of the members. The proposed Auditors shall hold office for a period of 5(five) consecutive terms from the conclusion of the thirty sixth Annual General Meeting till the conclusion of forty first Annual General Meeting of the Company.

M/s NKSJ & Associates, Chartered Accountants, have consented to the aforesaid appointment and confirmed that their appointment, if made, will be within the limits specified under Section 141(3)(g) of the Companies Act, 2013. They have further confirmed that they are not disqualified to be appointed as the Statutory Auditors in terms of the Companies Act, 2013 and the rules made thereunder.

Pursuant to Section 139 of the Companies Act, 2013, approval of the members is required for appointment of the Statutory Auditors and fixing their remuneration by means of an ordinary resolution.

Accordingly, approval of the members is sought for appointment of M/s NKSJ & Associates, Chartered Accountants as the Statutory Auditors of the Company and to fix their remuneration.

NOTICE (Contd.)

None of the Directors or Key Managerial Personnel of the Company and their relatives is in any way concerned or interested, financially or otherwise, in the resolution. Mrs. Sneha Jain is concerned or interested financially in the resolution.

The Board of Directors recommends the Ordinary Resolution set out at Item No. 3 of the accompanying Notice for approval of the Members.

Item No. 4

Mr. Golam Momen (DIN: 00402662), born on 6th June, 1933, aged about 86 years is an Arts Graduate. He is an eminent industrialist and acute businessman. He has a rich experience in the Tea Industry, especially in valuation and marketing. He is presently the chairman of White Cliff Group of Companies.

He was appointed as an Independent Director for a period of 5 years at the 31st Annual General Meeting of the Company held on 13th August, 2014 which is liable to expire at the close of the Annual General Meeting for the Financial Year ended 31st March, 2019. The Board in its meeting held on 28th May, 2019 proposed his reappointment as an Independent Director for a further period of 5 years on the recommendation of Nomination and Remuneration Committee. Mr. Golam Momen is holding 195 equity shares in the Company.

Mr. Golam Momen is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013. The Company has received (i) Form DIR-8 from him in terms of Section 164(2) of the Companies Act, 2013 and Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014 confirming his eligibility (ii) a declaration to the effect that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 read with rules and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (iii) His consent letter to act as an Independent Director of the Company, if reappointed.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Golam Momen being eligible and offering himself for reappointment, is proposed to be appointed as an Independent Director for the further period of five years, from the conclusion of this Annual General Meeting till the Annual General Meeting for the Financial Year ended 31st March, 2024, not liable to retire by rotation.

In the opinion of the Board of Directors, Mr. Momen fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder and is independent of the Management. Copy of the draft letter of appointment of Mr. Momen as an Independent Director setting out the terms and conditions would be available for inspection by members at the Registered Office of the Company. The Board considers that his association would be of immense benefit to the Company.

None of the Directors or Key Managerial Personnel of the Company and their relatives, except Mr. Golam Momen, is in any way concerned or interested, financially or otherwise, in the resolution.

The Board of Directors recommends the Special Resolution set out at Item No. 4 of the accompanying Notice for approval of the Members.

Item No. 5

Mr. Navin Nayar (DIN: 00136057), 12th October, 1962, aged about 57 years is a Commerce Graduate with honours and a fellow member of the Institute of Chartered Accountants of India. He is a senior partner of M/s Navin Nayar & Company, Chartered Accountants and has over 30 years of experience in the fields of audit, taxation and financial services.

He was appointed as an Independent Director for a period of 5 years at the 31st Annual General Meeting of the Company held on 13th August, 2014 which is liable to expire at the close of the Annual General Meeting for the Financial Year ended 31st March, 2019. The Board in its meeting held on 28th May, 2019 proposed his reappointment as an Independent Director for a further period of 5 years on the recommendation of Nomination and Remuneration Committee. Mr. Navin Nayar does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Mr. Navin Nayar is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013. The Company has received (i) Form DIR-8 from him in terms of Section 164(2) of the Companies Act, 2013 and Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014 confirming his eligibility (ii) a declaration to the effect that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 read with rules and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (iii) His consent letter to act as an Independent Director of the Company, if reappointed.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Navin Nayar being eligible and offering himself for reappointment, is proposed to be appointed as an Independent Director for the further period of five years, from the conclusion of this Annual General Meeting till the Annual General Meeting for the Financial Year ended 31st March, 2024, not liable to retire by rotation.

In the opinion of the Board of Directors, Mr. Nayar fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder and is independent of the Management. Copy of the draft letter of appointment of Mr. Nayar as an Independent Director setting out the terms and conditions would be available for inspection by members at the Registered Office of the Company. The Board considers that his association would be of immense benefit to the Company.

NOTICE (Contd.)

None of the Directors or Key Managerial Personnel of the Company and their relatives, except Mr. Navin Nayar, is in any way concerned or interested, financially or otherwise, in the resolution.

The Board of Directors recommends the Special Resolution set out at Item No. 5 of the accompanying Notice for approval of the Members.

Item No. 6

Mrs. Anuradha Kanoria, born on 16th August, 1962, aged about 57 years, is an Arts Graduate with honours from Lady Shri Ram College under Delhi University. She has vast experience in Tea Industry and has served as a past president of Ladies Study Group (Wing of Indian Chamber of Commerce) and at present she is a member of its advisory committee.

The Board of Directors at their meeting held on 28th May, 2019 has, subject to the approval of the members, re-appointed Mrs. Anuradha Kanoria as Whole time Director, for a period of 5(five) years from the expiry of her present term, which will expire on 30th of November, 2019, at the remuneration recommended by the Nomination and Remuneration Committee and approved by the Audit Committee and Board of Directors.

It is proposed to seek member's approval for the re-appointment of and remuneration payable to Mrs. Anuradha Kanoria as Whole time Director of the Company, in terms of the applicable provisions of the Act.

Particulars of the terms of appointment of and remuneration payable to her are as under:

1. **Salary(Basic) per month:** Rs. 3,15,000/-in the scale of Rs. 3,30,000- 3,45,000- 3,60,000-3,75,000
2. **Allowances/Perquisites**

Housing :

Expenditure incurred by the Company on hiring furnished accommodation for the Wholetime Director subject to a maximum of 15% of the basic salary relevant for the concerned period shall be deducted by the Company.

OR

In case Company owned and furnished accommodation is provided no allowance shall be paid.

OR

In case no accommodation- owned or hired-is provided by the Company, the Whole-time Director shall be entitled to 30% of the basic salary relevant for the concerned period as and by way of House rent allowance.

Gas/Electricity/ Water and Furniture/fixtures :

Expenditure incurred to be valued as per Income Tax Rules, 1962

Medical Reimbursement

Expenditure incurred by the Whole-time Director and her family, subject to a ceiling of one month's salary (basic) in a year or three months salary (basic) over a period of three years.

Leave Travel Concession

For Self and family in accordance with the Rules of the Company.

Term Insurance

As per the scheme of the Company provided the Annual Premium does not exceed Rs.10,000/-.

Club Fees

Actual Fees for a maximum of two clubs. Admission fee and life membership fee shall not be paid by the Company.

3. **The following shall not be included in the computation of ceiling on remuneration specified above :**

- a) Contribution to Provident Fund will be as per Scheme of the Company but restricted to the amount not taxable under the Income Tax Act, 1961.
- b) Gratuity payable shall be at a rate not exceeding 15 days salary for each completed year of service or part thereof in excess of six months as per Scheme of the Company.
- c) Thirty Five days leave with full pay and perquisites, subject to a maximum accumulation of leave for 90 days. Leave encashment at the end of the service shall not be taken into computation.
- d) Encashment of un-availed leave at the end of the tenure or at specified intervals will be as per Scheme of the Company.
- e) Provision of car for use in relation to Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Whole-time Director.

NOTICE (Contd.)

4. Mrs. Anuradha Kanoria shall not be paid any sitting fee for attending the meeting of the Board of Directors or any committee thereon.

Minimum Remuneration:

In the event that the Company in any financial year during the tenure of Mrs. Anuradha Kanoria's employment as the Whole time Director of the Company, has no profits or its profits are inadequate, the minimum remuneration payable to Mrs. Anuradha Kanoria, by way of salary and perquisites shall be the remuneration drawn by her, the same shall be subject to the limits specified under Section II of Part II of Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by the Central Government from time to time in this regard, as minimum remuneration.

General :

1. The Whole time Director will perform her duties with regard to all work of the Company and will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board.
2. The Whole time Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.
3. Mrs. Anuradha Kanoria will be reimbursed by the Company all entertainment and other expenses actually incurred by her in connection with the business of the Company, subject to such limits as may be fixed by the Board from time to time. Entertainment expenses so reimbursed shall not be included in the computation of the ceiling on perquisites.
4. During the tenure of her employment, Mrs. Kanoria shall not be interested or otherwise concerned directly or indirectly or through any of her relatives in any selling or buying agency or any of the suppliers/vendors of the Company except to the extent permissible by the laws prevailing at that time or is reasonable enough to carry on her duties.
5. Mrs. Kanoria and the Company shall have the rights to terminate the appointment by giving six months notice in writing to the other.
6. The terms and conditions of this agreement of service may be varied from time to time by the Board of Directors of the Company, within the maximum amount payable Mrs. Kanoria in accordance with the applicable provisions of the Companies Act, 2013.
7. Subject to supervision, direction and control of the Board, Mrs. Kanoria would be entrusted with power of management. Her powers shall be such as are necessary for the overall general management of the Company and such as may be conferred upon her by the Board from time to time as it may deem fit/ expedient.

Mrs. Anuradha Kanoria satisfy all the conditions set out in Part-I of Schedule V to the Act as also conditions set out in sub-section (3) of Section 196 of the Act for being eligible for her re-appointment. She is not disqualified from being appointed as a Director under Section 164(2) of the Companies Act, 2013 read with Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014. She is holding 549441 equity shares in the Company.

Mrs. Anuradha Kanoria is interested in the resolution set out at item No. 6 which pertains to her re-appointment and remuneration payable to her as a Whole time Director. Mr. Umang Kanoria, who is the spouse of Mrs. Anuradha Kanoria and also the Director of the Company and their other relatives, to the extent of their shareholding interest in the Company, may be deemed to be concerned or interested in the re-appointment and remuneration payable to Mrs. Anuradha Kanoria in this resolution of the Notice.

Save and except the above, none of the other Directors or Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

The Board of Directors recommends the Ordinary Resolution set out at Item No. 6 of the accompanying Notice for approval of the Members.

Item No. 7

The Board, on the recommendation of the Audit Committee, in its meeting held on 28th May, 2019, has approved the appointment and remuneration of M/s A. C. Dutta & Co., as the Cost Auditors of the Company to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2020.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with rules made thereunder, the remuneration payable of Rs. 50,000/- (Rupees Fifty Thousand Only) plus taxes as applicable and reimbursement of out-of-pocket expenses payable to the Cost Auditors has to be ratified by the members of the Company. Accordingly, the consent of the members is sought for passing an Ordinary Resolution as set at Item No. 7 of the Notice for ratification of remuneration payable to the Cost Auditors for the financial year ending 31st March, 2020.

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. 7 of the Notice.

The Board recommends the Resolution to be passed as Ordinary Resolution by the Members.

NOTICE (Contd.)
Details of Directors seeking appointment/reappointment at the Annual General Meeting pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of Secretarial Standard on General Meeting (SS-2) as amended.

Name	Mr. Umang Kanoria	Mr. Golan Momen	Mr. Navin Nayar	Mrs. Anuradha Kanoria
DIN	00081108	00402662	00136057	00081172
Date of Birth and Age	2nd November, 1959 60 years	6th June, 1933 86 years	12th October, 1962 57 years	16th August, 1962 57 years
Date of first Appointment on the Board	23rd September, 2013	29th April, 2010	29th April, 2010	23rd July, 2009
Qualifications	B.Com (Hons.), ACMA, M.B.A.	B.A	B.Com (Hons.), FCA	B.A (Hons.)
Experience and Expertise	Has rich experience in Tea industry and has served as past president of Indian Chamber of Commerce and Tea Association of India. He is at present member of the Committees in Indian Tea Association and Tea Association of India.	An eminent industrialist and acute businessman with rich experience in the Tea Industry, especially in valuation and marketing.	Has over 30 years experience in the fields of audit, taxation and financial services.	Has vast experience in Tea Industry and has served as a past president of Ladies Study Group (Wing of Indian Chamber of Commerce) and at present she is a member of its advisory committee.
Number of Meetings of the Board attended during the year	4 (four)	4(four)	4(four)	4 (four)
List of Directorships of other Board	Public Companies : 1. Kanco Enterprises Limited 2. Stel Holdings Limited 3. Saregama India Limited 4. Spencer & Company Limited 5. The Bengal Rowing Club 6. Winnow Investments and Securities Private Limited Private Companies : 1. E.T. Resources Private Limited 2. Cosmos Resources Private Limited 3. Jemini Vincom Private Limited	Public Companies: 1. Harrisons Malayalam Ltd. 2. Baghmari Tea Co. Ltd. 3. Williamson Magor & Co. Ltd. 4. The Scottish Assam (India) Ltd 5. Bengal Tea & Fabrics Ltd. 6. Apeejay Tea Limited Private Companies: 1. White Cliff Tea Pvt. Ltd. 2. White Cliff Construction Company Private Limited 3. White Cliff Infrastructure Private Limited 4. Dover Tea Private Limited 5. White Cliff Holdings Pvt. Ltd. 6. White Cliff Properties Private Limited	Public Companies: 1. OCL Investments and Leasing Ltd. 2. Bengal Tea & Fabrics Ltd. 3. Amar Vanjiya Limited 4. Cosmopolitan Investments Limited 5. Duncan International (India) Ltd. 6. Cheviot Co. Ltd. 7. Winnow Investments and Securities Private Limited Private Companies: 1. Skyview Investments Pvt Ltd 2. Nidhi Private Limited 3. Crest Holdings Pvt Ltd	Private Companies: 1. B.T. Investments Private Limited 2. Dhanvaridhi Foods Private Limited 3. Milan Agencies Private Limited 4. Suryasakti Commodities Private Limited

NOTICE (Contd.)

List of Membership/ Chairmanship of Committees of other Board	<p>Kanco Enterprises Limited</p> <ul style="list-style-type: none"> Chairman - Share Transfer Committee Member - Stakeholders Relationship Committee Member - Finance and Investment Committee <p>Stel Holdings Limited</p> <ul style="list-style-type: none"> Chairman - Audit Committee Member - Stakeholders Relationship Committee Chairman - Nomination and Remuneration Committee <p>Saregama India Limited</p> <ul style="list-style-type: none"> Chairman - Audit Committee Member - Nomination and Remuneration Committee Member - Stakeholders Relationship Committee Member - CSR Committee 	<p>Harrisons Malayalam Ltd.</p> <ul style="list-style-type: none"> Member - Audit Committee Member - Nomination & Remuneration Committee Chairman - Stakeholders Relationship Committee Member - CSR Committee <p>Williamson Magor & Co. Ltd.</p> <ul style="list-style-type: none"> Member - Audit Committee Member - Stakeholders Relationship Committee <p>The Scottish Assam (India) Ltd.</p> <ul style="list-style-type: none"> Member - Audit Committee Member - Nomination and Remuneration Committee Chairman - Stakeholders Relationship Committee <p>Bengal Tea & Fabrics Ltd</p> <ul style="list-style-type: none"> Member - Audit Committee Member - Nomination and Remuneration Committee Member - CSR Committee Chairman - Stakeholders Relationship Committee <p>Apeejay Tea Limited</p> <ul style="list-style-type: none"> Chairman - Audit Committee Chairman - Nomination and Remuneration Committee Member - CSR Committee 	<p>Bengal Tea & Fabrics Ltd.</p> <ul style="list-style-type: none"> Member - Audit Committee <p>Cheviot Co. Ltd.</p> <ul style="list-style-type: none"> Chairman - Audit Committee Member - Nomination & Remuneration Committee 	Nil
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NOTICE (Contd.)

Number of shares held by him in Kanco Tea & Industries Limited : a) Equity : Own Beneficial basis b) Preference	Nil	195		
	Nil	Nil		Nil
	Nil	Nil		Nil
	Mrs. Anuradha Kanoria and Mr. Umang Kanoria are related as Spouse	Nil		Mrs. Anuradha Kanoria and Mr. Umang Kanoria are related as Spouse

Registered Office :

Jasmine Tower, 3rd Floor
 31, Shakespeare Sarani, Kolkata – 700017
 CIN: L15491WB1983PLC035793
 Telefax: (033) 22815217
 Email: contact@kancotea.in,
 Website: www.kancotea.in
 Dated: 28th May, 2019

By Order of the Board
 For KANCO TEA & INDUSTRIES LIMITED
 CHARULATA KABRA
 Company Secretary
 Membership No. F9417

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present their Thirty Sixth Annual Report and the Company's audited financial statement for the financial year ended 31st March, 2019.

Financial Results

The Company's financial performance, for the year ended 31st March, 2019 is summarized below :

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	2019	2018	2019	2018
Profit Before Finance Cost, Depreciation and Tax	903.37	613.91	1057.68	647.94
Less: Finance Cost	480.91	423.48	480.91	423.48
Profit Before Depreciation and Tax	422.46	190.43	576.77	224.46
Less: Depreciation and Amortisation Expense	193.05	169.21	193.05	169.21
Profit Before Tax	229.41	21.22	383.72	55.25
Less : Provision For-				
Net Current Tax	-	-	552.15	3.67
Provision for MAT Credit Entitlement	-	-	(481.74)	-
Provision for Tax for earlier years	(0.83)	-	(0.83)	0.57
Deferred Tax	(44.13)	21.05	(44.13)	21.05
Profit After Taxation	274.37	0.17	358.27	29.96
Other Comprehensive Income for the year, net of tax	58.02	36.86	58.02	349.11
Total Comprehensive Income for the year	332.39	37.03	416.29	379.07

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

The year under review was a difficult year for Tea Industry. The cost of production increased significantly due to interim increase in Minimum Wages from Rs.137/- to Rs.167/-. The average realisation of quality teas were lower as compared to previous year.

The decline in own crop by 104769 Kgs, interim hike in minimum wages and rising price of inputs like Natural Gas, HSD, Petrol and Electricity impacted the financial results.

Your Company continued to take advantage of the Special Purpose Tea Fund Scheme announced by the Tea Board of India. In the financial year 2018-2019, 43.25 hectares, 38.92 hectares and 14.35 hectares of the plantation area were replanted, rehabilitated and uprooted respectively.

As on date, the production of tea in the current season is at par with last year. Production of tea made from bought leaves is higher than the previous year. Separate manufacturing line for manufacture of Orthodox Teas in Bamonpookrie Tea Estate has been commissioned in May, 2019.

The Company based on the consistent improvement in field practices and work done at its estates, expects to achieve higher output and realization.

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 9001:2015. The certificate no. IN/QMS/00270/0386 is valid for manufacturing of black tea from green tea leaves till 20/05/2022.

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/00065/0387 is valid for manufacturing of black tea from green tea leaves till 18/06/2021.

Mackeypore Tea Estate & Lakmijan Tea Estate has been issued verification certificate bearing no. TS-VC/CUC/03/834385/14 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.

DIRECTORS' REPORT (Contd.)

Appropriations

Dividend

The Directors of your Company has not recommended any dividend 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 and is also available on the Company's website viz. www.kancotea.in.

Directors

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Umang Kanoria (DIN: 00081108), Non-Executive Non-Independent Director retires by rotation at the ensuing Annual General Meeting and being eligible has offered himself for reappointment.

During the year under review, the Board of Directors on recommendation of the Nomination and Remuneration Committee and approval of the members in the 35th Annual General Meeting appointed Mr. Om Kaul (DIN: 00020821) as an Independent Director of the Company, to hold office for 5(five) consecutive years from the conclusion of 35th Annual General Meeting till the Annual General Meeting for the Financial Year ended 31st March, 2023, not liable to retire by rotation.

Pursuant to Regulation (1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Company sought approval of the members at the 35th Annual General Meeting for continuing the directorships of Mr. Om Kaul (DIN: 00020821) as Non-Executive Independent Director, Mr. Govind Ram Banka (DIN: 00207385) as Non-Executive Non-Independent Director and Mr. Golam Momen (DIN: 00402662) as Non-Executive Independent Directors of the Company.

The Board of Directors in their meeting held on 28th May, 2019 has, subject to the approval of the members at the ensuing Annual General Meeting re-appointed Mrs. Anuradha Kanoria as the Whole time Director of the Company for a period of 5(five) years from the expiry of her present term i.e 30th November, 2019 on such terms as set out in the Notice of 36th Annual General Meeting.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Golam Momen (DIN: 00402662) and Mr. Navin Nayar (DIN: 00136057) being eligible has offered themselves for reappointment as an Independent Director for the further period of 5(five) years at the ensuing Annual General Meeting.

The Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Directors of the Company have confirmed that they have complied with the Company's Code of Conduct. In the opinion of the Board, the Independent Directors, fulfill the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and on the recommendation of the Nomination and Remuneration Committee of the Company a structured questionnaire was prepared after taking into consideration the various aspects of the Boards' functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance.

On the basis of the Policy for Performance evaluation of Independent Directors, Board, Committees and other Individual Directors, the evaluation of performance of various committees of the Board, Individual Directors and the Board as a whole were carried.

The Nomination and Remuneration Committee also reviewed its implementation of the said policy and its compliance. The Board of Directors expressed their satisfaction with the evaluation process.

Policy on Directors' Appointment, Remuneration etc

Pursuant to Section 178(3) of the Companies Act, 2013 Nomination and Remuneration Committee 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 and the details of this policy are given in the Corporate Governance Report. The policy can be viewed at <http://kancotea.in/pdf/2017-2018/NOMINATION%20AND%20REMUNERATION%20POLICY.pdf>.

DIRECTORS' REPORT (Contd.)

Key Managerial Personnel

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

- a) Mrs. A. Kanoria (DIN:00081172), Whole-time Director
- b) Ms. Charulata Kabra, Company Secretary
- c) Mr. S. K. Parhi, Chief Financial Officer

Number of Meetings of the Board

4 (four) meetings of the Board of Directors were held during the year.

Audit Committee

The Audit Committee comprises of 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 31st March, 2019 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 control 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

The term of M/s Jain & Co, Chartered Accountants (Registration No. 302023E), Statutory Auditors of the Company will end at the ensuing Annual General Meeting. The Board of Directors has proposed to appoint M/s NKSJ & Associates, Chartered Accountants (Registration No. 329563E) in terms of the first proviso to Section 139(1) of the Companies Act, 2013 as the Statutory Auditors of the Company in place of the retiring Statutory Auditors at their meeting held on 28th May, 2019 for a period of 5(five) years from the conclusion of the 36th Annual General Meeting to the conclusion of the 41st Annual General Meeting of the Company subject to the approval of the members at the 36th Annual General Meeting of the Company. The matter relating to appointment of M/s NKSJ & Associates as the Statutory Auditors of the Company has been placed for the approval by members.

The Company has received the consent and certificate from M/s NKSJ & Associates, Chartered Accountants to the effect that their appointment is within the limits prescribed under Section 141 of the Companies Act, 2013 read with rules and that they are not disqualified within the meaning of Section 141 of the Companies Act 2013.

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 Mr. Asit Kumar Labh, Practicing Company Secretary (C.P No.14664) to undertake the Secretarial Audit of the Company. The Report of the Secretarial Auditor is annexed herewith marked as **Annexure B** to this report.

DIRECTORS' REPORT (Contd.)

The Secretarial Auditor has submitted his report with observation, the explanation to which is as under: -

- (a) BSE vide its letter dated 12.02.2019 has imposed a fine of Rs. 1,08,560 on the Company with respect to the violation for the Quarter ended 31st December, 2018 and another fine was imposed for Rs. 1,180 in same line for the same violation for the Quarter ended 31st March, 2019 vide letter dated 14.05.2019.

The Company vide its letter dated 15.02.2019 has requested BSE to revoke the fine imposed since the Company already has a full time Company Secretary who was on maternity leave for 26 weeks as per the provisions of The Maternity Benefit (Amendment) Act 2017 and the Chief Financial Officer of the Company was appointed as the Compliance Officer in her place by the Board of Directors of the Company till such time the said Company Secretary was on leave on account of maternity benefit and the same was intimated to BSE vide letter dated 26.05.2018. The Company Secretary resumed her duties on 02.01.2019 and the same was intimated to BSE vide letter dated 02.01.2019. No further action has been initiated by BSE in this matter till date.

Cost Audit

In accordance with the provisions of Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a Cost Auditor to audit the cost records. The Company has appointed M/s A. C. Dutta & Co (Registration No.000125), Cost Accountants (Registration No.000125) 10 K S Roy Road, 2nd Floor, Kolkata-700001 as Cost Auditors for the financial year ended March 31, 2020 and their remuneration is to be ratified at the ensuing Annual General Meeting.

Secretarial Standards

The Company has adhered to applicable Secretarial Standards i.e. SS-1 and SS-2, relating to 'Meeting of the Board of Directors' and 'General Meetings'.

Particulars of Loans, Guarantees or Investments by Company

The particulars of investments made and loan given by the Company under Section 186 of the Companies Act, 2013 are provided in Note nos. 8 and 10 to the financial statements.

Contracts and Arrangements with Related Parties

During the year under review the Company has not entered into any material related party transactions with promoters, the directors, relatives or the management, etc. that may have a potential conflict with the interests of the Company. A policy on Related Party Transactions. The policy can be viewed at <http://kancotea.in/pdf/Code%20of%20Conduct/Policy%20On%20Related%20Party%20Transactions.pdf>

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 C** 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 9th 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 Slug, Red Spider, 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.

DIRECTORS' REPORT (Contd.)

Labour

Tea being a labour intensive industry is prone to loss of output due to labour unrest. KTIL provides its entire 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

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 and the same can be viewed at <http://kancotea.in/pdf/Code%20of%20Conduct/CSR%20POLICY.PDF>.

The details on the CSR Committee are provided in the Report on Corporate Governance.

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 centers 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

DIRECTORS' REPORT (Contd.)

Further, the Company has ceased to be a Company covered under Section 135(1) of the Companies Act, 2013's with its net profit falling below Rs. 5 crores for three consecutive years hence the Company was not required to comply with the provisions of Section 135(2) to 135(5) of the Companies Act, 2013 during the year under review.

Subsidiaries, Joint Ventures and Associate Companies

As on 31st March, 2019, we have one wholly owned subsidiary namely Winnow Investments and Securities Private Limited. During the year, the Board of Directors reviewed the affairs of the subsidiary. In accordance with Section 129(3) of the Companies Act, 2013, we have prepared the consolidated financial statement of the company and its subsidiary, which forms part of the Annual Report. The revenue and total comprehensive income of the subsidiary for the financial year ended 31st March, 2019 was ₹ 228.85 Lakhs (P.Y ₹ 34.31 Lakhs) and ₹ 83.89 Lakhs (P.Y. ₹ 342.04 Lakhs) respectively. The total asset of the subsidiary as on 31st March, 2019 was ₹ 2871.73 Lakhs (P.Y ₹ 2787.84 Lakhs). Further, a statement containing the salient features of the financial statement of our subsidiary in the prescribed format **AOC-1** is annexed to the financial statements.

Deposits

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.

Pursuant to Rule 2(c) (viii) of the Companies (Acceptance of Deposits) Rules, 2014, the Company has received money from its Directors, the details of which are provided in the Financial Statement.

Material Orders Passed by the Regulators / Courts / Tribunal

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. The policy can be viewed at http://kancotea.in/pdf/Code%20of%20Conduct/VIGIL%20MECHANISM_WHISTLE%20BLOWER%20POLICY.PDF

Stock Exchange

At present, the Company's equity shares are listed at Bombay Stock Exchange Limited (Scrip Code- 541005) and the Calcutta Stock Exchange Limited (Scrip Code-10014107) and Listing Fees for the financial year 2019-2020 has been paid.

Management Discussion and Analysis

Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34(3) read with Schedule V to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed herewith marked as **Annexure D** to this report.

Corporate Governance

The Report on Corporate Governance provisions in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed herewith marked as **Annexure E** to this report.

Transfer to Investor Education and Protection Fund

During the year under review, the declared dividend (2010-2011) which remained unpaid or unclaimed for a period of seven years has been duly transferred by the Company to the Investor Education and Protection Fund (IEPF). Further, all shares in respect of which dividend remained unpaid or unclaimed for consecutive seven years the corresponding shares were also transferred to the Demat Account of IEPF Authority.

DIRECTORS' REPORT (Contd.)

Dividend which has remained unpaid or unclaimed out of the dividend declared by the Company for the year ended 31st March, 2012 will be transferred to the Investor Education and Protection Fund ("IEPF"), pursuant to Sections 124 and 125 of the Companies Act, 2013. Pursuant to Section 124(6) of the Companies Act, 2013 read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (the "IEPF Rules") as amended, the equity shares corresponding to the dividend for the financial year ended 31st March, 2012 onwards has remained unpaid or unclaimed for seven consecutive years will also be transferred to the demat account of the IEPF Authority. Thereafter no claim shall lie on the Company for the said unpaid or unclaimed dividend and equity shares. Shareholders will have to make their claims with the IEPF Authority following the appropriate rules in this regard.

List of shareholders whose dividend remains unclaimed till the date of AGM held on 19th September, 2018 is available on the Company's website "www.kancotea.in".

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

The following is the summary of Sexual Harassment complaints received and disposed off during the year 2018-2019 by the respective Internal Complaints Committee:

No. of Complaints pending as on 1st April, 2018: Nil

No. of Complaints received: Nil

No. of Complaints Disposed off: Nil

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 2018-2019 and the ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-2019 are as under :

Sl. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2018-2019 (₹ in Thousands)	% increase in Remuneration in the F.Y. 2018-2019	Ratio of remuneration of each Director to median remuneration of employees
1.	Mrs. Anuradha Kanoria, Whole-time Director	4049.50	8.21%	15.93
2.	Ms. Charulata Kabra, Company Secretary	1285.26	23.10%	5.06
3.	Mr. S. K. Parhi, Chief Financial Officer	2190.08	8.26%	8.61
4.	Mr. Umang Kanoria, Non-Executive Director	60.00	(42.86%)	0.24
5.	Mr. Golam Momen, Independent Director	60.00	(33.33%)	0.24
6.	Mr. Navin Nayar, Independent Director	60.00	(33.33%)	0.24
7.	Mr .G.R.Banka, Non-Executive Director	60.00	(50.00%)	0.24
8.	Mr. Om Kaul, Independent Director	45.00	Not Applicable	0.18

- ii) the percentage increase in median remuneration of the employees of the Company- 9.29%
- iii) Number of permanent employees on the rolls of the Company- 2453
- iv) Average percentile increase already made in the last financial year



DIRECTORS' REPORT (Contd.)

- a) In the salaries of employees other than the managerial personnel- (1.13)%
- b) Percentile increase in the managerial remuneration- 11.38%
- c) Justification for such increase in remuneration & exceptional circumstances for increase in the managerial remuneration –The fixed part of salary paid to Whole-time Director is as per the agreement signed pursuant to passing of resolution by the members at the general meeting. The increase in salary of KMP other than Whole-time Director is as per experience, qualification, market trends and industry bench mark.
- v) 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.
- vi) 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 Indian Accounting Standard 19 (Ind AS-19) 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.

Particulars of Employees

The Company has no employee who were in receipt of more than ₹ 1.02 Crores per annum during the year ended 31st March, 2019 or of more than ₹ 8.50 Lakhs per month during any part thereof. The disclosures pertaining to remuneration and other particulars as prescribed under the provisions of Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 are annexed herewith marked as **Annexure F** to this report.

