

# GILLANDERS ARBUTHNOT AND COMPANY LIMITED



# Annual Report 2018



**Kothari**  
**Group**  
Imagine Inspire Deliver



**Mr. A. K. Kothari**

Chairman

**Mission**

To be a good corporate citizen and to inspire and nurture the human spirit for a sustainable value based wealth creation, contributing in the socio economic progress of India in harmony with the environment.

**Vision**

Innovative, Dynamic and Holistic Global Conglomerate with passion for delivering outstanding performance based on integrity, professionalism, accountability and evolving in a vertical growth trajectory while enriching everyone we touch and enhancing value for all the stakeholders.



## GILLANDERS ARBUTHNOT AND COMPANY LIMITED

Registered Office :

C-4, Gillander House, Netaji Subhas Road, Kolkata – 700 001

CIN: L51909WB1935PLC008194

Phone: +91-33 2230-2331 (6 Lines), Fax: +91-33-2230-4185

Website: [www.gillandersarbuthnot.com](http://www.gillandersarbuthnot.com); E-mail: [gillander@gillandersarbuthnot.com](mailto:gillander@gillandersarbuthnot.com)



### NOTICE

Notice is hereby given that the **Eighty Fourth Annual General Meeting** of the Members of the Company will be held on **Monday, the 30<sup>TH</sup> DAY OF JULY, 2018 at 10.30 A.M.** at the Mini Auditorium Hall of the Science City, J.B.S. Haldane Avenue, Kolkata – 700046, to transact the following businesses:

#### ORDINARY BUSINESSES:

1. To consider and adopt the audited financial statements of the Company for the financial year ended on 31<sup>st</sup> March, 2018, the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Smt. Prabhawati Devi Kothari (DIN 00051860), who retires by rotation at this Annual General Meeting, and being eligible, offers herself for re-appointment.

#### SPECIAL BUSINESSES:

3. **To approve the remuneration of the Cost Auditors for the financial year ending on 31<sup>st</sup> March, 2019 and in this regard to consider and, if thought fit, to pass the following Resolution as an 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 and other applicable Rules, [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force], the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Tea, Textile and Engineering (MICO) Divisions of the Company for the financial year ending on 31<sup>st</sup> March, 2019, be paid the remuneration as set out in the statement annexed to the Notice convening this 84<sup>th</sup> Annual General Meeting.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do all acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary or desirable, including without limitation to settle any question, difficulty or doubt that may arise in this regard.”

4. **To appoint Mr. Arvind Baheti (DIN: 08094824), Additional Director as an Independent Director and in this regard, to consider and if thought fit, to pass the following Resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013, and the Companies (Appointment and Qualification of Directors) Rules, 2014 [including any amendment(s), modification(s) or re-enactment(s) thereof, for the time being in force] and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Arvind Baheti (DIN: 08094824), on the recommendation of the Nomination and Remuneration Committee, who was appointed by the Board of Directors of the Company as an Additional Director (Independent) of the Company with effect from 28<sup>th</sup> March, 2018, and who holds office upto the date of this 84<sup>th</sup> Annual General Meeting, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, and to hold office for 5 (five) consecutive years with effect from 28<sup>th</sup> March, 2018 to 27<sup>th</sup> March, 2023.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do all acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary or desirable, including, without limitation, to settle any question, difficulty or doubt that may arise in this regard.”

5. **To appoint Mr. Mahesh Sodhani (DIN: 02100322), Additional Director, as a Director, and in this regard, to consider and if thought fit, to pass the following Resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 152, 160 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force] and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Mahesh Sodhani (DIN: 02100322), who, on the recommendation of the Nomination and Remuneration Committee, was appointed as an Additional Director (Whole time) by the Board of Directors of the Company, be and is hereby appointed as a Director of the Company and that he shall be liable to retire by rotation.

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

6. **To appoint Mr. Manoj Sodhani (DIN: 02267180), Additional Director as a Director and in this regard, to consider and if thought fit, to pass the following Resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 152, 160 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force] and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Manoj Sodhani (DIN: 02267180), who, on the recommendation of the Nomination and Remuneration Committee, was appointed as an Additional Director (Whole time) by the Board of Directors of the Company, be and is hereby appointed as a Director of the Company and that he shall be liable to retire by rotation.

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

**7. To appoint Mr. Mahesh Sodhani (DIN: 02100322), as Managing Director of the Company and in this regard to consider and, if thought fit, to pass the following Resolution as a Special Resolution:**

**“RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), approval of the Company be and is hereby accorded for appointment of Mr. Mahesh Sodhani (DIN: 02100322), as ‘Managing Director’, (liable to retire by rotation) of the Company, for a period of 3 (three) years with effect from 1<sup>st</sup> April, 2018, on the terms and conditions, including remuneration, as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment and / or remuneration, as it may deem fit, and as may be acceptable to Mr. Mahesh Sodhani, subject to the same not exceeding the limits specified under Schedule V of the Companies Act, 2013 and Rules made thereunder, for the time being in force.

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

**8. To appoint Mr. Manoj Sodhani (DIN: 02267180), as Whole time Director of the Company, and in this regard to consider and, if thought fit, to pass the following Resolution as a Special Resolution:**

**“RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded for appointment of Mr. Manoj Sodhani (DIN: 02267180), as ‘Whole time Director’, designated as ‘Executive Director & Chief Executive Officer’, (liable to retire by rotation) of the Company, for a period of 3 (three) years with effect from 1<sup>st</sup> April, 2018, on the terms and conditions, including remuneration, as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment and / or remuneration, as it may deem fit, and as may be acceptable to Mr. Manoj Sodhani, subject to the same not exceeding the limits specified under Schedule V of the Companies Act, 2013 and Rules made thereunder, for the time being in force.

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

**9. To approve invitation or offer to subscribe to Redeemable Non-Convertible Debentures on private placement and in this regard, to consider and if thought fit, to pass the following Resolution as a Special Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Sections 42, 71 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 and the Regulations / Guidelines, if any, prescribed by any relevant authority from time to time, to the extent applicable [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force] and subject to the provisions of the Articles of Associations of the Company, approval of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board) to offer or invite subscriptions for secured / unsecured redeemable non-convertible debentures, in one or more series /tranches, aggregating up to Rs. 100 crores (Rupees One hundred crores), on private placement, from such persons and on such terms and conditions as the Board of Directors of the Company may, from time to time, determine and consider proper and most beneficial to the Company including, without limitation, as to when the said Debentures are to be issued, the consideration for the issue, utilization of the issue proceeds, mode of payment, coupon rate, redemption period, utilization of the issue proceeds and all matters connected therewith or incidental thereto.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do all acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary or desirable, including, without limitation, to settle any question, difficulty or doubt that may arise in this regard.”

**By Order of the Board**  
For Gillanders Arbuthnot and Company Limited

**D. Karmakar**  
Company Secretary

**Date: 30<sup>th</sup> May, 2018**  
**Place: Kolkata**

Registered Office:  
C-4, Gillander House,  
Netaji Subhas Road,  
Kolkata – 700 001, India  
CIN: L51909WB1935PLC008194  
e-mail: [secretarial@gillandersarbuthnot.com](mailto:secretarial@gillandersarbuthnot.com)

**NOTES:**

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE 84<sup>TH</sup> ANNUAL GENERAL MEETING (HEREINAFTER REFERRED TO AS ‘THE MEETING’) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

**A person can act as a proxy on behalf of Members not exceeding fifty and holding in 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 and carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.**

- 2) The businesses set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to remote e-voting are given in this Notice under Note No. 15. Communication relating to remote e-voting, which inter-alia, would contain details about User ID and password are being sent alongwith the copy of this Notice to the Members.
- 3) Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- 4) Brief resume of Directors seeking appointment/re-appointment at the Meeting alongwith details of their other Directorships and shareholding in the Company pursuant to Regulations 26(4) and 36(3), as applicable, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards are provided as an annexure to this Notice.
- 5) Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Businesses to be transacted at the Meeting is annexed hereto.
- 6) The Register of Members and Share Transfer Books of the Company shall remain closed from 23<sup>rd</sup> July, 2018 to 30<sup>th</sup> July, 2018 (both days inclusive).
- 7) Pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013, all unclaimed dividend till the financial year ended on 31<sup>st</sup> March, 2010 has already been transferred to the Investor Education and Protection Fund (IEPF) and all subsequent unpaid dividend will be transferred to IEPF, from time to time. Members who have not yet encashed the dividend warrant(s), for the financial year 2010-2011 or any subsequent financial year(s) are requested to submit their claims at the Registered Office of the Company. The dividend for the financial year(s) 2010-2011 is due to be transferred to IEPF immediately after 16<sup>th</sup> September, 2018. Hence, it is in the shareholders' interest to claim any uncashed dividends / unclaimed dividends. It may also be noted that once the unclaimed dividend is transferred to IEPF, as stated, no further claim shall be entertained by the Company in that respect. Attention of the members is drawn to the provisions of Section 124(6) of the Act, which require Company to transfer in the name of IEPF Authority all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more.

In accordance with the aforesaid provisions of the Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has already transferred all the shares in respect of which dividend declared for the financial year 2008-2009 and 2009-2010, which has not been claimed for seven consecutive years or more to the Investor Education and Protection Fund. Members are advised to visit the Company's website at [www.gillandersarbuthnot.com](http://www.gillandersarbuthnot.com) to ascertain details of shares liable for transfer to IEPF Authority for the financial year 2010-2011.

- 8) The Ordinary Shares of the Company are listed on the National Stock Exchange of India Limited and BSE Limited. The Company confirms that it has paid Annual Listing Fees to the said Exchanges and Annual Custody / Issuer fees to CDSL for the financial year ending on 31st March, 2019. Payment of Annual Custody/Issuer fees to NSDL for the said period is under process.
- 9) (i) Members holding shares in physical form are requested to notify any change in their address including Pin Code, Bank Mandate, Income Tax Permanent Account Number, etc. to the Company's Registrar & Share Transfer Agent (RTA)-

Maheshwari Datamatics Pvt. Ltd.  
(Unit : Gillanders Arbuthnot and Company Limited )  
23, R. N. Mukherjee Road,  
5<sup>th</sup> Floor, Kolkata – 700 001.

Members holding shares in dematerialized form are requested to furnish the aforesaid information to their respective depository participants for updation of their records.

**(ii) Securities and Exchange Board of India (SEBI) vide its Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20<sup>th</sup> April, 2018, has mandated Guidelines and steps, which are to be taken by the Company through its RTA to streamline and strengthen the procedures and processes with regard to handling and maintenance of records, transfer of securities and payment of dividend/interest/redemption.**

**Accordingly, a letter is being sent to the Members by Speed Post/ Registered Post. Members are requested to provide the details and documents, as requested in the said letter, to our RTA.**

- 10) Members who hold shares in physical form in multiple folios in identical name or joint holding in the same order of names are requested to send their share certificates to the RTA for consolidating into single folio. The share certificates will be returned to the Members after making requisite changes thereon.
- 11) Members holding shares in single name and in physical form are advised to make nomination in respect of their shareholding in the Company. Request may be made to the Company or its RTA for obtaining the Nomination Form.
- 12) SEBI vide Circular no. MRD/DoP/Cir-05/2009 dated 20<sup>th</sup> May, 2009 has mandated the submission of PAN by every participant in the security market. Members holding shares in electronic form /physical form are therefore, requested to submit their PAN to the Company or the RTA.
- 13) Pursuant to Sections 101 and 136 of the Companies Act, 2013, read with the relevant Rules made thereunder, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members who have not yet registered their e-mail address with the Company or their respective Depository are requested to do so.
- 14) All the documents referred to in this Notice and Statement are open for inspection by the Members at the Company's Registered Office at C-4, 'Gillander House', Netaji Subhas Road, Kolkata – 700 001 on all working days, except Saturdays, between 10.00 A.M. to 1.00 P.M. till 29<sup>th</sup> July, 2018, and will also be available for inspection at the Meeting.

**15) Information and other instructions for Members relating to remote e-voting are as under:**

Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing the facility to Members to exercise their rights to vote by electronic means. The Company has engaged the Services of Central Depository Services (India) Limited (CDSL) for providing e-voting facilities. The e-voting rights of the Members / beneficial owners shall be reckoned in proportion to ordinary shares held by them in the Company as on **Monday, 23<sup>rd</sup> July, 2018 (cut-off date fixed for this purpose)**. The Company has appointed CS Deepak Kumar Khaitan, Practising Company Secretary, (FCS No.5615), and / or CS Siddhi Dhandharia, Practising Company Secretary, (ACS No.35042), to act as the Scrutinizer, for conducting the scrutiny of the votes cast. Detailed instructions for availing e-voting facility are as follows:

- (i) The voting period begins on **Friday, 27<sup>th</sup> July, 2018 at 9.30 a.m.** and ends on **Sunday, 29<sup>th</sup> July, 2018 at 5.00 p.m.** During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **Monday, 23<sup>rd</sup> July, 2018** may cast their vote electronically. The 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](http://www.evotingindia.com).
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

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

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant **<Gillanders Arbuthnot and Company Limited>** on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take 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. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

(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](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details 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](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

(xxii) Any person who acquire shares and becomes Member after dispatch of Notice of the 84<sup>th</sup> Annual General Meeting and holds shares as on the ‘cut off’ date of 23<sup>rd</sup> July, 2018, may obtain the sequence number for remote e-voting by sending a request to the Company’s RTA at [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com).

16. The facility for voting shall be made available at the venue of the Meeting to the Members attending the Meeting who has not cast their votes by remote e-voting. Members who have cast their vote by remote e-voting prior to the AGM and are attending the meeting will not be entitled to cast their vote again.
17. The Scrutinizer will submit, not later than 2 days of conclusion of the AGM, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman of the Company. The result shall be declared forthwith upon receipt of the Scrutinizers’ Report. The result declared along with the Scrutinizers’ report shall be placed on the Company’s website at [www.gillandersarbutnot.com](http://www.gillandersarbutnot.com) and on the website of CDSL immediately after the declaration by the Chairman of the Meeting and would also be communicated to the Stock Exchanges where the shares of the Company are listed. Subject to receipt of requisite number of votes, the resolutions proposed in the notice shall be deemed to be passed on the date of the meeting i.e. 30<sup>th</sup> July, 2018.
18. Route-map to the venue of the Meeting is enclosed herewith for the convenience of the Members.

**ANNEXURE TO THE NOTICE**

**Statement pursuant to Section 102(1) of the Companies Act, 2013**

**Item No. 3**

The Board of Directors of the Company, on the recommendation of the Audit Committee, has proposed to the Central Government, appointment of the following Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending on 31<sup>st</sup> March, 2019, as detailed below:

Division	Cost Auditors	Proposed Remuneration
Tea	M/s. B. Ray & Associates, Kolkata	₹ 78,500/- plus reimbursement of out of pocket expenses.
Textile	M/s. D. Sabyasachi & Co, Kolkata	₹ 50,500/- plus reimbursement of out of pocket expenses.
Engineering (MICCO)	M/s. D. Sabyasachi & Co, Kolkata	₹ 40,000/- plus reimbursement of out of pocket expenses.

In accordance with the provision of Section 148 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution, as set out in Item No. 3 of the Notice, for ratification of the remuneration payable to the Cost Auditors for the financial year ending on 31<sup>st</sup> March, 2019.

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. 3 of the Notice.

All the documents referred to in the said Resolution are open for inspection at the Company’s Registered Office at C-4, ‘Gillander House’, Netaji Subhas Road, Kolkata – 700 001 on all working days, except Saturdays, between 10.00 A.M. to 1.00 P.M. till 29<sup>th</sup> July, 2018, and will also be available for inspection at the Meeting.

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

**Item no. 4**

Pursuant to Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (herein after referred to as ‘the Act’) and the Rules made thereunder [including any statutory modification(s) or re-enactment thereof for the time being in force] read with Schedule IV to the Companies Act, 2013 and the Articles of Association of the Company, Mr. Arvind Baheti (DIN: 08094824), on the recommendation of the Nomination and Remuneration Committee, was appointed by the Board of Directors (‘the Board’) as an Additional Director (Independent) of the Company with effect from 28<sup>th</sup> March, 2018. Mr. Arvind Baheti, holds office as a Director of the Company upto the date of the ensuing 84<sup>th</sup> Annual General Meeting.

The Company has received declaration from Mr. Arvind Baheti that he meets the criteria of independence, as prescribed, both under Section 149(6) of the Act and under Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Section 149 of the Act, read with the Companies (Appointment and Qualification of Directors) Rules 2014, provides for appointment of Independent Directors. It is proposed to appoint Mr. Arvind Baheti as an Independent Director under Section 149 of the Act and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to hold office for 5 (Five) consecutive years with effect from 28<sup>th</sup> March, 2018 to 27<sup>th</sup> March, 2023.

In the opinion of the Board, Mr. Arvind Baheti fulfills the conditions for appointment as an Independent Director, as specified in the Act, and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Mr. Arvind Baheti is independent of the management.

Brief resume of Mr. Arvind Baheti, nature of his expertise in specific functional areas and names of Companies in which he holds directorships and memberships/chairmanships of Board Committees, shareholding and relationships between Directors *inter-se* are provided in Annexure to this Notice.

Copy of the draft letter for appointment of Mr. Arvind Baheti as an Independent Director setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Mr. Arvind Baheti, is interested in the Resolution set out at Item No. 4 of the Notice with respect to his appointment. The relatives of Mr. Arvind Baheti, may be deemed to be interested in the Resolution set out at Item No.4 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested financially or otherwise, in this Resolution.

All the documents referred to are open for inspection at the Company's Registered Office at C-4, 'Gillander House', Netaji Subhas Road, Kolkata – 700 001 on all working days, except Saturdays, between 10.00 A.M. to 1.00 P.M. till 29<sup>th</sup> July, 2018, and will also be available for inspection at the Meeting.

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

#### **Item Nos. 5 & 7**

The Nomination and Remuneration Committee at its meeting held on 28<sup>th</sup> March, 2018, did not recommend re-appointment of Mr. D. K. Sharda, who was 70 years of age, as 'Managing Director & CEO' of the Company. The said Committee, instead, recommended that Mr. Mahesh Sodhani and Mr. Manoj Sodhani, be promoted and inducted as Board Members. The Committee was also of the opinion that the position of 'Managing Director' and 'Chief Executive Officer' should be separate.

Thereafter, on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company has appointed Mr. Mahesh Sodhani (DIN: 02100322) as an Additional Director (Whole time) with effect from 1<sup>st</sup> April, 2018, to hold office till the conclusion of the ensuing 84<sup>th</sup> Annual General Meeting of the Company.

Subsequent to resignation of Mr. D. K. Sharda as 'Managing Director & CEO' of the Company with effect from close of business hours on 31<sup>st</sup> March, 2018, and on the recommendation of the Nomination and Remuneration Committee (NRC), at their Meetings held on 28<sup>th</sup> March, 2018, the Board of Directors of the Company had appointed Mr. Mahesh Sodhani as 'Managing Director', of the Company, for a period of period of 3 (three) years with effect from 1<sup>st</sup> April, 2018, subject to approval of the Members of the Company.

Accordingly, an Agreement dated 3<sup>rd</sup> April, 2018, effective from 1<sup>st</sup> April, 2018, was entered into between the Company and Mr. Mahesh Sodhani, Managing Director of the Company, subject to the approval of the members of the Company.

The Board of Directors of the Company at their meeting held on 29<sup>th</sup> May, 2018, has varied the terms of appointment of Mr. Mahesh Sodhani, Managing Director, subject to the approval of the members of the Company. The variations primarily deal with retirement of Mr. Sodhani by rotation, as a Director. Accordingly, a supplementary Agreement was entered into between the Company and Mr. Mahesh Sodhani, Managing Director on 30<sup>th</sup> May, 2018.

Your Company has diversified business activities and is primarily engaged in the businesses of tea, textile and engineering and has manufacturing units in West Bengal, Assam and Punjab. During the last three financial years 2014-2015, 2015-2016 and 2016-2017 the Company has reported Standalone Profit/(Loss) After Tax (PAT) of (₹ 321.10 lakhs), (₹ 2,266.92 lakhs) and (₹1361.84 lakhs) respectively.

The reasons for loss during the financial year ended on 31<sup>st</sup> March, 2018 and steps taken or proposed to be taken for improvement and increase in productivity has been explained / dealt with in the Directors' Report of the Company for financial year ended on 31<sup>st</sup> March, 2018.

The Company has a wholly owned direct Foreign Subsidiary at Mauritius by the name Gillanders Holdings (Mauritius) Limited. The Company also has step down Foreign Subsidiary Company viz. Group Developments Limited (GDL), Malawi. GDL has three wholly owned subsidiaries viz., Naming'omba Tea Estates Limited, Mafisi Tea Estates Limited and Group Holdings Limited, all located at Malawi.

Mr. Mahesh Sodhani is associated with the Company since 1<sup>st</sup> May, 2001. Mr. Sodhani has vast experience in Tea Industry and he also has experience in EPC business. Prior to his promotion and appointment as 'Managing Director' he was designated as President of the Company and was looking after the Tea, MICCO (Engineering) and Property Divisions of the Company. Mr. Sodhani also has expertise in finance, marketing and administration.

Brief resume of Mr. Mahesh Sodhani, nature of his expertise in specific functional areas and names of the Company in which he hold Directorship, shareholding and relationships between Directors *inter se* are provided in the Annexure to this Notice.

Mr. Mahesh Sodhani by his expertise, knowledge and business acumen is managing the overall business of the Company and his appointment would be beneficial for the Company given the paucity of experienced and skilled personnel. During the preceding 3 financial years 2015-2016, 2016-2017 and 2017-2018, Mr. Mahesh Sodhani received remuneration of ₹ 37.33 lakhs, ₹ 41.23 lakhs and ₹ 57.79 lakhs respectively.

The remuneration proposed for Mr. Mahesh Sodhani is commensurate with the industry and size of the Company. Mr. Mahesh Sodhani has no pecuniary relationship directly or indirectly with the Company. However, he is related to Mr. Manoj Sodhani as brothers.

During the financial year 2017-18, your Company has reported Standalone Loss After Tax of ₹ 1,063.51 lakhs and have taken steps for improvement in the operations of the Company, which is expected to increase the productivity and profits of the Company.

The terms and conditions of the Agreements entered into by the Company with Mr. Mahesh Sodhani are set out herein below:

#### **1. DUTIES AND RESPONSIBILITIES:**

Mr. Mahesh Sodhani, the 'Managing Director' of the Company shall, subject to the provisions of the Companies Act, 2013, and overall superintendence and control of the Board of Directors of the Company, shall perform such duties and exercise such powers, as have been or may, from time to time, be entrusted to, or conferred on him, by the Board of Directors of the Company.

## 2. REMUNERATION:

- I. a) Basic Salary Rs.2,00,000/- per month for the period 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2019 and thereafter an increase of not exceeding 25 per cent every year with effect from 1<sup>st</sup> April, 2019, subject to recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors.
- b) Special Allowance Rs.3,16,350 per month for the period 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2019 and thereafter an increase of not exceeding 25 per cent every year with effect from 1<sup>st</sup> April, 2019, subject to recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors.  
This allowance however, will not be taken into account for calculation of benefits such as Provident Fund, Gratuity, Superannuation and Leave Encashment.
- II. PERQUISITES: Apart from Salary, Mr. Mahesh Sodhani will also be entitled to the perquisites classified into the following three parts viz., Part A, B and C.

### **PART – A**

- i) Housing: The Company shall provide rent free furnished accommodation with free electricity. In case, no accommodation is provided by the Company, to the Managing Director shall be entitled to House Rent Allowance limited to 25% of his basic salary.
- ii) Medical Reimbursement and Leave Travel Concession: The Managing Director shall be reimbursed to the extent of 10% of his basic salary towards expenses incurred for self and family for Medical Expenses and Leave Travel, anywhere in India.
- iii) Fees of Clubs: Upto a maximum of two Clubs. This will not include any admission or life membership fees.
- iv) Personal Accident Insurance/ Mediclaim Insurance: Personal Accident Insurance policy / Mediclaim Insurance policy in accordance with the scheme applicable to senior employees of the Company.

### **PART – B**

- i) Company's contribution to National Pension Scheme as per Rules of the Company.
- ii) Company's contribution to Provident Fund as per Rules of the Company.
- iii) Gratuity on retirement at the rate of one half month's salary for each completed year of service subject to the ceiling as provided in law.
- iv) Encashment of leave: Encashment of leave as per Rules of the Company.

### **PART – C**

- i) Use of car for Company's business.
- ii) Subject to the overall ceiling on remuneration, the Managing Director may be given other allowances, benefits and perquisites, as may be decided by the Board of Directors, from time to time. However, the overall amount of perquisites shall not exceed an amount equal to the annual Basic Salary. In computing the monetary ceilings on perquisites, Company's contribution to Provident Fund, Pension Fund and Gratuity shall not be taken into account.

### **MINIMUM REMUNERATION:**

In the event of absence or inadequacy of profits during the period of service of Mr. Mahesh Sodhani, as Managing Director of the Company, he shall be entitled to the same Salary and Perquisites as stated hereinabove.

The remaining provisions of the Agreements set out the mutual rights and obligations of the parties thereto and other administrative details.

As per the requirement of Schedule V, the relevant information are set out at one or more places in the documents forming part of the Annual Report and the aforesaid paragraphs should be taken as information that are required to be provided under Schedule V Part II of the Companies Act, 2013 dealing with 'Minimum Remuneration'.

The Board of Directors is of the opinion that the above remuneration being paid / payable to Mr. Mahesh Sodhani, as Managing Director of the Company, is commensurate with his duties and responsibilities. The Board considers that his association as Managing Director will be beneficial to and in the interest of the Company.

Save and except Mr. Mahesh Sodhani and his relatives, including Mr. Manoj Sodhani, to the extent of their shareholding interest, if any, in the Company, none of the other 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 Nos. 5 & 7 of the Notice.

All the documents referred to in the said Resolution are open for inspection at the Company's Registered Office at C-4, 'Gillander House', Netaji Subhas Road, Kolkata – 700 001 on all working days, except Saturdays, between 10.00 A.M. to 1.00 P.M. till 29<sup>th</sup> July, 2018, and will also be available for inspection at the Meeting.

The Board recommends the Ordinary Resolution and the Special Resolution as set out at Item Nos. 5 & 7 respectively of the Notice for approval of the Members.

### **Item Nos. 6 & 8**

The Nomination and Remuneration Committee at its meeting held on 28<sup>th</sup> March, 2018 did not recommend re-appointment of Mr. D. K. Sharda, who was 70 years of age, as 'Managing Director & CEO' of the Company. The said Committee, instead, recommended that Mr. Mahesh Sodhani and Mr. Manoj Sodhani, be promoted and inducted as Board Members. The Committee was also of the opinion that the position of 'Managing Director' and 'Chief Executive Officer' should be separate.

Thereafter, on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company has appointed Mr. Manoj Sodhani (DIN: 02267180) as an Additional Director (Whole time) with effect from 1<sup>st</sup> April, 2018 to hold office till the conclusion of the ensuing 84<sup>th</sup> Annual General Meeting of the Company.

Subsequent to resignation of Mr. D. K. Sharda as 'Managing Director & CEO' of the Company with effect from close of business hours on 31<sup>st</sup> March, 2018, and on the recommendation of the Nomination and Remuneration Committee (NRC), at their Meetings held on 28<sup>th</sup> March, 2018, the Board of Directors of the Company had appointed him as 'Wholetime Director', designated as 'Executive Director & Chief Executive Officer', of the Company, for a period of period of 3 (three) years with effect from 1<sup>st</sup> April, 2018, subject to approval of the Members of the Company.

Accordingly, an Agreement dated 3<sup>rd</sup> April, 2018, effective from 1<sup>st</sup> April, 2018, was entered into between the Company and Mr. Manoj Sodhani, 'Executive Director & CEO' of the Company, subject to the approval of the members of the Company.

The Board of Directors of the Company at their meeting held on 29<sup>th</sup> May, 2018, has varied the terms of appointment of Mr. Manoj Sodhani, Executive Director & CEO, subject to the approval of the members of the Company. The variations primarily deal with retirement of Mr. Sodhani by rotation, as a Director. Accordingly, a supplementary Agreement was entered into between the Company and Mr. Manoj Sodhani, Executive Director & CEO on 30<sup>th</sup> May, 2018.

Your Company has diversified business activities and is primarily engaged in the businesses of tea, textile and engineering and has manufacturing units in West Bengal, Assam and Punjab. During the last three financial years 2014-2015, 2015-2016 and 2016-2017 the Company has reported Standalone Profit/(Loss) After Tax (PAT) of (₹ 321.10 lakhs), (₹ 2,266.92 lakhs) and (₹1361.84 lakhs) respectively.

The reasons for loss during the financial year ended on 31<sup>st</sup> March, 2018 and steps taken or proposed to be taken for improvement and increase in productivity has been explained / dealt with in the Directors' Report of the Company for financial year ended on 31<sup>st</sup> March, 2018.

The Company has a wholly owned direct Foreign Subsidiary at Mauritius by the name Gillanders Holdings (Mauritius) Limited. The Company also has step down Foreign Subsidiary Company viz. Group Developments Limited (GDL), Malawi. GDL has three wholly owned subsidiaries viz., Naming'omba Tea Estates Limited, Mafisi Tea Estates Limited and Group Holdings Limited, all located at Malawi.

Mr. Manoj Sodhani is associated with the Company since 1<sup>st</sup> April, 1996. Mr. Sodhani has vast experience in Textile Industry. Prior to his promotion and appointment as 'Executive Director & CEO,' he was designated as President of the Company and was primarily looking after the Textile Division of the Company. Mr. Sodhani has expertise in finance, marketing and administration.

Brief resume of Mr. Manoj Sodhani, nature of his expertise in specific functional areas and names of the Company in which he hold Directorship, shareholding and relationships between Directors inter se are provided in the Annexure to this Notice.

Mr. Manoj Sodhani by his expertise, knowledge and business acumen is managing the overall business of the Company and his appointment would be beneficial for the Company given the paucity of experienced and skilled personnel. During the preceding 3 financial years 2015-2016, 2016-2017 and 2017-2018, Mr. Manoj Sodhani received remuneration of ₹ 37.21 lakhs, ₹ 41.39 lakhs and ₹ 58.36 lakhs respectively.

The remuneration proposed for Mr. Manoj Sodhani is commensurate with the industry and size of the Company. Mr. Manoj Sodhani has no pecuniary relationship directly or indirectly with the Company. However, he is related to Mr. Mahesh Sodhani as brothers.

During the financial year 2017-18, your Company has reported Standalone Loss After Tax of ₹ 1,063.51 lakhs and have taken steps for improvement in the operations of the Company, which is expected to increase the productivity and profits of the Company. The terms and conditions of the Agreements entered into by the Company with Mr. Manoj Sodhani are set out herein below:

## 1. DUTIES AND RESPONSIBILITIES:

Mr. Manoj Sodhani, the 'Executive Director & CEO' of the Company shall, subject to the provisions of the Companies Act, 2013 and overall superintendence and control of the Board of Directors of the Company shall perform such duties and exercise such powers, as have been, or may, from time to time, be entrusted to, or conferred on him, by the Board of Directors of the Company.

## 2. REMUNERATION:

- |    |                      |  |
|----|----------------------|--|
| I. | a) Basic Salary      | Rs.2,00,000/- per month for the period 1 <sup>st</sup> April, 2018 to 31 <sup>st</sup> March, 2019 and thereafter an increase of not exceeding 25 per cent every year with effect from 1 <sup>st</sup> April, 2019, subject to recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors. |
|    | b) Special Allowance | Rs.3,16,350 per month for the period 1 <sup>st</sup> April, 2018 to 31 <sup>st</sup> March, 2019 and thereafter an increase of not exceeding 25 per cent every year with effect from 1 <sup>st</sup> April, 2019, subject to recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors.   |

This allowance however, will not be taken into account for calculation of benefits such as Provident Fund, Gratuity, Superannuation and Leave Encashment.

- II. PERQUISITES: Apart from Salary, Mr. Manoj Sodhani will also be entitled to the perquisites classified into the following three parts viz., Part A, B and C.

## **PART – A**

- i) Housing: The Company shall provide rent free furnished accommodation with free electricity. In case, no accommodation is provided by the Company, to the 'Executive Director & CEO', shall be entitled to House Rent Allowance limited to 25% of his basic salary.
- ii) Medical Reimbursement and Leave Travel Concession: The 'Executive Director & CEO' shall be reimbursed to the extent of 10% of his basic salary towards expenses incurred for self and family for Medical Expenses and Leave Travel, anywhere in India.
- iii) Fees of Clubs: Upto a maximum of two Clubs. This will not include any admission or life membership fees.
- iv) Personal Accident Insurance/ Mediclaim Insurance: Personal Accident Insurance policy / Mediclaim Insurance policy in accordance with the scheme applicable to senior employees of the Company.

## **PART – B**

- i) Company's contribution to National Pension Scheme as per Rules of the Company.
- ii) Company's contribution to Provident Fund as per Rules of the Company.
- iii) Gratuity on retirement at the rate of one half month's salary for each completed year of service subject to the ceiling as provided in law.
- iv) Encashment of leave: Encashment of leave as per Rules of the Company.

## **PART – C**

- i) Use of car for Company's business.
- ii) Subject to the overall ceiling on remuneration, the 'Executive Director & CEO' may be given other allowances, benefits and perquisites, as may be decided by the Board of Directors from time to time. However, the overall amount of perquisites shall not exceed an amount equal to the annual Basic Salary. In computing the monetary ceilings on perquisites, Company's contribution to Provident Fund, Pension Fund and Gratuity shall not be taken into account.

### **MINIMUM REMUNERATION:**

In the event of absence or inadequacy of profits during the period of service of Mr. Manoj Sodhani, as 'Executive Director & CEO' of the Company, he shall be entitled to the same Salary and Perquisites as stated hereinabove.

The remaining provisions of the Agreements set out the mutual rights and obligations of the parties thereto and other administrative details.

As per the requirement of Schedule V, the relevant information are set out at one or more places in the documents forming part of the Annual Report and the aforesaid paragraphs should be taken as information that are required to be provided under Schedule V Part II of the Companies Act, 2013 dealing with 'Minimum Remuneration'.

The Board of Directors is of the opinion that the above remuneration being paid / payable to Mr. Manoj Sodhani, as 'Executive Director & CEO' of the Company, is commensurate with his duties and responsibilities. The Board considers that his association as 'Executive Director & CEO' will be beneficial to and in the interest of the Company.

Save and except Mr. Manoj Sodhani and his relatives, including Mr. Mahesh Sodhani, to the extent of their shareholding interest, if any, in the Company, none of the other 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 Nos. 6 & 8 of the Notice.

All the documents referred to in the said Resolution are open for inspection at the Company's Registered Office at C-4, 'Gillander House', Netaji Subhas Road, Kolkata – 700 001 on all working days, except Saturdays, between 10.00 A.M. to 1.00 P.M. till 29<sup>th</sup> July, 2018, and will also be available for inspection at the Meeting.

The Board recommends the Ordinary Resolution and the Special Resolution as set out at Item Nos. 6 & 8 respectively of the Notice for approval of the Members.

### **Item No. 9**

Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended, deals with private placement of securities by a Company. Rule 14(2) of the said Rules state that in case of an offer or invitation to subscribe for non-convertible debentures on private placement, the Company shall obtain previous approval of its shareholders by means of a Special Resolution only once in a year for all the offers or invitations for such debentures during the year. Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014 deals with issue of secured debentures. The Board of Directors, from time to time, will decide whether to issue debentures as secured or unsecured.

In order to augment long term resources for financing, *inter alia*, the expansion and modernization programs and for general corporate purposes, the Board may, at an appropriate time, offer or invite subscription for secured / unsecured redeemable non-convertible debentures, in one or more series / tranches on private placement, issuable / redeemable at par.

Accordingly, consent of the Members is sought for passing the Special Resolution as set out at Item No. 9 of the Notice. This resolution authorizes the Board of Directors of the Company to offer or invite subscription for secured / unsecured non-convertible debentures, as may be required by the Company, from time to time, for a year, from the date of passing of this resolution.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 9 of the Notice.

All the documents referred to in the said Resolution are open for inspection at the Company's Registered Office at C-4, 'Gillander House', Netaji Subhas Road, Kolkata – 700 001 on all working days, except Saturdays, between 10.00 A.M. to 1.00 P.M. till 29<sup>th</sup> July, 2018, and will also be available for inspection at the Meeting.

The Board recommends the Special Resolution set out at Item No. 9 of the Notice for approval of the Members.

**By Order of the Board**  
**For Gillanders Arbuthnot and Company Limited**

**D. Karmakar**  
**Company Secretary**

**Date: 30<sup>th</sup> May, 2018**  
**Place: Kolkata**

**Annexure**

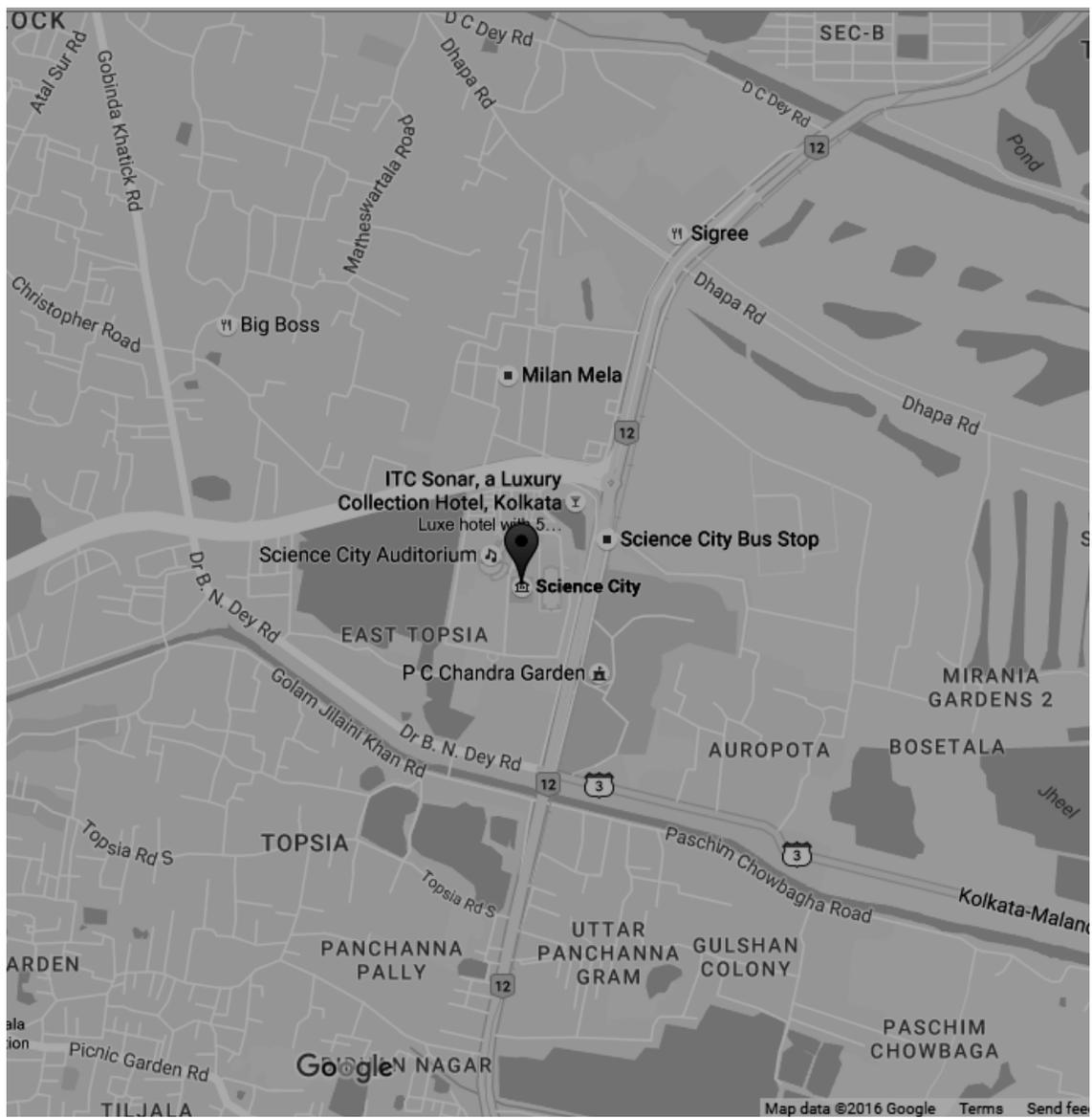
Information pursuant to Regulations 26(4) and 36(3), as applicable, of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards with regard to the Directors seeking appointment / re-appointment at the ensuing 84<sup>th</sup> Annual General Meeting (Refer Item Nos. 2 and 4 to 8 of the Notice)

<b>Name of the Director</b>	<b>Smt. P. D. Kothari</b>	<b>Mr. Arvind Baheti</b>
<b>Date of Birth</b>	10 <sup>th</sup> September, 1957	18 <sup>th</sup> October, 1977
<b>Qualification</b>	B. Com. (Hons.)	Chartered Accountant
<b>Date of Appointment</b>	31 <sup>st</sup> March, 2010	28 <sup>th</sup> March, 2018
<b>Brief Resume and nature of expertise in functional area</b>	Smt. P. D. Kothari is a well known Industrialist having wide experience in the field of tea, engineering, chemical, pharmaceuticals and spinning industry.	Mr. Arvind Baheti is a Chartered Accountant of 2000, ranking 45th on the All India merit list. He is an Executive Director with the Tax practice group of the celebrated law Firm, Khaitan & Co based in Kolkata. Mr. Baheti specializes in Indirect tax laws, Foreign Trade & Regulatory laws. He carries with him a blend of professional and industrial experience in his area of specialization.
<b>Relationship with other Directors, Key Managerial Personnel of the Company</b>	Smt. P. D. Kothari is the wife of Mr. Arun Kumar Kothari, Non- Executive Promoter Chairman of the Company.	-
<b>Number of Meetings of the Board attended during the year</b>	Six	One
<b>Directorships, Membership/ Chairmanship of Committees of other Boards*</b>	<b>Directorships:</b> <b>Listed Companies</b> Albert David Limited  <b>Unlisted Companies</b> Bharat Fritz Werner Limited G. Das & Co. Pvt. Limited  <b>Committee Memberships*</b>  <b>Member of Stakeholders Relationship Committee</b>  Albert David Ltd.	<b>Directorship:</b> <b>Listed Companies</b>  Nil  <b>Unlisted Companies</b>  Nil  <b>Committee Memberships*</b>  Nil
<b>Number of Ordinary Shares held in the Company</b>	67,875	Nil

<b>Name of the Director</b>	<b>Mr. Mahesh Sodhani</b>	<b>Mr. Manoj Sodhani</b>
<b>Date of Birth</b>	24 <sup>th</sup> February, 1972	9 <sup>th</sup> January, 1971
<b>Qualification</b>	CA, CS, CMA	CA, CS
<b>Date of Appointment</b>	1 <sup>st</sup> April, 2018	1 <sup>st</sup> April, 2018
<b>Brief Resume and nature of expertise in functional area</b>	Mr. Mahesh Sodhani is associated with the Company since 01.05.2001. Mr. Sodhani has vast experience in Tea Industry and he also has experience in EPC business. Prior to his appointment as 'Managing Director' he was designated as President of the Company.  Mr. Sodhani has expertise in finance, marketing and administration and he is an astute leader.	Mr. Manoj Sodhani is associated with the Company since 01.04.1996. Mr. Sodhani has vast experience in Textile Industry and prior to his appointment as 'Executive Director & CEO' he was designated as President of the Company.  Mr. Sodhani has expertise in finance, marketing and administration and he is an astute leader.
<b>Relationship with other Directors, Key Managerial Personnel of the Company</b>	Mr. Mahesh Sodhani is the brother of Mr. Manoj Sodhani, Executive Director & CEO of the Company.	Mr. Manoj Sodhani is the brother of Mr. Mahesh Sodhani, Managing Director of the Company.
<b>Number of Meetings of the Board attended during the year</b>	Not Applicable	Not Applicable
<b>Directorships, Membership/ Chairmanship of Committees of other Boards*</b>	<b>Directorships:</b> <b>Listed Companies</b> Nil  <b>Unlisted Companies</b> Nil  <b>Committee Memberships*</b>  Nil	<b>Directorship:</b> <b>Listed Companies</b> Nil  <b>Unlisted Companies</b> Nil  <b>Committee Memberships*</b>  Nil
<b>Number of Ordinary Shares held in the Company</b>	Nil	Nil

\*Pursuant to Regulation 26 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, only Audit Committee & Stakeholders Relationship Committee of Indian Public Limited Companies have been taken into account.

**Route Map of the Venue of the 84<sup>th</sup> Annual General Meeting – Mini Auditorium Hall of the Science City, J. B. S. Haldane Avenue, Kolkata – 700 046**







**GILLANDERS ARBUTHNOT AND COMPANY LIMITED**

Registered Office :

C-4, Gillander House, Netaji Subhas Road, Kolkata – 700 001

CIN: L51909WB1935PLC008194

Phone: +91-33 2230-2331 (6 Lines), Fax: +91-33-2230-4185

Website: [www.gillandersarbuthnot.com](http://www.gillandersarbuthnot.com); E-mail: [gillander@gillandersarbuthnot.com](mailto:gillander@gillandersarbuthnot.com)



**ATTENDANCE SLIP**  
*(To be presented at the entrance)*

Serial No.:

Regd. Folio No. / DP ID & Client ID	
Name and Address of the Shareholder	
Joint Holder(s)	
Number of Ordinary Shares held	

1. I hereby record my presence at the 84<sup>th</sup> Annual General Meeting of the Company being held on **Monday, the 30<sup>th</sup> day of July, 2018 at 10:30 A.M.** at the Mini Auditorium Hall of the Science City, J. B. S. Haldane Avenue, Kolkata – 700 046.
2. Signature of the Shareholder / Proxy present \_\_\_\_\_
3. Shareholder / Proxy holder wishing to attend the Meeting must bring the Attendance slip, duly signed, to the Meeting and hand it over at the entrance.
4. Shareholder / Proxy holder desiring to attend the Meeting may bring his / her copy of the Annual Report for reference at the Meeting.

Note: *Please cut here and bring the above Attendance Slip to the Meeting.*



**ELECTRONIC VOTING PARTICULARS**

<b>EVSN</b> <b>(Electronic Voting</b> <b>Sequence Number)</b>	<b>User ID</b> <b>(16 digit Demat Account / Folio No. of</b> <b>Members holding Shares in Physical</b> <b>mode)</b>	<b>Permanent Account Number</b> <b>(PAN)</b> <b>(Original PAN as per point no. viii of the</b> <b>instructions on e-voting.)</b>

Note:

The voting period begins on **Friday, 27<sup>th</sup> July, 2018 at 9.30 a.m.** and ends on **Sunday, 29<sup>th</sup> July, 2018 at 5.00 p.m.** Thereafter, the voting module shall be disabled by CDSL. Kindly refer to the e-voting instructions on the reverse of this page.

(P.T.O.)

## INSTRUCTIONS ON ELECTRONIC VOTING

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on **Friday, 27<sup>th</sup> July, 2018 at 9.30 a.m.** and ends on **Sunday, 29<sup>th</sup> July, 2018 at 5.00 p.m.** During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **Monday, 23<sup>rd</sup> July, 2018** may cast their vote electronically. The 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](http://www.evotingindia.com).
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
  1. For CDSL: 16 digits beneficiary ID,
  2. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  3. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

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

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant **<Gillanders Arbuthnot and Company Limited>** on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take 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. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (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](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details 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](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (xxii) Any person who acquire shares and becomes Member after dispatch of Notice of the 84<sup>th</sup> Annual General Meeting and holds shares as on the 'cut off date of 23<sup>rd</sup> July, 2018, may obtain the sequence number for remote e-voting by sending a request to the Company's RTA at [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com).

The facility for voting shall be made available at the venue of the Meeting to the Members attending the Meeting who has not cast their votes by remote e-voting. Members who have cast their vote by remote e-voting prior to the AGM and are attending the meeting will not be entitled to cast their vote again.

The Scrutinizer will submit, not later than 2 days of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman of the Company. The result shall be declared forthwith upon receipt of the Scrutinizers' Report. The result declared along with the Scrutinizers' report shall be placed on the Company's website at [www.gillandersarbuthnot.com](http://www.gillandersarbuthnot.com) and on the website of CDSL immediately after the declaration by the Chairman of the Meeting and would also be communicated to the Stock Exchanges where the shares of the Company are listed. Subject to receipt of requisite number of votes, the resolutions proposed in the notice shall be deemed to be passed on the date of the meeting i.e. 30<sup>th</sup> July, 2018.

**GILLANDERS ARBUTHNOT AND COMPANY LIMITED**

Registered Office:

C-4, Gillander House, Netaji Subhas Road, Kolkata – 700 001

CIN: L51909WB1935PLC008194

Phone: +91-33 2230-2331 (6 Lines), Fax: +91-33-2230-4185

Website: [www.gillandersarbuthnot.com](http://www.gillandersarbuthnot.com); E-mail: [gillander@gillandersarbuthnot.com](mailto:gillander@gillandersarbuthnot.com)**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), holding _____ Ordinary shares of the above named Company, hereby appoint:	
(1) Name:	Address:
E-mail ID:	Signature:
OR failing him /her	
(2) Name:	Address:
E-mail ID:	Signature:
OR failing him /her	
(3) Name:	Address:
E-mail ID:	Signature:

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 84<sup>th</sup> Annual General Meeting of the Company, to be held on **MONDAY, the 30<sup>TH</sup> DAY OF JULY, 2018 at 10:30 A.M.** at the Mini Auditorium Hall of the Science City, J. B. S. Haldane Avenue, Kolkata – 700 046 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	#	
		For	Against
<b>Ordinary Businesses</b>			
1.	Adoption of the audited financial statements of the Company for the financial year ended on 31 <sup>st</sup> March, 2018, the Reports of the Board of Directors and Auditors thereon. - Ordinary Resolution.		
2.	Re-appointment of Smt. P. D. Kothari (DIN 00051860) who retires by rotation, and being eligible, offers herself for re-appointment. - Ordinary Resolution.		
<b>Special Businesses</b>			
3.	Ratification of remuneration payable to Cost Auditors of Tea, Textile and Engineering (MICCO) Divisions of the Company for the financial year 2018-19. - Ordinary Resolution.		
4.	Appointment of Mr. Arvind Baheti (DIN: 08094824), Additional Director, as an Independent Director with effect from 28 <sup>th</sup> March, 2018 for a period of 5(five) consecutive years – Ordinary Resolution.		
5.	Appointment of Mr. Mahesh Sodhani (DIN: 02100322), Additional Director, as a Director, liable to retire by rotation – Ordinary Resolution.		