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

U. KANORIA

Chairman & Director

DIN : 00081108

Place : Kolkata

Dated : 28th May, 2019

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the Financial Year ended on 31st March, 2019
[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies Management and Administration) Rules, 2014]

ANNEXURE - A
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 : Public Company / Limited by shares
- (v) Address of the Registered office and Contact details : Jasmine Tower, 3rd Floor
31, Shakespeare Sarani
Kolkata – 700017
Telefax: 033-22815217
E-mail: contact@kancotea.in
- (vi) Whether listed company : Yes
- (vii) Name, Address and Contact details of Registrar and Transfer Agent, if any: : C B Management Services (P) Ltd.
P-22, Bondel Road, Kolkata – 700 019
Phone: 033-40116700, 22806692/93/94/2486
Fax: 033-22870263, Email: 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 :

Sl. No.	Name and Description of main products/services	NIC Code of the Product/service	(%) to total turnover of the Company
1	Growing of Tea and Processing of Tea	01271; 10791	91.09

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Name and Address of the Company	CIN/ GLN	Holding/Subsidiary/ Associates	% 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)

Form No. MGT-9 (Contd.)
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 01.04.2018)				No. of Shares held at the end of the year (As on 31.03.2019)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters										
(1)	Indian									
	a) Individual/HUF	1508391	—	1508391	29.44	1508391	—	1508391	29.44	—
	b) Central Govt.	—	—	—	—	—	—	—	—	—
	c) State Govt.(s)	—	—	—	—	—	—	—	—	—
	d) Bodies Corporate	2095491	—	2095491	40.91	2095491	—	2095491	40.91	—
	e) Banks / Financial Institutions	—	—	—	—	—	—	—	—	—
	f) Any Other (Specify)	—	—	—	—	—	—	—	—	—
	Sub-total (A) (1)	3603882	—	3603882	70.35	3603882	—	3603882	70.35	—
(2)	Foreign									
	a) NRIs – Individuals	—	—	—	—	—	—	—	—	—
	b) Other – Individuals	—	—	—	—	—	—	—	—	—
	c) Bodies Corporate	—	—	—	—	—	—	—	—	—
	d) Banks / Financial Institutions	—	—	—	—	—	—	—	—	—
	e) Any Other	—	—	—	—	—	—	—	—	—
	Sub-total (A) (2)	—	—	—	—	—	—	—	—	—
	Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	3603882	—	3603882	70.35	3603882	—	3603882	70.35	—
B. Public Shareholding										
(1)	Institutions									
	a) Mutual Funds	15804	—	15804	0.31	15804	—	15804	0.31	—
	b) Banks / Financial Institutions	18	57	75	0.00	18	57	75	0.00	—
	c) Central Government	—	—	—	—	—	—	—	—	—
	d) State Government	—	4491	4491	0.09	—	4491	4491	0.09	—
	e) Venture Capital Funds	—	—	—	—	—	—	—	—	—
	f) Insurance Companies	—	—	—	—	—	—	—	—	—
	g) FIs	—	—	—	—	—	—	—	—	—
	h) Foreign Venture Capital Funds	—	—	—	—	—	—	—	—	—
	i) Others (Specify)	—	—	—	—	—	—	—	—	—
	Sub-total (B)(1)	15822	4548	20370	0.40	15822	4548	20370	0.40	—

Form No. MGT-9 (Contd.)
IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2018)				No. of Shares held at the end of the year (As on 31.03.2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	116161	1860	118021	2.30	112159	1842	114001	2.23	(0.08)
ii) Overseas	—	—	—	—	—	—	—	—	—
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	555940	165106	721046	14.07	563509	145977	709486	13.85	(0.23)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	333400	219600	553000	10.80	344793	219600	564393	11.02	0.22
c) Others (Specify)									
NRIs/OCBs	1355	—	1355	0.03	1155	—	1155	0.02	(0.00)
Clearing Member	672	—	672	0.01	382	—	382	0.00	(0.01)
Unclaimed Shares	12558	—	12558	0.25	12273	—	12273	0.24	(0.00)
IEPF	91923	—	91923	1.79	96885	—	96885	1.89	0.10
Sub-total (B)(2)	1112009	386566	1498575	29.25	1131156	367419	1498575	29.25	—
Total Public Shareholding (B) = (B)(1)+(B)(2)	1127831	391114	1518945	29.65	1146978	371967	1518945	29.65	—
C. Shares held by Custodian for GDRs & ADRs	—	—	—	—	—	—	—	—	—
Grand Total (A+B+C)	4731713	391114	5122827	100.00	4750860	371967	5122827	100.00	—

Form No. MGT-9 (Contd.)
IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)
ii) Shareholding of Promoters :

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of 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	205722	4.02	—	205722	4.02	—	—
2.	Anuradha Kanoria	549441	10.73	—	549441	10.73	—	—
3.	Satvik Kanoria	286623	5.60	—	286623	5.60	—	—
4.	Umang Kanoria (HUF)	466605	9.11	—	466605	9.11	—	—
5.	Satvik Welfare Trust	747900	14.60	—	747900	14.60	—	—
6.	E.T. Resources Private Limited	877623	17.13	—	877623	17.13	—	—
7.	S.T. Investment Private Limited	81018	1.58	—	81018	1.58	—	—
8.	Innova Properties Private Limited	36000	0.70	—	36000	0.70	—	—
9.	Facitcon Investments Private Limited	259950	5.07	—	259950	5.07	—	—
10.	Nidhi Private Limited	93000	1.81	—	93000	1.81	—	—
	Total	3603882	70.35	—	3603882	70.35	—	—

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

Name of Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares encumbered to	% of shares shares of the Company
At the beginning of the year	3603882	70.35	3603882	70.35
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus / sweat equity, etc.)	—	—	—	—
At the end of the year	—	—	3603882	70.35

Form No. MGT-9 (Contd.)
IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)
iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) :

Sl. No.	Name of the Shareholder	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.	Subramanian P				
	At the beginning of the year	194070	3.79	194070	3.79
	Increase/Decrease	—	—	—	—
	At the end of the year			194070	3.79
2.	Manoj Bajaj HUF				
	At the beginning of the year	82500	1.61	82500	1.61
	Increase/Decrease	—	—	—	—
	At the end of the year			82500	1.61
3.	Gauri Shankar Bajaj HUF				
	At the beginning of the year	78000	1.52	78000	1.52
	Increase/Decrease	—	—	—	—
	At the end of the year			78000	1.52
4.	Wind Power Vinimay Private Limited				
	At the beginning of the year	62685	1.22	62685	1.22
	Increase/Decrease	—	—	—	—
	At the end of the year			62685	1.22
5.	Manoj Bajaj				
	At the beginning of the year	45000	0.88	45000	0.88
	Increase/Decrease	—	—	—	—
	At the end of the year			45000	0.88
6.	Dr Ramesh Chimanlal Shah				
	At the beginning of the year	37965	0.74	37965	0.74
	Decrease - Sale of Shares on 12.12.2018	465	0.01	37500	0.73
	At the end of the year			37500	0.73
7.	Subhas Punamchand Shah				
	At the beginning of the year	33978	0.66	33978	0.66
	Increase/Decrease	—	—	—	—
	At the end of the year			33978	0.66
8.	Pista Bai				
	At the beginning of the year	23030	0.45	23030	0.45
	Increase/Decrease	—	—	—	—
	At the end of the year			23030	0.45
9.	Saifuddin Fakhruddin Miyajiwala				
	At the beginning of the year	18342	0.36	18342	0.36
	Decrease—Sale of Shares on 8.02.2019	142	0.00	18200	0.36
	At the end of the year			18200	0.36
10.	Deepak Nangalia				
	At the beginning of the year	15321	0.30	15321	0.30
	Increase/Decrease	—	—	—	—
	At the end of the year			15321	0.30

Form No. MGT-9 (Contd.)
IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)
v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Particulars Name of the Directors/ Key Managerial Personnel (KMP)	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.	DIRECTORS				
	Golam Momen				
	At the Beginning of the year	195	0.00	195	0.00
	Increase/Decrease	—	—	—	—
	At the end of the year			195	0.00
1.	KEY MANAGERIAL PERSONNEL				
	Anuradha Kanoria				
	At the Beginning of the year	549441	10.73	549441	10.73
	Increase/Decrease	—	—	—	—
	At the end of the year			549441	10.73
2.	Subhra Kanta Parhi				
	At the Beginning of the year	90	0.00	90	0.00
	Increase/Decrease	—	—	—	—
	At the end of the year			90	0.00

V. INDEBTEDNESS
Indebtedness of the Company including interest outstanding/accrued but not due for payment (₹ in thousands)

	Secured Loans excluding deposits	Unsecured Loans	Total Indebtedness
Indebtedness at the beginning of the financial year			
i) Principal Amount	3,25,210.57	74,548.95	3,99,759.52
ii) Interest due but not paid	22,567.24	2,012.80	24,580.04
Total (i+ii)	3,47,777.81	76,561.75	4,24,339.56
Change in Indebtedness during the financial year			
Addition	-	40,494.56	40,494.56
Reduction	5,147.19	-	5,147.19
Net Change Indebtedness at the end of the financial year	(5,147.19)	40,494.56	35,347.37
i) Principal Amount	3,21,217.21	1,13,443.52	4,34,660.73
ii) Interest due but not paid	21,413.41	3,612.79	25,026.20
Total (i+ii)	3,42,630.62	1,17,056.31	4,59,686.93

Form No. MGT-9 (Contd.)
VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:
A. Remuneration to Managing Director, Whole-time Director and/or Manager (₹ in thousands)

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 (b) Value of Perquisites u/s 17(2) of the Income Tax Act, 1961 (c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	3,400.00 241.50 —	3,400.00 241.50 —
2	Stock Option	—	—
3	Sweat Equity	—	—
4	Commission – as % of Profit – others, specify	— —	— —
5	Employer contribution to PF & other funds	408.00	408.00
	Total (A)	4049.50	4049.50
	Ceiling as per the Act	8400.00	8400.00

B. Remuneration to other Directors (₹ in thousands)

Sl. No.	Particulars of Remuneration	Name of Directors		
		GOLAM MOMEN	NAVIN NAYAR	OM KAUL
1.	Independent Directors –			
1	Fee for attending Board meetings/Committee meetings	60.00	60.00	45.00
2	Commission	—	—	—
3	Others, please specify	—	—	—
	Total (1)			165.00
2.	Other Non-Executive Directors		UMANG KANORIA	GOVIND RAM BANKA
1	Fee for attending meeting - Board / Committee meetings		60.00	60.00
2	Commission		—	—
3	Others (please specify)		—	—
	Total (2)			120.00
	Total = (1+2)			285.00
	Total Managerial Remuneration			4,334.50
	Overall Ceiling as per the Act			8,400.00

Form No. MGT-9 (Contd.)
VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (Contd.):
C. Remuneration to Key Managerial Personnel other than WTD (₹ in thousands)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		CHARULATA KABRA Company Secretary	S K PARHI CFO	
1	Gross Salary (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 (b) Value of Perquisites u/s 17(2) of the Income Tax Act, 1961 (c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	1,197.42	1,843.40	3,040.82
2	Stock Option	—	—	—
3	Sweat Equity	—	—	—
4	Commission - % of profit - others, specify	— — —	— — —	— — —
5	Employer Contribution to PF & other funds	87.84	346.68	434.52
	Total	1,285.26	2,190.08	3,475.34

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board of Directors

U. KANORIA

Chairman & Director

DIN : 00081108

Place : Kolkata

Dated : 28th May, 2019

**SECRETARIAL AUDIT REPORT****ANNEXURE - B****FOR THE FINANCIAL YEAR ENDED 31st March, 2019**

[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]

To
The Members,
KANCO TEA & INDUSTRIES LIMITED
Jasmine Tower, 31, Shakespeare Sarani
3rd Floor, Kolkata - 700 017

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Kanco Tea & Industries Limited** having its Registered Office at Jasmine Tower, 31, Shakespeare Sarani, 3rd Floor, Kolkata – 700017, West Bengal (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31.03.2019 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.

Auditors' Responsibility

Maintenance of Secretarial Records is the responsibility of the management of the Company. My responsibility is to express an opinion on existence of adequate Board process and compliance management system, commensurate to the size of the Company, based on these secretarial records as shown to me during the said audit and also based on the information furnished to me by the officers' and the agents of the Company during the said audit.

I have followed the audit practices and processes as were appropriate to the best of my understanding to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed, provide a reasonable basis for my opinion.

I have not verified the correctness, appropriateness and bases of financial records, books of accounts and decisions taken by the Board and by various committees of the Company during the period under scrutiny. I have checked the Board process and compliance management system to understand and to form an opinion as to whether there is an adequate system of seeking approval of respective committees of the Board, of the Board, of the members of the Company and of other authorities as per the provisions of various statutes as mentioned hereinafter.

Wherever required I have obtained the management representation about the compliance of the laws, rules and regulations and happening of events, etc.

The Compliance of the provisions of Corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. My examination was limited to the verification of compliance procedures on test basis.

My report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness or accuracy with which the management has conducted the affairs of the Company.

I report that, I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31.03.2019 according to the provisions of (as amended) :

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) Secretarial Standards as issued by The Institute of Company Secretaries of India;
- (iii) The Securities Contracts (Regulation) Act, 1956 and the rules made there under;
- (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (v) Foreign Exchange Management Act, 1999 and the rules and regulation made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (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;
 - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

SECRETARIAL AUDIT REPORT (Contd.)

I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has specifically complied with the provisions of the following Act:

1. Food Safety and Standards Act, 2006
2. Tea Act, 1953
3. Tea Waste Control Order, 1959
4. Tea (Marketing) Control Order, 2003
5. Tea (Distribution & Export) Control Order, 2005
6. Plant Protection Code (Formulated by Tea Board of India)
7. Plantations Labour Act, 1951

to the extent of its applicability to the Company during the financial year ended 31.03.2019 and my examination and reporting is based on the documents, records and files as produced and shown to and the information and explanations as provided to me by the Company and its management and to the best of my judgment and understanding of the applicability of the different enactments upon the Company. Further, to the best of my knowledge and understanding there are adequate systems and processes in the Company commensurate with its size and operation to monitor and ensure compliances with applicable laws.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

During the period under review, provisions of the following regulations/guidelines/standards were not applicable to the Company:

- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (ii) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ;
- (iii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (iv) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2018;
- (v) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.

I 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.
- (c) Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.
- (d) 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.

I further report that :

- (a) BSE vide its letter dated 12.02.2019 has imposed a fine of Rs. 1,08,560 on the Company with respect to the violation for the Quarter ended 31st December, 2018 and another fine was imposed for Rs. 1,180 in same line for the same violation for the Quarter ended 31st March, 2019 vide letter dated 14.05.2019.

The Company vide its letter dated 15.02.2019 has requested BSE to revoke the fine imposed since the Company already has a full time Company Secretary who was on maternity leave for 26 weeks w.e.f. 01.06.2018 as per the provisions of The Maternity Benefit (Amendment) Act 2017 and the Chief Financial Officer of the Company was appointed as the Compliance Officer in her place by the Board of Directors of the Company till such time the said Company Secretary was on leave on account of maternity benefit and the same was intimated to BSE vide letter dated 26.05.2018. The Company Secretary resumed her duties on 02.01.2019 and the same was intimated to BSE vide letter dated 02.01.2019. No further action has been initiated by BSE in this matter till date.

Place : Kolkata

Dated : 28th May, 2019

ASIT KUMAR LABH
Practicing Company Secretary
ACS – 32891 / CP No.- 14664

ANNEXURE - C
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 had installed 380 KVA fuel efficient DG Set, which will result in saving of KWH per litre of H.S.D.
- The Company is replacing CFL Bulbs with LED Bulbs in a phased manner.

- (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 cost becomes economical.

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

The Company has capitalized ₹ 22,04,050/- on energy conservation equipment during the year under review.

b. Technology Absorption

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

The Company has three 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 and Augor 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 processes vermicomposting at its tea estates to reduce the use of chemical fertilizers.

- (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 estates from time to time.

The Company has given a subscription of ₹ 8,10,736/- 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 Thousands
1. Foreign Exchange earned in terms of Actual Inflows	Nil
2. Foreign Exchange Outgo	5960.12

For and on behalf of the Board of Directors

U. KANORIA

Chairman & Director

DIN : 00081108

Place : Kolkata

Dated : 28th May, 2019

MANAGEMENT DISCUSSION AND ANALYSIS REPORT
ANNEXURE - D
Overview

The Company being a producer of premium quality teas has been able to cater to the needs of its valued customers. The Company being in quality segment will gain from increase in average realisation of quality teas.

- a) Industry structure and developments :** India being the largest producer of black tea, produced 1350.04 million kgs of tea as against 1325.05 million kgs of tea during the year ended 31st March, 2018. The all India auction average price was ₹ 140.26 as against ₹ 132.66 during the year ended 31st March, 2018. (Source: Tea Board of India).

The Tea Industry is divided into two segments viz, top quality segment and medium & low segment. The increase in availability of cheap teas has a negative impact on prices of all category of teas.

- b) Opportunities & Threats :** India is the world's second largest tea consumer and the per capita consumption of teas in India is increasing every year. The customers nowadays prefer quality tea and willing to pay more for the same. Increasing consumer awareness for quality, branding and promotion will have positive impact on prices in domestic market.

The share of the unorganised sector is more than 50% at present. The cost of production of unorganized sector is significantly lower because they don't provide various social security benefits as mentioned in Plantation Labour Act, which the organized sector provides. The lower cost of production of teas produced by small growers, climate change, stiff competition from Kenya, Srilanka, China over pricing in export market and shortage of labour poses a threat to the Industry.

- c) Segment analysis and review :**

Particulars	Units	2018-2019	Units	2017-2018
Production of Black Tea	Kgs	29,78,045	Kgs	28,34,921
Sale of Black Tea	Kgs	28,79,132	Kgs	29,20,668
Average Realisation	₹ /Kg.	187.55	₹ /Kg.	181.59
Profit before Interest but after Depreciation	₹ in Lakhs	710.33	₹ in Lakhs	444.70

- d) Outlook :** Mass increase in crop in Kenya has resulted in sharp decline in International Prices as a result of which domestic price for all variety of teas are subdued. It will be a difficult year for the Industry with costs on increase and market remaining sluggish.

- e) Risks & Concerns:** The tea Industry is largely dependent on vagaries of weather and 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.

The Tea Industry is highly labour intensive and is subject to stringent labour laws. The cost of production is substantially higher compared to other tea producing countries and as compared to Small Tea Growers sector due to high labour wage and social cost. Any further increase in wage will substantially hit the bottom line.

The share of unorganized section in Indian Tea Industry is increasing year to year basis and their cost of production is significantly lower than organised section because they operate in a totally different cost structure.

To mitigate various type of risks that the Company has to face, the Board of Directors of the Company has adopted a Risk Management Policy and implemented the same.

- f) Internal control systems and their adequacy :** The Company has adequate system of internal controls and necessary checks and balances are introduced/ strengthened so as to ensure:-

- that its assets are safeguarded and protected against losses.
- that all transactions are authorised, recorded and reported properly.
- that accounting records are properly maintained and its financial statements are reliable.

The significant findings, if any, are placed before the Audit Committee of the Board and corrective measures are recommended for implementation. The Company appoints external firms of Auditors to conduct internal audit and their reports are reviewed by the management and the Audit Committee.

- g) Discussion on financial performance with respect to operational performance :**

The results were affected due to decline in own crop, interim hike in minimum wages and rising price of inputs like Natural Gas, HSD, Petrol and Electricity.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)
h) Information regarding Human Resources/Industrial Relations:

The Company is an ISO 9001:2015 certified Company. The Company has a favourable working environment that motivates performance, customer focus and innovation and adheres to the highest degree of quality and integrity amongst employees. Industrial relations at the Company remain cordial. Manpower employed with the Company as at 31st March, 2019 was 2453 compared to 2430 as on 31st March, 2018.

i) Details of Significant Changes in Key Financial Ratios

Sl.	Key Financial Ratios	2018-19	2017-18	Difference
1.	Inventory Turnover Ratio	13	8	62.50
2.	Interest Coverage Ratio	2	1.56	28.21
3.	Current Ratio	0.55	0.29	89.66
4.	Net profit Margin Ratio	6.15	0.70	778.57

Notes on significant changes in financial ratios, where change is more than 25%:

The main difference is on account of improved bottom line in the year under review.

j) Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof :

Key Financial Ratios	2018-19	2017-18	Difference
Return on Net Worth	10.77%	1.31%	722.14%

Notes on significant changes in financial ratios, where change is more than 25%:

The increase in return on Net Worth is on account of improved bottom line in the current year.

Cautionary Statement

The statements in this report describing the company's policy, strategy, projections, estimation and expectations may appear forward looking statements within the meaning of applicable securities laws or regulations. These statements are based on certain assumptions and expectations of future events and the actual results could materially differ from those expressly mentioned in this Report or implied for various factors including those mentioned in the paragraph "Risks and Concerns" herein above and subsequent developments, information or events.

For and on behalf of the Board of Directors

U. KANORIA

Chairman & Director

DIN : 00081108

Place : Kolkata

Dated : 28th May, 2019

REPORT ON CORPORATE GOVERNANCE
ANNEXURE - E

In compliance with Regulation 34(3) and Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), a Report on Corporate Governance for the financial year 2017-2018 is as below:

1. Company's Corporate Governance Philosophy

The Company's corporate culture vests in the strictest standards of integrity and transparency by adhering to the policies laid down by the Board of Directors comprising of Industrialists and Professionals. The corporate governance is based on the two most important principles of team-work and professionalism where the Shareholders, Customers, Financial Institutions/Banks, Employees and other Stakeholders are the main constituents of the 'team'. The Company has adopted a Code of Conduct for the Independent Directors, Senior Management and other Employees of the Company and a Vigil Mechanism/Whistle Blower Policy is in place for the employees of the Company under the Chairmanship of the Audit Committee Chairman.

The Company places great emphasis on values such as empowerment and integrity of its employees. The Company is committed to transparency in decision making process, fair and ethical dealings with all its business associates and last but not the least, accountability to all the stakeholders.

The Company's business objective is to manufacture and market the products where quality deservingly receives all the attention on a consistent basis with the ultimate aim of bringing full satisfaction to all concerned.

2. Board of Directors

Composition, Attendance at the Board Meetings and the last Annual General Meeting ('AGM'), Outside Directorships and other Board Committees:

Name of the Directors	Category of Director	Other Listed Entities where the person is Director	Category of Directorship in the Listed Entities	No. of other Directorships ^a	No. of other Board Committees ^b in which he/she is		Attendance at Previous AGM on 19.09.2018	No. of Board Meetings attended
					Member	Chairman		
Mr. Umang Kanoria ^c DIN:00081108	Promoter-Chairman and Non-Executive Director	Stel Holdings Limited Saregama India Limited Kanco Enterprises Limited	Independent Non-Executive Director Independent Non-Executive Director Promoter-Chairman and Managing Director	5	3	2	Present	4
Mrs. Anuradha Kanoria DIN:00081172	Promoter and Executive	-	-	-	-	-	Present	4
Mr. Golam Momen DIN:00402662	Independent Non-Executive Director	Harrisons Malayalam Ltd. Baghmari Tea Co. Ltd. Williamson Magor & Co. Ltd. The Scottish Assam (India) Ltd. Bengal Tea & Fabrics Ltd. Apeejay Tea Limited	Independent Non-Executive Director	6	5	4	Present	4
Mr. Navin Nayar DIN:00207385	Independent Non-Executive Director	Amar Vanijya Limited Bengal Tea & Fabrics Ltd. Cheviot Co. Ltd.	Independent Non-Executive Director	7	1	1	Present	4
Mr. Om Kaul DIN:00020821	Independent Non-Executive Director	-	-	1	1	-	Present	3

(a) Directorship of Public Limited Companies only.

(b) Chairmanship/Membership of Audit Committee & Stakeholders Relationship Committee only

(c) Mr. Umang Kanoria and Mrs. Anuradha Kanoria are related as spouse.

REPORT ON CORPORATE GOVERNANCE (Contd.)

Details of Directors appointed/reappointed are given in the notice to the Annual General Meeting.

None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees as specified in Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Independent Directors do not serve in more than 7 listed companies.

The details of Familiarisation Programme imparted to Independent Directors can be viewed at :
<http://kancotea.in/pdf/Code%20of%20Conduct/Policy%20on%20Familiarisation%20Programme.pdf>

Meetings of the Board

During the year 2018-2019, the Board of Directors met 4(four) times on the following dates: 26th May, 2018, 14th August, 2018, 12th November, 2018 and 11th February, 2019.

Information about the Directors seeking reappointment

Mr. Umang Kanoria (DIN: 00081108) is retiring by rotation and being eligible offered himself for reappointment. The Board in its meeting held on 28th May, 2019 proposed the reappointment of Mr. Golam Momen (DIN: 00402662) and Mr. Navin Nayar (DIN: 00136057) as an Independent Director for a further period of 5 (five) years on the recommendation of Nomination and Remuneration Committee. The Board in the said meeting also proposed to reappoint Mrs. Anuradha Kanoria (DIN: 00081172) as the Whole time Director of the Company for 5(five) years. Brief resume of the Directors retiring or being reappointed has been provided in the Explanatory Statement and Annexure to the Notice of the 36th AGM of the Company.

Skills / Expertise / Competence of the Board of Directors

The following is the list of Skills / Expertise / Competence identified by the Board of Directors as required in the context of the Company's business :

- i) Understand Company's structure, polices and culture (including its mission, vision, values, goals, current strategic plan, governance structure, role of staff)
- ii) Understand the Industry in which the Company operates and threats/challenges & emerging opportunities.
- iii) Ability to inspire and empower others, including the recruitment and monitoring of new leaders
- iv) Financial and Management Skills, Understanding the financial statements, financial control and risk management.
- v) Professional skills and spealised knowledge in relation to Tea industry
- vi) Corporate Governance and Administration: Formulating guideline to develop Board and management accountability
- vii) Use resources effectively to achieve set goals, including organizing tasks, delegating responsibilities that use people's skills efficiently and directing other resources.

3. Audit Committee

Audit Committee of the Board of Directors consists of 3 (three) Directors namely, Mr. Navin Nayar, Non-Executive Independent Director, Mr. Golam Momen, Non-Executive Independent Director and Mr. Govind Ram Banka, Non-Executive Director. All the members of the Audit Committee possess financial/accounting expertise/exposure. The composition, quorum, powers, role and scope are in accordance with Section 177 of the Companies Act, 2013 read with rules made thereunder and the provisions of Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Audit Committee acts as a link between the Internal and Statutory Auditors and the Board of Directors. Mr. Navin Nayar, Non-Executive Independent Director is the Chairperson of the Audit Committee. The Company Secretary of the Company acts as the Secretary of the Committee.

Terms of Reference

- oversight of the listed
- entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - (a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;

REPORT ON CORPORATE GOVERNANCE (Contd.)

- (b) changes, if any, in accounting policies and practices and reasons for the same;
- (c) major accounting entries involving estimates based on the exercise of judgment by management;
- (d) significant adjustments made in the financial statements arising out of audit findings;
- (e) compliance with listing and other legal requirements relating to financial statements;
- (f) disclosure of any related party transactions;
- (g) modified opinion(s) in the draft audit report;
- reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- approval or any subsequent modification of transactions of the listed entity with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the listed entity, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- discussion with internal auditors of any significant findings and follow up there on;
- reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern;
- to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- to review the functioning of the whistle blower mechanism;
- approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the audit committee.
- reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
- Reviewing the following information :
 - (1) management discussion and analysis of financial condition and results of operations;
 - (2) statement of significant related party transactions (as defined by the audit committee), submitted by management;
 - (3) management letters / letters of internal control weaknesses issued by the statutory auditors;
 - (4) internal audit reports relating to internal control weaknesses; and
 - (5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
 - (6) statement of deviations:
 - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

REPORT ON CORPORATE GOVERNANCE (Contd.)
Attendance at and dates of Audit Committee meetings held are as follows :

Name of Directors	Attendance at the Meeting				
	15.05.2018	26.05.2018	14.08.2018	12.11.2018	11.02.2019
Mr. Navin Nayar	Present	Present	Present	Present	Present
Mr. Golam Momen	Present	Present	Present	Present	Present
Mr. Govind Ram Banka	Present	Present	Present	Present	Present

4. Nomination and Remuneration Committee

Nomination and Remuneration Committee of the Board of Directors consists of the Directors namely, Mr. Golam Momen, Non-Executive Independent Director, Mr. Govind Ram Banka, Non-Executive Director and Mr. Navin Nayar, Non-Executive Independent Director. Mr. Golam Momen, Non-Executive Independent Director is the Chairman of the Nomination and Remuneration Committee. The Committee's constitution and terms of reference are in compliance with Section 178 of the Companies Act, 2013 read with rules made thereunder and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Terms of Reference

- formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- formulation of criteria for evaluation of performance of independent directors and the board of directors;
- devising a policy on diversity of board of directors;
- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- recommend to the board all remuneration, in whatever form, payable to senior management.

Attendance at and date of Nomination and Remuneration Committee meeting held is as follows :

Name of Directors	Attendance at the Meeting	
	15.05.2018	30.07.2018
Mr. Golam Momen	Present	Present
Mr. Govind Ram Banka	Present	Present
Mr. Navin Nayar	Present	Present

Remuneration policy of the Company is based on the need to attract the best available talent and is in line with the Industry. The Company pays sitting fees at the rate of Rs.15,000/- (Rupees Fifteen Thousand only) per meeting to the Non-Executive Directors for attending Meeting of the Board. No remuneration is paid to the Non-Executive Directors for attending Committee Meetings and any other Meetings.

Remuneration of Directors for the financial year ended 31st March, 2019 and their shareholding in the Company:

Name of Directors	Sitting Fees	Salaries and Perquisites	Total	Service Contrace/ Notice Period	No. of Shares held
Mr. Umang Kanoria	60,000	-	60,000	-	-
Mrs. Anuradha Kanoria	Nil	40,49,500/-	40,49,500/-	6 months	549441
Mr. Golam Momen	60,000	-	60,000	-	195
Mr. Govind Ram Banka	60,000	-	60,000	-	-
Mr. Navin Nayar	60,000	-	60,000	-	-
Mr. Om Kaul	45,000	-	45,000	-	-

REPORT ON CORPORATE GOVERNANCE (Contd.)

The Policy on Nomination, Remuneration and Performance Evaluation of Directors as framed by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company is as follows :

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:

- a) possess positive attributes/qualities such as leadership, accumen, 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
- b) is not disqualified under Sections 164 and 167 of the Companies Act, 2013
- c) 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.
- d) 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), then 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.

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.

REPORT ON CORPORATE GOVERNANCE (Contd.)

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 :

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

The policy can be viewed at <http://kancotea.in/pdf/20172018/NOMINATION%20AND%20REMUNERATION%20POLICY.pdf>

5. Stakeholders Relationship Committee

Stakeholders Relationship Committee of the Board consists of the Directors Mr. Umang Kanoria, Non-Executive Director, Mrs. Anuradha Kanoria, Executive Director, Mr. Navin Nayar, Non-Executive Independent Director and Mr. Govind Ram Banka, Non-Executive Director. Mr. Umang Kanoria, Non-Executive Director is the Chairman of the Stakeholders Relationship Committee. The Committee's constitution and terms of reference are in compliance with Section 178 of the Companies Act, 2013 read with rules made thereunder and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Terms of Reference

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

Attendance at and date of Stakeholders Relationship Committee meeting held is as follows :

Name of Directors	Attendance at the Meeting
	15.05.2018
Mr. Umang Kanoria	Present
Mrs. Anuradha Kanoria	Present
Mr. Govind Ram Banka	Present

During the year 2018-2019, the Company has received NIL complaints from the Shareholders. The status of Investor Complaints with the regulatory authorities is as follows:

Sl. No.	Investor Complaints	Number
1.	Investor Complaints received during the year	Nil
2.	Investor Complaints resolved till 31st March 2019	1
3.	Investor Complaints not solved to the satisfaction of the members	Nil
4.	Complaints pending as at 31st March, 2019	Nil

REPORT ON CORPORATE GOVERNANCE (Contd.)

6. Share Transfer Committee

Board of Directors has delegated power of approving transfer/transmission/ Remat/Demat of shares, to a Share Transfer Committee. The Share Transfer Committee of the Board of Directors consists of the Directors namely, Mr. Umang Kanoria, Non-Executive Director, Mrs. Anuradha Kanoria, Executive Director and Mr. Govind Ram Banka, Non-Executive Director. Mr. Umang Kanoria is the Chairman of the Share Transfer Committee.

During the year under review, the Committee met 21 (twenty one) times on 5th April, 2018, 15th May, 2018, 26th May, 2018, 13th July, 2018, 30th July, 2018, 14th August, 2018, 6th September, 2018, 12th September, 2018, 25th September, 2018, 23rd October, 2018, 29th October, 2018, 12th November, 2018, 29th November, 2018, 12th December, 2018, 24th December, 2018, 7th January, 2019, 30th January, 2019, 14th February, 2019, 6th March, 2019, 25th March, 2019 and 30th March, 2019.

Attendance at the Share Transfer Committee meetings held is as follows :

Name of Directors	No. of Meetings Attended
Mr. Umang Kanoria	21
Mrs. Anuradha Kanoria	21
Mr. Govind Ram Banka	21

Ms. Charulata Kabra, Company Secretary is the Compliance Officer of the Company.

All valid requests for transfer and transmission of shares received during the financial year ended 31st March, 2019 have been acted upon by the Company and no such transfer or transmission is pending.

7. Finance and Investment Committee

The Board of Directors has delegated powers specified under Section 179(3)(d), Section 179(3)(e) and Section 179(3)(f) of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 with regard to borrowing, investing the fund and granting loans or giving guarantee or providing security in respect of loans. The Committee comprises of the following Directors viz, Mr. Umang Kanoria, Non-Executive Director, Mrs. Anuradha Kanoria, Executive Director and Mr. Govind Ram Banka, Non-Executive Director.

Attendance at and date of Finance and Investment Committee meetings held is as follows :

Name of Directors	Attendance at the Meeting	
	5.05.2018	11.02.2019
Mr. Umang Kanoria	Present	Present
Mrs. Anuradha Kanoria	Present	Present
Mr. Govind Ram Banka	Present	Present

8. Corporate Social Responsibility Committee

In accordance with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has constituted a Corporate Social Responsibility (CSR) Committee. The Committee comprises of the following Directors viz, Mr. Umang Kanoria, Non-Executive Director, Mr. Govind Ram Banka, Non-Executive Director and Mr. Navin Nayar, Non-Executive Independent Director.

Attendance at and date of Corporate Social Responsibility Committee meetings held is as follows :

Name of Directors	Attendance at the Meeting	
	15.05.2018	
Mr. Umang Kanoria	Present	
Mrs. Anuradha Kanoria	Present	
Mr. Govind Ram Banka	Present	

REPORT ON CORPORATE GOVERNANCE (Contd.)

9. General Body Meetings

a) Location, Venue, Dates and time of last three Annual General Meetings(AGM) held :

Year	Kind of Meeting	Venue	Date	Time	No. of special resolution passed
April 2017- March 2018	35th Annual General Meeting	Bharatiya Bhasha Parishad, Fourth Floor, 36A Shakespeare Sarani, Kolkata-700017	19th September, 2018	2:00 p.m	3
April 2016 - March 2017	34th Annual General Meeting	Shripati Singhanian Hall, Rotary Sadan, 94/2 Chowringhee Road, Kolkata-700020	3rd August, 2017	2:00 p.m	1
April 2015 - March 2016	33rd Annual General Meeting	Bharatiya Bhasha Parishad, 36A Shakespeare Sarani, Kolkata-700017	29th July, 2016	2:00 p.m	Nil

b) No Extra-Ordinary General Meeting of the shareholders was held during the year.

b) No Postal ballot was conducted during the Year. None of the resolutions proposed at the ensuing Annual General Meeting need to be passed by Postal Ballot.

10. Means of Communication

Half-yearly report to shareholders, Quarterly Results, Newspaper in which published, Website etc.

The Quarterly, Half-yearly and Annual Results are generally published by the Company in English (Financial Express/Business Standard) and Vernacular (Sukhabar/Arthik Lipi) dailies. Official news releases/ notices etc, the Quarterly and Annual Results as well as the Quarter end shareholding pattern are sent to the Calcutta Stock Exchange Limited and the Bombay Stock Exchange Limited, where shares of the Company are listed, immediately on approval from the Board of Directors and are also posted on the Company's web site i.e www.kancotea.in.

Annual Report containing Notice of the Annual General Meeting, Annual Audited Financial Statement, Directors' Report, Auditors' Report alongwith the disclosures and reports required to form part of the Annual Report is circulated to the Members and those entitled thereto. The Annual Report is displayed on the Company's Website www.kancotea.in.

11. General Shareholder Information

Annual General Meeting	
Date and Time	Tuesday,13th August, 2019 at 2:00 p.m
Venue	Bharatiya Bhasha Parishad, Fourth Floor, 36A Shakespeare Sarani, Kolkata-700017

Financial Year : 1st April, 2018 to 31st March, 2019

Dates of Book Closure : 7th August, 2019 to 13th August, 2019 (both days inclusive)

Listing on Stock Exchanges and Scrip Code

Equity Shares of the Company The Bombay Stock Exchange Limited

are listed at Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001

(Scrip Code/ID- 541005 / KANCOTEA)

The Calcutta Stock Exchange Ltd., 7, Lyons Range, Kolkata – 700001

(Scrip Codes- 10014107 & 14107)

The Company has paid the listing fees to the Stock Exchanges for the financial year 2018-2019.