6.	Appointment of Mr. Manoj Sodhani (DIN: 02267180), Additional Director, as a Director, liable to retire by rotation – Ordinary Resolution.		
7.	Appointment of Mr. Mahesh Sodhani (DIN: 02100322), as Managing Director of the Company, for a period of 3 (three) years with effect from 1 <sup>st</sup> April, 2018 – Special Resolution.		
8.	Appointment of Mr. Manoj Sodhani (DIN: 02267180), as Wholetime Director, designated as 'Executive Director & CEO' for a period of 3 (three) years with effect from 1 <sup>st</sup> April, 2018 – Special Resolution.		
9.	Approval to invite subscriptions for secured/unsecured redeemable non-convertible debentures, in one or more series/tranches, aggregating up to Rs. 100 crores (Rupees One hundred crores), on private placement.- Special Resolution.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2018

Signature of Shareholder(s): \_\_\_\_\_

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



Notes:

1. This form of proxy in order to be effective should be completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Statement and Notes please refer to the Notice of the 84<sup>th</sup> Annual General Meeting.
3. # It is optional to put a 'X' in the appropriate column against the Resolution indicated in the box. If you leave the 'For' or 'Against' column blank against any or all the Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.



## CORPORATE INFORMATION\*

### BOARD OF DIRECTORS

Mr. A. K. Kothari, *Chairman*  
 Smt. P. D. Kothari, *Director*  
 Dr. H. P. Kanoria, *Director*  
 Mr. H. M. Parekh, *Director*  
 Mr. N. Pachisia, *Director*  
 Mr. A. Baheti, *Director*  
 Mr. Mahesh Sodhani, *Managing Director*  
 Mr. Manoj Sodhani, *Executive Director & CEO*

### CHIEF FINANCIAL OFFICER

Mr. P. K. Jain

### COMPANY SECRETARY

Mr. D. Karmakar

### STATUTORY AUDITOR

M/s. Singhi & Co., Kolkata

### SOLICITORS

Khaitan & Co. LLP

### BANKERS

Axis Bank Limited  
 Bank of India  
 IDBI Bank Limited  
 State Bank of India  
 The Karur Vysya Bank Limited  
 United Bank of India

### REGISTERED OFFICE

C-4, Gillander House,  
 Netaji Subhas Road, Kolkata - 700 001  
 Phone : 033-2230-2331 (6 Lines)  
 Fax : 033-2230 4185  
 E-mail : [gillander@gillandersarbuthnot.com](mailto:gillander@gillandersarbuthnot.com)  
 Website : [www.gillandersarbuthnot.com](http://www.gillandersarbuthnot.com)

### Audit Committee

Mr. H. M. Parekh, *Chairman*  
 Mr. A. K. Kothari, *Member*  
 Mr. N. Pachisia, *Member*  
 Mr. A. Baheti, *Member*

### Stakeholders Relationship Committee

Mr. H. M. Parekh, *Chairman*  
 Mr. A. K. Kothari, *Member*  
 Smt. P. D. Kothari, *Member*  
 Mr. Mahesh Sodhani, *Member*

### Nomination And Remuneration Committee

Mr. H. M. Parekh, *Chairman*  
 Smt. P. D. Kothari, *Member*  
 Dr. H. P. Kanoria, *Member*  
 Mr. N. Pachisia, *Member*

### Corporate Social Responsibility Committee

Mr. H. M. Parekh, *Chairman*  
 Smt. P. D. Kothari, *Member*  
 Mr. N. Pachisia, *Member*

\*As on 30th May, 2018.



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## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Annual Report on the affairs of the Company together with the Audited Financial Statements for the financial year ended on 31st March, 2018.

## FINANCIAL RESULTS

The Company's financial performance, for the year ended on 31st March, 2018, is summarized below:

₹ In Lakhs

Particulars	Standalone		Consolidated	
	2017-18	2016-17	2017-18	2016-17
<b>Profit Before Depreciation, Interest, Exceptional Items and Tax</b>	<b>5,187.75</b>	3,154.89	<b>7,024.95</b>	3,540.98
Finance Cost	<b>4,492.68</b>	4,794.65	<b>5,005.31</b>	5,350.90
<b>Profit/(Loss) Before Depreciation and Tax</b>	<b>695.07</b>	(1,639.76)	<b>2,019.64</b>	(1,809.92)
Depreciation and Amortisation Expense	<b>1,615.77</b>	1,909.98	<b>2,423.98</b>	2,208.55
<b>Profit/(Loss) Before Exceptional Items and Tax</b>	<b>(920.70)</b>	(3,549.74)	<b>(404.34)</b>	(4,018.47)
Exceptional Items	-	2,206.77	-	2,206.77
<b>Profit/(Loss) after Exceptional Items but Before Tax</b>	<b>(920.70)</b>	(1,342.97)	<b>(404.34)</b>	(1,811.70)
Add: Tax Expense				
- Current Tax	<b>60.00</b>	50.00	<b>277.07</b>	158.59
- Deferred Tax Charge	<b>82.81</b>	(31.13)	<b>175.34</b>	(84.86)
<b>Profit/(Loss) for the Year</b>	<b>(1,063.51)</b>	(1,361.84)	<b>(856.75)</b>	(1,885.43)
Other Comprehensive Income:				
- Items that will not be classified to profit or loss	<b>266.23</b>	96.39	<b>266.23</b>	96.39
- Income tax relating to these items	<b>82.81</b>	(31.13)	<b>82.81</b>	(31.13)
<b>Total Comprehensive Profit/(Loss) for the Year</b>	<b>(714.47)</b>	(1,296.58)	<b>(507.71)</b>	(1,820.17)
<b>Balance Brought Forward from previous Year</b>	<b>12,818.41</b>	13,524.04	8,027.44	9,256.66
Adjustment on transfer of Chemical (Waldies) Division pursuant to the Scheme of Arrangement	-	590.95	-	590.95
<b>Surplus carried to Balance Sheet</b>	<b>12,103.94</b>	12,818.41	7,519.73	8,027.44
Earnings per Ordinary Share (₹) – Basic & Diluted	<b>(4.98)</b>	(6.38)	<b>(4.01)</b>	(8.83)

The Company has adopted Indian Accounting Standards (Ind – As) as prescribed under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards), Rules, 2015, as amended, with the date of transition to Ind-As as 1st April, 2016.

## FINANCIAL PERFORMANCE AND REVIEW OF OPERATIONS

During the financial year ended on 31st March, 2018, your Company has reported a standalone EBITDA of ₹ 5,187.75 lakhs against ₹ 3,154.89 lakhs during the previous year. Total Standalone Income from Operations has decreased to ₹ 62,678.96 lakhs as against ₹ 65,065.99 lakhs in the Previous Year. Operational matters have been discussed under 'Management Discussion and Analysis,' detailed in appropriate part of this Report.

## DIVIDEND

In view of inadequacy of profits for the financial year ended on 31st March, 2018, your Directors have not recommended any dividend for the year.

## INVESTMENT IN GILLANDERS MAURITIUS

During the year, the Company has invested an amount of USD 4,00,000 (United States Four Lakhs dollars only) by subscribing to 4,00,000 numbers of fully paid up equity shares of USD 1 each, at par, of Gillanders Holdings (Mauritius) Limited, a Wholly Owned Foreign Subsidiary.



## **VOLUNTARY DELISTING OF EQUITY (ORDINARY) SHARES FROM THE CALCUTTA STOCK EXCHANGE LIMITED**

The Company had applied for Voluntary Delisting of the Equity (Ordinary) Shares of the Company from The Calcutta Stock Exchange Limited in compliance with Regulation 6(a) of the SEBI (Delisting of Equity Shares) Regulations, 2009. The Calcutta Stock Exchange Limited vide their letter Ref No. CSE/LD/14143/2018 dated 8th March, 2018 has confirmed the Voluntary Delisting of the Equity (Ordinary) Shares of the Company with effect from 9th March, 2018.

### **MANAGEMENT DISCUSSION AND ANALYSIS**

Management's Discussion and Analysis Report for the year under review, as stipulated under Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') is presented in a separate section forming part of the Annual Report. The industry structure, development, performance, opportunities, threats, outlook, risk and concerns, internal control systems and its adequacy, financial performance with respect to operational performance and material developments in human resource and industrial relations have been discussed in the paragraphs to follow.

#### **Textile Division**

During the year under review the production was 16364 MT. The year was marked with one of the biggest reform in indirect taxes - The Goods and Service Tax (GST), which was implemented with effect from 1st July 2017. The unorganized sector, which forms a significant portion of your company's customer base, faced challenges in adapting to the new regime due to their unpreparedness and its complexity. However efforts were made to simplify and make the system user friendly with series of amendments.

The inverted duty structure of 18% in case of Synthetic and blended yarn, as against 5% on fabric, resulted in huge input credit getting blocked with fabric manufacturers who resorted to drastic production cuts and large scale protests. The duty structure was partially corrected by reducing the GST rates on synthetic and blended yarn to 12% in October, which gave some relief to the industry.

Apparel export during the year showed negative growth primarily on account of reduction in duty drawback/ duty refund and secondly due to inordinate delay in refund of GST to the exporters resulting in huge blockage of their working capital.

Textile value chain, particularly after spinning, has traditionally been dominated by the unorganized sector with minimal applicability and incidence of indirect taxes. After the implementation of GST the entire value chain in the unorganized textile sector witnessed huge disruption, which adversely affected their performance during the year.

The increase in crude oil prices from the last quarter resulted in increase in prices of all types of synthetic fibers, which could not be fully passed on to the upstream chain due to adverse market conditions.

Cotton crop during the crop year 2017-18 is estimated to be 365 lakh bales, which would be lower than the original projection due to crop damage.

As reported last year, your division is gradually increasing its business of fancy and value added yarn and is finding good response from the market. With continuous focus in increasing the business of value added and fancy yarn we expect to see improved performance in the current year.

#### **Tea Division**

The global tea production in 2017 was higher compared to 2016 with major increase in production in India, Sri Lanka and Malawi, whereas, major losers were Kenya and Bangladesh. India produced 1321 Million kgs, a growth of 54 million kgs, compared to the previous year i.e. 2016. This was primarily due to increase in production in West Bengal and South India, whereas, Assam was almost at par with previous year. Average price realization of India in auction centres was at par compared to last year. However, the price for bulk tea has increased by around ₹ 4 per kg, compared to previous year, which reflects the goodwill and premium your product enjoys in the market. During the year under review, this division reported a production of 97.92 million kgs, which is marginally lower, compared to last year, due to adverse weather conditions in Assam and lower sourcing of outside green leaf.



During the year under review, the performance of the packet Tea segment was stable and the division is hopeful for improved performance in coming year.

The Directors are pleased to inform you that export by the division, during the year under review, has improved significantly when compared with previous year. The division has penetrated into new potential markets, and has also strengthened its presence in the existing markets. It is expected to continue its growth trend in the coming year.

As already reported, due to migration of workers, which has resulted in shortage of labour, the division continued to increase mechanization of its operations viz., introduction of tractor mounted spraying, pruning etc, and is exploring for further mechanization.

All eight factories are certified under ISO 22000-2005 and have Trust Tea certification.

Prospects of increase in wages and other input cost are major challenges that the tea industry may face. However, your Directors are confident of overcoming them with more high-value products, increase in volume of export and packet, improving quality of CTC, thereby, expecting an improved performance in coming year.

### **Engineering (MICCO) Division**

MICCO is primarily an established contractor in almost all the steel plants of India, doing both EPC and Job contracting work. In the year under review, there had been a limited number of enquiries from major clients in the Steel sector. However, few projects for revamping and upgradation are expected in the coming year.

The performance of your Division has improved when compared to the previous year due to various steps taken viz., rationalization of cost, value engineering etc. It is the foremost EPC contractor in the area of Gasholder and your division has won the prestigious contract to build the 80,000m<sup>3</sup> gasholder for Jindal Steel & Power Limited in the year under review.

The proficiency in execution of building, revamping and upgradation of Blast Furnace by your Company is widely acclaimed in Steel sector. In coming years, projects for Blast Furnace upgradation are expected from Steel Plants.

Steel Industry is expected to improve in near future and we expect that most of the steel plants, will take up their expansion and upgradation plan. We are a preferred contractor in steel sector, and hence, anticipate increase in enquiries/orders for Gasholders, Blast Furnace, Mills, Piping & Equipment erection work. This division is expected to do better in the coming year.

### **Property Division**

This Division has reported revenue of ₹ 746.31 lakhs, which is marginally higher compared to previous year. Continuous efforts are being made to increase the occupancy of 'Gillander House'. The property market has not shown any significant signs of recovery during the current year. It has also been observed that huge property banks with all modern amenities are lying idle and this division will face severe competition in the coming year. Your directors are hopeful that the division will maintain its performance during the ensuing year. As already reported, this division religiously follows fire safety policy and conducts fire safety drills at regular intervals.

### **Internal Financial Control Systems and their adequacy**

Your Company has adequate Internal Financial Control Systems in all areas of operation. Your Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its businesses, including adherence to the Company's policies, 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 disclosures. Internal Audits are conducted by Independent firms of Chartered Accountants and the reports are discussed with the operational heads by the CFO and Managing Director & CEO of the Company, and thereafter, placed before the Meetings of the Audit Committee of the Board of Directors. Representatives of the Statutory Auditors, Cost Auditors and Internal Auditors are also invited at the Meetings of the Audit Committee, as and when required. Corrective measures suggested at the Audit Committee Meetings are duly implemented.

The Audit Committee of the Board also reviews the adequacy of Internal Financial Control Systems at regular intervals.



## Human Resources and Industrial Relations

The Company has laid down the process for attracting, retaining and recognizing talent as it acknowledges the importance of good Human Resources. Company has cordial relation with employees and there is mutual respect and admiration for each other. The Directors wish to record their appreciation for the co-operation received from all employees. Industrial relation was good.

## Caution Statement

Management Discussion and Analysis Report contains forward-looking statements, which are based on certain assumptions and expectations of future events. The Company's actual results and performance may differ from those projected due to unforeseen circumstances viz., political, economic, etc., over which the Company does not have any control. The Company assumes no responsibility to publicly amend, modify or revise any such statements on the basis of subsequent developments, information or events. Readers are advised to apply their diligence and independent judgment.

## CONSOLIDATED FINANCIAL STATEMENTS

Consolidated financial statements for the financial year ended on 31st March, 2018, prepared as per the provisions of the Companies Act, 2013 (hereinafter referred to as 'the Act'), Rules framed therein and the applicable Accounting Standards are provided in the Annual Report.

## SUBSIDIARY / ASSOCIATE COMPANIES

Gillanders Holdings (Mauritius) Limited, Mauritius, the Direct Foreign Subsidiary, reported a profit before tax of ₹ 66.24 lakhs, against ₹ 95.01 lakhs, during the previous year. No significant operational activities have been undertaken by the said Subsidiary during the year under review.

For the financial year ended on 31st March, 2018, Group Developments Limited, Malawi (GDL), a step down Foreign Subsidiary, has reported a profit of ₹ 702.00 lakhs, against a reported loss of ₹ 305.07 lakhs for the previous year.

GDL has three wholly owned Subsidiaries located at Malawi viz., Naming'omba Tea Estates Limited, Mafisi Tea Estates Limited and Group Holdings Limited. GDL and its wholly owned Subsidiaries are engaged in growing and processing of Tea, Macadamia and other crops.

Tea production of GDL for the year under review was 2.40 Million kgs, compared to last year's production of 2.07 million kgs. The Tea price realization during the period was also higher than the previous year.

During the year, Macadamia (N I H) production of GDL was 1.87 million kgs against last year's production of 1.31 million kgs.

During the year under review, your Company did not have any associate / joint venture. A separate section on the performance and financial position of the Subsidiaries in Form AOC-1 is part of the Annual Report and is annexed to the Report.

## FIXED DEPOSITS

The Company is eligible to invite, accept or renew deposits under the provisions of the Act and the Rules framed therein.

As on 31st March, 2018 an amount of ₹ 4,651.04 lakhs was outstanding as fixed deposits received from the public and Shareholders of your Company. Matured fixed deposits amounting to ₹ 3.64 lakhs remained unclaimed and outstanding as on 31st March, 2018.

## DIRECTORS

Smt. Prabhawati Devi Kothari (DIN 00051860) will retire in the ensuing 84th Annual General Meeting, and being eligible, offers herself, for re-appointment. The Board of Directors recommends her re-appointment.

The Company has received declarations from Dr. H. P. Kanoria (DIN 00286685), Mr. H. M. Parekh (DIN 00026530),



Mr. N. Pachisia (DIN 00233768) and Mr. Arvind Baheti (DIN 0008094824), Independent Directors of the Company, that they meet the criteria of Independence, as prescribed both under the Act and SEBI Listing Regulations.

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on 28th March, 2018, had:

- (i) Appointed Mr. Mahesh Sodhani as an Additional Director (Wholetime) and designated him as 'Managing Director' for a term of 3 years with effect from 1st April, 2018, subject to the approval of the members of the Company at the ensuing 84th Annual General Meeting;
- (ii) Appointed Mr. Manoj Sodhani as an Additional Director (Wholetime) and designated him as 'Executive Director & CEO' for a term of 3 years with effect from 1st April, 2018, subject to the approval of the members of the Company at the ensuing 84th Annual General Meeting;
- (iii) Appointed Mr. Arvind Baheti as an Additional Director (Independent) with immediate effect for a term of 5 years, subject to the approval of the members of the Company at the ensuing 84th Annual General Meeting; and
- (iv) Approved the resignation of Mr. D. K. Sharda as 'Managing Director & CEO' of the Company with effect from close of business hours on 31st March, 2018.

Your Directors wish to place their sincere appreciation for the contribution made by Mr. D. K. Sharda during his tenure as Managing Director & CEO of the Company. Your Board also recommends the appointment of:

- (i) Mr. Mahesh Sodhani as a Director, designated as 'Managing Director' for a term of 3 (three) years with effect from 1st April, 2018;
- (ii) Mr. Manoj Sodhani as a Director (Wholetime), designated as 'Executive Director & CEO' for a term of 3 (three) years with effect from 1st April, 2018;
- (iii) Mr. Arvind Baheti as an Independent Director for term of 5 (five) consecutive years.

The aforesaid appointments would be beneficial to the Company.

The details of programmes for familiarization / training of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters can be accessed on the website of the Company at the link: <http://www.gillandersarbuthnot.com/pdf/policy/Familiarization%20Programme%20for%20Independent%20Director.pdf>

## **DIRECTORS' RESPONSIBILITY STATEMENT**

### **Your Directors state that:**

- a) in the preparation of the annual accounts for the financial year ended on 31st March, 2018, 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) such accounting policies have been selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2018 and of the loss of the Company for the year ended on that date;
- c) the Directors have 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) the annual accounts has been prepared on a 'going concern' basis;
- e) internal financial controls has been laid down so that the same can be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) proper systems has been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.



## **CORPORATE GOVERNANCE**

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements as set out by Securities and Exchange Board of India. The Report on Corporate Governance confirming compliance with the conditions stipulated under the SEBI Listing Regulations, which forms part of the Annual Report, is attached to this Report. Certificate on Corporate Governance, as stipulated in the said Regulations, issued by CS Deepak Kumar Khaitan, Practising Company Secretary (FCS No. 5615), is also attached to this Report.

## **CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES**

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

The Policy on related party transactions as approved by the Board may be accessed on the Company's website at the link: <http://www.gillandersarbuthnot.com/pdf/policy/Related%20Party%20Transaction%20Policy.pdf>

Your Directors draw attention of the Members to Note No. 47 to the standalone financial statements which set out related party disclosures.

## **CORPORATE SOCIAL RESPONSIBILITY**

Your Company tries to address the needs of people by taking sustainable initiatives in the areas of promoting education, health care and setting up of homes and hostels for women and orphans.

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. The CSR Policy may be accessed on the Company's website at the link: <http://www.gillandersarbuthnot.com/pdf/policy/Corporate%20Social%20Responsibility%20Policy.pdf>

The Annual Report on CSR activities is annexed herewith and marked as **Annexure I**.

## **RISK MANAGEMENT**

The Company has laid down a procedure to inform the Board Members, on a periodic basis, about the identified risks and the steps taken to mitigate and minimize the same. The Company has already identified and assessed major elements of risks, which may adversely affect the various Divisions of the Company. The Executive Management reviews the identified risks, including assessment of the said risks and procedures, which are being implemented for the monitoring, mitigating and minimization of the said risks.

## **AUDITORS**

Pursuant to Section 139 of the Companies Act, 2013, at the 81st Annual General Meeting (AGM) of the Company, Messrs Singhi & Co., Chartered Accountants, (Firm Registration No. 302049E) was re-appointed as the Statutory Auditor of the Company for a term of 5 (Five) consecutive years up to the conclusion of the 86th AGM of the Company to be held in the calendar year 2020.

Pursuant to Section 139 of the Companies Act, 2013, at the 80th AGM of the Company, Messrs Dutta Ghosh & Associates, Chartered Accountants (Firm Registration No. 309088E) was re-appointed as Branch Auditors of the GIS Cotton Mill (unit of Textile Division) of the Company for a term of 4 (Four) consecutive years, upto the conclusion of the ensuing 84th AGM of the Company scheduled to be held on 30th July, 2018.

Pursuant to Section 139 of the Companies Act, 2013, at the 83rd AGM of the Company, held on 1st September, 2017, M/s. Kothari & Company, Chartered Accountants, (Firm Registration-309088E), was re-appointed as Branch Auditor of the Engineering (MICCO) Division of the Company, for a term of 5 (Five) consecutive years up to the conclusion of the 88th AGM of the Company to be held in the calendar year 2022.

Your Directors do not recommend appointment of any Branch Auditor for GIS Cotton Mill unit, on conclusion of the tenure of Messrs Dutta Ghosh & Associates, Chartered Accountants, as the financial results of the said Unit will be audited by Messrs Singhi & Co., Chartered Accountants, Statutory Auditor of the Company.



## AUDITORS' REPORT

Auditors' Report to the Members of the Company does not contain any qualification or adverse remark. Financial Statements and the notes thereon are self-explanatory and need no further explanation.

## COST AUDITORS

On the recommendation of the Audit Committee, and in compliance with the provision of Section 148 of the Act, read with the Companies (Audit and Auditors) Rules, 2014, your Board had appointed the following Cost Auditors to conduct the audit of the cost records of the Company, as detailed below:

S.N.	Division	Cost Auditors for the financial year ending on 31st March, 2019
1	Tea	M/s. B. Ray & Associates
2	Textile	M/s. D. Sabyasachi & Co.
3	Engineering (MICCO)	M/s. D. Sabyasachi & Co.

In accordance with the provision of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, appropriate Resolution seeking your ratification of the Remuneration of the said Cost Auditors appointed for the year ending on 31st March, 2019, is appearing in the Notice convening the 84th AGM of the Company.

## SECRETARIAL AUDIT

The Board had appointed CS K. C. Dhanuka, Practising Company Secretary (FCS No. 2204), to conduct Secretarial Audit for the financial year ended on 31st March, 2018. The Secretarial Audit Report for the financial year ended on 31st March, 2018 is annexed herewith and marked as **Annexure II** to this Report. The Secretarial Audit Report does not contain any qualification / adverse remark / observation.

## OTHER DISCLOSURES:

### Composition of Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee of the Company, at present, comprises of Mr. H. M. Parekh as the Chairman of the Committee, Smt. P. D. Kothari and Mr. N. Pachisia as the Members of the said Committee.

### Composition of Audit Committee

The Audit Committee of the Company, at present, comprises of Mr. H. M. Parekh as the Chairman of the Committee, Mr. A. K. Kothari, Mr. N. Pachisia and Mr. Arvind Baheti, as the Members of the said Committee. The recommendations made by the Audit Committee were accepted by the Board.

### Composition of Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Company, at present, comprises of Mr. H. M. Parekh as the Chairman of the Committee, Smt. P. D. Kothari, Dr. H. P. Kanoria and Mr. N. Pachisia as the Members of the said Committee. The criteria for performance evaluation of Board, Committees and the Directors are laid down under the Nomination and Remuneration Policy of the Company. Remuneration Policy for Directors, Key Managerial Personnel and other employees is annexed herewith and marked as **Annexure III**.

### Composition of Stakeholders Relationship Committee

The Stakeholders Relationship Committee of the Company, at present, comprises of Mr. H. M. Parekh as the Chairman of the Committee, Mr. A. K. Kothari, Smt. P. D. Kothari and Mr. Mahesh Sodhani as the Members of the said Committee.

## Whistle Blower Policy

The Company has in place a Whistle Blower Policy in compliance with the provisions of the Act and SEBI Listing Regulations. The said Policy provides for a formal vigil mechanism for all employees and Directors of the Company, to report to the Chairman of the Audit Committee of the Company, genuine concerns or grievances about the unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The Policy on whistle blower may be accessed on the Company's website at the link: <http://www.gillandersarbuthnot.com/pdf/policy/Whistle%20Blower%20>



[Policy.pdf](#). Your Board affirms that no person has been denied access to the Chairman of the Audit Committee.

### **Meetings of the Board**

Six Meetings of the Board of Directors were held during the year. For further details, please refer to Clause II D of the report on Corporate Governance, which forms part of this Annual Report.

### **Particulars of Loans given, Investments made, Guarantees given and Securities provided**

During the year under review, the Company has not given any loan, guarantee or security. However, the Company has invested an amount of USD 4,00,000 (United States Dollar Four Lakhs) by subscribing to the fully paid up Equity Shares of USD 1 each, at par, of Gillanders Holdings (Mauritius) Limited.

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

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, is annexed herewith and marked as **Annexure IV**.

### **Extract of Annual Return**

Extract of Annual Return of the Company is annexed herewith and marked as **Annexure V**.

### **Particulars of Employees and related disclosures**

No employee draws Remuneration in excess of the limits provided in the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Rule 5(2) of the said Rules state that the Board's Report shall include a statement showing the names of top ten employees in terms of Remuneration drawn and the name of every employee, who, if employed throughout the financial year, was in receipt of Remuneration for that year, which, in the aggregate, was not less than ₹ 102 lakhs and if employed, for part of the financial year, was in receipt of Remuneration for any part of that year, at a rate which, in the aggregate, was not less than ₹ 8.50 lakhs per month.

Disclosures pertaining to Remuneration and a statement showing the names of top ten employees in terms of Remuneration drawn, as required under Section 197(12) of the Act read with Rule 5(1), 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 is annexed herewith and marked as **Annexure VI**.

### **MATERIAL CHANGES**

There have been no material changes and commitments affecting the financial position of the Company since the close of the financial year i.e. 31st March, 2018. Further, there has been no change in the nature of business of the Company.

### **GENERAL**

Your Directors states that no significant or material orders were passed by the Regulators or Courts or Tribunals, which may impact the going concern status and Company's operations in future, and that no case was filed pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### **ACKNOWLEDGEMENT**

The Directors would like to record their appreciation for the co-operation and support received from the employees, shareholders, banks, government agencies and all stakeholders.

Place: Kolkata  
Date: 30th May, 2018

**For and on behalf of the Board**  
**A. K. Kothari**  
Chairman



## Annexure I

### Annual Report on Corporate Social Responsibility (CSR) activities for the financial year ended on 31st March, 2018

1	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	CSR Policy of the Company has been framed in accordance with the provisions of the Companies Act, 2013 and Rules framed therein and the activities are undertaken as per Schedule VII of the said Act. For details please refer to the section 'Other Board Committees' of the Corporate Governance Report. The Company undertakes projects or programs in promotion of education, healthcare and setting up homes and hostels for women and orphans. The web link for the CSR Policy is <a href="http://www.gillandersarbuthnot.com/pdf/policy/Corporate%20Social%20Responsibility%20Policy.pdf">http://www.gillandersarbuthnot.com/pdf/policy/Corporate%20Social%20Responsibility%20Policy.pdf</a>
2	The Composition of the CSR Committee.	Mr. H. M. Parekh- Chairman (Independent Director) Smt. P. D. Kothari (Non- Executive Promoter Director) Mr. N. Pachisia (Independent Director)
3	Average net profit of the Company for last three financial years.	₹ (1316.62) Lakhs
4	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	NIL Since the average net profits made by the Company during the 3 immediately preceding financial years (as stated in item 3 above) is negative, the Company did not spend any amount in CSR activities for the financial year 2017-2018.
5	Details of CSR spent during the financial year- (1) Total amount to be spent for the financial year: (2) Amount unspent , if any: (3) Manner in which the amount spent during the financial year :	No amount spent for reasons stated in Point No. 4 above.

**Manoj Sodhani**  
Executive Director & CEO

**Mahesh Sodhani**  
Managing Director

**H.M. Parekh**  
Chairman-CSR Committee

Place: Kolkata  
Date: 30th May, 2018



**Annexure II**

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

**For the Financial Year Ended 31st March, 2018**

[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,  
Gillanders Arbuthnot and Company Limited  
C-4, Gillander House, Netaji Subhas Road,  
Kolkata – 700001

1. We have conducted the secretarial audit of **Gillanders Arbuthnot and Company Limited** having its registered office at C-4, Gillander House, Netaji Subhas Road, Kolkata – 700001 and having CIN L51909WB1935PLC008194 (hereinafter called “**The Company**”), for the financial year ended on 31st March, 2018 (“the period under review”). The aforesaid Secretarial Audit has been conducted pursuant to the provisions of Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, read with the Guidance Note on Secretarial Audit (Release-1.2) of The Institute of Company Secretaries of India, in a manner that provided us a reasonable basis for evaluating the corporate conduct and the process of statutory compliances under various statutes, rules, regulations, guidelines, as indicated here in below in the instant report and as such expressing my opinion thereon.
2. Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 has 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.
3. We have examined the secretarial compliance based on the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 and as shown to us during our audit, according to the provisions of the following laws:
  - (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
  - (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;
  - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
    - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
    - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;



- d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
- e. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- f. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- g. We further report that after considering the compliance system prevailing in the Company, and after carrying out test checks of the relevant records and documents maintained by the Company, we found that it has complied the other Laws applicable to the company viz.:-
  - (i) The Factories Act, 1948;
  - (ii) The Food Safety and Standards Act, 2006 and Food Safety and Standard Rules, 2011;
  - (iii) The Tea Act, 1953 and rules thereunder;
  - (iv) The Tea Waste (Control) Order, 1959;
  - (v) The Plantations Labour Act, 1951;
  - (vi) Air (Prevention and Control of Pollution) Act, 1981 and Water (Preservation and Control of Pollution) Act, 1974;
- (vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company during the period under review:-
  - a. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
  - b. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - c. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
4. We have also examined compliances with applicable clauses of Secretarial Standards issued by the Institute of Company Secretaries of India.
5. The compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same is subject to review by statutory financial audit and other designated professionals.
6. We further report to the best of our understanding that,
  - (i) The Board of Directors of the Company is duly constituted as per the provision of Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the time being. 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.
  - (ii) Adequate notice is given to all Directors for the Board and Committee Meetings. Agenda and notes on agenda were sent in advance, and further information and clarifications on the agenda items were provided for meaningful participation at the meeting.
  - (iii) All decisions at Board Meetings and Committee Meetings are carried out unanimously, as recorded in the minutes of the Meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that during the year under audit:

1. The Company had applied for Voluntary Delisting of the Equity (Ordinary) Shares of the Company from The Calcutta Stock Exchange Limited in compliance with Regulation 6(a) of the SEBI (Delisting of Equity Shares) Regulations, 2009. The Calcutta Stock Exchange Limited vide their letter Ref No. CSE/LD/14143/2018 dated 8th March, 2018 has confirmed the Voluntary Delisting of the Equity (Ordinary) Shares of the Company with effect from 9th March, 2018;



2. The Company has invested an amount of USD 4,00,000 (United States Four Lakhs dollars only) by subscribing to 4,00,000 numbers of fully paid up equity shares of USD 1 each, at par, of Gillanders Holdings (Mauritius) Limited, a Wholly Owned Foreign Subsidiary.
3. The Board of Directors of the Company, on the recommendation of the Nomination and Remuneration Committee, at their meeting held on 28<sup>th</sup> March, 2018, had:
  - (a) Appointed Mr. Mahesh Sodhani as an Additional Director (Executive) and designated him as Managing Director for a term of 3 years with effect from 1<sup>st</sup> April, 2018, subject to the approval of the members of the Company at the ensuing 84<sup>th</sup> Annual General Meeting;
  - (b) Appointed Mr. Manoj Sodhani as an Additional Director (Executive) and designated him as Executive Director & CEO for a term of 3 years with effect from 1<sup>st</sup> April, 2018, subject to the approval of the members of the Company at the ensuing 84<sup>th</sup> Annual General Meeting;
  - (c) Appointed Mr. Arvind Baheti as an Additional Director (Independent) with immediate effect for a term of 5 years, subject to the approval of the members of the Company at the ensuing 84<sup>th</sup> Annual General Meeting; and
  - (d) Approved the resignation of Mr. D. K. Sharda as 'Managing Director & CEO' of the Company with effect from close of business hours on 31<sup>st</sup> March, 2018.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

We further report that the compliance of all the applicable provisions of the Companies Act, 2013 and other laws is the responsibility of the management. We have relied on the representation made by the Company and its Officers for systems and mechanism set-up by the Company for compliance under applicable laws. Our examination, on a test-check basis, was limited to procedures followed by the Company for ensuring the compliance with the said provisions. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted its affairs. We further state that this is neither an audit nor an expression of opinion on the financial activities / statements of the Company.

Place: Kolkata  
Date: 30th May, 2018

**K. C. Dhanuka**  
**K. C. Dhanuka & Co.**  
Company Secretaries  
FCS – 2204, C.P. No. – 1247



## Annexure III

### NOMINATION AND REMUNERATION POLICY

#### I. PREAMBLE

The Board of Directors of Gillanders Arbuthnot and Company Limited (“the Company”) had approved and adopted the Nomination and Remuneration Policy at its meeting held on 13th November, 2014. The Securities and Exchange Board of India (“SEBI”) vide its Notification dated 2nd September, 2015, has issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Regulations”). In order to align with the Regulations, the said Policy is being suitably modified / altered.

#### II. OBJECTIVE

The Nomination and Remuneration Committee and this Policy is in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 of the Regulations. The Key Objectives of the Committee would be:

- a. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- b. To evaluate the performance of the Members of the Board and provide necessary report to the Board for further evaluation of the Board.
- c. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- d. To provide to Key Managerial Personnel and Senior Management Personnel reward linked directly to their effort, performance, dedication and achievement relating to the Company’s operations.
- e. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- f. To devise a policy on Board diversity.
- g. To develop a succession plan for the Board and to regularly review the plan.

#### III. DEFINITIONS

- a. “**Act**” means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- b. “**Board**” means Board of Directors of the Company.
- c. “**Key Managerial Personnel**” (**KMP**) means as defined under according to Section 2(51) of the Companies Act, 2013.
- d. “**Senior Management**” means Senior Management Personnel of the Company who are ‘one level below the Key Managerial Personnel’.
- e. “**Independent Director**” means as defined under Regulation 16(1) (b) of the Regulations and under Section 149(6) of the Companies Act, 2013.

#### IV. ROLE OF COMMITTEE

##### 1. Matters to be dealt:-

The Committee shall:

- i. Formulate the criteria for determining qualifications, positive attributes and independence of a Director.
- ii. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial Personnel and Senior Management Personnel positions in accordance with the criteria laid down in this policy.
- iii. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.
- iv. Devise a Policy on Diversity of Board of Directors.



## 2. Policy for appointment and removal

### a. Appointment

- i. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management Personnel level and recommend to the Board his / her appointment.
- ii. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- iii. The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of Shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

### b. Term / Tenure

- i. Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

- ii. Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act and Regulation 25(1) of the Regulations, from time to time.

### c. Evaluation Criteria for Directors

Performance evaluation is a key mean by which Board can recognize and correct corporate governance issues and add real value to the Company. The Board determines and discusses the reasons for governance failures and how Board evaluations can help prevent them from occurring. All Board Members are to participate in the evaluation and are encouraged to further discuss and refine their views during meetings. The following criteria are to be followed for reviewing the Directors' performance:-

- a. Accomplishment of the organization's mission, objectives and strategic results for which the Executive Director(s) is responsible.
- b. Ensuring that the Board is well informed on issues affecting the continuing relevance of the mission and the performance and reputation of the Company.
- c. Adequacy of processes which monitor business performance, Board Member interaction with management, adequacy of Board knowledge, adequacy of business strategy, Board being informed, evaluation process for Executives and Directors.



- d. Appropriateness of balance and mix of skills, size of Board, contribution of individual Board Members, adequacy of performance feedback to Board Members, adequacy of procedures dealing with inadequate performance by a Board Member.
- e. Board's effectiveness in use of time, whether Board allowed sufficient opportunity to adequately assess management performance, Board's ability to keep abreast of developments in the wider environment which may affect adequacy of meeting, frequency and duration.
- f. Working relationship between Chairman and Managing Director & Chief Executive Officer, segregation of duties between Board and Management, ability of Directors to express views to each other and to management in a constructive manner, adequacy of Board discussions and management of divergent views.

The evaluation will take place annually as per the requirement of law and Regulation 19 of the Regulations. The Board may undertake more frequent evaluations, if warranted. The performance evaluation will typically address activities, events and accomplishments that took place during the most recently completed fiscal year.

**d. Removal**

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, Rules and Regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, Rules and Regulations.

**e. Retirement**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

**3. Policy relating to the Remuneration**

**a. Remuneration to Chairman, Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:**

- i. Fixed pay: The Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.
- ii. Minimum Remuneration: If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.
- iii. Provisions for excess Remuneration: If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

**b. Remuneration to Non- Executive / Independent Director:**

- i. Remuneration: The remuneration / commission shall be fixed as per the terms and conditions mentioned in the Articles of Association of the Company and the Act.



- ii. **Sitting Fees:** The Non- Executive / Independent Director shall receive remuneration by way of fees for attending meetings of Board or Committee thereof, as may be decided by the Board, from time to time. Provided that the amount of such fees shall not exceed Rupees One Lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.
- iii. **Commission:** Commission may be paid within the monetary limit approved by Shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Act. 'Differential Commission may be paid to Non – Executive / Independent Directors based on their participation, contribution and active role in the Board and strategic matters of the Company.'
- iv. **Stock Options:** An Independent Director shall not be entitled to any stock option of the Company.

#### **V. MEMBERSHIP**

- a. The Committee shall consist of a minimum three (3) Non-Executive Directors, majority of them being Independent.
- b. Minimum two (2) Members, one of which must be an Independent Director, shall constitute a quorum for the Committee Meeting.
- c. Membership of the Committee shall be disclosed in the Annual Report.
- d. Term of the Committee shall be continued unless terminated by the Board of Directors.

#### **VI. CHAIRPERSON**

- a. Chairperson of the Committee shall be an Independent Director.
- b. Chairperson of the Company may be appointed as a Member of the Committee but shall not be a Chairman of the Committee.
- c. In the absence of the Chairperson, the Members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.
- d. Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other Member to answer the Shareholders' queries.

#### **VII. FREQUENCY OF MEETINGS**

The meeting of the Committee shall be held at such intervals as may be required. However, at least one meeting should be held in a financial year.

#### **VIII. COMMITTEE MEMBERS' INTERESTS**

- a. A Member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- b. The Committee may invite such Executives, as it considers appropriate, to be present at the meetings of the Committee.

#### **IX. SECRETARY**

The Company Secretary of the Company shall act as Secretary of the Committee.

#### **X. VOTING**

- a. Matters arising for determination at Committee Meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b. In the case of equality of votes, the Chairman of the meeting will have a casting vote.

#### **XI. NOMINATION DUTIES**

The duties of the Committee in relation to nomination matters include:



- a. Ensuring that there is an appropriate induction process in place for new Directors, KMPs and Members of Senior Management Personnel and reviewing its effectiveness.
- b. Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act.
- c. Identifying and recommending Directors who are to be put forward for retirement by rotation.
- d. Determining the appropriate size, diversity and composition of the Board.
- e. Setting a formal and transparent procedure for selecting new Directors for appointment to the Board.
- f. Developing a succession plan for the Board, KMP and Senior Management Personnel and regularly reviewing the plan.
- g. Evaluating the performance of the Board Members, KMP and Senior Management Personnel in the context of the Company's performance from business and compliance perspective.
- h. Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- i. Delegating any of its powers to one or more of its Members of the Committee.
- j. Recommend necessary changes to the Board.
- k. Consider any other matters, as may be requested by the Board.

## **XII. REMUNERATION DUTIES**

The duties of the Committee in relation to remuneration matters include:

- a. To consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate Members of the Board, KMP and Senior Management Personnel and such other factors as the Committee shall deem appropriate all elements of the remuneration of the Members of the Board.
- b. To approve the remuneration of the Senior Management Personnel including Key Managerial Personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- c. To delegate any of its powers to one or more of its Members of the Committee.
- d. To consider any other matters as may be requested by the Board.
- e. To consider matters relating to Directors & Officers Insurance Policy.

## **XIII. MINUTES OF THE COMMITTEE MEETING**

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee within 30 days from the date of the meeting. Minutes of the Committee Meetings will be tabled at the subsequent Board and Committee Meeting.

## **XIV. AMENDMENT(S) / MODIFICATION(S)**

The Nomination and Remuneration Committee will review and may amend / modify this Policy from time to time.

**For and on behalf of the Board**

Place: Kolkata  
Date: 30th May, 2018

**A. K. Kothari**  
Chairman



## **Annexure IV**

**Information as per Clause(m) of Section 134(3) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ended on 31st March, 2018.**

### **A. CONSERVATION OF ENERGY**

#### **i) Steps taken or impact on Conservation of Energy**

The Company accords great importance to conservation of energy. The Company has taken the following steps:

- a) Conventional tube lights and vapour lamp are being replaced by the energy efficient LED lights.
- b) Old Motors are replaced with new Ultra High efficiency motors to save energy.
- c) Timely replacement of power capacitor and equipment for achieving ideal power factor.
- d) Installation of Rain water harvesting system to reduce pumping of ground water, hence, reducing power consumption.
- e) Conversion to Inverter drives from Variator drive.
- f) Efficient utilization of compressed air.
- g) ETP processed water being reused in cooling tower, thereby, reducing extraction of water.
- h) Direct coupling is being done in machines.
- i) Energy saving impellers installed.

#### **ii) Steps taken by the Company for utilizing alternate sources of energy**

- a) Risk Husk is used in Captive Power plant at our Textile Unit at Akbarpur. Natural Gases are used at various Tea Estates, wherever possible.
- b) Jute caddies is used in Thermax Boiler and unusable dropping waste of cotton are used as boiler fuel.

#### **iii) Capital Investment on energy conservation equipments**

Investments have been made for purchase of LED lights, Energy efficient heaters, Gas Burner, VFBD driers, etc.

### **B. TECHNOLOGY ABSORPTION**

#### **i) Efforts made towards technology absorption:**

- a) Installation of latest machines / equipment, viz.,
  - i) Murata Automatic Package Winder
  - ii) Hydro Extractor
  - iii) Mixing Bale Opener
  - iv) Fiber Drier
  - v) Coal Heater
  - v) Gas Burner
- b) In-house seminars, discussions with experts and training programme were held for innovative ideas of production. The concerned staff members are also sponsored to attend various seminars and workshops for updating themselves in various aspect of the functioning of the Company.
- c) The Company also uses vermicompost, Bio Humic Spray (BHS) and Indigenous Technical Knowledge (ITK) for improving the organic status of the soil in the Tea Gardens.



**ii) Benefits derived like, Product improvement cost reduction, product development or Import substitution;**

The efforts have helped in improving the productivity, production of high value added products, conservation of power and energy and overall improvement in the quality of products.

**iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)**

No technology has been imported by the Company during the last three years.