ISIN for Dematerialisation : INE398L01017

Market Price Data: High/Low in each month of Financial Year ended 31st March, 2019

	April' 18	May' 18	June' 18	July' 18	Aug' 18	Sept' 18	Oct' 18	Nov' 18	Dec' 18	Jan 19	Feb' 19	March' 19
High	98.99	82.00	71.40	59.55	62.85	65.50	57.75	66.00	60.45	59.70	49.40	40.95
Low	75.25	56.25	56.50	47.95	50.65	56.20	46.60	45.50	48.00	48.50	33.50	33.70
Volume	4,864	3,010	3,441	3,491	8,297	4,156	4,908	6,574	5,014	5,358	5,394	9,986

REPORT ON CORPORATE GOVERNANCE (Contd.)
Performance in comparison to board based indices:

Particulars	31.03.2019	31.03.2018	Change (%)
Share prices of KTIL (₹)	37.70	83.50	(54.85%)
V/s BSE Sensex	38672.91	32968.68	17.30%

Registrar and Transfer Agent ('RTA'): Share Transfer System

M/s C.B. Management Services (P) Limited, P-22 Bondel Road, Kolkata – 700019 is the RTA for both physical shares and electronic connectivity. Share transfers are generally affected within 15 days of lodgment in the normal course, if the documents are valid and complete in all respects.. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants. In compliance with the Listing Regulations, a Practicing Company Secretary carries out audit of the System of Transfer and a certificate to that effect is issued.

However, as per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialised form with the depositories. Shareholders are requested to take action to dematerialize the Equity Shares of the Company.

Categories of Shareholding as on 31st March, 2019

Category	Number of Shares held	% of Total Shares
Promoters including Persons deemed to be Acting in Concert	3603882	70.35
Mutual Funds/ UTI	15804	0.31
Financial Institutions/Banks	75	0.00
State Government	4491	0.09
Others (including Corporate Bodies)	1498575	29.25
Total	5122827	100.00

Dematerialisation of Shares and Liquidity:

As on 31st March, 2019, 4750860 Equity Shares of the Company of ₹ 10/ each, representing 92.74% of the total paid up Equity Capital of the Company stands dematerialised.

The Company has entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) whereby shareholders have an option to dematerialise their shares with either of the Depositories.

Dematerialisation of Shares – Process

Shareholders who continue to hold shares in physical form are requested to dematerialize their Shares at the earliest and avail the benefits of dealing in shares in demat form. For convenience of shareholders, the process of getting the shares dematerialized is given hereunder:

- Demat account should be opened with a Depository Participant (DP).
- Shareholders should submit the Dematerialization Request Form (DRF) along with share certificates in original, to their DP.
- DP will process the DRF and will generate a Dematerialization Request Number (DRN).
- DP will submit the DRF and original share certificates to the Registrar and Transfer Agents (RTA).
- RTA will process the DRF and confirm or reject the request to DP/ depositories.
- Upon confirmation of request, the shareholder will get credit of the equivalent number of shares in his demat account maintained with the DP.

Outstanding ADRs/GDRs/Warrants or any convertible instruments, conversion date and likely impact on equity :
Not Applicable.

REPORT ON CORPORATE GOVERNANCE (Contd.)
Distribution of Shareholding as on 31st March, 2019

Category	Shares		Shareholders	
	Numbers	% of Shares	Numbers	% of Shareholders
1 to 500	3,62,981	7.09	10,859	97.70
501 to 1000	86,166	1.68	119	1.08
1001 to 2000	73,820	1.44	53	0.48
2001 to 3000	68,080	1.33	26	0.23
3001 to 4000	32,162	0.63	9	0.08
4001 to 5000	50,689	0.99	11	0.09
5001 to 10000	65,698	1.28	10	0.09
10001 to 50000	3,01,209	5.88	14	0.13
50001 to 100000	4,94,088	9.64	6	0.05
100001 and above	35,87,934	70.04	8	0.07
Total	51,22,827	100.00	11,115	100.00

Plant Location : The Company's plant is located at:

Mackeypore Tea Estate

Bamonpookrie Tea Estate

P.O Nazira 785 685, Dist. Sivasagar (Assam)

Telephone: (03772)215317/18

Address for Correspondence:

Kanco Tea & Industries Limited

Jasmine Tower, 3rd Floor

31 Shakespeare Sarani,

Kolkata-700017

Email for investors: compliance@kancotea.in

C.B. Management Services (P) Limited

P-22 Bondel Road, Kolkata – 700 019

Phone: 033-40116700, 22806692/93/94/2486

email: rta@cbmsl.com, Telefax (033) 2281 5217

12. Disclosures

a. Compliances with Governance Framework

The Company is in compliance with all mandatory requirements under the Listing Regulations.

b. Related party transactions

There were no materially significant transactions with Related Parties during the financial year. Related party transactions have been disclosed under significant accounting policies and notes forming part of the Financial Statements in accordance with "IND AS". As required under Regulation 23(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has formulated a policy on dealing with Related Party Transactions. The Policy is available on the website of the Company viz. www.kancotea.in. The policy can be viewed at <http://kancotea.in/pdf/Code%20of%20Conduct/Policy%20On%20Related%20Party%20Transactions.pdf>

c. Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during last three Financial Years.

The Company has complied with all requirements specified under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as other regulations and guidelines of SEBI. Consequently, there were no strictures or penalties imposed by either SEBI or Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets during the last three Financial years.

REPORT ON CORPORATE GOVERNANCE (Contd.)

BSE vide its letter dated 12.02.2019 has imposed a fine of ₹ 1,08,560 on the Company with respect to the violation for the Quarter ended 31st December, 2018 and another fine was imposed for ₹ 1,180 for the same violation for the Quarter ended 31st March, 2019 vide letter dated 14.05.2019. The Company vide its letter dated 15.02.2019 and 26.05.2019 has requested BSE to revoke the fine imposed justifying the grounds for the same and no further action has been initiated by BSE in this matter till date

d. Vigil Mechanism / Whistle Blower Policy

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in exceptional cases. None of the personnel of the Company have been denied access to the Audit Committee. The Whistle Blower Policy is displayed on the Company's website viz. www.kancotea.in The Vigil Mechanism/Whistle Blower policy can be viewed at [http://kancotea.in/pdf/Code%20of%20Conduct/VIGIL%20MECHANISM_WHISTLE %20BLOWER%20POLICY.PDF](http://kancotea.in/pdf/Code%20of%20Conduct/VIGIL%20MECHANISM_WHISTLE%20BLOWER%20POLICY.PDF)

e. Disclosure of Accounting Treatment

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

f. List of all credit Ratings

The ratings assigned by ICRA for Short-term Borrowings and Long-term Borrowings of the Company during the relevant financial year are BB+ and A4+.

g. Commodity price risk and Commodity hedging activities

The Company does not have material exposure of any commodity and accordingly, no hedging activities for the same are carried out. Therefore, there is no disclosure to offer in terms of SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated November 15, 2018.

h. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) : Not Applicable

i. A certificate from a Company Secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority :

The Certificate of Company Secretary in practice is annexed herewith as a part of the report.

j. Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year : Not Applicable

k. Total fees for all services paid by the listed entity to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part

Details relating to fees paid to the Statutory Auditors are given in Note 34.1 to the Financial Statements.



REPORT ON CORPORATE GOVERNANCE (Contd.)

I. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The details of number of complaints filed and disposed of during the year and pending as on March 31, 2019 is given in the Directors' report.

m. In compliance to Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the affirmation of compliance of Code of Conduct for the year 2018-2019 has been received from all the Board Members and Senior Management Personnel.

n. There are no pecuniary relationships or transactions with Non-Executive Independent Directors, other than those disclosed in this report.

o. Non-mandatory requirements

- The Company has not adopted the practice of sending out half-yearly declaration of financial performance to shareholders. Quarterly results as approved by the Board are disseminated to Stock Exchanges and updated on the website of the Company.
- In accordance with the provisions of Section 138 of the Companies Act, 2013, the Company has appointed an Internal Auditor who reports to the Audit Committee. Internal audit reports are submitted to the Audit Committee which reviews the audit reports and suggests necessary action.

For and on behalf of the Board of Directors

U. KANORIA

Chairman & Director

DIN : 00081108

Place : Kolkata

Dated : 28th May, 2019

Compliance with the Code of Conduct

As provided under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31st March, 2019.

A. KANORIA

Whole-time Director

DIN : 00081172

Place : Kolkata

Dated : 28th May, 2019



REPORT ON CORPORATE GOVERNANCE (Contd.)

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
KANCO TEA & INDUSTRIES LIMITED
Jasmine Tower
31, Shakespeare Sarani, 3rd Floor
Kolkata - 700 017

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Kanco Tea & Industries Limited** having CIN:L15491WB1983PLC035793 and having registered office at Jasmine Tower, 31, Shakespeare Sarani, 3rd Floor, Kolkata – 700017, West Bengal (hereinafter referred to as ‘the Company’), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

Sl. No.	Name of Directors	DIN	Date of appointment in Company
1.	Umang Kanoria	00081108	23.09.2013
2.	Anuradha Kanoria	00081172	23.07.2009
3.	Golam Momen	00402662	29.04.2010
4.	Govind Ram Banka	00207385	25.03.2010
5.	Navin Nayar	00136057	29.04.2010
6.	Om Kaul	00020821	31.03.2018

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Kolkata
Dated : 28th May, 2019

ASIT KUMAR LABH
Practicing Company Secretary
ACS – 32891 / CP No.- 14664

**CERTIFICATE ON CORPORATE GOVERNANCE
TO THE MEMBERS OF KANCO TEA & INDUSTRIES LIMITED**

I have examined the compliance of conditions of Corporate Governance by KANCO TEA & INDUSTRIES LIMITED (“the Company”) in terms of Regulation 15(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, (“Listing Regulations”) for the year ended 31.03.2019.

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

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

Place : Kolkata
Dated : 28th May, 2019

ASIT KUMAR LABH
Practicing Company Secretary
ACS – 32891 / CP No.- 14664

**REPORT ON CORPORATE GOVERNANCE (Contd.)****CEO/CFO CERTIFICATION**

We the undersigned in our respective capacities as Whole-time Director and Chief Financial Officer of KANCO TEA & INDUSTRIES LIMITED ("the Company") to the best of our knowledge and belief certify that:

1. We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2019 and that to the best of our knowledge and belief we state that:-
 - these statements do not contain any materially untrue statement or omit any material fact nor contain statements that might be misleading;
 - these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. We further state that to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
4. We have indicated to the Auditors and the Audit Committee:
 - I. that there are no significant changes in internal control over reporting period during the year;
 - II significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - III. that there are no instances of significant fraud of which we have become aware.

Place : Kolkata

S. K PARHI
Chief Financial OfficerA. KANORIA
Whole-time Director
DIN : 00081172

Dated : 28th May, 2019

Information required under Regulation 39(4) read with Schedule VI to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 1/04/2018	521
Aggregate No. of Shares lying in the Suspense Account as on 1/04/2018	12558
Number of shareholders who approached issuer for transfer of shares from Suspense Account during the year	2
Number of shareholders to whom shares were transferred from Suspense Account during the year	285
Aggregate No. of Share Holders whose shares are lying in the Suspense Account as on 31/03/2019	519
Aggregate No. of Shares lying in the Suspense Account as on 31/03/2019	12273

- 1) The voting rights on these shares (as on 31/03/2019) shall remain frozen till the rightful owner of such shares claims the shares.
- 2) In terms of the circulars issued by the Ministry of Corporate Affairs for transfer of shares to Investor Education and Protection Fund (IEPF) relevant to section 124(6) and 125 of the Companies Act 2013 read with IEPF(Accounting, Audit, Transfer and Refund)Rules 2016 and SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, all shares corresponding to shares in respect of which dividend has/have remained unpaid or unclaimed for consecutive 7 years shall be transferred to IEPF Authority. In accordance to the same relevant shares have been transferred to IEPF on 29/11/2017 and the balance 12558 shares remain in the Escrow Account as of that date.

REPORT ON CORPORATE GOVERNANCE (Contd.)
ANNEXURE - F
Disclosure in Directors' Report Pursuant to Section 197(12) of the Companies Act, 2013 Read With Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014

Sl. No.	Employee	Designation	Remuneration Received	Qualification	Total Experience	Date of Commencement of employment	Age	Particulars of Previous Employment		% of Shares holding
								Organization	Designation	
1	Mrs. Anuradha Kanoria	Wholetime Director	40,49,500	B.A. (Hons.)	21	01.02.2010	57	Kanco Enterprises Limited	Executive	10.73
2	Mr. Subhra Kanta Parhi	Chief Financial Officer	21,90,080	B.Com(Hons.), ACA, CPA (Aust.)	18	01.04.2009	43	Kanco Enterprises Limited	Executive	0.00
3	Mr. Roshan Andre Petrie	General Manager (Marketing)	15,09,245	B.A.	24	04.01.2018	47	James Warren Tea Limited	General Manager (Marketing)	-
4	Mr. Umesh Kumar Singh	General Manager	14,25,857	B.E.(Mech.)	27	01.04.2009	51	Apperjay Tea Limited	Factory Assistant Manager	-
5	Ms. Charulata Kabra	Company Secretary	12,85,260	ACS, LLB, M.Com	11	17.11.2015	35	Kanco Enterprises Limited	Company Secretary	-
6	Mr. Ajay Kumar Tripathi	Commercial Manager	10,38,727	M.Com	23	12.04.2011	48	Goenka Group of Companies	Commercial Executive	-
7	Mr. Sujit Kumar Singh	Manager (Field)	10,14,539	B.Sc.(PCM)	19	02.01.2011	38	Sonabheel Tea Limited	Garden In Charge	-
8	Mr. Vineet Rajvanshi	Manager	9,49,252	B.SC	44	29.01.2018	66	Binnakandy Tea Estate	Manager	-
9	Mr. C J Jose	Deputy Manager - Factory	9,43,381	B.Com	22	01.04.2009	51	Ghorajan Tea Co. Pvt. Ltd.	Factory Assistant Manager	-
10	Mrs. Nilu Singh	Executive	8,98,507	B.A.	8	01.04.2011	51	First Employment	First Employment	-

Notes :

1. Remuneration received includes salary, commission and allowances, medial and leave travel expenses, leave encashment paid, monetary value of perquisites as per Income Tax Rules and Company's contributions to Provident and Superannuation Funds.
2. Nature of employment is contractual in case of Wholetime Director.
3. In respect of all other employees, the nature of employment is non-contractual, terminable by notice on either side.
4. Mrs. Anuradha Kanoria is relative of Mr. Umang Kanoria, Director of the Company. Other employees mentioned above are not relative of any Director of the Company.



INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF KANCO TEA & INDUSTRIES LIMITED

Report on the Standalone Ind AS Financial Statements

OPINION

We have audited the accompanying standalone financial statements of KANCO TEA & INDUSTRIES LIMITED, ('the Company') which comprises the Balance Sheet as at 31st March, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements including a summary of significant accounting policies for the year ended on that date (hereinafter referred to as "Standalone Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit including other comprehensive income, its cash flow and the changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the "Code of Ethics" issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. 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.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended 31st March, 2019. These matters were addressed in the context of our audit of financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in Auditor's responsibilities for the audit of the financial statements section of our report procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for audit opinion on the accompanying financial statements.

KEY AUDIT MATTERS	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTERS
<p>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with customers"(New Revenue Accounting Standards)</p> <p>The application of new accounting standards involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of basis used to measure revenue recognized over a period and estimate of variable consideration. Additionally, new revenue accounting standards contains disclosures which involves collation of information in</p>	<p>Principle Audit procedures</p> <p>We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> • Evaluated the design of internal controls relating to implementation of the new revenue accounting standard. • Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, re-performance and inspection of evidence in respect of operation of these controls.

INDEPENDENT AUDITORS' REPORT (Contd.)

KEY AUDIT MATTERS	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTERS
<p>respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to balance sheet date.</p>	<ul style="list-style-type: none"> • Tested the relevant information technology systems access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard. • Selected a sample of continuing and new contracts and performed the following procedures : <ul style="list-style-type: none"> - Read, analysed and identified the distinct performance obligations in these contracts. - Compared these performance obligations with that identified and recorded by the Company. - Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration. - Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts. - Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.

OTHER INFORMATION

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholders' Information, but does not include financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance and conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the ether information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITY OF MANAGEMENT FOR THE IND AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

INDEPENDENT AUDITORS' REPORT (Contd.)

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls;
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the Financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended 31st March, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Government of India, Ministry of Corporate Affairs dated 29th March, 2016 in terms of sub-section 11 of Section 143 of the Act, we give in the Annexure a statement on the matters specified therein, refer to Annexure "A".
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 purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

**INDEPENDENT AUDITORS' REPORT (Contd.)**

- c) The Balance Sheet, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on 31st March, 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- f) In our opinion, there exists adequacy of internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure "B" and;
- g) With respect to the other matters to be included in the Auditors Report in accordance with the requirements of the Section 197(15) of the Act, as amended:

In our opinion and to the best of our information & according to the explanation given to us, the remuneration paid to the directors by the company is in accordance with the said provision of the Act.

- h) 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 37 of 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For JAIN & CO.
Chartered Accountants
Firm Registration No. 302023E
CA M. K. JAIN
Partner
Membership No. 055048

Place : Kolkata
Dated : 28th May, 2019

ANNEXURE "A" TO THE AUDITORS' REPORT OF EVEN DATE**REFERRED 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.
 - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- 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) No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
- 3. The Company has granted loan to a body corporate in earlier years covered in the register maintained under Section 189 of the Companies Act, 2013, for which provision for bad and doubtful debts has been made as on 1st April, 2016 in the financial statement as reflected in note no. 10.

Accordingly, the paragraphs 3(iii) (a) and (b) of the order are not applicable.

ANNEXURE "A" TO THE AUDITORS' REPORT (Contd.)

4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to loans and investments made.
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 are not applicable.
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, Goods and Service 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 March, 2019 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 :

Sl. 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 Act, 2013	Sales Tax	2009-2010	7,94,960/-	West Bengal Commercial Taxes Appellate & Revision Board, West Bengal
2.	Income Tax Act, 1961	Income Tax Demand	2009-2010	1,24,257/-	D.C.I.T. Circle 4(1)
3.	Income Tax Act, 1961	Income Tax Demand	2016-2017	40,41,850/-	D.C.I.T. Circle 4(1)

8. 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 loans or borrowings to any bank during the year. Further, the Company does not have any debentures and loan from financial institution or government.
9. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
10. 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.
11. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the said Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the notes to financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him.
16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For JAIN & CO.
Chartered Accountants
Firm Registration No. 302023E
CA M K JAIN
Partner
Membership No. 055048

Place : Kolkata
Dated : 28th May, 2019

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(REFERRED TO IN PARAGRAPH (h) UNDER "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE.)

REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (i) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of KANCO TEA & INDUSTRIES LIMITED ("the Company") as of 31 March 2019 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For JAIN & CO.
Chartered Accountants
Firm Registration No. 302023E
CA M. K. JAIN
Partner
Membership No. 055048

Place : Kolkata
Dated : 28th May, 2019

**BALANCE SHEET as at 31st March, 2019**

(₹ in thousands)

	Note No.	<u>As at 31st March, 2019</u>	<u>As at 31st March, 2018</u>
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment	5	5,04,649.35	4,76,059.04
Capital Work-In-Progress		1,277.03	2,457.05
Intangible Assets	6	7.36	18.53
Investments in Subsidiaries	7	9,600.00	9,600.00
Financial Assets			
Investments	8	1,56,928.10	1,82,344.51
Trade Receivables	9	499.18	325.55
Loans	10	17,204.47	55,011.74
Other Financial Assets	11	12,340.43	11,677.97
Other Non-Current Assets	12	15,170.52	11,319.11
Non-Current Tax Asset (Net)	13	2,638.56	3,064.28
CURRENT ASSETS			
Inventories	14	39,103.54	31,736.40
Biological Assets other than bearer plants	15	1,837.63	1,083.44
Financial Assets			
Trade Receivables	9	10,933.66	8,464.85
Cash and Cash Equivalents	16	3,123.82	1,853.52
Bank balances other than Note 16	17	2,726.42	2,752.99
Loans	10	46,718.11	725.80
Other Financial Assets	11	14,868.93	6,759.20
Other Current Assets	12	35,488.19	20,411.05
Total Assets		<u>8,75,115.30</u>	<u>8,25,665.03</u>
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	18	51,228.27	51,228.27
Other Equity	19	2,57,254.00	2,30,237.31
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	20	2,60,069.90	2,45,309.49
Trade Payables	21	1,062.21	1,015.93
Other Financial Liabilities	22	90.42	90.42
Provisions	23	16,229.90	27,672.27
Deferred Tax Liabilities (Net)	24	6,676.15	11,088.90
Other Liabilities	25	1,790.63	2,147.56
CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	26	1,50,396.23	1,27,828.62
Trade Payables	21	35,846.35	31,950.65
Other Financial Liabilities	22	78,778.05	93,202.12
Provisions	23	13,983.53	1,823.57
Other Liabilities	25	1,709.66	2,069.92
Total Equity and Liabilities		<u>8,75,115.30</u>	<u>8,25,665.03</u>
Basis of Accounting	2		
Significant Accounting Policies	3		
Significant Judgements & Estimates	4		

The Notes are an integral part of the Financial Statements

As per our Report annexed of even date

For JAIN & CO.

Chartered Accountants

Firm Registration No. 302023E

CA M. K. JAIN

Partner

Membership No. 055048

Kolkata, the 28th day of May, 2019

U. KANORIA
Chairman & Director
(DIN:00081108)

C. KABRA
Company Secretary

S. K. PARHI
Chief Financial Officer

**STATEMENT OF PROFIT & LOSS for the year ended 31st March, 2019**

(₹ in thousands)

	Note No.	For the year ended 31st March, 2019	For the year ended 31st March, 2018
INCOME			
Revenue from Operations	27	5,50,673.15	5,30,811.46
Other Income	28	53,856.31	30,128.19
Total Income		6,04,529.46	5,60,939.65
EXPENSES			
Cost of Materials Consumed	29	98,329.07	62,828.03
Changes in Inventories of Finished Goods, Stock-In-Trade	30	(7,130.60)	13,290.55
Employee Benefits Expense	31	2,58,487.22	2,54,028.58
Finance Costs	32	48,091.26	42,347.51
Depreciation and Amortisation Expense	33	19,304.88	16,921.24
Other Expenses	34	1,64,506.25	169,401.25
Total Expenses		5,81,588.08	5,58,817.16
Profit before Tax		22,941.38	2,122.49
Tax Expense :	35		
Provision for I.Tax related to earlier year w/back		(83.27)	-
Deferred Tax		(4,412.75)	2,105.23
Profit for the year		27,437.40	17.26
Other Comprehensive Income	36		
i. Items that will not be reclassified to profit or loss	36 A	5,802.00	4,630.92
ii. Income tax relating to these items		-	944.90
		5,802.00	3,686.02
Other Comprehensive Income for the Year (Net of Tax)		5,802.00	3,686.02
Total Comprehensive Income for the period		33,239.40	3,703.28
Earnings Per Share			
Nominal Value of Shares (₹)		10	10
Weighted Average Number of Ordinary Shares outstanding during the year		51,22,827	51,22,827
Basic & Diluted Earnings Per Share		5.356	0.003
Basis of Accounting	2		
Significant Accounting Policies	3		
Significant Judgements & Estimates	4		

The Notes are an integral part of the Financial Statements

As per our Report annexed of even date
For JAIN & CO.
Chartered Accountants
Firm Registration No. 302023E
CA M. K. JAIN
Partner
Membership No. 055048
Kolkata, the 28th day of May, 2019

C. KABRA
Company Secretary

U. KANORIA
Chairman & Director
(DIN:00081108)

S. K. PARHI
Chief Financial Officer

**CASH FLOW STATEMENT for the year ended 31st March, 2019**

(₹ in thousands)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) Before Tax and after Exceptional items	22,941.38	2,122.49
Finance Cost	48,091.26	42,347.51
Depreciation (including amortization & impairment)	19,304.88	16,921.24
Changes in Fair Value of Biological Assets	(754.19)	1,103.04
Interest Received	(4,566.75)	(91.76)
Loss /(Profit) on Property, Plant and Equipment sold/discarded (Net)	165.59	(193.60)
Net (Gain) on sale of Investments	1,467.18	-
Mark to Market (gain) on Financial Instruments under FVTPL	-	(2,634.73)
Operating Profit/ (Loss) before Working Capital Changes	86,649.35	59,574.19
ADJUSTMENT FOR :		
Decrease in Trade Receivables	(2,642.44)	(4,302.03)
Decrease/(Increase) in Non-current & current financial assets	(4,925.34)	(7,356.91)
Decrease/(Increase) in Non-current & current assets	(15,417.11)	(4,465.42)
Decrease/(Increase) in Inventories & Biological Assets other than bearer plants	(7,367.14)	14,759.31
(Decrease)/ Increase in Trade Payables	3,941.98	5,928.74
(Decrease)/ Increase in Non-current & current financial liabilities	(12,163.42)	344.72
(Decrease)/ Increase in Non-current & current liabilities	(717.19)	(5,463.37)
(Decrease)/ Increase in Non-current & current provisions	1,475.66	(2,335.62)
Cash Generated from Operations	48,834.35	56,683.61
Income Tax (Paid)/ received (Net)	508.98	(86.87)
Net Cash Flow from Operating Activities	49,343.33	56,596.74
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	(50,797.03)	(48,904.46)
Sale of Property, Plant and Equipment	416.00	296.00
Loan Given (Net)	(8,185.04)	(40,139.18)
Fixed Deposits & other bank balances	26.57	380.30
Sale of Investments	28,993.16	2,144.45
Interest Received	719.90	143.99
Net Cash Flow from Investing Activities	(28,826.44)	(86,078.90)
C CASH FLOW FROM FINANCING ACTIVITIES		
(Decrease)/ Increase in Short Term Borrowings from Banks	22,567.61	33,698.89
(Decrease)/ Increase in Long Term Borrowings	12,333.60	(7,043.90)
Finance Cost	(47,925.10)	(20,933.82)
Dividend Paid	(5,122.83)	(4,269.02)
Dividend distribution tax paid	(1,099.88)	(926.07)
Net Cash Flow from Financing Activities	(19,246.60)	526.08
Net Increase / (Decrease) in Cash and Cash Equivalents	1,270.30	(28,956.07)
Cash and Cash Equivalents at the beginning of the year	1,853.52	30,809.59
Cash and Cash Equivalents at the end of the year	3,123.82	1,853.52

Notes :

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in IND AS -7 "Statement of Cash Flows" referred to in the Companies (Accounts) Rules, 2016.
- Previous year's figures have been re-grouped/re-arranged wherever necessary.

As per our Report annexed of even date

For JAIN & CO.

Chartered Accountants

Firm Registration No. 302023E

CA M. K. JAIN

Partner

Membership No. 055048

Kolkata, the 28th day of May, 2019

U. KANORIA
Chairman & Director
(DIN:00081108)

C. KABRA
Company Secretary

S. K. PARHI
Chief Financial Officer

**STATEMENT OF CHANGES IN EQUITY for the year ended 31st March, 2019**

(₹ in thousands)

a. Equity Share Capital

Balance as at 31st March 2017	17,076.09
Add/(Less): Changes during the year 2017-18	34,152.18
Balance as at 31st March 2018	51,228.27
Add/(Less): Changes during the year 2018-19	-
Balance as at 31st March 2019	51,228.27

b. Other Equity

Particulars	General Reserve	Preference Share Redemption Reserve	Retained Earnings	Other Comprehensive Income		Total
				Equity Instrument through other Comprehensive Income	Remeasurement of Defined Benefit Plans	
Balance as at 31st March, 2017	1,07,279.05	4,000.00	68,684.23	87,138.98	(1,220.96)	2,65,881.30
Profit for the Year	-	-	17.26	-	-	17.26
Change in Fair Value	-	-	-	6,199.72	-	6,199.72
Remeasurement Gain/(Loss) (Net of Tax)	-	-	-	-	(2,513.70)	(2,513.70)
Total Comprehensive Income	-	-	17.26	6,199.72	(2,513.70)	3,703.28
Final Dividend Paid	-	-	4,269.02	-	-	4,269.02
Dividend Distribution Tax on Final Dividend Utilised for Bonus Issue	-	-	926.07	-	-	926.07
	34,152.18	-	-	-	-	34,152.18
Total Distribution	34,152.18	-	5,195.09	-	-	39,347.27
Balance as at 31st March, 2018	73,126.87	4,000.00	63,506.40	93,338.70	(3,734.66)	2,30,237.31

Particulars	General Reserve	Preference Share Redemption Reserve	Retained Earnings	Other Comprehensive Income		Total
				Equity Instrument through other Comprehensive Income	Remeasurement of Defined Benefit Plans	
Balance as at 31st March, 2018	73,126.87	4,000.00	63,506.40	93,338.70	(3,734.66)	2,30,237.31
Profit for the Year	-	-	27,437.40	-	-	27,437.40
Change in Fair Value	-	-	-	5,043.93	-	5,043.93
Remeasurement Gain/(Loss) (Net of Tax)	-	-	-	-	758.07	758.07
Total Comprehensive Income	-	-	27,437.40	5,043.93	758.07	33,239.40
Final Dividend Paid	-	-	5,122.83	-	-	5,122.83
Dividend Distribution Tax on Final Dividend	-	-	1,099.88	-	-	1,099.88
	-	-	6,222.71	-	-	6,222.71
Total Distribution	-	-	6,222.71	-	-	6,222.71
Balance as at 31st March, 2019	73,126.87	4,000.00	84,721.09	98,382.63	(2,976.59)	2,57,254.00

The Notes are an integral part of the Financial Statements

As per our Report annexed of even date

For JAIN & CO.

Chartered Accountants

Firm Registration No. 302023E

CA M. K. JAIN

Partner

Membership No. 055048

Kolkata, the 28th day of May, 2019

U. KANORIA
Chairman & Director
(DIN:00081108)

C. KABRA
Company Secretary

S. K. PARHI
Chief Financial Officer

Notes to the Standalone Financial Statements for the year ended 31st March, 2019

1. CORPORATE AND GENERAL 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 ISO 22000 Food Safety Management. The quality management system of Mackeypore Tea Estate has been assessed and found to meet the requirements of ISO 9001:2015. Mackeypore Tea Estate & Lakmijan Tea Estate has been issued verification certificate under Trustea code for sustainable tea in India.

2. BASIS OF ACCOUNTING

2.1. Statement of Compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended), other relevant provisions of the Act and other accounting principles generally accepted in India. The accounting policies are applied consistently to all the periods presented in the financial statements.

The financial statements of the Company for the year ended 31st March, 2019 has been approved by the Board of Directors in their meeting held on 28th May, 2019.

2.2. Basis of Accounting

The Company maintains accounts on accrual basis following the historical cost convention, except for followings:

- Certain Financial Assets and Liabilities is measured at Fair value/ Amortised cost (refer accounting policy regarding financial instruments);
- Defined Benefit Plans – plan assets measured at fair value; and
- Biological Assets – At fair value less cost to sell.

2.3. Functional and Presentation Currency

The Financial Statements are presented in Indian Rupee (INR), which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates. All financial information presented in INR has been rounded off to the nearest thousands as per the requirements of Schedule III, unless otherwise stated.

2.4. Use of Estimates and Judgements

The preparation of financial statements in conformity with Ind AS requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

2.5. Presentation of Financial Statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2.6. Operating Cycle for current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1. The Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

2.7. Measurement of Fair Values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 — Inputs which are unobservable inputs for the asset or liability.

External valuers are involved for valuation of significant assets & liabilities. Involvement of external valuers is decided by the management of the Company considering the requirements of Ind AS and selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

3. ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all the periods presented in the financial statements.

3.1. INVENTORIES

Inventories are valued at the lower of cost and net realizable value (NRV). Cost is measured by including, unless specifically mentioned below, cost of purchase and other costs incurred in bringing the inventories to their present location and condition. NRV is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

- Raw Materials: At Cost or Net Realizable Value whichever is lower. Cost of harvested tea leaves, produced from own gardens, is measured at fair value less cost to sell at the point of harvest of tea leaves.
- Stores and Spare Parts: Stores and Spare Parts are measured at cost (measured at weighted average basis) or net realizable value whichever is lower.
- Finished Goods: Finished goods produced from agricultural produce are valued at lower of cost and the net realizable value. Cost is arrived at by adding the cost of conversion to the fair value of agricultural produce.
- Stock in Trade: Stock in Trade is measured at cost (i.e., purchase cost) or net realizable value whichever is lower.
- Waste/ Scrap: Waste and Scrap (including tea waste) are valued at estimated realizable value.

3.2. CASH AND CASH EQUIVALENTS

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

For the purpose of the statement of cash flows, cash and cash equivalents includes cash in hand, deposits and other short-term highly liquid investments as defined above, net of bank overdrafts as they are considered an integral part of the Company's cash management. Bank overdrafts are shown within short term borrowings in the balance sheet.

3.3. INCOME TAX

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

3.3.1. Current Tax

Current tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities using the tax rates (and tax laws) that have been enacted or substantively enacted, at the end of the reporting period.

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

3.3.2. Deferred Tax

- Deferred Tax assets and liabilities is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.
- Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes (i.e., tax base). Deferred tax is also recognized for carry forward of unused tax losses and unused tax credits.
- Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.
- The carrying amount of deferred tax assets is reviewed at the end of each reporting period. The Company reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.
- Deferred tax relating to items recognized outside the Statement of Profit and Loss is recognized either in other comprehensive income or in equity. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.
- Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

3.4. PROPERTY, PLANT AND EQUIPMENT

3.4.1. Tangible Assets (Other than Bearer Plants)

3.4.1.1. Recognition and Measurement

- Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost, less any accumulated depreciation and accumulated impairment losses (if any).
- Cost of an item of property, plant and equipment acquired comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting any trade discounts and rebates, any directly attributable costs of bringing the assets to its working condition and location for its intended use and present value of any estimated cost of dismantling and removing the item and restoring the site on which it is located.
- In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of directly attributable overheads, directly attributable borrowing costs incurred in bringing the item to working condition for its intended use, and estimated cost of dismantling and removing the item and restoring the site on which it is located. The costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling items produced while bringing the asset to that location and condition are also added to the cost of self-constructed assets.
- If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.
- Profit or loss arising on the disposal of property, plant and equipment are recognized in the Statement of Profit and Loss.