**iv) The expenditure incurred on Research and Development**

Recurring expenditure of ₹ 21.33 Lakhs was incurred.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

Total foreign exchange earned and used during the financial year ended on 31st March, 2018:

	(₹in lakhs)
Foreign exchange earned	10,660.60
Foreign exchange used	1,157.20

Place: Kolkata  
Date: 30th May, 2018

**For and on behalf of the Board**  
**A. K. Kothari**  
Chairman

**Annexure V****FORM No. MGT 9****EXTRACT OF ANNUAL RETURN**

As on the Financial Year ended on 31st March, 2018

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1)  
Of the Companies (Management and Administration) Rules, 2014]**I REGISTRATION AND OTHER DETAILS:**

i.	CIN	L51909WB1935PLC008194
ii.	Registration Date	01.02.1935
iii.	Name of the Company	GILLANDERS ARBUTHNOT AND COMPANY LIMITED
iv.	Category/Sub-Category of the Company	PUBLIC COMPANY LIMITED BY SHARES
v.	Address of the Registered office and contact details	C-4, GILLANDER HOUSE,NETAJI SUBHAS ROAD, KOLKATA-700 001, INDIA Phone: 033 2230-2331(6 lines) Fax: 033 2230 4185 e-mail: gillander@gillandersarbuthnot.com
vi.	Whether listed Company	YES
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	MAHESHWARI DATAMATICS PVT. LTD. 23, R.N. MUKHERJEE ROAD, 5TH FLOOR, KOLKATA-700 001 Phone: 033 2248 2248, 2243 5029, 2243 5809 Fax: 033 2248 4787 e-mail: mdpldc@yahoo.com

<b>II</b>	<b>PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b> (All the business activities contributing 10% or more of the total turnover of the Company)	<b>Attachment A</b>
<b>III</b>	<b>PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES</b>	<b>Attachment B</b>
<b>IV</b>	<b>SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)</b>	
	i)Category-wise Shareholding	<b>Attachment C</b>
	ii)Shareholding of Promoters	<b>Attachment D</b>
	iii)Change in Promoters' Shareholding	<b>Attachment E</b>
	iv)Shareholding Pattern of top ten Shareholders(other than Directors, Promoters and Holders of GDRs and ADRs)	<b>Attachment F</b>
	v) Shareholding of Directors and Key Managerial Personnel	<b>Attachment G</b>
<b>V</b>	<b>INDEBTEDNESS</b>	
	Indebtedness of the Company including interest outstanding/accrued but due for payment	<b>Attachment H</b>
<b>VI</b>	<b>REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL</b>	
	A. Remuneration to Managing Director, Whole-time Directors and/or Manager	<b>Attachment I</b>
	B. Remuneration to other Directors	<b>Attachment J</b>
	C. Remuneration to Key Managerial Personnel other than Managing Director/ Manager/Whole-time Directors	<b>Attachment K</b>
<b>VII</b>	<b>PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES</b>	<b>Attachment L</b>



## ATTACHMENT A

### 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	NIC code of the product	%-age to total turnover of the Company
1.	Yarn	13111/13114	55.29
2.	Cultivation, Manufacture and Sale of Tea	01271/10791/46306	32.23

## ATTACHMENT B

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

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	%of Shares held	Applicable Section
1.	Gillanders Holdings (Mauritius) Limited 6th Floor, Tower A, 1 Cyber City, Ebene, Mauritius	NA	Wholly Owned Foreign Subsidiary	100	2(87)
2.	Group Developments Limited P. O. Box 2, Thyolo, Malawi	NA	Wholly Owned Foreign Subsidiary	100	2(87)
3.	Naming'omba Tea Estates Limited* P. O. Box 2, Thyolo, Malawi	NA	Wholly Owned Foreign Subsidiary	100	2(87)
4.	Mafisi Tea Estates Limited* P. O. Box 2, Thyolo, Malawi	NA	Wholly Owned Foreign Subsidiary	100	2(87)
5.	Group Holdings Limited* P. O. Box 2, Thyolo, Malawi	NA	Wholly Owned Foreign Subsidiary	100	2(87)

\* The entire shareholding of the Companies listed in Serial nos. 3, 4 and 5 are held by Group Developments Limited



**Attachment C**

**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-April-2017]				No of Shares held at the end of the year [As on 31-March-2018]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	295394	-	295394	1.3841	295394	-	295394	1.3841	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s).	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	14376321	-	14376321	67.3605	14376321	-	14376321	67.3605	-
e) Banks/FIs	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(1)</b>	<b>14671715</b>	<b>-</b>	<b>14671715</b>	<b>68.7446</b>	<b>14671715</b>	<b>-</b>	<b>14671715</b>	<b>68.7446</b>	<b>-</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>14671715</b>	<b>-</b>	<b>14671715</b>	<b>68.7446</b>	<b>14671715</b>	<b>-</b>	<b>14671715</b>	<b>68.7446</b>	<b>-</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	300	-	300	0.0014	300	-	300	0.0014	-
b) Banks/FI	3437	65543	68980	0.3232	3437	65494	68931	0.3230	-0.0002
c) Central Govt.	-	7086	7086	0.0332	-	7086	7086	0.0332	-
d) State Govt(s).	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	1187278	-	1187278	5.5630	1187278	-	1187278	5.5630	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total(B)(1)</b>	<b>1191015</b>	<b>72629</b>	<b>1263644</b>	<b>5.9208</b>	<b>1191015</b>	<b>72580</b>	<b>1263595</b>	<b>5.9206</b>	<b>-0.0002</b>



## Attachment C (Contd.)

Category of Shareholders	No of Shares held at the beginning of the year [As on 01-April-2017]				No of Shares held at the end of the year [As on 31-March-2018]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	695561	39340	734901	3.4434	764294	33475	797769	3.7380	0.2946
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	2535602	606430	3142032	14.7221	2293289	421096	2714385	12.7183	-2.0038
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1290299	46866	1337165	6.2653	1449618	46866	1496484	7.0118	0.7465
c) Others (specify)									
Non Resident Indians	93101	32879	125980	0.5903	82848	9959	92807	0.4348	-0.1555
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Custodian of Enemy Property	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	61053	-	61053	0.2861	88090	-	88090	0.4127	0.1266
Trusts	3823	-	3823	0.0179	3823	-	3823	0.0179	-
Foreign Bodies-D R	-	-	-	-	-	-	-	-	-
Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-
NBFCs registered with RBI	2033	-	2033	0.0095	-	-	-	-	-0.0095
Employee Trusts	-	-	-	-	-	-	-	-	-
Domestic Corporate Unclaimed Shares Account	-	-	-	-	-	-	-	-	-
Investor Education and Protection Fund Authority	-	-	-	0.0000	213678	-	213678	1.0012	1.0012
<b>Sub-total(B)(2)</b>	<b>4681472</b>	<b>725515</b>	<b>5406987</b>	<b>25.3346</b>	<b>4895640</b>	<b>511396</b>	<b>5407036</b>	<b>25.3347</b>	<b>0.0001</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>5872487</b>	<b>798144</b>	<b>6670631</b>	<b>31.2554</b>	<b>6086655</b>	<b>583976</b>	<b>6670631</b>	<b>31.2554</b>	<b>-0.0001</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>20544202</b>	<b>798144</b>	<b>21342346</b>	<b>100.00</b>	<b>20758370</b>	<b>583976</b>	<b>21342346</b>	<b>100.00</b>	<b>0.0000</b>



## Attachment D

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

## ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the Year [As on 01-April-2017]			Shareholding at the end of the Year [As on 31-March-2018]			% 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	KOTHARI PHYTOCHEMICALS AND INDUSTRIES LIMITED	5501078	25.7754	0.0000	5501078	25.7754	0.0000	0.0000
2	KOTHARI INVESTMENT & INDUSTRIES PRIVATE LIMITED	2253748	10.5600	0.0000	2253748	10.5600	0.0000	0.0000
3	VISHNUHARI INVESTMENTS & PROPERTIES LIMITED	1707291	7.9995	0.0000	1707291	7.9995	0.0000	0.0000
4	M. D. KOTHARI & COMPANY LIMITED	1521868	7.1307	0.0000	1521868	7.1307	0.0000	0.0000
5	KOTHARI & COMPANY PRIVATE LIMITED	1426199	6.6825	0.0000	1426199	6.6825	0.0000	0.0000
6	COMMERCIAL HOUSE PRIVATE LIMITED	1368212	6.4108	0.0000	1368212	6.4108	0.0000	0.0000
7	BHAKTWATSAL INVESTMENTS LIMITED	498498	2.3357	0.0000	498498	2.3357	0.0000	0.0000
8	ARUN KUMAR KOTHARI	108472	0.5082	0.0000	108472	0.5082	0.0000	0.0000
9	SATYAM FINANCIAL SERVICES LIMITED	88177	0.4132	0.0000	88177	0.4132	0.0000	0.0000
10	ARUN KUMAR KOTHARI (HUF)	75741	0.3549	0.0000	75741	0.3549	0.0000	0.0000
11	PRABHAWATI DEVI KOTHARI	67875	0.3180	0.0000	67875	0.3180	0.0000	0.0000
12	ANAND VARDHAN KOTHARI	43306	0.2029	0.0000	43306	0.2029	0.0000	0.0000
13	KOTHARI CAPITAL AND SECURITIES PRIVATE LIMITED	11250	0.0527	0.0000	11250	0.0527	0.0000	0.0000
	<b>TOTAL</b>	<b>14671715</b>	<b>68.7446</b>	<b>0.0000</b>	<b>14671715</b>	<b>68.7446</b>	<b>0.0000</b>	<b>0.0000</b>



## Attachment E

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

## iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning [As on 01st-April-2017] / end of the year [As on 31st-March-2018]		Date	Increase/ decrease in Shareholding	Reason	Cumulative Shareholding during the year As on 01st-April-2017 to 31st-March-2018]	
		Name	No. of Shares				% of total Shares of the Company	No. of Shares
1.	BHAKTWATSAL INVESTMENTS LIMITED							
		498498	2.3357	01/04/2017	No Change during the year		498498	2.3357
		498498	2.3357	31/03/2018				
2	COMMERCIAL HOUSE PRIVATE LIMITED							
		1368212	6.4108	01/04/2017	No Change during the year		1368212	6.4108
		1368212	6.4108	31/03/2018				
3	KOTHARI CAPITAL AND SECURITIES PRIVATE LIMITED							
		11250	0.0527	01/04/2017	No Change during the year		11250	0.0527
		11250	0.0527	31/03/2018				
4	KOTHARI PHYTOCHEMICALS AND INDUSTRIES LIMITED							
		5501078	25.7754	01/04/2017	No Change during the year		5501078	25.7754
		5501078	25.7754	31/03/2018				
5	KOTHARI & COMPANY PRIVATE LIMITED							
		1426199	6.6825	01/04/2017	No Change during the year		1426199	6.6825
		1426199	6.6825	31/03/2018				
6	VISHNUHARI INVESTMENTS & PROPERTIES LIMITED							
		1707291	7.9995	01/04/2017	No Change during the year		1707291	7.9995
		1707291	7.9995	31/03/2018				
7	KOTHARI INVESTMENT & INDUSTRIES PRIVATE LIMITED							
		2253748	10.5600	01/04/2017	No Change during the year		2253748	10.5600
		2253748	10.5600	31/03/2018				
8	M.D. KOTHARI & COMPANY LIMITED							
		1521868	7.1307	01/04/2017	No Change during the year		1521868	7.1307
		1521868	7.1307	31/03/2018				
9	SATYAM FINANCIAL SERVICES LIMITED							
		88177	0.4132	01/04/2017	No Change during the year		88177	0.4132
		88177	0.4132	31/03/2018				
10	ARUN KUMAR KOTHARI (HUF)							
		75741	0.3549	01/04/2017	No Change during the year		75741	0.3549
		75741	0.3549	31/03/2018				
11	ARUN KUMAR KOTHARI							
		108472	0.5082	01/04/2017	No Change during the year		108472	0.5082
		108472	0.5082	31/03/2018				
12	PRABHAWATI DEVI KOTHARI							
		67875	0.3180	01/04/2017	No Change during the year		67875	0.3180
		67875	0.3180	31/03/2018				
13	ANAND VARDHAN KOTHARI							
		43306	0.2029	01/04/2017	No Change during the year		43306	0.2029
		43306	0.2029	31/03/2018				



Attachment F

IV.SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning [As on 01st -April-2017] / end of the year [As on 31st -March-2018]		Date	Increase/ decrease in Shareholding	Reason	Cumulative Shareholding during the year As on 01st -April-2017 to 31st -March-2018]	
		No. of Shares	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1.	BONANZA PORTFOLIO LTD.#							
		77245	0.3619	01/04/2017				
				07/04/2017	-9305	Sale	67940	0.3183
				14/04/2017	-53383	Sale	14557	0.0682
				21/04/2017	50	Purchase	14607	0.0684
				28/04/2017	175	Purchase	14782	0.0693
				12/05/2017	-10607	Sale	4175	0.0196
				19/05/2017	187	Purchase	4362	0.0204
				09/06/2017	4386	Purchase	8748	0.0410
				16/06/2017	4153	Purchase	12901	0.0604
				23/06/2017	220	Purchase	13121	0.0615
				30/06/2017	6778	Purchase	19899	0.0932
				07/07/2017	2382	Purchase	22281	0.1044
				14/07/2017	4276	Purchase	26557	0.1244
				21/07/2017	1048	Purchase	27605	0.1293
				28/07/2017	-1359	Sale	26246	0.1230
				04/08/2017	-2154	Sale	24092	0.1129
				11/08/2017	2327	Purchase	26419	0.1238
				18/08/2017	455	Purchase	26874	0.1259
				25/08/2017	-2261	Sale	24613	0.1153
				01/09/2017	1003	Purchase	25616	0.1200
				08/09/2017	290	Purchase	25906	0.1214
				15/09/2017	-411	Sale	25495	0.1195
				22/09/2017	-372	Sale	25123	0.1177
				30/09/2017	-387	Sale	24736	0.1159
				06/10/2017	99	Purchase	24835	0.1164
				13/10/2017	-755	Sale	24080	0.1128
				20/10/2017	710	Purchase	24790	0.1162
				27/10/2017	-2806	Sale	21984	0.1030
				03/11/2017	4949	Purchase	26933	0.1262
				10/11/2017	-915	Sale	26018	0.1219
				17/11/2017	233	Purchase	26251	0.1230
				24/11/2017	-12708	Sale	13543	0.0634
				01/12/2017	-3968	Sale	9575	0.0449
				08/12/2017	2298	Purchase	11873	0.0556
				15/12/2017	1715	Purchase	13588	0.0637
				22/12/2017	-280	Sale	13308	0.0624
				29/12/2017	-1000	Sale	12308	0.0577
				05/01/2018	625	Purchase	12933	0.0606
				12/01/2018	25	Purchase	12958	0.0607
				19/01/2018	-1474	Sale	11484	0.0538
				26/01/2018	25	Purchase	11509	0.0539
				02/02/2018	175	Purchase	11684	0.0547
				09/02/2018	1023	Purchase	12707	0.0595
				16/02/2018	-85	Sale	12622	0.0591



## Attachment F (Contd.)

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning [As on 01st -April-2017] / end of the year [As on 31st -March-2018]		Date	Increase/ decrease in Shareholding	Reason	Cumulative Shareholding during the year As on 01st -April-2017 to 31st - March-2018]	
		No. of Shares	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
				23/02/2018	47	Purchase	12669	0.0594
				02/03/2018	-444	Sale	12225	0.0573
				09/03/2018	350	Purchase	12575	0.0589
				16/03/2018	161	Purchase	12736	0.0597
				23/03/2018	972	Purchase	13708	0.0642
				30/03/2018	-500	Sale	13208	0.0619
		13208	0.0619	31/03/2018			13208	0.0619
2.	JAMSON SECURITIES PVT. LTD.							
		105704	0.4953	01/04/2017				
				12/05/2017	500	Purchase	106204	0.4976
				19/05/2017	-500	Sale	105704	0.4953
		105704	0.4953	31/03/2018			105704	0.4953
3.	KUNVARJI FINANCE PVT. LTD.							
		0	0.0000	1/04/2017				
				01/12/2017	30000	Purchase	30000	0.1406
				08/12/2017	30000	Purchase	60000	0.2811
				22/12/2017	-60000	Sale	0	0.0000
		0	0.0000	31/03/2018			0	0.0000
4.	KUVARJI FINSTOCK PRIVATE LIMITED							
		0	0.0000	01/04/2017				
				24/11/2017	31530	Purchase	31530	0.1477
				01/12/2017	21969	Purchase	53499	0.2507
				08/12/2017	-53499	Sale	0	0.0000
				22/12/2017	60000	Purchase	60000	0.2811
				26/01/2018	-60000	Sale	0	0.0000
				02/02/2018	60000	Purchase	60000	0.2811
				09/02/2018	-40000	Sale	20000	0.0937
		20000	0.0937	31/03/2018			20000	0.0937
5.	LIFE INSURANCE CORPORATION OF INDIA							
		1187278	5.5630	01/04/2017				
		1187278	5.5630	31/03/2018		No Change during the year	1187278	5.5630
6.	RAVIRAJ DEVELOPERS LIMITED*							
		55170	0.2585	1/04/2017				
				21/04/2017	-2748	Sale	52422	0.2456
				28/04/2017	-13925	Sale	38497	0.1804
				12/5/2017	12000	Purchase	50497	0.2366
				28/07/2017	1500	Purchase	51997	0.2436
				1/12/2017	-14118	Sale	37879	0.1775
				8/12/2017	-7724	Sale	30155	0.1413
				15/12/2017	-420	Sale	29735	0.1393
				22/12/2017	-3000	Sale	26735	0.1253
				19/01/2018	2159	Purchase	28894	0.1354
				23/02/2018	24180	Purchase	53074	0.2487
		53074	0.2487	31/03/2018			53074	0.2487
7.	ATRUN FISCAL PVT. LTD.							
		44757	0.2097	01/04/2017				
				12/05/2017	500	Purchase	45257	0.2121
				24/11/2017	-12000	Sale	33257	0.1558
		33257	0.1558	31/03/2018			33257	0.1558



**Attachment F (Contd.)**

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning [As on 01st -April-2017] / end of the year [As on 31st -March-2018]		Date	Increase/ decrease in Shareholding	Reason	Cumulative Shareholding during the year As on 01st -April-2017 to 31st -March-2018]	
		Name	No. of Shares				% of total Shares of the Company	No. of Shares
8.	IL AND FS SECURITIES SERVICES LIMITED							
		0	0.0000	1/04/2017				
				07/07/2017	150	Purchase	150	0.0007
				01/12/2017	-150	Sale	0	0.0000
				26/01/2018	60000	Purchase	60000	0.2811
				02/02/2018	-60000	Sale	0	0.0000
				09/03/2018	1000	Purchase	1000	0.0047
				16/03/2018	-1000	Sale	0	0.0000
		0	0.0000	31/03/2018			0	0.0000
9.	MALL COMMERCIAL PVT. LTD.							
		100903	0.4728	01/04/2017	No Change during the year			
		100903	0.4728	31/03/2018			100903	0.4728
10.	ARUNA AMBRISH DESAI							
		0	0.0000	01/04/2017				
				01/12/2017	30000	Purchase	30000	0.1406
				08/12/2017	55000	Purchase	85000	0.3983
				19/01/2018	-5813	Sale	79187	0.370
				02/02/2018	-10145	Sale	69042	0.3235
				02/03/2018	-16252	Sale	52790	0.2473
				09/03/2018	-1195	Sale	51595	0.2417
				16/03/2018	-10005	Sale	41590	0.1949
				23/03/2018	-7399	Sale	34191	0.1602
		34191	0.1602	31/03/2018			34191	0.1602
11.	JAGDISH AMRITLAL SHAH							
		110740	0.5189	01/04/2017	No Change during the year			
		110740	0.5189	31/03/2018			110740	0.5189
12.	MUKTILAL GANULAL PALDIWAL							
		88051	0.4126	01/04/2017				
				14/04/2017	-300	Sale	87751	0.4112
				21/04/2017	-494	Sale	87257	0.4088
				28/04/2017	-290	Sale	86967	0.4075
				07/07/2017	500	Purchase	87467	0.4098
				14/07/2017	500	Purchase	87967	0.4122
				21/07/2017	1611	Purchase	89578	0.4197
				18/08/2017	191	Purchase	89769	0.4206
				01/09/2017	500	Purchase	90269	0.4230
				08/09/2017	1094	Purchase	91363	0.4281
				22/09/2017	500	Purchase	91863	0.4304
				06/10/2017	3000	Purchase	94863	0.4445
				20/10/2017	1037	Purchase	95900	0.4493
				27/10/2017	180	Purchase	96080	0.4502
				03/11/2017	2	Purchase	96082	0.4502
				24/11/2017	-2000	Sale	94082	0.4407
				08/12/2017	-10	Sale	94072	0.4408
				09/02/2018	1000	Purchase	95072	0.4455
		95072	0.4455	31/03/2018			95072	0.4455



## Attachment F (Contd.)

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning [As on 01st -April-2017] / end of the year [As on 31st -March-2018]		Date	Increase/ decrease in Shareholding	Reason	Cumulative Shareholding during the year As on 01st -April-2017 to 31st -March-2018]	
		Name	No. of Shares				% of total Shares of the Company	No. of Shares
13.	HARIKISHAN JAMANDAS MUNDHRA#							
		46544	0.2181	01/04/2017	No Change during the year			
		46544	0.2181	31/03/2018			46544	0.2181
14.	ANIL JAIN*							
		5000	0.0234	01/04/2017				
				07/04/2017	65787	Purchase	70787	0.3317
				14/04/2017	2396	Purchase	73183	0.3429
				21/04/2017	46817	Purchase	120000	0.5623
				26/05/2017	11161	Purchase	131161	0.6146
				02/06/2017	135	Purchase	131296	0.6152
				23/06/2017	524	Purchase	131820	0.6176
				30/06/2017	-1235	Sale	130585	0.6119
				25/08/2017	2318	Purchase	132903	0.6227
				30/03/2018	915	Purchase	133818	0.6270
		133818	0.6270	31/03/2018			133818	0.6270
15.	SUVARNA KUMARI AGRAWAL							
		185000	0.8668	01/04/2017				
				15/12/2017	387	Purchase	185387	0.8686
				22/12/2017	4191	Purchase	189578	0.8883
				29/12/2017	10422	Purchase	200000	0.9371
		200000	0.9371	31/03/2018			200000	0.9371
16.	BANK OF BARODA							
		54567	0.2557	01/04/2017	No Change during the year			
		54567	0.2557	31/03/2018			54567	0.2557
17.	CUSTODIAN A/C – JAGDISH P GANDHI*							
		348	0.0016	01/04/2017				
				01/12/2017	213136	Purchase	213484	1.0003
				08/12/2017	542	Purchase	214026	1.0028
		214026	1.0028	31/03/2018			214026	1.0028

\*Not in the list of Top 10 Shareholders as on 01/04/2017. The same has been reflected above since the Shareholder was one of the Top 10 shareholders as on 31/03/2018.

# Ceased to be in the list of Top 10 Shareholders as on 31/03/2018. The same is reflected above since the Shareholder was one of the Top 10 shareholders as on 01/04/2017.

**Attachment G****IV.SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****v) Shareholding of Directors and Key Managerial Personnel**

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year [As on 01st-April-2017] / end of the year [31st-March-2018]		Cumulative Shareholding during the year [01st-April-2017 to 31st-March-2018]	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	ARUN KUMAR KOTHARI				
	At the beginning of the year	108472	0.5082	108472	0.5082
At the end of the year	108472	0.5082			
2.	PRABHAWATI DEVI KOTHARI				
	At the beginning of the year	67875	0.3180	67875	0.3180
At the end of the year	67875	0.3180			
3.	PRAVIN KUMAR JAIN				
	At the beginning of the year	501	0.0023	501	0.0023
At the end of the year	501	0.0023			

Dr. H. P. Kanoria, Mr. H. M. Parekh, Mr. N. Pachisia, Mr. Arvind Baheti, and Mr. D.K. Sharda, Directors of the Company did not hold any shares during the financial year of 2017-2018. Mr. D. Karmakar, Company Secretary, of the Company did not hold any shares during the financial year of 2017-2018.

**Attachment H****V. INDEBTEDNESS****Indebtedness of the Company including interest outstanding/accrued but due for payment**

(₹ in lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year – 1st April 2017</b>				
i) Principal Amount	17,409.94	14,085.00	4,266.27	35,761.21
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	14.05	249.66	263.71
<b>Total (i+ii+iii)</b>	<b>17,409.94</b>	<b>14,099.05</b>	<b>4,515.93</b>	<b>36,024.92</b>
Change in indebtedness during the financial year				
· Addition	-	1,014.27	1,423.80	2,438.07
· Reduction	1,017.27	1,975.00	1,006.50	3,998.77
<b>Net Change</b>	<b>(1,017.27)</b>	<b>(960.73)</b>	<b>417.30</b>	<b>(1,560.70)</b>
<b>Indebtedness at the end of the financial year – 31st March 2018</b>				
i) Principal Amount	16,392.67	13,110.00	4,651.04	34,153.71
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	28.32	282.19	310.51
<b>Total (i+ii+iii)</b>	<b>16,392.67</b>	<b>13,138.32</b>	<b>4,933.23</b>	<b>34,464.22</b>



## Attachment I

## REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

## A. Remuneration to Managing Director &amp; CEO

(₹ in lakhs)

Sl. No.	Particulars of Remuneration	Name of the Managing Director & CEO Mr. D. K. Sharda
	Gross Salary	
1	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	47.68
	(b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	3.79
	(c) Profits in lieu of salary under Section 17(3) of Income Tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
	Commission	
4	- As a percentage of profit	-
	- Others, specify	-
5	Others, please specify (Leave encashment and Gratuity on retirement)	33.05
	<b>Total Amount (A)</b>	<b>84.52</b>
	<b>Ceiling as per the Act@</b>	

@ The Company has made a loss of ₹ 1,063.51 lakhs, and hence, Section II of Part II of Schedule V is applicable. The Effective Capital of the Company is ₹ 34,686.97 lakhs. The Company can pay remuneration upto ₹ 120.97 lakhs. The said remuneration limit can be doubled if the shareholders pass it as a Special Resolution.

## Attachment J

## REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

## B. Remuneration to other Directors

(₹ In lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors*						Total Amount
1	<u>Independent Directors</u>	-	-	HPK	HMP	NP	AB	
	- Fee for attending Board /Committee Meetings	-	-	0.15	2.44	2.00	0.26	4.85
	- Commission	-	-	-	-	-	-	-
	- Others, please specify	-	-	-	-	-	-	-
	<b>Total(1)</b>	-	-	<b>0.15</b>	<b>2.44</b>	<b>2.00</b>	<b>0.26</b>	<b>4.85</b>
2	<u>Other Non-Executive Directors</u>	AKK	PDK	-	-	-	-	
	- Fee for attending Board /Committee Meetings	2.00	1.67	-	-	-	-	3.67
	- Commission	-	-	-	-	-	-	-
	- Others, please specify	-	-	-	-	-	-	-
	<b>Total(2)</b>	<b>2.00</b>	<b>1.67</b>	-	-	-	-	<b>3.67</b>
	<b>Total(B)=(1+2)</b>	<b>2.00</b>	<b>1.67</b>	<b>0.15</b>	<b>2.44</b>	<b>2.00</b>	<b>0.26</b>	<b>8.52</b>
	<b>Total Managerial Remuneration (A+B)</b>							<b>93.04</b>
	<b>Overall Ceiling as per the Act@</b>							

@ The Company has made a loss of ₹ 1,063.51 lakhs, and hence, Section II of Part II of Schedule V is applicable. The Effective Capital of the Company is ₹ 34,686.97 lakhs. The Company can pay remuneration upto ₹ 120.97 lakhs. The said remuneration limit can be doubled if the shareholders pass it as a Special Resolution.

\* AKK-Mr. A. K. Kothari, PDK-Smt. P.D. Kothari, HPK-Dr. H.P. Kanoria, HMP-Mr. H.M. Parekh, NP-Mr. Naresh Pachisia and AB- Mr. Arvind Baheti.

**Attachment K****REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****C. Remuneration to Key Managerial Personnel Other Than MD /Manager /WTD**

(₹ in lakhs)

Sl. No.	Particulars of Remuneration	Mr. P. K. Jain - Chief Financial Officer	Mr. D. Karmakar – Company Secretary	Total Amount
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	35.85	17.18	53.03
	(b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	3.38	0.63	4.01
	(c) Profits in lieu of salary under Section 17(3) of Income Tax Act, 1961	-	-	
2	Stock Option	-	-	
3	Sweat Equity	-	-	
	Commission			
4	- As a percentage of profit	-	-	
	- Others, specify	-	-	
5	Others, please specify	-	-	
	<b>Total</b>	<b>39.23</b>	<b>17.81</b>	<b>57.04</b>

**Attachment L****VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES: Nil**

Place: Kolkata  
Date: 30th May, 2018

**For and on behalf of the Board**  
**A. K. Kothari**  
Chairman



## Annexure VI

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

1. Ratio of remuneration of each Director to median remuneration of employees, percentage increase in remuneration of each Director, Chief Executive Officer (CEO), Chief Financial Officer and Company Secretary during the financial year ended on 31st March, 2018 :

Sl. No.	Name of Director and KMP	Designation	Ratio of remuneration of each Director to median remuneration of employees	%age increase in remuneration for the financial year ended on 31st March, 2018
1.	Mr. D. K. Sharda	Managing Director & CEO	1:188.2	19.60@
2.	Mr. P. K. Jain	Chief Financial Officer	Not Applicable	14.30
3.	Mr. D. Karmakar	Company Secretary	Not Applicable	8.80

## Note:

- Mr. A. K. Kothari, Non-Executive Promoter Chairman and Smt. P. D. Kothari, Non-Executive Promoter Director received sitting fees only during the financial year ended on 31st March, 2018. Dr. H.P. Kanoria, Mr. H. M. Parekh, Mr. N. Pachisia and Mr. Arvind Baheti, who are Independent Directors, received sitting fees only in the said financial year.
- In the financial year ended on 31st March, 2018, there was increase of 4.8% in the median remuneration of employees.
- There were 9271 permanent employees on the rolls of the Company as on 31st March, 2018.
- Average salary increase of Managerial employee and Non Managerial employee during the financial year ended on 31st March, 2018 is 14.20% and 7.7% respectively.
- The remuneration is paid as per the Nomination and Remuneration Policy of the Company.
- Statement showing Particulars of top ten employees pursuant to Section 197(12) of the Companies Act, 2013 read with Rules 5(2) & 5 (3) of Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016:

Sl. No.	Name	Designation / Nature of Duties	Remuneration received p.a. (in ₹)	Qualification	Experience in years	Age in years	Date of commencement of Employment	Last Employment held before joining the Company
1	Mr. Dev Kishan Sharda@	Managing Director & CEO	64,52,270	B.Com, CA (Inter)	49	70	01.09.1973	Singhi & Co.
2	Mr. Manoj Sodhani#	President – Textile	58,36,930	B.Com (Hons.), ACA, ACS	22	47	01.04.1996	Veneer & NP Saw Mills Ltd
3	Mr Mahesh Sodhani#	President - Tea & Property	57,79,032	B.Com (Hons.), ACA, ACS, ACMA	20	46	01.05.2001	Kothari Plantations & Industries Ltd
4	Mr.Sanjib Raha	President- NISM	43,45,200	B.Tech (Textile)	27	47	18.12.2013	PT. Lotus Indah Textile Industries
5	Mr. Pravin Kumar Jain	Jt. President & CFO	39,23,464	B.Com (Hons.), LLB, FCA, Certificate in Business & Industrial Administration	40	60	10.01.1984	Jain & Co., Chartered Accountants
6	Mr. Bhisam Chander Kaushik	President - Cotton Mill	39,07,596	B.Tech (Textile)	32	55	09.03.2017	Banswara Syntex Ltd.
7	Mr. Subhayan Bhattacharya	Vice President - Micco Division	29,23,968	B.Com (Hons), ACA	20	45	10.07.2015	Primetals Technologies India Private Ltd.
8	Mr. Kevin Paul	Vice President - Exports, Tea Division	23,99,317	B.Com	32	69	01.09.2016	Tata Tea Ltd.
9	Mr. Bithal Kumar Kothari	Sr. Vice President - Tea Division	22,98,073	B.Com	38	56	01.07.1981	Kothari Plantations & Industries Ltd.
10	Mr. Gautam Samanta	Sr. General Manager - Taxation	20,76,078	B.Sc (Hons), FCA, FCMA	20	49	01.12.2006	H.K.Agarwal & Co.

- @ The tenure of Mr. D.K. Sharda as Managing Director & CEO came to an end on the close of business hours on 31st March, 2018 and since the Nomination and Remuneration Committee had not recommended his re-appointment, he had tendered his resignation as a Director of



the Company from the close of business hours on 31st March, 2018. The total remuneration to Mr. D. K. Sharda does not include gratuity amount of ₹ 20 lakhs, which has been paid to him on his retirement from the services of Company.

# Mr. Mahesh Sodhani and Mr. Manoj Sodhani were promoted and appointed as 'Managing Director' and 'Executive Director & CEO' of the Company respectively, for a period of 3 years with effect from 1st April, 2018.

Notes:

- 1) Remuneration includes Basic Salary, HRA, Special Allowance, Ex-gratia, LTA, Medical, Leave Encashment, Employer's contribution to Provident Fund, Employer's contribution to National Pension Scheme, Incentives and other Perquisites.
- 2) Nature of Employment and Duties: Contractual and in accordance with terms and conditions as per Company's rules and policies.
- 3) Except Mr. Mahesh Sodhani and Mr. Manoj Sodhani, who are related as brothers, and were appointed as 'Managing Director' and 'Executive Director & CEO' of the Company respectively, with effect from 1st April, 2018, none of the above employees is a relative of any Director of the Company.

Place: Kolkata  
Date: 30th May, 2018

**For and on behalf of the Board**  
**A. K. Kothari**  
Chairman



## REPORT ON CORPORATE GOVERNANCE

[In accordance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended, the Directors present the Company’s Report on Corporate Governance with respect to the financial year ended on 31st March, 2018]

### I. Company’s philosophy on Corporate Governance

The Company believes that good Corporate Governance means the adoption of best practices to ensure that the Company operates not only within the regulatory framework but is also guided by the broader business ethics. The Company’s policy is reflected by the values of integrity, transparency, professionalism and accountability. The adoption of business and corporate practices based on transparency, professionalism and accountability, besides creating wealth for the shareholders, benefits the customers, creditors, employees, government and society at large.

The Company believes in meaningful policy on Corporate Governance by empowering the executive management and creating a mechanism of checks and balances to ensure that the decision making powers vested in the executive management are used with care and responsibility to meet the stakeholder’s aspirations and societal expectations.

The Company is compliant with the provisions of Regulations 17 to 27, and clause (b) to (i) of sub regulation (2) of Regulation 46 and paras C, D and E of Schedule V of SEBI Listing Regulations, as applicable, with regard to Corporate Governance.

### II. Board of Directors (hereinafter referred to as the ‘Board’)

The Board is entrusted with the ultimate responsibility of the management, affairs, directions and performance of the Company and has been vested with requisite powers, authorities and duties.

#### (A) Composition of Board

During the financial year ended on 31st March, 2018, your Company’s Board was duly constituted in accordance with the requirements laid down under the Companies Act, 2013 (hereinafter referred to as ‘the Act’) and Regulation 17(1) of SEBI Listing Regulations. As on 31st March, 2018 the Board comprised of 7 (Seven) Directors, out of which 4 (Four) being Independent Directors, 2 (Two) being Non – Executive Promoter Directors and 1 (One) being Whole time Director with considerable experience in their respective fields. In compliance with the requirements of the Act and SEBI Listing Regulations, the Company has 1 (One) Woman Director on its Board.

The Chairman provides overall direction and guidance to the Board. Presently, the Managing Director and Executive Director & CEO of the Company are responsible for the overall implementation. In the operations and functioning of the Company, the Managing Director and Executive Director & CEO is assisted by the operational and functional heads.

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on 28th March, 2018, had:

- (i) Appointed Mr. Mahesh Sodhani as an Additional Director (Wholetime) and designated him as ‘Managing Director’ for a period of 3 (three) years with effect from 1st April, 2018. The notice period is 3 (three) months and no severance fees is payable to him.
- (ii) Appointed Mr. Manoj Sodhani as an Additional Director (Wholetime) and designated him as ‘Executive Director & CEO’ with effect from 1st April, 2018. The notice period is 3 (three) months and no severance fees is payable to him.
- (iii) Appointed Mr. Arvind Baheti as an Additional Director (Independent) with effect from 28th March, 2018.
- (iv) Approved the resignation of Mr. D. K. Sharda as ‘Managing Director & CEO’ of the Company with effect from close of business hours on 31st March, 2018.

As on the date of this report, your Board is duly constituted in compliance with the Act and the SEBI Listing Regulations.

**(B) Independent Directors**

As on 31st March, 2018, the Board consisted of following 4 (Four) Independent Directors, in accordance with the provisions of the Act and SEBI Listing Regulations:

Sl. No.	Name	Date of Appointment
1.	Dr. H. P. Kanoria	14th August, 2014
2.	Mr. H. M. Parekh	14th August, 2014
3.	Mr. N. Pachisia	14th August, 2014
4.	Mr. Arvind Baheti#	28th March, 2018

# Appointed with effect from 28th March, 2018.

In accordance with Clause VIII of Schedule IV to the Act and Regulation 17(10) of SEBI Listing Regulations, the Board of Directors has evaluated the performance of the Independent Directors as per the criteria laid down in the Nomination and Remuneration Policy of the Company.

During the year under review, the Independent Directors, in accordance with Regulation 25(3) of the SEBI Listing Regulations and Clause VII of Schedule IV to the Act, met exclusively for a meeting on 13th February, 2018, without the presence of the Managing Director & CEO, Non-Executive Promoter Directors or Managerial Personnel, to review the performance of Non-Independent Directors and Board, as a whole. The Meeting was attended by all the Independent Directors of the Company except Dr. H. P. Kanoria. The Independent Directors also reviewed the performance of the Chairman of the Company, taking into account the views of Executive and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the Management and the Board.

The Board has also laid down a policy for familiarization of the Independent Directors with the operations of the Company, as well as, to make them aware about their rights, responsibilities and liabilities as an Independent Director. The details of the Policy on Familiarization Programme of the Independent Directors are available on the website of the Company and can be accessed at the link: <http://www.gillandersarbuthnot.com/pdf/policy/Familiarization%20Programme%20for%20Independent%20Director.pdf>

Mr. H. M. Parekh was appointed as the Lead Independent Director with effect from 13th November, 2014. All Independent Directors have given necessary disclosures under Section 149(7) of the Act.

**(C) Non-Executive Directors' Compensation and Disclosures**

Remuneration to the Non-Executive Directors and Independent Directors are paid only after the approval of the Board and Members of the Company. At present, the sitting fees paid for attending a Meeting of the Board of Directors is ₹ 20,000/- and its Committees is ₹ 15,000/-, which is subject to deduction of tax at source. Details of sitting fees paid to them are given at respective places in this Report. In accordance with the Resolution passed by the Members at the 82nd Annual General Meeting of the Company held on 28th December, 2016, the Non-Executive Directors, including the Independent Directors, of the Company, are entitled to remuneration, by way of commission in addition to the sitting fees and reimbursement of expenses for attending the said Meetings, as the Board may determine and in such proportion and manner, not exceeding 1% (one percent) of the net profits of the Company for each financial year, as computed in accordance with the provisions of Section 198 of the Act and Rules framed therein. During the financial year ended on 31st March, 2018, the Non-Executive Directors received sitting fees only.

**(D) Other Provisions as to Board and Committees**

Your Company's Board plays an important role in ensuring good Corporate Governance and functioning of the Company. All information, as applicable and specified in Regulation 17(7) read with Schedule II Part A of SEBI Listing Regulations are regularly placed before the Board. Agenda and Notes on Agenda are circulated to the Directors in advance before each Meeting of the Board and Committees for facilitating meaningful and focused discussions at the Meetings. In case of exigencies or urgency of matters, resolutions are passed by circulation.



The Members of the Board have complete freedom to express their opinion and the decisions are taken after detailed discussions.

The Board meets at least once in a quarter and at least four times in a year to review and approve the quarterly financial results and operations of the Company. Apart from the above, Board Meetings are convened, as and when required, by giving proper notice. The intervening period between two Board Meetings is well within the maximum gap of 120 days between any two consecutive Meetings as specified in Regulation 17(2) of SEBI Listing Regulations and Section 173(1) of the Act.

During the year under review, the Board met 6 (Six) times. The details of Board Meetings held during the financial year ended on 31st March, 2018 are as under:

Sl. No.	Date of Board Meeting	City	No. of Directors present
1.	29th May, 2017	Kolkata	5
2.	31st August, 2017	Kolkata	5
3.	5th September, 2017	Kolkata	5
4.	9th December, 2017	Kolkata	6
5.	13th February, 2018	Kolkata	5
6.	28th March, 2018	Kolkata	6

The details of the Directors with regard to the outside Directorships and Committee positions, as well as Board Meetings/ Annual General Meeting (AGM) as on 31st March, 2018 are as follows:

Sl. No.	Name of Director	Category of Director	Attendance during 2017-2018		No. of Directorship(s)/ Chairperson (s) in other Companies\$	No. of Membership(s)/ Chairmanship(s) in outside Committee*
			Board Meetings	Last AGM held on 01.09.2017		
1.	Mr. A. K. Kothari	Non-Executive Promoter Chairman	6	Yes	5	4
2.	Smt. P. D. Kothari	Non-Executive Promoter	6	Yes	3	1
3.	Dr. H. P. Kanoria	Independent	1	No	11	-
4.	Mr. H. M. Parekh	Independent	6	Yes	8	8 (3 as Chairman)
5.	Mr. N. Pachisia	Independent	6	No	6	5
6.	Mr. D. K. Sharda#	Managing Director & CEO	6	Yes	-	-
7.	Mr. Arvind Baheti**	Independent	1	N.A.	-	-

\$ Includes Private Limited Companies, Foreign Companies and Companies under Section 8 of the Act.

\* Excludes Private Limited Companies, Foreign Companies and Companies under Section 8 of the Act. It only includes Audit Committee and Stakeholders Relationship Committee.

\*\* Mr. Arvind Baheti has been appointed as an 'Additional Director' under the category 'Independent Director' with effect from 28th March, 2018.

# Mr. D. K. Sharda resigned as 'Managing Director & CEO' of the Company with effect from close of business hours on 31st March, 2018.

None of the above mentioned Directors of the Board hold Directorships in more than ten Public Companies. Further none of them is a member of more than ten Committees or Chairman of more than five Committees as specified in the Regulation 26 of SEBI Listing Regulations, across all the Companies in which he/she is a Director. Necessary disclosures as required under the Act and SEBI Listing Regulations have been made by the Directors.

None of the Directors is acting as an Independent Director in more than seven listed Companies.



The Independent Directors are also in compliance with proviso to Regulation 25(1) of SEBI Listing Regulations.

As on date, none of the Directors are related to inter-se except for Mr. A. K. Kothari and Smt. P. D. Kothari, who are related as spouse and Mr. Mahesh Sodhani and Mr. Manoj Sodhani, who are related as brothers.

#### **(E) Code of Conduct**

1. The Code of Conduct as adopted by the Board of Directors is applicable to all its Board Members, Key Managerial Personnel and Senior Management Personnel representing all Executives from the 'General Manager' Grade and above. The Code of Conduct attempts to set forth the guiding principles on which the Company shall operate and, conduct its daily business with its multitudinous stakeholder's viz. shareholders, customers, creditors, employees, government, regulatory agencies, media and society at large. The Code of Conduct also contains the duties of the Independent Directors as laid down in Schedule IV to the Act. The Code may be accessed on the Company's website at the link: <http://www.gillandersarbuthnot.com/pdf/policy/Corporate%20Governance%20-Code%20of%20Conduct.pdf>
2. Declaration as required under Regulation 26(3) of SEBI Listing Regulations with respect to financial year ended on 31st March, 2018, signed by the Managing Director and Executive Director & CEO has been provided to the Board and is reproduced as Annexure 1 to this Report.

#### **(F) Whistle Blower Policy**

The Company has implemented the Whistle Blower Policy by way of forming a vigil mechanism, as required under Section 177 of the Act and Regulation 22 of SEBI Listing Regulations. The said policy provides for adequate safeguards against the victimization of the Directors and employees who avail this mechanism and ensures that the personnel gets direct access to the Chairman of the Audit Committee as defined in the Act and SEBI Listing Regulations. The same has been affirmed by the Board of Directors of the Company. The said policy can be accessed on the Company's website at the link: <http://www.gillandersarbuthnot.com/pdf/policy/Whistle%20Blower%20Policy.pdf>

#### **(G) Policy for Determination of Materiality of Events / Information and Archival Policy**

In accordance with Regulation 30 of SEBI Listing Regulations, the Company has framed a Policy for Determination of Materiality of Events / Information which provides guidance to the Board, management and staff on the assessment of materiality of events which will have bearing on the performance / operations of the Company. Further the Company has an Archival Policy in line with the requirements of SEBI Listing Regulations to ensure that information relating to the Company is adequately disclosed on its website as required by law. The said policy have been uploaded on the Company's website at the link: <http://www.gillandersarbuthnot.com/pdf/policy/Policy%20for%20Determination%20of%20Materiality%20of%20Events.pdf>

#### **(H) Policy for Preservation of Documents**

In accordance with Regulation 9 of SEBI Listing Regulations, the Company has framed a Policy for preservation of documents which has been approved by the Board of Directors of the Company. This Policy is intended to guide the Company and its officers on maintenance of any documents, their preservation and disposal. The said policy can be accessed on the Company's website at the link: <http://www.gillandersarbuthnot.com/pdf/policy/Policy%20for%20Preservation%20of%20Documents.pdf>

### **III. Audit Committee**

#### **(A) Qualified and Independent Audit Committee**

Your Company has a qualified and independent Audit Committee with the powers and the role that are in accordance with Section 177 of the Act and Rules made thereunder and Regulation 18 of SEBI Listing Regulations, which acts as a link between the Management, the Statutory Auditor, Branch Auditors, Cost Auditors, Internal Auditors and the Board of Directors and oversees the financial reporting process.

The composition of the Audit Committee is as follows:



Sl. No.	Name of the Director	Category	Designation
1.	Mr. H. M. Parekh	Independent	Chairman
2.	Mr. A. K. Kothari	Non - Executive Promoter	Member
3.	Mr. N. Pachisia	Independent	Member
4.	Mr. Arvind Baheti*	Independent	Member

\* The Board of Directors at its meeting held on 28th March, 2018 has appointed Mr. Arvind Baheti as the member of the said Committee.

The Statutory Auditor, Cost Auditors, as well as the Internal Auditors, Managing Director & CEO, Chief Financial Officer, and other Executives of the Company were invited to the Audit Committee Meetings, as and when required. The Company Secretary acts as the Secretary to the Committee. The Chairman of the Audit Committee was present at the last Annual General Meeting held on 1st September, 2017.

### (B) Meetings of the Audit Committee

During the year under review, the Audit Committee met 6 (Six) times on 29th May, 2017, 31st August, 2017, 5th September, 2017, 9th December, 2017, 13th February, 2018 and 28th March, 2018 to deliberate on various matters. The details of the composition, attendance and sitting fees paid are as follows:

Sl. No.	Name of the Member	No. of Meetings attended	Gross Amount of Sitting fees paid (₹)
1.	Mr. H. M. Parekh	6	66,000
2.	Mr. A. K. Kothari	6	66,000
3.	Mr. N. Pachisia	6	66,000
4.	Mr. Arvind Baheti#	1	11,000

#Appointed as a member with effect from 28th March, 2018.

### (C) Powers of Audit Committee

The Audit Committee during the year under review was endowed with the following powers:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considered necessary.

### (D) Role of Audit Committee

The role of the Audit Committee during the year under review includes the following:

1. Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company.
3. Approval of payment to Statutory Auditor for any other services rendered by the Statutory Auditor.
4. Reviewing, with the management, the annual financial statements and Auditors 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 which are to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Act;
  - 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 the 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: and
  - g. Modified opinion(s) in the draft audit report.



5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. 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 utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Reviewing and monitoring the Auditor's independence and performance, and effectiveness of audit process.
8. Approval of any subsequent modification of transaction of the Company with any related party.
9. Scrutiny of inter-corporate loans and investments.
10. Valuation of undertakings or assets of the Company, wherever it is necessary.
11. Evaluation of internal financial controls and risk management systems.
12. Reviewing, with the management, performance of Statutory and Internal Auditors, adequacy of the internal control systems.
13. 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 .
14. Discussion with Internal Auditors of any significant findings and follow up there on.
15. Reviewing the findings of any internal investigation by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control system of a material nature and reporting the matter to the Board.
16. Discussion with Statutory Auditor before the audit commences, about the nature and scope of audit, as well as post-audit discussion to ascertain any area of concern.
17. 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.
18. To review the functioning of the Whistle Blower Mechanism
19. Approval of appointment of Chief Financial Officer assessing the qualifications, experience and background, etc. of the candidate.
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

#### **(E) Review of information by Audit Committee**

The Audit Committee reviews 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 the management.
3. Management letters / letters of internal control weaknesses issued by the Statutory Auditor;
4. Internal audit reports relating to internal control weaknesses.
5. The appointment, removal and terms of remuneration of the Internal Auditors ; and
6. Statement of deviations, if any.

#### **IV. Nomination and Remuneration Committee**

Your Company through its Board of Directors has set up a Nomination and Remuneration Committee (NRC). The role of the said Committee is in accordance with Section 178 of the Act read with Rules made thereunder and Regulation 19 of SEBI Listing Regulations. Mr. H. M. Parekh, Chairman of the NRC, was present at the last Annual General Meeting of the Company held on 1st September, 2017.



At present, the composition of the NRC is as follows:

Sl. No.	Name of the Director	Category	Designation
1.	Mr. H. M. Parekh	Independent	Chairman
2.	Smt. P. D. Kothari	Non - Executive Promoter	Member
3.	Dr. H. P. Kanoria	Independent	Member
4.	Mr. N. Pachisia	Independent	Member

The role of the NRC during the year under review includes the following:

1. 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.
2. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.
3. Devising a policy on Board diversity of Directors.
4. Identifying persons who are qualified to become Directors and who may be appointed in Key Managerial Personnel and Senior Management positions in accordance with the criteria laid down in the Company's Nomination and Remuneration Policy, and recommend to the Board their appointment and removal.

During the year under review, the NRC met twice on 29th May, 2017 and 28th March, 2018 to deliberate on various matters. The details of the composition, attendance and sitting fees paid are as follows:

Sl. No.	Name of the Member	No. of Meetings attended	Gross Amount of Sitting fees paid (₹)
1.	Mr. H. M. Parekh	2	22,000
2.	Smt. P. D. Kothari	2	22,000
3.	Dr. H. P. Kanoria	-	-
4.	Mr. N. Pachisia	2	22,000

## VI. Subsidiary Companies

The Company has a wholly owned direct Foreign Subsidiary at Mauritius by the name Gillanders Holdings (Mauritius) Limited. The Company also has step down Foreign Subsidiary Companies at Malawi viz. Group Developments Limited (GDL). GDL has three wholly owned subsidiaries viz., Naming'omba Tea Estates Limited, Mafisi Tea Estates Limited and Group Holdings Limited, all located at Malawi. The provisions of Regulation 24(1) of SEBI Listing Regulations are not applicable to the said Companies.

Pursuant to Regulation 24 of SEBI Listing Regulations, financial statements of the Unlisted Subsidiary were placed before the Audit Committee of the Company. Minutes of the Meetings of the Board of Directors of the Subsidiary Companies are also placed before the Meeting of the Board of Directors of the Company.

## VI. Risk Management

The Company has laid down a procedure to inform the Board Members, on a periodic basis, about the identified risks and the steps taken to mitigate and minimize the same. The Company has already identified and assessed major elements of risks, which may adversely affect the various Divisions of the Company. The Executive Management reviews the identified risks, including assessment of the said risks and procedures, which are being implemented for the monitoring, mitigating and minimization of the said risks. 'Risk Champions' have been formally nominated at the operating businesses, whose role is to educate about the identified risks and to develop risk management culture within the businesses.

## VII. Related Party Transactions

Your Company places all the details of related party transactions before the Audit Committee periodically. The Audit Committee reviews in its Meetings the details of the related party transactions entered into by the Company. A comprehensive list of related party transactions as required by Ind-AS 24, and as prescribed under the Act, forms part of Note No. 47 to the standalone financial statements in the Annual Report.



The Company's related party transactions include transactions with its Associate / Promoter Group / Sister Companies and are entered into on considerations of various business exigencies, liquidity and capital resources. All related party transactions are negotiated on an arm's length basis. Omnibus approval for related party transactions are granted by the Audit Committee subject to the conditions laid down in the Act and Regulation 23 of SEBI Listing Regulations. These transactions are not likely to have any conflict with the interests of the Company at large. During the period under review, the Company has not entered into any material transaction with any of its related parties.

## VIII. Disclosures

### (A) Related Party Transactions

Your Company has disclosed that no material transactions, with related parties, have been entered into in the quarterly compliance reports on Corporate Governance and the policy on Related Party Transactions can be accessed on the Company's website at the link: <http://www.gillandersarbuthnot.com/pdf/policy/Related%20Party%20Transaction%20Policy.pdf>

### (B) Disclosure of Accounting Treatment

Your Company has followed all relevant Accounting Standards while preparing the Financial Statements.

### (C) Remuneration to Directors:

Remuneration of the Whole-time Director of the Company is recommended by the Nomination and Remuneration Committee and thereafter, approved by the Board, subject to the approval of the Members of the Company. The details of the Nomination and Remuneration Committee have been mentioned in Clause IV above.

Non-Executive Directors are entitled to sitting fees for attending the Meetings of the Board and Committees thereof. The sitting fees was increased from ₹ 15,000/- to ₹ 20,000/- and ₹ 11,000/- to ₹ 15,000/- for attending Meetings of the Board and Committee respectively in the Board meeting held on 28th March, 2018. Commission to the Non-Executive Directors, including Independent Directors, are paid depending on the respective involvement of the Non-Executive Directors in the affairs of the Company, subject to the limits laid down in the Act, and as approved by the Members of the Company at the 82nd Annual General Meeting of the Company held on 28th December, 2016.

Details of total remuneration paid to all the Directors of your Company for the year ended on 31st March, 2018 are as follows:

(₹ in Lakhs)

Sl. No.	Name	Salary	Contribution to Provident & Other Funds	Leave Encashment on Retirement	Perquisites	Sitting Fees	Commission	Total
1.	Mr. A. K. Kothari	N.A.	N.A.	N.A.	N.A.	2.00	-	2.00
2.	Smt. P. D. Kothari	N.A.	N.A.	N.A.	N.A.	1.67	-	1.67
3.	Dr. H. P. Kanoria	N.A.	N.A.	N.A.	N.A.	0.15	-	0.15
4.	Mr. H. M. Parekh	N.A.	N.A.	N.A.	N.A.	2.44	-	2.44
5.	Mr. N. Pachisia	N.A.	N.A.	N.A.	N.A.	2.00	-	2.00
6.	Arvind Baheti#	N.A.	N.A.	N.A.	N.A.	0.26	-	0.26
7.	Mr. D. K. Sharda*	43.65	24.03	13.05	3.79	-	-	84.52
	<b>Total</b>							<b>93.04</b>

# Appointed as an Additional Director (Independent) with effect from 28th March, 2018

\* Resigned with effect from close of business hours on 31st March, 2018.

There was no pecuniary relationship or significant/material transactions of the Non-Executive Directors vis-à-vis the Company.



All Non-Executive Directors have disclosed their shareholding in the Company. Details of shareholding of Non-Executive and Independent Directors are as follows:

Sl. No.	Name of Director	No. of Ordinary (Equity) Shares held as on 31st March, 2018
1.	Mr. A. K. Kothari	1,08,472
2.	Smt. P. D. Kothari	67,875
3.	Dr. H. P. Kanoria	-
4.	Mr. H. M. Parekh	-
5.	Mr. N. Pachisia	-
6.	Mr. Arvind Baheti	-

#### (D) Management

1. The Management Discussion and Analysis Report forms part of the Annual Report and are in accordance with the requirements of Schedule V of SEBI Listing Regulations.
2. No material, financial and commercial transactions have been made by the Senior Management having personal interest, which may have a potential conflict with the interest of the Company at large.
3. The Code of Conduct has been disclosed on the website of the Company.