3.4.1.2. Subsequent Measurement

- Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced.
- Major Inspection/ Repairs/ Overhauling expenses are recognized in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any Unamortized part of the previously recognized expenses of similar nature is derecognized.

3.4.1.3. Depreciation and Amortization

- Depreciation on tangible fixed assets is provided under Straight Line Method at rates determined based on the useful life of the respective assets and the residual values in accordance with Schedule II of the Companies Act, 2013 or as reassessed by the Company based on the technical evaluation.
- In respect of spares for specific machinery, cost is amortized over the useful life of the related machinery as estimated by the management.

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

- Depreciation on additions (disposals) during the year is provided on a pro-rata basis i.e., from (up to) the date on which asset is ready for use (disposed of).
- Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3.4.1.4. Disposal of Assets

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

3.4.1.5. Capital Work in Progress

Capital work-in-progress is stated at cost which includes expenses incurred during construction period, interest on amount borrowed for acquisition of qualifying assets and other expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial production.

3.4.2. Bearer Plants

3.4.2.1. Recognition and Measurement

- Bearer Plants, comprising of mature tea bushes and shade trees are stated in the balance sheet at cost, less any accumulated depreciation and accumulated impairment losses (if any).
- Cost of bearer plants includes the cost of uprooting, land development, rehabilitation, planting of Guatemala, planting of shade trees, cost of nursery, drainage, manual cultivation, fertilizers, agro-chemicals, pruning and infilling etc.

3.4.2.2. Subsequent Measurement

Costs incurred for infilling including block infilling are generally recognized in the Statement of Profit and Loss unless there is a significant increase in the yield of the sections, in which case such costs are capitalized and depreciated over the remaining useful life of the respective sections.

3.4.2.3. Depreciation

- Depreciation on bearer plants is recognised so as to write off its cost over useful lives, using the straight-line method.
- The estimated useful life, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.
- Estimated useful life of the bearer plants has been determined to be 50 years. The residual value in case of Bearer Plants has been considered as NIL.

3.4.2.4. Capital Work in Progress

Young tea bushes & shade trees, including the cost incurred for procurement of new seeds and maintenance of nurseries, are carried at cost less any recognized impairment losses under capital work-in-progress. Cost includes the cost of land preparation, new planting and maintenance of newly planted bushes until maturity. On maturity, these costs are classified under bearer plants. Depreciation of bearer plants commence on maturity.

3.5. REVENUE RECOGNITION

Revenue is recognised based on nature of activity when consideration can be reasonably measured and recovered with reasonable certainty. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment, but excludes amounts collected on behalf of third parties, such as sales tax and value added tax and is reduced for estimated customer returns, rebates and other similar allowances.

3.5.1. Sale of Products

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and significant risk and reward incidental to sale of products is transferred to the buyer, usually on delivery of the goods.

3.5.2. Other Income

3.5.2.1. Interest Income : For all debt instruments measured either at amortized cost or at fair value through other comprehensive income (FVTOCI), interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset.

3.5.2.2. Dividend Income: Dividend income is accounted in the period in which the right to receive the same is established.

3.5.2.3. Other Income : Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably.

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

3.6. EMPLOYEE BENEFITS

3.6.1. Short Term Benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period.

3.6.2. Other Long Term Employee Benefits

The liabilities for earned leaves and sick leaves that are not expected to be settled wholly within twelve months are measured as the present value of the expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation. Remeasurements as the result of experience adjustment and changes in actuarial assumptions are recognized in Statement of Profit and Loss.

3.6.3. Post Employment Benefits

The Company operates the following post employment schemes:

- **Defined Contribution Plan**

Defined contribution plans such as Provident Fund, Superannuation Fund, Labour Welfare Fund etc. are charged to the Statement of Profit and Loss as and when incurred. There are no other contribution payable to the respective funds.

- **Defined Benefit Plans**

The liability or asset recognized in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method.

The liability recognized for defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The benefits are discounted using the government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation.

Remeasurements of the net defined benefit obligation, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling, are recognized in other comprehensive income. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the statement of profit and loss.

3.7. GOVERNMENT GRANTS

Government grants are recognised at their fair value, where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

The grant relating to the acquisition/ construction of an item of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on the same systematic basis as the respective assets are depreciated over their expected life and are presented within other operating income.

3.8. FOREIGN CURRENCY TRANSACTIONS

- Foreign currency (other than the functional currency) transactions are translated into the functional currency using the spot rates of exchanges at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchanges at the reporting date.
- Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities are generally recognized in profit or loss in the year in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those qualifying assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings, the balance is presented in the Statement of Profit and Loss within finance costs.
- Non monetary items are not retranslated at period end and are measured at historical cost (translated using the exchange rate at the transaction date).

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

3.9. BORROWING COSTS

- Borrowing Costs consists of interest and other costs that an entity incurs in connection with the borrowings of funds. Borrowing costs also includes exchange difference to the extent regarded as an adjustment to the borrowing costs.
- Borrowing costs directly attributable to the acquisition or construction of a qualifying asset are capitalized as a part of the cost of that asset that necessarily takes a substantial period of time to complete and prepare the asset for its intended use or sale. The Company considers a period of twelve months or more as a substantial period of time.
- Transaction costs in respect of long term borrowing are amortized over the tenure of respective loans using Effective Interest Rate (EIR) method. All other borrowing costs are recognized in the statement of profit and loss in the period in which they are incurred.

3.10. INVESTMENT IN SUBSIDIARIES

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

3.11. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.11.1. Financial Assets

- **Recognition and Initial Measurement :**

All financial assets are initially recognized when the company becomes a party to the contractual provisions of the instruments. A financial asset is initially measured at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

- **Classification and Subsequent Measurement :**

For purposes of subsequent measurement, financial assets are classified in four categories :

- Measured at Amortized Cost;
- Measured at Fair Value Through Other Comprehensive Income (FVTOCI);
- Measured at Fair Value Through Profit or Loss (FVTPL); and
- Equity Instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

- Measured at Amortized Cost : A debt instrument is measured at the amortized cost if both the following conditions are met :

- > The asset is held within a business model whose objective is achieved by both collecting contractual cash flows; and
- > The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade receivables, cash and bank balances, loans and other financial assets of the Company.

- Measured at FVTOCI: A debt instrument is measured at the FVTOCI if both the following conditions are met :

- > The objective of the business model is achieved by both collecting contractual cash flows and selling the financial assets; and
- > The asset's contractual cash flows represent SPPI.

Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on remeasurement recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains or losses. Interest calculated using the effective interest method is recognized in the Statement of Profit and Loss in investment income.

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

- Measured at FVTPL: FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL. In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss. Equity instruments which are, held for trading are classified as at FVTPL.
- Equity Instruments measured at FVTOCI: For all other equity instruments, which has not been classified as FVTPL as above, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. In case the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment.

- **Derecognition :**

The Company derecognizes a financial asset on trade date only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

- **Impairment of Financial Assets :**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS – 109 requires expected credit losses to be measured through a loss allowance. The company recognizes lifetime expected losses for all contract assets and/ or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

3.11.2. Financial Liabilities

- **Recognition and Initial Measurement :**

Financial liabilities are classified, at initial recognition, as at fair value through profit or loss, loans and borrowings, payables or as derivatives, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

- **Subsequent Measurement :**

Financial liabilities are measured subsequently at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

- **Financial Guarantee Contracts :**

Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirement of Ind AS 109 and the amount recognized less cumulative amortization.

- **Derecognition :**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

3.11.3. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

3.12. Earnings Per Share

Basic Earnings per Share (EPS) amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders adjusted for the effects of potential equity shares by the weighted average number of equity shares

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

3.13. Impairment of Non-Financial Assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful lives of the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (Cash Generating Units – CGU).

An impairment loss is recognized as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in earlier accounting period is reversed if there has been an improvement in recoverable amount.

3.14. Provisions, Contingent Liabilities and Contingent Assets

3.14.1. Provisions

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and 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 determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

3.14.2. Contingent Liabilities

Contingent liability is a possible obligation arising from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events but is not recognized because it is not possible that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations cannot be made. The Company discloses the existence of contingent liabilities in Other Notes to Financial Statements.

3.14.3. Contingent Assets

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent Assets are not recognized though are disclosed, where an inflow of economic benefits is probable.

3.15. Intangible Assets

3.15.1. Recognition and Measurement

Software which is not an integral part of related hardware, is treated as intangible asset and are stated at cost on initial recognition and subsequently measured at cost less accumulated amortization and accumulated impairment loss, if any.

3.15.2. Subsequent Expenditure

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Company and the cost of the item can be measured reliably. All other expenditure is recognized in the Statement of Profit & Loss.

3.15.3. Amortization

- Intangible assets are amortized over their estimated useful lives.
- The amortization period and the amortization method are reviewed at least at the end of each financial year. If the expected useful life of the assets is significantly different from previous estimates, the amortization period is changed accordingly.

3.15.4. Intangible Assets under Development

Intangible Assets under development is stated at cost which includes expenses incurred in connection with development of Intangible Assets in so far as such expenses relate to the period prior to the getting the assets ready for use.

3.16. Biological Assets and Agricultural Produce

3.16.1. Biological Assets

Biological assets of the company comprise of un-harvested green tea leaves that are classified as current biological assets.

The Company recognizes biological assets when, and only when, the Company controls the assets as a result of past events, it is probable that future economic benefits associated with such assets will flow to the company and the fair value or cost of the assets can be measured reliably. Expenditure incurred on biological assets is measured on initial recognition and at the end of each reporting period at its fair value less costs to sell. The gain or loss arising from a change in fair value less cost to sell of biological assets is included in Statement of Profit and Loss for the period in which it arises.

Notes to the Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

3.16.2. Agricultural Produce

The Company recognizes agricultural produce when, and only when, the Company controls the assets as a result of past events, it is probable that future economic benefits associated with such assets will flow to the Company and the fair value or the cost of the assets can be measured reliably. Agricultural produce harvested from the Company's biological assets are valued at fair value less cost to sell at the point of harvest. A gain or loss arising on initial recognition of agricultural produce at fair value less cost to sell shall be included in Statement of Profit & Loss for the period in which it arises.

The Company's agricultural produce comprises of green leaves plucked from its tea estate.

3.17. Operating Segment

Operating Segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors. Segments are organized based on businesses which have similar economic characteristics as well as exhibit similarities in nature of production processes, the type and class of customer and distribution methods. Accordingly, the company has only one segment i.e., Manufacturing of Black Tea.

4. SIGNIFICANT JUDGEMENTS AND KEY SOURCES OF ESTIMATION IN APPLYING ACCOUNTING POLICIES

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. Information about Significant judgements and Key sources of estimation made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

- **Recognition of Deferred Tax Assets:** The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits.
- **Useful lives of depreciable/ amortisable assets (tangible and intangible):** Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to actual normal wear and tear that may change the utility of plant and equipment.
- **Defined Benefit Obligation (DBO):** Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, medical cost trends, anticipation of future salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate. However, any changes in these assumptions may have a material impact on the resulting calculations.
- **Provisions and Contingencies:** The assessments undertaken in recognising provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgement by management regarding the probability of exposure to potential loss.
- **Impairment of Financial Assets:** The Company reviews its carrying value of investments carried at amortized cost annually, or more frequently when there is indication of impairment. If recoverable amount is less than its carrying amount, the impairment loss is accounted for.
- **Allowances for Doubtful Debts:** The Company makes allowances for doubtful debts through appropriate estimations of irrecoverable amount. The identification of doubtful debts requires use of judgment and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.
- **Fair value measurement of financial Instruments:** When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The input to these models are taken from observable markets where possible, but where this not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.
- **Fair Value of Biological Assets:** The fair value of Biological Assets is determined based on recent transactions entered into with third parties or available market price.

Notes to the Standalone Financial Statements as on and for the year ended 31st March, 2019 (Contd.)
(₹ in thousands)
5 PROPERTY, PLANT AND EQUIPMENT

Particulars	Year Ended 31st March 2019								
	Gross Block				Accumulated Depreciation				Net Carrying Amount
	As at 1st April 2018	Additions	Disposals/ Adjustments	As at 31st March 2019	As at 1st April 2018	For the Year	Deductions/ Adjustments	As at 31st March 2019	
Land Freehold	2,44,026.60	-	-	2,44,026.60	-	-	-	-	2,44,026.60
Buildings & Water Supply Installation	64,723.83	14,100.09	-	78,823.92	3,732.25	2,453.21	-	6,185.46	72,638.46
Plant & Equipments	93,296.46	10,740.87	-	1,04,037.33	15,051.61	9,118.52	-	24,170.13	79,867.20
Furniture and Fixtures	4,666.16	775.90	10.40	5,431.66	1,105.26	604.96	1.84	1,708.38	3,723.28
Motor Vehicles	31,358.75	2,311.92	739.81	32,930.86	6,350.09	4,336.30	166.78	10,519.61	22,411.25
Bearer Plants	67,537.15	20,536.83	881.81	87,192.17	3,310.70	2,780.72	881.81	5,209.61	81,982.56
Total	5,05,608.95	48,465.61	1,632.02	5,52,442.54	29,549.91	19,293.71	1,050.43	47,793.19	5,04,649.35

Particulars	Year Ended 31st March 2018								
	Gross Block				Accumulated Depreciation				Net Carrying Amount
	As at 1st April 2017	Additions	Disposals/ Adjustments	As at 31st March 2018	As at 1st April 2017	For the Year	Deductions/ Adjustments	As at 31st March 2018	
Land Freehold	2,44,026.60	-	-	2,44,026.60	-	-	-	-	2,44,026.60
Buildings & Water Supply Installation	48,272.39	16,451.44	-	64,723.83	1,614.22	2,118.03	-	3,732.25	60,991.58
Plant & Equipments	61,109.92	32,189.24	2.70	93,296.46	6,432.70	8,619.82	0.91	15,051.61	78,244.85
Furniture and Fixtures	4,438.07	228.09	-	4,666.16	550.77	554.49	-	1,105.26	3,560.90
Motor Vehicles	20,519.31	11,061.91	222.47	31,358.75	3,006.13	3,465.82	121.86	6,350.09	25,008.66
Bearer Plants	61,371.67	6,165.48	-	67,537.15	1,167.96	2,142.74	-	3,310.70	64,226.45
Total	4,39,737.96	66,096.16	225.17	5,05,608.95	12,771.78	16,900.90	122.77	29,549.91	4,76,059.04

Notes :

5.1 Refer note no. 39 for information on inventories pledged as securities by the Company.

5.2 Refer note no. 38 for disclosure of contractual commitments for the acquisition of Property, Plant & Equipments.

6 INTANGIBLE ASSETS

Particulars	Year Ended 31st March 2019								
	Gross Carrying Amount				Accumulated Amortization				Net Carrying Amount
	As at 1st April 2018	Additions	Disposals/ Adjustments	As at 31st March 2019	As at 1st April 2018	For the Year	Deductions/ Adjustments	As at 31st March 2019	
Computer Software	98.96	-	-	98.96	80.43	11.17	-	91.60	7.36
Total	98.96	-	-	98.96	80.43	11.17	-	91.60	7.36

Notes to the Standalone Financial Statements as on and for the year ended 31st March, 2019 (Contd.)
(₹ in thousands)
6 INTANGIBLE ASSETS (Contd.)

Particulars	Year Ended 31st March 2018								
	Gross Carrying Amount				Accumulated Amortization				Net Carrying Amount
	As at 1st April 2017	Additions	Disposals/ Adjustments	As at 31st March 2018	As at 1st April 2017	For the Year	Deductions/ Adjustments	As at 31st March 2018	
Computer Software	98.96	-	-	98.96	60.10	20.33	-	80.43	18.53
Total	98.96	-	-	98.96	60.10	20.33	-	80.43	18.53

7 INVESTMENT IN SUBSIDIARIES

	Face Value	As at 31st March, 2019		As at 31st March, 2018	
		Qty	Amount	Qty	Amount
Equity Investment valued at Cost (Unquoted)					
Winnow Investments & Securities Pvt. Ltd.	10	9,60,000	9,600.00	9,60,000	9,600.00
			9,600.00		9,600.00

8 NON-CURRENT INVESTMENTS
Investment at Fair Value through Other
Comprehensive Income
Equity Instruments (Quoted)

Warren Tea Limited	10	10	0.62	10	1.05
Kanco Enterprises Limited*	10	33,14,291	1,160.01	33,14,291	1,160.01
Subtotal			1,160.63		1,161.06

Equity Instruments (Unquoted)

Gujurat Nylons Limited	10	100	3.47	100	3.47
The Methoni Tea Co. Limited	10	100	12.69	100	12.69
The Grob Tea Co. Limited	10	150	12.12	150	12.12
Rydak Syndicate Limited	10	100	12.69	100	12.69
E T Resources Private Limited	10	74,300	37,521.50	74,300	36,035.50
B T Investments Private Limited	10	76,500	20,043.00	76,500	19,201.50
Cosmos Resources Private Limited	10	75,000	8,025.00	75,000	7,800.00
Facitcon Investments Private Limited	10	88,000	24,992.00	88,000	24,288.00
S T Investment Private Limited	10	7,98,350	23,950.50	7,98,350	23,152.16
Nidhi Private Limited	10	1,60,000	11,040.00	1,60,000	9,600.00
Innova Properties Private Limited	10	77,500	12,167.50	77,500	12,709.98
Suryasakti Commodities Private Limited	10	46,000	9,430.00	46,000	9,338.00
Subtotal			1,47,210.47		1,42,166.11
Total (A)			1,48,371.10		1,43,327.17

Investments at Fair Value through Profit or Loss
Investment in 7% Non Cumulative Redeemable
Preference Shares(Unquoted)

B T Investments Private Limited	100	39,250	3,925.00	39,250	3,925.00
Facitcon Investments Private Limited	100	46,320	4,632.00	46,320	4,632.00
Subtotal			8,557.00		8,557.00

Notes to the Standalone Financial Statements as on and for the year ended 31st March, 2019 (Contd.)
(₹ in thousands)
8 NON-CURRENT INVESTMENTS (Contd.)

	Face Value	As at 31st March, 2019		As at 31st March, 2018	
		Qty	Amount	Qty	Amount
Investment in Mutual Funds (Unquoted)					
HDFC Asset Management Company Limited		-	-	5,24,301.368	6,462.07
Reliance Capital Asset Management Company Limited		-	-	5,11,927.921	5,424.29
IIFL Asset Revival Fund Series-2		-	-	13,22,848.951	18,573.98
Subtotal		-	-		30,460.34
Total (B)			8,557.00		39,017.34
TOTAL NON- CURRENT INVESTMENTS (A+B)			1,56,928.10		1,82,344.51
Aggregate Book Value of Quoted Investments			1,160.63		1,161.06
Aggregate Fair Value of Quoted Investments			1,160.63		1,161.06
Aggregate amount of Unquoted Investments			1,55,767.47		1,81,183.45

* Out of which 30,06,080 Equity Shares were lying pledged in the previous year.

9 TRADE RECEIVABLES

	Refer Note No.	Long Term		Short Term	
		As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Trade Receivables	9.1 & 9.2	499.18	325.55	10,933.66	8,464.85
Less: Provision for doubtful receivables		-	-	-	-
Total Trade Receivables		499.18	325.55	10,933.66	8,464.85
Break Up of Security Details					
Secured, considered good		-	-	-	-
Unsecured, considered good		499.18	325.55	10,933.66	8,464.85
Doubtful		-	-	-	-
Total		499.18	325.55	10,933.66	8,464.85
Less: Provision for doubtful receivables		-	-	-	-
Total Trade Receivables		499.18	325.55	10,933.66	8,464.85

9.1 Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days.

9.2 No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

10 LOANS

	Refer Note No.	Long Term		Short Term	
		As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Loans & Advances to Related Parties	10.1				
Unsecured, considered doubtful		43,434.76	43,434.76	-	-
Less: Provision for Doubtful Advances		43,434.76	43,434.76	-	-
		-	-	-	-
Inter Corporate Loans to Others, unsecured, considered good		16,925.98	54,229.28	45,653.31	-
Advance to Employees, unsecured, considered good		278.49	782.46	1,064.80	725.80
Total Loans		17,204.47	55,011.74	46,718.11	725.80

10.1 No Loans are due from directors or other officers of the Company either severally or jointly with any other person. Nor any loan are due from firms or private companies respectively in which any director is a partner, a director or a member.

Notes to the Standalone Financial Statements as on and for the year ended 31st March, 2019 (Contd.)
(₹ in thousands)

11 OTHERS FINANCIAL ASSETS	Refer Note No.	Long Term		Short Term	
		As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Security & Other Deposits		11,909.39	11,246.93	20.00	-
Nabard Tea Development Account		-	-	3.40	3.40
Interest Accrued and Due		3,949.26	3,949.26	3,883.90	37.05
Less: Provision for Doubtful receivables		(3,518.22)	(3,518.22)	-	-
Others		-	-	10,961.63	6,718.75
		12,340.43	11,677.97	14,868.93	6,759.20
12 OTHER ASSETS					
Capital Advances		640.45	240.45	3,111.44	-
Advances other than Capital Advances					
Advance against supply of Goods & Services		1,842.84	1,836.84	14,369.66	11,571.36
Less : Provision for Doubtful Advances		-	-	-	-
Prepaid Expenses		-	-	216.55	1,912.56
Balances with Government & Statutory Authorities		53.25	159.37	10,563.46	6,171.31
Less : Provision for Doubtful Advances		-	-	-	-
Incentive and Subsidy Receivable		14,076.26	11,823.45	6,590.39	-
Less: Provision for Doubtful Receivables		(2,946.46)	(2,946.46)	-	-
Other Receivables		1,504.18	205.46	636.69	755.82
Total Other Assets		15,170.52	11,319.11	35,488.19	20,411.05
13 NON CURRENT TAX ASSETS (NET)					
	Refer Note No.	As at 31st March, 2019		As at 31st March, 2018	
Advance Income Tax & TDS		41,724.19		43,425.92	
Less: Provision for Taxation		39,085.63		40,361.64	
		2,638.56		3,064.28	
14 INVENTORIES					
(As valued and certified by the Management)					
Raw Materials	3.1	19.07		1,158.17	
Finished Goods	14.2	17,594.88		10,464.28	
Stores and Spares etc.	14.1 & 14.2	21,489.59		20,113.95	
		39,103.54		31,736.40	
14.1 The above includes goods-in-transit as under :					
Stores and Spares etc.		3,843.70		2,502.99	
		3,843.70		2,502.99	
14.2 Refer note no. 39 for information on inventories pledged as securities by the Company.					
14.3 Refer note no. 29 & 34 for information in relation to the amount of inventories recognized as expenses.					
15 BIOLOGICAL ASSETS OTHER THAN BEARER PLANTS					
Fair Value of Biological Assets other than Bearer Plants (Unharvested Tea Leaves)	15.1	1,837.63		1,083.44	
		1,837.63		1,083.44	
15.1 Unharvested tea leaves on bushes as on 31st March 2019 was 80,846 kgs (31st March,2018 - 54,118 kgs)					

Notes to the Standalone Financial Statements as on and for the year ended 31st March, 2019 (Contd.)
(₹ in thousands)

16 CASH AND CASH EQUIVALENTS	Refer Note No.	As at 31st March, 2019	As at 31st March, 2018
Balances With Banks :			
In Current/Cash Credit Account		2,287.99	1,219.24
Cash in Hand		835.83	634.28
		<u>3,123.82</u>	<u>1,853.52</u>

17 BANK BALANCES (OTHER THAN NOTE: 16)			
Unpaid Dividend & Fractional Shares Account		2,199.14	2,303.04
Deposit Accounts with Original Maturity of more than three months but less than 12 months	17.1	527.28	449.95
		<u>2,726.42</u>	<u>2,752.99</u>

17.1 Represents deposits marked lien with banks as security for Letter of Credit facility.

18 EQUITY SHARE CAPITAL	As at 31st March, 2019		As at 31st March, 2018	
	No. of Shares	Amount	No. of Shares	Amount
18.1 Authorised Share Capital				
Ordinary Shares of ₹ 10/- each	60,00,000	60,000.00	60,00,000	60,000.00
Preference Shares of ₹ 100/- each	1,00,000	10,000.00	1,00,000	10,000.00
		<u>70,000.00</u>		<u>70,000.00</u>
18.2 Issued, Subscribed and Paid-up Share Capital				
Ordinary Shares of ₹ 10/- each fully paid-up	51,22,827	51,228.27	51,22,827	51,228.27
	<u>51,22,827</u>	<u>51,228.27</u>	<u>51,22,827</u>	<u>51,228.27</u>

18.3 Reconciliation of the number of shares at the beginning and at the end of the year		As at 31st March, 2019	As at 31st March, 2018
No. of Shares outstanding at the beginning of the year		51,22,827	17,07,609
Add: Issued during the year pursuant to the bonus issue		-	34,15,218
No. of Shares outstanding at the end of the year		<u>51,22,827</u>	<u>51,22,827</u>

18.4 Terms/ Rights attached to Equity Shares

The Company has only one class of Ordinary Equity Share having a face value of ₹ 10 per share and each holder of Ordinary Equity Share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors (except interim dividend) is subject to the approval of the shareholders in the Annual General Meeting. The claim of Ordinary Equity Shareholders on earnings and on assets in the event of liquidation, follows all others, in proportion to their shareholding.

18.5 Shareholding Pattern with respect of Holding or Ultimate Holding Company

The Company does not have any Holding Company or Ultimate Holding Company.

18.6 Details of Equity Shareholders holding more than 5% shares in the Company	As at 31st March, 2019		As at 31st March, 2018	
	No. of Shares	% Holding	No. of Shares	% Holding
Ordinary Shares of ₹ 10/- each fully paid				
E. T. Resources Private Limited	8,77,623	17.13%	8,77,623	17.13%
Satvik Welfare Trust	7,47,900	14.60%	7,47,900	14.60%
Mrs. Anuradha Kanoria	5,49,441	10.73%	5,49,441	10.73%
Umang Kanoria (HUF)	4,66,605	9.11%	4,66,605	9.11%
Mr. Satvik Kanoria	2,86,623	5.60%	2,86,623	5.60%
Facitcon Investments Private Limited	2,59,950	5.07%	2,59,950	5.07%

Notes to the Standalone Financial Statements as on and for the year ended 31st March, 2019 (Contd.)
(₹ in thousands)
18 EQUITY SHARE CAPITAL (Contd.)

18.7 No Ordinary Equity Shares have been reserved for issue under options and contracts/ commitments for the sale of shares/ disinvestment as at the Balance Sheet date.

18.8 The Company had issued 34,15,218 no. of Ordinary Equity Shares as bonus shares in the ratio of 2:1 to its existing shareholders during the year ended 31st March, 2018.

18.9 No securities convertible into Equity/ Preference shares have been issued by the Company during the year.

18.10 No calls are unpaid by any Director or Officer of the Company during the year.

19 OTHER EQUITY

	As at 31st March, 2019	As at 31st March, 2018
General Reserve	73,126.87	73,126.87
Preference Share Redemption Reserve	4,000.00	4,000.00
Retained Earnings	84,721.09	63,506.40
Other Reserves	95,406.04	89,604.04
	<u>2,57,254.00</u>	<u>2,30,237.31</u>

20 BORROWINGS

	Refer Note No.	Non-Current Portion		Current Maturities	
		As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
20.1 Non Convertible Redeemable Preference Shares (NCRPS) (Face Value ₹ 100 each) 40,000 (Previous Year 31st March 2018 - 40,000) 7% NCRPS redeemable on 31st March, 2023		4,000.00	4,000.00	-	-
20.2 Term Loans					
From Banks :					
Rupee Loans	20.3 A	1,44,567.27	1,67,328.69	22,110.00	25,935.04
		<u>1,44,567.27</u>	<u>1,67,328.69</u>	<u>22,110.00</u>	<u>25,935.04</u>
From Others					
From Directors		20,900.00	6,800.00	-	-
From Others	20.3 B	90,602.63	67,180.80	2,084.60	686.37
Total		<u>2,60,069.90</u>	<u>2,45,309.49</u>	<u>24,194.60</u>	<u>26,621.41</u>
Amount disclosed under Note No.22 "Other Financial Liability"		-	-	(24,194.60)	(26,621.41)
		<u>2,60,069.90</u>	<u>2,45,309.49</u>	-	-
Break up of Security Details					
Secured	20.4	1,46,626.38	1,70,760.54	24,194.60	26,621.41
Unsecured		1,13,443.52	74,548.95	-	-
Total		<u>2,60,069.90</u>	<u>2,45,309.49</u>	<u>24,194.60</u>	<u>26,621.41</u>

20.3 Terms of Repayment of Term Loans

Particulars	Refer Note No.	₹ in thousands	Period of Maturity	No. of Instalments Due	Instalment Value	Repayment Terms	Rate of Interest p.a.
A Term Loan - From Banks - in Indian Rupees					2019-20: 22,110 2020-21: 24,120 2021-22: 26,130	7 annual installments of varying amount	
Punjab National Bank	20.4.a	1,66,677.27	2025-2026	7	2022-23: 30,150 2023-24: 30,150 2024-25: 32,160 2025-26: 18,090	commencing after a period of 12 months from the date of 1st disbursement	11.25%

Notes to the Standalone Financial Statements as on and for the year ended 31st March, 2019 (Contd.)
(₹ in thousands)
20.3 Terms of Repayment of Term Loans (Contd.)

Particulars	Refer Note No.	₹ in thousands	Period of Maturity	No. of Instalments Due	Instalment Value	Repayment Terms	Rate of Interest p.a.
B Term Loan - From Others - in Indian Rupees							
I	Volkswagon Finance Private Limited	2,006.43	2020-2021	17	EMI - 126.23	17 remaining equated monthly instalment (EMI)	8.47%
		1,945.57	2022-2023	4	May'19: 486.39 May'20: 486.39 May'21: 486.39 May'22: 486.39	4 remaining equal annual instalments	9%
II	Tea Board of India	799.91	2022-2023	4	May'19: 199.98 May'20: 199.98 May'21: 199.98 May'22: 199.98	4 remaining equal annual instalments	9%
III	From Directors	4,300.00	2025-2026	1	2025-26: 4,300	In a single bullet	10%
		2,500.00	2025-2026	1	2025-26: 2,500	bullet	9%
		11,000.00	2021-2022	1	2021-22: 11,000	payment	9.50%
		3,100.00	2021-2022	1	2021-22: 3,100	payment	10%
IV	From Other Body Corporates	30,000.00	2025-2026	1	2025-26: 30,000	In a single bullet	12%
		31,935.32	2025-2026	1	2025-26: 31,935.32	bullet	10%
		2,500.00	2025-2026	1	2025-26: 2,500	payment	11%
		3,500.00	2021-2022	1	2021-22: 3,500	payment	10%
		10,000.00	2021-2022	1	2021-22: 10,000	payment	12.50%
		10,000.00	2021-2022	1	2021-22: 10,000	payment	12%

20.4 Details of Security Given for Loan

- Term Loan from Punjab National 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 two directors of the Company.
- Term Loan from Volkswagen Finance Private Limited in the nature of Car Loan is secured by Hypothecation of Motor Car.
- Loan from Tea Board of India 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.

20.5 Refer Note No. 39 for information on the carrying amounts of financial and non-financial assets pledged as security for the non-current borrowings.

	Refer Note No.	Long Term		Short Term	
		As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
21 TRADE PAYABLES					
Dues to Micro and Small Enterprises	21.1	-	-	880.12	1,709.16
Dues to Creditors other than Micro & Small Enterprises		1,062.21	1,015.93	34,966.23	30,241.49
		1,062.21	1,015.93	35,846.35	31,950.65

Notes to the Standalone Financial Statements as on and for the year ended 31st March, 2019 (Contd.)
(₹ in thousands)

21.1 The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows :

	As at 31st March, 2019	As at 31st March, 2018
a) The principal amount remaining unpaid to any supplier at the end of the year	875.01	1,709.16
b) Interest due remaining unpaid to any supplier at the end of the year.	5.11	-
c) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, alongwith the amount of the payment made to the supplier beyond the appointed day during the year.	-	-
d) The amount of interest due and payable for the period of delay in making payment (which have been paid beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
e) The amount of interest accrued and remaining unpaid at the end of each accounting year.	5.11	-
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company.

	Refer Note No.	Long Term		Short Term	
		As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
22 OTHER FINANCIAL LIABILITIES					
Current maturities of Long Term Debt	20	-	-	24,194.60	26,621.41
Trade & Security Deposits (Unsecured)		-	-	13,038.38	11,891.37
Interest accrued and due on Borrowings		-	-	25,026.20	24,580.04
Unpaid and unclaimed dividends	22.1	-	-	2,198.45	2,302.33
Preference Dividend Payable		-	-	-	280.00
Employees related Liabilities		18.97	18.97	14,320.42	27,526.97
Other Payables		71.45	71.45	-	-
		90.42	90.42	78,778.05	93,202.12

22.1 There are no amounts due for payment to the Investor Education and Protection Fund at the year end.

23 PROVISIONS

Provision for Employee Benefits	23.1	16,229.90	27,672.27	13,983.53	1,823.57
Other Provisions		-	-	-	-
		16,229.90	27,672.27	13,983.53	1,823.57

23.1 All Provisions are valued at their Present value of money.

24 DEFERRED TAX LIABILITIES (NET)

	As at 31st March, 2019	As at 31st March, 2018
Deferred Tax Liabilities		
Arising on account of :		
Property, Plant & Equipment	12,740.86	16,845.59
Financial Assets	11,867.51	13,293.93
Others	250.66	250.66
	24,859.03	30,390.18

Notes to the Standalone Financial Statements as on and for the year ended 31st March, 2019 (Contd.)