#### (E) Shareholders

1. The Company has provided the details of the Directors seeking re-appointment (as per the requirement specified in Regulations 26(4) and 36(3) of SEBI Listing Regulations) in the Notice convening the 84th Annual General Meeting of the Company.
2. Out of all the Directors of your Company, Mr. A. K. Kothari and Smt. P. D. Kothari are related to each other as spouse and Mr. Mahesh Sodhani and Mr. Manoj Sodhani are related to each other as brothers.
3. Quarterly results are regularly sent to Stock Exchanges where the Ordinary Shares of the Company are listed and are also uploaded on the Company's website.

#### 4. Stakeholders Relationship Committee:

The Company has a Stakeholders Relationship Committee of the Board, constituted in accordance with the provisions of Section 178(5) of the Act and Regulation 20 of SEBI Listing Regulations, to specifically look into various matters relating to shareholders/investors, including transfer and transmission of shares, as well as, non-receipt of annual report, non-receipt of declared dividends, issue of share certificates (including issue of renewed or duplicate share certificates), share certificates after transfers/ transmissions, etc. In addition, the Committee looks into other issues including status of dematerialization/ rematerialisation of shares as well as systems and procedures followed to track investor complaints and suggest measures for improvement, from time to time.

At present, the Stakeholders Relationship Committee comprises of the following Directors viz., Mr. H. M. Parekh (Independent Director) as Chairman and Mr. A. K. Kothari, Smt. P. D. Kothari and Mr. Mahesh Sodhani as Members of the Committee. Mr. D.K. Sharda ceased to be a member of the committee due to his resignation from the Board of Director of the Company with effect from the close of the business hours of 31st March, 2018. Mr. D. Karmakar, Company Secretary acts as the Compliance Officer. The said Committee met once during the year on 13th February, 2018.

Details of the attendance and sitting fees paid are as follows:

Sl. No.	Name of the Member	Attendance	Gross Amount of Sitting fees paid (₹)
1.	Mr. H. M. Parekh	Yes	11,000
2.	Mr. A. K. Kothari	Yes	11,000
3.	Smt. P. D. Kothari	Yes	11,000
5.	Mr. D. K. Sharda	Yes	N.A.
6.	Mr. Mahesh Sodhani*	N.A.	N.A.

\* Mr. Mahesh Sodhani was appointed as a member of the Committee with effect from 1st April, 2018 subsequent to resignation of Mr. D. K. Sharda with effect from the close of the business hour 31st March, 2018.



During the year, the Company had received 7 (Seven) complaints regarding non-receipt of Annual Report/ Share Certificate/Dividend warrant from the shareholders, all of which were attended satisfactorily. There was no investor complaint pending against the Company as on 31st March, 2018 on SCORES, the web based complaint redressal system of SEBI.

Pursuant to the authorization of the Board of Directors of the Company, either the Managing Director or the Executive Director & CEO or the Chief Financial Officer or the Company Secretary approves the Transfer / Transmission / Sub-division / Consolidation/ Renewal/ Replacement / Issue of Duplicate Share Certificate(s) / Deletion of Name(s) and Dematerialization / Rematerialisation of Shares of the Company. A summary of transfer / transmission, etc. of securities of the Company so approved by the Managing Director and Executive Director & CEO, Chief Financial Officer and the Company Secretary is placed at every Board Meeting / Stakeholders Relationship Committee Meeting. A certificate from a Practicing Company Secretary is obtained on a half yearly basis, as per the provisions of Regulations 40 (9) & (10) of SEBI Listing Regulations, relating to compliance with the formalities of share transfer and the same is also filed with the Stock Exchanges.

In compliance with Regulations 7(2) & (3) of SEBI Listing Regulations, a Compliance Certificate is filed with the Stock Exchanges where the shares of the Company are listed. The said Certificate is duly signed by both the Company Secretary & Compliance Officer of the Company and the authorized representative of the Share Transfer Agent on a half yearly basis to certify that all activities relating to both physical and electronic share transfer facility of the Company are maintained by 'Maheshwari Datamatics Pvt. Ltd.', Registrar and Share Transfer Agent (RTA) of the Company.

#### **5. Compliances by the Company:**

No strictures/penalties have been imposed on the Company by the Stock Exchanges or the Securities and Exchange Board of India (SEBI) or any Statutory Authority on any matters related to capital markets during the last 3 (three) years.

This report has been prepared for the financial year ended on 31st March, 2018 in accordance with the provisions of the Act read with the Rules framed therein and the SEBI Listing Regulations. Your Board has taken all necessary steps to ensure compliance of the provisions of the above laws, as prescribed.

#### **(F) Disclosure of formal letter of appointment**

The draft formal letter of appointment issued to the Independent Directors, which contains the terms and conditions relating to their appointment, is available in the Company's website at the link: [http://www.gillandersarbuthnot.com/pdf/da\\_letter\\_i\\_directors.pdf](http://www.gillandersarbuthnot.com/pdf/da_letter_i_directors.pdf)

#### **(G) Disclosure of resignation of Directors**

The tenure of Mr. D.K. Sharda as Managing Director & CEO came to an end on the close of business hours on 31st March, 2018 and since the Nomination and Remuneration Committee has not recommended his re-appointment, he tendered his resignation as a Director of the Company from the close of business hours on 31st March, 2018.

#### **(H) Proceeds from public issues, rights issues, preferential issues, etc.**

During the year, the Company has not raised any proceeds from public issue, right issue or preferential issue.

#### **(I) Prohibition of Insider Trading**

GACL – Code of Conduct for Prevention of Insider Trading, as approved by the Board of Directors, inter alia, prohibits purchase or sale of securities of the Company by the 'Specified Persons' while in possession of unpublished price sensitive information in relation to the Company.

#### **IX. CEO and CFO Certification**

The Managing Director and Executive Director & CEO and the CFO of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of SEBI Listing Regulations. They also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) of SEBI Listing Regulations.



## X. Report on Corporate Governance

- A. This Corporate Governance Report forms part of the Annual Report. The Company is compliant with all the applicable provisions of SEBI Listing Regulations.
- B. Your Company regularly submits quarterly compliance report to the Stock Exchanges within 15 days from the close of each quarter, as per the requirement of Regulation 27(2) of SEBI Listing Regulations.

## XI. Compliance

- A. A Certificate from CS Deepak Kumar Khaitan, Practicing Company Secretary (FCS No. 5615), regarding compliance with the conditions of Corporate Governance, as stipulated in SEBI Listing Regulations, is annexed to the Directors' Report and forms part of the Annual Report.
- B. The Company is compliant with all the mandatory requirements of Corporate Governance as specified in the Regulations 17 to 27 and clause (b) to (i) of sub regulation (2) of Regulation 46 and paras C, D and E of Schedule V of SEBI Listing Regulations.
- C. Non-Mandatory Requirements: In accordance with the Regulation 27 read with Part E of Schedule II of SEBI Listing Regulations, the Company have adopted the following discretionary requirements:
  - i) Audit Report: The financial statements are unqualified as there are no audit qualifications on the financial results of the Company for the financial year ended on 31st March, 2018.
  - ii) Separate Posts of Chairman and Chief Executive Officer: At present Mr. A. K. Kothari is the Chairman of the Company and Mr. Manoj Sodhani is the Executive Director & Chief Executive Officer of the Company. Mr. Mahesh Sodhani is the Managing Director of the Company. The Company has separate persons for the post of Chairman and Managing Director.
  - iii) Reporting of Internal Auditor: The Internal Auditors of the Company reports directly to the Audit Committee.

## XII. General Body Meetings:

1. Location and time of last three Annual General Meetings (AGM):

Financial Year	Date of AGM	Venue	Time
2016-2017 (83rd AGM)	01.09.2017	Mini Auditorium Hall of the Science City, J.B.S. Haldane Avenue, Kolkata- 700 046.	11.00 A.M.
2015-2016 (82nd AGM)	28.12.2016 Registrar of Companies vide its letter dated 8th July, 2016, has allowed extension up to 31st December, 2016 within which AGM for the financial year ended on 31st March, 2016, was to be held.	Mini Auditorium Hall of the Science City, J.B.S. Haldane Avenue, Kolkata- 700 046.	11.30 A.M.
2014-2015 (81st AGM)	03.09.2015	Mini Auditorium Hall of the Science City, J.B.S. Haldane Avenue, Kolkata- 700 046.	11.30 A.M.

2. At the last Annual General Meeting of the Company held on 1st September, 2017, two Special Resolutions was proposed and passed. One Special Resolution was passed in the Annual General Meeting held on 28th December, 2016 and one Special Resolution was passed in the Annual General Meeting held on 3rd September, 2015.

### 3. Postal Ballot:

During the financial year ended on 31st March, 2018, no Special Resolution was passed by the Members of the Company through Postal Ballot. There is no immediate proposal for passing any resolution through Postal Ballot. None of the businesses proposed to be transacted at the ensuing 84th Annual General Meeting of the Company require passing a resolution through Postal Ballot.

**XIII. Means of Communication:**

1. The quarterly/half-yearly/annual financial results in the proforma prescribed as per the SEBI Listing Regulations are approved by the Board of Directors and thereafter intimated to the Stock Exchanges and also published in the leading newspapers like The Economic Times/ Business Standard in English and in Aajkaal/ Ekdinin Bengali. The results are also available in the Company's website at <http://www.gillandersarbuthnot.com/financials.php>
2. NSE Electronic Application Processing System (NEAPS) - All periodical compliance filings like shareholding pattern, corporate governance report, etc. are also filed electronically on NEAPS.
3. BSE Corporate Compliance & Listing Centre (including XBRL Mode) – All periodical compliance filings are also filed electronically on the said centre.
4. Quarterly/half yearly reports are not being sent to the shareholders.

**XIV. General Shareholder Information:**

1)	<b>Corporate Identity Number (CIN) of the Company</b>	L51909WB1935PLC008194
2)	<b>Date, time and venue of the Annual General Meeting (AGM)</b>	84th Annual General Meeting of the Company will be held on 30th July, 2018 at 10.30 A.M. at Mini Auditorium Hall of the Science City, J.B.S. Haldane Avenue, Kolkata- 700 046.
3)	<b>Financial Calendar 2018-2019</b> (tentative and subject to change)	<ul style="list-style-type: none"> <li>• Financial Year: April to March</li> <li>• First Quarter Results: by second week of August, 2018</li> <li>• Half Yearly Results: by second week of November, 2018</li> <li>• Third Quarter Results: by second week of February, 2019</li> <li>• Audited results for the year ending 31st March, 2019 by last week of May, 2019</li> </ul>
4)	<b>Book Closure Period</b>	23rd July, 2018 to 30th July, 2018 (both days inclusive)
5)	<b>Dividend Payment Date</b>	No dividend has been recommended.
6)	<b>Listing on Stock Exchanges</b>	<p>i) National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051.</p> <p>ii) BSE Limited (BSE) P J Towers, Dalal Street, Mumbai- 400 001.</p> <p>The Company has paid the Annual Listing fees to NSE &amp; BSE for 2018-2019.</p> <p>Note: The Company had applied for Voluntary Delisting of the Equity (Ordinary) Shares of the Company from The Calcutta Stock Exchange Limited on 14th September, 2017, in compliance with Regulation 6(a) of the SEBI (Delisting of Equity Shares) Regulations, 2009. The Calcutta Stock Exchange Limited vide their letter Ref No. CSE/LD/14143/2018 dated 8th March, 2018 has confirmed the Voluntary Delisting of the Equity (Ordinary) Shares of the Company with effect from 9th March, 2018.</p>
7)	<b>Stock Code</b>	NSE – GILLANDERS BSE – 532716



### 8) Stock Market Price and BSE Sensex for the financial year under review #

Months	Stock Price at NSE		Stock Price at BSE		BSE Sensex	
	High (Rs)	Low (Rs)	High (Rs)	Low (Rs)	High	Low
April, 2017	85.45	65.00	85.30	64.00	30184.22	29241.48
May, 2017	79.85	65.20	79.20	64.30	31255.28	29804.12
June, 2017	72.80	64.20	71.85	63.30	31522.87	30680.66
July, 2017	69.00	64.00	69.45	65.00	32672.66	31017.11
August, 2017	68.25	56.45	67.50	58.75	32686.48	31128.02
September, 2017	67.95	58.10	67.90	59.50	32524.11	31081.83
October, 2017	65.00	59.35	65.00	59.00	33340.17	31440.48
November, 2017	102.00	60.70	101.50	62.00	33865.95	32683.59
December, 2017	98.95	78.00	99.15	78.20	34137.97	32565.16
January, 2018	85.50	73.50	87.35	74.00	36443.98	33703.37
February, 2018	82.10	66.05	83.80	68.60	36256.83	33482.81
March, 2018	75.75	61.05	71.90	60.35	34278.63	32483.84

# Source NSE & BSE Websites

<b>9) Registrars &amp; Share Transfer Agent</b> (Both Physical & Demat Segments)	<b>Maheshwari Datamatics Pvt. Ltd.</b> ( Unit : Gillanders Arbuthnot and Company Limited) 23, R. N. Mukherjee Road, 5th Floor, Kolkata – 700001
<b>10) Share Transfer System</b>	Requests for transfer of shares in physical form received either at the office of the Company or at the Office of the Registrar are generally approved within a maximum period of 15 days from the date of receipt provided the documents are complete in all respects.

### 11) Distribution of Shareholding as on 31st March, 2018

Ordinary Shares held	Number of Shareholders	Percentage of Shareholders	Number of Shares	Percentage of Shares
1-500	11022	89.2253	898284	4.2089
501-1000	633	5.1243	494919	2.3190
1001-2000	324	2.6228	471601	2.2097
2001-3000	120	0.9714	301583	1.4131
3001-4000	54	0.4371	194080	0.9094
4001-5000	39	0.3157	175781	0.8236
5001-10000	75	0.6071	538125	2.5214
10001 and above	86	0.6962	18267973	85.5950
<b>Total</b>	<b>12353</b>	<b>100.00</b>	<b>2,13,42,346</b>	<b>100.00</b>



**12) Categories of Shareholders as on 31st March, 2018**

Category	Number of equity shares	Percentage of Shareholdings
Indian Promoters	14671715	68.7446
Mutual Funds	300	0.0014
Banks, Financial Institutions, Insurance Companies	1256209	5.886
Central Government/State Government(s)	7086	0.0332
Bodies Corporate	797769	3.7380
Indian Public	4210869	19.7301
NBFCs	-	-
NRI	92807	0.4348
Others – Trusts, Clearing Members	91913	0.4306
Investor Education and Protection Fund Authority	213678	1.0012
<b>TOTAL</b>	<b>21342346</b>	<b>100.00</b>

<b>13) Dematerialisation of Shares and Liquidity</b>	<p>The shares of the Company are available for trading in the dematerialized form under both the Depository Systems in India - National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The annual custody fees for the financial year 2018-2019 have been paid to CDSL, whereas, payment to NSDL is under process. Trading in Company's shares can now be done only in the dematerialized form. As on 31st March, 2018, 2,07,58,370 Ordinary Shares representing 97.26% of the total Ordinary Share Capital of the Company were held in dematerialized form.</p> <p>The International Securities Identification Number (ISIN) of the Company, as allotted by NSDL and CDSL is INE047B01011.</p>
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<b>14) Outstanding ADRs/ GDRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity</b>	Not applicable
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<b>15) Plant Locations as on 31st March, 2018</b>	<p><b>1. Tea Division:</b></p> <p><b>a)</b> Betjan Tea Estate, Post Office: Makum Junction, District: Tinsukia, Assam. Pin – 786170</p> <p><b>b)</b> Jutlibari Tea Estate, Post Office: Hoogrijan, District: Dibrugarh, Assam. Pin - 786601</p> <p><b>c)</b> Gorunga Tea Estate, Post Office: Golaghat, District: Golaghat, Assam. Pin - 785621</p> <p><b>d)</b> Arun Tea Estate, Post Office: Dhekiajuli, District: Sonitpur, Assam. Pin – 784110</p> <p><b>e)</b> Dooria Tea Estate, Post Office: Golaghat, District: Golaghat, Assam. Pin – 785621</p> <p><b>f)</b> Borkatonee Tea Estate, Post Office: Golaghat, District: Golaghat, Assam. Pin - 785621</p> <p><b>g)</b> Dherai Tea Estate, Post Office: Dhekiajuli, District: Sonitpur, Assam. Pin – 784110</p> <p><b>h)</b> Gairkhata Tea Estate, Post Office: Gairkhata, District: Jalpaiguri, W.B. Pin - 735212</p> <p><b>i)</b> Taipoo Tea Estate, Post Office: Bagdogra, District: Darjeeling, W. B. Pin - 734422</p> <p><b>j)</b> Tengpani Tea Estate, Post Office: Makum Junction, District: Tinsukia, Assam. Pin – 786170</p> <p><b>2. Textile Division:</b></p> <p>(i) North India Spinning Mill, Vill.- Akbarpur, Ahmedgarh - 148021 District: Sangrur, Punjab.</p> <p>(ii) GIS Cotton Mill, 47, G.T. Road, Champdany, P.O. Baidyabati, District: Hooghly, W.B. Pin – 712222</p>
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<b>16) Address for Communication</b>	<p><b>Gillanders Arbuthnot and Company Limited,</b>          Secretarial Department,          C-4, Gillander House, Netaji Subhas Road,          Kolkata – 700 001.          Phone :(033) 2230 2331(6 Lines)          Fax :033 - 2230 4185          email: <a href="mailto:secretarial@gillandersarbuthnot.com">secretarial@gillandersarbuthnot.com</a>  <b>(Investors are requested to forward their complaints / grievances, if any, to the above e-mail address only)</b></p> <p><b>Registrar and Share Transfer Agent</b>          Maheshwari Datamatics Pvt. Ltd.          (Unit : Gillanders Arbuthnot and Company Limited)          23, R. N. Mukherjee Road,          5th Floor, Kolkata – 700 001          Phone : (033) 2248 2248, 2243 5029 2243 5809          Fax : 033 - 2248 4787          email: <a href="mailto:mdpldc@yahoo.com">mdpldc@yahoo.com</a></p>										
<b>17) Cost Audit</b>	<p style="text-align: center;"><b>For the Financial Year 2017-2018</b></p> <table border="1" style="width: 100%;"> <thead> <tr> <th style="width: 60%;">Name of Division</th> <th style="width: 40%;">Name of Cost Auditor</th> </tr> </thead> <tbody> <tr> <td>Tea</td> <td>M/s. D. Sabyasachi &amp; Co</td> </tr> <tr> <td>Textile Division- North India Spinning Mill Unit</td> <td>M/s. B. Ray &amp; Associates</td> </tr> <tr> <td>Textile Division- GIS Cotton Mill Unit</td> <td>M/s. B. Ray &amp; Associates</td> </tr> <tr> <td>Engineering (MICCO)</td> <td>M/s. Rammani Sarkar &amp; Co.</td> </tr> </tbody> </table>	Name of Division	Name of Cost Auditor	Tea	M/s. D. Sabyasachi & Co	Textile Division- North India Spinning Mill Unit	M/s. B. Ray & Associates	Textile Division- GIS Cotton Mill Unit	M/s. B. Ray & Associates	Engineering (MICCO)	M/s. Rammani Sarkar & Co.
Name of Division	Name of Cost Auditor										
Tea	M/s. D. Sabyasachi & Co										
Textile Division- North India Spinning Mill Unit	M/s. B. Ray & Associates										
Textile Division- GIS Cotton Mill Unit	M/s. B. Ray & Associates										
Engineering (MICCO)	M/s. Rammani Sarkar & Co.										

## XV. Other Board Committees

### 1) Finance Committee

The Finance Committee of the Board of Directors of the Company has been delegated powers/authorities by the Board of Directors subject to certain limits. Presently Mr. A. K. Kothari is the Chairman of the Committee, whereas, Smt. P. D. Kothari, Mr. H.M. Parekh, Mr. Mahesh Sodhani and Mr. Manoj Sodhani are the Members of the said Committee. Mr. D. K. Sharda ceased to be a member of the committee due to his resignation as Director of the Company with effect from 31st March, 2018. Mr. P. K. Jain, Chief Financial Officer is a permanent invitee to the Committee and Mr. D. Karmakar, Company Secretary, acts as the Secretary to the Committee. During the year under review, the Finance Committee met 3 (Three) times i.e. on 29.6.2017, 02.11.2017 and 04.01.2018. The Board of Directors at its Meeting held on 28th March, 2018 has appointed Mr. Mahesh Sodhani and Mr. Manoj Sodhani as the Member of the said Committee with effect from 01.04.2018.

### 2) Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee of the Company has been constituted in accordance with the Act. At present, Mr. H. M. Parekh is the Chairman of the Committee, Smt. P. D. Kothari and Mr. N. Pachisia, are the Members of the said Committee. Mr. D. Karmakar, Company Secretary, acts as the Secretary to the Committee. During the year under review, the Corporate Social Responsibility Committee met once i.e. on 9th December, 2017.

The Committee is entrusted with the duty to assist the Board in discharging its social responsibilities by recommending Corporate Social Responsibility Policy and the programs in which the Company should undertake Corporate Social Activities.



## **XVI. Other Useful information for Shareholders**

### **1) Unpaid/Unclaimed Dividends**

During the year under review, pursuant to Notification dated 13th October, 2017 issued by Ministry of Corporate Affairs (MCA) read with General Circular No. 12/2017 dated 16th October, 2017 of the MCA, the shares in respect of which dividend has not been claimed or paid for seven consecutive years or more i.e. relating to the financial years 2008-2009 and 2009-2010, were required to be transferred to Investor Education and Protection Fund (IEPF) of the Central Government by 31st October, 2017. In accordance with the aforesaid Notification and Circular, the Company has sent notices to all shareholders whose shares were due to be transferred to the IEPF Authority and subsequently 213,678 number of shares have been transferred to IEPF.

Shareholders who have not yet encashed their dividend warrant(s) for the financial year 2010-2011 or any subsequent financial years are requested to submit their claims to the Registered Office of the Company for revalidation/issue of duplicate dividend warrants quoting reference of their Ledger Folio numbers. Unclaimed dividend for the year 2010-2011 is due for transfer to IEPF later during the year.

### **2) Green Initiative in Corporate Governance**

In furtherance of the “Green Initiative in Corporate Governance” initiated by the Ministry of Corporate Affairs, the Company once again requests all the shareholders, holding shares in dematerialized form and who has not yet registered their e-mail address, to register their e-mail address with the Company for receiving notice/ documents including Annual Report in electronic mode through their concerned Depository Participants. Shareholders who hold shares in physical form and who has not yet registered their e-mail address are requested to register their e-mail id with Maheshwari Datamatics Pvt. Ltd., Registrar and Share Transfer Agent of the Company.

### **3) Equity Shares in the Suspense Account**

In terms of Regulation 39 (4) of the SEBI Listing Regulations read with Schedule VI of the said Regulation, the Company reports that as on 31st March, 2018, 2,13,678 numbers of Ordinary (Equity) shares are lying in the suspense account, which were issued in demat and physical form.

**For and on behalf of the Board**

Place: Kolkata  
Date: 30th May, 2018

**A. K. KOTHARI**  
Chairman



**Annexure 1**

**Declaration as prescribed under Schedule V as required under Securities and Exchange Board of India  
(Listing Obligations and Disclosure Requirements) Regulations, 2015**

Members of the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Company's 'Code of Conduct' for the financial year ended on 31st March, 2018.

Place: Kolkata  
Date: 30th May, 2018

**Manoj Sodhani**  
**Executive Director & CEO**

**Mahesh Sodhani**  
**Managing Director**



**COMPLAINEE CERTIFICATE**

**REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE  
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2018**

[as prescribed under the Securities and Exchange Board of India  
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

**To the Members of**

**Gillanders Arbuthnot and Company Limited**

**(CIN L51909WB1935PLC008194)**

1. I have reviewed the compliance of conditions of Corporate Governance by Gillanders Arbuthnot and Company Limited (hereinafter referred to as 'the Company'), for the year ended on 31st March, 2018, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations').
2. In my opinion and to the best of my information and according to the examinations of the relevant records and the explanations given to me and the management representation letter of even date, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) and paras C, D and E of Schedule V of the Listing Regulations, during the year ended on 31st March, 2018.
3. The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to review the 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.
4. I further state that such compliance 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  
Date : 30th May, 2018

**Deepak Kumar Khaitan**  
**F.C.S. No.: 5615**  
**C.P. No.: 5207**  
**ICSI Unique Code No.:I2003WB347200**



## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF GILLANDERS ARBUTHNOT AND COMPANY LIMITED**

#### **REPORT ON THE STANDALONE INDIAN ACCOUNTING STANDARDS (IND AS) FINANCIAL STATEMENTS**

1. We have audited the accompanying standalone Ind AS financial statements of **GILLANDERS ARBUTHNOT AND COMPANY LIMITED ('the Company')**, which comprise the Balance Sheet as at 31 March 2018, 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 a summary of significant accounting policies and other explanatory information.

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

2. 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 standalone financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standard) Rules, 2015 (as amended) 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 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 Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

3. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act and the rules made thereunder, including 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 of the Standalone Ind AS financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Ind AS financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Ind AS 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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Standalone Ind AS financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS financial statements.

#### **OPINION**

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2018 and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.



## OTHER MATTER

7. We did not audit the financial statements/ information of two units included in the standalone Ind AS financial statements of the Company whose financial statements reflect total assets of ₹ 35,466.05 lakhs as at 31st March, 2018 and total revenues of ₹ 22,316.77 lakhs for the year ended on that date, as considered in the standalone financial statements. The financial statements/information of these units have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these units, is based solely on the report of such branch auditors.

Our opinion is not modified in respect of this matter.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

8. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'A' a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

9. As required by Section 143 (3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. The reports on the accounts of Engineering (MICCO) Division and GIS Cotton Mill (a unit of Textile Division) of the Company audited under section 143(8) of the Act has been sent to us and have been properly dealt with us in preparing our report;
- d. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the cash flow statement and the Statement of changes in Equity dealt with by this Report are in agreement with the books of account;
- e. In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act;
- f. On the basis of the written representations received from the directors as on 31st March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
- g. With respect to the adequacy of the internal financial controls with respect to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 'B' to this report; and
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, (as amended), 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 litigation as at 31st March 2018 on its financial position in its Standalone Ind AS financial statement - Refer Note No. 39 to the Standalone Ind AS 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;

Place: Kolkata  
Date: 30th May, 2018

**For Singhi & Co.**  
**Chartered Accountants**  
**Firm's Registration No. 302049E**  
**Anurag Singhi**  
**Partner**  
**Membership No.066274**



## ANNEXURE-A TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in our Independent Auditor's Report to the members of the Company on the Standalone Ind AS financial statements for the year ended 31st March 2018, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
  - (b) As per the information and explanations given to us, physical verification of property, plant and equipment have been carried out in terms of the phased program of verification of its property, plant and equipment adopted by the Company and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to size of the Company and nature of its business.
  - (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.
- ii. As per the information and explanations given to us, the inventories have been physically verified at reasonable intervals during the year by the management or by a firm of Chartered Accountants on behalf of the Management and no material discrepancies between book stock and physical stock have been found.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Accordingly the provisions of paragraph 3(iii), 3(iii)(a) to 3(iii)(c) of the said Order are not applicable.
- iv. 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, in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. According to information and explanations given to us, the company has complied with the directives issued by Reserve Bank Of India, and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the Rules framed there under with respect to deposits (from public). According to the information and explanation's given to us no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.
- vi. We have broadly reviewed the cost records maintained by the Company in respect of its products (Engineering, Tea and Textile) pursuant to the rules prescribed by the Central Government of India under section 148 (1) of the Companies Act 2013 and are of the opinion that, prima facie, the prescribed records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is generally regular in depositing undisputed statutory dues including provident fund, employee's state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, goods and services tax, cess and other statutory dues, as applicable, with the appropriate authorities.

There are no arrears in respect of the aforesaid dues as at 31st March 2018 for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us, the dues of Income tax, sales tax, Service tax duty of customs, duty of excise and value added tax which have not been deposited by the company on account of any dispute and the forum where the dispute is pending as on 31st March, 2018 are as under:-



Name of the Statute	Nature of Dues	Amount Involved (₹ in Lakhs)	Period to which the amount relates	Forum where Dispute is Pending
The Central Sales Tax Act, 1956	Sales Tax	263.85	2006-07, 2009-10 & 2011-12	West Bengal Commercial Taxes Appellate and Revisional Board, Kolkata
		45.40	2010-11	High Court, Calcutta
		148.56(Net of amount paid under protest ₹ 23.43)	2012-13	West Bengal Commercial Tax Appellate Revisional Board, Kolkata
		48.65(Net of amount paid under protest ₹ 8.74)	2013-14	West Bengal Commercial Tax and Revisional Board, Kolkata
		104.61 (Net of amount paid under protest ₹ 6.41)	2014-15	Joint Commissioner (Appeal), Kolkata
The West Bengal Sales Tax Act, 1994	Sales Tax	1.44	1996-97 & 1998-99	Deputy Commissioner of Commercial Taxes, Kolkata
		0.10	2003-04 & 2004-05	West Bengal Commercial Taxes Appellate and Revisional Board, Kolkata
		0.82	2001-02	Settlement of Dispute Board
The West Bengal Value Added Tax Act, 2005	Sales Tax	158.30 (Net of amount paid under protest ₹ 6.46)	2012-13	The Appellate Joint Commissioner, Sales Tax Kolkata
		28.68(Net of amount paid under protest ₹ 3.28)	2013-14	West Bengal Commercial Taxes Appellate and Revisional Board, Kolkata
		347.37	2006-07 to 2007-08	West Bengal Commercial Taxes Appellate and Revisional Board, Kolkata
		83.33 (Net of amount paid under protest ₹ 8.18)	2014-15	Joint Commissioner (Appeal), Kolkata
Orissa Sales Tax Act, 1947	Sales Tax	0.53	1998-99	Additional Commissioner of Sales Tax, Cuttack
Central Sales Tax (Orissa) Rules, 1957	Sales Tax	9.30	1998-99 & 1999-2000	Additional Commissioner of Sales Tax, Cuttack
Jharkhand VAT Act , 2005	VAT	721.77(Net of amount paid under protest ₹ 30.02)	2010-11 to 2012-13	Commissioner of Commercial Taxes Tribunal, Ranchi
		51.38	2009-10	Commissioner of Commercial Taxes Tribunal, Ranchi
The Central Excise Act, 1944	Excise Duty	34.32	Upto 1987-88	Office of the Commissioner - Central Excise
		1.14	Various periods from 1994-95 to 2007-08	Office of the Additional / Deputy Commissioner of Central Excise, Kolkata
Finance Act, 1994	Service Tax	274.24 (Net of amount paid under Protest ₹ 81.66)	2003-04 to 2011-12	CESTAT, Kolkata
		35 Lacs(Net of amount paid under Protest ₹ 4.00)	June 2005 to September 2010	CESTAT, Chennai
		27.69 Lacs(Net of amount paid under Protest ₹ 2.24)	October 2010 to June 2012	Commissioner of Central Excise (Appeals), Kolkata
Income Tax Act, 1961	Income Tax	8.36	2007-08 to 2017-18	Asst. commissioner of I.T -CPC (TDS)
		5.86	1987-88	Hon 'ble High Court at Calcutta



- viii. According to the records of the Company examined by us and the information and explanations provided to us, the Company has not defaulted in repayment of loans or borrowings to any Financial Institutions or Banks or Government. The company neither had any outstanding debentures at the beginning of the year nor has it issued any debenture during the year.
- ix. The company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. According to the information and explanation given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. 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 Act.
- xii. The Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. 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 Standalone Ind AS financial statements as required by the applicable Indian Accounting Standards.
- xiv. 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. Accordingly paragraph 3(xiv) of the Order is not applicable to the Company.
- xv. 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. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

Place: Kolkata  
Date: 30th May, 2018

**For Singhi & Co.**  
**Chartered Accountants**  
**Firm's Registration No. 302049E**  
**Anurag Singhi**  
**Partner**  
**Membership No.066274**



## **ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

1. We have audited the internal financial controls over financial reporting of **GILLANDERS ARBUTHNOT AND COMPANY LIMITED ("the Company")** as of 31st March 2018 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**

2. 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 ('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.

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

3. 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.
4. 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 standalone Ind AS financial statements, whether due to fraud or error.
5. 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**

6. 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 Ind AS 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:
  - (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
  - (b) 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 authorizations of management and directors of the company; and



(c) provide reasonable assurance regarding prevention or timely detection of unauthorized 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**

7. 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**

8. 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 2018, 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.

#### **OTHER MATTERS**

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the company, in so far as it relates to the branches not audited by us, is based on the corresponding reports of the said branch auditors. Our opinion is not modified in respect of this matter.

Place : Kolkata  
Date : 30th May, 2018

**For Singhi & Co.**  
**Chartered Accountants**  
**Firm's Registration No. 302049E**  
**Anurag Singhi**  
**Partner**  
**Membership No.066274**

**STANDALONE BALANCE SHEET as at 31st March 2018**

(₹ in lakhs)

Particulars	Notes	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Property, Plant and Equipment	4	34,948.83	35,525.26	36,670.57
Capital Work-In-Progress	4	760.54	502.14	105.41
Intangible Assets	5	18.60	19.98	29.26
Investment in Subsidiary	6	263.52	6.00	6.00
Financial Assets				
Investments	7	3,260.20	2,754.76	2,748.30
Other Financial Assets	8	2,836.76	2,307.97	3,193.75
Other Non-Current Assets	9	56.34	145.24	113.03
<b>Total Non Current Assets</b>		<b>42,144.79</b>	<b>41,261.35</b>	<b>42,866.32</b>
<b>CURRENT ASSETS</b>				
Biological Assets other than bearer plants	10	45.46	42.39	44.86
Inventories	11	17,766.56	15,586.60	15,095.46
Financial Assets				
Investments	12	113.85	110.69	1,577.32
Trade Receivables	13	9,273.76	9,636.00	11,196.42
Cash and Cash Equivalents	14	144.67	190.05	241.93
Bank balances other than Note 14	15	767.93	649.38	88.36
Loans	16	14.27	19.57	23.64
Other Financial Assets	8	6,849.08	10,474.36	11,376.50
Other Current Assets	9	5,472.48	4,440.20	4,151.31
Current Tax Asset (Net)	17	762.82	1,167.07	1,286.93
<b>Total Current Assets</b>		<b>41,210.88</b>	<b>42,316.31</b>	<b>45,082.73</b>
<b>Total Assets</b>		<b>83,355.67</b>	<b>83,577.66</b>	<b>87,949.05</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Equity Share Capital	18	2,134.23	2,134.23	2,134.23
Other Equity	19	25,634.01	26,348.48	27,645.06
<b>Total Equity</b>		<b>27,768.24</b>	<b>28,482.71</b>	<b>29,779.29</b>
<b>LIABILITIES</b>				
<b>NON-CURRENT LIABILITIES</b>				
Financial Liabilities				
Borrowings	20	10,556.30	11,956.62	12,619.15
Other Financial Liabilities	21	1,088.30	1,641.00	1,677.31
Provisions	22	145.23	-	-
Deferred Tax Liabilities (Net)	23	-	-	-
Other Non-Current Liabilities	24	61.21	72.94	688.98
<b>Total Non-Current Liabilities</b>		<b>11,851.04</b>	<b>13,670.56</b>	<b>14,985.44</b>
<b>CURRENT LIABILITIES</b>				
Financial Liabilities				
Borrowings	25	20,095.44	20,482.43	21,273.16
Trade Payables	26	12,981.33	11,272.41	11,103.63
Other Financial Liabilities	21	6,839.30	6,244.15	6,982.79
Provisions	22	2,410.24	2,266.27	2,746.53
Other Current Liabilities	24	1,410.08	1,159.13	1,078.21
<b>Total Current Liabilities</b>		<b>43,736.39</b>	<b>41,424.39</b>	<b>43,184.32</b>
<b>Total Equity and Liabilities</b>		<b>83,355.67</b>	<b>83,577.66</b>	<b>87,949.05</b>

The accompanying Notes form an integral part of these Standalone Financial Statements.

As per our Report of even date annexed.

For and on behalf of the Board

For **SINGHI & CO.**  
Chartered Accountants  
Firm Registration No. 302049E

**Manoj Sodhani**  
Executive Director & CEO  
(DIN:02267180)

**Mahesh Sodhani**  
Managing Director  
(DIN:02100322)

**Arun Kumar Kothari**  
Chairman  
(DIN:00051900)

**Anurag Singhi**  
Partner  
Membership No. 066274  
Kolkata, 30th May 2018

**Dhananjay Karmakar**  
Company Secretary

**Pravin Kumar Jain**  
Chief Financial Officer



## STANDALONE STATEMENT OF PROFIT AND LOSS for the year ended 31st March 2018

(₹ in lakhs)

Particulars	Note No.	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>INCOME</b>			
Revenue from Operations	27	62,678.96	65,065.99
Other Income	28	1,468.69	1,301.39
<b>Total Income (i)</b>		<b>64,147.65</b>	<b>66,367.38</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	29	22,743.20	23,064.86
Purchase of Traded Goods	30	5,103.29	5,423.38
Changes in Inventories of Finished Goods, Work-in-Progress and Traded Goods	31	(992.12)	82.48
Employee Benefits Expense	32	13,970.67	13,437.43
Finance Costs	33	4,492.68	4,794.65
Depreciation and Amortisation Expense	34	1,615.77	1,909.98
Other Expenses	35	18,134.86	21,204.34
<b>Total Expenses (ii)</b>		<b>65,068.35</b>	<b>69,917.12</b>
<b>Profit / (Loss) before Exceptional Items and Tax (i) - (ii)</b>		<b>(920.70)</b>	<b>(3,549.74)</b>
Exceptional Items	36	-	2,206.77
<b>Profit / (Loss) after Exceptional Items but before Tax</b>		<b>(920.70)</b>	<b>(1,342.97)</b>
Tax Expense:	37		
Current Tax		60.00	80.00
Deferred Tax		82.81	(31.13)
Income Tax for earlier years written back		-	(30.00)
<b>Profit / (Loss) for the year (iii)</b>		<b>(1,063.51)</b>	<b>(1,361.84)</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss	38	266.23	96.39
Income tax relating to these items		82.81	(31.13)
<b>Other Comprehensive Income for the Year (Net of Tax)</b>		<b>349.04</b>	<b>65.26</b>
<b>Total Comprehensive Income for the Year</b>		<b>(714.47)</b>	<b>(1,296.58)</b>
<b>Earnings Per Share</b>			
Nominal Value of Shares (₹ 10)			
Basic & Diluted Earnings Per Share	55	(4.98)	(6.38)

The accompanying Notes form an integral part of these Standalone Financial Statements.

As per our Report of even date annexed.

For and on behalf of the Board

For **SINGHI & CO.**  
Chartered Accountants  
Firm Registration No. 302049E

**Manoj Sodhani**  
Executive Director & CEO  
(DIN:02267180)

**Mahesh Sodhani**  
Managing Director  
(DIN:02100322)

**Arun Kumar Kothari**  
Chairman  
(DIN:00051900)

**Anurag Singhi**  
Partner  
Membership No. 066274  
Kolkata, 30th May 2018

**Dhananjay Karmakar**  
Company Secretary

**Pravin Kumar Jain**  
Chief Financial Officer



## CASH FLOW STATEMENT for the year ended 31st March 2018

(₹ in lakhs)

Particulars	For the year ended 31st March, 2018		For the year ended 31st March, 2017	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit/(Loss) before tax		(920.70)		(1,342.97)
Adjustments for :				
Depreciation and Amortisation Expense	1,615.77		1,909.98	
Finance Costs (Net of incentive income)	4,492.68		4,794.65	
Exceptional Profit (Refer Note 36)	-		(2,206.77)	
(Gain) / Loss on Restatement of Investment at FVTPL	(3.16)		(6.39)	
(Profit)/Loss on Sale of Property, Plant and Equipment (Net)	(94.15)		(435.52)	
Foreign Exchange Fluctuation Gain (Net)	(178.11)		(264.61)	
Loss on Sale of Investment at FVTPL	0.01		-	
Bad Debts and Advances written off	177.38		118.06	
Allowances for Doubtful Debts and advances written back (Net of write off)	(166.26)		(23.11)	
(Increase) / Decrease in Valuation of Biological Asset	(3.07)		2.47	
Interest Income	(284.41)		(248.80)	
Liability no longer required written back	(191.98)	5,364.70	(15.14)	3,624.82
Operating profit before Working Capital Changes		4,444.00		2,281.85
Adjustments for :				
Trade and Other Receivables	653.12		3,253.88	
Inventories	(2,179.97)		(491.14)	
Trade and Other Payables	1,985.79	458.94	(679.60)	2,083.14
<b>Cash Generated from Operations</b>		4,902.94		4,364.99
Direct Taxes (Paid) / Refund (Net)		261.44		100.99
<b>Net Cash from Operating Activities</b>		5,164.38		4,465.98
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Property Plant and Equipment and Intangible Assets including Capital work-in-Progress and capital advance	(1,493.80)		(1,202.91)	
Proceeds from Sale of Property Plant and Equipment	454.78		2,195.93	
Proceeds from Sale of Non-Current Investments	0.08		-	
Proceeds from Sale of shares in subsidiary	-		2,106.39	
Investment in subsidiary	(257.52)		-	
Interest Received	292.72		262.42	
<b>Net Cash used in Investing Activities</b>		(1,003.74)		3,361.83
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from issue of Preference Shares	-		1,210.00	
Proceeds from Long Term Borrowings	1,000.00		130.00	
Repayment of Long Term Borrowings	(2,455.56)		(3,858.33)	
Proceeds from Short Term Borrowings (Net)	(548.77)		(309.89)	
Proceeds from Fixed Deposits (from Public)	963.78		2,071.27	
Repayment of Fixed Deposits (from Public)	(748.21)		(1,814.00)	
Payment of Unclaimed Dividend	(19.42)		(2.09)	
Finance Charges Paid	(4,216.60)		(4,711.32)	
<b>Net Cash used in Financing Activities</b>		(6,024.78)		(7,284.36)
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)</b>		(1,864.14)		543.45
Cash and Cash Equivalents on Opening date		2,776.74		2,233.29
Cash and Cash Equivalents on Closing date		912.60		2,776.74
[See Note-b below]		(1,864.14)		543.45



## CASH FLOW STATEMENT for the year ended 31st March 2018 (Contd.)

Notes :

- a) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard 7 on 'Cash Flow Statements'.
- b) Cash and Cash Equivalents includes ₹ 767.93 lakhs (Previous Year ₹ 1,985.86 lakhs) available for restricted use (Refer Note - 15). The restrictions are mainly on account of cash and bank balances held as margin money deposit against bank guarantees, under lien and unclaimed dividends.
- c) The amendment to Ind AS 7 Cash Flow Statements requires the entities to provide disclosures that enables users of financial statements to evaluate changes in liabilities arising from financial activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of the reconciliation between the opening and the closing balances in the Balance Sheet for liabilities arising from financial activities, to meet the disclosure requirement. The amendment has become effective from 1st April 2017 and the required disclosure is made below. There is no other impact on the financial statements due to the amendment.

(₹ in lakhs)

Particulars	As at 31st March 2017	Cash Flows (Net)	Non Cash Changes	As at 31st March 2018
Borrowing Non-Current	11,956.62	2,068.86	(3,469.18)	10,556.30
Other Financial Liabilities	3,225.98	(3,225.98)	3,438.24	3,438.24
Borrowing Current	20,482.43	(386.99)	-	20,095.44

- d) The deposits maintained by the bank comprises of time deposits, which can be withdrawn by the company at any point of time without prior notice or penalty on the principal.
- e) Previous year's figures have been rearranged and regrouped, wherever necessary.

The accompanying Notes form an integral part of these Standalone Financial Statements.

As per our Report of even date annexed.

For and on behalf of the Board

For **SINGHI & CO.**  
Chartered Accountants  
Firm Registration No. 302049E

**Manoj Sodhani**  
Executive Director & CEO  
(DIN:02267180)

**Mahesh Sodhani**  
Managing Director  
(DIN:02100322)

**Arun Kumar Kothari**  
Chairman  
(DIN:00051900)

**Anurag Singhi**  
Partner  
Membership No. 066274  
Kolkata, 30th May 2018

**Dhananjay Karmakar**  
Company Secretary

**Pravin Kumar Jain**  
Chief Financial Officer

**STATEMENT OF CHANGE IN EQUITY for the year ended 31st March 2018**

(₹ in lakhs)

**a) Equity Share Capital**

Balance as at 1st April 2016	Amount
Add/(Less): Changes in Equity Share Capital during the year	2,134.23
Balance as at 31st March 2017	-
Add/(Less): Changes in Equity Share Capital during the year	2,134.23
Balance as at 31st March 2018	<b>2,134.23</b>

**b) Other Equity**

Particulars	Reserves & Surplus				Items of Other Comprehensive Income		Total
	Capital Reserve	Preference Share Redemption Reserve	General Reserve	Retained Earnings	Equity instrument through Other Comprehensive Income	Remeasurement of Defined Benefit Plans	
<b>For the year ended 31st March 2017</b>							
Balance as at 1st April, 2016	3,407.53	262.47	9,860.07	13,484.03	40.01		27,054.11
Profit on Demerger of Chemical (Waldies) Division #				590.95			590.95
<b>Restated balance as at 1st April, 2016</b>	<b>3,407.53</b>	<b>262.47</b>	<b>9,860.07</b>	<b>14,074.98</b>	<b>40.01</b>	<b>-</b>	<b>27,645.06</b>
Profit / (Loss) for the year				(1,361.84)			(1,361.84)
Other Comprehensive Income					6.44	58.82	65.26
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,361.84)</b>	<b>6.44</b>	<b>58.82</b>	<b>(1,296.58)</b>
<b>For the year ended 31st March 2018</b>							
Balance as at 31st March, 2017	3,407.53	262.47	9,860.07	12,713.14	46.45	58.82	26,348.48
Profit for the year				(1,063.51)		(156.48)	(1,063.51)
Other Comprehensive Income					505.52	(156.48)	349.04
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,063.51)</b>	<b>505.52</b>	<b>(156.48)</b>	<b>(714.47)</b>
<b>Balance as at 31st March, 2018</b>	<b>3,407.53</b>	<b>262.47</b>	<b>9,860.07</b>	<b>11,649.63</b>	<b>551.97</b>	<b>(97.66)</b>	<b>25,634.01</b>

# Pursuant to the Scheme of Arrangement approved by the Hon'ble High Court at Calcutta vide its order dated 28th November 2016, appointed date being 1st April 2015.

The accompanying Notes form an integral part of these Standalone Financial Statements.

As per our Report of even date annexed.

For **SINGHI & CO.**

Chartered Accountants  
Firm Registration No. 302049E

**Anurag Singhi**

Partner  
Membership No. 066274  
Kolkata, 30th May 2018

For and on behalf of the Board

**Manoj Sodhani**  
Executive Director & CEO  
(DIN:02267180)

**Mahesh Sodhani**  
Managing Director  
(DIN:02100322)

**Arun Kumar Kothari**  
Chairman  
(DIN:00051900)

**Dhananjay Karmakar**  
Company Secretary

**Pravin Kumar Jain**  
Chief Financial Officer



## Notes to the Standalone Financial Statements for the year ended 31st March 2018

### 1. CORPORATE AND GENERAL INFORMATION

Gillanders Arbuthnot and Company Limited (GACL) was incorporated as a Limited Company in India under the Companies Act in the year 1935 having its registered office at Kolkata. It became part of well-known Kothari Group of Companies in the late sixties. The Company primarily deals in manufacture and sale of tea, manufacture and sale of yarn and fabric made out of Cotton and Man Made Fibres, Manufacture and sale of Steel Structural , Pipes and Equipment and designing, supplying , erectioning and commissioning of projects on turnkey basis , and letting out of property on Rent.

### 2. BASIS OF PREPARATION

#### 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 financial statements for all periods up to and including the year ended 31st March, 2017, were prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India, which includes the accounting standards prescribed under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and other provisions of the Act (collectively referred to as “Indian GAAP”). These financial statements for the year ended 31st March, 2018 are the first Ind AS Financial Statements with comparatives, prepared under Ind AS. The Company has consistently applied the accounting policies used in the preparation of its opening Ind AS Balance Sheet at 1st April, 2016 throughout all periods presented, as if these policies had always been in effect and are covered by Ind AS 101 “First Time Adoption of Indian Accounting Standards”.

An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note No. 48. Certain of the Company’s Ind-AS accounting policies used in the opening Balance Sheet differed from its Indian GAAP policies applied as at 31st March, 2016 and accordingly the adjustments were made to restate the opening balances as per Ind-AS. The resulting adjustment arising from events and transactions before the date of transition to Ind-AS were recognized directly through retained earnings as at 1st April, 2016 as required by Ind- AS 101. The financial statements of the Company for the year ended 31st March, 2018 has been approved by the Board of Directors in their meeting held on 30th May, 2018.

#### 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/ Amortized cost (Refer Note 49);
- Derivative Financial Instruments measured at fair value;
- Defined Benefit Plans – Plan assets measured at Actuarial Valuation; 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 lakhs 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. Revision to accounting estimates are recognized in the period in which the estimates are revised and future periods affected. For details of estimates and judgements used in preparation of financial statements refer Note 3.19.



## Notes to the Standalone Financial Statements for the year ended 31st March 2018 (Contd.)

### 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 Division II of 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 (as amended).

### 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 Act, and Ind AS 1 (Presentation of Financial Statements). The Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

An asset is classified as current when it is:

- Expected to be realized or is intended to be sold or consumed in the normal operating cycle; or
- Held primarily for the purpose of trading; or
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Similarly a liability is current if:

- It is expected to be settled in normal operating cycle; or
- It is held primarily for the purpose of trading; or
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current. Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities respectively.

### 2.7. Measurement of Fair Values

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 best economic 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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.