24 DEFERRED TAX LIABILITIES (NET) (Contd.)	(₹ in thousands)	
	As at 31st March, 2019	As at 31st March, 2018
Less: Deferred Tax Assets		
Arising on account of:		
Section 43B of Income-tax Act	3,299.74	3,900.89
Provision for doubtful debts	2,744.59	3,261.84
MAT Credit Entitlement	11,401.87	11,401.87
Others	736.68	736.68
	18,182.88	19,301.28
Deferred Tax Liabilities (Net)	6,676.15	11,088.90

24.1 Movement in deferred tax assets and liabilities during the year ended 31st March, 2018 and 31st March, 2019

Particulars	As at 1st April, 2017	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	As at 31st March, 2018
Deferred Income Tax Liabilities				
Property, Plant & Equipment	14,772.17	2,073.42	-	16,845.59
Financial Assets	12,000.59	348.44	944.90	13,293.93
Others	250.66	-	-	250.66
	27,023.42	2,421.86	944.90	30,390.18
Deferred Income Tax Assets				
Section 43B of Income-tax Act	3,877.33	23.56	-	3,900.89
Provision for doubtful debts	3,261.84	-	-	3,261.84
MAT Credit Entitlement	11,401.87	-	-	11,401.87
Others	443.57	293.11	-	736.68
	18,984.61	316.67	-	19,301.28
Particulars	As at 31st March, 2018	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	As at 31st March, 2019
Deferred Income Tax Liabilities				
Property, Plant & Equipment	16,845.59	(4,104.73)	-	12,740.86
Financial Assets	13,293.93	(215.25)	(1,211.17)	11,867.51
Others	250.66	-	-	250.66
	30,390.18	(4,319.98)	(1,211.17)	24,859.03
Deferred Income Tax Assets				
Section 43B of Income-tax Act	3,900.89	(601.15)	-	3,299.74
Provision for doubtful debts	3,261.84	(517.25)	-	2,744.59
MAT Credit Entitlement	11,401.87	-	-	11,401.87
Others	736.68	-	-	736.68
	19,301.28	(1,118.40)	-	18,182.88

24.2 Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income tax levied by the same taxation authority.

25 OTHER LIABILITIES	Refer Note No.	Long Term		Short Term	
		As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Deferred Revenue Income	25.1	1,736.19	2,055.10	338.91	338.91
Advances Received from Customers		37.54	75.56	-	271.51
Statutory Dues		-	-	1,370.75	1,457.96
Others		16.90	16.90	-	1.54
		1,790.63	2,147.56	1,709.66	2,069.92

Notes to the Standalone Financial Statements as on and for the year ended 31st March, 2019 (Contd.)

	Refer Note No.	As at 31st March, 2019	(₹ in thousands) As at 31st March, 2018
25.1 Opening Balance		2,055.10	2,394.01
Grants received during the year		-	-
Less: Released to profit or loss		-	-
		2,055.10	2,394.01
Less: Current Portion of the Deferred Revenue Income		318.91	338.91
Closing Balance		1,736.19	2,055.10
26 SHORT TERM BORROWINGS			
Loans Repayable on Demand			
Working Capital Loan from Banks	26.1	1,50,396.23	1,27,828.62
		1,50,396.23	1,27,828.62
26.1 The above amount includes			
Secured Borrowings	26.2	1,50,396.23	1,27,828.62
Unsecured Borrowings		-	-
		1,50,396.23	1,27,828.62
26.2 Terms and conditions of Short Term Borrowings			
a Cash Credit from Punjab National Bank is secured by hypothecation of green tea leaves, before and after plucking, teas in process, finished tea in stock/transit, tea lying with brokers/agents awaiting sale, other tea stocks, book debts (present and future) arising out of sale of teas, first charge over all current assets of the company (both present and future) and equitable mortgage of immovable properties and machineries of tea estates as collateral security and further guaranteed by two directors of the Company.			
b Interest on Cash Credit Loan @12.05% and the same is repayable on demand.			
27 REVENUE FROM OPERATIONS			
	Refer Note No.	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Sale of Products- Black Tea		5,39,990.18	5,30,360.23
		5,39,990.18	5,30,360.23
Other Operating Revenues			
Incentives & Subsidies	27.1	10,682.97	451.23
		10,682.97	451.23
		5,50,673.15	5,30,811.46
27.1 Government grants in the form of subsidy are related to certain incentives being made available by the Government of India for Tea Industry. Replantation subsidy relates to activities for which cost has been incurred in earlier years. There are no unfulfilled conditions or other contingencies attaching to these grants. The Company did not benefit directly from any other forms of government assistance.			
28 OTHER INCOME		For the year ended 31st March, 2019	For the year ended 31st March, 2018
Interest Income			
On Investments		4,274.11	-
On Banks Deposits		30.54	72.13
On Other Deposits,etc		262.10	19.63
Net Gain/ (Loss) on sale of Investments measured at fair value through P/L		(1,467.18)	-
Net Gain/ (Loss) on Mark to Market of Investments measured at fair value through P/L		-	2,634.73
Other Non Operating Income			
Profit on sale/discard of Property, Plant & Equipments (Net)		(165.59)	193.60
Excess Provision/ Liabilities written back		224.03	1.63
Change in fair valuation of biological assets		754.19	(1,103.04)
Other Miscellaneous Income		49,944.11	28,309.51
		53,856.31	30,128.19

Notes to the Standalone Financial Statements as on and for the year ended 31st March, 2019 (Contd.)

29 COST OF MATERIALS CONSUMED	Refer Note No.	For the year ended 31st March, 2019	(₹ in thousands) For the year ended 31st March, 2018
Opening Stock		1,158.17	-
Add: Purchases		97,189.97	63,986.20
Less: Closing Stock		19.07	1,158.17
(Closing Stock includes change in Fair Value of Stock of Own Green Leaf on reporting date)			
		<u>98,329.07</u>	<u>62,828.03</u>
30 (INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS			
Finished Goods			
Opening Inventories		10,464.28	23,754.83
Closing Inventories		17,594.88	10,464.28
		<u>(7,130.60)</u>	<u>13,290.55</u>
Total changes in inventories of finished goods		<u>(7,130.60)</u>	<u>13,290.55</u>
31 EMPLOYEE BENEFITS EXPENSE			
Salaries & Wages		1,96,780.30	1,99,691.17
Contribution to Provident and Other Funds		29,407.97	24,490.52
Staff Welfare Expenses		32,298.95	29,846.89
		<u>2,58,487.22</u>	<u>2,54,028.58</u>
32 FINANCE COST			
Interest Expenses		46,463.83	41,162.65
Interest on Income Tax for Earlier Year		8.41	-
Dividend on Preference Shares		-	280.00
Other Financial Charges		1,619.02	904.86
		<u>48,091.26</u>	<u>42,347.51</u>
33 DEPRECIATION AND AMORTIZATION EXPENSES			
On Tangible Assets		19,293.71	16,900.91
On Intangible Assets		11.17	20.33
		<u>19,304.88</u>	<u>16,921.24</u>
34 OTHER EXPENSES			
Stores, Spare Parts & Packing Materials Consumed		43,263.88	48,521.51
Power & Fuel		54,744.67	45,794.29
Repairs to Buildings		6,404.48	3,928.59
Repairs to Machinery		4,919.16	5,169.77
Repairs to Other Assets		179.35	220.70
Selling & Distribution Expenses		12,508.26	15,497.13
Auditors' Remuneration	34.1	233.92	259.77
Rent, Rates & Taxes		7,929.04	9,393.68
Insurance		2,231.30	2,196.57
Vehicle Running & Maintenance Charges		10,183.96	9,368.55
Directors' Fees & Commission		285.00	405.00
Legal and Professional Charges		1,269.84	7,419.93
Travelling & Conveyance Expenses		9,813.13	7,047.92
Other Expenses		10,540.26	14,177.84
		<u>1,64,506.25</u>	<u>1,69,401.25</u>

Notes to the Standalone Financial Statements as on and for the year ended 31st March, 2019 (Contd.)

	For the year ended 31st March, 2019	<i>(₹ in thousands)</i> For the year ended 31st March, 2018
34.1 Auditors' Remuneration		
Statutory Auditors		
Audit Fees	100.00	100.00
Tax Audit Fees	30.00	30.00
Issue of Certificates	95.50	120.92
Reimbursement of Expenses	8.42	8.85
	<u>233.92</u>	<u>259.77</u>
35 TAX EXPENSE		
Current Tax	-	-
Less: MAT Credit Entitlement	-	-
	-	-
Deferred Tax	(4,412.75)	2,105.23
	<u>(4,412.75)</u>	<u>2,105.23</u>
35.1 Reconciliation of estimated Income tax expense at Indian statutory Income tax rate to income tax expense reported in Statement of Profit & Loss		
Income before Income Taxes	22,941.38	2,122.49
Indian Statutory Income Tax Rate	27.820%	33.063%
Estimated income Tax Expenses	6,382.29	701.76
Tax effect of adjustments to reconcile expected Income tax expense to reported Income Tax Expenses		
Tax under Assam Agricultural Income Tax	-	-
MAT Credit Receivable	-	-
Deferred Tax on Property, Plant & Equipments	(4,104.73)	2,073.42
Deferred Tax on Financial Assets & Other items	(1,333.85)	31.77
Expenses deductible in determining taxable profit	-	-
Exempted income	(5,356.46)	(701.72)
Effect of deductions under Income Tax Act	-	-
Other Items	-	-
	<u>(10,795.04)</u>	<u>1,403.47</u>
Income Tax Expenses as per Statment of Profit & Loss	<u>(4,412.75)</u>	<u>2,105.23</u>
35.2 Applicable Indian Statutory Income Tax rate for Fiscal Year 2019 & 2018 is 27.82% & 33.063% respectively. However, Company is required to pay tax u/s 115JB of Income Tax Act, 1961.		
36 OTHER COMPREHENSIVE INCOME		
36 A Items that will not be reclassified to profit or loss		
Changes in revaluation surplus		
Remeasurement of the defined benefit plans	758.07	(2,513.70)
Less: Tax expense on the above	-	-
	<u>758.07</u>	<u>(2,513.70)</u>
Equity Instruments through Other Comprehensive Income	5,043.93	7,144.62
Less: Tax expense on the above	-	944.90
	<u>5,043.93</u>	<u>6,199.72</u>
	<u>5,802.00</u>	<u>3,686.02</u>

Notes to the Standalone Financial Statements as on and for the year ended 31st March, 2019 (Contd.)
(₹ in thousands)
37 CONTINGENT LIABILITIES AND CONTINGENT ASSETS
37.1 Claims/Disputes/Demands not acknowledged as debts -

Sl. No.	Particulars	As at 31st March 2019	As at 31st March 2018
a	Sales Tax	794.96	794.96
b	Income Tax	4,166.11	4,201.79
c	Debit note raised by GAIL (India) Limited for supply of Natural Gas	6,880.82	6,880.82
d	Letter of Credit issued by Bank	3,066.72	1,920.05
e	Arrear of Wages	11,031.44	-

37.2 The amounts shown in Note 37.1 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 position against such disputes.

37.3 In respect of the matters in note no. 37.1 (a to e), future cash outflows are determinable only on receipt of judgements/decisions pending at various forums/ authorities. Furthermore, there is no possibilities of any reimbursements to be made to the Company from any third party.

38 COMMITMENTS
Estimated amount of contracts remaining to be executed on Capital Account and not provided for

Particulars	As at 31st March 2019	As at 31st March 2018
Estimated amount of contracts remaining to be executed on Capital Account	8,565.66	7,956.97
Less: Advance	3,111.44	3,851.51
Net	5,454.22	4,105.46

39 ASSETS PLEDGED AS SECURITY

The carrying amounts of assets pledged as security for current and non-current borrowings are:

Particulars	Refer Note No.	As at 31st March 2019	As at 31st March 2018
Non-current Assets			
Property, Plant and Equipment	5	5,04,649.35	4,76,059.04
Capital Work-in-Progress		1,277.03	2,457.05
Trade Receivables	9	499.18	325.55
Total non-currents assets pledged as security		5,06,425.56	4,78,841.64
Current Assets			
Inventories	14	39,103.54	31,736.40
Biological Assets other than bearer plants	15	1,837.63	1,083.44
Trade Receivables	9	10,933.66	8,464.85
Cash and Cash Equivalents	16	3,123.82	1,853.52
Bank balances	17	2,726.42	2,752.99
Loans	10	46,718.11	725.80
Other Financial Assets	11	14,868.93	6,759.20
Other Current Assets	12	35,488.19	20,411.05
Total current assets pledged as security		1,54,800.30	73,787.25
Total assets pledged as security		6,61,225.86	5,52,628.89

Notes to the Standalone Financial Statements as on and for the year ended 31st March, 2019 (Contd.)
(₹ in thousands)
40 Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits' as notified u/s 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014 (As identified & certified by the Management)
40.1 Defined Contribution Plan :

The amount recognized as an expense for the Defined Contribution Plans are as under :

Sl. No.	Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
a	Provident Fund	21,428.89	20,153.98
b	Superannuation Fund	693.54	727.30
c	Family Pension Fund	392.69	405.47

40.2 Defined Benefit Plan :

The following are the types of defined benefit plans :

40.2.1 Gratuity Plan

The Company's gratuity scheme, a defined benefit plan is as per the Payment of Gratuity Act, 1972, covers the eligible employees and is administered through a gratuity fund trust. Such gratuity fund, whose investments are managed by LIC of India, make payments to vested employees or their nominees upon retirement, death, incapacitation or cessation of employment, of an amount based on the respective employee's salary and tenure of employment. Vesting occurs upon completion of five years of continuous service. The amount of gratuity payable is the proportionate salary for 15 days multiplied for the number of years of service based on the 26 days average salary computed on the basis of last drawn basic salary per month.

40.2.2 Leave Encashment

Leave encashment is payable on death whilst in service, resignation from service or retirement from service as per applicable rules. The present value of defined obligation and related current cost are measured using the Projected Unit Credit Method with actuarial valuation being carried out at Balance Sheet date.

40.2.3 Risk Exposure

Through its defined benefit plans, the company is exposed to a number of risks, the most significant of which are detailed below:

ASSET VOLATILITY	The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments is in LIC of India. These are subject to interest rate risk. the investment in plan assets with LIC of India is in lines with Income Tax Rules, 1962, which reduces the Asset Volatility Risk.
CHANGES IN YIELD	A decrease in yield will increase plan liabilities.
SALARY	The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. Any increase in the salary of members more than the assumed level will increase the plan's liability.

40.2.4 Reconciliation of the net defined benefit (asset)/ liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset)/ liability and its components:

Particulars	Gratuity	
	2018-19	2017-18
Balance at the beginning of the year	62,267.07	57,831.40
Current Service Cost	4,498.35	4,638.44
Interest Cost on Defined Benefit Obligation	4,794.57	4,250.61
Past Service Cost	-	671.27
Actuarial Gain and Losses arising from :		
Changes in financial assumptions	499.65	(1,829.05)
Experience Adjustments	(1,560.98)	2,822.96
Benefits Paid	(1,661.61)	(6,118.56)
Balance at the end of the year	68,837.05	62,267.07

Notes to the Standalone Financial Statements as on and for the year ended 31st March, 2019 (Contd.)
(₹ in thousands)
40.2.5 Reconciliation of the Plan Assets

The following table shows a reconciliation from the opening balances to the closing balances for the Plan Assets and its components :

Particulars	Gratuity	
	2018-19	2017-18
Balance at the beginning of the year	35,247.23	33,475.40
Interest Income on Plan Assets	2,714.04	2,460.44
Remeasurement of Defined Benefit Obligation:		
Return on plan assets greater/ (lesser) than discount rate	(303.26)	(170.58)
Actual Company contributions	5,276.46	5,600.53
Benefits Paid from the Plan Assets	(1,661.61)	(6,118.56)
Balance at the end of the year	41,272.86	35,247.23

40.2.6 Expenses recognized in profit or loss

Current Service Cost	4,498.35	4,638.45
Past Service Cost	-	671.27
Net Interest (Income) / cost on the Net Defined Benefit Liability (Assets)	2,080.53	1,790.16
Expense Recognised in the Income Statement	6,578.88	7,099.88

40.2.7 Remeasurements recognized in other comprehensive income

Actuarial (gain)/ Loss due to:		
change in financial assumptions	499.65	(1,829.05)
experience variance (i.e. Actual experience vs assumptions)	(1,560.98)	2,822.96
Return on plan assets, excluding amount recognised in net interest expense	303.26	170.57
Components of defined benefit costs recognised in other comprehensive income	(758.07)	1,164.48

40.2.8 Major Categories of Plan Assets

Funds managed by insurer	100%	100%
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The Gratuity Scheme is invested in a Group Gratuity-cum-Life Assurance Cash accumulation policy offered by Life Insurance Corporation (LIC) of India . The information on the allocation of the fund into major asset classes and expected return on each major class are not readily available. The expected rate of return on plan assets is based on market expectations, at the beginning of the period, for returns over the entire life of the related obligation.

40.2.9 Asset-Liability Matching Strategy

The company ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the employee benefit plans. Within this framework, the company's ALM objective is to match assets to the obligations under Gratuity Scheme by investing the entire fund with LIC of India.

The Company actively monitors how the return on funds invested with LIC of India are matching the expected cash outflows arising from the employee defined benefit obligation. The company has not changed the processes used to manage its risks from previous periods.

40.2.10 Actuarial Assumptions

Particulars	Gratuity	
	2018-19	2017-18
Financial Assumptions :		
Discount Rate	7.60%	7.70%
Salary Escalation Rate	5.00%	5.00%
Demographic Assumptions :		
Mortality Rate	IALM 06-08 Ultimate	IALM 06-08 Ultimate
Withdrawal Rate	2%	2%

Notes to the Standalone Financial Statements as on and for the year ended 31st March, 2019 (Contd.)
(₹ in thousands)

40.2.11 The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

40.2.12 At 31st March 2019, the weighted average duration of the defined benefit obligation was 8 years (Previous year 9 years). The distribution of the timing of benefits payment i.e., the maturity analysis of the benefit payments is as follows:

Expected benefits payment for the year ending on	Gratuity	
	2018-19	2017-18
1 Year	13,447.13	10,650.20
2 to 5 Years	23,635.80	19,270.12
6 to 10 Years	26,471.40	24,906.22
More than 10 Years	77,972.73	90,919.73

40.2.13 The Company expects to contribute ₹ 3,41,30,042/- (Previous year ₹ 1,46,67,261/-) to its gratuity fund in 2019-20.

40.2.14 Sensitivity Analysis

The sensitivity analysis below have been determined based on a method that extrapolates the impact on defined benefit obligation (DBO) as a result of reasonable changes in key assumptions occurring at the end of the reporting period. Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below :

Effect on DBO due to 1% increase in Discount Rate	74,237.85	57,499.01
Effect on DBO due to 1% decrease in Discount Rate	(64,135.00)	(67,829.97)
Effect on DBO due to 1% increase in Salary Escalation Rate	63,920.80	67,994.98
Effect on DBO due to 1% decrease in Salary Escalation Rate	(74,395.45)	(57,281.67)
Effect on DBO due to 1% increase in Attrition Rate	67,725.92	63,465.87
Effect on DBO due to 1% decrease in Attrition Rate	(69,834.88)	(60,914.00)
Effect on DBO due to 1% increase in Mortality Rate	68,605.18	62,532.35
Effect on DBO due to 1% decrease in Mortality Rate	(69,063.58)	(61,994.89)

41 Certain trade receivables, loans & advances and creditors are subject to confirmation. In the opinion of the management, the value of trade receivables and loans & advances on realisation in the ordinary course of business, will not be less than the value at which these are stated in the balance sheet.

42 RELATED PARTY DISCLOSURES

42.1 As defined in Indian Accounting Standard-24, the Company has a related party relationship in the nature of control over its subsidiaries namely :

Name of the Entity	Place of Incorporation	Ownership Interest held by the Company	
		31st March 2019	31st March 2018
Winnow Investments and Securities Private Limited	Kolkata, India	100%	100%

42.2 Other related parties with whom transactions have taken place during the year and previous year are :

Relationship	Name of the Company	
Enterprises over which the Key Managerial Personnel and/or their relatives have significant influence	Kanco Enterprises Limited	Innova Properties Private Limited
	Milan Agencies Private Limited	Kanco CSR Trust
	Dhanvaridhi Foods Private Limited	

Notes to the Standalone Financial Statements as on and for the year ended 31st March, 2019 (Contd.)
(₹ in thousands)

Relationship	Name	Designation
Key Management Personnels and their relatives	Mrs. Anuradha Kanoria	Wholetime Director
	Mr. Umang Kanoria	Chairman & Non-Executive Director
	Ms. Stuti Kanoria	Daughter of Mrs. Anuradha Kanoria & Mr. Umang Kanoria
	Mr. Satvik Kanoria	Son of Mrs. Anuradha Kanoria & Mr. Umang Kanoria
	Stuti Welfare Trust	Private Beneficiary Trust for Ms. Stuti Kanoria
	Satvik Welfare Trust	Private Beneficiary Trust for Mr. Satvik Kanoria
	Umang Kanoria H.U.F	Mr. Umang Kanoria is Karta

42.3 Transactions during the year

Particulars	2018-19			2017-18		
	Enterprises in which KMP are interested	KMP	Relatives of KMP	Enterprises in which KMP are interested	KMP	Relatives of KMP
Payment of Rent						
Milan Agencies Private Limited	360.00	-	-	360.00	-	-
Innova Properties Private Limited	252.00	-	-	252.00	-	-
Maintenance Expenses Reimbursed						
Milan Agencies Private Limited	325.00	-	-	300.00	-	-
Electricity Charges Reimbursed						
Milan Agencies Private Limited	116.90	-	-	115.50	-	-
Rent Realised						
Mrs. Anuradha Kanoria	-	510.00	-	-	465.00	-
Unsecured Loan Realised/Received						
Mrs. Anuradha Kanoria	-	3,100.00	-	-	-	-
Mr. Umang Kanoria	-	11,000.00	-	-	-	-
Umang Kanoria H.U.F.	-	-	3,500.00	-	-	-
Remuneration Paid						
Mrs. Anuradha Kanoria	-	4,049.50	-	-	3,742.20	-
Ms. Stuti Kanoria	-	-	268.80	-	-	268.80
Director Fees Paid						
Mr. Umang Kanoria	-	60.00	-	-	105.00	-
Interest Paid						
Mrs. Anuradha Kanoria	-	625.26	-	-	430.00	-
Mr. Umang Kanoria	-	16.92	-	-	-	-
Umang Kanoria H.U.F.	-	-	178.49	-	-	-
Equity Dividend Paid						
Mrs. Anuradha Kanoria	-	549.44	-	-	457.87	-
Umang Kanoria H.U.F	-	-	466.60	-	-	388.84
Ms. Stuti Kanoria	-	-	205.72	-	-	171.43
Mr. Satvik Kanoria	-	-	286.62	-	-	238.85
Satvik Welfare Trust	-	-	747.90	-	-	623.25
Innova Properties Private Limited	36.00	-	-	30.00	-	-

Notes to the Standalone Financial Statements as on and for the year ended 31st March, 2019 (Contd.)
(₹ in thousands)

Particulars	2018-19			2017-18		
	Enterprises in which KMP are interested	KMP	Relatives of KMP	Enterprises in which KMP are interested	KMP	Relatives of KMP
Preference Dividend Paid						
Stuti Welfare Trust	-	-	28.00	-	-	28.00
Outstanding Balances at the end of the Year						
Security Deposit						
Innova Properties Private Limited	4,021.11	-	-	4,021.11	-	-
Milan Agencies Private Limited	3,000.00	-	-	3,000.00	-	-
(Payable)/ Receivable (Net)						
Mrs. Anuradha Kanoria	-	(7,962.73)	-	-	(4,687.00)	-
Mr. Umang Kanoria	-	(11,015.23)	-	-	-	-
Umang Kanoria H.U.F.	-	-	(3,660.65)	-	-	-
Innova Properties Private Limited	(56.70)	-	-	-	-	-
Milan Agencies Private Limited	(64.81)	-	-	(9.50)	-	-

42.4 Key Management Personnel compensation

Particulars	Financial Year	Mrs. Anuradha Kanoria	Mr. Umang Kanoria	Total Compensation
Short-term employee benefits *	2018-2019	4,049.50	-	4,049.50
	2017-2018	3,742.20	-	3,742.20
Director Fees	2018-2019	-	60.00	60.00
	2017-2018	-	105.00	105.00

* Note :

- Short term employee benefits includes the perquisites calculated as prescribed under the Income Tax Act, 1961.
- The Company contributes equal amount to the employees Provident Fund within the statutory limits as prescribed under the relevant Act.
- As the future liabilities for gratuity and leave encashment are provided on an actuarial valuation basis for the Company, the amount pertaining to individual is not ascertainable and therefore not included above.

42.5 All related party transactions entered during the year were in ordinary course of business and on arms length basis.

43 FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Particulars	31st March 2019			31st March 2018		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Financial Assets						
Investment						
- Equity Instruments	-	1,48,371.10	9,600.00	-	1,43,327.17	9,600.00
- Preference Shares	8,557.00	-	-	8,557.00	-	-
- Mutual Funds	-	-	-	30,460.34	-	-
Trade Receivables	-	-	11,432.84	-	-	8,790.40
Cash and Cash Equivalents	-	-	3,123.82	-	-	1,853.52
Bank balances other than Cash and Cash Equivalents	-	-	2,726.42	-	-	2,752.99
Loans	-	-	63,922.58	-	-	55,737.54
Other Financial Assets	-	-	27,209.36	-	-	18,437.17
Total Financial Assets	8,557.00	1,48,371.10	1,18,015.02	39,017.34	1,43,327.17	97,171.62

Notes to the Standalone Financial Statements as on and for the year ended 31st March, 2019 (Contd.)
(₹ in thousands)
43 FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (Contd.)

Particulars	31st March 2019			31st March 2018		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Financial Liabilities						
Borrowings	-	-	4,10,466.13	-	-	3,73,138.11
Trade Payables	-	-	36,908.56	-	-	32,966.58
Other Financial Liabilities	-	-	78,868.47	-	-	93,292.54
Total Financial Liabilities	-	-	5,26,243.16	-	-	4,99,397.23

44 FAIR VALUES

44.1 The following is the comparison by class of the carrying amounts and fair value of the Company's financial instruments that are measured at amortized cost :

Particulars	31st March 2019		31st March 2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Investments				
Equity Instruments	9,600.00	9,600.00	9,600.00	9,600.00
Trade Receivables	11,432.84	11,432.84	8,790.40	8,790.40
Loans	63,922.58	63,922.58	55,737.54	55,737.54
Cash and Cash Equivalents	3,123.82	3,123.82	1,853.52	1,853.52
Other Bank Balances	2,726.42	2,726.42	2,752.99	2,752.99
Other Financial Assets	27,209.36	27,209.36	18,437.17	18,437.17
Total Financial Assets	1,18,015.02	1,18,015.02	97,171.62	97,171.62
Financial Liabilities				
Borrowings	4,10,466.13	4,10,466.13	3,73,138.11	3,73,138.11
Trade Payables	36,908.56	36,908.56	32,966.58	32,966.58
Other Financial Liabilities	78,868.47	78,868.47	93,292.54	93,292.54
Total Financial Liabilities	5,26,243.16	5,26,243.16	4,99,397.23	4,99,397.23

44.2 The management assessed that the fair values of cash and cash equivalents, trade receivables, trade payables, short term borrowings, and other financial liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments.

44.3 For Financial assets and liabilities that are measured at fair value, the carrying amounts are equal to their fair values.

44.4 The fair value of the financial assets and financial liabilities is included at the amount at which the instruments could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

44.5 The following methods and assumptions were used to estimate the fair values:

The fair values for loans, security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as Level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risks, which has been assessed to be insignificant.

45 FAIR VALUE HIERARCHY

The following are the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized cost and for which fair value are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels of fair value measurement as prescribed under the Ind AS 113 "Fair Value Measurement". An explanation of each level follows underneath the tables.

Notes to the Standalone Financial Statements as on and for the year ended 31st March, 2019 (Contd.)
(₹ in thousands)
45.1 Assets and Liabilities measured at Fair Value - recurring fair value measurements

Particulars	31st March 2019			31st March 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Investment at FVTPL						
Equity Instruments	-	-	-	-	-	-
Preference Shares	-	-	8,557.00	-	-	8,557.00
Mutual Funds	-	-	-	30,460.34	-	-
Financial Investment at FVOCI						
Equity Instruments	1,160.63	-	1,47,210.47	1,161.06	-	1,42,166.11
Total Financial Assets	1,160.63	-	1,55,767.47	31,621.40	-	1,50,723.11

45.2 Financial Assets and Liabilities measured at Amortized Cost for which fair values are disclosed

Particulars	31st March 2019			31st March 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Investments						
Equity Instruments	-	-	9,600.00	-	-	9,600.00
Trade Receivables	-	-	11,432.84	-	-	8,790.40
Loans	-	-	63,922.58	-	-	55,737.54
Cash and Cash Equivalents	-	-	3,123.82	-	-	1,853.52
Other Bank Balances	-	-	2,726.42	-	-	2,752.99
Other Financial Assets	-	-	27,209.36	-	-	18,437.17
Total Financial Assets	-	-	1,18,015.02	-	-	97,171.62
Financial Liabilities						
Borrowings	-	-	4,10,466.13	-	-	3,73,138.11
Trade Payables	-	-	36,908.56	-	-	32,966.58
Other Financial Liabilities	-	-	78,868.47	-	-	93,292.54
Total Financial Liabilities	-	-	5,26,243.16	-	-	4,99,397.23

45.3 During the year ended March 31, 2019 and March 31, 2018, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements.

45.4 Explanation to the fair value hierarchy

The Company measures financial instruments, such as, quoted investments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy as described in Note no. 2.7.

46 FINANCIAL RISK MANAGEMENT

The Company measures financial instruments, such as, quoted investments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

46.1 Credit Risk

Credit risk refers to the risk of financial loss arising from default / failure by the counterparty to meet financial obligations as per the terms of contract. The Company is exposed to credit risk for receivables, Cash & Cash equivalents, financial guarantees and derivative financial instruments. None of the financial instruments of the Company result in material concentration of credit risks.

Notes to the Standalone Financial Statements as on and for the year ended 31st March, 2019 (Contd.)
(₹ in thousands)
46.1 Credit Risk (Contd.)

Credit risk on receivables is minimum since sales through different mode (e.g.. auction, consignment, private) are made after judging credit worthiness of the customers or, advance payment. The history of defaults has been minimal and outstanding receivables are regularly monitored. For credit risk on the loans to parties, the Company is not expecting any material risk on account of non-performance by any of the parties.

For financial instruments, the Company manages its credit risks by dealing with reputable banks and financial institutions. Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The carrying value of the financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

Trade Receivables
As on 31st March, 2019

Ageing schedule	< 6 Months	>6 Months But < 1 Year	>1 Year But <5 Years	>5 Years	Total
Gross carrying amount	10,791.07	142.59	387.27	111.91	11,432.84
Expected loss rate	-	-	-	-	-
Expected credit losses (Loss allowance provision)	-	-	-	-	-
Carrying amount of trade receivables (net of impairment)	10,791.07	142.59	387.27	111.91	11,432.84

As on 31st March, 2018

Ageing schedule	< 6 Months	>6 Months But < 1 Year	>1 Year But <5 Years	>5 Years	Total
Gross carrying amount	8,202.50	262.35	214.79	110.76	8,790.40
Expected loss rate	-	-	-	-	-
Expected credit losses (Loss allowance provision)	-	-	-	-	-
Carrying amount of trade receivables (net of impairment)	8,202.50	262.35	214.79	110.76	8,790.40

46.2 Liquidity Risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting its obligations. The Company monitors rolling forecast of its liquidity position on the basis of expected cash flows. The Company's approach is to ensure that it has sufficient liquidity or borrowing headroom to meet its obligations at all point in time. The Company has sufficient short-term fund based lines, which provides healthy liquidity and these carry highest quality credit rating from reputed credit rating agency.

46.2.1 Fund Management

Management monitors rolling forecasts of the Company's liquidity position (including the undrawn credit facilities extended by banks and financial institutions) and Cash & Cash equivalents on the basis of expected cash flows. In addition, the Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Notes to the Standalone Financial Statements as on and for the year ended 31st March, 2019 (Contd.)
(₹ in thousands)
46.2.2 Maturity Analysis for financial liabilities

- a The following are the remaining contractual maturities of financial liabilities as at 31st March 2019. The amounts are gross and undiscounted and include estimated interest payments and exclude the impact of netting agreements.

Particulars	On Demand	< 6 Months	>6 Months But < 1 Year	>1 Year But <5 Years	>5 Years	Total
Non-derivative						
Trade payables	-	35,846.35	-	1,062.21	-	36,908.56
Borrowings	1,50,396.23	1,370.74	22,823.86	1,54,817.31	1,05,252.59	4,34,660.73
Other financial liabilities	-	25,026.20	29,557.25	90.42	-	54,673.87
Total	1,50,396.23	62,243.29	52,381.11	1,55,969.94	1,05,252.59	5,26,243.16

- b The following are the remaining contractual maturities of financial liabilities as at 31st March 2018

Particulars	On Demand	< 6 Months	>6 Months But < 1 Year	>1 Year But <5 Years	>5 Years	Total
Non-derivative						
Trade payables	-	31,950.65	-	1,015.93	-	32,966.58
Borrowings	1,27,828.62	1,680.33	24,941.07	1,07,261.91	1,38,047.59	3,99,759.52
Other financial liabilities	-	24,580.04	42,000.68	90.42	-	66,671.14
Total	1,27,828.62	58,211.02	66,941.75	1,08,368.26	1,38,047.59	4,99,397.24

46.3 Market Risk
46.3.1 Foreign Exchange Risk

The Company operates in domestic market and it doesn't have any foreign associate, subsidiary etc. The Company is therefore not exposed to foreign exchange risk arising from foreign currency transactions.

- a **Exposure to Currency risk** - Nil

- b **Sensitivity Analysis**

Since, the Company doesn't have material foreign currency operations, the analysis is not reported.

46.3.2 Interest Rate Risk

The Company is exposed to risk due to interest rate fluctuation, on the following :

- a Interest rate risk arises from the sensitivity of financial assets and liabilities to changes in market rate of interest. However, Company does not have any interest bearing financial asset or liability at the end of the financial year ended 31st March 2019.
- b The interest rate risk can also impact the provision for retiral benefits. The Company generally utilizes variable rate borrowings and therefore subject to interest rate risk, as both the carrying amount and the future cash flows will fluctuate because of change in the market interest rates.

The Company is not exposed to significant interest rate risk as at the respective reporting dates.