## Notes to the Standalone Financial Statements for the year ended 31st March 2018 (Contd.)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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 and 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. SIGNIFICANT 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 (at weighted average basis) 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:** Measured at cost (on weighted average basis) or net realizable value whichever is lower.
- **Stock in Process:** Is valued with material at lower of weighted average cost and market rate and estimated conversion cost.
- **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. Other finished goods are measured at cost or NRV whichever is lower.
- **Contract in Progress:** For long term contracts, contract in progress is valued at realizable value/ contractual rate and provision for losses, as may be estimated for completion thereof.
- **Stock in Trade:** 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 equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

#### 3.3. INCOME TAX

Income Tax expenses comprise current tax and deferred tax charge or credit.

Current Tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws.

Deferred tax is provided, on all temporary differences at the reporting date between the carrying amount of assets and liabilities for financial reporting purposes and its tax base. Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Tax relating to items recognized directly in equity or



## Notes to the Standalone Financial Statements for the year ended 31st March 2018 (Contd.)

OCI is recognized in equity or OCI and not in the Statement of Profit and Loss. Deferred tax assets include Minimum Alternate Tax (MAT) paid (tax credit) in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability and is considered as an asset if it is probable that future taxable profit will be available against which these tax credit can be utilized.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable.

### 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 and/or 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 in the year of disposal.

##### 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:

➤ Depreciation on Property, Plant and Equipment is provided under Straight Line Method at rates determined based on the useful life of the respective assets and their residual value in accordance with Schedule II of the Companies Act, 2013 or as reassessed by the Company based on the technical evaluation.

➤ In respect of the Plant and Machinery other than continuous process plant under Textile Division, useful life of 30 years has been considered on the basis of technical evaluation, which is different from life specified in Schedule II.



## Notes to the Standalone Financial Statements for the year ended 31st March 2018 (Contd.)

- In respect of spares for specific machinery, it is depreciated over the remaining 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 life 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, 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 recognized so as to write off its cost over useful lives, using the straight-line method.
- 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.
- The estimated useful life, residual value 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.

### 3.4.2.4. Capital Work in Progress

Young tea bushes and 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. Intangible Assets

### 3.5.1. Recognition and Measurement

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



## Notes to the Standalone Financial Statements for the year ended 31st March 2018 (Contd.)

### 3.5.2. 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 and Loss.

### 3.5.3. Amortization

➤ Intangible assets are amortized over a period of five years.

➤ 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.

### 3.5.4. Intangible Assets under Development

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

## 3.6. LEASES

### As a lessee

Leases in which significant portion of risk and rewards of ownership are not transferred to the Company as lease are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight line basis over the period of the leases unless the payments are structured to increase in line with expected general inflation to compensate for the lessors expected inflationary cost increases. Leases where the company assumes substantially all risks and rewards incidental to the ownership of the leased assets are classified as finance leases.

### As a lessor

Lease income from operating leases where the Company is a lessor is recognized in income on a straight line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

## 3.7. REVENUE RECOGNITION

Revenue is recognized to the extent it is probable that the economic benefit will flow to the company and revenue can be reliably measured regardless of when the payment is being received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment, and excludes taxes and duties collected on behalf of the Government and is reduced for estimated customer returns, rebates and other similar allowances.

### 3.7.1. Sale of Products:

The Company recognizes revenue when it 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.

### 3.7.2. Revenue from construction contracts/project related activity and contracts for supply/ commissioning of complex plant and equipment is recognized as follows:

Contract Revenue is recognized by reference to the stage of completion of the contract activity at the reporting date of the financial statements on the basis of percentage of completion method. Percentage of completion is the proportion of cost of work performed to-date, to the total estimated contract costs. Expected loss, if any, on the construction/project related activity is recognized as an expense in the period in which it is foreseen, irrespective of the stage of completion of the contract. While determining the amount of foreseeable loss, all elements of costs and related incidental income not included in contract revenue is taken into consideration. Extra work, claim and variation in contracts to the extent that is probable that they will result in revenue and can be reliably measured by the management is also covered.



## Notes to the Standalone Financial Statements for the year ended 31st March 2018 (Contd.)

### 3.7.3. Rental Income:

Rental income from operating lease is recognized on a straight line basis over the term of the relevant lease unless the payments are structured to increase in line with expected general inflation to compensate for the company's expected inflationary cost increases.

### 3.7.4. Other Income:

**3.7.4.1. 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) through Profit or Loss. 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.

**3.7.4.2. Dividend Income:** It is accounted for in the period in which the right to receive the same is established.

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

## 3.8. EMPLOYEE BENEFITS

### 3.8.1. 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.

### 3.8.2. Other Long Term Employee Benefits

The liabilities for earned 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. Re-measurements as the result of experience adjustment and changes in actuarial assumptions are recognized in statement of profit and loss immediately.

### 3.8.3. Post-Employment Benefits

The Company operates the following post-employment schemes:

#### ➤ Defined Contribution Plan

Defined contribution plans such as Provident Fund, Employee State Insurance etc. are charged to the statement of profit and loss as and when incurred. Further for certain employees the monthly contribution for provident fund is made to a trust administered by the company. The interest payable by the trust is notified by the government. The company has an obligation to make good the shortfall, if any. Based on the guidance note on measurement of provident fund liabilities from The Actuarial Society the actuary has provided the valuation of interest guaranteed on Provident Fund.

#### ➤ 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.



## Notes to the Standalone Financial Statements for the year ended 31st March 2018 (Contd.)

Re-measurement 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. Re-measurement recognized in other comprehensive income will not be reclassified to the statement of profit and loss.

### 3.9. GOVERNMENT GRANTS

Government grants are recognized 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 recognized 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 is included in non-current liability as deferred income and is credited to statement of profit and loss on the same systematic basis as the respective asset is depreciated over its expected life and is presented in other operating income.

### 3.10. 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 statement of profit and 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).

### 3.11. 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 foreign 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 which necessarily takes a substantial period of time to complete and prepare the asset for its intended use or sale.

➤ 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.

### 3.12. INTEREST 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.

### 3.13. FINANCIAL INSTRUMENTS

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

#### 3.13.1. Financial Assets

➤ **Recognition and Initial Measurement:**

All financial assets are initially recognized when the company becomes a party to the contractual provisions of the



## Notes to the Standalone Financial Statements for the year ended 31st March 2018 (Contd.)

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 group.

- 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 measured at FVTOCI: All equity investments in scope of Ind AS – 109 are measured at fair value. Equity instruments which are, held for trading are classified as at FVTPL. For all other equity instruments, 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.



## Notes to the Standalone Financial Statements for the year ended 31st March 2018 (Contd.)

### ➤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 impairment loss for trade receivables that do not constitute a financing transaction using expected credit loss model, which involves use of a provision matrix constructed on the basis of historical credit loss experience. 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.

### **3.13.2. 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 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 statement of profit and loss. Any gain or loss on derecognition is also recognized in statement of profit and 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.

### **3.13.3. 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.

### **3.13.4. Derivative financial instruments:**

The Company enters into derivative financial instruments viz. foreign exchange forward contracts, to manage its exposure to foreign exchange rate risks. The Company does not hold derivative financial instruments for speculative purposes.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately.

**Notes to the Standalone Financial Statements for the year ended 31st March 2018 (Contd.)****3.14. Earnings Per Share**

Basic Earnings per share (EPS) amounts are calculated by dividing the profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit attributable to equity shareholders 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.

**3.15. 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 flows which are largely independent of the cash flows 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 a change in recoverable amount.

**3.16. Provisions, Contingent Liabilities and Contingent Assets****3.16.1. 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.

**3.16.2. 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 probable 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 the Financial Statements.

**3.16.3. Contingent Assets**

Contingent asset 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 and where the amount can be measured reliably.

**3.17. Biological Assets and Agricultural Produce****3.17.1. 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 2018 (Contd.)****3.17.2. 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 and Loss for the period in which it arises.

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

**3.18. 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.

Segment revenue arising from third party customers is reported on the same basis as revenue in the financial statements. Inter-segment revenue is reported on the basis of transactions which are primarily market led. Segment results represent profits before finance charges, unallocated corporate expenses and taxes. "Unallocated Corporate Expenses" include revenue and expenses that relate to initiatives/ costs attributable to the enterprise as a whole and are not attributable to individual segments.

**3.19. 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/ amortizable assets (tangible and intangible):** Management reviews its estimate of the useful lives of depreciable/ amortizable 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 property, plant and equipment.

➤ **Classification of Leases:** The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

➤ **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 recognizing 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.



### Notes to the Standalone Financial Statements for the year ended 31st March 2018 (Contd.)

- **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.

#### 3.20. Recent accounting pronouncements

The standard issued but not yet effective upto the date of the Company's financial statements is disclosed below the Company intend to adopt this standard when it becomes effective.

**3.20.1** Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

**3.20.2** In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying Ind AS 115, 'Revenue from Contracts with Customers'. The amendment is applicable to the Company for the reporting period beginning April 1, 2018. Ind AS 115 replaces existing revenue recognition standards Ind AS 11, Construction Contracts and Ind AS 18, Revenue and revised guidance note of the ICAI on Accounting for Real Estate Transaction for Ind AS entities issued in 2016.

The amendment will come into force from April 1, 2018. The Company is in the process of evaluating the requirement of the amendments as well as the impact of the same.



**Notes to the Standalone Financial Statements for the year ended 31st March 2018 (Contd.)**

Sl No.	Particulars	Gross Block				Depreciation				Net Block	
		Balance as at 31st March 17	Additions	Disposal / Adjustments	Balance as at 31st March 18	Depreciation for the year	Disposal / Adjustments	Balance as at 31st March 18	Balance as at 31st March 17	Balance as at 31st March 18	
<b>A</b>	<b>Tangible Assets</b>										
	Freehold Land	13,689.67	-	98.40	13,591.27	-	-	-	-	-	13,591.27
	Buildings	8,533.22	101.21	70.00	8,564.43	150.71	4.77	3,859.66	4,704.77	7.85	4,704.77
	Bridges,culverts,boundaries, etc	17.14	-	-	17.14	0.62	-	104.75	19.76	-	19.76
	Roads	124.51	-	-	124.51	1.92	-	20,463.00	11,752.94	-	11,752.94
	Plant and Machinery	32,121.88	1,006.50	912.44	32,215.94	1,040.28	745.19	404.77	429.00	99.99	99.99
	Furniture and Fittings	507.77	17.71	20.72	504.76	32.28	46.94	769.82	429.00	39.37	39.37
	Motor Vehicles	1,271.61	93.70	166.49	1,198.82	78.50	118.71	263.76	316.48	1,117.05	1,117.05
	Office Equipments	313.29	8.14	18.30	303.13	15.43	17.09	1,336.86	316.48	3,145.05	3,145.05
	Computers and Data Processing Units	342.37	24.86	10.41	356.82	8.29	9.98	208.15	208.15	27,735.10	27,735.10
	Electrical Installations and Equipments	2,479.74	2.32	28.15	2,453.91	165.84	21.60	964.28	964.28	760.54	760.54
	Bearer Plants	3,218.02	135.18	-	3,353.20	111.55	-	-	-	-	-
	<b>Total</b>	<b>62,619.22</b>	<b>1,389.62</b>	<b>1,324.91</b>	<b>62,683.93</b>	<b>1,605.42</b>	<b>964.28</b>	<b>27,093.96</b>	<b>27,093.96</b>	<b>760.54</b>	<b>760.54</b>
<b>B</b>	<b>Capital Work In Progress</b>										
	Total										
	<b>Grand Total (A+B)</b>	<b>62,619.22</b>	<b>1,389.62</b>	<b>1,324.91</b>	<b>62,683.93</b>	<b>1,605.42</b>	<b>964.28</b>	<b>27,093.96</b>	<b>27,093.96</b>	<b>760.54</b>	<b>760.54</b>

Sl No.	Particulars	Gross Block				Depreciation				Net Block	
		Deemed Cost as at 1st April 16	Additions	Disposal / Adjustments	Balance as at 31st March 17	Depreciation for the year	Disposal / Adjustments	Balance as at 31st March 17	Balance as at 31st March 17	Balance as at 31st March 17	
<b>A</b>	<b>Tangible Assets</b>										
	Freehold Land	13,657.42	47.48	15.23	13,689.67	-	-	-	-	-	13,689.67
	Buildings	8,557.64	168.42	192.84	8,533.22	3,621.14	186.12	3,713.72	4,819.50	7.23	4,819.50
	Bridges,culverts,boundaries, etc	17.14	-	-	17.14	6.42	0.81	102.83	21.68	-	21.68
	Roads	124.51	-	-	124.51	99.36	3.47	20,167.91	11,953.97	-	11,953.97
	Plant and Machinery	31,931.73	505.18	315.03	32,121.88	19,158.46	1,263.82	419.43	88.34	99.99	99.99
	Furniture and Fittings	543.32	8.40	43.95	507.77	377.03	47.85	419.43	88.34	39.37	39.37
	Motor Vehicles	1,135.20	192.90	56.49	1,271.61	796.53	97.34	83.84	461.58	1,117.05	1,117.05
	Office Equipments	310.78	6.15	3.64	313.29	244.39	24.47	265.42	47.87	3,145.05	3,145.05
	Computers and data processing units	347.64	3.42	8.69	342.37	319.37	7.06	318.17	24.20	27,735.10	27,735.10
	Electrical Installations and Equipments	2,470.48	9.94	0.68	2,479.74	1,020.34	172.90	1,192.62	1,287.12	96.60	96.60
	Bearer Plants	3,218.02	-	-	3,218.02	0.27	96.33	-	-	-	-
	<b>Total</b>	<b>62,313.88</b>	<b>941.89</b>	<b>636.55</b>	<b>62,619.22</b>	<b>25,643.31</b>	<b>1,900.17</b>	<b>449.52</b>	<b>449.52</b>	<b>760.54</b>	<b>760.54</b>
<b>B</b>	<b>Capital Work In Progress</b>										
	Total										
	<b>Grand Total (A+B)</b>	<b>62,313.88</b>	<b>941.89</b>	<b>636.55</b>	<b>62,619.22</b>	<b>25,643.31</b>	<b>1,900.17</b>	<b>449.52</b>	<b>449.52</b>	<b>760.54</b>	<b>760.54</b>

Note:

- The amount of Contractual commitments for acquisition of property, plant and equipment is disclosed in Note 39(ii)(a).
- Refer Note 41.2 for Office Premises given on Operating Lease (included under Head 'Building' above).
- The amount of expenditure recognised in the carrying amount of PPE in the course of construction / development is Rs 53.16 Lakhs (FY 16-17 - Rs 80.35 Lakhs)
- Borrowing cost capitalised during year is Rs 27.02 Lakhs (PY- Rs 19.14 Lakhs) at the capitalisation rate of 10.15% (PY- 10.15%)
- Refer Note 20.3 and Note 25.1 for information on Property, Plant and Equipments pledged as security by the Company.
- Refer to Note 48.5(q) for exemptions / options availed for deriving deemed cost on Transition date.



## Notes to the Standalone Financial Statements for the year ended 31st March 2018 (Contd.)

Sl No.	Particulars	Gross Block			Amortisation			Net Block	
		Balance as at 31st March 17	Additions	Disposal / Adjustments	Balance as at 31st March 18	Balance as at 31st March 17	Disposal / Adjustments	Balance as at 31st March 18	Balance as at 31st March 18
A	Computer Softwares	311.86	8.97	-	320.83	291.88	10.35	302.23	18.60
	<b>Total</b>	<b>311.86</b>	<b>8.97</b>	<b>-</b>	<b>320.83</b>	<b>291.88</b>	<b>10.35</b>	<b>302.23</b>	<b>18.60</b>

Sl No.	Particulars	Gross Block			Amortisation			Net Block	
		Deemed Cost as at 1st April 2016	Additions	Disposal / Adjustments	Balance as at 31st March 17	Balance as at 1st April 2016	Amortisation for the year	Disposal / Adjustments	Balance as at 31st March 17
A	Computer Softwares	311.64	0.53	0.31	311.86	282.38	9.81	0.31	291.88
	<b>Total</b>	<b>311.64</b>	<b>0.53</b>	<b>0.31</b>	<b>311.86</b>	<b>282.38</b>	<b>9.81</b>	<b>0.31</b>	<b>291.88</b>

## NOTE 6 - INVESTMENT IN SUBSIDIARY

Particulars	Face Value	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
		Qty	Amount	Qty	Amount	Qty	Amount
Unquoted Investments (Fully Paid up) Investment in Fully paid Equity Shares of Subsidiary Company (Valued at Cost)	USD 1	410,000	263.52	10,000	6.00	10,000	6.00
Gillanders Holdings (Mauritius) Ltd			<b>263.52</b>		<b>6.00</b>		<b>6.00</b>
<b>Total</b>			263.52		6.00		6.00
Aggregate Book Value of Unquoted Investment							



Notes to the Standalone Financial Statements for the year ended 31st March 2018 (Contd.)

NOTE 7 - NON - CURRENT INVESTMENTS

(₹ in lakhs)

Particulars	Face Value (Rs)	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
		Qty	Amount	Qty	Amount	Qty	Amount
<b>INVESTMENTS AT AMORTIZED COST</b>							
<b>Investment in Fully paid Debentures</b>							
5% 10 years Redeemable Debenture in Shillong Club Ltd.	100	13	0.01	13	0.01	13	0.01
			<b>0.01</b>		<b>0.01</b>		<b>0.01</b>
<b>INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME</b>							
<b>Investments in Unquoted Equity Instruments</b>							
Bharat Fritz Werner Ltd	2	2,681,811	3,246.87	2,681,811	2,741.35	2,681,811	2,734.91
Kothari Hi Tech Consultants Pvt. Ltd.	10	95,000	4.50	95,000	4.50	95,000	4.50
Satyam Financial Services Ltd.	10	59,669	7.18	59,669	7.18	59,669	7.18
Woodlands Multispeciality Hospital Ltd.	10	8,655	0.87	8,655	0.87	8,655	0.87
ABC Tea Workers Welfare Services Ltd.	10	7,502	0.75	7,502	0.75	7,502	0.75
			<b>3,260.17</b>		<b>2,754.65</b>		<b>2,748.21</b>
<b>INVESTMENTS IN FAIR VALUE THROUGH PROFIT AND LOSS</b>							
<b>Investments in Quoted Equity Instruments</b>							
Amarjothi Spinning Mills Ltd.	10	-	-	1	*	1	*
B & A Ltd.	10	-	-	1	*	1	*
Banswara Syntex Ltd.	10	-	-	1	*	1	*
Dhunseri Petrochems Tea Ltd.	10	-	-	1	*	1	*
Duncan Industries Ltd.	10	-	-	1	*	1	*
Era Infra Engineering Ltd.	2	1	*	1	*	1	*
Ginni Filaments Ltd.	10	-	-	1	*	1	*
Goodricke Group Ltd.	10	-	-	1	*	1	*
GTN Industries Ltd.	10	-	-	1	*	1	*
Harrisons Malayalam Ltd.	10	-	-	1	*	1	*
Jay Shree Tea & Industries Ltd.	5	-	-	1	*	1	*
K.P.R. Mill Ltd.	10	1	*	1	*	1	*
Kilburn Engineering Ltd.	10	-	-	1	*	1	*
Kiran Vypar Limited	10	-	-	1	*	1	*
L.G.Balakrishnan & Bros. Ltd.	10	-	-	2	*	2	*
Lambodhara Textiles Ltd.	5	-	-	2	*	2	*
Lanco Infratech Ltd.	1	-	-	1	*	1	*
Maharaja Shree Umaid Mills Ltd.	10	-	-	1	*	1	*
Maral Overseas Ltd.	10	-	-	1	*	1	*
McLeod Russel India Ltd.	5	-	-	1	*	1	*
McNally Bharat Engineering Co. Ltd.	10	-	-	1	*	1	*
Mukand Engineers Ltd.	10	-	-	1	*	1	*
Nahar Industrial Enterprises Ltd.	10	-	-	1	*	1	*
Nahar Spinning Mills Ltd.	5	-	-	1	*	1	*
NCC Ltd.	2	-	-	1	*	1	*
Nitin Spinners Ltd.	10	-	-	1	*	1	*
Patspin India Ltd.	10	-	-	1	*	1	*
Petron Engineering Construction Ltd.	10	-	-	1	*	1	*
Punj Lloyd Ltd.	2	-	-	1	*	1	*
Rajapalayam Mills Ltd.	10	-	-	1	*	1	*
Rajvir Industries Ltd.	10	-	-	1	*	1	*
Rossel India Ltd.	2	-	-	1	*	1	*
RSWM Ltd.	10	-	-	1	*	1	*
Sambandam Spinning Mills Ltd.	10	-	-	1	*	1	*
Sangam (India) Ltd.	10	-	-	1	*	1	*
Shree Rajasthan Syntex Ltd.	10	1	*	1	*	1	*
Shriram EPC Ltd.	10	-	-	1	*	1	*
Simplex Projects Ltd.	10	-	-	1	*	1	*



### Notes to the Standalone Financial Statements for the year ended 31st March 2018 (Contd.)

#### NOTE 7 - NON - CURRENT INVESTMENTS (Contd.)

(₹ in lakhs)

Particulars	Face Value (Rs)	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
		Qty	Amount	Qty	Amount	Qty	Amount
Stewarts & Llyods of India Ltd.	10	1	*	1	*	1	*
Suryajyoti Spinning Mills Ltd.	10	1	*	1	*	1	*
Suryalata Spinning Mills Ltd.	10	-	-	1	*	1	*
Suryavanshi Spinning Mills Ltd.	10	-	-	1	*	1	*
Sutlej Textiles & Industries Ltd.	10	1	*	1	*	1	*
UB Engineering Ltd.	10	1	*	1	*	1	*
Vardhman Polytex Ltd.	10	-	-	1	*	1	*
Vardhman Textiles Ltd.	10	-	-	1	*	1	*
Warren Tea Ltd.	10	1	*	1	*	1	*
Welspun Enterprises Ltd.	10	-	-	1	*	1	*
Winsome Textile Industries Ltd.	10	-	-	1	*	1	*
Winsome Yarns Ltd.	10	1	*	1	*	1	*
<b>Sub total</b>			0.02		0.10		0.08
* Amount is below the rounding off norm adopted by the Company.							
<b>TOTAL</b>			<b>3,260.20</b>		<b>2,754.76</b>		<b>2,748.30</b>
Aggregate book value of							
- Quoted Investments			0.02		0.10		0.08
- Unquoted Investments			3,260.18		2,754.66		2,748.22
Aggregate Market Value of Quoted Investment			<b>0.02</b>		0.10		0.08

#### NOTE 8 - OTHERS FINANCIAL ASSETS

(₹ in lakhs)

Particulars	Refer Note No.	Non-Current			Current		
		As at 31st March 2018	As at 31st March 2017	As at 1st April 2016	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>Security Deposits</b>							
Unsecured, considered good		1,352.58	370.66	1,290.75	2,589.35	3,908.99	3,412.86
Unsecured, Considered doubtful		2,397.88	3,950.43	3,607.34	2,270.08	1,724.22	2,074.54
		3,750.46	4,321.09	4,898.09	4,859.43	5,633.21	5,487.40
Less:- Allowances for doubtful security deposits		2,397.88	3,950.43	3,607.34	2,270.08	1,724.22	2,074.54
		<b>1,352.58</b>	<b>370.66</b>	<b>1,290.75</b>	<b>2,589.35</b>	<b>3,908.99</b>	<b>3,412.86</b>
<b>Other Deposits</b>							
NABARD Deposit		-	-	-	166.82	420.18	634.54
Interest Accrued on Loans and Deposits		-	-	-	27.57	35.88	49.50
Others		-	-	-	4,065.34	6,109.31	7,279.60
Deposits with Bank having maturity of more than one year from the balance sheet date	8.1	1,484.18	1,937.31	1,903.00	-	-	-
		1,484.18	1,937.31	1,903.00	4,259.73	6,565.37	7,963.64
		<b>2,836.76</b>	<b>2,307.97</b>	<b>3,193.75</b>	<b>6,849.08</b>	<b>10,474.36</b>	<b>11,376.50</b>

8.1 - Include Rs 1,484.18 Lakhs (P.Y. 2016-17 Rs 1,930.45 Lakhs, 2015-16 Rs 1,811.64 Lakhs) under lien with bank

8.2 - Refer Note 20.3 and Note 25.1 for information on Other Financial Assets pledged as security by the Company.



**Notes to the Standalone Financial Statements for the year ended 31st March 2018 (Contd.)**

**NOTE 9 - OTHER ASSETS**

(₹ in lakhs)

Particulars	Refer Note No.	Non Current			Current		
		As at 31st March 2018	As at 31st March 2017	As at 1st April 2016	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Capital Advances		56.34	145.24	113.03	-	-	-
Advance against supply of Goods and Services		-	-	-	1,046.95	1,054.91	1,077.32
Prepaid Expenses		-	-	-	334.61	238.92	187.11
Balances with Government and Statutory Authorities		-	-	-	3,745.93	2,581.69	2,272.64
Incentive and Subsidy Receivable		-	-	-	388.78	621.03	699.27
		56.34	145.24	113.03	5,516.27	4,496.55	4,236.34
Less : Allowances for Doubtful Advances		-	-	-	43.79	56.35	85.03
<b>Total</b>		<b>56.34</b>	<b>145.24</b>	<b>113.03</b>	<b>5,472.48</b>	<b>4,440.20</b>	<b>4,151.31</b>

9.1 Refer Note 20.3 and Note 25.1 for information on Other Assets pledged as security by the Company.

**NOTE 10 - BIOLOGICAL ASSETS OTHER THAN BEARER PLANTS**

(₹ in lakhs)

Particulars	Refer Note No.	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Fair Value of Biological Assets other than Bearer Plants	10.1	45.46	42.39	44.86
<b>Total</b>		<b>45.46</b>	<b>42.39</b>	<b>44.86</b>

10.1 The Company owns biological assets i.e, green leaves on tea bushes from which made tea is produced. The Company has tea estates in Assam and West Bengal. The tea made from green leaves are sold commercially.

10.2 Refer Note 20.3 and Note 25.1 for information on Biological Assets other than Bearer Plant pledged as security by the Company.

**NOTE 11 - INVENTORIES**

(₹ in lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
(As valued and certified by the Management)			
Raw Materials	3,284.89	3,738.07	3,184.18
Stock-in-Process	1,350.91	1,157.95	1,056.60
Finished Goods	7,765.70	7,088.12	6,815.81
Stock-in-Trade (In respect of goods acquired for trading)	107.74	132.48	587.76
Contract in Progress	3,397.76	1,513.15	1,234.34
Scrap and Waste	162.34	16.02	16.88
Stores and Spares etc.	1,697.22	1,940.81	2,199.89
<b>Total</b>	<b>17,766.56</b>	<b>15,586.60</b>	<b>15,095.46</b>
The above includes goods-in-transit as under:			
Raw Materials	158.91	573.36	108.12
	158.91	573.36	108.12

11.1 Refer Note 20.3 and Note 25.1 for information on inventories pledged as securities by the Company.



## Notes to the Standalone Financial Statements for the year ended 31st March 2018 (Contd.)

### NOTE 12 - CURRENT INVESTMENTS

(₹ in lakhs)

Particulars	Face Value (₹)	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
		Qty	Amount	Qty	Amount	Qty	Amount
<b>INVESTMENTS AT AMORTIZED COST</b>							
<b>Investments in Government and Trust Securities (Unquoted)</b>							
6 Years National Saving Certificates (Deposited with Commercial Tax Officer)			0.07		0.07		0.07
			<b>0.07</b>		<b>0.07</b>		<b>0.07</b>
<b>INVESTMENTS AT FAIR VALUE THROUGH PROFIT AND LOSS</b>							
<b>Investment in Equity Instrument at FVTPL</b>							
Waldies Compound Ltd. (formerly Barfani Builder Ltd.) (Note 12.1)	10	-	-	-	-	14,729,995	1,473.00
			-		-		<b>1,473.00</b>
<b>Investments in Mutual funds (Unquoted)</b>							
SBI PSU Fund - Regular Plan-Growth	10	250,000	27.72	250,000	29.11	250,000	20.80
SBI Premier Liquid Fund- Institutional-Growth	100	4	0.12	4	0.11	4	0.10
Reliance Mututal Fund ETF Gold Bees	100	3,100	85.94	3,100	81.40	3,100	83.35
			<b>113.78</b>		<b>110.62</b>		<b>104.25</b>
<b>Total</b>			<b>113.85</b>		<b>110.69</b>		<b>1,577.32</b>
Aggregate book value of Unquoted Investments			<b>113.85</b>		<b>110.69</b>		<b>1,577.32</b>

12.1 - Shares allotted and sold during FY 2016-17

### NOTE 13 - TRADE RECEIVABLES (Unsecured)

(₹ in lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Considered good	9,273.76	9,636.00	11,196.42
Considered doubtful	831.71	886.24	965.52
<b>Total</b>	10,105.47	10,522.24	12,161.94
Less: Allowances for doubtful receivables	831.71	886.24	965.52
<b>Total</b>	<b>9,273.76</b>	<b>9,636.00</b>	<b>11,196.42</b>

13.1 Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

13.2 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.

13.3 Refer Note 20.3 and Note 25.1 for information of trade receivables pledged as securities by the Company.

### NOTE 14 - CASH AND CASH EQUIVALENTS

(₹ in lakhs)

Particulars	Refer Note No.	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Balances With Banks :				
In Current Account		128.38	140.78	212.37
In Deposit Accounts with Original Maturity of less than three months	14.1	-	6.70	-
Cheques/ Drafts on Hand		-	12.63	15.56
Cash in Hand		16.29	29.94	14.00
		<b>144.67</b>	<b>190.05</b>	<b>241.93</b>

14.1 Includes deposits marked lien in favour of Bank Nil Lakhs (PY - Rs 6.70)



**Notes to the Standalone Financial Statements for the year ended 31st March 2018 (Contd.)**

**NOTE 15 - BANK BALANCES (OTHER THAN NOTE: 14)**

(₹ in lakhs)

Particulars	Refer Note No.	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Balance in Unpaid Dividend Account	15.1	28.92	48.34	50.43
In Deposit account with Original maturity of more than three months		2,223.19	2,538.35	1,940.93
Less:- Deposits with Bank disclosed under 'other financial Assets' having maturity of more than 12 months		2,252.11	2,586.69	1,991.36
		1,484.18	1,937.31	1,903.00
		<b>767.93</b>	<b>649.38</b>	<b>88.36</b>

15.1 Includes deposits with bank committed to continue till the tenure of stand by letter of credit for loan availed by Wholly Owned Subsidiaries.

**NOTE 16 - LOANS**

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>Unsecured, considered good</b>			
Advance to Employees, unsecured, considered good	14.27	19.57	23.64
<b>Total Loans</b>	<b>14.27</b>	<b>19.57</b>	<b>23.64</b>

16.1 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.

**NOTE 17 - CURRENT TAX ASSETS (NET)**

(₹ in lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Advance Income Tax and Tax Deducted at Source	1,811.86	2,156.11	2,581.70
Less: Provision for Income Tax	1,049.04	989.04	1,294.77
	<b>762.82</b>	<b>1,167.07</b>	<b>1,286.93</b>

**NOTE 18 - EQUITY SHARE CAPITAL**

(₹ in lakhs)

Particulars	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
<b>18.1 Authorised Share Capital</b>						
Ordinary Shares of ₹ 10/- each	42,000,000	4,200.00	42,000,000	4,200.00	42,000,000	4,200.00
Preference Shares of ₹ 100/- each	3,200,000	3,200.00	3,200,000	3,200.00	3,200,000	3,200.00
	<b>45,200,000</b>	<b>7,400.00</b>	<b>45,200,000</b>	<b>7,400.00</b>	<b>45,200,000</b>	<b>7,400.00</b>
<b>18.2 Issued Share Capital</b>						
Ordinary Shares of ₹ 10/- each	21,342,346	2,134.23	21,342,346	2,134.23	21,342,346	2,134.23
	<b>21,342,346</b>	<b>2,134.23</b>	<b>21,342,346</b>	<b>2,134.23</b>	<b>21,342,346</b>	<b>2,134.23</b>
<b>18.3 Subscribed and Paid-up Share Capital</b>						
Ordinary Shares of ₹ 10/- each fully paid-up	21,342,346	2,134.23	21,342,346	2,134.23	21,342,346	2,134.23
	<b>21,342,346</b>	<b>2,134.23</b>	<b>21,342,346</b>	<b>2,134.23</b>	<b>21,342,346</b>	<b>2,134.23</b>



## Notes to the Standalone Financial Statements for the year ended 31st March 2018 (Contd.)

### 18.4 Reconciliation of the number of shares at the beginning and at the end of the year

There has been no change/ movements in number of shares outstanding at the beginning and at the end of the year.

### 18.5 Terms/ Rights attached to Equity Shares :

The Company has only one class of Ordinary shares having a face value of ₹ 10 per share and each holder of Ordinary shares 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 Meetings. In case of liquidation the Ordinary Shareholders are eligible to receive remaining assets of the Company, after distribution of all the preferential amounts, in the proportion of their Shareholding.

### 18.6 Shareholding Pattern with respect of Holding or Ultimate Holding Company

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

### 18.7 Details of Ordinary Shareholders holding more than 5% shares in the Company

Name of Shareholder	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding
Kothari Phytochemicals & Industries Limited	5,501,078	25.78%	5,501,078	25.78%	5,501,078	25.78%
Kothari Investment & Industries Private Limited	2,253,748	10.56%	2,253,748	10.56%	2,253,748	10.56%
Vishnuhari Investments & Properties Limited	1,707,291	8.00%	1,707,291	8.00%	1,707,291	8.00%
M. D. Kothari & Company Limited	1,521,868	7.13%	1,521,868	7.13%	1,521,868	7.13%
Kothari & Co. Private Limited	1,426,199	6.68%	1,426,199	6.68%	1,426,199	6.68%
Commercial House Private Limited	1,368,212	6.41%	1,368,212	6.41%	1,368,212	6.41%
Life Insurance Corporation Of India	1,187,278	5.56%	1,187,278	5.56%	1,187,278	5.56%

18.8 No ordinary shares have been reserved for issue under options and contracts/ commitments for the sale of shares/ disinvestment as at the Balance Sheet date.

18.9 The Company has not allotted any ordinary shares against consideration other than cash nor has allotted any shares as fully paid up by way of bonus shares nor has bought back any shares during the period of five years immediately preceding the date at which the Balance Sheet is prepared.

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

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

### NOTE 19 - OTHER EQUITY

Particulars	(₹ in lakhs)		
	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Capital Reserve	3,407.53	3,407.53	3,407.53
Preference Share Redemption Reserve	262.47	262.47	262.47
General Reserve	9,860.07	9,860.07	9,860.07
Retained Earnings	11,551.97	12,771.96	14,074.98
Other Reserves	551.97	46.45	40.01
	<b>25,634.01</b>	<b>26,348.48</b>	<b>27,645.06</b>

### Description of the nature and purpose of each reserve within equity is as follows:-

- Capital Reserve – Reserve is created on business combination as per statutory requirement.
- Preference Share Redemption Reserve – Reserve is created for redemption of preference shares as per statutory requirement.
- General Reserve – General Reserve are free reserves of the company which are kept aside out of company's profits to meet the future requirements as and when they arise. The Company had transferred a portion of the Profit after Tax (PAT) to general reserve pursuant to the earlier provisions of Companies Act, 1956.
- Retained Earnings – Retained Earnings are the accumulated profits earned by the Company till date, less transfer to general reserves, dividend (including dividend distribution tax) and other distributions made to the shareholders.
- Other Reserve - Equity Instruments through Other Comprehensive Income – This represents the cumulative gains and losses arising on fair valuation of equity instruments measured at fair value through other comprehensive income under an irrevocable option.
- Other Reserve through Re-measurement of Defined Benefit Plans – The Company has recognised remeasurement gains/ (loss) on defined benefit plans in OCI. These changes are accumulated within the OCI reserve within other equity.



Notes to the Standalone Financial Statements for the year ended 31st March 2018 (Contd.)

NOTE 20 - BORROWINGS

(₹ in lakhs)

Particulars	Non-Current Portion			Current Maturities		
	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>Cumulative Redeemable Preference Shares (CRPS)</b> (Face Value of ₹ 100/- each)						
1,210,000 (P. Yr. 31st March 2017 - 1,210,000, 1st April 2016 - Nil) 7.75% CRPS	1,210.00	1,210.00	-	-	-	-
200,000 (P. Yr. 31st March 2017 - 200,000, 1st April 2016 - 200,000) 8% CRPS	200.00	200.00	200.00	-	-	-
	1,410.00	1,410.00	200.00	-	-	-
<b>Term Loans</b>						
<b>From Banks:</b>						
Rupee Loans	7,246.76	8,775.80	11,019.53	2,615.56	2,474.50	3,852.39
	7,246.76	8,775.80	11,019.53	2,615.56	2,474.50	3,852.39
<b>Fixed Deposits (From Public)</b>	1,825.80	1,672.50	1,276.72	798.10	726.90	324.42
<b>Others</b>	73.74	98.32	122.90	24.58	24.58	24.58
<b>Total</b>	10,556.30	11,956.62	12,619.15	3,438.24	3,225.98	4,201.39
Amount disclosed under the head "Other Financial Liability"				(3,438.24)	(3,225.98)	(4,201.39)
	<b>10,556.30</b>	<b>11,956.62</b>	<b>12,619.15</b>	-	-	-
<b>20.1 Break Up of Security Details</b>						
Secured	7,320.50	8,874.12	10,642.43	1,640.14	1,999.08	2,876.97
Unsecured	3,235.80	3,082.50	1,976.72	1,798.10	1,226.90	1,324.42
<b>Total</b>	<b>10,556.30</b>	<b>11,956.62</b>	<b>12,619.15</b>	<b>3,438.24</b>	<b>3,225.98</b>	<b>4,201.39</b>

20.2 Terms and Conditions of Long Term Borrowings :

	Particulars	Refer Note No.	Amount (₹ in lakhs)	Period of Maturity	Installments Due	Installment Value (₹ in lakhs)	Repayment Terms	Rate of Interest (P.A.)
<b>A</b>	<b>Cumulative Redeemable Preference Shares (CRPS)</b>							
i.	7.75% CRPS	20.1	1,210.00	Maximum 18 years from the date of allotment	One or More tranches	1,210.00	Redeemable at par, after sixty (60) months from the date of allotment	7.75%
ii.	8% CRPS	20.1	200.00	Maximum 15 years from the date of allotment	In bullet payment mode	200.00	at the discretion of the Board of Directors of the Company	8.00%



## Notes to the Standalone Financial Statements for the year ended 31st March 2018 (Contd.)

(₹ in lakhs)

	Particulars	Amount (₹ in lakhs)	Period of Maturity	Installments Due	Installment Value (₹ in lakhs)	Repayment Terms	Rate of Interest (P.A.)
<b>B</b>	<b>Term Loan - From Banks - in Indian Rupees</b>						
i	State Bank of India (TUF-III)	131.00	Mar-19	4	37.00/ quarter 20.00/ quarter	Jun'18 - Dec'18 Mar'19	MCLR+2.50%
ii	State Bank of India (TUF-IV)	395.19	Dec-18	3	196.00/quarter 174.23/quarter 24.96/quarter	Jun'18 Sept'18 Dec'18	MCLR+2.50%
iii	State Bank of India (Term Loan-III)	13.00	Mar-19	3	11.00/ quarter 1.00/ quarter	Jun'18 Sept'18 & Mar'19	MCLR+2.50%
iv	State Bank of India (Corporate Loan-I)	2,620.00	Mar-23	20	75.00/ quarter 100.00/ quarter 125.00/ quarter 175.00/ quarter 185.00/ quarter	Apr'18 - Mar'19 Apr'19 - Mar'20 Apr'20 - Mar'21 Apr'21 - Mar'22 Apr'22 - Mar'23	MCLR+1.20%
v	State Bank of India (Corporate Loan-II)	2,690.00	Mar-23	20	75.00/ quarter 100.00/ quarter 150.00/ quarter 175.00/ quarter 175.00/ quarter 165.00/ quarter	Apr'18 - Mar'19 Apr'19 - Mar'20 Apr'20 - Mar'21 Apr'21 - Mar'22 Apr'22 - Dec'22 Mar'23	MCLR+1.90%
vi	State Bank of India (Lease Rental Discounting Loan) (LRD)	288.59	Mar-20	24	Equated Monthly Installments (EMI)	Apr'18 - Mar'20	MCLR+1.70%
vii	State Bank of India (Corporate Loan-III)	2,700.00	Mar-23	20	75.00/ quarter 100.00/ quarter 150.00/ quarter 175.00/ quarter 175.00/ quarter 165.00/ quarter	Apr'18 - Mar'19 Apr'19 - Mar'20 Apr'20 - Mar'21 Apr'21 - Mar'22 Apr'22 - Dec'22 Mar'23	Base Rate+1.70%
viii	YES Bank Limited (Term Loan)	1,000.00	Dec-18	3	333.00 Monthly and Last installment 334.00	Oct'18-Dec'18	10.00%
ix	HDFC Bank Limited (Vehicle Loan)	84.63	Dec-19 Jan-20 Dec-19 Dec-19 Dec-19 Dec-19 Dec-19 Dec-19 Aug-20 Jul-20 Jun-20 May-20	21 22 21 21 21 21 21 21 29 28 27 26	EMI EMI EMI EMI EMI EMI EMI EMI EMI EMI EMI EMI	Apr'18-Dec'19 Apr'18-Jan'20 Apr'18-Dec'19 Apr'18-Dec'19 Apr'18-Dec'19 Apr'18-Dec'19 Apr'18-Dec'19 Apr'18-Dec'19 Apr'18-Aug'20 Apr'18-Jul'20 Apr'18-Jun'20 Apr'18-May'20	9.25% 9.25% 9.25% 9.25% 9.25% 9.25% 9.25% 9.25% 8.75% 8.75% 8.75% 8.75%
x	Unamortised Borrowing Cost on Term Loans	(60.09)					
	<b>Total of Term Loan from Banks</b>	<b>9,862.32</b>					



Notes to the Standalone Financial Statements for the year ended 31st March 2018 (Contd.)

Particulars	Amount (₹ in lakhs)	Period of Maturity	Installments Due	Installment Value (₹ in lakhs)	Repayment Terms	Rate of Interest (P.A.)
<b>C Fixed Deposits (From Public)</b>	<b>4,647.40</b>	One year to three years	Bullet payment on the maturity date	2018-19 - Rs 2,820.60 2019-20 - Rs 1,056.40 2020-21 - Rs 770.40	The fixed deposit includes fixed and cumulative deposits both	9.75% - 10.25%
<b>D Term Loan - From Others - In Indian Rupees</b>						
Tea Board of India (Special Purpose Tea Fund Scheme)	<b>98.32</b>	Mar-22	8	12.29/ half yearly	Apr'18-Jan'22	8.91%

20.3 Details of Security Given for Loan

- The Term Loan from State Bank of India (SBI), Corporate Loan from State Bank of India (SBI) and Letter of Credit facility from SBI for purchase of capital goods are secured/to be secured by first charge by way of Equitable Mortgage by deposit of title deeds of the Company's immovable properties situated at (a) Akbarpur, Punjab, (b) Champdani, West Bengal, (c) Gillander House, West Bengal and also secured by way of 1st charge on entire Property, Plant and Equipments, both present and future of the Company except those pertaining to the Tea Division but subject to prior charge(s) created/to be created on current assets (except Tea Division) in favour of Company's bankers for securing working capital facilities availed from time to time in the ordinary course of business. The mortgage and charge shall rank pari passu with the mortgage and charges created/ to be created in favour of SBI . The term loans, Corporate Loans and letter of credit for Capital Goods are also secured by guarantee of a Director.
- Lease Rental Discounting (LRD) Term Loan from SBI is secured by assignment/ hypothecation of current and future lease proceeds, rental receivables and other fees from certain chargeable area of Gillander House and are also secured/to be secured by 1st charge on entire Property, Plant and Equipments, both present and future of the Company except those pertaining to the Tea Division but subject to prior charge(s) created/to be created on current assets (except Tea Division) in favour of Company's bankers. The mortgage and charge shall rank pari passu with the mortgage and charges created/ to be created in favour of SBI. The term loan is also secured by guarantee of a Director.
- Term Loan from Yes Bank Limited is guaranteed by a Director.
- The Term Loan from HDFC Bank Ltd., are secured by hypothecation of the related vehicles purchased.
- The Term Loan from Tea Board of India under Special Purpose Tea Fund Scheme (SPTF) is secured by second charge by way of equitable mortgage on Immovable properties situated at the Tea estates and also further secured /to be secured by second charge by way of hypothecation of tea crop of the estates.

NOTE 21 - OTHER FINANCIAL LIABILITIES

(₹ in lakhs)

Particulars	Refer Note No.	Non-Current			Current			
		As at 31st March 2018	As at 31st March 2017	As at 1st April 2016	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016	
Current maturities of Long Term Debt	<b>20</b>	-	-	-	3,438.24	3,225.98	4,201.39	
Trade and Security Deposits (Unsecured)		928.61	1,567.40	1,598.55	967.04	581.44	603.49	
Interest accrued but not due on Borrowings		159.69	73.60	78.76	150.17	160.11	159.99	
Unpaid and unclaimed dividends		-	-	-	28.92	48.34	50.43	
Employees related Liabilities		-	-	-	1,740.56	1,496.86	1,506.90	
Amount payable for Capital Goods		-	-	-	220.49	158.26	37.03	
Unpaid matured deposits and interest accrued thereon		-	-	-	4.30	6.02	12.70	
Other Payables		-	-	-	289.58	567.14	410.86	
			<b>1,088.30</b>	<b>1,641.00</b>	<b>1,677.31</b>	<b>6,839.30</b>	<b>6,244.15</b>	<b>6,982.79</b>



### Notes to the Standalone Financial Statements for the year ended 31st March 2018 (Contd.)

#### NOTE 22 - PROVISIONS

Particulars	Refer Note No.	Non-Current			Current		
		As at 31st March 2018	As at 31st March 2017	As at 1st April 2016	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Provision for Employee Benefits		145.23	-	-	2,410.24	2,266.27	2,746.53
		145.23	-	-	2,410.24	2,266.27	2,746.53

#### NOTE 23 - DEFERRED TAX LIABILITIES (NET)

(₹ in lakhs)

Particulars	Refer Note No.	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>Deferred Tax Liabilities</b>				
Arising on account of :				
Property, Plant and Equipments and Intangible Assets		3,868.63	3,603.75	3,229.87
<b>Sub-total</b>		<b>3,868.63</b>	<b>3,603.75</b>	<b>3,229.87</b>
<b>Less: Deferred Tax Assets</b>				
Arising on account of :				
Allowance for Doubtful Debts		1,911.34	2,265.17	2,283.31
Section 43B of Income-tax Act, 1961		1,068.14	1,015.35	714.25
Unabsorbed Depreciation/ Carried Forward Business Losses	23.1	755.51	189.59	98.67
Others		133.64	133.64	133.64
<b>Sub-total</b>		<b>3,868.63</b>	<b>3,603.75</b>	<b>3,229.87</b>
<b>Deferred Tax Liabilities (Net)</b>		<b>-</b>	<b>-</b>	<b>-</b>

23.1 The recognition of deferred tax asset on unabsorbed depreciation/business losses has been restricted to the extent of deferred tax liability on account of timing difference in respect of depreciation, the reversal of which is reasonably certain.



**Notes to the Standalone Financial Statements for the year ended 31st March 2018 (Contd.)**

**23.2 Movement in deferred tax asset and deferred tax liabilities during the year ended 31st March, 2017 and 31st March, 2018**

Particulars	As at 31st March, 2017	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	As at 31st March, 2018
<b>Deferred Income Tax Liabilities</b>				
Property, Plant and Equipments and Intangible Assets	3,603.75	264.88	-	3,868.63
<b>Total</b>	<b>3,603.75</b>	<b>264.88</b>	-	<b>3,868.63</b>
<b>Deferred Income Tax Assets</b>				
Allowance for Doubtful Debts	2,265.17	(353.83)	-	1,911.34
Items u/s 43B of the Income Tax Act, 1961	1,015.35	(30.02)	82.81	1,068.14
Unabsorbed Depreciation/ Carried Forward Business Losses	189.59	565.92	-	755.51
Others	133.64	-	-	133.64
<b>Total</b>	<b>3,603.75</b>	<b>182.07</b>	<b>82.81</b>	<b>3,868.63</b>
<b>Deferred Income Tax Liabilities</b>				
Property, Plant and Equipments & Intangible Assets	3,229.87	373.88	-	3,603.75
<b>Total</b>	<b>3,229.87</b>	<b>373.88</b>	-	<b>3,603.75</b>
<b>Deferred Income Tax Assets</b>				
Allowance for Doubtful Debts	2,283.31	(18.14)	-	2,265.17
Items u/s 43B of the Income Tax Act, 1961	714.25	332.23	(31.13)	1,015.35
Unabsorbed Depreciation/ Carried Forward Business Losses	98.67	90.92	-	189.59
Others	133.64	-	-	133.64
<b>Total</b>	<b>3,229.87</b>	<b>405.01</b>	<b>(31.13)</b>	<b>3,603.75</b>

23.3 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.

**NOTE 24 - OTHER LIABILITIES**

(₹ in lakhs)

Particulars	Non-Current			Current		
	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Job Advance	61.21	72.94	688.98	503.64	655.95	635.74
Advances Received from Customers	-	-	-	199.86	96.93	151.28
Statutory Dues	-	-	-	706.58	406.25	291.19
<b>Total</b>	<b>61.21</b>	<b>72.94</b>	<b>688.98</b>	<b>1,410.08</b>	<b>1,159.13</b>	<b>1,078.21</b>



## Notes to the Standalone Financial Statements for the year ended 31st March 2018 (Contd.)

### NOTE 25 - SHORT TERM BORROWINGS

(₹ in lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>Loans Repayable on Demand</b>			
Working Capital Facilities from Banks			
- United Bank of India	198.46	982.64	2,105.16
- Other Banks	7,173.48	5,463.07	6,625.44
<b>Short Term Loan</b>			
From Banks	5,500.00	6,500.00	4,000.00
From Other Bodies Corporates	4,975.00	5,510.00	6,150.00
From Related Parties	225.00	165.00	50.00
Fixed Deposits (From Public)	2,023.50	1,861.72	2,342.56
	20,095.44	20,482.43	21,273.16
<b>The above amount includes</b>			
Secured Borrowings	7,371.94	6,445.71	8,730.60
Unsecured Borrowings	12,723.50	14,036.72	12,542.56
	20,095.44	20,482.43	21,273.16

#### 25.1 Details of Security Given for Loan

- a. The working capital facilities from United Bank of India are secured/ to be secured by hypothecation of Tea Crop, Made Tea, Book Debts and all other Current Assets of the Tea Estates and are further secured/to be secured by way of Equitable Mortgage on immovable properties situated at the Tea Estates.
- b. Working Capital Facilities from Banks, (except those availed by Tea Division of the Company from United Bank of India) are secured/ to be secured by hypothecation of Company's (other than Tea Division) entire current assets, both present and future, ranking pari passu inter-se, and guaranteed by a Director and are further secured/ to be secured by way of second charge on the property, plant and equipments of the Company (other than Tea Division) ranking pari passu inter-se.