During 31st March 2019 and 31st March 2018, all the Company's borrowings were at variable rate mainly denominated in INR.

- (i) **Exposure to Interest Rate Risk**

Particulars	31st March 2019	31st March 2018
Fixed Rate Instruments		
Financial Assets	63,922.58	55,737.54
Financial Liabilities	1,14,841.75	79,074.63
	1,78,764.33	1,34,812.17
Variable Rate Instruments		
Financial Assets	-	-
Financial Liabilities	3,19,818.98	3,20,684.89
	3,19,818.98	3,20,684.89

Notes to the Standalone Financial Statements as on and for the year ended 31st March, 2019 (Contd.)
(₹ in thousands)
(ii) Sensitivity Analysis

Profit or loss is sensitive to higher/ lower interest expense on borrowings as a result of changes in interest rates. This analysis assumes that all other variables, in particular exchange rates, remain constant and ignores any impact of forecast sales and purchases.

	Sensitivity Analysis	31st March 2019		31st March 2018	
		Impact on			
		Profit before Tax	Other Equity	Profit before Tax	Other Equity
Interest Rate increase by	0.50%	(1,599.09)	(1,599.09)	(1,603.42)	(1,603.42)
Interest Rate decrease by	0.50%	1,599.09	1,599.09	1,603.42	1,603.42

46.3.3 Other Price Risk

The price risk is the risk arising from investments held by the Company and classified in the balance sheet either at fair value through Other Comprehensive Income or at fair value through profit or loss.

The Company's equity investments are mainly strategic in nature and are generally held on a long-term basis. Further, the current investments are in units of liquid mutual fund and these are not exposed to significant price risk.

a Exposure to other market price risk

Particulars	31st March 2019	31st March 2018
Fair Value of Quoted Investments	1,160.63	1,161.06
Fair Value of Unquoted Investments	-	30,460.34

b Sensitivity Analysis

The table below summarise the impact of increases/ decreases of the index on the group's equity investment and profit for the period. The analysis is based on the assumption that the equity index had increased by Nil or decreased by Nil with all other variables held constant, and that all the Company's equity instruments moved in line with the index.

	31st March 2019			31st March 2018		
	Sensitivity Analysis	Impact on		Sensitivity Analysis	Impact on	
		Profit before Tax	Other Equity		Profit before Tax	Other Equity
BSE Index	+1000 Basis Point	116.06	116.06	+1000 Basis Point	3,162.14	3,162.14
BSE Index	-1000 Basis Point	(116.06)	(116.06)	-1000 Basis Point	(3,162.14)	(3,162.14)

47 In view of losses in earlier years, Nil amount (Previous Year Nil) was required to be spent by the Company on account of Corporate Social Responsibility as required under Section 135 of the Companies Act, 2013.

48 The Company has only one segment i.e. manufacturing of Black Tea and as a result the reporting required of Ind AS - 108 on "Operating Segment" is not attracted.

49 Capital Management

The Company's objective for capital management is to maximize shareholder wealth, safeguard business continuity and support the growth of the Company. The Company determines the capital management requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through optimum mix of borrowed and own funds.

50 Previous GAAP figures have been re-classified/re-grouped to confirm the presentation requirements under IND AS and the requirements laid down in Division-II of the Schedule-III of the Companies Act, 2013.

The Notes are an integral part of the Financial Statements.

As per our Report annexed of even date

For JAIN & CO.

Chartered Accountants

Firm Registration No. 302023E

CA M. K. JAIN

Partner

Membership No. 055048

Kolkata, the 28th day of May, 2019

U. KANORIA
Chairman & Director
(DIN:00081108)

C. KABRA
Company Secretary

S. K. PARHI
Chief Financial Officer

AOC-1

(Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of Subsidiary

Part "A": Subsidiaries
(₹ in thousands)

Particulars	Details
1. Name of the Subsidiary	Winnow Investments and Securities Private Limited
2. Financial year ending on	31.03.2019
3. Reporting Currency	Indian Rupee
4. Share Capital	9,600.00
5. Reserves & Surplus	277,561.31
6. Total Assets	287,173.11
7. Total Liabilities	11.80
8. Investments	30,514.36
9. Turnover	22,885.25
10. Profit before taxation	15,430.24
11. Provision for taxation	7,040.96
12. Profit after taxation	8,389.28
13. Other Comprehensive Income	0.00
14. Total Comprehensive Income	8,389.28
13. Proposed Dividend	Nil
14. % of Shareholding	100%

As per our Report annexed of even date
For JAIN & CO.
Chartered Accountants
Firm Registration No. 302023E
CA M. K. JAIN
Partner
Membership No. 055048
Kolkata, the 28th day of May, 2019

U. KANORIA
Chairman & Director
(DIN:00081108)

C. KABRA
Company Secretary

S. K. PARHI
Chief Financial Officer



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KANCO TEA & INDUSTRIES LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of KANCO TEA & INDUSTRIES LIMITED, (hereinafter referred to as "the Holding Company") and Winnow Investments and Securities Private Limited, (hereinafter referred to as "the Subsidiary Company") (the Holding Company and its subsidiary together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31st March, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory notes for the year ended on that date (hereinafter referred to as "the Consolidated Financial Statements")

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including consolidated other comprehensive income, consolidated cash flows and consolidated change in equity of the Group 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. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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, which have been used for the purpose of preparation of consolidated financial statements by the Directors of the Holding Company, as aforesaid.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting 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 consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence obtained by us and audit evidence obtained by the other auditors is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 consolidated state of affairs of the Group as at 31st March, 2019 and their consolidated profit and their consolidated cash flows and their consolidated change in equity for the year ended on that date.

OTHER MATTERS

We did not audit the financial statements/financial information of subsidiary, whose financial statements/financial information reflect total assets of ₹ 287,17311 thousands as at 31st March, 2019, total revenues of ₹ 22,885.25 thousands and net cash flows amounting to ₹ 55,765.06 thousands for the year ended on that date, as considered in the consolidated financial statements. These financial statements/financial information have been audited by other auditor, whose report have been furnished to us by the Management and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub Section (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary is based solely on the report of the other auditor.

INDEPENDENT AUDITORS' REPORT (Contd.)

Our opinion on the consolidated financial statements, and our report on other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor and the financial statements /financial information certified by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- 1) As required by Section 143(3) of the Act, we report to the extent applicable 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 of the aforesaid consolidated financial statements;
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of other auditors;
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, Consolidated Cash Flow Statement and Consolidated Statement of Change in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of the consolidated financial statements;
 - d) In our opinion, the aforesaid consolidated 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 of the Holding Company as on 31st March, 2019 and taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group Companies incorporated in India is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act;
 - f) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure " and;
 - g) 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 Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group, and its associates in its financial statements - Refer Note No. 37 to the consolidated financial statements.
 - (ii) The Group and its associates did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There were no amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies and its associate companies incorporated in India.

For JAIN & CO.
Chartered Accountants
Firm Registration No. 302023E
CA M. K. Jain
Partner
Membership No. 055048

Place : P-21/22, Radha Bazar Street, Kolkata
Dated : 28th May, 2019

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (i) OF SUB SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2019, we have audited the internal financial controls over financial reporting of KANCO TEA & INDUSTRIES LIMITED ("the Holding Company") and its subsidiary company, which is incorporated in India as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company its subsidiary company, which is incorporated in India as of that date, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For JAIN & CO.
Chartered Accountants
Firm Registration No. 302023E
CA M. K. JAIN
Partner
Membership No. 055048

Place : P-21/22, Radha Bazar Street, Kolkata
Dated : 28th May, 2019

**CONSOLIDATED BALANCE SHEET as at 31st March, 2019**

(₹ in thousands)

	Note No.	<u>As at 31st March, 2019</u>	<u>As at 31st March, 2018</u>
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment	5	5,04,649.35	4,76,059.04
Capital Work-In-Progress		1,277.03	2,457.05
Intangible Assets	6	7.36	18.53
Financial Assets			
Investments	7	1,58,964.90	4,46,325.25
Trade Receivables	8	499.18	325.55
Loans	9	17,204.47	55,011.74
Other Financial Assets	10	12,340.43	11,677.97
Other Non-Current Assets	11	15,170.52	11,319.11
Deferred Tax Asset (Net)	12	41,771.11	(10,815.97)
CURRENT ASSETS			
Inventories	13	39,103.54	31,736.40
Biological Assets other than bearer plants	14	1,837.63	1,083.44
Financial Assets			
Investments	15	28,477.56	2,036.80
Trade Receivables	8	10,933.66	8,464.85
Cash and Cash Equivalents	16	59,275.88	2,240.52
Bank balances other than Note 16	17	2,726.42	14,752.99
Loans	9	2,07,338.11	725.80
Other Financial Assets	10	18,654.88	6,865.10
Other Current Assets	11	35,488.19	20,411.05
Total Assets		<u>11,55,720.22</u>	<u>10,80,695.22</u>
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	18	51,228.27	51,228.27
Other Equity	19	5,34,815.31	4,99,409.35
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	20	2,60,069.90	2,45,309.49
Trade Payables	21	1,062.21	1,015.93
Other Financial Liabilities	22	90.42	90.42
Provisions	23	16,229.90	27,672.27
Non-Current Tax Liabilities (Net)	24	9,707.96	(3,064.75)
Other Liabilities	25	1,790.63	2,147.56
CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	26	1,50,396.23	1,27,828.62
Trade Payables	21	35,858.15	31,950.65
Other Financial Liabilities	22	78,778.05	93,202.12
Provisions	23	13,983.53	1,823.57
Other Liabilities	25	1,709.66	2,081.72
Total Equity and Liabilities		<u>11,55,720.22</u>	<u>10,80,695.22</u>
Basis of Accounting	2		
Significant Accounting Policies	3		
Significant Judgements & Estimates	4		

The Notes are an integral part of the Financial Statements

As per our Report annexed of even date

For JAIN & CO.

Chartered Accountants

Firm Registration No. 302023E

CA M. K. JAIN

Partner

Membership No. 055048

Kolkata, the 28th day of May, 2019

U. KANORIA
Chairman & Director
(DIN:00081108)

C. KABRA
Company Secretary

S. K. PARHI
Chief Financial Officer

**CONSOLIDATED STATEMENT OF PROFIT & LOSS for the year ended 31st March, 2019**

(₹ in thousands)

	Note No.	For the year ended 31st March, 2019	For the year ended 31st March, 2018
INCOME			
Revenue from Operations	27	5,50,673.15	5,30,811.46
Other Income	28	76,741.56	33,559.56
Total Income		<u>627,414.71</u>	<u>5,64,371.02</u>
EXPENSES			
Cost of Materials Consumed	29	98,329.07	62,828.03
Changes in Inventories of Finished Goods, Stock-In-Trade	30	(7,130.60)	13,290.55
Employee Benefits Expense	31	2,58,487.22	2,54,028.58
Finance Costs	32	48,091.26	42,347.51
Depreciation and Amortisation Expense	33	19,304.88	16,921.24
Other Expenses	34	1,71,961.26	169,430.33
Total Expenses		<u>5,89,043.09</u>	<u>5,58,846.24</u>
Profit before Tax		38,371.62	5,524.78
Tax Expense:	35		
Current Tax		55,215.29	366.51
MAT Credit Entitlement		(48,174.33)	-
Provision for I. Tax related to earlier year		(83.27)	56.97
Deferred Tax		(4,412.75)	2,105.23
Profit for the year		<u>35,826.68</u>	<u>2,996.07</u>
Other Comprehensive Income	36		
i. Items that will not be reclassified to profit or loss	36 A	5,802.00	35,856.34
ii. Income tax relating to these items		-	944.90
		<u>5,802.00</u>	<u>34,911.44</u>
Other Comprehensive Income for the Year (Net of Tax)		<u>5,802.00</u>	<u>34,911.44</u>
Total Comprehensive Income for the period		<u>41,628.68</u>	<u>37,907.51</u>
Earnings Per Share			
Nominal Value of Shares (₹)		10	10
Weighted Average Number of Ordinary Shares outstanding during the year		51,22,827	51,22,827
Basic & Diluted Earnings Per Share		6.99	0.58
Basis of Accounting	2		
Significant Accounting Policies	3		
Significant Judgements & Estimates	4		

The Notes are an integral part of the Financial Statements

As per our Report annexed of even date
For JAIN & CO.
Chartered Accountants
Firm Registration No. 302023E
CA M. K. JAIN
Partner
Membership No. 055048
Kolkata, the 28th day of May, 2019

C. KABRA
Company Secretary

U. KANORIA
Chairman & Director
(DIN:00081108)

S. K. PARHI
Chief Financial Officer

**CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March, 2019**

(₹ in thousands)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) Before Tax and after Exceptional items	38,371.62	5,524.78
Finance Cost	48,091.26	42,347.51
Depreciation (including amortization & impairment)	19,304.88	16,921.24
Changes in Fair Value of Biological Assets	(754.19)	1,103.04
Interest Received	(11,311.89)	(209.43)
Dividend Received	(2,135.19)	(2,564.04)
Loss / (Profit) on Property, Plant and Equipment sold/discarded (Net)	165.59	(193.60)
Net (Gain) on sale of Investments	(12,715.40)	(749.66)
Mark to Market (Gain) on Financial Instruments under FVTPL	177.66	(2,634.73)
Operating Profit/ (Loss) before Working Capital Changes	79,194.34	59,545.11
ADJUSTMENT FOR :		
Decrease in Trade Receivables	(2,642.44)	(4,302.03)
Decrease/(Increase) in Non-current & current financial assets	(8,605.39)	(7,356.91)
Decrease/(Increase) in Non-current & current assets	(15,417.11)	(4,465.42)
Decrease/(Increase) in Inventories & Biological Assets other than bearer plants	(7,367.14)	14,759.31
(Decrease)/ Increase in Trade Payables	3,941.98	5,928.74
(Decrease)/ Increase in Non-current & current financial liabilities	(12,163.42)	344.72
(Decrease)/ Increase in Non-current & current liabilities	(717.19)	(5,463.22)
(Decrease)/ Increase in Non-current & current provisions	1,475.66	(2,335.62)
Cash Generated from Operations	37,699.29	56,654.68
Income Tax (Paid)/ received (Net)	(42,359.32)	(2,449.63)
Net Cash Flow from Operating Activities	(4,660.03)	54,205.05
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	(50,797.03)	(48,904.46)
Sale of Property, Plant and Equipment	416.00	296.00
Loan Given (Net)	(1,68,805.04)	(40,139.18)
Fixed Deposits & other bank balances	12,026.57	(11,619.70)
Sale of Investments	2,78,501.25	14,278.12
Interest Received	7,465.04	155.76
Dividend Received	2,135.19	2,564.04
Net Cash Flow from Investing Activities	80,941.98	(83,369.42)
C CASH FLOW FROM FINANCING ACTIVITIES		
(Decrease)/ Increase in Short Term Borrowings from Banks	22,567.61	33,698.89
(Decrease)/ Increase in Long Term Borrowings	12,333.60	(7,043.90)
Finance Cost	(47,925.10)	(20,933.82)
Dividend Paid	(5,122.83)	(4,269.02)
Dividend distribution tax paid	(1,099.88)	(926.07)
Net Cash Flow from Financing Activities	(19,246.60)	526.08
Net Increase / (Decrease) in Cash and Cash Equivalents	57,035.36	(28,638.29)
Cash and Cash Equivalents at the beginning of the year	2,240.52	30,878.81
Cash and Cash Equivalents at the end of the year	59,275.88	2,240.52

Notes :

- The above Consolidated Cash Flow Statement has been prepared under the "Indirect Method" as set out in IND AS -7 "Statement of Cash Flows" referred to in the Companies (Accounts) Rules, 2016.
- Previous year's figures have been re-grouped/re-arranged wherever necessary.

As per our Report annexed of even date

For JAIN & CO.

Chartered Accountants

Firm Registration No. 302023E

CA M. K. JAIN

Partner

Membership No. 055048

Kolkata, the 28th day of May, 2019

U. KANORIA

Chairman & Director

(DIN:00081108)

C. KABRA

Company Secretary

S. K. PARHI

Chief Financial Officer



CONSOLIDATED STATEMENT OF CHANGE IN EQUITY for the year ended 31st March, 2019

(₹ in thousands)

a. Equity Share Capital

Balance as at 31st March 2017	17,076.09
Add/(Less): Changes during the year 2017-18	<u>34,152.18</u>
Balance as at 31st March 2019	51,228.27
Add/(Less): Changes during the year 2018-19	-
Balance as at 31st March 2019	<u>51,228.27</u>

b. Other Equity

Particulars	General Reserve	Preference Share Redemption Reserve	Retained Earnings	Other Comprehensive Income		Total
				Equity Instrument through Other Comprehensive Income	Remeasurement of Defined Benefit Plans	
Balance as at 31st March, 2017	1,07,279.05	4,000.00	80,419.51	3,10,371.51	(1,220.96)	5,00,849.11
Profit for the Year	-	-	2,996.07	-	-	2,996.07
Change in Fair Value	-	-	-	37,425.14	-	37,425.14
Remeasurement Gain/(Loss) (Net of Tax)	-	-	-	-	(2,513.70)	(2,513.70)
Total Comprehensive Income	-	-	2,996.07	37,425.14	(2,513.70)	37,907.51
Final Dividend Paid	-	-	4,269.02	-	-	4,269.02
Dividend Distribution Tax on Final Dividend Utilised for Bonus Issue	-	-	926.07	-	-	926.07
	34,152.18	-	-	-	-	34,152.18
Total Distribution	34,152.18	-	5,195.09	-	-	39,347.27
Balance as at 31st March, 2018	73,126.87	4,000.00	78,220.49	3,47,796.65	(3,734.66)	4,99,409.35

Particulars	General Reserve	Preference Share Redemption Reserve	Retained Earnings	Other Comprehensive Income		Total
				Equity Instrument through Other Comprehensive Income	Remeasurement of Defined Benefit Plans	
Balance as at 31st March, 2018	73,126.87	4,000.00	78,220.49	3,47,796.65	(3,734.66)	4,99,409.35
Profit for the Year	-	-	35,826.68	-	-	35,826.68
Change in Fair Value	-	-	-	5,043.93	-	5,043.93
Remeasurement Gain/(Loss) (Net of Tax)	-	-	-	-	758.07	758.07
Total Comprehensive Income	-	-	35,826.68	5,043.93	758.07	41,628.68
Final Dividend Paid	-	-	5,122.84	-	-	5,122.84
Dividend Distribution Tax on Final Dividend	-	-	1,099.88	-	-	1,099.88
Total Distribution	-	-	6,222.72	-	-	6,222.72
Balance as at 31st March, 2019	73,126.87	4,000.00	1,07,824.45	3,52,840.58	(2,976.59)	5,34,815.31

The Notes are an integral part of the Financial Statements

As per our Report annexed of even date

For JAIN & CO.

Chartered Accountants

Firm Registration No. 302023E

CA M. K. JAIN

Partner

Membership No. 055048

Kolkata, the 28th day of May, 2019

U. KANORIA
Chairman & Director
(DIN:00081108)

C. KABRA
Company Secretary

S. K. PARHI
Chief Financial Officer

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

1. CORPORATE AND GENERAL 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 9001:2015. Mackeypore Tea Estate & Lakmijan Tea Estate has been issued verification certificate under Trustea code for sustainable tea in India.

2. BASIS OF ACCOUNTING

2.1. Statement of Compliance

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended), other relevant provisions of the Act and other accounting principles generally accepted in India. The accounting policies applied consistently to all the periods presented in the financial statements.

The consolidated financial statements of the Company for the year ended 31st March, 2019 has been approved by the Board of Directors in their meeting held on 28th May, 2019.

2.2. Basis of Accounting

The Company maintains accounts on accrual basis following the historical cost convention, except for followings:

- Certain Financial Assets and Liabilities is measured at Fair value/ Amortised cost (refer accounting policy regarding financial instruments);
- Defined Benefit Plans – plan assets measured at fair value; and
- Biological Assets – At fair value less cost to sell.

2.3. Functional and Presentation Currency

The Consolidated Financial Statements are presented in Indian Rupee (INR), which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates. All financial information presented in INR has been rounded off to the nearest thousands as per the requirements of Schedule III, unless otherwise stated.

2.4. Use of Estimates and Judgements

The preparation of consolidated financial statements in conformity with Ind AS requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

2.5. Presentation of Financial Statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the consolidated financial statements along with the other notes required to be disclosed under the notified Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2.6. Operating Cycle for current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1. The Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities. Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities respectively.

2.7. Measurement of Fair Values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 — Inputs which are unobservable inputs for the asset or liability.

External valuers are involved for valuation of significant assets & liabilities. Involvement of external valuers is decided by the management of the company considering the requirements of Ind AS and selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

2.8 Principles of Consolidation

The Consolidated Financial Statements relate to Kanco Tea & Industries Limited (the Company) and its subsidiary Company namely Winnow Investments and Securities Private Limited. The brief information about the subsidiary as on 31/03/2019 is as under:

Name of Company	Country of Incorporation	Proportionate of ownership interest	
		31.03.2019	31.03.2018
Winnow Investments and Securities Private Limited	India	100%	100%

The Consolidated Financial Statements have been prepared in accordance with the applicable accounting standards, on the basis of standalone financial statements of the parent and the subsidiary by consolidating on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses and thereafter making due elimination of intra-group transactions.

3. ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all the periods presented in the financial statements.

3.1. INVENTORIES

Inventories are valued at the lower of cost and net realizable value (NRV). Cost is measured by including, unless specifically mentioned below, cost of purchase and other costs incurred in bringing the inventories to their present location and condition. NRV is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

- Raw Materials: At Cost or Net Realizable Value whichever is lower. Cost of harvested tea leaves, produced from own gardens, is measured at fair value less cost to sell at the point of harvest of tea leaves.
- Stores and Spare Parts: Stores and Spare Parts are measured at cost (measured at weighted average basis) or net realizable value whichever is lower.
- Finished Goods: Finished goods produced from agricultural produce are valued at lower of cost and the net realizable value. Cost is arrived at by adding the cost of conversion to the fair value of agricultural produce.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

- Stock in Trade: Stock in Trade is measured at cost (i.e., purchase cost) or net realizable value whichever is lower.
- Waste/ Scrap: Waste and Scrap (including tea waste) are valued at estimated realizable value.

3.2. CASH AND CASH EQUIVALENTS

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

For the purpose of the statement of cash flows, cash and cash equivalents includes cash on hand, deposits and other short-term highly liquid investments as defined above, net of bank overdrafts as they are considered an integral part of the Company's cash management. Bank overdrafts are shown within short term borrowings in the balance sheet.

3.3. INCOME TAX

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

3.3.1. Current Tax

Current tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities using the tax rates (and tax laws) that have been enacted or substantively enacted, at the end of the reporting period.

3.3.2. Deferred Tax

- Deferred Tax assets and liabilities is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.
- Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes (i.e., tax base). Deferred tax is also recognized for carry forward of unused tax losses and unused tax credits.
- Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.
- The carrying amount of deferred tax assets is reviewed at the end of each reporting period. The Company reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.
- Deferred tax relating to items recognized outside the Statement of Profit and Loss is recognized either in other comprehensive income or in equity. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.
- Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

3.4. PROPERTY, PLANT AND EQUIPMENT

3.4.1. Tangible Assets (Other than Bearer Plants)

3.4.1.1. Recognition and Measurement

- Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost, less any accumulated depreciation and accumulated impairment losses (if any).
- Cost of an item of property, plant and equipment acquired comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting any trade discounts and rebates, any directly attributable costs of bringing the assets to its working condition and location for its intended use and present value of any estimated cost of dismantling and removing the item and restoring the site on which it is located.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

- In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of directly attributable overheads, directly attributable borrowing costs incurred in bringing the item to working condition for its intended use, and estimated cost of dismantling and removing the item and restoring the site on which it is located. The costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling items produced while bringing the asset to that location and condition are also added to the cost of self-constructed assets.
- If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.
- Profit or loss arising on the disposal of property, plant and equipment are recognized in the Statement of Profit and Loss.

3.4.1.2. Subsequent Measurement

- Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced.
- Major Inspection/ Repairs/ Overhauling expenses are recognized in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any unamortized part of the previously recognized expenses of similar nature is derecognized.

3.4.1.3. Depreciation and Amortization

- Depreciation on tangible fixed assets is provided under Straight Line Method at rates determined based on the useful life of the respective assets and the residual values in accordance with Schedule II of the Companies Act, 2013 or as reassessed by the Company based on the technical evaluation.
- In respect of spares for specific machinery, cost is amortized over the useful life of the related machinery as estimated by the management.
- Depreciation on additions (disposals) during the year is provided on a pro-rata basis i.e., from (up to) the date on which asset is ready for use (disposed of).
- Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3.4.1.4. Disposal of Assets

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

3.4.1.5. Capital Work in Progress

Capital work-in-progress is stated at cost which includes expenses incurred during construction period, interest on amount borrowed for acquisition of qualifying assets and other expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial production.

3.4.2. Bearer Plants

3.4.2.1. Recognition and Measurement:

- Bearer Plants, comprising of mature tea bushes and shade trees are stated in the balance sheet at cost, less any accumulated depreciation and accumulated impairment losses (if any).
- Cost of bearer plants includes the cost of uprooting, land development, rehabilitation, planting of Guatemala, planting of shade trees, cost of nursery, drainage, manual cultivation, fertilizers, agro-chemicals, pruning and infilling etc.

3.4.2.2. Subsequent Measurement:

Costs incurred for infilling including block infilling are generally recognized in the Statement of Profit and Loss unless there is a significant increase in the yield of the sections, in which case such costs are capitalized and depreciated over the remaining useful life of the respective sections.

3.4.2.3. Depreciation:

- Depreciation on bearer plants is recognised so as to write off its cost over useful lives, using the straight-line method.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

- The estimated useful life, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.
- Estimated useful life of the bearer plants has been determined to be 50 years. The residual value in case of Bearer Plants has been considered as NIL.

3.4.2.4. Capital Work in Progress

Young tea bushes & shade trees, including the cost incurred for procurement of new seeds and maintenance of nurseries, are carried at cost less any recognized impairment losses under capital work-in-progress. Cost includes the cost of land preparation, new planting and maintenance of newly planted bushes until maturity. On maturity, these costs are classified under bearer plants. Depreciation of bearer plants commence on maturity.

3.5. REVENUE RECOGNITION

Revenue is recognised based on nature of activity when consideration can be reasonably measured and recovered with reasonable certainty. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment, but excludes amounts collected on behalf of third parties, such as sales tax and value added tax and is reduced for estimated customer returns, rebates and other similar allowances.

3.5.1. Sale of Products

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and significant risk and reward incidental to sale of products is transferred to the buyer, usually on delivery of the goods.

3.5.2. Other Income:

3.5.2.1. Interest Income: For all debt instruments measured either at amortized cost or at fair value through other comprehensive income (FVTOCI), interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset.

3.5.2.2. Dividend Income: Dividend income is accounted in the period in which the right to receive the same is established.

3.5.2.3. Other Income: Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably.

3.6. EMPLOYEE BENEFITS

3.6.1. Short Term Benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period.

3.6.2. Other Long Term Employee Benefits

The liabilities for earned leaves and sick leaves that are not expected to be settled wholly within twelve months are measured as the present value of the expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation. Remeasurements as the result of experience adjustment and changes in actuarial assumptions are recognized in Statement of Profit and Loss.

3.6.3. Post Employment Benefits

The Company operates the following post employment schemes:

- **Defined Contribution Plan**

Defined contribution plans such as Provident Fund, Superannuation Fund, Labour Welfare Fund etc. are charged to the statement of profit and loss as and when incurred. There are no other contribution payable to the respective funds.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

• Defined Benefit Plans

The liability or asset recognized in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method.

The liability recognized for defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The benefits are discounted using the government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation.

Remeasurements of the net defined benefit obligation, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling, are recognized in other comprehensive income. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the Statement of Profit and Loss.

3.7. GOVERNMENT GRANTS

Government grants are recognised at their fair value, where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

The grant relating to the acquisition/ construction of an item of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on the same systematic basis as the respective assets are depreciated over their expected life and are presented within other operating income.

3.8. FOREIGN CURRENCY TRANSACTIONS

- Foreign currency (other than the functional currency) transactions are translated into the functional currency using the spot rates of exchanges at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchanges at the reporting date.
- Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities are generally recognized in profit or loss in the year in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those qualifying assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings, the balance is presented in the Statement of Profit and Loss within finance costs.
- Non monetary items are not retranslated at period end and are measured at historical cost (translated using the exchange rate at the transaction date).

3.9. BORROWING COSTS

- Borrowing Costs consists of interest and other costs that an entity incurs in connection with the borrowings of funds. Borrowing costs also includes exchange difference to the extent regarded as an adjustment to the borrowing costs.
- Borrowing costs directly attributable to the acquisition or construction of a qualifying asset are capitalized as a part of the cost of that asset that necessarily takes a substantial period of time to complete and prepare the asset for its intended use or sale. The Company considers a period of twelve months or more as a substantial period of time.
- Transaction costs in respect of long term borrowing are amortized over the tenure of respective loans using Effective Interest Rate (EIR) method. All other borrowing costs are recognized in the statement of profit and loss in the period in which they are incurred.

3.10. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

3.10.1. Financial Assets

- Recognition and Initial Measurement:

All financial assets are initially recognized when the company becomes a party to the contractual provisions of the instruments. A financial asset is initially measured at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

- Classification and Subsequent Measurement:

For purposes of subsequent measurement, financial assets are classified in four categories:

- Measured at Amortized Cost;
- Measured at Fair Value Through Other Comprehensive Income (FVTOCI);
- Measured at Fair Value Through Profit or Loss (FVTPL); and
- Equity Instruments measured at Fair Value through Other Comprehensive Income (FVTOCI).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

- Measured at Amortized Cost: A debt instrument is measured at the amortized cost if both the following conditions are met :

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade receivables, cash and bank balances, loans and other financial assets of the Company.

- Measured at FVTOCI: A debt instrument is measured at the FVTOCI if both the following conditions are met:

- The objective of the business model is achieved by both collecting contractual cash flows and selling the financial assets; and
- The asset's contractual cash flows represent SPPI.

Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on remeasurement recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains or losses. Interest calculated using the effective interest method is recognized in the Statement of Profit and Loss in investment income.

- Measured at FVTPL: FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL. In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss. Equity instruments which are, held for trading are classified as at FVTPL.

- Equity Instruments measured at FVTOCI: For all other equity instruments, which has not been classified as FVTPL as above, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. In case the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment.

- **Derecognition :**

The Company derecognizes a financial asset on trade date only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

• **Impairment of Financial Assets :**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS – 109 requires expected credit losses to be measured through a loss allowance. The company recognizes lifetime expected losses for all contract assets and/ or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

3.10.2. Financial Liabilities

• **Recognition and Initial Measurement:**

Financial liabilities are classified, at initial recognition, as at fair value through profit or loss, loans and borrowings, payables or as derivatives, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

• **Subsequent Measurement:**

Financial liabilities are measured subsequently at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

• **Financial Guarantee Contracts:**

Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirement of Ind AS 109 and the amount recognized less cumulative amortization.

• **Derecognition:**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

3.10.3. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

3.11. Earnings Per Share

Basic Earnings per Share (EPS) amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders adjusted for the effects of potential equity shares by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

3.12. Impairment of Non-Financial Assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful lives of the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (Cash Generating Units – CGU).

An impairment loss is recognized as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in earlier accounting period is reversed if there has been an improvement in recoverable amount.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

3.13. Provisions, Contingent Liabilities and Contingent Assets

3.13.1. Provisions

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and 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 determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

3.13.2. Contingent Liabilities

Contingent liability is a possible obligation arising from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events but is not recognized because it is not possible that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations cannot be made. The Company discloses the existence of contingent liabilities in Other Notes to Financial Statements.

3.13.3. Contingent Assets

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent Assets are not recognized though are disclosed, where an inflow of economic benefits is probable.

3.14. Intangible Assets

3.14.1. Recognition and Measurement

Software which is not an integral part of related hardware, is treated as intangible asset and are stated at cost on initial recognition and subsequently measured at cost less accumulated amortization and accumulated impairment loss, if any.

3.14.2. Subsequent Expenditure

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Company and the cost of the item can be measured reliably. All other expenditure is recognized in the Statement of Profit & Loss.

3.14.3. Amortization

- Intangible assets are amortized over their estimated useful lives.
- The amortization period and the amortization method are reviewed at least at the end of each financial year. If the expected useful life of the assets is significantly different from previous estimates, the amortization period is changed accordingly.

3.14.4. Intangible Assets under Development

Intangible Assets under development is stated at cost which includes expenses incurred in connection with development of Intangible Assets in so far as such expenses relate to the period prior to the getting the assets ready for use.

3.15. Biological Assets and Agricultural Produce

3.15.1. Biological Assets

Biological assets of the company comprise of un-harvested green tea leaves that are classified as current biological assets.

The Company recognizes biological assets when, and only when, the Company controls the assets as a result of past events, it is probable that future economic benefits associated with such assets will flow to the company and the fair value or cost of the assets can be measured reliably. Expenditure incurred on biological assets is measured on initial recognition and at the end of each reporting period at its fair value less costs to sell. The gain or loss arising from a change in fair value less cost to sell of biological assets is included in Statement of Profit and Loss for the period in which it arises.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019 (Contd.)

3.15.2. Agricultural Produce

The Company recognizes agricultural produce when, and only when, the Company controls the assets as a result of past events, it is probable that future economic benefits associated with such assets will flow to the Company and the fair value or the cost of the assets can be measured reliably. Agricultural produce harvested from the Company's biological assets are valued at fair value less cost to sell at the point of harvest. A gain or loss arising on initial recognition of agricultural produce at fair value less cost to sell shall be included in Statement of Profit & Loss for the period in which it arises.

The Company's agricultural produce comprises of green leaves plucked from its tea estate.

3.16. Operating Segment

Operating Segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors. Segments are organized based on businesses which have similar economic characteristics as well as exhibit similarities in nature of production processes, the type and class of customer and distribution methods. Accordingly, the company has only one segment i.e., Manufacturing of Black Tea.

4. SIGNIFICANT JUDGEMENTS AND KEY SOURCES OF ESTIMATION IN APPLYING ACCOUNTING POLICIES

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. Information about Significant judgements and Key sources of estimation made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

- **Recognition of Deferred Tax Assets :** The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits.
- **Useful lives of depreciable/ amortisable assets (tangible and intangible) :** Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to actual normal wear and tear that may change the utility of plant and equipment.
- **Defined Benefit Obligation (DBO) :** Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, medical cost trends, anticipation of future salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate. However, any changes in these assumptions may have a material impact on the resulting calculations.
- **Provisions and Contingencies :** The assessments undertaken in recognising provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgement by management regarding the probability of exposure to potential loss.
- **Impairment of Financial Assets :** The Company reviews its carrying value of investments carried at amortized cost annually, or more frequently when there is indication of impairment. If recoverable amount is less than its carrying amount, the impairment loss is accounted for.
- **Allowances for Doubtful Debts :** The Company makes allowances for doubtful debts through appropriate estimations of irrecoverable amount. The identification of doubtful debts requires use of judgment and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.
- **Fair value measurement of financial Instruments :** When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The input to these models are taken from observable markets where possible, but where this not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.
- **Fair Value of Biological Assets :** The fair value of Biological Assets is determined based on recent transactions entered into with third parties or available market price.

Notes to Consolidated Financial Statements as on and for the year ended 31st March, 2019 (Contd.)
(₹ in thousands)
5 PROPERTY, PLANT AND EQUIPMENT

Particulars	Year Ended 31st March 2019								
	Gross Block				Accumulated Depreciation				Net Carrying Amount
	As at 1st April 2018	Additions	Disposals/ Adjustments	As at 31st March 2019	As at 1st April 2018	For the Year	Deductions/ Adjustments	As at 31st March 2019	
Land Freehold	2,44,026.60	-	-	2,44,026.60	-	-	-	-	2,44,026.60
Buildings & Water Supply Installation	64,723.83	14,100.09	-	78,823.92	3,732.25	2,453.21	-	6,185.46	72,638.46
Plant & Equipments	93,296.46	10,740.87	-	1,04,037.33	15,051.61	9,118.52	-	24,170.13	79,867.20
Furniture and Fixtures	4,666.16	775.90	10.40	5,431.66	1,105.26	604.96	1.84	1,708.38	3,723.28
Motor Vehicles	31,358.75	2,311.92	739.81	32,930.86	6,350.09	4,336.30	166.78	10,519.61	22,411.25
Bearer Plants	67,537.15	20,536.83	881.81	87,192.17	3,310.70	2,780.72	881.81	5,209.61	81,982.56
Total	5,05,608.95	48,465.61	1,632.02	5,52,442.54	29,549.91	19,293.71	1,050.43	47,793.19	5,04,649.35

Particulars	Year Ended 31st March 2018								
	Gross Block				Accumulated Depreciation				Net Carrying Amount
	As at 1st April 2017	Additions	Disposals/ Adjustments	As at 31st March 2018	As at 1st April 2017	For the Year	Deductions/ Adjustments	As at 31st March 2018	
Land Freehold	2,44,026.60	-	-	2,44,026.60	-	-	-	-	2,44,026.60
Buildings & Water Supply Installation	48,272.39	16,451.44	-	64,723.83	1,614.22	2,118.03	-	3,732.25	60,991.58
Plant & Equipments	61,109.92	32,189.24	2.70	93,296.46	6,432.70	8,619.82	0.91	15,051.61	78,244.85
Furniture and Fixtures	4,438.07	228.09	-	4,666.16	550.77	554.49	-	1,105.26	3,560.90
Motor Vehicles	20,519.31	11,061.91	222.47	31,358.75	3,006.13	3,465.82	121.86	6,350.09	25,008.66
Bearer Plants	61,371.67	6,165.48	-	67,537.15	1,167.96	2,142.74	-	3,310.70	64,226.45
Total	4,39,737.96	66,096.16	225.17	5,05,608.95	12,771.78	16,900.90	122.77	29,549.91	4,76,059.04

Notes :

5.1 Refer note no. 39 for information on inventories pledged as securities by the Company.

5.2 Refer note no. 38 for disclosure of contractual commitments for the acquisition of Property, Plant & Equipments.

6 INTANGIBLE ASSETS

Particulars	Year Ended 31st March 2019								
	Gross Carrying Amount				Accumulated Amortization				Net Carrying Amount
	As at 1st April 2018	Additions	Disposals/ Adjustments	As at 31st March 2019	As at 1st April 2018	For the Year	Deductions/ Adjustments	As at 31st March 2019	
Computer Software	98.96	-	-	98.96	80.43	11.17	-	91.60	7.36
Total	98.96	-	-	98.96	80.43	11.17	-	91.60	7.36

Notes to Consolidated Financial Statements as on and for the year ended 31st March, 2019 (Contd.)
(₹ in thousands)
6 INTANGIBLE ASSETS (Contd.)

Particulars	Year Ended 31st March 2018								
	Gross Carrying Amount				Accumulated Amortization				Net Carrying Amount
	As at 1st April 2017	Additions	Disposals/ Adjustments	As at 31st March 2018	As at 1st April 2017	For the Year	Deductions/ Adjustments	As at 31st March 2018	
Computer Software	98.96	-	-	98.96	60.10	20.33	-	80.43	18.53
Total	98.96	-	-	98.96	60.10	20.33	-	80.43	18.53

7 NON-CURRENT INVESTMENTS

	Face Value	As at 31st March, 2019		As at 31st March, 2018	
		Qty	Amount	Qty	Amount
Investment at Fair Value through Other Comprehensive Income Equity Instruments (Quoted)					
Warren Tea Limited	10	10	0.62	10	1.05
Kanco Enterprises Limited*	10	33,14,291	1,160.01	33,14,291	1,160.01
Oriental Carbon & Chemicals Limited	10	-	-	2,56,404	2,63,980.74
Subtotal			1,160.63		2,65,141.80
Equity Instruments (Unquoted)					
Gujurat Nylons Limited	10	100	3.47	100	3.47
The Methoni Tea Co. Limited	10	100	12.69	100	12.69
The Grob Tea Co. Limited	10	150	12.12	150	12.12
Rydak Syndicate Limited	10	100	12.69	100	12.69
E T Resources Private Limited	10	74,300	37,521.50	74,300	36,035.50
B T Investments Private Limited	10	76,500	20,043.00	76,500	19,201.50
Cosmos Resources Private Limited	10	75,000	8,025.00	75,000	7,800.00
Facitcon Investments Private Limited	10	88,000	24,992.00	88,000	24,288.00
S T Investment Private Limited	10	7,98,350	23,950.50	7,98,350	23,152.16
Nidhi Private Limited	10	1,60,000	11,040.00	1,60,000	9,600.00
Innova Properties Private Limited	10	77,500	12,167.50	77,500	12,709.98
Suryasakti Commodities Private Limited	10	46,000	9,430.00	46,000	9,338.00
STLE Investments Limited	10	1,900	2,036.80	-	-
Subtotal			1,49,247.27		1,42,166.11
Total (A)			1,50,407.90		4,07,307.91
Investments at Fair Value through Profit or Loss Investment in 7% Non Cumulative Redeemable Preference Shares(Unquoted)					
B T Investments Private Limited	100	39,250	3,925.00	39,250	3,925.00
Facitcon Investments Private Limited	100	46,320	4,632.00	46,320	4,632.00
Subtotal			8,557.00		8,557.00
Investment in Mutual Funds (Unquoted)					
HDFC Asset Management Company Limited		-	-	5,24,301.368	6,462.07
Reliance Capital Asset Management Company Limited		-	-	5,11,927.921	5,424.29
IIFL Asset Revival Fund Series-2		-	-	13,22,848.951	18,573.98
Subtotal			-		30,460.34
Total (B)			8,557.00		39,017.34
TOTAL NON- CURRENT INVESTMENTS (A+B)			1,58,964.90		4,46,325.25
Aggregate Book Value of Quoted Investments			1,160.63		2,65,141.80
Aggregate Fair Value of Quoted Investments			1,160.63		2,65,141.80
Aggregate amount of Unquoted Investments			1,57,804.27		1,81,183.45

* Out of which 30,06,080 Equity Shares were lying pledged in the previous year.

Notes to Consolidated Financial Statements as on and for the year ended 31st March, 2019 (Contd.)

8	TRADE RECEIVABLES	Refer Note No.	Long Term		Short Term	
			As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
			(₹ in thousands)			
	Trade Receivables	8.1 & 8.2	499.18	325.55	10,933.66	8,464.85
	Less: Provision for doubtful receivables		-	-	-	-
	Total Trade Receivables		499.18	325.55	10,933.66	8,464.85
	Break Up of Security Details					
	Secured, considered good		-	-	-	-
	Unsecured, considered good		499.18	325.55	10,933.66	8,464.85
	Doubtful		-	-	-	-
	Total		499.18	325.55	10,933.66	8,464.85
	Less: Provision for doubtful receivables		-	-	-	-
	Total Trade Receivables		499.18	325.55	10,933.66	8,464.85

8.1 Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days.

8.2 No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

9	LOANS	Refer Note No.	Long Term		Short Term	
			As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
				Loans & Advances to Related Parties	9.1	
	Unsecured, considered doubtful		43,434.76	43,434.76	-	-
	Less: Provision for Doubtful Advances		43,434.76	43,434.76	-	-
			-	-	-	-
	Inter Corporate Loans to Others, unsecured, considered good		16,925.98	54,229.28	2,06,273.31	-
	Advance to Employees, unsecured, considered good		278.49	782.46	1,064.80	725.80
	Total Loans		17,204.47	55,011.74	2,07,338.11	725.80

9.1 No Loans are due from directors or other officers of the Company either severally or jointly with any other person. Nor any loan are due from firms or private companies respectively in which any director is a partner, a director or a member.

10	OTHERS FINANCIAL ASSETS	Long Term		Short Term	
		As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
			Security & Other Deposits	11,909.39	11,246.93
	NABARD Tea Development Account	-	-	3.40	3.40
	Interest Accrued and Due	3,949.26	3,949.26	7,669.85	142.95
	Less: Provision for Doubtful receivables	(3,518.22)	(3,518.22)	-	-
	Others	-	-	10,961.63	6,718.75
		12,340.43	11,677.97	18,654.88	6,865.10

Notes to Consolidated Financial Statements as on and for the year ended 31st March, 2019 (Contd.)
(₹ in thousands)
11 OTHER ASSETS

	Long Term		Short Term	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Capital Advances	640.45	240.45	3,111.44	-
Advances other than Capital Advances				
Advance against supply of Goods & Services	1,842.84	1,836.84	14,369.66	11,571.36
Less : Provision for Doubtful Advances	-	-	-	-
Prepaid Expenses	-	-	216.55	1,912.56
Balances with Government & Statutory Authorities	53.25	159.37	10,563.46	6,171.31
Less : Provision for Doubtful Advances	-	-	-	-
Incentive and Subsidy Receivable	14,076.26	11,823.45	6,590.39	-
Less: Provision for Doubtful Receivables	(2,946.46)	(2,946.46)	-	-
Other Receivables	1,504.18	205.46	636.69	755.82
Total Other Assets	15,170.52	11,319.11	35,488.19	20,411.05

12 DEFERRED TAX ASSETS (NET)

	As at 31st March, 2019	As at 31st March, 2018
Deferred Tax Assets		
Arising on account of :		
Section 43B of Income-tax Act	3,299.74	3,900.89
Provision for doubtful debts	2,744.59	3,261.84
MAT Credit Entitlement	59,849.13	11,674.80
Others	736.68	736.68
	66,630.14	19,574.21
Less: Deferred Tax Liabilities		
Arising on account of :		
Property, Plant & Equipment	12,740.86	16,845.59
Financial Assets	11,867.51	13,293.93
Others	250.66	250.66
	24,859.03	30,390.18
Deferred Tax Liabilities (Net)	41,771.11	(10,815.97)

12.1 Movement in deferred tax assets and liabilities during the year ended 31st March, 2018 and 31st March, 2019

Particulars	As at 1st April, 2017	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	As at 31st March, 2018
Deferred Income Tax Liabilities				
Property, Plant & Equipment	14,772.17	2,073.42	-	16,845.59
Financial Assets	12,000.59	348.44	944.90	13,293.93
Others	250.66	-	-	250.66
	27,023.42	2,421.86	944.90	30,390.18
Deferred Income Tax Assets				
Section 43B of Income-tax Act	3,877.33	23.56	-	3,900.89
Provision for doubtful debts	3,261.84	-	-	3,261.84
MAT Credit Entitlement	11,756.07	(81.27)	-	11,674.80
Others	443.57	293.11	-	736.68
	19,338.81	235.40	-	19,574.21

Notes to Consolidated Financial Statements as on and for the year ended 31st March, 2019 (Contd.)
(₹ in thousands)
12.1 Movement in deferred tax assets and liabilities during the year ended 31st March, 2018 and 31st March, 2019 (Contd.)

Particulars	As at 1st April, 2018	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	As at 31st March, 2019
Deferred Income Tax Liabilities				
Property, Plant & Equipment	16,845.59	(4,104.73)	-	12,740.86
Financial Assets	13,293.93	(215.25)	(1,211.17)	11,867.51
Others	250.66	-	-	250.66
	30,390.18	(4,319.98)	(1,211.17)	24,859.03
Deferred Income Tax Assets				
Section 43B of Income-tax Act	3,900.89	(601.15)	-	3,299.74
Provision for doubtful debts	3,261.84	(517.25)	-	2,744.59
MAT Credit Entitlement	11,674.80	-	-	11,674.80
Others	736.68	-	-	736.68
	19,574.21	(1,118.40)	-	18,455.81

12.2 Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income tax levied by the same taxation authority.

13 INVENTORIES	Refer Note No.	As at 31st March, 2019	As at 31st March, 2018
(As valued and certified by the Management)	3.1		
Raw Materials	13.2	19.07	1,158.17
Finished Goods	13.2	17,594.88	10,464.28
Stores and Spares etc.	13.1 & 13.2	21,489.59	20,113.95
		39,103.54	31,736.40
13.1 The above includes goods-in-transit as under :			
Stores and Spares etc.		3,843.70	2,502.99
		3,843.70	2,502.99

13.2 Refer Note No. 39 for information on inventories pledged as securities by the Company.

13.3 Refer Note No. 29 & 34 for information in relation to the amount of inventories recognized as expenses.

14 BIOLOGICAL ASSETS OTHER THAN BEARER PLANTS	Refer Note No.	As at 31st March, 2019	As at 31st March, 2018
Fair Value of Biological Assets Other than Bearer Plants (Unharvested Tea Leaves)	14.1	1,837.63	1,083.44
		1,837.63	1,083.44

14.1 Unharvested tea leaves on bushes as on 31st March 2019 was 80,846 kgs (31st March, 2018 - 54,118 kgs)

15 CURRENT INVESTMENTS	Face Value	As at 31st March, 2019		As at 31st March, 2018	
		Qty	Amount	Qty	Amount
Investment at Fair Value through Other Comprehensive Income Equity Instruments (Quoted)					
Eveready Industries Limited	5	44,005	8,477.56	-	-
Subtotal (A)			8,477.56		

Notes to Consolidated Financial Statements as on and for the year ended 31st March, 2019 (Contd.)

15 CURRENT INVESTMENTS (Contd.)	Face Value	As at 31st March, 2019		As at 31st March, 2018	
		Qty	Amount	Qty	Amount
(₹ in thousands)					
Equity Instruments (Unquoted)					
Stile Investments Limited	10	-	-	1,900	2,036.80
Subtotal (B)			-		2,036.80
Debt Instruments (Unquoted)					
% Optionally Convertible Debentures of Devoted Constructions Limited	1,00,000	200	20,000.00	-	-
Subtotal (C)			20,000.00		-
TOTAL CURRENT INVESTMENTS (A+B+C)			28,477.56		2,036.80
Aggregate Book Value of Quoted Investments			8,477.56		-
Aggregate Fair Value of Quoted Investments			8,477.56		-
Aggregate amount of Unquoted Investments			20,000.00		2,036.80
16 CASH AND CASH EQUIVALENTS			Refer	As at 31st	As at 31st
			Note No.	March, 2019	March, 2018
Balances With Banks :					
In Current/Cash Credit Account				58,437.85	1,603.74
Cash in Hand				838.03	636.78
				59,275.88	2,240.52
17 BANK BALANCES (OTHER THAN NOTE: 16)					
Unpaid Dividend & Fractional Shares Account				2,199.14	2,303.04
Deposit Accounts with Original Maturity of more than three months but less than 12 months			17.1	527.28	12,449.95
				2,726.42	14,752.99
17.1 Represents deposits marked lien with banks as security for Letter of Credit facility.					
18 EQUITY SHARE CAPITAL		As at 31st March, 2019		As at 31st March, 2018	
		No. of Shares	Amount	No. of Shares	Amount
18.1 Authorised Share Capital					
Ordinary Shares of ₹ 10/- each		60,00,000	60,000.00	60,00,000	60,000.00
Preference Shares of ₹ 100/- each		1,00,000	10,000.00	1,00,000	10,000.00
			70,000.00		70,000.00
18.2 Issued, Subscribed and Paid-up Share Capital					
Ordinary Shares of ₹ 10/- each fully paid-up		51,22,827	51,228.27	51,22,827	51,228.27
		51,22,827	51,228.27	51,22,827	51,228.27
18.3 Reconciliation of the number of shares at the beginning and at the end of the year				As at 31st	As at 31st
				March, 2019	March, 2018
No. of Shares outstanding at the beginning of the year				51,22,827	17,07,609
Add: Issued during the year pursuant to the bonus issue				-	34,15,218
No. of Shares outstanding at the end of the year				51,22,827	51,22,827
18.4 Terms/ Rights attached to Equity Shares					

The Company has only one class of Ordinary Equity Share having a face value of ₹ 10 per share and each holder of Ordinary Equity Share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors (except interim dividend) is subject to the approval of the shareholders in the Annual General Meeting. The claim of Ordinary Equity Shareholders on earnings and on assets in the event of liquidation, follows all others, in proportion to their shareholding.

Notes to Consolidated Financial Statements as on and for the year ended 31st March, 2019 (Contd.)
(₹ in thousands)
18.5 Shareholding Pattern with respect of Holding or Ultimate Holding Company

The Company does not have any Holding Company or Ultimate Holding Company.

18.6 Details of Equity Shareholders holding more than 5% shares in the Company
Ordinary Shares of ₹ 10/- each fully paid

	As at 31st March, 2019		As at 31st March, 2018	
	No. of Shares	% Holding	No. of Shares	% Holding
E. T. Resources Private Limited	8,77,623	17.13%	8,77,623	17.13%
Satvik Welfare Trust	7,47,900	14.60%	7,47,900	14.60%
Mrs. Anuradha Kanoria	5,49,441	10.73%	5,49,441	10.73%
Umang Kanoria (HUF)	4,66,605	9.11%	4,66,605	9.11%
Mr. Satvik Kanoria	2,86,623	5.60%	2,86,623	5.60%
Facitcon Investments Private Limited	2,59,950	5.07%	2,59,950	5.07%

18.7 No Ordinary Equity Shares have been reserved for issue under options and contracts/ commitments for the sale of shares/ disinvestment as at the Balance Sheet date.

18.8 The Company had issued 34,15,218 no. of Ordinary Equity Shares as bonus shares in the ratio of 2:1 to its existing shareholders during the year ended 31st March, 2018.

18.9 No securities convertible into Equity/ Preference shares have been issued by the Company during the year.

18.10 No calls are unpaid by any Director or Officer of the Company during the year.

19 OTHER EQUITY

	As at 31st March, 2019	As at 31st March, 2018
General Reserve	73,126.87	73,126.87
Preference Share Redemption Reserve	4,000.00	4,000.00
Retained Earnings	1,07,824.45	78,220.49
Other Reserves	3,49,863.99	344,061.99
	5,34,815.31	499,409.35

20 BORROWINGS

	Refer Note No.	Non-Current Portion		Current Maturities	
		As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
20.1 Non Convertible Redeemable Preference Shares (NCRPS) (Face Value ₹ 100 each) 40,000 (Previous Year 31st March 2018 - 40,000) 7% NCRPS redeemable on 31st March, 2023		4,000.00	4,000.00	-	-
20.2 Term Loans					
From Banks					
Rupee Loans	20.3 A	1,44,567.27	1,67,328.69	22,110.00	25,935.04
		1,44,567.27	1,67,328.69	22,110.00	25,935.04
From Others					
From Directors		20,900.00	6,800.00	-	-
From Others	20.3 B	90,602.63	67,180.80	2,084.60	686.37
Total		2,60,069.90	2,45,309.49	24,194.60	26,621.41
Amount disclosed under Note No.22 "Other Financial Liability"		-	-	(24,194.60)	(26,621.41)
		2,60,069.90	2,45,309.49	-	-
Break up of Security Details					
Secured	20.4	1,46,626.38	1,70,760.54	24,194.60	26,621.41
Unsecured		1,13,443.52	74,548.95	-	-
Total		2,60,069.90	2,45,309.49	24,194.60	26,621.41

Notes to Consolidated Financial Statements as on and for the year ended 31st March, 2019 (Contd.)
(₹ in thousands)
20.3 Terms of Repayment of Term Loans

Particulars	Refer Note No.	₹ in thousands	Period of Maturity	No. of Instalments Due	Instalment Value	Repayment Terms	Rate of Interest p.a.
A Term Loan - From Banks - in Indian Rupees							
Punjab National Bank	20.4.a	166,677.27	2025-2026	7	2019-20: 22,110 2020-21: 24,120 2021-22: 26,130 2022-23: 30,150 2023-24: 30,150 2024-25: 32,160 2025-26: 18,090	7 annual installments of varying amount commencing after a period of 12 months from the date of 1st disbursement	11.25%
B Term Loan - From Others - in Indian Rupees							
I Volkswagon Finance Private Limited	20.4.b	2,006.43	2020-2021	17	EMI - 126.23	17 remaining equated monthly instalment (EMI)	8.47%
		1,945.57	2022-2023	4	May'19: 486.39 May'20: 486.39 May'21: 486.39 May'22: 486.39	4 remaining equal annual instalments	9%
II Tea Board of India	20.4.c	799.91	2022-2023	4	May'19: 199.98 May'20: 199.98 May'21: 199.98 May'22: 199.98	4 remaining equal annual instalments	9%
III From Directors		4,300.00	2025-2026	1	2025-26: 4,300	In a single bullet	10%
		2,500.00	2025-2026	1	2025-26: 2,500	bullet	9%
		11,000.00	2021-2022	1	2021-22: 11,000	payment	9.50%
		3,100.00	2021-2022	1	2021-22: 3,100		10%
IV From Other Body Corporates		30,000.00	2025-2026	1	2025-26: 30,000	In a single bullet	12%
		31,935.32	2025-2026	1	2025-26: 31,935.32	bullet	10%
		2,500.00	2025-2026	1	2025-26: 2,500	payment	11%
		3,500.00	2021-2022	1	2021-22: 3,500		10%
		10,000.00	2021-2022	1	2021-22: 10,000		12.50%
		10,000.00	2021-2022	1	2021-22: 10,000		12%

20.4 Details of Security Given for Loan

- Term Loan from Punjab National 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 two directors of the Company.
- Term Loan from Volkswagon Finance Private Limited in the nature of Car Loan is secured by Hypothecation of Motor Car.
- Loan from Tea Board of India 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.

20.5 Refer Note No. 39 for information on the carrying amounts of financial and non-financial assets pledged as security for the non-current borrowings.

Notes to Consolidated Financial Statements as on and for the year ended 31st March, 2019 (Contd.)
(₹ in thousands)
21 TRADE PAYABLES

	Refer Note No.	Long Term		Short Term	
		As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Dues to Micro and Small Enterprises	21.1	-	-	880.12	1,709.16
Dues to Creditors other than Micro & Small Enterprises		1,062.21	1,015.93	34,978.03	30,241.49
		1,062.21	1,015.93	35,858.15	31,950.65

21.1 The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows :

	As at 31st March, 2019	As at 31st March, 2018
a) The principal amount remaining unpaid to any supplier at the end of the year	875.01	1,709.16
b) Interest due remaining unpaid to any supplier at the end of the year.	5.11	-
c) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year.	-	-
d) The amount of interest due and payable for the period of delay in making payment (which have been paid beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
e) The amount of interest accrued and remaining unpaid at the end of each accounting year.	5.11	-
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company.

22 OTHER FINANCIAL LIABILITIES

	Refer Note No.	Long Term		Short Term	
		As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Current maturities of Long Term Debt	20	-	-	24,194.60	26,621.41
Trade & Security Deposits (Unsecured)		-	-	13,038.38	11,891.37
Interest accrued and due on Borrowings		-	-	25,026.20	24,580.04
Unpaid and unclaimed dividends	22.1	-	-	2,198.45	2,302.33
Preference Dividend Payable		-	-	-	280.00
Employees related Liabilities		18.97	18.97	14,320.42	27,526.97
Other Payables		71.45	71.45	-	-
		90.42	90.42	78,778.05	93,202.12

22.1 There are no amounts due for payment to the Investor Education and Protection Fund at the year end.

23 PROVISIONS

Provision for Employee Benefits	23.1	16,229.90	27,672.27	13,983.53	1,823.57
Other Provisions		-	-	-	-
		16,229.90	27,672.27	13,983.53	1,823.57

23.1 All Provisions are valued at their Present value of money.

24 NON CURRENT TAX LIABILITIES (NET)

	Refer Note No.	As at 31st March, 2019	As at 31st March, 2018
Provision for Taxation		94,586.16	40,646.88
Less: Advance Income Tax & TDS		84,878.20	43,711.63
		9,707.96	(3,064.75)

Notes to Consolidated Financial Statements as on and for the year ended 31st March, 2019 (Contd.)

	Refer Note No.	Long Term		(₹ in thousands) Short Term	
		As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
25 OTHER LIABILITIES					
Deferred Revenue Income	25.1	1,736.19	2,055.10	338.91	338.91
Advances Received from Customers		37.54	75.56	-	271.51
Statutory Dues		-	-	1,370.75	1,457.96
Others		16.90	16.90	-	13.34
		1,790.63	2,147.56	1,709.66	2,081.72
			Refer Note No.	As at 31st March, 2019	As at 31st March, 2018
25.1 Opening Balance				2,055.10	2,394.01
Grants received during the year				-	-
Less: Released to profit or loss				-	-
				2,055.10	2,394.01
Less: Current Portion of the Deferred Revenue Income				318.91	338.91
Closing Balance				1,736.19	2,055.10
26 SHORT TERM BORROWINGS					
Loans Repayable on Demand					
Working Capital Loan from Banks			26.1	1,50,396.23	1,27,828.62
				1,50,396.23	1,27,828.62
26.1 The above amount includes					
Secured Borrowings			26.2	1,50,396.23	1,27,828.62
Unsecured Borrowings				-	-
				1,50,396.23	1,27,828.62
26.2 Terms and conditions of Short Term Borrowings					
a					
Cash Credit from Punjab National Bank is secured by hypothecation of green tea leaves, before and after plucking, teas in process, finished tea in stock/transit, tea lying with brokers/agents awaiting sale, other tea stocks, book debts (present and future) arising out of sale of teas, first charge over all current assets of the company (both present and future) and equitable mortgage of immovable properties and machineries of tea estates as collateral security and further guaranteed by two directors of the Company.					
b					
Interest on Cash Credit Loan @12.05% and the same is repayable on demand.					
27 REVENUE FROM OPERATIONS		Refer Note No.		For the year ended 31st March, 2019	For the year ended 31st March, 2018
Sale of Products- Black Tea				5,39,990.18	5,30,360.23
				5,39,990.18	5,30,360.23
Other Operating Revenues					
Incentives & Subsidies	27.1			10,682.97	451.23
				10,682.97	451.23
				5,50,673.15	5,30,811.46

27.1 Government grants in the form of subsidy are related to certain incentives being made available by the Government of India for Tea Industry. Replantation subsidy relates to activities for which cost has been incurred in earlier years. There are no unfulfilled conditions or other contingencies attaching to these grants. The Company did not benefit directly from any other forms of government assistance.

Notes to Consolidated Financial Statements as on and for the year ended 31st March, 2019 (Contd.)
(₹ in thousands)

28 OTHER INCOME	Refer Note No.	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Interest Income			
On Investments		4,274.11	-
On Banks Deposits		1,292.77	189.80
On Other Deposits,etc		5,745.01	19.63
Dividend Income		2,135.19	2,564.04
Net Gain/ (Loss) on sale of Investments measured at fair value through P/L		12,715.40	749.66
Net Gain/ (Loss) on Mark to Market of Investments measured at fair value through P/L		(177.66)	2,634.73
Other Non Operating Income			
Profit on sale/discard of Property, Plant & Equipments (Net)		(165.59)	193.60
Excess Provision/ Liabilities written back		224.03	1.63
Change in fair valuation of biological assets		754.19	(1,103.04)
Other Miscellaneous Income		49,944.11	28,309.51
		<u>76,741.56</u>	<u>33,559.56</u>
29 COST OF MATERIALS CONSUMED			
Opening Stock		1,158.17	-
Add: Purchases		97,189.97	63,986.20
Less: Closing Stock		19.07	1,158.17
(Closing Stock includes change in Fair Value of Stock of Own Green Leaf on reporting date)		<u>98,329.07</u>	<u>62,828.03</u>
30 (INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS			
Finished Goods			
Opening Inventories		10,464.28	23,754.83
Closing Inventories		17,594.88	10,464.28
		<u>(7,130.60)</u>	<u>13,290.55</u>
Total changes in inventories of finished goods		<u>(7,130.60)</u>	<u>13,290.55</u>
31 EMPLOYEE BENEFITS EXPENSE			
Salaries & Wages		1,96,780.30	1,99,691.17
Contribution to Provident and Other Funds		29,407.97	24,490.52
Staff Welfare Expenses		32,298.95	29,846.89
		<u>2,58,487.22</u>	<u>2,54,028.58</u>
32 FINANCE COST			
Interest Expenses		46,463.83	41,162.65
Interest on Income Tax for Earlier Year		8.41	-
Dividend on Preference Shares		-	280.00
Other Financial Charges		1,619.02	904.86
		<u>48,091.26</u>	<u>42,347.51</u>
33 DEPRECIATION AND AMORTIZATION EXPENSES			
On Tangible Assets		19,293.71	16,900.91
On Intangible Assets		11.17	20.33
		<u>19,304.88</u>	<u>16,921.24</u>

**Notes to Consolidated Financial Statements as on and for the year ended 31st March, 2019 (Contd.)**

(₹ in thousands)

34 OTHER EXPENSES	Refer Note No.	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Stores, Spare Parts & Packing Materials Consumed		43,263.88	48,521.51
Power & Fuel		54,744.67	45,794.29
Repairs to Buildings		6,404.48	3,928.59
Repairs to Machinery		4,919.16	5,169.77
Repairs to Other Assets		179.35	220.70
Selling & Distribution Expenses		12,508.26	15,497.13
Auditors' Remuneration	34.1	245.72	271.57
Rent, Rates & Taxes		7,931.19	9,395.83
Insurance		2,231.30	2,196.57
Vehicle Running & Maintenance Charges		10,183.96	9,368.55
Directors' Fees & Commission		285.00	405.00
Legal and Professional Charges		3,671.74	7,419.93
Travelling & Conveyance Expenses		9,813.13	7,047.92
Other Expenses		15,579.42	14,192.97
		<u>1,71,961.26</u>	<u>1,69,430.33</u>
34.1 Auditors' Remuneration			
Statutory Auditors			
Audit Fees		111.80	111.80
Tax Audit Fees		30.00	30.00
Issue of Certificates		95.50	120.92
Reimbursement of Expenses		8.42	8.85
		<u>245.72</u>	<u>271.57</u>
35 TAX EXPENSE			
Current Tax		55,215.29	366.51
MAT Credit Entitlement		(48,174.33)	-
Provision for Income Tax for Earlier Years		(83.27)	56.97
		<u>6,957.69</u>	<u>423.48</u>
Deferred Tax		(4,412.75)	2,105.23
		<u>2,544.94</u>	<u>2,528.71</u>
35.1 Reconciliation of estimated Income tax expense at Indian statutory			
Income tax rate to income tax expense reported in Statement of Profit & Loss			
Income before Income Taxes		38,371.62	5,524.78
Indian Statutory Income Tax Rate		27.820%	33.063%
Estimated Income Tax Expenses		10,674.98	1,826.66
Tax effect of adjustments to reconcile expected			
Income tax expense to reported Income Tax Expenses			
Deferred Tax on Property, Plant & Equipments		(4,104.73)	2,073.42
Deferred Tax on Financial Assets & Other items		(1,333.85)	31.77
Exempted income		(5,439.73)	(1,403.14)
Other Items		2,748.27	-
		<u>(8,130.04)</u>	<u>702.05</u>
Income Tax Expenses as per Statement of Profit & Loss		<u>2,544.94</u>	<u>2,528.71</u>

35.2 Applicable Indian Statutory Income Tax rate for Fiscal Year 2019 & 2018 is 27.82% & 33.063% respectively. However, Company is required to pay tax u/s 115JB of Income Tax Act, 1961.

Notes to Consolidated Financial Statements as on and for the year ended 31st March, 2019 (Contd.)
(₹ in thousands)

36 OTHER COMPREHENSIVE INCOME	For the year ended 31st March, 2019	For the year ended 31st March, 2018
36 A Items that will not be reclassified to profit or loss		
Changes in revaluation surplus		
Remeasurement of the defined benefit plans	758.07	(2,513.70)
Less: Tax expense on the above	-	-
	758.07	(2,513.70)
Equity Instruments through Other Comprehensive Income	5,043.93	38,370.04
Less: Tax expense on the above	-	944.90
	5,043.93	37,425.14
	5,802.00	34,911.44

37 CONTINGENT LIABILITIES AND CONTINGENT ASSETS
37.1 Claims/Disputes/Demands not acknowledged as debts -

Sl. No.	Particulars	As at 31st March 2019	As at 31st March 2018
a	Sales Tax	794.96	794.96
b	Income Tax	4,166.11	4,201.79
c	Debit note raised by GAIL (India) Limited for supply of Natural Gas	6,880.82	6,880.82
d	Letter of Credit issued by Bank	3,066.72	1,920.05
e	Arrear of Wages	11,031.44	-

37.2 The amounts shown in Note 37.1 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 position against such disputes.

37.3 In respect of the matters in Note no. 37.1 (a to e), future cash outflows are determinable only on receipt of judgements/decisions pending at various forums/ authorities. Furthermore, there is no possibilities of any reimbursements to be made to the Company from any third party.