#### 25.2 Details of Interest Rates on Short Term Borrowings

- a. The Working Capital Facilities having interest rate varying between 10.15% p.a. - 11.25% p.a. are repayable on demand.
- b. Short term loans from HDFC Bank Ltd. ₹ 5,500.00 Lakhs having interest rate of ranging from 9.30% to 9.45% p.a. is repayable by June 2018 and that from Body Corporates having interest varying between 11.00% to 12.50% p.a.
- c. Fixed Deposit from Public is having interest rate varying between 9.75% p.a. to 10.25% p.a.

### NOTE 26 - TRADE PAYABLES

(₹ in lakhs)

Particulars	Refer Note No.	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>Trade Payables for goods and services</b>				
-Total outstanding dues of Micro, Small and Medium Enterprises	43	54.27	-	-
-Others		12,927.06	11,272.41	11,103.63
<b>Total</b>		12,981.33	11,272.41	11,103.63



## Notes to the Standalone Financial Statements for the year ended 31st March 2018 (Contd.)

## NOTE 27 - REVENUE FROM OPERATIONS

(₹ in lakhs)

Particulars	Refer Note No.	For the year ended 31st March 2018	For the year ended 31st March 2017
Sale of Products		55,005.70	56,089.99
Income from Construction Contracts		5,557.29	6,705.55
Rental Income		603.03	591.80
		<b>61,166.02</b>	<b>63,387.34</b>
Other Operating Revenues			
Incentives and Subsidies		432.09	640.50
Service Charges from Tenants		143.28	134.18
Sale of Waste		847.27	685.77
Sale of Scrap		84.41	93.49
Insurance and Other Claims (Net)		5.89	124.71
		<b>1,512.94</b>	<b>1,678.65</b>
<b>Total</b>		<b>62,678.96</b>	<b>65,065.99</b>

## NOTE 28 - OTHER INCOME

(₹ in lakhs)

Particulars	Refer Note No.	For the year ended 31st March 2018	For the year ended 31st March 2017
<b>Interest Income</b>			
On Bank Deposits and other deposits		284.41	248.80
<b>Net Gain/ (Loss) on sale of Investments at FVTPL</b>			
On Non-Current investments		0.01	-
Gain/ (Loss) on restatement of Investments at FVTPL		3.16	6.39
<b>Other Non Operating Income</b>			
Profit on sale of Property, Plant and Equipments (Net)		94.15	435.52
Change in fair valuation of biological assets		3.07	(2.47)
Liabilities no longer required written back		191.98	15.14
Allowances for doubtful debts and advances no longer required written back (Net of Rs 885.52 Lakhs (PY - nil) charged as Contractual Obligation)		166.26	23.11
Foreign Exchange Fluctuation (Net)		178.11	264.61
Insurance Claims on Others (Net)		20.28	16.91
Sundry Receipts and Claims		527.26	293.38
<b>Total</b>		<b>1,468.69</b>	<b>1,301.39</b>

## NOTE 29 - COST OF MATERIALS CONSUMED

(₹ in lakhs)

Particulars	Refer Note No.	For the year ended 31st March 2018	For the year ended 31st March 2017
Opening Stock of Raw Material		3,738.07	3,184.18
Add: Purchases		22,290.02	23,618.75
Less Closing Stock		(3,284.89)	(3,738.07)
<b>Total</b>		<b>22,743.20</b>	<b>23,064.86</b>



## Notes to the Standalone Financial Statements for the year ended 31st March 2018 (Contd.)

### NOTE 30 - PURCHASE OF TRADED GOODS

(₹ in lakhs)

Particulars	Refer Note No.	For the year ended 31st March 2018	For the year ended 31st March 2017
Purchase of Traded Goods		5,103.29	5,423.38
<b>Total</b>		<b>5,103.29</b>	<b>5,423.38</b>

### NOTE 31 - (INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS

(₹ in lakhs)

Particulars	Refer Note No.	For the year ended 31st March 2018	For the year ended 31st March 2017
<b>Inventories at the beginning of the year</b>			
Finished Goods		7,088.12	6,815.81
Boughtout Goods		132.48	587.76
Stock-In-Progress		1,157.95	1,056.60
Scrap and Waste		16.02	16.88
		8,394.57	8,477.05
<b>Inventories at the end of the year</b>			
Finished Goods		7,765.70	7,088.12
Boughtout Goods		107.74	132.48
Stock-In-Progress		1,350.91	1,157.95
Scrap and Waste		162.34	16.02
		9,386.69	8,394.57
<b>Total changes in inventories of Finished Goods, work-in-progress, and Traded Goods</b>		<b>(992.12)</b>	<b>82.48</b>

### NOTE 32 - EMPLOYEE BENEFITS EXPENSE

(₹ in lakhs)

Particulars	Refer Note No.	For the year ended 31st March 2018	For the year ended 31st March 2017
Salaries and Wages		11,407.61	11,131.27
Contribution to Provident and Other Funds		1,467.54	1,136.37
Staff Welfare Expenses		1,095.52	1,169.79
		<b>13,970.67</b>	<b>13,437.43</b>

### NOTE 33 - FINANCE COSTS

(₹ in lakhs)

Particulars	Refer Note No.	For the year ended 31st March 2018	For the year ended 31st March 2017
Interest Expense (Net of Incentive Income)		3,855.62	4,290.16
Interest on Fixed Deposits (From Public)		496.34	419.15
Dividend on Redeemable Preference Shares		109.78	50.43
Other Financial Charges		30.94	34.91
		<b>4,492.68</b>	<b>4,794.65</b>

**Notes to the Standalone Financial Statements for the year ended 31st March 2018 (Contd.)****NOTE 34 - DEPRECIATION AND AMORTIZATION EXPENSES**

(₹ in lakhs)

Particulars	Refer Note No.	For the year ended 31st March 2018	For the year ended 31st March 2017
On Property, Plant and Equipment	34.1	1,605.42	1,900.17
On Intangible Assets		10.35	9.81
		<b>1,615.77</b>	<b>1,909.98</b>

**34.1** The Company was following two methods of depreciation on Property, Plant and Equipment (PPE) i.e. written down value method and Straight Line method. In order to adopt a consistent estimates of depreciation, the company has opted to bring all the PPE under Straight line method w.e.f 01.04.2017. The impact of the said change during the year ended March 2018 is ₹ 227.50 Lakhs .

(₹ in lakhs)

**NOTE 35 - OTHER EXPENSES**

Particulars	Refer Note No.	For the year ended 31st March 2018	For the year ended 31st March 2017
<b>Manufacturing Expenses</b>			
Stores, Spare Parts and Packing Materials Consumed		2,964.42	3,253.95
Power and Fuel		6,184.44	5,631.52
Cess		88.84	135.43
Excise Duty		-	31.78
Repairs to Buildings		307.94	271.83
Repairs to Machinery		1,147.72	1,228.54
Repairs to Other Assets		121.16	123.02
Jobs on Contract		2,101.38	4,780.15
Jobs Outsourcing		298.36	409.26
Machinery Hire Charges		42.38	504.79
Increase/(Decrease) in Excise Duty and Cess on Finished Goods		-	(10.12)
Other Manufacturing Expenses		111.38	95.13
		<b>13,368.02</b>	<b>16,455.28</b>
<b>Selling and Administration Expenses</b>			
Brokerage and Commission on Sales		199.41	206.91
Freight, Shipping, Delivery and Selling Expenses		1,222.27	1,403.40
Brokerage and Discount on Sales		289.26	403.34
Travelling and Conveyance		705.30	806.06
Rent		62.10	117.46
Rates and Taxes		383.90	297.36
Insurance		222.16	239.55
Bad debts written off		177.38	118.06
Corporate Social Responsibility Expenses	<b>45</b>	-	14.65
Auditors' Remuneration	<b>35.1</b>	43.69	41.69
Directors' Sitting Fees		8.52	8.15
Consultation and Advisory Charges		225.47	225.89
Other Expenses		1,227.38	866.54
		<b>4,766.84</b>	<b>4,749.06</b>
		<b>18,134.86</b>	<b>21,204.34</b>



## Notes to the Standalone Financial Statements for the year ended 31st March 2018 (Contd.)

### 35.1 Auditors' Remuneration

(₹ in lakhs)

Particulars	Refer Note No.	For the year ended 31st March 2018	For the year ended 31st March 2017
<b>a</b> Statutory Auditors			
Audit Fees		17.40	16.00
Other Services		16.80	16.55
Reimbursement of Expenses		0.14	0.40
		34.34	32.95
<b>b</b> Branch Auditors			
Audit Fees		5.50	4.95
Tax Audit Fees		2.50	1.50
Other Services		0.90	1.73
Reimbursement of Expenses		0.45	0.56
		9.35	8.74
<b>Total</b>		<b>43.69</b>	<b>41.69</b>

### NOTE 36 - EXCEPTIONAL ITEM

(₹ in lakhs)

Particulars	Refer Note No.	For the year ended 31st March 2018	For the year ended 31st March 2017
Profit on Sale of Land and Building	<b>36.1</b>	-	1,573.38
Profit on Sale of Shares of Waldies Compound Limited (Formerly Barfani Builder Limited)	<b>36.2</b>	-	633.39
<b>Total</b>			<b>2,206.77</b>

**36.1** During the previous year, the Company has completed the sale of Land and Building structure of the fabrication factory of its Engineering (MICCO) Division located at Sodepur, West Bengal earning profit of ₹ 1,573.38 lakhs.

**36.2** During the previous year, the Company has sold and transferred its entire shareholding of 1,47,29,995 numbers of fully paid equity shares of ₹ 10 each, held in Waldies Compound Limited (formerly Barfani Builder Limited) for a total consideration of ₹ 2,106.29 lakhs earning profit of ₹ 633.39 lakhs.

### NOTE 37 - TAX EXPENSE

(₹ in lakhs)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Current Tax for the year	60.00	80.00
Less : Provision for Earlier year written back	-	30.00
Current Tax	60.00	50.00
Deferred Tax	82.81	(31.13)
<b>Total</b>	<b>142.81</b>	<b>18.87</b>

**Notes to the Standalone Financial Statements for the year ended 31st March 2018 (Contd.)****37.1 Reconciliation of estimated Income tax expense at Indian statutory Income tax rate to income tax expense reported in statement of Total Comprehensive Income**

Particulars	(₹ in lakhs)	
	2017-18	2016-17
Profit from before income tax expense	(920.70)	(1,342.97)
Indian Statutory Income Tax rate*	30.90%	30.90%
Estimated Income Tax Expense	(284.50)	(414.98)
<i>Tax effect of adjustments to reconcile expected Income tax expense to reported Income tax expense</i>		
a) Expenses that are not deductible in determining taxable profit	16.61	11.62
b) Additional deduction under Income-Tax Act, 1961	(83.33)	(185.03)
c) Income that is exempt from taxation	(19.91)	(12.75)
d) Adjustment in respect of tax rates #	1.01	2.00
e) Unrecognised deferred tax assets on tax losses for the year / period	291.03	193.40
Others	221.90	424.61
	427.31	433.85
<b>Income tax expense in Statement of Profit and Loss</b>	<b>142.81</b>	<b>18.87</b>

\* Applicable Indian Statutory Income Tax rate for Fiscal Year 2018 and 2017 is 30.9%. However, Company is required to pay tax u/s 115JB of Income Tax Act, 1961.

# The company's agricultural income is subject to lower tax rates @ 30% under respective state tax laws.

**NOTE 38 - OTHER COMPREHENSIVE INCOME**

Particulars	(₹ in lakhs)	
	For the year ended 31st March 2018	For the year ended 31st March 2017
<b>Items that will not be reclassified to profit or loss</b>		
Remeasurement of the defined benefit plans	(239.29)	89.95
Less: Tax expense on the above	(82.81)	31.13
	<b>(156.48)</b>	<b>58.82</b>
Equity Instruments through Other Comprehensive Income	505.52	6.44
Less: Tax expense on the above	-	-
	<b>505.52</b>	<b>6.44</b>
<b>Total</b>	<b>349.04</b>	<b>65.26</b>

**NOTE 39 - Contingent Liabilities:****a) Claims/Disputes/Demands not acknowledged as debts -**

(₹ in lakhs)

Sl. No.	Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
a	Sales Tax	2,100.38	1,878.67	1,118.31
b	Cess on Jute bags/Jute Twine	7.32	7.32	7.32
c	Cess and Excise on Captive Consumption	11.33	11.33	11.33
d	Excise Duty	35.46	56.87	114.22
e	Service Tax	424.83	424.83	442.58
f	Income Tax	106.02	106.02	106.02
g	Voltage Surcharge on Electricity consumed	164.60	159.32	159.32

Note:- In respect of above, future cash flows are determinable only on receipt of judgements pending at various forums/authorities which in the opinion of the Company is not tenable and there is no possibility of any reimbursement in case of above.



## Notes to the Standalone Financial Statements for the year ended 31st March 2018 (Contd.)

- b) The Company has given counter guarantee to a bank for the issue of stand by letter of credit against loan availed by its Wholly Owned Subsidiary from a bank:

(₹ in lakhs)

Sl. No.	Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
a	Amount of Guarantee given as on 31st March USD 11.05 million (Previous Year 31st March 2017 USD 13.00 million , 1st April, 2016 USD 13.00 million)	7,187.37	8,429.02	8,623.28
b	Amount outstanding as on 31st March USD 10.59 million (Previous Year 31st March 2017 USD 12.28 million, 1st April 2016 USD 12.45 million)	6,886.54	7,960.05	8,259.58

### NOTE 40 Commitments

a)	Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of Advance of Rs 28.15 lakhs (FY 16-17 - Rs 101.50 lakhs. FY 15-16 - Rs 105.84 lakhs)	136.31	167.76	206.65
b)	For Lease commitments, refer Note 41			
c)	For derivatives contract refer Note 52 (C) (b)			
d)	Deposits with Bank committed to continue till the tenure of stand by letter of credit.	1484.18	1930.45	1,811.64

### NOTE 41 - Operating leases

#### 41.1 As Lessee

The company has taken various Plant and Machinery for its Engineering (MICCO) Division under cancellable operating lease. Lease range for the period between 3 to 8 months. During the year, the company has charged related lease rental of ₹ 41.66 lakhs ( Previous Year ₹ 503.81 lakhs ) in the Statement of Profit and Loss under the head Machinery Hire Charges (Refer Note 35).

The company has certain operating leases for premises (residential, offices and godowns) which are not non- cancellable range between 3 months to 5 years generally and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged in the Statement of Profit and Loss under the head Rent (Refer Note 35).

#### i) Future Minimum Lease Payments

At 31st March, the future minimum lease payments to be made under non-cancellable operating leases are as follows:

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Payables within one year	13.76	13.76	-
Payables later than one year but not later than five years	55.03	55.03	-
Payables later than five years	-	13.76	-

#### ii) Amounts recognized in Profit or Loss

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Total rental expense relating to operating leases	62.10	117.46

#### 41.2 As Lessor

The company has given office premises under cancellable operating leases. The leasing arrangements range between 3 years and 15 years generally or longer and are usually renewable by mutual consent on mutually agreeable terms. Initial direct costs for such leases are borne by the company and charged off to revenue. Lease rentals are recognised as income for Rs 603.03 lakhs during the year ( P.Y. Rs 591.80 lakhs). The gross value and accumulated depreciation of such asset as at 31st March, 2018 was Rs 15.62 lakhs ( P.Y. Rs 14.40 lakhs) and Rs 1.51 lakhs ( P.Y. Rs 0.71 lakhs) respectively.

**NOTE 42** - Revenue expenditure on Research and Development of ₹ 21.33 lakhs (P.Y. ₹ 17.41 lakhs) represents subscription to Tea Research Association.

**Notes to the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2018 (Contd.)****NOTE 43 - Disclosure pursuant to MSMED Act****(₹ in lakhs)**

Particulars	As at 31st March 2018	As at 31st March 2017
i) Principal Amount remaining unpaid to any suppliers under MSMED Act	54.27	-
ii) Interest due thereon remaining unpaid to any suppliers on above	-	-
iii) Any Payment made to suppliers beyond appointed date (under Section 16 of the Act)	-	-
iv) Interest due and payable to suppliers under MSMED Act	-	-
v) Interest Accrued & remaining unpaid	-	-
vi) Interest remaining due & payable as per section 23 of the Act	-	-
<b>Total</b>	<b>54.27</b>	<b>-</b>

The Company has compiled this information based on intimation received from the suppliers of their status as Micro or Small Enterprises and/or its registration with appropriate authority under the Micro, Small and Medium Enterprises Act, 2006 ("MSMED Act").

**NOTE 44 - Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits' as notified u/s 133 of the Companies Act, 2013****44.1 Defined Contribution Plan:**

The Company makes a contribution for Provident Fund towards defined contribution plans for eligible employees. The amount recognized as an expense for the Defined Contribution Plans are as under:

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Provident Fund	879.00	854.83
Employee State Insurance Scheme	149.98	137.09

**44.2 Defined Benefit Plan:**

The following are the types of defined benefit plans

**a Gratuity Plan**

Every employee who has completed five years or more of service is entitled to gratuity on terms not less favourable than the provisions of the Payment of Gratuity Act, 1972. 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.

**b Provident Fund**

Provident Fund (other than government administered) as per the provisions of the Employees Provident Funds and Miscellaneous Provisions Act, 1952. In respect of certain employees, Provident Fund contribution is made to Trust Funds administered by the Company towards defined benefit plans. The Company shall make good for deficiency, if any, in the interest rate declared by the trust vis-à-vis statutory rate. Based on the Guidance Note on measurement of Provident Fund liabilities from The Actuarial Society the actuary has provided the valuation of interest guaranteed on Provident Fund. Accordingly, there is no shortfall of interest required to be provided for as at 31st March, 2018 as well as in the previous year.

**c Risk Exposure**

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

<b>ASSET VOLATILITY</b>	The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, will create a deficit. Most of the plan asset investments is in fixed income securities with high grades and in government securities. These are subject to interest rate risk and the fund manages interest rate risk with derivatives to minimise risk to an acceptable level. A portion of the funds are invested in equity securities and in alternative investments which have low correlation with equity securities. The equity securities are expected to earn a return in excess of the discount rate and contribute to the plan deficit. The group has a risk management strategy where the aggregate amount of risk exposure on a portfolio level is maintained at a fixed range. Any deviations from the range are corrected by rebalancing the portfolio. The group intends to maintain the above investment mix in the continuing years.
<b>CHANGES IN BOND YIELDS</b>	A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.
<b>INFLATION RISKS</b>	In the pension plans, the pensions in payment are not linked to inflation, so this is a less material risk.
<b>LIFE EXPECTANCY</b>	The pension and medical plan obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.



## Notes to the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2018 (Contd.)

### d 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	
	2017-18	2016-17
Balance at the beginning of the year	2,264.38	2,591.69
Current Service Cost	145.06	138.22
Interest Cost on Defined Benefit Obligation	161.11	173.40
Past Service Cost	38.31	-
Actuarial Gain and Losses arising from		
Changes in demographic assumptions	-	-
Changes in financial assumptions	(35.84)	71.90
Experience Adjustment	269.42	(151.51)
Benefits Paid from the Plan Assets	(343.98)	(559.32)
Balance at the end of the year	2,498.46	2,264.38

(₹ in lakhs)

### e 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	
	2017-18	2016-17
Balance at the beginning of the year	262.96	29.80
Interest Income on Plan Assets	20.24	2.24
Remeasurement of Defined Benefit Obligation:		
Return on plan assets greater/ (lesser) than discount rate	(5.71)	10.34
Employer Contributions to the Plan	203.75	779.90
Benefits Paid from the Plan Assets	(343.98)	(559.32)
Balance at the end of the year	137.26	262.96

### f Expenses recognized in Statement of profit and loss

Particulars	Gratuity	
	2017-18	2016-17
Current Service Cost	145.06	138.22
Past Service Cost	38.31	-
Interest Cost	161.11	173.40
Interest Income on Plan Assets	(20.24)	(2.24)
Total	324.24	309.38

### g Remeasurements recognized in other comprehensive income

Particulars	Gratuity	
	2017-18	2016-17
Actuarial (Gain)/ Loss on defined benefit obligation	233.58	(79.61)
Return on plan assets greater/ (lesser) than discount rate	5.71	(10.34)
Total	239.29	(89.95)

### h Major Categories of Plan Assets

Particulars	Gratuity	
	2017-18	2016-17
Insurer Managed Fund	100%	100%

The Employee's Gratuity Fund Scheme, a defined benefit plan, is administered by Life Insurance Corporation of India (LIC) and SBI Life Insurance Company Ltd. (SBI Life). LIC or SBI Life make payments to vested employees or their nominees upon retirement, death, incapacitation or cessation of employment of an amount based on the respective employee's salary and tenure of employment subject to a maximum limit as prescribed.

### i Asset-Liability Matching Strategy

The money contributed by the Company to the Gratuity Fund to finance the liabilities of the plan has to be invested.

**Notes to the Standalone Financial Statements for the year ended 31st March 2018 (Contd.)**

The Employee's Gratuity Fund Scheme, a defined benefit plan, is administered by the Life Insurance Corporation of India (LIC) and SBI Life Insurance Company Ltd (SBI Life). The Insurance Company in turn manages the funds as per the mandate provided to them by the Trustees. Due to the restrictions in the type of investments that can be held by the fund, it is not possible to explicitly follow an asset liability matching strategy.

There is no compulsion on the part of the Company to fully prefund the liability of the Plan. The Company's philosophy is to fund these benefits based on its own liquidity and the level of under funding of the plan.

**j Actuarial Assumptions**

(₹ in lakhs)

Particulars	Gratuity	
	2017-18	2016-17
<b>Financial Assumptions</b>		
Discount Rate	7.70%	7.50%
Salary Escalation Rate	3.00%	3.00%
<b>Demographic Assumptions</b>		
Mortality Rate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Withdrawal Rate	3.00%	3.00%

k 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.

l At 31st March 2018, the weighted average duration of the defined benefit obligation was 6 years (P.Y - 6 years). The distribution of the timing of benefits payment i.e., the maturity analysis of the benefit payments is as follows:

(₹ in lakhs)

Expected benefits payment for the year ending on	Gratuity
31st March 2019	646.37
31st March 2020	190.46
31st March 2021	187.18
31st March 2022	188.01
31st March 2023 to 31st March 2027	214.96
31st March 2024 to 31st March 2028	938.51

m The Company expects to contribute ₹ 255 lakhs (previous year ₹ 451.72 lakhs) to its gratuity liability.

**n 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:

(₹ in lakhs)

Particulars	Gratuity	
	2017-18	2016-17
Effect on DBO due to 0.5% increase in Discount Rate	2,413.36	2,181.57
Effect on DBO due to 0.5% decrease in Discount Rate	(2,590.13)	(2,353.55)
Effect on DBO due to 0.5% increase in Salary Escalation Rate	2,592.75	2,355.22
Effect on DBO due to 0.5% decrease in Salary Escalation Rate	(2,410.32)	(2,179.51)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

**NOTE 45** - In accordance with the Guidance Note on Accounting for Expenditure on Corporate Social Responsibility Activities, the requisite disclosure is as follows:

Particulars	2017-18	2016-17
Gross Amount Required to be spent by the company during the year	-	-
Related Party transactions as per Ind AS 24 in relation to CSR Expenditure	-	-
Provision made in relation to CSR expenditure	-	14.65



## Notes to the Standalone Financial Statements for the year ended 31st March 2018 (Contd.)

**NOTE 46** - Balances of some of the Trade Receivables, Other Assets, Trade and Other Payables are subject to confirmation/reconciliation and consequential adjustment, if any. Reconciliations are carried out on on-going basis. Provisions, wherever considered necessary, have been made. However, management does not expect to have any material financial impact of such pending confirmation/reconciliation.

### NOTE 47 - Related Party Disclosures

**47.1** 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 2018	31st March 2017	1st April 2016
i	<b>Direct Subsidiaries:</b>				
	a) Gillanders Holdings (Mauritius) Limited, (GHML)	Mauritius	100.00%	100.00%	100.00%
	b) Waldies Compound Limited (WCL) (Formerly Barfani Builders Limited) (Upto 09.03.2017)	India	-	-	99.99%
ii	<b>Indirect Subsidiaries:</b>				
	c) Group Developments Limited (GDL) (Wholly Owned Subsidiary (WOS) of GHML)	Malawi	100.00%	100.00%	100.00%
	d) Naming'omba Tea Estates Limited (NTEL) (WOS of GDL)	Malawi	100.00%	100.00%	100.00%
	e) Mafisi Tea Estates Limited (MTEL) (WOS of GDL)	Malawi	100.00%	100.00%	100.00%
	f) Group Holdings Limited (GHL) (WOS of GDL)	Malawi	100.00%	100.00%	100.00%

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

Nature	Name of the Company
Name of the Company in which Directors/ Key Managerial Personnel and their relatives have significant influence	i) M. D. Kothari & Company Limited (MDKCL)
	ii) Bharat Fritz Werner Limited (BFW)
	iii) Kothari & Co Private Limited (KCPL)
	iv) Kothari Investment & Industries Private Limited (KIPL)
	v) Commercial House Private Limited (CHPL)
	vi) Vishnuhari Investment & Properties Limited (VIPL)
	vii) Kothari Medical Centre (KMC)
	ix) Kothari Phytochemicals & Industries Limited (KPIL)
	x) Albert David Limited (ADL)
	xi) Kothari & Company (KCO)
	xii) Kothari Capital & Securities Private Limited (KCSPL)

Nature	Name	Designation
Key Management Personnel	Mr. Arun Kumar Kothari (AKK)	Non-Executive Promoter Chairman
	MRS. Prabhawati Devi Kothari (PDK)	Non-Executive Promoter Director
	Mr. Dev Kishan Sharda (DKS)	Managing Director & CEO (till 31st March 2018)
	Dr. Hari Prasad Kanoria (HPK)	Independent Director
	Mr. Harishchandra Maneklal Parekh (HMP)	Independent Director
	Mr Naresh Pachisia (NP)	Independent Director
	Mr. Arvind Baheti (AB)	Independent Director



## Notes to the Standalone Financial Statements for the year ended 31st March 2018 (Contd.)

## 47.3 Transactions during the year

(₹ in lakhs)

Particulars	2017-18		2016-17	
	Direct Subsidiaries	Companies in which Directors / KMP are interested	Direct Subsidiaries	Companies in which KMP are interested
Rent Paid				
-KCPL	-	-	-	1.15
-KIPL	-	-	-	2.25
Rent Received				
-BFW	-	2.65	-	2.30
-KCO	-	0.51	-	0.44
-KPIL	-	0.86	-	0.75
-KMC	-	0.53	-	0.44
-ADL	-	30.29	-	-
-WCL	-	-	-	0.09
Guarantee Commission Received				
-GHML	0.93	-	2.11	-
Guarantee Commission Paid				
-MDKCL	-	4.30	-	4.30
-CHPL	-	0.33	-	0.69
Sale of PPE				
-ADL	-	50.72	-	-
Unsecured Loan Taken				
-KCPL	-	-	-	170.00
-VIPL	-	-	-	130.00
-AKK	-	-	-	100.00
-PDK	-	35.00	-	65.00
-KCSPL	-	125.00	-	-
-CHPL	-	100.00	-	-
Unsecured Loan Repaid				
-KCPL	-	-	-	170.00
-VIPL	-	-	-	180.00
-AKK	-	-	-	-
-PDK	-	100.00	-	-
-KCSPL	-	100.00	-	-
-CHPL	-	-	-	-
Interest on Loan Taken				
-KCPL	-	-	-	1.92
-VIPL	-	-	-	10.20
-AKK	-	12.50	-	13.00
-PDK	-	10.72	-	26.47
-KCSPL	-	6.71	-	18.81
-CHPL	-	10.68	-	-
Equity Contribution/ Investment				
-GHML	263.52	-	-	-
-WCL	-	-	1,468.00	-
Sale of Investment in Equity				
-WCL	-	-	1,473.00	-



## Notes to the Standalone Financial Statements for the year ended 31st March 2018 (Contd.)

### 47.4 Key Management Personnel compensation

(₹ in lakhs)

Particulars	2017-18	2016-17
<b>Mr Dev Kishan Sharda</b>		
Short-term employee benefits	47.68	40.38
Post-employment benefits	36.84	4.09
<b>Total Compensation</b>	<b>84.52</b>	<b>44.47</b>
<b>Sitting Fees</b>		
Mr. Arun Kumar Kothari	2.00	1.74
Mrs. Prabhawati Devi Kothari	1.67	2.15
Mr Dev Kishan Sharda	-	-
Dr. Hari Prasad Kanoria	0.15	0.15
Mr. Harishchandra Maneklal Parekh	2.44	2.11
Mr Naresh Pachisia	2.00	2.00
Mr. Arvind Baheti	0.26	-
<b>Total Sitting Fees</b>	<b>8.52</b>	<b>8.15</b>
<b>Total</b>	<b>93.04</b>	<b>52.62</b>

### 47.5 Balance Outstanding as at the balance sheet date

(₹ in lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>Guarantee Commission Receivable</b>			
-GHML	0.93	1.09	3.27
<b>Guarantee Given</b>			
-GHML ( Refer Note No. 39b)	7,187.37	8,429.02	8,623.28
<b>Unsecured Loan Taken</b>			
-AKK	100.00	100.00	-
-PDK	-	65.00	-
-KCSPL	25.00	-	-
-VIPL	-	-	50.00
-CHPL	100.00	-	-

### 47.6 Terms and Conditions of transaction with Related Parties

All Related Party Transactions entered during the year were in ordinary course of the business and are on arm's length basis.

### NOTE 48 - Impact of Transition to Ind AS

The following is a summary of the effects of the differences between IND AS and Indian GAAP on the Company's total equity shareholders' funds and profit and loss for the financial periods previously reported under Indian GAAP following the date of transition to IND AS.



Notes to the Standalone Financial Statements for the year ended 31st March 2018 (Contd.)

48.1 Reconciliation of Items of Balance Sheet as at 1st April, 2016 (transition date) and as at 31st March, 2017

(₹ in lakhs)

Particulars	Refer Note No.	Previous GAAP* as at 31.03.2017	Effect of Ind AS Transition	Ind AS Balance Sheet as at 31.03.2017	Previous GAAP* as at 01.04.2016	Effect of Ind AS Transition	Ind AS Balance Sheet as at 01.04.2016
<b>ASSETS</b>							
<b>NON-CURRENT ASSETS</b>							
Property, Plant and Equipment	48.5(a)	22,245.69	13,279.57	35,525.26	23,433.31	13,237.26	36,670.57
Capital Work-In-Progress		502.14	-	502.14	105.41	-	105.41
Intangible Assets		19.98	-	19.98	29.26	-	29.26
Investment in Subsidiaries		6.00	-	6.00	1,479.00	-	1,479.00
Financial Assets							
Investments	48.5(b)	2,708.25	46.51	2,754.76	2,708.25	40.05	2,748.30
Other Financial Assets	48.5(i)	6,258.40	(3,950.43)	2,307.97	6,801.08	(3,607.33)	3,193.75
Other Non-Current Assets		145.24	-	145.24	113.03	-	113.03
<b>Total Non Current Asset</b>		<b>31,885.70</b>	<b>9,375.65</b>	<b>41,261.35</b>	<b>34,669.34</b>	<b>9,669.98</b>	<b>44,339.32</b>
<b>CURRENT ASSETS</b>							
Biological Assets other than bearer plants	48.5 (l)	-	42.39	42.39	-	44.86	44.86
Inventories	48.5 (m)	15,754.37	(167.78)	15,586.59	15,215.06	(119.60)	15,095.46
Financial Assets							
Investments	48.5(b)	99.74	10.95	110.69	99.74	4.58	104.32
Trade Receivables	48.5(j)	10,236.56	(600.56)	9,636.00	11,739.04	(542.62)	11,196.42
Cash and Cash Equivalents		190.06	-	190.06	241.93	-	241.93
Bank balances other than above		649.38	-	649.38	88.36	-	88.36
Loans		19.57	-	19.57	23.64	-	23.64
Other Financial Assets	48.5(i)	10,217.07	257.29	10,474.36	10,155.57	1,220.93	11,376.50
Other Current Assets		4,440.20	-	4,440.20	4,151.31	-	4,151.31
Current Tax Asset (Net)		1,167.07	-	1,167.07	1,286.93	-	1,286.93
<b>Total Current Assets</b>		<b>42,774.02</b>	<b>(457.71)</b>	<b>42,316.31</b>	<b>43,001.58</b>	<b>608.15</b>	<b>43,609.73</b>
<b>Total Assets</b>		<b>74,659.72</b>	<b>8,917.94</b>	<b>83,577.66</b>	<b>77,670.92</b>	<b>10,278.13</b>	<b>87,949.05</b>
<b>EQUITY AND LIABILITIES</b>							
<b>EQUITY</b>							
Equity Share Capital		3,544.23	(1,410.00)	2,134.23	2,334.23	(200.00)	2,134.23
Other Equity		17,444.76	8,903.72	26,348.48	17,343.27	10,301.79	27,645.06
<b>Equity attributable to the owners</b>		<b>20,988.99</b>	<b>7,493.72</b>	<b>28,482.71</b>	<b>19,677.50</b>	<b>10,101.79</b>	<b>29,779.29</b>
<b>LIABILITIES</b>							
<b>NON-CURRENT LIABILITIES</b>							
Financial Liabilities							
Borrowings	48.5(c)	10,637.64	1,318.98	11,956.62	12,545.08	74.07	12,619.15
Other Financial Liabilities		1,641.00	-	1,641.00	1,677.31	-	1,677.31
Other Liabilities		72.94	-	72.94	688.98	-	688.98
<b>Non Current Liability</b>		<b>12,351.58</b>	<b>1,318.98</b>	<b>13,670.56</b>	<b>14,911.37</b>	<b>74.07</b>	<b>14,985.44</b>
<b>CURRENT LIABILITIES</b>							
Financial Liabilities							
Borrowings		20,482.43	-	20,482.43	21,273.16	-	21,273.16
Trade Payables		11,272.41	-	11,272.41	11,103.63	-	11,103.63
Other Financial Liabilities	48.5(i)	6,138.91	105.24	6,244.15	6,880.52	102.27	6,982.79
Provisions		2,266.27	-	2,266.27	2,746.53	-	2,746.53
Other Liabilities		1,159.13	-	1,159.13	1,078.21	-	1,078.21
<b>Current Liability</b>		<b>41,319.15</b>	<b>105.24</b>	<b>41,424.39</b>	<b>43,082.05</b>	<b>102.27</b>	<b>43,184.32</b>
<b>Total Equity and Liabilities</b>		<b>74,659.72</b>	<b>8,917.94</b>	<b>83,577.66</b>	<b>77,670.92</b>	<b>10,278.13</b>	<b>87,949.05</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.



## Notes to the Standalone Financial Statements for the year ended 31st March 2018 (Contd.)

### 48.2 Reconciliation of Statement of Profit and Loss for the year ended 31st March 2017

(₹ in lakhs)

Particulars	Refer Note No.	Previous GAAP*	Adjustment	Ind AS
<b>INCOME</b>				
Revenue from Operations	48.5(j), (p)	66,555.51	(1,489.52)	65,065.99
Other Income	48.5(b.i), (i), (l)	1,165.05	136.34	1,301.39
<b>Total Income (A)</b>		<b>67,720.56</b>	<b>(1,353.18)</b>	<b>66,367.38</b>
<b>EXPENSES</b>				
Cost of Materials Consumed		23,064.86	-	23,064.86
Purchases of Stock -in- Trade		5,423.38	-	5,423.38
Changes in Inventories of Finished Goods, Stock-In-Trade and Work-in-Progress	48.5(m)	41.82	40.66	82.48
Employee Benefits Expense	48.5(d)	13,347.48	89.95	13,437.43
Finance Costs	48.5(c), (n)	4,686.40	108.25	4,794.65
Depreciation and Amortisation Expense	48.5(k)	1,899.31	10.67	1,909.98
Other Expenses	48.5(j), (p)	21,312.59	(108.25)	21,204.34
<b>Total Expenses (B)</b>		<b>69,775.84</b>	<b>141.28</b>	<b>69,917.12</b>
<b>Profit / (Loss) before Exceptional Items and Tax (A-B)</b>		(2,055.28)	(1,494.46)	(3,549.74)
Exceptional Items		2,206.77	-	2,206.77
<b>Profit / (Loss) after Exceptional Item but before Tax</b>		151.49	(1,494.46)	(1,342.97)
<b>Tax Expense:</b>				
Current Tax		80.00	-	80.00
Excess Provision made for earlier years written back		(30.00)	-	(30.00)
<b>Profit / (Loss) for the year</b>		101.49	(1,494.46)	(1,392.97)
<b>Other Comprehensive Income</b>				
Items that will not be reclassified to profit or loss		-	96.39	96.39
Income tax relating to these items		-	-	-
<b>Other Comprehensive Income for the Year (Net of Tax)</b>		-	96.39	96.39
<b>Total Comprehensive Income for the period</b>		101.49	(1,398.07)	(1,296.58)

### 48.3 Reconciliation of Other Equity

(₹ in lakhs)

Particulars	Refer Note no.	As at 31st March, 2017	As at 1st April, 2016
<b>Equity under Previous GAAP</b>		<b>17,444.77</b>	<b>16,752.33</b>
On account of measuring Property, Plant & Equipment at deemed Cost	48.5(a)	13,163.87	13,161.84
On account of application of Effective Interest Rate	48.5(c)	108.86	108.86
On account of application of Expected Credit Loss Model	48.5(j)	(2,930.54)	(2,930.54)
Other Ind AS Adjustments / OCI		(1,438.48)	(38.38)
<b>Total Adjustment to Equity</b>		<b>8,903.71</b>	<b>10,301.78</b>
<b>Total Equity Under Ind AS</b>		<b>26,348.48</b>	<b>27,054.11</b>

**Notes to the Standalone Financial Statements for the year ended 31st March 2018 (Contd.)****48.4 Impact of Ind AS adoption on the consolidated statements of cash flows for the year ended 31st March 2017**

(₹ in lakhs)

Particulars	Previous GAAP	Adjustments	Ind AS
Net cash flow from Operating Activities	4,290.99	(174.99)	4,465.98
Net cash flow from Investing Activities	3,370.46	8.63	3,361.83
Net cash flow from Financing Activities	(7,118.00)	166.36	(7,284.36)
Net increase/(decrease) in cash and cash equivalents	543.45	0.00	543.45
Cash and cash equivalents as at 1 April 2016	2,233.29	-	2,233.29
Cash and cash equivalents as at 31 March 2017	2,776.74	-	2,776.74

**48.5 Notes to First Time Adoption****a Fair Valuation and remeasurement of cost at Ind AS cost of Property, Plant and Equipment**

The Company has elected to treat fair value as deemed cost for certain items of its property, plant and equipment. Other items of Property, Plant and Equipment have been measured as per Ind AS 16.

**b Fair valuation of Investments**

- Under the previous GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments (other than unquoted equity instruments designated as at FVOCI) have been recognised in retained earnings as at the date of transition and subsequently in the Statement of Profit and Loss for the year ended 31 March 2017.
- Fair value changes with respect to investments in unquoted equity instruments designated as at FVOCI have been recognised in FVOCI – Equity investments reserve as at the date of transition and subsequently in the other comprehensive income for the year ended 31 March 2017.

**c Borrowings**

Under Indian GAAP, the Company accounted for long term borrowings measured at transaction value. Under Ind AS, the Company has to recognise the long term borrowings at amortised cost using effective interest.

**d Remeasurements of post-employment benefit obligations**

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of Statement of Profit and Loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year.

**e Retained Earnings**

Retained earnings as at April 1, 2016 has been adjusted consequent to the above Ind AS transition adjustments.

**f Other Comprehensive Income**

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans and fair value gains or (losses) on FVOCI equity instruments and debt instruments. The concept of other comprehensive income did not exist under previous GAAP.

**g Deferred Tax**

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to different temporary differences. According to the accounting policies, the company has to account for such differences. Deferred tax adjustments are recognized in correlation to the underlying transaction either in retained earnings or a separate component of equity.



## Notes to the Standalone Financial Statements for the year ended 31st March 2018 (Contd.)

### h Re-classifications

The Company has done the following reclassifications as per the requirements of Ind-AS :

- i Assets / liabilities which do not meet the definition of financial asset / financial liability have been reclassified to other asset / liability.
- ii Remeasurement gain/loss on long term employee defined benefit plans are re-classified from statement of profit and loss to OCI.
- iii The Company has re-classified unpaid dividend balance from cash and cash equivalents to other bank balances.
- iv Excise duty on sales was earlier netted off with Sales, has now been presented separately.

### i Forward Contracts

Under IND AS mark to market gain/loss on restatement of forward contract as at the reporting date has been recognized in the statement of profit and loss.

### j Expected Credit Loss Model

Ind-AS 109 requires to recognize loss allowances on trade receivable and other financial assets of the Company, at an amount equal to the lifetime expected credit loss or the 12 month expected credit loss based on the increase in the credit risk.

### k Deferred Revenue

Under India GAAP, grants received from government agencies against specific fixed assets (Property, Plant and Equipment) are adjusted to the cost of the assets. Under IND AS the same has been presented as deferred revenue being amortised in the statement of profit and loss on a systematic basis.

### l Recognition of Biological Assets

"Under previous GAAP, biological assets i.e. unplucked leaf on tea bushes has neither been valued nor recognised in the accounts. Under Ind AS, unplucked leaf on tea bushes has been measured at its fair value less cost to sell."

### m Valuation of Made Tea Stock

"Under previous GAAP, tea stock has been valued at the lower of cost and net realizable value. Cost of inventories comprise all costs of purchase/production of green leaf, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Under Ind AS, cost of inventories comprise cost of purchase of green leaf, fair value of green leaf at the time of harvest less cost to sell, conversion cost and other costs incurred in bringing the inventories to their present location and condition."

### n Preference shares considered as borrowings

Cumulative redeemable preference shares issued by the Company have been classified as borrowings and recognized at amortised cost on transition date as against part of share capital under previous GAAP. The difference on the transition date has been recognized in opening retained earnings net of related deferred taxes. Interest charge at effective interest rate on such borrowings has been recognized as finance cost in subsequent periods as against appropriation of dividend at coupon rate from reserves under the previous GAAP.

### o Fair Valuation of Security Deposits

Under the Previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) were recorded at their transaction value. Under Ind AS, all financial liabilities are required to be recognised at fair value. Accordingly, the Company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as advance rent.

### p Excise Duty

Under previous GAAP, revenue from sale of goods was presented net of excise duty whereas under IND AS the revenue from sale of goods is presented inclusive of excise duty. The excise duty is presented on the face of the Statement of Profit and Loss as part of expenses.

### q Ind AS 101 - Exemptions/ Options Applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. Exemptions applied by Company are detailed here under:

- (i) The Company has elected to measure certain items of its Property, Plant and Equipment at its fair value and use that fair value as its deemed cost at the date of transition to Ind AS. Other items of Property, Plant and Equipment and Other intangible assets have been measured as per Ind AS 16 and Ind AS 38, respectively.
- (ii) The Company has elected to continue with the carrying value of investment in subsidiaries as recognised in its Indian GAAP financial statement as deemed cost at the transition date, viz., 1st April, 2016.



Notes to the Standalone Financial Statements for the year ended 31st March 2018 (Contd.)

NOTE 49 - Fair value of Financial Assets and Financial Liabilities

(₹ in lakhs)

Particulars	31st March 2018			31st March 2017		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
<b>Financial Assets</b>						
Investment						
- Equity Instruments	0.02	3,260.17	263.52	0.10	2,754.65	6.00
- Debt Instrument	-	-	0.08	-	-	0.08
- Mutual Funds	113.78	-	-	110.62	-	-
Trade Receivables	-	-	9,273.76	-	-	9,636.00
Loans Given	-	-	14.27	-	-	19.57
Cash and Cash Equivalents	-	-	144.67	-	-	190.05
Other Bank Balances	-	-	767.93	-	-	649.38
Non Current deposits with Banks	-	-	1,484.18	-	-	1,937.31
Interest Accrued on Deposits	-	-	27.57	-	-	35.88
Security & Other Deposits	-	-	4,108.75	-	-	4,699.83
Other Financial Assets	-	-	4,065.34	60.85	-	6,048.46
<b>Total Financial Assets</b>	<b>113.80</b>	<b>3,260.17</b>	<b>20,150.07</b>	<b>171.57</b>	<b>2,754.65</b>	<b>23,222.56</b>
<b>Financial Liabilities</b>						
Borrowings	-	-	34,089.98	-	-	35,665.03
Trade Payables	-	-	12,981.33	-	-	11,272.41
Trade & Security Deposits	-	-	1,895.65	-	-	2,148.84
Interest accrued but not due on Borrowings	-	-	309.86	-	-	233.71
Amount Payable for Capital Goods	-	-	220.49	-	-	158.26
Employee Related Liabilities	-	-	1,740.56	-	-	1,496.86
Other Financial Liabilities	4.96	-	317.84	-	-	621.50
<b>Total Financial Liabilities</b>	<b>4.96</b>	<b>-</b>	<b>51,555.71</b>	<b>-</b>	<b>-</b>	<b>51,596.61</b>

As at 1st April 2016

(₹ in lakhs)

Particulars	FVTPL	FVOCI	Amortized Cost
<b>Financial Assets</b>			
Investment			
- Equity Instruments	0.08	2,748.21	1,479.00
- Debt Instrument	-	-	0.08
- Mutual Funds	104.25	-	-
Trade Receivables	-	-	11,196.42
Loans Given	-	-	23.64
Cash and Cash Equivalents	-	-	241.93
Other Bank Balances	-	-	88.36
Non Current deposits with Banks	-	-	1,903.00
Interest Accrued on Deposits	-	-	49.50
Security & Other Deposits	-	-	5,338.15
Other Financial Assets	-	-	7,279.60
<b>Total Financial Assets</b>	<b>104.33</b>	<b>2,748.21</b>	<b>27,599.68</b>
<b>Financial Liabilities</b>			
Borrowings	-	-	38,093.70
Trade Payables	-	-	11,103.63
Trade & Security Deposits	-	-	2,202.04
Interest accrued but not due on Borrowings	-	-	238.75
Amount Payable for Capital Goods	-	-	37.03
Employee Related Liabilities	-	-	1,506.90
Other Financial Liabilities	14.13	-	459.86
<b>Total Financial Liabilities</b>	<b>14.13</b>	<b>-</b>	<b>53,641.91</b>



## Notes to the Standalone Financial Statements for the year ended 31st March 2018 (Contd.)

### NOTE 50 - Fair Values

50.1 The management assessed that the fair values of Loan given, cash and cash equivalents, other Bank balances, trade receivables, other financial assets, long term borrowings, trade payables, short term borrowings, and other financial liabilities approximates their carrying amounts.

50.2 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.

### NOTE 51 - 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 the 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.

#### 51.1 Assets and Liabilities measured at Fair Value - recurring fair value measurements

(₹ in lakhs)

Particulars	31st March 2018			31st March 2017		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial Assets</b>						
<b>Financial Investment at FVTPL</b>						
Mutual Funds	113.78	-	-	110.62	-	-
Listed Equity Investments	0.02	-	-	0.10	-	-
<b>Financial Investment at FVOCI</b>						
Unlisted Equity Investments	-	-	3,260.17	-	-	2,754.65
Foreign Exchange Forward Contracts	-	-	-	-	60.85	-
<b>Total Financial Assets</b>	<b>113.80</b>	<b>-</b>	<b>3,260.17</b>	<b>110.72</b>	<b>60.85</b>	<b>2,754.65</b>
<b>Financial Liabilities</b>						
Foreign Exchange Forward Contracts	-	4.96	-	-	-	-
<b>Total Financial Liabilities</b>	<b>-</b>	<b>4.96</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### As at 1st April 2016

(₹ in lakhs)

Particulars	Level 1	Level 2	Level 3
<b>Financial Assets</b>			
<b>Financial Investment at FVTPL</b>			
Mutual Funds	104.25	-	-
Listed Equity Investments	0.08	-	-
<b>Financial Investment at FVOCI</b>			
Unlisted Equity Investments	-	-	2,748.21
Foreign Exchange Forward Contracts	-	-	-
<b>Total Financial Assets</b>	<b>104.33</b>	<b>-</b>	<b>2,748.21</b>
<b>Financial Liabilities</b>			
Foreign Exchange Forward Contracts	-	14.13	-
<b>Total Financial Liabilities</b>	<b>-</b>	<b>14.13</b>	<b>-</b>

**Notes to the Standalone Financial Statements for the year ended 31st March 2018 (Contd.)****Note 52: Financial Risk Management**

The Company's business activities are exposed to a variety of financial risks, namely liquidity risk, market risk and credit risk. The Company's senior management has the overall responsibility for establishing and governing the Company's financial risk management framework. The Company's Audit Committee, is responsible for developing and monitoring the Company's financial risk management policies. The Company's financial risk management policies are established to identify and analyze the risks faced by the Company, to set and monitor appropriate controls.

**(A) Credit risk**

Credit risk refers to risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, bank balances, loans, investments and other financial assets.

At each reporting date, the Company measures loss allowance for certain class of financial assets based on historical trend, industry practices and the business environment in which the Company operates.