38 COMMITMENTS
Estimated amount of contracts remaining to be executed on Capital Account and not provided for

Particulars	As at 31st March 2019	As at 31st March 2018
Estimated amount of contracts remaining to be executed on Capital Account	8,565.66	7,956.97
Less: Advance	3,111.44	3,851.51
Net	5,454.22	4,105.46

39 ASSETS PLEDGED AS SECURITY

The carrying amounts of assets pledged as security for current and non-current borrowings are :

Particulars	Refer Note No.	As at 31st March 2019	As at 31st March 2018
Non-current Assets			
Property, Plant and Equipment	5	5,04,649.35	4,76,059.04
Capital Work-in-Progress		1,277.03	2,457.05
Trade Receivables	8	499.18	325.55
Total non-currents assets pledged as security		5,06,425.56	4,78,841.64

Notes to Consolidated Financial Statements as on and for the year ended 31st March, 2019 (Contd.)
(₹ in thousands)
39 Assets pledged as security (Contd.)

The carrying amounts of assets pledged as security for current and non-current borrowings are:

Particulars	Refer Note No.	As at 31st March 2019	As at 31st March 2018
Current Assets			
Inventories	13	39,103.54	31,736.40
Biological Assets other than bearer plants	14	1,837.63	1,083.44
Trade Receivables	8	10,933.66	8,464.85
Cash and Cash Equivalents	16	59,275.88	2,240.52
Bank balances	17	2,726.42	14,752.99
Loans	9	2,07,338.11	725.80
Other Financial Assets	10	18,654.88	6,865.10
Other Current Assets	11	35,488.19	20,411.05
Total current assets pledged as security		3,75,358.31	86,280.15
Total assets pledged as security		8,81,783.87	5,65,121.79

40 Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits' as notified u/s 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014 (As identified & certified by the Management)
40.1 Defined Contribution Plan :

The amount recognized as an expense for the Defined Contribution Plans are as under :

Sl. No.	Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
a	Provident Fund	21,428.89	20,153.98
b	Superannuation Fund	693.54	727.30
c	Family Pension Fund	392.69	405.47

40.2 Defined Benefit Plan

The following are the types of defined benefit plans :

40.2.1 Gratuity Plan

The Company's gratuity scheme, a defined benefit plan is as per the Payment of Gratuity Act, 1972, covers the eligible employees and is administered through a gratuity fund trust. Such gratuity fund, whose investments are managed by LIC of India, make payments to vested employees or their nominees upon retirement, death, incapacitation or cessation of employment, of an amount based on the respective employee's salary and tenure of employment. Vesting occurs upon completion of five years of continuous service. The amount of gratuity payable is the proportionate salary for 15 days multiplied for the number of years of service based on the 26 days average salary computed on the basis of last drawn basic salary per month.

40.2.2 Leave Encashment

Leave encashment is payable on death whilst in service, resignation from service or retirement from service as per applicable rules. The present value of defined obligation and related current cost are measured using the Projected Unit Credit Method with actuarial valuation being carried out at Balance Sheet date.

40.2.3 Risk Exposure

Through its defined benefit plans, the company is exposed to a number of risks, the most significant of which are detailed below:

ASSET VOLATILITY	The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments is in LIC of India. These are subject to interest rate risk. the investment in plan assets with LIC of India is in lines with Income Tax Rules, 1962, which reduces the Asset Volatility Risk.
CHANGES IN YIELD	A decrease in yield will increase plan liabilities.
SALARY	The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. Any increase in the salary of members more than the assumed level will increase the plan's liability.

Notes to Consolidated Financial Statements as on and for the year ended 31st March, 2019 (Contd.)
(₹ in thousands)
40.2.4 Reconciliation of the net defined benefit (asset)/ liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset)/ liability and its components:

Particulars	Gratuity	
	2018-19	2017-18
Balance at the beginning of the year	62,267.07	57,831.40
Current Service Cost	4,498.35	4,638.44
Interest Cost on Defined Benefit Obligation	4,794.57	4,250.61
Past Service Cost	-	671.27
Actuarial Gain and Losses arising from :		
Changes in financial assumptions	499.65	(1,829.05)
Experience Adjustments	(1,560.98)	2,822.96
Benefits Paid	(1,661.61)	(6,118.56)
Balance at the end of the year	68,837.05	62,267.07

40.2.5 Reconciliation of the Plan Assets

The following table shows a reconciliation from the opening balances to the closing balances for the Plan Assets and its components :

Particulars	Gratuity	
	2018-19	2017-18
Balance at the beginning of the year	35,247.23	33,475.40
Interest Income on Plan Assets	2,714.04	2,460.44
Remeasurement of Defined Benefit Obligation:		
Return on plan assets greater/ (lesser) than discount rate	(303.26)	(170.58)
Actual Company contributions	5,276.46	5,600.53
Benefits Paid from the Plan Assets	(1,661.61)	(6,118.56)
Balance at the end of the year	41,272.86	35,247.23

40.2.6 Expenses recognized in profit or loss

Current Service Cost	4,498.35	4,638.45
Past Service Cost	-	671.27
Net Interest (Income) / cost on the Net Defined Benefit Liability (Assets)	2,080.53	1,790.16
Expense Recognised in the Income Statement	6,578.88	7,099.88

40.2.7 Remeasurements recognized in other comprehensive income

Actuarial (gain)/ Loss due to:		
change in financial assumptions	499.65	(1,829.05)
experience variance (i.e. Actual experience vs assumptions)	(1,560.98)	2,822.96
Return on plan assets, excluding amount recognised in net interest expense	303.26	170.57
Components of defined benefit costs recognised in other comprehensive income	(758.07)	1,164.48

40.2.8 Major Categories of Plan Assets

Funds managed by insurer	100%	100%
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The Gratuity Scheme is invested in a Group Gratuity-cum-Life Assurance Cash accumulation policy offered by Life Insurance Corporation (LIC) of India . The information on the allocation of the fund into major asset classes and expected return on each major class are not readily available. The expected rate of return on plan assets is based on market expectations, at the beginning of the period, for returns over the entire life of the related obligation.

Notes to Consolidated Financial Statements as on and for the year ended 31st March, 2019 (Contd.)
(₹ in thousands)
40.2.9 Asset-Liability Matching Strategy

The company ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the employee benefit plans. Within this framework, the Company's ALM objective is to match assets to the obligations under Gratuity Scheme by investing the entire fund with LIC of India.

The Company actively monitors how the return on funds invested with LIC of India are matching the expected cash outflows arising from the employee defined benefit obligation. The Company has not changed the processes used to manage its risks from previous periods.

40.2.10 Actuarial Assumptions

Particulars	Gratuity	
	2018-19	2017-18
Financial Assumptions :		
Discount Rate	7.60%	7.70%
Salary Escalation Rate	5.00%	5.00%
Demographic Assumptions :		
Mortality Rate	IALM 06-08 Ultimate	IALM 06-08 Ultimate
Withdrawal Rate	2%	2%

40.2.11 The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

40.2.12 At 31st March 2019, the weighted average duration of the defined benefit obligation was 8 years (Previous year 9 years). The distribution of the timing of benefits payment i.e., the maturity analysis of the benefit payments is as follows:

Expected benefits payment for the year ending on	Gratuity	
	2018-19	2017-18
1 Year	13,447.13	10,650.20
2 to 5 Years	23,635.80	19,270.12
6 to 10 Years	26,471.40	24,906.22
More than 10 Years	77,972.73	90,919.73

40.2.13 The Company expects to contribute ₹ 3,41,30,042/- (Previous year ₹ 1,46,67,261/-) to its gratuity fund in 2019-20.

40.2.14 Sensitivity Analysis

The sensitivity analysis below have been determined based on a method that extrapolates the impact on defined benefit obligation (DBO) as a result of reasonable changes in key assumptions occurring at the end of the reporting period. Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below :

Effect on DBO due to 1% increase in Discount Rate	74,237.85	57,499.01
Effect on DBO due to 1% decrease in Discount Rate	(64,135.00)	(67,829.97)
Effect on DBO due to 1% increase in Salary Escalation Rate	63,920.80	67,994.98
Effect on DBO due to 1% decrease in Salary Escalation Rate	(74,395.45)	(57,281.67)
Effect on DBO due to 1% increase in Attrition Rate	67,725.92	63,465.87
Effect on DBO due to 1% decrease in Attrition Rate	(69,834.88)	(60,914.00)
Effect on DBO due to 1% increase in Mortality Rate	68,605.18	62,532.35
Effect on DBO due to 1% decrease in Mortality Rate	(69,063.58)	(61,994.89)

41 Certain trade receivables, loans & advances and creditors are subject to confirmation. In the opinion of the management, the value of trade receivables and loans & advances on realisation in the ordinary course of business, will not be less than the value at which these are stated in the balance sheet.

Notes to Consolidated Financial Statements as on and for the year ended 31st March, 2019 (Contd.)
(₹ in thousands)
42 RELATED PARTY DISCLOSURES
42.1 Other related parties with whom transactions have taken place during the year and previous year are :

Relationship	Name of the Company	
Enterprises over which the Key Managerial Personnel and/or their relatives have significant influence	Kanco Enterprises Limited Milan Agencies Private Limited Dhanvaridhi Foods Private Limited	Innova Properties Private Limited Kanco CSR Trust
Relationship	Name	Designation
Key Management Personnels 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	Wholetime Director Chairman & Non-Executive Director Daughter of Mrs. Anuradha Kanoria & Mr. Umang Kanoria Son of Mrs. Anuradha Kanoria & Mr. Umang Kanoria Private Beneficiary Trust for Ms. Stuti Kanoria Private Beneficiary Trust for Mr. Satvik Kanoria Mr. Umang Kanoria is Karta

42.2 Transactions during the year

Particulars	2018-19			2017-18		
	Enterprises in which KMP are interested	KMP	Relatives of KMP	Enterprises in which KMP are interested	KMP	Relatives of KMP
Payment of Rent						
Milan Agencies Private Limited	360.00	-	-	360.00	-	-
Innova Properties Private Limited	252.00	-	-	252.00	-	-
Maintenance Expenses Reimbursed						
Milan Agencies Private Limited	325.00	-	-	300.00	-	-
Electricity Charges Reimbursed						
Milan Agencies Private Limited	116.90	-	-	115.50	-	-
Rent Realised						
Mrs. Anuradha Kanoria	-	510.00	-	-	465.00	-
Unsecured Loan Realised/Received						
Mrs. Anuradha Kanoria	-	3,100.00	-	-	-	-
Mr. Umang Kanoria	-	11,000.00	-	-	-	-
Umang Kanoria H.U.F.	-	-	3,500.00	-	-	-
Remuneration Paid						
Mrs. Anuradha Kanoria	-	4,049.50	-	-	3,742.20	-
Ms. Stuti Kanoria	-	-	268.80	-	-	268.80
Director Fees Paid						
Mr. Umang Kanoria	-	60.00	-	-	105.00	-
Interest Paid						
Mrs. Anuradha Kanoria	-	625.26	-	-	430.00	-
Mr. Umang Kanoria	-	16.92	-	-	-	-
Umang Kanoria H.U.F.	-	-	178.49	-	-	-
Equity Dividend Paid						
Mrs. Anuradha Kanoria	-	549.44	-	-	457.87	-
Umang Kanoria H.U.F.	-	-	466.60	-	-	388.84
Ms. Stuti Kanoria	-	-	205.72	-	-	171.43
Mr. Satvik Kanoria	-	-	286.62	-	-	238.85
Satvik Welfare Trust	-	-	747.90	-	-	623.25
Innova Properties Private Limited	36.00	-	-	30.00	-	-

Notes to Consolidated Financial Statements as on and for the year ended 31st March, 2019 (Contd.)
(₹ in thousands)

Particulars	2018-19			2017-18		
	Enterprises in which KMP are interested	KMP	Relatives of KMP	Enterprises in which KMP are interested	KMP	Relatives of KMP
Preference Dividend Paid						
Stuti Welfare Trust	-	-	28.00	-	-	28.00
Outstanding Balances at the end of the Year						
Security Deposit						
Innova Properties Private Limited	4,021.11	-	-	4,021.11	-	-
Milan Agencies Private Limited	3,000.00	-	-	3,000.00	-	-
(Payable)/ Receivable (Net)						
Mrs. Anuradha Kanoria	-	(7,962.73)	-	-	(4,687.00)	-
Mr. Umang Kanoria	-	(11,015.23)	-	-	-	-
Umang Kanoria H.U.F.	-	-	(3,660.65)	-	-	-
Innova Properties Private Limited	(56.70)	-	-	-	-	-
Milan Agencies Private Limited	(64.81)	-	-	(9.50)	-	-

42.3 Key Management Personnel compensation

Particulars	Financial Year	Mrs. Anuradha Kanoria	Mr. Umang Kanoria	Total Compensation
Short-term employee benefits *	2018-2019	4,049.50	-	4,049.50
	2017-2018	3,742.20	-	3,742.20
Director Fees	2018-2019	-	60.00	60.00
	2017-2018	-	105.00	105.00

* Note :

- Short term employee benefits includes the perquisites calculated as prescribed under the Income Tax Act, 1961.
- The Company contributes equal amount to the employees Provident Fund within the statutory limits as prescribed under the relevant Act.
- As the future liabilities for gratuity and leave encashment are provided on an actuarial valuation basis for the Company, the amount pertaining to individual is not ascertainable and therefore not included above.

42.4 All related party transactions entered during the year were in ordinary course of business and on arms length basis.

43 FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Particulars	31st March 2019			31st March 2018		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Financial Assets						
Investment						
- Equity Instruments	8,477.56	1,50,407.90	-	-	4,09,344.71	-
- Preference Shares	8,557.00	-	-	8,557.00	-	-
- Mutual Funds	-	-	-	30,460.34	-	-
- Debt Instrument	-	-	20,000.00	-	-	-
Trade Receivables	-	-	11,432.84	-	-	8,790.40
Cash and Cash Equivalents	-	-	59,275.88	-	-	2,240.52
Bank Balances other than Cash and Cash Equivalents	-	-	2,726.42	-	-	14,752.99
Loans	-	-	2,24,542.58	-	-	55,737.54
Other Financial Assets	-	-	30,995.31	-	-	18,543.07
Total Financial Assets	17,034.56	1,50,407.90	3,48,973.03	39,017.34	4,09,344.71	1,00,064.52

Notes to Consolidated Financial Statements as on and for the year ended 31st March, 2019 (Contd.)
(₹ in thousands)
43 FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (Contd.)

Particulars	31st March 2019			31st March 2018		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Financial Liabilities						
Borrowings	-	-	4,10,466.13	-	-	3,73,138.11
Trade Payables	-	-	36,920.36	-	-	32,966.58
Other Financial Liabilities	-	-	78,868.47	-	-	93,292.54
Total Financial Liabilities	-	-	5,26,254.96	-	-	4,99,397.23

44 FAIR VALUES

44.1 The following is the comparison by class of the carrying amounts and fair value of the Company's financial instruments that are measured at amortized cost :

Particulars	31st March 2019		31st March 2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Investment in Debt Instruments	20,000.00	20,000.00	-	-
Trade Receivables	11,432.84	11,432.84	8,790.40	8,790.40
Loans	2,24,542.58	2,24,542.58	55,737.54	55,737.54
Cash and Cash Equivalents	59,275.88	59,275.88	2,240.52	2,240.52
Other Bank Balances	2,726.42	2,726.42	14,752.99	14,752.99
Other Financial Assets	30,995.31	30,995.31	18,543.07	18,543.07
Total Financial Assets	3,48,973.03	3,48,973.03	1,00,064.52	1,00,064.52
Financial Liabilities				
Borrowings	4,10,466.13	4,10,466.13	3,73,138.11	3,73,138.11
Trade Payables	36,920.36	36,920.36	32,966.58	32,966.58
Other Financial Liabilities	78,868.47	78,868.47	93,292.54	93,292.54
Total Financial Liabilities	5,26,254.96	5,26,254.96	4,99,397.23	4,99,397.23

44.2 The management assessed that the fair values of cash and cash equivalents, trade receivables, trade payables, short term borrowings, and other financial liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments.

44.3 For Financial assets and liabilities that are measured at fair value, the carrying amounts are equal to their fair values.

44.4 The fair value of the financial assets and financial liabilities is included at the amount at which the instruments could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

44.5 The following methods and assumptions were used to estimate the fair values:

The fair values for loans, security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as Level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risks, which has been assessed to be insignificant.

45 FAIR VALUE HIERARCHY

The following are the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized cost and for which fair value are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels of fair value measurement as prescribed under the Ind AS 113 "Fair Value Measurement". An explanation of each level follows underneath the tables.

Notes to Consolidated Financial Statements as on and for the year ended 31st March, 2019 (Contd.)
(₹ in thousands)
45.1 Assets and Liabilities measured at Fair Value - recurring fair value measurements

Particulars	31st March 2019			31st March 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Investment at FVTPL						
Equity Instruments	8,477.56	-	-	-	-	-
Preference Shares	-	-	8,557.00	-	-	8,557.00
Mutual Funds	-	-	-	30,460.34	-	-
Financial Investment at FVOCI						
Equity Instruments	1,160.63	-	1,49,247.27	2,65,141.80	-	1,44,202.91
Total Financial Assets	9,638.19	-	1,57,804.27	2,95,602.14	-	1,52,759.91

45.2 Financial Assets and Liabilities measured at Amortized Cost for which fair values are disclosed

Particulars	31st March 2019			31st March 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Investments						
- Debt Instrument	-	-	20,000.00	-	-	-
Trade Receivables	-	-	11,432.84	-	-	8,790.40
Loans	-	-	2,24,542.58	-	-	55,737.54
Cash and Cash Equivalents	-	-	59,275.88	-	-	2,240.52
Other Bank Balances	-	-	2,726.42	-	-	14,752.99
Other Financial Assets	-	-	30,995.31	-	-	18,543.07
Total Financial Assets	-	-	3,48,973.03	-	-	1,00,064.52
Financial Liabilities						
Borrowings	-	-	4,10,466.13	-	-	3,73,138.11
Trade Payables	-	-	36,920.36	-	-	32,966.58
Other Financial Liabilities	-	-	78,868.47	-	-	93,292.54
Total Financial Liabilities	-	-	5,26,254.96	-	-	4,99,397.23

45.3 During the year ended March 31, 2019 and March 31, 2018, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements.

45.4 Explanation to the fair value hierarchy

The Company measures financial instruments, such as, quoted investments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy as described in Note no. 2.7

46 FINANCIAL RISK MANAGEMENT

The Company measures financial instruments, such as, quoted investments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

46.1 Credit Risk

Credit risk refers to the risk of financial loss arising from default / failure by the counterparty to meet financial obligations as per the terms of contract. The Company is exposed to credit risk for receivables, Cash & Cash equivalents, financial guarantees and derivative financial instruments. None of the financial instruments of the Company result in material concentration of credit risks.

Notes to Consolidated Financial Statements as on and for the year ended 31st March, 2019 (Contd.)
(₹ in thousands)
46.1 Credit Risk (Contd.)

Credit risk on receivables is minimum since sales through different mode (e.g.. auction, consignment, private) are made after judging credit worthiness of the customers or, advance payment. The history of defaults has been minimal and outstanding receivables are regularly monitored. For credit risk on the loans to parties, the Company is not expecting any material risk on account of non-performance by any of the parties.

For financial instruments, the Company manages its credit risks by dealing with reputable banks and financial institutions. Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The carrying value of the financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

Trade receivables
As on 31st March, 2019

Ageing schedule	< 6 Months	>6 Months But < 1 Year	>1 Year But < 5 Years	>5 Years	Total
Gross carrying amount	10,791.07	142.59	387.27	111.91	11,432.84
Expected loss rate	-	-	-	-	-
Expected credit losses (Loss allowance provision)	-	-	-	-	-
Carrying amount of trade receivables (net of impairment)	10,791.07	142.59	387.27	111.91	11,432.84

As on 31st March, 2018

Ageing schedule	< 6 Months	>6 Months But < 1 Year	>1 Year But < 5 Years	>5 Years	Total
Gross carrying amount	8,202.50	262.35	214.79	110.76	8,790.40
Expected loss rate	-	-	-	-	-
Expected credit losses (Loss allowance provision)	-	-	-	-	-
Carrying amount of trade receivables (net of impairment)	8,202.50	262.35	214.79	110.76	8,790.40

46.2 Liquidity Risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting its obligations. The Company monitors rolling forecast of its liquidity position on the basis of expected cash flows. The Company's approach is to ensure that it has sufficient liquidity or borrowing headroom to meet its obligations at all point in time. The Company has sufficient short-term fund based lines, which provides healthy liquidity and these carry highest quality credit rating from reputed credit rating agency.

46.2.1 Fund Management

Management monitors rolling forecasts of the Company's liquidity position (including the undrawn credit facilities extended by banks and financial institutions) and Cash & Cash equivalents on the basis of expected cash flows. In addition, the Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Notes to Consolidated Financial Statements as on and for the year ended 31st March, 2019 (Contd.)
(₹ in thousands)
46.2.2 Maturity Analysis for financial liabilities

- a The following are the remaining contractual maturities of financial liabilities as at 31st March 2019. The amounts are gross and undiscounted and include estimated interest payments and exclude the impact of netting agreements.

Particulars	on Demand	< 6 Months	>6 Months But < 1 Year	>1 Year But < 5 Years	>5 Years	Total
Non-derivative						
Trade payables	-	35,858.15	-	1,062.21	-	36,920.36
Borrowings	1,50,396.23	1,370.74	22,823.86	1,54,817.31	1,05,252.59	4,34,660.73
Other financial liabilities	-	25,026.20	29,557.25	90.42	-	54,673.87
Total	1,50,396.23	62,255.09	52,381.11	1,55,969.94	1,05,252.59	5,26,254.96

- b The following are the remaining contractual maturities of financial liabilities as at 31st March 2019

Particulars	on Demand	< 6 Months	>6 Months But < 1 Year	>1 Year But < 5 Years	>5 Years	Total
Non-derivative						
Trade payables	-	31,950.65	-	1,015.93	-	32,966.58
Borrowings	1,27,828.62	1,680.33	24,941.07	1,07,261.91	1,38,047.59	3,99,759.52
Other financial liabilities	-	24,580.04	42,000.68	90.42	-	66,671.14
Total	1,27,828.62	58,211.02	66,941.75	1,08,368.26	1,38,047.59	4,99,397.24

46.3 Market Risk
46.3.1 Foreign Exchange Risk

The Company operates in domestic market and it doesn't have any foreign associate, subsidiary etc. The Company is therefore not exposed to foreign exchange risk arising from foreign currency transactions.

- a **Exposure to Currency risk** - Nil

- b **Sensitivity Analysis**

Since, the Company doesn't have material foreign currency operations, the analysis is not reported.

46.3.2 Interest Rate Risk

The Company is exposed to risk due to interest rate fluctuation, on the following :

- a Interest rate risk arises from the sensitivity of financial assets and liabilities to changes in market rate of interest. However, Company does not have any interest bearing financial asset or liability at the end of the financial year ended 31st March 2019.
- b The interest rate risk can also impact the provision for retiral benefits. The Company generally utilizes variable rate borrowings and therefore subject to interest rate risk, as both the carrying amount and the future cash flows will fluctuate because of change in the market interest rates.

The Company is not exposed to significant interest rate risk as at the respective reporting dates."

During 31st March 2018 and 31st March 2019, all the Company's borrowings were at variable rate mainly denominated in INR.

- (i) **Exposure to Interest Rate Risk**

Particulars	31st March 2019	31st March 2019
Fixed Rate Instruments		
Financial Assets	2,24,542.58	55,737.54
Financial Liabilities	1,14,841.75	79,074.63
	3,39,384.33	1,34,812.17
Variable Rate Instruments		
Financial Assets	-	-
Financial Liabilities	3,19,818.98	3,20,684.89
	3,19,818.98	3,20,684.89

Notes to Consolidated Financial Statements as on and for the year ended 31st March, 2019 (Contd.)
(₹ in thousands)
(ii) Sensitivity Analysis

Profit or loss is sensitive to higher/ lower interest expense on borrowings as a result of changes in interest rates. This analysis assumes that all other variables, in particular exchange rates, remain constant and ignores any impact of forecast sales and purchases.

	Sensitivity Analysis	31st March 2019		31st March 2019	
		Impact on			
		Profit before Tax	Other Equity	Profit before Tax	Other Equity
Interest Rate increase by	0.50%	(1,599.09)	(1,599.09)	(1,603.42)	(1,603.42)
Interest Rate decrease by	0.50%	1,599.09	1,599.09	1,603.42	1,603.42

46.3.3 Other Price Risk

The price risk is the risk arising from investments held by the Company and classified in the balance sheet either at fair value through Other Comprehensive Income or at fair value through profit or loss.

The Company's equity investments are mainly strategic in nature and are generally held on a long-term basis. Further, the current investments are in units of liquid mutual fund and these are not exposed to significant price risk.

a Exposure to other market price risk

Particulars	31st March 2019	31st March 2019
Fair Value of Quoted Investments	9,638.19	265,141.80
Fair Value of Unquoted Investments	-	30,460.34

b Sensitivity Analysis

The table below summarise the impact of increases/ decreases of the index on the group's equity investment and profit for the period. The analysis is based on the assumption that the equity index had increased by Nil or decreased by Nil with all other variables held constant, and that all the Company's equity instruments moved in line with the index.

Particulars	31st March 2019			31st March 2019		
	Sensitivity Analysis	Impact on		Sensitivity Analysis	Impact on	
		Profit before Tax	Other Equity		Profit before Tax	Other Equity
BSE Index	+1000 Basis Point	963.82	576.98	+1000 Basis Point	29,560.21	27,599.21
BSE Index	-1000 Basis Point	(963.82)	(963.82)	-1000 Basis Point	(29,560.21)	(29,560.21)

47 In view of losses in earlier years, Nil amount (Previous Year Nil) was required to be spent by the Company on account of Corporate Social Responsibility as required under section 135 of the Companies Act, 2013.

48 The Company has only one segment i.e. manufacturing of Black Tea and as a result the reporting required of Ind AS - 108 on "Operating Segment" is not attracted.

49 Capital Management

The Company's objective for capital management is to maximize shareholder wealth, safeguard business continuity and support the growth of the Company. The Company determines the capital management requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through optimum mix of borrowed and own funds.

50 Previous GAAP figures have been re-classified/re-grouped to confirm the presentation requirements under IND AS and the requirements laid down in Division-II of the Schedule-III of the Companies Act, 2013.

The Notes are an integral part of the Financial Statements

As per our Report annexed of even date

For JAIN & CO.

Chartered Accountants

Firm Registration No. 302023E

CA M. K. JAIN

Partner

Membership No. 055048

Kolkata, the 28th day of May, 2019

U. KANORIA
Chairman & Director
(DIN:00081108)

C. KABRA
Company Secretary

S. K. PARHI
Chief Financial Officer

**KANCO TEA & INDUSTRIES LIMITED**

CIN : L15491WB1983PLC035793

Regd Office: "Jasmine Tower", 3rd Floor, 31 Shakespeare Sarani, Kolkata- 700017

Telefax: +91 33 2281-5217, E-mail: contact@kancotea.in, Website: www.kancotea.in

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19 (3) 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
- (2) Name : _____ Address : _____
 E-mail ID : _____ Signature : _____ or failing him
- (3) Name : _____ Address : _____
 E-mail ID : _____ Signature : _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 36th Annual General Meeting of the Company, to be held on Tuesday, 13th August, 2019 at 2:00 p.m at Bharatiya Bhasha Parishad, Fourth Floor, 36A Shakespeare Sarani, Kolkata-700017 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl.	Resolution	Optional	
		For	Against
Ordinary Business			
1a.	To consider and adopt the Audited Standalone Financial Statement of the Company for the year ended 31st March, 2019, the reports of the Board of Directors and Auditors thereon and		
1b.	To consider and adopt the Audited Consolidated Financial Statement of the Company for the year ended 31st March, 2019, the reports of the Board of Directors and Auditors thereon.		
2.	To appoint a director in place of Mr. Umang Kanoria (DIN: 00081108), who retires by rotation and being eligible, offers himself for re-appointment.		
3.	To appoint M/s NKSJ & Associates, Chartered Accountants (Registration No. 329563E) as Statutory Auditors of the Company and authorise the Board of Directors to fix their remuneration		
Special Business			
4.	To reappoint Mr. Golam Momen (DIN:00402662) as an Independent Director of the Company for a further period of five years		
5.	To reappoint Mr. Navin Nayar (DIN:00136057) as an Independent Director of the Company for a further period of five years		
6.	To reappoint Mrs Anuradha Kanoria (DIN:00081172) as Wholetime Director for five years		
7.	To approve the remuneration payable to M/s A.C. Dutta & Co (Registration No 000125), Cost Accountants.		

Signed this _____ day of _____ 2019. Signature of Shareholder.....



Note : 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. The proxy holder shall prove his identity at the time of attending the meeting.



KANCO TEA & INDUSTRIES LIMITED

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ATTENDANCE SLIP

DP ID* :Folio No. :

Client ID* : No. of Shares :

I hereby record my presence at the 36th Annual General Meeting of the Company held on Tuesday, 13th August, 2019 at 2:00 p.m. at Bharatiya Bhasha Parishad, Fourth Floor, 36A Shakespeare Sarani, Kolkata-700017.

*Applicable for investors holding shares in electronic form.

.....
Signature of Shareholder



KANCO TEA & INDUSTRIES LIMITED

CIN : L15491WB1983PLC035793
Regd Office: "Jasmine Tower", 3rd Floor, 31 Shakespeare Sarani, Kolkata- 700017
Telefax: +91 33 2281-5217, E-mail: contact@kancotea.in, Website: www.kancotea.in

Registration of e-mail address for future communication

DP ID : Folio No. :

Client ID : No. of Shares :

Name of the Member(s) : _____

Registered Address : _____

: _____

: _____

: _____

E-mail ID : _____

Signature of Shareholder : _____



KANCO TEA & INDUSTRIES LIMITED

CIN : L15491WB1983PLC035793

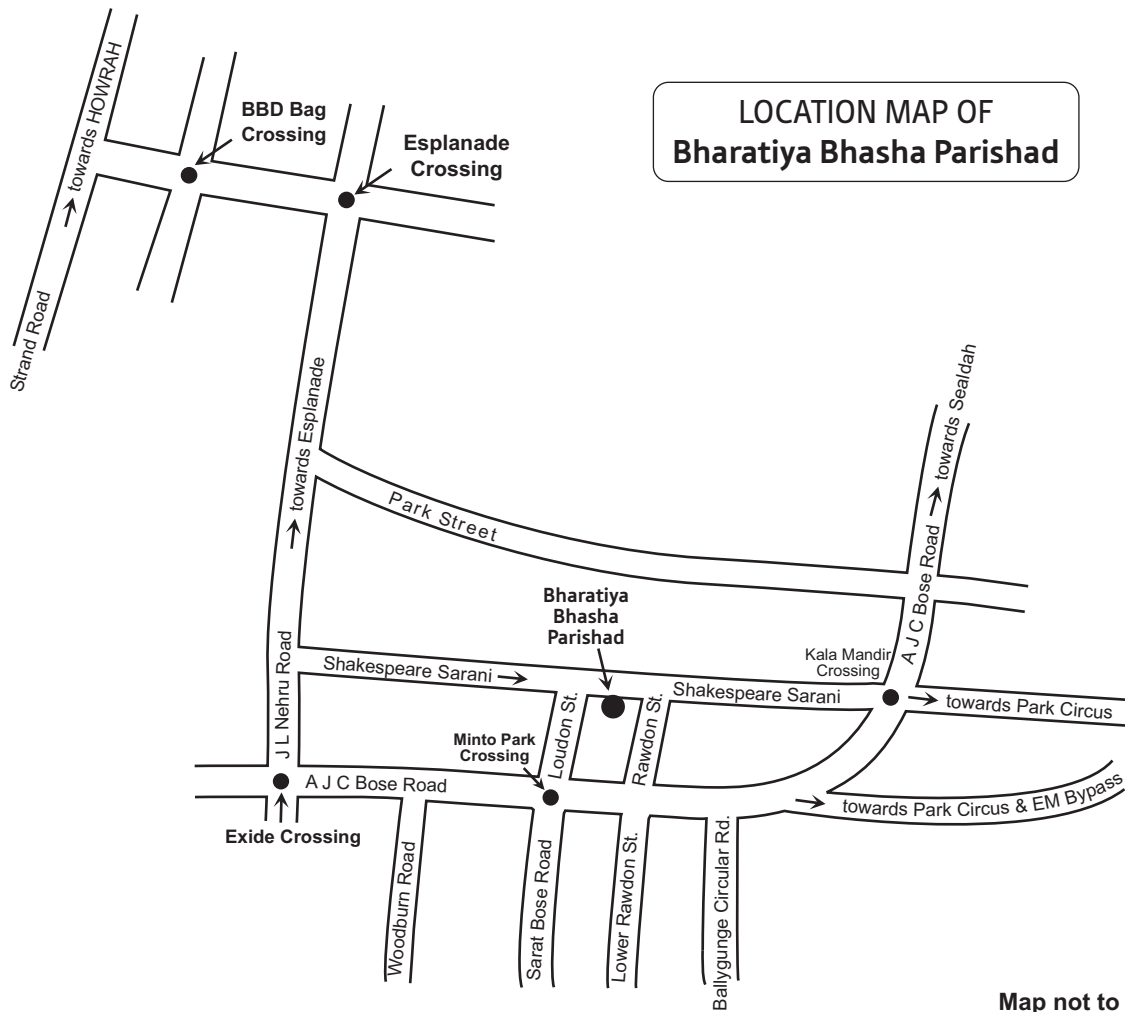
Regd Office: "Jasmine Tower", 3rd Floor, 31 Shakespeare Sarani, Kolkata- 700017

Telefax: +91 33 2281-5217, E-mail: contact@kancotea.in, Website: www.kancotea.in

36th Annual General Meeting of the Company

Date & Time : Tuesday, 13th August, 2019 at 2:00 p.m.

Venue : Bharatiya Bhasha Parishad, 4th Floor, 36 A Shakespeare Sarani, Kolkata – 700 017





KANCO TEA & INDUSTRIES LIMITED

(CIN L15491WB1983PLC035793)

Regd Office: "Jasmine Tower", 3rd Floor, 31 Shakespeare Sarani, Kolkata- 700017
Telefax: +91 33 2281-5217, E-mail: contact@kancotea.in, Website: www.kancotea.in