Credit risk arising from investments, derivative financial instruments and balances with banks is limited because the counterparties are banks and recognized financial institutions with high credit worthiness.

**(i) Provision for expected credit losses**

The Company measures Expected Credit Loss (ECL) for financial instruments based on historical trend, industry practices and the business environment in which the Company operates.

For financial assets, a credit loss is the present value of the difference between:

- (a) the contractual cash flows that are due to an entity under the contract; and
- (b) the cash flows that the entity expects to receive

The Company recognises in profit or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date in accordance with Ind AS 109.

In determination of the allowances for credit losses on trade receivables, the Company has used a practical expedience by computing the expected credit losses based on ageing matrix, which has taken into account historical credit loss experience and adjusted for forward looking information.

**(ii) The movement of Trade Receivables and Expected Credit Loss are as follows :**

(₹ In lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Trade Receivables (Gross)	10,105.47	10,522.24	12,161.94
Less: Expected Credit Loss	831.71	886.24	965.52
Trade Receivables (Net)	9,273.76	9,636.00	11,196.42

**(iii) The movement of Security Deposit and Loss Allowance thereto are as follows:**

(₹ In lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Security Deposits (Gross)	8,609.89	9,954.30	10,385.49
Less: Expected Credit Loss	4,667.96	5,674.65	5,681.88
Security Deposits (Net)	3,941.93	4,279.65	4,703.61

**(iv) Reconciliation of Loss allowance provision**

(₹ In lakhs)

Particulars	Trade Receivables	Loans & Deposits	Total
Loss Allowance on 1st April 2016	965.52	5,681.88	6,647.40
Change in Loss allowance	(79.28)	(7.23)	(86.51)
Loss Allowance in 31st March 2017	886.24	5,674.65	6,560.89
Change in Loss allowance	(54.53)	(1,006.69)	(1,061.22)
Loss Allowance in 31st March 2018	831.71	4,667.96	5,499.67



## Notes to the Standalone Financial Statements for the year ended 31st March 2018 (Contd.)

### (B) Liquidity risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash credit facilities agreed with the banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost effective manner.

The following table shows the maturity analysis of the Company's derivative and non-derivative financial liabilities based on contractually agreed undiscounted cash flows.

#### a) As at 31st March 2018

(₹ In lakhs)

Particulars	Total	On Demand	Within 1 year	1 year to 5 Years
<b>Non-Derivative</b>				
Trade payables	12,981.33	-	12,981.33	-
Long Term Borrowings	10,556.30	-	-	10,556.30
Short Term Borrowing	20,095.44	7,371.94	12,723.50	-
Other financial liabilities	7,922.64	2,283.85	4,550.49	1,088.30
<b>Derivative</b>				
Foreign Exchange forwards contracts	4.96	-	4.96	-

#### b) As at 31st March 2017

(₹ In lakhs)

Particulars	Total	On Demand	Within 1 year	1 year to 5 Years
<b>Non-Derivative</b>				
Trade payables	11,272.41	-	11,272.41	-
Long Term Borrowings	11,956.62	-	-	11,956.62
Short Term Borrowing	20,482.43	6,445.71	14,036.72	-
Other financial liabilities	7,885.15	2,276.62	3,967.53	1,641.00
<b>Derivative</b>				
Foreign Exchange forwards contracts	-	-	-	-

#### c) As at 1st April 2016

(₹ In lakhs)

Particulars	Total	On Demand	Within 1 year	1 year to 5 Years
<b>Non-Derivative</b>				
Trade payables	11,103.63	-	11,103.63	-
Long Term Borrowings	12,619.15	-	-	12,619.15
Short Term Borrowing	21,273.16	8,730.60	12,542.56	-
Other financial liabilities	8,645.97	2,017.92	4,950.74	1,677.31
<b>Derivative</b>				
Foreign Exchange forwards contracts	14.13	-	14.13	-

### (C) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk.

#### a) Interest rate risk:

Interest rate risk is measured by using cash flow sensitivity for changes in variable interest rate. Any movement in the reference rates could have an impact on the Company's cash flow as well as cost. The management is focused towards reducing the volatility due to interest rates, which is reflected in proportion of variable interest rate borrowing to total borrowing.

**Notes to the Standalone Financial Statements for the year ended 31st March 2018 (Contd.)**

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

(₹ In lakhs)

Particulars	As at		As at		As at	
	31st March 2018	%	31st March 2017	%	1st April 2016	%
Variable rate borrowings	16,247.95	47.66%	17,246.34	48.36%	22,224.65	58.34%
Fixed Rate borrowings	17,842.03	52.34%	18,418.69	51.64%	15,869.05	41.66%
<b>Total Borrowings</b>	<b>34,089.98</b>	<b>100.00%</b>	<b>35,665.03</b>	<b>100.00%</b>	<b>38,093.70</b>	<b>100.00%</b>

Preference Shares, Fixed Deposit (From Public) and Inter Corporate Deposits are considered as Fixed rate borrowings and other borrowings are considered as Variable rate Borrowings.

Sensitivity: A change of 50 bps in interest rates of variable rate borrowings would have following Impact on profit before tax

(₹ In lakhs)

Particulars	For the year	For the year
	2017-18	2016-17
50 bps increase would decrease the profit before tax by	(81.24)	(86.23)
50 bps decrease would increase the profit before tax by	81.24	86.23

**b) Foreign currency risk:**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Company enters into forward exchange contracts to hedge against its foreign currency exposures relating to the recognized underlying liabilities / assets and firm commitments. The Company's policy is to hedge its exposures other than natural hedge. The Company does not enter into any derivative instruments for trading or speculative purposes.

The Company's Derivative instruments and unhedged foreign currency exposure at the end of the reporting period are as follows:

**(i) Derivatives Outstanding as at the reporting date**

(Amount in lakhs)

Particulars	Currency	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
		Amount in Foreign Currency	Amount in INR	Amount in Foreign Currency	Amount in INR	Amount in Foreign Currency	Amount in INR
Forward Contract to Sell	USD	22.20	1,438.49	23.61	1,531.05	20.35	1,363.42
Forward Contract to Buy	USD	1.03	148.59	14.10	914.15	5.12	339.59
	EURO	1.82	66.93	-	-	-	-



## Notes to the Standalone Financial Statements for the year ended 31st March 2018 (Contd.)

### (ii) Particulars of unhedged foreign currency exposures as at the reporting date

(Amount in lakhs)

Particulars	Currency	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
		Amount in Foreign Currency	Amount in INR	Amount in Foreign Currency	Amount In INR	Amount in Foreign Currency	Amount In INR
Trade & Other Receivable	USD	8.10	526.66	2.18	141.22	1.92	127.27
Trade & Other Payable	USD	0.71	45.90	1.51	97.86	6.71	445.17

**Sensitivity:** A change of 3% in Foreign currency would have following Impact on profit before tax

Particulars	For the year 2017-18		For the year 2016-17	
	3% Increase	3% Decrease	3% Increase	3% Decrease
USD	24.04	(24.04)	2.17	(2.17)

### c) Other price risk:

The Company's exposure to securities price risk arises from investments in mutual funds and equity instruments held by the Company and classified in the balance sheet as FVPL and FVOCI respectively.

(Amount in lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Investment in Quoted Equity Instruments	0.02	0.10	0.08
Investment in Mutual Funds	113.78	110.62	104.25

Note:- As the company's exposure to instruments tradable in market is immaterial, hence any movement in market indices will not have material impact on company's profitability.

### Note 53 - Capital Management

The Company's objective when managing capital (defined as net debt and equity) is to safeguard the Company's ability to continue as a going concern in order to provide returns to shareholders and benefit for other stakeholders, while protecting and strengthening the Balance Sheet through the appropriate balance of debt and equity funding. The Company manages its capital structure and makes adjustments to it, in light of changes to economic conditions and strategic objectives of the Company.



Notes to the Standalone Financial Statements for the year ended 31st March 2018 (Contd.)

NOTE 54 - Segment Reporting

54.1 Primary Segment Information (Business Segment)

(₹ in lakhs)

Particulars	Textiles	Tea	Engineering (Micco)	Property	Unallocable	Total
<b>Segment Revenue</b>						
External Turnover	35,838.23 (36,630.75)	20,531.02 (19,477.49)	5,563.40 (8,231.77)	746.31 (725.98)	-	62,678.96 (65,065.99)
Inter Segment Revenue	-	-	-	61.07 (72.93)	-	61.07 (72.93)
<b>Total Segment Revenue</b>	35,838.23 (36,630.75)	20,531.02 (19,477.49)	5,563.40 (8,231.77)	807.38 (798.91)	-	62,740.08 (65,138.92)
<b>Less: Inter Segment Elimination</b>	-	-	-	61.07 (72.93)	-	61.07 (72.93)
<b>Revenue from Operations</b>	35,838.23 (36,630.75)	20,531.02 (19,477.49)	5,563.40 (8,231.77)	746.31 (725.98)	-	62,678.96 (65,065.99)
<b>Segment Result</b>	1,677.53 (2,135.75)	568.06 (562.23)	1,077.30 (-644.11)	564.18 (571.79)	-	3,887.07 (2,625.66)
<b>Less: Unallocable Expenditure net of unallocable Income</b>					315.10 (-826.02)	315.10 (-826.02)
<b>Finance Costs</b>					4,492.68 (4,794.65)	4,492.68 (4,794.65)
<b>Profit Before Tax</b>						(920.70) (1,342.97)
<b>Other Information</b>						
<b>Segment Assets</b>	36,727.53 (34,793.38)	13,527.76 (13,501.40)	18,733.52 (20,293.36)	7,988.99 (7,954.91)	7,426.90 (7,034.61)	84,404.70 (83,577.66)
<b>Segment Liabilities</b>	10,005.22 (11,383.51)	4,665.80 (3,707.84)	5,348.99 (6,331.97)	527.05 (505.11)	36,089.40 (33,166.52)	56,636.46 (55,094.95)
<b>Capital Expenditure</b>	949.16 (433.65)	683.32 (883.49)	8.05 (22.01)	2.38 (-)	14.08 (-)	1,656.99 (1,339.15)
<b>Depreciation</b>	1,038.44 (1,023.98)	435.76 (584.31)	99.58 (249.86)	2.07 (1.98)	39.92 (49.85)	1,615.77 (1,909.98)

Figures in bracket represents previous year figures

54.2 Secondary Segment Information (Geographical Segment)

Particulars	Within India	Outside India	Total
<b>Segment Revenue</b>	51,553.10 (54,000.57)	11,125.86 (11,065.42)	62,678.96 (65,065.99)
<b>Segment Assets</b>	75,217.03 (74,655.77)	1,760.77 (1,887.28)	76,977.80 (76,543.05)
<b>Capital Expenditure</b>	1,656.99 (1,339.15)	-	1,656.99 (1,339.15)

Figures in bracket represents previous year figures



## Notes to the Standalone Financial Statements for the year ended 31st March 2018 (Contd.)

### 54.3 Other Disclosures

- The Company's corporate strategy aims at creating multiple drivers of growth anchored on its core competencies. The Company is currently focused on four business groups : Textile, Engineering, Tea and Property. The Company's organisational structure and governance processes are designed to support effective management of multiple businesses while retaining focus on each one of them.
- The geographical information considered for disclosure are:
  - Sales within India
  - Sales outside India
- The Company is not reliant on revenues from transactions with any single external customer and does not receive 10% or more of its revenues from transactions with any single external customer.
- Inter-segment transfers are based on prevailing market prices.
- The accounting policies adopted for segment reporting are in line with the accounting policy of the Company.

### NOTE 55 Basic and Diluted- Earning per Share

Particulars	Gratuity	
	2017-18	2016-17
i) Profit / (Loss) after Tax available for Ordinary Shareholders (₹ In lakhs)	(1,063.51)	(1,361.84)
ii) Weighted Average of Ordinary Shares of Rs 10 each outstanding during the year (Numbers)	21,342,346.00	21,342,346.00
iii) Basic and Diluted Earning per Share {(i) / (ii)}	(4.98)	(6.38)

### NOTE 56 - Information in accordance with the requirements of the Indian Accounting Standard - 11 on " Construction Contract":

Particulars	2017-18	2016-17
a) Contract revenue recognised for the year	5,563.40	9,682.56
b) Aggregate amount of contract costs incurred and recognised Profits (less recognised losses) up to the year end for all the contracts-in-Progress.	137,284.81	135,068.56
Progress Billing	133,635.61	131,113.24
Unbilled Revenue (Net)	3,649.20	3,955.32
Due from Customer	4,763.75	4,783.08
Due to Customer	1,114.55	827.76
c) The amount of customer advances outstanding for Contract-in-Progress as at year end.	514.86	728.89
d) The amount of retention money due from customers for Contract-in-Progress as at year end.	8,316.28	9,618.04
e) Gross amount due from customers for Contracts-in-Progress as at year end [Included in work-in-progress ₹ 3397.75 lakhs (Previous year – ₹ 1513.14 lakhs), Sundry Debtors ₹ 5203.50 lakhs (Previous year – ₹ 6035.66 lakhs)]	8,601.26	7,548.81

**NOTE 57** - Previous GAAP figures have been reclassified/regrouped 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 accompanying Notes form an integral part of these Standalone Financial Statements.

As per our Report of even date annexed.

**For and on behalf of the Board**

For **SINGHI & CO.**  
Chartered Accountants  
Firm Registration No. 302049E

**Manoj Sodhani**  
Executive Director & CEO  
(DIN:02267180)

**Mahesh Sodhani**  
Managing Director  
(DIN:02100322)

**Arun Kumar Kothari**  
Chairman  
(DIN:00051900)

**Anurag Singhi**  
Partner  
Membership No. 066274  
Kolkata, 30th May 2018

**Dhananjay Karmakar**  
Company Secretary

**Pravin Kumar Jain**  
Chief Financial Officer



## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF GILLANDERS ARBUTHNOT AND COMPANY LIMITED

#### REPORT ON THE CONSOLIDATED INDIAN ACCOUNTING STANDARDS (IND AS) FINANCIAL STATEMENTS

1. We have audited the accompanying consolidated Ind AS financial statements of **GILLANDERS ARBUTHNOT AND COMPANY LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the holding company and its subsidiaries collectively hereinafter referred to as 'the Group') comprising of the Consolidated Balance Sheet as at 31st March 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

#### MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

2. The Holding Company's Board of Directors is responsible for preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the relevant rules issued thereunder. The respective Board of Directors/ Management of the companies included in the Group is 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 the 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 consolidated Ind AS 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 the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

#### AUDITOR'S RESPONSIBILITY

3. Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the 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 of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS 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 Ind AS 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 the 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 consolidated Ind AS financial statements.
5. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor's in terms of their report referred to in sub-paragraph (7) of the Other Matters paragraph below, other than the financial



statements as certified by the management and referred to sub paragraph (8) of the other matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

## **OPINION**

6. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated Ind AS 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 2018 and their consolidated loss (including other comprehensive income), their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

## **OTHER MATTERS**

7. We did not audit the financial statements in respect of two branches, a subsidiary and a step down foreign subsidiary, whose financial statements taken together reflect total assets of ₹ 46,737.04 lakhs as at 31st March 2018, net assets of ₹ 21,546.79 lakhs, total revenues of ₹ 26,129.81 lakhs and net cash outflow of Rs 15.09 lakhs for the year ended on that date, as considered in the statements. The financial statements have been audited by other auditor whose report has been furnished to us by the management. These Financial Statements have been adjusted for difference in accounting principle to comply with the Ind AS financial Statement by the management of the Company. We have audited these Ind AS conversion adjustments made by the Company's management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the report of the other auditor and the conversion adjustments prepared by the management of the Holding Company and audited by us.
8. Our opinion on the consolidated Ind AS 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 reports of the other auditors and the financial statements / financial information certified by the Management.

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

9. 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 the reports of the other auditors.
  - c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated cash flow statement and the consolidated statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
  - d. In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act;
  - e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2018 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f. With respect to the adequacy of the internal financial controls with respect to financial statements of the Group and the operating effectiveness of such controls, refer to our separate Report in Annexure 'A' to this report; and



- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:
- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note No. 38 to the consolidated Ind AS financial statements;
  - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

**For Singhi & Co.**

**Chartered Accountants  
Firm's Registration No. 302049E  
(Anurag Singhi)  
Partner  
Membership No.66274**

Place : Kolkata  
Date : 30th May, 2018

## **ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

(Referred to in paragraph 9(f) with the heading 'Report on Other Legal and Regulatory requirements' section of our report of even date in respect of statutory audit of Gillanders Arbuthnot and Company Limited for the year ended 31st March, 2018)

1. In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31st March 2018, we have audited the internal financial controls over financial reporting of GILLANDERS ARBUTHNOT AND COMPANY LIMITED ("the Holding Company") as of that date.

### **MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

2. The Board of Directors of the Holding Company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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.

### **AUDITOR'S RESPONSIBILITY**

3. 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 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.

4. 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.
5. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the 'Other Matters' paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial control system over financial reporting.

#### **MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

6. 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 (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (b) 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 authorizations of management and directors of the company; and (c) provide reasonable assurance regarding prevention or timely detection of unauthorized 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**

7. 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**

8. In our opinion, the Holding 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 2018, based on the internal control over financial reporting criteria established by the Holding 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.

#### **OTHER MATTERS**

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the company, in so far as it relates to the branches not audited by us, is based on the corresponding reports of the said branch auditors. Our opinion is not modified in respect of this matter.

**For Singhi & Co.**

**Chartered Accountants**  
**Firm's Registration No. 302049E**  
**(Anurag Singhi)**  
**Partner**  
**Membership No. 066274**

Place: Kolkata  
Date: 30th May, 2018

**CONSOLIDATED BALANCE SHEET as at 31st March 2018**

(₹ in lakhs)

Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Property, Plant and Equipment	4	43,165.79	44,045.32	45,618.41
Capital Work-In-Progress	4	1,652.83	931.22	1,125.24
Intangible Assets	5	18.60	19.98	29.26
Financial Assets				
Investments	6	3,260.20	2,754.76	2,748.30
Other Financial Assets	7	2,836.75	2,307.97	3,193.74
Other Non-Current Assets	8	56.34	145.24	113.03
<b>Total Non Current Assets</b>		<b>50,990.51</b>	<b>50,204.49</b>	<b>52,827.98</b>
<b>CURRENT ASSETS</b>				
Biological Assets other than Bearer Plants	9	630.03	67.54	359.67
Inventories	10	18,473.85	16,095.16	15,453.63
Financial Assets				
Investments	11	113.85	110.69	1,572.32
Trade Receivables	12	9,693.58	10,168.12	11,639.27
Cash and Cash Equivalents	13	166.50	226.97	283.74
Bank balances other than Note 13	14	767.93	649.38	88.36
Loans	15	14.27	19.57	23.64
Other Financial Assets	7	7,042.13	10,473.28	11,373.23
Other Current Assets	8	5,515.22	4,489.26	4,330.42
Current Tax Asset (Net)	16	766.57	1,089.74	1,138.79
<b>Total Current Assets</b>		<b>43,183.93</b>	<b>43,389.71</b>	<b>46,263.07</b>
<b>Total Assets</b>		<b>94,174.44</b>	<b>93,594.20</b>	<b>99,091.05</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Equity Share Capital	17	2,134.23	2,134.23	2,134.23
Other Equity	18	27,062.58	26,246.97	28,218.86
<b>Total Equity</b>		<b>29,196.81</b>	<b>28,381.20</b>	<b>30,353.09</b>
<b>LIABILITIES</b>				
<b>NON-CURRENT LIABILITIES</b>				
Financial Liabilities				
Borrowings	19	16,598.68	19,566.32	21,713.33
Other Financial Liabilities	20	1,088.30	1,641.00	1,677.31
Provisions	21	145.23	-	-
Deferred Tax Liabilities (Net)	22	487.94	477.82	605.02
Other Non Current Liabilities	23	61.21	72.94	688.98
<b>Total Non-current Liabilities</b>		<b>18,381.36</b>	<b>21,758.08</b>	<b>24,684.64</b>
<b>CURRENT LIABILITIES</b>				
Financial Liabilities				
Borrowings	24	20,888.90	20,964.18	21,895.20
Trade Payables	25	13,165.27	11,518.34	11,242.57
Other Financial Liabilities	20	8,543.53	7,482.34	6,972.75
Provisions	21	2,452.84	2,330.93	2,817.11
Other Current Liabilities	23	1,545.73	1,159.13	1,125.69
<b>Total Current Liabilities</b>		<b>46,596.27</b>	<b>43,454.92</b>	<b>44,053.32</b>
<b>Total Equity and Liabilities</b>		<b>94,174.44</b>	<b>93,594.20</b>	<b>99,091.05</b>

The accompanying Notes form an integral part of these Consolidated Financial Statements.

As per our Report of even date annexed.

For and on behalf of the Board

For **SINGHI & CO.**  
Chartered Accountants  
Firm Registration No. 302049E

**Manoj Sodhani**  
Executive Director & CEO  
(DIN:02267180)

**Mahesh Sodhani**  
Managing Director  
(DIN:02100322)

**Arun Kumar Kothari**  
Chairman  
(DIN:00051900)

**Anurag Singhi**  
Partner  
Membership No. 066274  
Kolkata, 30th May 2018

**Dhananjay Karmakar**  
Company Secretary

**Pravin Kumar Jain**  
Chief Financial Officer


**CONSOLIDATED STATEMENT OF PROFIT AND LOSS for the year ended 31st March 2018**

(₹ in lakhs)

Particulars	Note No.	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>INCOME</b>			
Revenue from Operations	26	66,479.93	68,135.56
Other Income	27	2,056.35	780.44
<b>Total Income (i)</b>		<b>68,536.28</b>	68,916.00
<b>EXPENSES</b>			
Cost of Materials Consumed	28	22,743.20	23,064.86
Purchase of Traded Goods	29	5,103.29	5,428.32
Changes in Inventories of Finished Goods, Work-in-Progress and Traded Goods	30	(1,182.50)	(102.43)
Employee Benefits Expense	31	14,875.25	14,720.42
Finance Costs	32	5,005.31	5,350.90
Depreciation and Amortisation Expense	33	2,423.98	2,208.55
Other Expenses	34	19,972.09	22,263.85
<b>Total Expenses (ii)</b>		<b>68,940.62</b>	72,934.47
<b>Profit/(Loss) before Exceptional Items and Tax (i) - (ii)</b>		<b>(404.34)</b>	(4,018.47)
Exceptional Items	35	-	2,206.77
<b>Profit/(Loss) before Tax</b>		<b>(404.34)</b>	(1,811.70)
Tax Expense:	36		
Current Tax		277.07	158.59
Deferred Tax		175.34	(54.86)
Income Tax for earlier years written back		-	(30.00)
<b>Profit/(Loss) for the year (iii)</b>		<b>(856.75)</b>	(1,885.43)
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss	37	266.23	96.39
Income tax relating to these items		82.81	(31.13)
<b>Other Comprehensive Income for the Year (Net of Tax)</b>		<b>349.04</b>	65.26
<b>Total Comprehensive Income for the year attributable to the owner of the Company</b>		<b>(507.71)</b>	(1,820.17)
<b>Earnings Per Share</b>			
Nominal Value of Shares (₹ 10)			
Basic & Diluted Earnings Per Share	53	(4.01)	(8.83)

The accompanying Notes form an integral part of these Consolidated Financial Statements.

As per our Report of even date annexed.

For and on behalf of the Board

For **SINGHI & CO.**  
Chartered Accountants  
Firm Registration No. 302049E

**Manoj Sodhani**  
Executive Director & CEO  
(DIN:02267180)

**Mahesh Sodhani**  
Managing Director  
(DIN:02100322)

**Arun Kumar Kothari**  
Chairman  
(DIN:00051900)

**Anurag Singhi**  
Partner  
Membership No. 066274  
Kolkata, 30th May 2018

**Dhananjay Karmakar**  
Company Secretary

**Pravin Kumar Jain**  
Chief Financial Officer



## CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March 2018

(₹ in lakhs)

Particulars	For the year ended 31st March, 2018		For the year ended 31st March, 2017	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit/(Loss) before tax		(404.34)		(1,811.70)
Adjustments for :				
Depreciation and Amortisation Expense	2,423.98		2,208.55	
Finance Cost	5,005.31		5,350.90	
Exceptional Profit (Refer Note 35)	-		(2,206.77)	
Fluctuation of Exchange Rate carried to Foreign Exchange Translation Reserve	(11.39)		50.38	
(Gain) / Loss on Restatement of Investment to Mark to Market	(3.16)		(6.39)	
(Profit)/Loss on Sale of Property, Plant and Equipment (Net)	(96.24)		(435.51)	
Foreign Exchange Fluctuation Gain (Net)	(196.66)		125.50	
Loss on Sale of Investment at FVTPL	0.01			
Bad Debts and Advances written off	177.38		118.06	
Allowances for Doubtful Debts and advances (Net of written back)	(166.26)		(23.11)	
(Increase) / Decrease in Valuation of Biological Asset	(562.49)		292.13	
Interest Income	(284.41)		(248.80)	
Liability no longer required written back	(191.98)	6,094.09	(15.14)	5,209.80
Operating profit before Working Capital Changes		5,689.75		3,398.10
Adjustments for :				
Trade and Other Receivables	790.03		2,750.62	
Inventories	(1,956.99)		(691.91)	
Trade and Other Payables	2,470.39	1,303.43	(574.22)	1,484.49
<b>Cash Generated from Operations</b>		6,993.18		4,882.59
Direct Taxes (Paid) / Refund (Net)		(119.12)		(151.88)
<b>Net Cash from Operating Activities</b>		6,874.06		4,730.71
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Property, Plant and Equipment and Intangible Assets including Capital work-in-progress and capital advance	(2,075.73)		(1,321.76)	
Proceeds from Sale of Property, Plant and Equipment	474.99		3,034.73	
Proceeds from Sale of Non-Current Investments	0.08		2,101.39	
Interest Received	292.72		262.42	
<b>Net Cash used in Investing Activities</b>		(1,307.94)		4,076.78
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from issue of Preference Shares	-		1,210.00	
Proceeds from Long Term Borrowings	1,000.00		130.00	
Repayment of Long Term Borrowings	(3,665.35)		(4,176.16)	
Repayment of Short Term Borrowings (Net)	(237.06)		(450.18)	
Proceeds from Fixed Deposits (from Public)	963.78		2,071.27	
Repayment of Fixed Deposits (from Public)	(748.21)		(1,814.00)	
Payment of Unclaimed Dividend	(19.42)		(2.09)	
Finance Charges Paid	(4,739.09)		(5,237.77)	
<b>Net Cash used in Financing Activities</b>		(7,445.35)		(8,268.93)
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)</b>		(1,879.23)		538.56
Cash and Cash Equivalents on Opening date		2,813.66		2,275.10
Cash and Cash Equivalents on Closing date		934.43		2,813.66
[See Note-b below]		(1,879.23)		538.56



## CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March 2018 (Contd.)

Notes :

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard 7 on 'Cash Flow Statements'.
- Cash and Cash Equivalents includes Rs.767.93 lakhs (Previous Year Rs.649.38 lakhs) available for restricted use (Refer Note - 14). The restrictions are mainly on account of cash and bank balances held as margin money deposit against bank guarantees, under lien and unclaimed dividends.
- The amendment to Ind AS 7 Cash Flow Statements requires the entities to provide disclosures that enables users of financial statements to evaluate changes in liabilities arising from financial activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of the reconciliation between the opening and the closing balances in the Balance Sheet for liabilities arising from financial activities, to meet the disclosure requirement. The amendment has become effective from 1st April 2017 and the required disclosure is made below. There is no other impact on the financial statements due to the amendment.

(₹ in lakhs)

Particulars	As at 31st March 2017	Cash Flows (Net)	Non Cash Changes	As at 31st March 2018
Borrowing Non-Current	19,566.32	2,025.71	(4,993.35)	16,598.68
Other Financial Liabilities	4,392.62	(4,392.62)	4,962.41	4,962.41
Borrowing Current	20,964.18	(75.28)	-	20,888.90

- The deposits maintained by the bank comprises of time deposits, which can be withdrawn by the company at any point of time without prior notice or penalty on the principal.
- Previous year's figures have been rearranged and regrouped, wherever necessary.

The accompanying Notes form an integral part of these Consolidated Financial Statements.

As per our Report of even date annexed.

For and on behalf of the Board

For **SINGHI & CO.**  
Chartered Accountants  
Firm Registration No. 302049E

**Manoj Sodhani**  
Executive Director & CEO  
(DIN:02267180)

**Mahesh Sodhani**  
Managing Director  
(DIN:02100322)

**Arun Kumar Kothari**  
Chairman  
(DIN:00051900)

**Anurag Singhi**  
Partner  
Membership No. 066274  
Kolkata, 30th May 2018

**Dhananjay Karmakar**  
Company Secretary

**Pravin Kumar Jain**  
Chief Financial Officer



## CONSOLIDATED STATEMENT OF CHANGE IN EQUITY for the year ended 31st March 2018

### a) Equity Share Capital

(₹ in lakhs)
<b>Amount</b>
2,134.23
-
<u>2,134.23</u>
<u><b>2,134.23</b></u>

Balance as at 1st April 2016  
 Add/(Less): Changes in Equity Share Capital during the year  
 Balance as at 31st March 2017  
 Add/(Less): Changes in Equity Share Capital during the year  
 Balance as at 31st March 2018

### b) Other Equity

Particulars	Reserve & Surplus						Items of Other Comprehensive Income			Total
	Capital Reserve	Capital Reserve on Consolidation	Preference Share Redemption Reserve	General Reserve	Retained Earnings	Foreign Currency Translation Reserve	Equity instrument through Other Comprehensive Income	Re-measurement of Defined Benefit Plans		
<b>For the year ended 31st March 2017</b>										
Balance as at 1st April, 2016	3,407.53	4,494.34	262.47	9,860.07	9,216.65	346.84	40.01		27,627.91	
Profit on Demerger of Chemical (Waldies) Division#					590.95				590.95	
<b>Restated balance as at 1st April, 2016</b>	<b>3,407.53</b>	<b>4,494.34</b>	<b>262.47</b>	<b>9,860.07</b>	<b>9,807.60</b>	<b>346.84</b>	<b>40.01</b>	<b>-</b>	<b>28,218.86</b>	
Profit for the year					(1,885.43)				(1,885.43)	
Adjustment on translation of foreign currency						(151.72)			(151.72)	
Other Comprehensive Income		158.61				(158.61)	6.44	58.82	65.26	
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>158.61</b>	<b>-</b>	<b>-</b>	<b>(1,885.43)</b>	<b>(310.33)</b>	<b>6.44</b>	<b>58.82</b>	<b>(1,971.89)</b>	
<b>For the year ended 31st March 2018</b>										
Balance as at 31st March, 2017	3,407.53	4,652.95	262.47	9,860.07	7,922.17	36.51	46.45	58.82	26,246.97	
Profit for the year		(217.97)			(856.75)				(856.75)	
Other Comprehensive Income		(217.97)				1,541.29	505.52	(156.48)	1,672.36	
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>(217.97)</b>	<b>-</b>	<b>-</b>	<b>(856.75)</b>	<b>1,541.29</b>	<b>505.52</b>	<b>(156.48)</b>	<b>815.61</b>	
<b>Balance as at 31st March, 2018</b>	<b>3,407.53</b>	<b>4,434.98</b>	<b>262.47</b>	<b>9,860.07</b>	<b>7,065.42</b>	<b>1,577.80</b>	<b>551.97</b>	<b>(97.66)</b>	<b>27,062.58</b>	

# Pursuant to the Scheme of Arrangement approved by the Hon'ble High Court at Calcutta vide its order dated 28th November 2016, appointed date being 1st April 2015.

The accompanying notes are an integral part of these Consolidated Financial Statements.

As per our Report of even date annexed.

**For SINGHI & CO.**  
 Chartered Accountants  
 Firm Registration No. 302049E

**Anurag Singhi**  
 Partner  
 Membership No. 066274  
 Kolkata, 30th May 2018

**Manoj Sodhani**  
 Executive Director & CEO  
 (DIN:02267180)

**Mahesh Sodhani**  
 Managing Director  
 (DIN:02100322)

**Arun Kumar Kothari**  
 Chairman  
 (DIN:00051900)

**Dhananjay Karmakar**  
 Company Secretary

**Pravin Kumar Jain**  
 Chief Financial Officer

**For and on behalf of the Board**



## Notes to the Consolidated Financial Statements for the year ended 31st March 2018

### 1. CORPORATE AND GENERAL INFORMATION

Gillanders Arbuthnot and Company Limited (GACL) including its subsidiaries collectively referred to as “Group” deals in manufacture and sale of tea, macademia nuts, manufacture and sale of yarn and fabric made out of Cotton and Man Made Fibres, Manufacture and sale of Steel Structural, Pipes and Equipment and designing, supplying, erection and commissioning of projects on turnkey basis, and letting out of property on Rent.

### 2. BASIS OF PREPARATION

#### 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 financial statements for all periods up to and including the year ended 31st March, 2017, were prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India, which includes the accounting standards prescribed under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and other provisions of the Act (collectively referred to as “Indian GAAP”). These financial statements for the year ended 31st March, 2018 are the first Ind AS Financial Statements with comparatives, prepared under Ind AS. The Group has consistently applied the accounting policies used in the preparation of its opening Ind AS Balance Sheet at 1st April, 2016 throughout all periods presented, as if these policies had always been in effect and are covered by Ind AS 101 “First Time Adoption of Indian Accounting Standards”.

An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Group is provided in Note 46. Certain of the Group’s Ind-AS accounting policies used in the opening Balance Sheet differed from its Indian GAAP policies applied as at 31st March, 2016 and accordingly the adjustments were made to restate the opening balances as per Ind-AS. The resulting adjustment arising from events and transactions before the date of transition to Ind-AS were recognized directly through retained earnings as at 1st April, 2016 as required by Ind- AS 101. The financial statements of the Group for the year ended 31st March, 2018 has been approved by the Board of Directors in their meeting held on 30th May, 2018.

#### 2.2. Basis of Accounting

The Group 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 note 48 regarding financial instruments);
- Derivative Financial Instruments measured at fair value;
- Defined Benefit Plans – Plan assets measured at Actuarial Valuation; and
- Biological Assets – At fair value less cost to sell

#### 2.3. Basis of Consolidation

##### 2.3.1. Subsidiaries

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (“Group”). Control is achieved when the Parent Company has:

- Power of the investee;
- Is exposed or has rights to variable returns from its involvement with the investee; and
- Has the ability to use its power over the investee to affect its returns.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date when control ceases. Profit/ (loss) and Other Comprehensive Income (‘OCI’) of subsidiaries acquired or disposed of during the period are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable. The financial statements of all entities used for the purpose of consolidation are drawn up to the same reporting date as that of the Parent company, i.e., year ended on 31st March. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

**Notes to the Consolidated Financial Statements for the year ended 31st March 2018 (Contd.)**

The Group consolidates the financial statements of the parent and its subsidiaries on line by line basis adding together the items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's statement of profit and loss and net assets that is not held by the Group. Profit/ (loss) and each component of OCI are attributed to the equity holders of the Parent Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. The Group attributes total comprehensive income or loss of the subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

**Enterprises consolidated as subsidiary in accordance with Indian Accounting Standard 110 on Consolidated Financial Statements (CFS)**

Name of the Enterprise	Country of Incorporation	Percentage of ownership interest as at 31st March, 2018	Percentage of voting power as at 31st March, 2018	Percentage of ownership interest as at 31st March, 2017	Percentage of voting power as at 31st March, 2017
<b>Subsidiaries (Held directly)</b>					
Gillanders Holdings (Mauritius) Limited (GHML)	Mauritius	100.00	100.00	100.00	100.00
<b>Subsidiaries (Held indirectly)</b>					
Group Developments Ltd. (WOS of GHML) (GDL)	Malawi	100.00	100.00	100.00	100.00
Naming'omba Tea Estates Limited (WOS of GDL)	Malawi	100.00	100.00	100.00	100.00
Mafisi Tea Estates Limited ( WOS of GDL)	Malawi	100.00	100.00	100.00	100.00
Group Holdings Ltd. ( WOS of GDL )	Malawi	100.00	100.00	100.00	100.00

**2.3.2. Business Combinations**

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the fair values of assets transferred on acquisition-date, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values on acquisition date. However, deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and recognized in accordance with the requirements of Ind AS 12, Income Taxes and Ind AS 19, Employee Benefits, respectively.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the excess is recognized as Capital Reserve.

Business combinations involving entities or business under common control have been accounted for using the pooling of interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts. No adjustments have been made to reflect fair values, or to recognize any new assets or liabilities except changes made to harmonize the accounting policies.

**2.4. Functional and Presentation Currency**

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



## Notes to the Consolidated Financial Statements for the year ended 31st March 2018 (Contd.)

### 2.5. 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. Revision to accounting estimates are recognized in the period in which the estimates are revised and future periods affected. For details of estimates and judgement used in preparation of Financial statements (refer note 3.18)

### 2.6. 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 Division II of 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 (as amended).

### 2.7. Operating Cycle for current and non-current classification

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

An asset is classified as current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle or;
- Held primarily for the purpose of trading or;
- Expected to be realized within twelve months after the reporting period or;
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All the other assets are classified as non-current.

Similarly, a liability is current if:

- It is expected to be settled in normal operating cycle or;
- It is held primarily for the purpose of trading or;
- It is due to be settled within twelve months after the reporting period or;
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current. Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities respectively.

### 2.8. Measurement of Fair Values

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 Group. 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 best economic 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.

**Notes to the Consolidated Financial Statements for the year ended 31st March 2018 (Contd.)**

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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 Group considering the requirements of Ind AS and selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

**3. SIGNIFICANT ACCOUNTING POLICIES**

A summary of the significant accounting policies applied in the preparation of the consolidated 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 (on weighted average basis) or Net Realizable Value whichever is lower. Cost of harvested tea leaves, macademia nuts, produced from own gardens, is measured at fair value less cost to sell at the point of harvest of tea leaves and macademia nuts.
- **Stores and Spare Parts:** Measured at cost (on weighted average basis) or net realizable value whichever is lower.
- **Stock in Process:** Is valued with material at lower of weighted average cost and market rate and estimated conversion cost.
- **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. Other finished goods are measured at cost or NRV whichever is lower.
- **Contract in Progress:** For long term contracts, contract in progress is valued at realizable value/ contractual rate and provision for losses, as may be estimated for completion thereof.
- **Stock in Trade:** 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 equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

**3.3. INCOME TAX**

Income Tax expenses comprise current tax and deferred tax charge or credit.

Current Tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws.

Deferred tax is provided, on all temporary differences at the reporting date between the carrying amount of assets and liabilities for financial reporting purposes and its tax base. Deferred tax assets and liabilities are measured at



## Notes to the Consolidated Financial Statements for the year ended 31st March 2018 (Contd.)

the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Tax relating to items recognized directly in equity or OCI is recognized in equity or OCI and not in the Statement of Profit and Loss. Deferred tax assets include Minimum Alternate Tax (MAT) paid (tax credit) in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability and is considered as an asset if it is probable that future taxable profit will be available against which these tax credit can be utilized.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable.

### 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 in the year of disposal.

##### 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 Group 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:

- Depreciation on Property, Plant & Equipment is provided under Straight Line Method at rates determined based on the useful life of the respective assets and their residual value in accordance with Schedule II of the Companies Act, 2013 or as reassessed by the Group based on the technical evaluation.
- In respect of the Plant and Machinery other than continuous process plant under Textile Division, useful life of 30 years has been considered on the basis of technical evaluation, which is different from life specified in Schedule II.
- In respect of spares for specific machinery, it is depreciated over the remaining useful life of the related machinery as estimated by the management.



## Notes to the Consolidated Financial Statements for the year ended 31st March 2018 (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 life 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 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, 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 recognized so as to write off its cost over useful lives, using the straight-line method.
- 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.
- The estimated useful life, residual value 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.

### 3.4.2.4. Capital Work in Progress

Young tea bushes and 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. Intangible Assets

### 3.5.1. Recognition and Measurement

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

### 3.5.2. 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 Group and the cost of the item can be measured reliably. All other expenditure is recognized in the Statement of Profit and Loss.

**Notes to the Consolidated Financial Statements for the year ended 31st March 2018 (Contd.)****3.5.3. Amortization**

- Intangible assets are amortized over a period of five years.
- 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.

**3.5.4. Intangible Assets under Development**

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

**3.6. LEASES****3.6.1. As a Lessee**

Leases in which significant portion of risk and rewards of ownership are not transferred to the Group are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight line basis over the period of the leases unless the payments are structured to increase in line with expected general inflation to compensate for the lessors expected inflationary cost increases. Leases where the group assumes substantially all risks and rewards incidental to the ownership of the leases assets are classified as finance leases.

**3.6.2. As a Lessor**

Lease income from operating leases where the Group is a lessor is recognized in income on a straight line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

**3.7. REVENUE RECOGNITION**

Revenue is recognized to the extent it is probable that the economic benefit will flow to the group and revenue can be reliably measured regardless of when the payment is being received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment, and excludes taxes and duties collected on behalf of the Government and is reduced for estimated customer returns, rebates and other similar allowances.

**3.7.1. Sale of Products:**

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

**3.7.2. Revenue from construction contracts/project related activity and contracts for supply/ commissioning of complex plant and equipment is recognized as follows:**

Contract Revenue is recognized by reference to the stage of completion of the contract activity at the reporting date of the financial statements on the basis of percentage of completion method. Percentage of completion is the proportion of cost of work performed to-date, to the total estimated contract costs. Expected loss, if any, on the construction/project related activity is recognized as an expense in the period in which it is foreseen, irrespective of the stage of completion of the contract. While determining the amount of foreseeable loss, all elements of costs and related incidental income not included in contract revenue is taken into consideration. Extra work, claim and variation in contracts to the extent that is probable that they will result in revenue and can be reliably measured by the management is also covered.

**3.7.3. Rental Income:**

Rental income from operating lease is recognized on a straight line basis over the term of the relevant lease unless the payments are structured to increase in line with expected general inflation to compensate for the group's expected inflationary cost increases.

**Notes to the Consolidated Financial Statements for the year ended 31st March 2018 (Contd.)****3.7.4. Other Income:**

**3.7.4.1. 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) through profit or loss. 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.

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

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

**3.8. EMPLOYEE BENEFITS****3.8.1. 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.

**3.8.2. Other Long Term Employee Benefits**

The liabilities for earned 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. Re-measurements as the result of experience adjustment and changes in actuarial assumptions are recognized in statement of profit and loss immediately.

**3.8.3. Post Employment Benefits**

The Group operates the following post employment schemes:

**➤ Defined Contribution Plan**

Defined contribution plans such as Provident Fund, Employee State Insurance etc. are charged to the statement of profit and loss as and when incurred. Further for certain employees the monthly contribution for provident fund is made to a trust administered by the group. The interest payable by the trust is notified by the government. The group has an obligation to make good the shortfall, if any. Based on the guidance note on measurement of provident fund liabilities from The Actuarial Society the actuary has provided the valuation of interest guaranteed on Provident Fund.

**➤ 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 Group'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.

Remeasurement 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 will not be reclassified to the statement of profit and loss.



## Notes to the Consolidated Financial Statements for the year ended 31st March 2018 (Contd.)

### 3.9. 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 is included in non-current liability as deferred income and is credited to statement of profit and loss on the same systematic basis as the respective assets are depreciated over their expected life and are presented in other operating income.

### 3.10. 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 the statement of profit and 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).
- On Consolidation, the assets and liabilities of foreign operations are translated into Rs. (Indian Rupees) at the exchange rates prevailing at the reporting date and their statements of profit and loss are translated at exchange rates prevailing at the date of transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the date of transactions. The exchange differences arising on translation for consolidation are recognized in Consolidated Statement of Profit and Loss and shown separately in the movement of reserve under foreign currency translation reserve.

### 3.11. 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 foreign 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 which necessarily takes a substantial period of time to complete and prepare the asset for its intended use or sale.
- 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.

### 3.12. FINANCIAL INSTRUMENTS

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

#### 3.12.1. Financial Assets

##### ➤ Recognition and Initial Measurement:

All financial assets are initially recognized when the group 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;

**Notes to the Consolidated Financial Statements for the year ended 31st March 2018 (Contd.)**

- Measured at Fair Value Through Other Comprehensive Income (FVTOCI);
- Measured at Fair Value Through Profit or Loss (FVTPL); and
- Equity Instruments designated 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 Group 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 group.
- **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 designated at FVTOCI:** All equity investments in scope of Ind AS – 109 are measured at fair value. Equity instruments which are, held for trading are classified as at FVTPL. For all other equity instruments, the group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. In case the group 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 Group 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 Group 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 group recognizes impairment loss for trade receivables that do not constitute a financing transaction using expected credit loss model, which involves use of a provision matrix constructed on the basis of historical credit loss



## Notes to the Consolidated Financial Statements for the year ended 31st March 2018 (Contd.)

experience. 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.

### 3.12.2. 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 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 statement of profit and 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 and loss. Any gain or loss on derecognition is also recognized in the statement of profit and loss.

#### ➤ Financial Guarantee Contracts:

Financial guarantee contracts issued by the group 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.

### 3.12.3. 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.

### 3.12.4. Derivative financial instruments

The Group enters into derivative financial instruments viz. foreign exchange forward contracts, to manage its exposure to foreign exchange rate risks. The Group does not hold derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

### 3.13. Earnings Per Share

Basic Earnings per share (EPS) amounts are calculated by dividing the profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit attributable to equity shareholders 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.

### 3.14. Impairment of Non-Financial Assets

The Group 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

**Notes to the Consolidated Financial Statements for the year ended 31st March 2018 (Contd.)**

separately identifiable cash flows which are largely independent of the cash flows 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.

**3.15. Provisions, Contingent Liabilities and Contingent Assets****3.15.1. 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.

**3.15.2. 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 Group or a present obligation that arises from past events but is not recognized because it is not probable 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 Group discloses the existence of contingent liabilities in Other Notes to these Consolidated Financial Statements.

**3.15.3. 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 and where the amount can be measured reliably.

**3.16. Biological Assets and Agricultural Produce****3.16.1. Biological Assets**

Biological assets of the group comprise of un-harvested green tea leaves and Macademia Nuts that are classified as current biological assets.

The Group recognizes biological assets when, and only when, the Group controls the assets as a result of past events, it is probable that future economic benefits associated with such assets will flow to the group 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.

**3.16.2. Agricultural Produce**

The Group recognizes agricultural produce when, and only when, the Group controls the assets as a result of past events, it is probable that future economic benefits associated with such assets will flow to the Group and the fair value or the cost of the assets can be measured reliably. Agricultural produce harvested from the Group'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 Group's agricultural produce comprises of green leaves and macademia nuts plucked from its tea estates.

**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.



### Notes to the Consolidated Financial Statements for the year ended 31st March 2018 (Contd.)

Segment revenue arising from third party customers is reported on the same basis as revenue in the financial statements. Inter-segment revenue is reported on the basis of transactions which are primarily market led. Segment results represent profits before finance charges, unallocated corporate expenses and taxes. "Unallocated Corporate Expenses" include revenue and expenses that relate to initiatives/ costs attributable to the enterprise as a whole and are not attributable to individual segments.

#### 3.18. 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 Group 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 Group'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/ amortizable assets (tangible and intangible):** Management reviews its estimate of the useful lives of depreciable/ amortizable 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.
- **Classification of Leases:** The Group enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.
- **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 Group 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 recognizing 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 Group 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 Group 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 Consolidated Financial Statements for the year ended 31st March 2018 (Contd.)**

**3.19. Recent Accounting Pronouncements**

The standard issued but not yet effective up to the date of issuance of the Group's financial Statements is disclosed below. The group intends to adopt this Standard when it becomes effective.

**3.19.1.** Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

**3.19.2.** In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying Ind AS 115, 'Revenue from Contracts with Customers'. Ind AS 115 replaces existing revenue recognition standards Ind AS 11, Construction Contracts and Ind AS 18, Revenue and revised guidance note of the ICAI on Accounting for Real Estate Transaction for Ind AS entities issued in 2016.

The amendments will come into force from April 1, 2018. The Group is in the process of evaluating the requirement of the amendments as well as the impact of the same.



## Notes to the Consolidated Financial Statements for the year ended 31st March 2018 (Contd.)

## Note 4 - Property, Plant and Equipment

Sl No.	Particulars	Gross Block			Depreciation			Net Block	
		Balance as at 31st March 17	Additions	Disposal / Adjustments	Balance as at 31st March 18	Depreciation for the year	Disposal / Adjustments	Balance as at 31st March 18	Balance as at 31st March 17
<b>A</b>	<b>Tangible Assets</b>								
	Freehold Land	15,068.95	-	101.19	14,967.76	-	-	-	14,967.76
	Buildings	9,346.77	101.21	71.64	9,376.34	3,752.76	4.86	3,914.85	5,461.49
	Bridges,culverts, etc	17.14	-	-	17.14	7.23	-	7.85	9.29
	Roads	124.51	-	-	124.51	102.83	-	104.75	19.76
	Plant and Machinery	33,354.42	1,020.08	914.92	33,459.58	20,460.23	745.78	20,900.82	12,558.76
	Furniture and Fittings	539.11	17.97	20.78	536.30	433.99	35.43	46.95	412.47
	Motor Vehicles	1,379.38	119.30	166.71	1,331.97	833.44	118.75	807.69	524.28
	Office Equipment	313.29	8.14	18.30	303.13	265.42	15.43	17.09	263.76
	Computers and data processing units	342.37	24.86	10.41	356.82	318.17	9.98	316.48	40.34
	Electrical Installations and Equipments	2,479.74	2.32	28.15	2,453.91	1,192.62	165.84	1,336.86	1,117.05
	Bearer Plants	8,965.95	618.97	11.59	9,573.33	529.62	739.78	1,269.47	8,303.86
	<b>Total</b>	<b>71,931.63</b>	<b>1,912.85</b>	<b>1,343.69</b>	<b>72,500.79</b>	<b>27,886.31</b>	<b>2,413.63</b>	<b>29,335.00</b>	<b>43,165.79</b>
<b>B</b>	<b>Capital Work in Progress</b>								
	Total								1,652.83
	<b>Grand Total (A+B+C)</b>	<b>71,931.63</b>	<b>1,912.85</b>	<b>1,343.69</b>	<b>72,500.79</b>	<b>27,886.31</b>	<b>2,413.63</b>	<b>29,335.00</b>	<b>44,818.62</b>

Sl No.	Particulars	Gross Block			Depreciation			Net Block	
		Deemed Cost as at 1st April 2016	Additions	Disposal / Adjustments	Balance as at 31st March 17	Balance as at 1st April 2016	Depreciation for the year	Disposal / Adjustments	Balance as at 31st March 17
<b>A</b>	<b>Tangible Assets</b>								
	Freehold Land	15,179.55	47.48	158.08	15,068.95	-	-	-	15,068.95
	Buildings	9,593.54	254.75	501.52	9,346.77	3,879.60	202.38	329.22	5,594.01
	Bridges,culverts, etc	17.14	-	-	17.14	6.42	0.81	-	7.23
	Roads	124.51	-	-	124.51	99.36	3.47	-	102.83
	Plant and Machinery	32,992.49	849.72	487.79	33,354.42	19,426.80	1,386.20	352.77	20,460.23
	Furniture and Fittings	578.42	19.91	59.22	539.11	392.43	50.43	18.87	423.99
	Motor Vehicles	1,313.66	216.91	151.19	1,379.38	895.79	108.76	171.11	833.44
	Office Equipment	310.78	6.15	3.64	313.29	244.39	24.47	3.44	265.42
	Computers and data processing units	347.64	3.42	8.69	342.37	319.37	7.06	8.26	318.17
	Electrical Installations and Equipments	2,470.48	9.94	0.68	2,479.74	1,020.34	172.91	0.63	1,192.62
	Bearer Plants	8,974.97	243.21	252.23	8,965.95	0.27	242.25	(287.10)	529.62
	<b>Total</b>	<b>71,903.18</b>	<b>1,651.49</b>	<b>1,623.04</b>	<b>71,931.63</b>	<b>26,284.77</b>	<b>2,198.74</b>	<b>597.20</b>	<b>44,045.32</b>
<b>B</b>	<b>Capital Work in Progress</b>								
	Total								931.22
	<b>Grand Total (A+B+C)</b>	<b>71,903.18</b>	<b>1,651.49</b>	<b>1,623.04</b>	<b>71,931.63</b>	<b>26,284.77</b>	<b>2,198.74</b>	<b>597.20</b>	<b>44,976.54</b>

Note:

- The amount of Contractual commitments for acquisition of property, plant and equipment is disclosed in Note 39(a).
- Refer Note 40.2 for Office Premises given on Operating Lease (included under Head 'Buildings' above).
- The amount of expenditure recognised in the carrying amount of PPE in the course of construction / development is Rs 53.16 Lakhs (FY 16-17 - Rs 80.35 Lakhs)
- Borrowing cost capitalised during year is Rs 27.02 Lakhs (PY- Rs 19.14 Lakhs) at the capitalisation rate of 10.15% (PY- 10.15%)
- Refer Note 19.3 and Note 24.1 for information on Property, Plant and Equipments pledged as securities by the Company.
- Refer to Note 46.5(q) for exemptions / options availed for deriving deemed cost on Transition date.



**Notes to the Consolidated Financial Statements for the year ended 31st March 2018 (Contd.)**

**Note 5 - Intangible Assets**

(₹ in lakhs)

Sl No.	Particulars	Gross Block Balance as at 31st March 17	Additions	Disposal / Adjustments	Balance as at 31st Mar 18	Amortisation Balance as at 31st March 17	Amortisation for the year	Disposal / Adjustments	Balance as at 31st Mar 18	Net Block Balance as at 31st Mar 18
<b>A</b>	<b>Intangible Assets</b>									
	Computer Softwares	311.86	8.97	-	320.83	291.88	10.35	-	302.23	18.60
	<b>Total</b>	<b>311.86</b>	<b>8.97</b>	<b>-</b>	<b>320.83</b>	<b>291.88</b>	<b>10.35</b>	<b>-</b>	<b>302.23</b>	<b>18.60</b>

Sl No.	Particulars	Gross Block Deemed Cost as at 1st April 2016	Additions	Disposal / Adjustments	Balance as at 31st Mar 17	Amortisation Balance as at 01 Apr 16	Amortisation for the year	Disposal / Adjustments	Balance as at 31st Mar 17	Net Block Balance as at 31st Mar 17
<b>A</b>	<b>Intangible Assets</b>									
	Computer Softwares	311.64	0.53	0.31	311.86	282.38	9.81	0.31	291.88	19.98
	<b>Total</b>	<b>311.64</b>	<b>0.53</b>	<b>0.31</b>	<b>311.86</b>	<b>282.38</b>	<b>9.81</b>	<b>0.31</b>	<b>291.88</b>	<b>19.98</b>



## Notes to the Consolidated Financial Statements for the year ended 31st March 2018 (Contd.)

## NOTE 6 - NON - CURRENT INVESTMENTS

(₹ in lakhs)

Particulars	Face Value (Rs)	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
		Qty	Amount	Qty	Amount	Qty	Amount
<b>INVESTMENTS AT AMORTIZED COST</b>							
<b>Investment in Fully paid Debentures</b>							
5% 10 years Redeemable Debenture in Shillong Club Ltd.	100	13	0.01	13	0.01	13	0.01
			<b>0.01</b>		<b>0.01</b>		<b>0.01</b>
<b>INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME</b>							
<b>Investments in Unquoted Equity Instruments</b>							
Bharat Fritz Werner Ltd	2	2,681,811	3,246.87	2,681,811	2,741.35	2,681,811	2,734.91
Kothari Hi Tech Consultants Pvt. Ltd.	10	95,000	4.50	95,000	4.50	95,000	4.50
Satyam Financial Services Ltd.	10	59,669	7.18	59,669	7.18	59,669	7.18
Woodlands Multispeciality Hospital Ltd.	10	8,655	0.87	8,655	0.87	8,655	0.87
ABC Tea Workers Welfare Services Ltd.	10	7,502	0.75	7,502	0.75	7,502	0.75
			<b>3,260.17</b>		<b>2,754.65</b>		<b>2,748.21</b>
<b>INVESTMENTS IN FAIR VALUE THROUGH PROFIT AND LOSS</b>							
<b>Investments in Quoted Equity Instruments</b>							
Amarjothi Spinning Mills Ltd.	10	-	-	1	*	1	*
B & A Ltd.	10	-	-	1	*	1	*
Banswara Syntex Ltd.	10	-	-	1	*	1	*
Dhunseri Petrochems Tea Ltd.	10	-	-	1	*	1	*
Duncan Industries Ltd.	10	-	-	1	*	1	*
Era Infra Engineering Ltd.	2	1	*	1	*	1	*
Ginni Filaments Ltd.	10	-	-	1	*	1	*
Goodricke Group Ltd.	10	-	-	1	*	1	*
GTN Industries Ltd.	10	-	-	1	*	1	*
Harrisons Malayalam Ltd.	10	-	-	1	*	1	*
Jay Shree Tea & Industries Ltd.	5	-	-	1	*	1	*
K.P.R. Mill Ltd.	10	1	*	1	*	1	*
Kilburn Engineering Ltd.	10	-	-	1	*	1	*
Kiran Vypar Limited	10	-	-	1	*	1	*
L.G.Balakrishnan & Bros. Ltd.	10	-	-	2	*	2	*
Lambodhara Textiles Ltd.	5	-	-	2	*	2	*
Lanco Infratech Ltd.	1	-	-	1	*	1	*
Maharaja Shree Umaid Mills Ltd.	10	-	-	1	*	1	*
Maral Overseas Ltd.	10	-	-	1	*	1	*
McLeod Russel India Ltd.	5	-	-	1	*	1	*
McNally Bharat Engineering Co. Ltd.	10	-	-	1	*	1	*
Mukand Engineers Ltd.	10	-	-	1	*	1	*
Nahar Industrial Enterprises Ltd.	10	-	-	1	*	1	*
Nahar Spinning Mills Ltd.	5	-	-	1	*	1	*
NCC Ltd.	2	-	-	1	*	1	*
Nitin Spinners Ltd.	10	-	-	1	*	1	*
Patspin India Ltd.	10	-	-	1	*	1	*
Petron Engineering Construction Ltd.	10	-	-	1	*	1	*
Punj Lloyd Ltd.	2	-	-	1	*	1	*
Rajapalayam Mills Ltd.	10	-	-	1	*	1	*
Rajvir Industries Ltd.	10	-	-	1	*	1	*
Rossel India Ltd.	2	-	-	1	*	1	*



Notes to the Consolidated Financial Statements for the year ended 31st March 2018 (Contd.)

Particulars	Face Value (Rs)	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
		Qty	Amount	Qty	Amount	Qty	Amount
RSWM Ltd.	10	-	-	1	*	1	*
Sambandam Spinning Mills Ltd.	10	-	-	1	*	1	*
Sangam (India) Ltd.	10	-	-	1	*	1	*
Shree Rajasthan Syntex Ltd.	10	1	*	1	*	1	*
Shriram EPC Ltd.	10	-	-	1	*	1	*
Simplex Projects Ltd.	10	-	-	1	*	1	*
Stewarts & Llyods of India Ltd.	10	1	*	1	*	1	*
Suryajyoti Spinning Mills Ltd.	10	1	*	1	*	1	*
Suryalata Spinning Mills Ltd.	10	-	-	1	*	1	*
Suryavanshi Spinning Mills Ltd.	10	-	-	1	*	1	*
Sutlej Textiles & Industries Ltd.	10	1	*	1	*	1	*
UB Engineering Ltd.	10	1	*	1	*	1	*
Vardhman Polytex Ltd.	10	-	-	1	*	1	*
Vardhman Textiles Ltd.	10	-	-	1	*	1	*
Warren Tea Ltd.	10	1	*	1	*	1	*
Welspun Enterprises Ltd.	10	-	-	1	*	1	*
Winsome Textile Industries Ltd.	10	-	-	1	*	1	*
Winsome Yarns Ltd.	10	1	*	1	*	1	*
			0.02		0.10		0.08
* Amount is below the rounding off norm adopted by the Company.							
<b>Total</b>			<b>3,260.20</b>		<b>2,754.76</b>		<b>2,748.30</b>
Aggregate book value of							
- Quoted Investments			0.02		0.10		0.08
- Unquoted Investments			3,260.18		2,754.66		2,748.22
Aggregate Market Value of Quoted Investment			0.02		0.10		0.08

NOTE 7 - OTHER FINANCIAL ASSETS

(₹ in lakhs)

Particulars	Refer Note No.	Non-current			Current		
		As at 31st March 2018	As at 31st March 2017	As at 1st April 2016	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>Security Deposits</b>							
Unsecured, considered good		1,352.58	370.66	1,290.74	2,589.35	3,908.99	3,412.86
Unsecured, considered doubtful		2,397.88	3,950.43	3,607.34	2,270.08	1,724.22	2,074.54
		<b>3,750.46</b>	<b>4,321.09</b>	<b>4,898.08</b>	<b>4,859.43</b>	<b>5,633.21</b>	<b>5,487.40</b>
Less: Allowances for doubtful security deposit		2,397.88	3,950.43	3,607.34	2,270.08	1,724.22	2,074.54
		<b>1,352.58</b>	<b>370.66</b>	<b>1,290.74</b>	<b>2,589.35</b>	<b>3,908.99</b>	<b>3,412.86</b>
<b>Other Deposits</b>							
NABARD Deposit		-	-	-	166.82	420.18	634.54
Interest Accrued on Loans and Deposits		-	-	-	27.57	35.88	49.50
Others		-	-	-	4,258.39	6,108.23	7,276.33
Deposits with Bank having maturity of more than one year from the balance sheet date	7.1	1,484.17	1,937.31	1,903.00	-	-	-
		1,484.17	1,937.31	1,903.00	4,452.78	6,564.29	7,960.37
<b>Total</b>		<b>2,836.75</b>	<b>2,307.97</b>	<b>3,193.74</b>	<b>7,042.13</b>	<b>10,473.28</b>	<b>11,373.23</b>

7.1 - Include ₹ 1,484.17 lakhs (P.Y. 2016-17 ₹ 1,930.45 lakhs, 2015-16 ₹ 1,811.64 Lakhs) marked lien with bank

7.2 - Refer Note 19.3 and Note 24.1 for information on other Financial Assets pledged as security of the Company.



## Notes to the Consolidated Financial Statements for the year ended 31st March 2018 (Contd.)

### NOTE 8 - OTHER ASSETS

(₹ in lakhs)

Particulars	Refer Note No.	Non-current			Current		
		As at 31st March 2018	As at 31st March 2017	As at 1st April 2016	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Capital Advances		56.34	145.24	113.03	-	-	-
Advance against supply of Goods and Services		-	-	-	1,046.95	1,054.92	1,132.61
Prepaid Expenses		-	-	-	377.35	287.96	340.52
Balances with Government & Statutory Authorities		-	-	-	3,745.93	2,581.70	2,243.05
Incentive and Subsidy Receivable		-	-	-	388.78	621.03	699.27
		56.34	145.24	113.03	5,559.01	4,545.61	4,415.45
Less : Allowances for Doubtful Advances		-	-	-	43.79	56.35	85.03
<b>Total</b>		<b>56.34</b>	<b>145.24</b>	<b>113.03</b>	<b>5,515.22</b>	<b>4,489.26</b>	<b>4,330.42</b>

8.1 - Refer Note 19.3 and Note 24.1 for information on Other Assets pledged as securities by the Company.

### NOTE 9 - BIOLOGICAL ASSETS OTHER THAN BEARER PLANTS

(₹ in lakhs)

Particulars	Refer Note No.	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Fair Value of Biological Assets Other than Bearer Plants	9.1	630.03	67.54	359.67
<b>Total</b>		<b>630.03</b>	<b>67.54</b>	<b>359.67</b>

9.1 - The Group owns biological assets, i.e., green leaves on tea bushes from which made tea is produced and macademia nuts. The Group has tea estates in Assam, West Bengal in India and Malawi. The tea made from Green Leaves and macademia nuts are sold commercially.

9.2 - Refer Note 19.3 and Note 24.1 for information on Biological Assets other than Bearer Plant pledged as securities by the Company.

### NOTE 10 - INVENTORIES

(₹ in lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
(As valued and certified by the Management)			
Raw Materials	3,284.89	3,738.07	3,184.18
Stock-in-Process	1,350.91	1,157.95	1,056.60
Finished Goods	8,306.55	7,427.20	7,020.36
Stock-in-Trade (In respect of goods acquired for trading)	107.74	132.48	587.76
Contract in Progress	3,397.76	1,513.15	1,234.33
Waste and Scrap	162.34	16.02	16.88
Stores and Spares etc.	1,863.66	2,110.29	2,353.52
<b>Total</b>	<b>18,473.85</b>	<b>16,095.16</b>	<b>15,453.63</b>
The above includes goods-in-transit as under:			
Raw Materials	158.91	573.36	73.64
	158.91	573.36	73.64

10.1 - Refer note 19.3 and note 24.1 for information on inventories pledged as securities by the Group.



Notes to the Consolidated Financial Statements for the year ended 31st March 2018 (Contd.)

NOTE 11 - CURRENT INVESTMENTS

(₹ in lakhs)

Particulars	Face Value (Rs)	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
		Qty	Amount	Qty	Amount	Qty	Amount
<b>INVESTMENTS AT AMORTIZED COST</b>							
<b>Investments in Government and Trust Securities (Unquoted)</b>							
6 Years National Saving Certificates (Deposited with Commercial Tax Officer)			0.07		0.07		0.07
			<b>0.07</b>		<b>0.07</b>		<b>0.07</b>
<b>INVESTMENTS IN FAIR VALUE THROUGH PROFIT AND LOSS</b>							
<b>Investment in Equity Instrument (Unquoted)</b>							
Waldies Compound Ltd. (formerly Barfani Builder Ltd.) (Refer Note 11.1)	10	-	-	-	-	14,680,000	1,468.00
			-		-		<b>1,468.00</b>
<b>Investments in Mutual funds (Unquoted)</b>							
SBI PSU Fund - Regular Plan-Growth	10	250,000	27.72	250,000	29.11	250,000	20.80
SBI Premier Liquid Fund- Institutional-Growth	100	4	0.12	4	0.11	4	0.10
Reliance Mututal Fund ETF Gold Bees	100	3,100	85.94	3,100	81.40	3,100	83.35
			<b>113.78</b>		<b>110.62</b>		<b>104.25</b>
<b>Total</b>			<b>113.85</b>		<b>110.69</b>		<b>1,572.32</b>
Aggregate book value of unquoted investments			<b>113.85</b>		<b>110.69</b>		<b>1,572.32</b>

11.1 Shares allotted and sold during F.Y. 2016-17

NOTE 12 - TRADE RECEIVABLES (Unsecured)

(₹ in lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Considered Good	9,693.58	10,168.12	11,639.27
Considered Doubtful	831.71	886.24	965.52
<b>Total</b>	<b>10,525.29</b>	<b>11,054.36</b>	<b>12,604.79</b>
Less: Allowances for Doubtful Receivables	831.71	886.24	965.52
<b>Total Trade Receivables</b>	<b>9,693.58</b>	<b>10,168.12</b>	<b>11,639.27</b>

12.1 Trade receivables are non-interest bearing and are generally on terms of 60 to 90 days.

12.2 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.

12.3 Refer Note 19.3 and Note 24.1 for information on Trade Receivable pledged as securities by the Company.

NOTE 13 - CASH AND CASH EQUIVALENTS

(₹ in lakhs)

Particulars	Refer Note No.	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Balances With Banks :				
In Current Account		150.21	177.70	248.93
In Deposit Accounts with Original Maturity of less than three months	13.1	-	6.70	-
Cheques/drafts on Hand		-	12.63	15.56
Cash in Hand		16.29	29.94	19.25
		<b>166.50</b>	<b>226.97</b>	<b>283.74</b>

13.1 Includes deposits marked lien in favour of Bank ₹ Nil lakhs (P.Y. ₹ 6.70)



## Notes to the Consolidated Financial Statements for the year ended 31st March 2018 (Contd.)

### NOTE 14 - BANK BALANCES (OTHER THAN NOTE: 13)

(₹ in lakhs)

Particulars	Refer Note No.	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Balance in Unpaid Dividend Account		28.92	48.34	50.43
In Deposit account with Original maturity of more than three months	14.1	2,223.18	2,538.35	1,940.93
Less:- Deposits with Bank disclosed under 'other financial Assets' having maturity of more than 12 months		2,252.10 1,484.17	2,586.69 1,937.31	1,991.36 1,903.00
		<b>767.93</b>	<b>649.38</b>	<b>88.36</b>

14.1 Includes deposits with bank committed to continue till the tenure of stand by letter of credit for loan availed by the Group.

### NOTE 15 - LOANS

(₹ in lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>Other Loans and Advances</b>			
Advance to Employees, unsecured, considered good	14.27	19.57	23.64
<b>Total Loans</b>	<b>14.27</b>	<b>19.57</b>	<b>23.64</b>

15.1 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.

### NOTE 16 - CURRENT TAX ASSETS (NET)

(₹ in lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Advance Income Tax and Tax Deducted at Source	1,811.86	2,017.45	2,433.56
Less: Provision for Income Tax	1,045.29	927.71	1,294.77
	<b>766.57</b>	<b>1,089.74</b>	<b>1,138.79</b>

### NOTE 17 - SHARE CAPITAL

(₹ in lakhs)

Particulars	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
<b>17.1 Authorised Share Capital</b>						
Ordinary Shares of ₹ 10/- each	21,342,346	2,134.23	21,342,346	2,134.23	21,342,346	2,134.23
Preference Shares of ₹ 100/- each	3,200,000	3,200.00	3,200,000	3,200.00	3,200,000	3,200.00
	<b>24,542,346</b>	<b>5,334.23</b>	<b>24,542,346</b>	<b>5,334.23</b>	<b>24,542,346</b>	<b>5,334.23</b>
<b>17.2 Issued Share Capital</b>						
Ordinary Shares of ₹ 10/- each	21,342,346	2,134.23	21,342,346	2,134.23	21,342,346	2,134.23
	<b>21,342,346</b>	<b>2,134.23</b>	<b>21,342,346</b>	<b>2,134.23</b>	<b>21,342,346</b>	<b>2,134.23</b>
<b>17.3 Subscribed and Paid-up Share Capital</b>						
Ordinary Shares of ₹ 10/- each fully paid-up	21,342,346	2,134.23	21,342,346	2,134.23	21,342,346	2,134.23
	<b>21,342,346</b>	<b>2,134.23</b>	<b>21,342,346</b>	<b>2,134.23</b>	<b>21,342,346</b>	<b>2,134.23</b>

#### 17.4 Reconciliation of the number of shares at the beginning and at the end of the year

There has been no change/ movements in number of shares outstanding at the beginning and at the end of the year.

#### 17.5 Terms/ Rights attached to Ordinary Shares :

The Company has only one class of Ordinary shares having a face value of ₹ 10 per share and each holder of Ordinary shares 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 Meetings. In case of liquidation the Ordinary Shareholders are eligible to receive remaining assets of the Company, after distribution of all the preferential amounts, in the proportion of their Shareholding.

#### 17.6 Shareholding Pattern with respect of Holding or Ultimate Holding Company

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

**Notes to the Consolidated Financial Statements for the year ended 31st March 2018 (Contd.)****17.7 Details of Ordinary Shareholders holding more than 5% shares in the Company**

Name of Share Holders	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	No. of Shares held	% of Shares held	No. of Shares held	% of Shares held	No. of Shares held	% of Shares held
Kothari Phytochemicals & Industries Limited	5,501,078	25.78%	5,501,078	25.78%	5,501,078	25.78%
Kothari Investment & Industries Private Limited	2,253,748	10.56%	2,253,748	10.56%	2,253,748	10.56%
Vishnuhari Investments & Properties Limited	1,707,291	8.00%	1,707,291	8.00%	1,707,291	8.00%
M. D. Kothari & Company Limited	1,521,868	7.13%	1,521,868	7.13%	1,521,868	7.13%
Kothari & Co. Private Limited	1,426,199	6.68%	1,426,199	6.68%	1,426,199	6.68%
Commercial House Private Limited	1,368,212	6.41%	1,368,212	6.41%	1,368,212	6.41%
Life Insurance Corporation of India	1,187,278	5.56%	1,187,278	5.56%	1,187,278	5.56%

17.8 No ordinary shares have been reserved for issue under options and contracts/ commitments for the sale of shares/ disinvestment as at the Balance Sheet date.

17.9 The Company has not allotted any Ordinary shares against consideration other than cash nor has allotted any shares as fully paid up by way of bonus shares nor has bought back any shares during the period of five years immediately preceding the date at which the Balance Sheet is prepared.

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

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

**NOTE 18 - OTHER EQUITY**

(₹ in lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Capital Reserve	3,407.53	3,407.53	3,407.53
Capital Reserve on Consolidation	4,434.98	4,652.95	4,494.34
Preference Share Redemption Reserve	262.47	262.47	262.47
Foreign Currency Translation Reserve	1,546.67	5.38	346.84
General Reserve	9,860.07	9,860.07	9,860.07
Retained Earnings	6,998.89	8,012.12	9,807.60
Other Reserves	551.97	46.45	40.01
<b>Total</b>	<b>27,062.58</b>	<b>26,246.97</b>	<b>28,218.86</b>

**Description of the nature and purpose of each reserve within equity is as follows:-**

- Capital Reserve – Reserve is created on business combination as per statutory requirement.
- Capital Reserve on Consolidation – The capital reserve on consolidation represents the additional net assets revived by the parent pursuant to the acquisition of foreign subsidiary.
- Preference Share Redemption Reserve – Reserve is created for redemption of preference shares as per statutory requirement.
- Foreign Currency Translation Reserve - Reserve is created on translation of Financial Statements of Foreign Subsidiaries into presentation Currency.
- General Reserve – General Reserve are free reserves of the company which are kept aside out of company's profits to meet the future requirements as and when they arise. The Company had transferred a portion of the Profit after Tax (PAT) to general reserve pursuant to the earlier provisions of Companies Act, 1956.
- Retained Earnings – Retained Earnings are the accumulated profits earned by the Company till date, less transfer to general reserves, dividend (including dividend distribution tax) and other distributions made to the shareholders.
- Other Reserve - Equity instrument through Other Comprehensive Income – This represents the cumulative gains and losses arising on fair valuation of equity instruments measured at fair value through other comprehensive income under an irrevocable option.
- Other Reserve through Re-measurement of Defined Benefit Plans – The Company has recognised remeasurement gains/ (loss) on defined benefit plans in OCI. These changes are accumulated within the OCI reserve under other equity.



## Notes to the Consolidated Financial Statements for the year ended 31st March 2018 (Contd.)

## NOTE 19 - BORROWINGS

(₹ in lakhs)

Particulars	Non-Current Portion			Current Maturities		
	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>Cumulative Redeemable Preference Shares (CRPS)</b> (Face Value of ₹ 100/- each)						
1,210,000 (P. Yr. 31st March 2017 - 1,210,000, 1st April 2016 - Nil) <b>7.75% CRPS</b>	1,210.00	1,210.00	-	-	-	-
200,000 (P. Yr. 31st March 2017 - 200,000, 1st April 2016 - 200,000) <b>8% CRPS</b>	200.00	200.00	200.00	-	-	-
	1,410.00	1,410.00	200.00	-	-	-
<b>Term Loans</b>						
<b>From Banks:</b>						
Rupee Loans	7,246.76	8,775.80	11,019.53	2,615.56	2,474.50	3,852.29
Foreign Currency Loans	6,042.38	7,609.70	9,094.18	1,524.17	1,166.64	-
	13,289.14	16,385.50	20,113.71	4,139.73	3,641.14	3,852.29
<b>Fixed Deposits (From Public)</b>	1,825.80	1,672.50	1,276.72	798.10	726.90	324.42
<b>Others</b>	73.74	98.32	122.90	24.58	24.58	24.58
<b>Total</b>	16,598.68	19,566.32	21,713.33	4,962.41	4,392.62	4,201.29
Amount disclosed under the head "Other Financial Liability"				(4,962.41)	(4,392.62)	(4,201.29)
<b>Total</b>	<b>16,598.68</b>	<b>19,566.32</b>	<b>21,713.33</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>19.1 Break Up of Security Details</b>						
Secured	13,362.88	16,483.82	19,736.61	3,164.31	3,165.72	2,876.87
Unsecured	3,235.80	3,082.50	1,976.72	1,798.10	1,226.90	1,324.42
<b>Total</b>	<b>16,598.68</b>	<b>19,566.32</b>	<b>21,713.33</b>	<b>4,962.41</b>	<b>4,392.62</b>	<b>4,201.29</b>

## 19.2 Terms and Conditions of Long Term Borrowings :

	Particulars	Amount (₹ in lakhs)	Period of Maturity	Installments Due	Installment Value (₹ in lakhs)	Repayment Terms	Rate of Interest (P.A.)
<b>A</b>	<b>Cumulative Redeemable Preference Shares (CRPS)</b>						
i.	7.75% CRPS	1,210.00	Maximum 18 years from the date of allotment	One or More tranches	1,210.00	Redeemable at par, after sixty (60) months from the date of allotment at the discretion of the Board of Directors of the Company	7.75%
ii.	8% CRPS	200.00	Maximum 15 years from the date of allotment	In bullet payment mode	200.00		8.00%



**Notes to the Consolidated Financial Statements for the year ended 31st March 2018 (Contd.)**

**B Term Loan - From Banks - in Indian Rupees**

	Particulars	Amount (Rs in lacs)	Period of Maturity	Installments Due	Installment Value (₹ in lakhs)	Repayment Terms	Rate of Interest (P.A.)
i	State Bank of India (TUF-III)	131.00	Mar-19	4	37.00/ quarter 20.00/ quarter	Jun'18 - Dec'18 Mar'19	MCLR+2.50%
ii	State Bank of India (TUF-IV)	395.19	Dec-18	3	196.00/quarter 174.23/quarter 24.96/quarter	Jun'18 Sept'18 Dec'18	MCLR+ 2.50%
iii	State Bank of India (Term Loan-III)	13.00	Mar-19	3	11.00/ quarter 1.00/ quarter	Jun'18 Sept'18 & Mar'19	MCLR+2.50%
iv.	State Bank of India (Corporate Loan-I)	2,620.00	Mar-23	20	75.00/ quarter 100.00/ quarter 125.00/ quarter 175.00/ quarter 185.00/ quarter	Apr'18 - Mar'19 Apr'19 - Mar'20 Apr'20 - Mar'21 Apr'21 - Mar'22 Apr'22 - Mar'23	MCLR+1.20%
v.	State Bank of India (Corporate Loan-II)	2,690.00	Mar-23	20	75.00/ quarter 100.00/ quarter 150.00/ quarter 175.00/ quarter 175.00/ quarter 165.00/ quarter	Apr'18 - Mar'19 Apr'19 - Mar'20 Apr'20 - Mar'21 Apr'21 - Mar'22 Apr'22 - Dec'22 Mar'23	MCLR+1.90%
vi.	State Bank of India (Lease Rental Discounting Loan) (LRD)	288.59	Mar-20	24	Equated Monthly Installments (EMI)	Apr'18 - Mar'20	MCLR+1.70%
vii.	State Bank of India (Corporate Loan-III)	2,700.00	Mar-23	20	75.00/ quarter 100.00/ quarter 150.00/ quarter 175.00/ quarter 175.00/ quarter 165.00/ quarter	Apr'18 - Mar'19 Apr'19 - Mar'20 Apr'20 - Mar'21 Apr'21 - Mar'22 Apr'22 - Dec'22 Mar'23	MCLR+1.70%
viii	YES Bank Limited (Term Loan)	1,000.00	Dec-18	3	333.00 Monthly 334.00	Oct'18, Nov'18, Dec 18	10.00%
ix.	HDFC Bank Limited (Vehicle Loan)	84.63	Dec-19 Jan-20 Dec-19 Dec-19 Dec-19 Dec-19 Dec-19 Dec-19 Aug-20 Jul-20 Jun-20 May-20	21 22 21 21 21 21 21 21 29 28 27 26	EMI EMI EMI EMI EMI EMI EMI EMI EMI EMI EMI EMI	Apr'18-Dec'19 Apr'18-Jan'20 Apr'18-Dec'19 Apr'18-Dec'19 Apr'18-Dec'19 Apr'18-Dec'19 Apr'18-Dec'19 Apr'18-Dec'19 Apr'18-Aug'20 Apr'18-Jul'20 Apr'18-Jun'20 Apr'18-May'20	9.25% 9.25% 9.25% 9.25% 9.25% 9.25% 9.25% 9.25% 8.75% 8.75% 8.75% 8.75%
x.	Axis Bank Ltd, Singapore	6,899.89	Sep'22	5	1246.38/ Year 1413.38/Year 1413.38/Year 1413.38/Year 1413.36/Year	Sep'18 Sep'19 Sep'20 Sep'21 Sep'22	3 Month LIBOR+2.90%
xi.	First Merchant Bank Limited , Malawi	666.66	Mar/22	48	13.88/Month	Apr'18-Mar'22	7.75%
xii.	Unamortised Borrowing Cost on Term Loans	(60.09)					
	<b>Total of Term Loan from Banks</b>	<b>17,428.87</b>					



### Notes to the Consolidated Financial Statements for the year ended 31st March 2018 (Contd.)

	Particulars	Amount (Rs in lacs)	Period of Maturity	Install- ments Due	Installment Value (₹ in lakhs)	Repayment Terms	Rate of Inter- est (P.A.)
<b>C</b>	<b>Fixed Deposits (From Public)</b>	<b>4,647.40</b>	One year to three years	Bullet payment on the maturity date	2018-19 - Rs 2,820.60 2019-20 - Rs 1,056.40 2020-21 - Rs 770.40	The fixed deposit includes fixed and cumulative deposits both	9.75% - 10.25%
<b>D</b>	<b>Term Loan - From Others - In Indian Rupees</b> Tea Board of India (Special Purpose Tea Fund Scheme)	<b>98.32</b>	Mar-22	8	12.29/ half yearly	Apr'18-Jan'22	8.91%

#### 19.3 Details of Security Given for Loan

- The Term Loan from State Bank of India (SBI), Corporate Loan from State Bank of India (SBI) and Letter of Credit facility from SBI for purchase of capital goods are secured/to be secured by first charge by way of Equitable Mortgage by deposit of title deeds of the Company's immovable properties situated at (a) Akbarpur, Punjab, (b) Champdani, West Bengal, (c) Gillander House, West Bengal and also secured by way of 1st charge on entire Property, Plant and Equipment, both present and future of the Company except those pertaining to the Tea Division but subject to prior charge(s) created/to be created on current assets (except Tea Division) in favour of Company's bankers for securing working capital facilities availed from time to time in the ordinary course of business. The mortgage and charge shall rank pari passu with the mortgage and charges created/ to be created in favour of SBI . The term loans, Corporate Loans and letter of credit for Capital Goods are also secured by guarantee of a Director.
- Lease Rental Discounting (LRD) Term Loan from SBI is secured by assignment/ hypothecation of current and future lease proceeds, rental receivables and other fees from certain chargeable area of Gillander House and are also secured/to be secured by 1st charge on entire Property, Plant and Equipment, both present and future of the Company except those pertaining to the Tea Division but subject to prior charge(s) created/ to be created on current assets (except Tea Division) in favour of Company's bankers. The mortgage and charge shall rank pari passu with the mortgage and charges created/ to be created in favour of State Bank of India. The term loan is also secured by guarantee of a Director.
- Term Loan from Yes Bank Limited is guaranteed by a Director.
- The Term Loan from HDFC Bank Ltd., are secured by hypothecation of the related vehicles purchased.
- The Term Loan from Tea Board of India under Special Purpose Tea Fund Scheme (SPTF) is secured by second charge by way of equitable mortgage on Immovable properties situated at the Tea estates and also further secured/to be secured by second charge by way of hypothecation of tea crop of the estates.
- The Term Loan of Gillanders Holdings( Mauritius) Limited, Mauritius from Axis Bank Ltd. Singapore, is secured by Axis Bank Ltd ,India which has offered a stand by letter of credit of USD 11.05 Million to Axis Bank Ltd, Singapore by creating a pari –passu charge on tea estates in India of the Holding Company.
- The Term Loan of Group Developments Limited, Malawi from First Merchant Bank Ltd, is secured by collateral security by way of mortgage charge on Naming'omba Tea Estate, a unit of subsidiary of Group Development Company.

#### NOTE 20 - OTHER FINANCIAL LIABILITIES

(₹ in lakhs)

Particulars	Refer Note No.	Non-Current			Current		
		As at 31st March 2018	As at 31st March 2017	As at 1st April 2016	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Current maturities of Long Term Debt	19	-	-	-	4,962.41	4,392.62	4,201.29
Trade and Security Deposits (Unsecured)		928.61	1,567.40	1,598.55	967.04	581.44	603.49
Interest accrued but not due on Borrowings		159.69	73.60	78.76	176.61	196.41	166.49
Unpaid and unclaimed dividends		-	-	-	28.92	48.34	50.43
Employees related Liabilities		-	-	-	1,801.76	1,557.09	1,506.90
Amount payable for Capital Goods		-	-	-	220.49	158.26	37.03
Unpaid matured deposits and interest accrued thereon		-	-	-	4.30	6.02	12.70
Other Payables		-	-	-	382.00	542.16	394.42
<b>Total</b>		<b>1,088.30</b>	<b>1,641.00</b>	<b>1,677.31</b>	<b>8,543.53</b>	<b>7,482.34</b>	<b>6,972.75</b>



**Notes to the Consolidated Financial Statements for the year ended 31st March 2018 (Contd.)**

**NOTE 21 - PROVISIONS**

Particulars	Refer Note No.	Non- Current			Current		
		As at 31st March 2018	As at 31st March 2017	As at 1st April 2016	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Provision for Employee Benefits		145.23	-	-	2,449.09	2,330.93	2,817.11
<b>Total</b>		<b>145.23</b>	<b>-</b>	<b>-</b>	<b>2,449.09</b>	<b>2,330.93</b>	<b>2,817.11</b>

**NOTE 22 - DEFERRED TAX LIABILITIES (NET)**

(₹ in lakhs)

Particulars	Refer Note No.	Non- Current			Current		
		As at 31st March 2018	As at 31st March 2017	As at 1st April 2016	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>Deferred Tax Liabilities</b>							
Arising on account of :							
Property, Plant & Equipment & Intangible Assets					4,356.57	4,081.57	3,834.89
<b>Sub-total</b>					<b>4,356.57</b>	<b>4,081.57</b>	<b>3,834.89</b>
<b>Less: Deferred Tax Assets</b>							
Arising on account of :							
Allowances for Doubtful Debts					1,911.34	2,265.17	2,283.31
Section 43B of Income Tax Act, 1961					1,068.14	1,015.35	714.25
Unabsorbed Depreciation/ Carried Forward Business Losses	22.1				755.51	189.59	98.67
Others					133.64	133.64	133.64
<b>Sub-total</b>					<b>3,868.63</b>	<b>3,603.75</b>	<b>3,229.87</b>
<b>Deferred Tax Liabilities (Net)</b>					<b>487.94</b>	<b>477.82</b>	<b>605.02</b>

22.1 The recognition of deferred tax asset on unabsorbed depreciation/business losses has been restricted to the extent of deferred tax liability on account of timing difference in respect of depreciation, the reversal of which is reasonably certain.

**22.2 Movement in deferred tax asset and deferred tax liabilities during the year ended 31st March, 2017 and 31st March, 2018**

Particulars	As at 31st March, 2017	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	As at 31st March, 2018
<b>Deferred Income Tax Liabilities</b>				
Property, Plant & Equipments & Intangible Assets	4,081.57	275.00	-	4,356.57
	<b>4,081.57</b>	<b>275.00</b>	<b>-</b>	<b>4,356.57</b>

Particulars	As at 31st March, 2017	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	As at 31st March, 2018
<b>Deferred Income Tax Assets</b>				
Allowances for Doubtful Debts (ECL Model)	2,265.17	(353.83)	-	1,911.34
Items u/s 43B of the Income Tax Act, 1961	1,015.35	135.60	(82.81)	1,068.14
Unabsorbed Depreciation/ Carried Forward Business Losses	189.59	565.92	-	755.51
Others	133.64	-	-	133.64
	<b>3,603.75</b>	<b>347.69</b>	<b>(82.81)</b>	<b>3,868.63</b>



## Notes to the Consolidated Financial Statements for the year ended 31st March 2018 (Contd.)

Particulars	As at 1st April, 2016	Recog- nized in Statement of Profit & Loss	Recog- nized in Other Com- prehensive Income	As at 31st March, 2017
<b>Deferred Income Tax Liabilities</b>				
Property, Plant and Equipments & Intangible Assets	3,834.89	246.68		<b>4,081.57</b>
	<b>3,834.89</b>	<b>246.68</b>	-	<b>4,081.57</b>
<b>Deferred Income Tax Assets</b>				
Allowances for Doubtful Debts	2,283.31	(18.14)		<b>2,265.17</b>
Items u/s 43B of the Income Tax Act, 1961	714.25	332.23	(31.13)	<b>1,015.35</b>
Unabsorbed Depreciation/ Carried Forward Business Losses	98.67	90.92		<b>189.59</b>
Others	133.64	-		<b>133.64</b>
	<b>3,229.87</b>	<b>405.01</b>	<b>(31.13)</b>	<b>3,603.75</b>

**22.3** 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.

**NOTE 23 - OTHER LIABILITIES**

(₹ in lakhs)

Particulars	Refer Note No.	Non-Current			Current		
		As at 31st March 2018	As at 31st March 2017	As at 1st April 2016	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Job Advance		61.21	72.94	688.98	503.64	655.95	635.74
Advances Received from Customers		-	-	-	199.86	96.93	151.28
Statutory Dues		-	-	-	842.23	406.25	338.67
<b>Total</b>		<b>61.21</b>	<b>72.94</b>	<b>688.98</b>	<b>1,545.73</b>	<b>1,159.13</b>	<b>1,125.69</b>

**NOTE 24 - SHORT TERM BORROWINGS**

(₹ in lakhs)

<b>Loans Repayable on Demand</b>			
Working Capital Facilities from Banks			
- United Bank of India	198.46	982.64	2,105.16
- Other Banks	7,966.94	5,944.82	7,247.48
<b>Short Term Loan</b>			
From Banks	5,500.00	6,500.00	4,000.00
From Other Body Corporates	4,975.00	5,510.00	6,150.00
From Related Parties	225.00	165.00	50.00
Fixed Deposits (From Public)	2,023.50	1,861.72	2,342.56
<b>Total</b>	<b>20,888.90</b>	<b>20,964.18</b>	<b>21,895.20</b>
<b>The above amount includes</b>			
Secured Borrowings	8,165.40	982.64	2,105.16
Unsecured Borrowings	12,723.50	14,036.72	12,542.56
	<b>20,888.90</b>	<b>15,019.36</b>	<b>14,647.72</b>

**Notes to the Consolidated Financial Statements for the year ended 31st March 2018 (Contd.)****24.1 Details of Security Given for Loan**

- a. The working capital facilities from United Bank of India are secured/ to be secured by hypothecation of Tea Crop, Made Tea, Book Debts and all other Current Assets of the Tea Estates and are further secured/to be secured by way of Equitable Mortgage on immovable properties situated at the Tea Estates.
- b. Working Capital Facilities from other Banks, (except those availed by Tea Division of the Company from United Bank of India) are secured / to be secured by hypothecation of Company's (other than Tea Division) entire current assets, both present and future, ranking pari passu inter-se, and guaranteed by a Director and are further secured/ to be secured by way of second charge on the property, plant & equipments of the Company (other than Tea Division) ranking pari passu inter-se.
- c) Working Capital facilities from First Merchant Bank Ltd ,of Group Developments Limited , Malawi is secured by mortgage charge on assets of Naming'omba Tea Estate Ltd, a unit of subsidiary of Group Developments Limited.
- d) Working Capital facilities from National Bank of Malawi, of Group Developments Limited , Malawi is secured by mortgage charge on the assets of Mafisi Tea Estate Ltd, a unit of subsidiary of Group Developments Limited.

**24.2 Details of Interest Rates on Short Term Borrowings**

- a The Working Capital Facilities having interest rate varying between 7.75% p.a. - 11.25% p.a. are repayable on demand.
- b Short term loans from HDFC Bank Ltd. ₹ 5,500.00 Lakhs having interest rate of ranging from 9.30% to 9.45% p.a. is repayable by June 2018 and that from Body Corporates having interest varying between 11.00% to 12.50% p.a.
- c Fixed Deposit from Public is having interest rate varying between 9.75% p.a. to 10.25%p.a.
- d Working Capital facilities from First Merchant Bank Ltd and National Bank of Malawi, of Group Developments Limited , Malawi Carrying an interest of 7.75% p.a.

**NOTE 25 - TRADE PAYABLES**

(₹ in lakhs)

Particulars	Refer Note No.	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Trade Payables for goods and services				
-Total outstanding dues of Micro and Small Enterprises	42	54.27	-	-
-Others		13,111.00	11,518.34	11,242.57
<b>Total</b>		<b>13,165.27</b>	<b>11,518.34</b>	<b>11,242.57</b>

**NOTE 26 - REVENUE FROM OPERATIONS**

(₹ in lakhs)

Particulars	Refer Note No.	As at 31st March 2018	As at 31st March 2017
Sale of Products		58,806.62	59,148.75
Income from Construction Contracts		5,557.29	6,705.55
Rental Income		603.07	739.27
		<b>64,966.98</b>	<b>66,593.57</b>
Other Operating Revenues			
Incentives & Subsidies		432.09	640.50
Service Charges from Tenants		143.28	134.18
Sale of Waste		847.28	549.12
Sale of Scrap		84.41	93.49
Insurance and Other Claims (Net)		5.89	124.70
		<b>1,512.95</b>	<b>1,541.99</b>
<b>Total</b>		<b>66,479.93</b>	<b>68,135.56</b>



## Notes to the Consolidated Financial Statements for the year ended 31st March 2018 (Contd.)

### NOTE 27 - OTHER INCOME

(₹ in lakhs)

Particulars	Refer Note No.	As at 31st March 2018	As at 31st March 2017
<b>Interest Income</b>			
On Bank Deposits and other deposits		284.41	248.80
<b>Net Gain/ (Loss) on sale of Investments at FVTPL</b>			
On Non-Current investments		0.01	-
Gain/ (Loss) on restatement of Investments at FVTPL		3.16	6.39
<b>Other Non Operating Income</b>			
Profit on sale of Property, Plant and Equipment (Net)		96.24	435.51
Change in fair valuation of biological assets		562.49	(292.13)
Liabilities no longer required written back		191.98	15.14
Allowances for doubtful debts and advances no longer required written back (Net of Rs 885.52 Lakhs (PY - Nil) charged as Contractual Obligation)		166.26	115.77
Foreign Exchange Fluctuation (Net)		196.66	(125.50)
Insurance Claims on Others (Net)		20.28	16.91
Sundry Receipts and Claims		534.86	359.55
<b>Total</b>		<b>2,056.35</b>	<b>780.44</b>

### NOTE 28 - COST OF MATERIALS CONSUMED

(₹ in lakhs)

Particulars	Refer Note No.	For the year ended 31st March 2018	For the year ended 31st March 2017
Opening Stock of Raw Material		3,738.07	3,184.18
Add: Purchases		22,290.02	23,618.75
Less Closing Stock		(3,284.89)	(3,738.07)
<b>Total</b>		<b>22,743.20</b>	<b>23,064.86</b>

### NOTE 29 - PURCHASE OF TRADED GOODS

(₹ in lakhs)

Particulars	Refer Note No.	For the year ended 31st March 2018	For the year ended 31st March 2017
Purchase of Traded Goods		5,103.29	5,428.32
		<b>5,103.29</b>	<b>5,428.32</b>

### NOTE 30 - (INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS

(₹ in lakhs)

Particulars	Refer Note No.	For the year ended 31st March 2018	For the year ended 31st March 2017
<b>Inventories at the beginning of the year</b>			
Finished Goods		7,427.20	7,020.36
Boughtout Goods		132.48	587.76
Stock-In-Progress		1,157.95	1,056.60
Scrap and Waste		16.02	16.88
		<b>8,733.65</b>	<b>8,681.60</b>
<b>Inventories at the end of the year</b>			
Finished Goods		8,306.55	7,427.20
Boughtout Goods		107.74	132.48
Stock-In-Progress		1,350.91	1,157.95
Scrap and Waste		162.34	16.02
		<b>9,927.54</b>	<b>8,733.65</b>
Fluctuation of Exchange Rate carried to Foreign Exchange Translation Reserve		11.39	(50.38)
<b>Total changes in inventories of finished goods, work-in-progress, and Traded Goods</b>		<b>(1,182.50)</b>	<b>(102.43)</b>

**Notes to the Consolidated Financial Statements for the year ended 31st March 2018 (Contd.)****NOTE 31 - EMPLOYEE BENEFITS EXPENSE**

(₹ in lakhs)

Particulars	Refer Note No.	For the year ended 31st March 2018	For the year ended 31st March 2017
Salaries and Wages		12,298.90	12,316.33
Contribution to Provident and Other Funds		1,467.54	1,136.37
Staff Welfare Expenses		1,108.81	1,267.72
<b>Total</b>		<b>14,875.25</b>	<b>14,720.42</b>

**NOTE 32 - FINANCE COSTS**

(₹ in lakhs)

Particulars	Refer Note No.	For the year ended 31st March 2018	For the year ended 31st March 2017
<b>Interest Expenses</b>			
Interest Expense (Net of Incentive Income)		3,942.55	4,442.30
Interest on Fixed Deposits (From Public)		496.34	419.15
Dividend on Redeemable Preference Shares		109.78	50.43
Other Financial Charges		456.64	439.02
<b>Total</b>		<b>5,005.31</b>	<b>5,350.90</b>

**NOTE 33 - DEPRECIATION AND AMORTIZATION EXPENSES**

(₹ in lakhs)

Particulars	Refer Note No.	For the year ended 31st March 2018	For the year ended 31st March 2017
On Property, Plant and Equipment	33.1	2,417.20	2,198.74
On Intangible Assets		6.78	9.81
		<b>2,423.98</b>	<b>2,208.55</b>

**33.1** - The Holding Company was following two methods of depreciation on Property, Plant and Equipment (PPE) i.e. written down value method and Straight Line method. In order to adopt a consistent estimates of depreciation, the company has opted to bring all the PPE under Straight line method w.e.f 01.04.2017. The impact of the said change during the year ended March 2018 is ₹ 227.50 Lakhs .

**NOTE 34 - OTHER EXPENSES**

(₹ in lakhs)

Particulars	Refer Note No.	For the year ended 31st March 2018	For the year ended 31st March 2017
<b>Manufacturing Expenses</b>			
Stores, Spare Parts & Packing Materials Consumed		3,332.39	3,602.01
Power & Fuel		6,184.44	5,773.07
Cess		88.84	135.43
Excise Duty		-	31.78
Repairs to Buildings		307.94	278.95
Repairs to Machinery		1,147.72	1,248.57
Repairs to Other Assets		132.52	173.69
Jobs on Contract		2,101.38	4,780.15
Jobs Outsourcing		298.36	409.26
Machinery Hire Charges		42.38	504.79
Increase/(Decrease) in Excise Duty & Cess on Finished Goods		-	(10.12)
Other Manufacturing Expenses		1,329.05	92.54
		<b>14,965.02</b>	<b>17,020.12</b>


**Notes to the Consolidated Financial Statements for the year ended 31st March 2018 (Contd.)**

(₹ in lakhs)

Particulars	Refer Note No.	For the year ended 31st March 2018	For the year ended 31st March 2017
<b>Selling and Administrative Expenses</b>			
Brokerage & Commission on Sales		199.41	208.65
Freight, Shipping, Delivery and Selling Expenses		1,222.27	1,491.52
Brokerage and Discount on Sales		289.26	401.60
Travelling & Conveyance		724.83	822.64
Rent		62.10	117.46
Rates & Taxes		386.22	297.36
Insurance		242.86	253.56
Bad debts written off		177.38	118.06
Corporate Social Responsibility Expenses	<b>43</b>	-	14.65
Auditors' Remuneration	<b>34.1</b>	66.52	69.59
Net Provision for doubtful debts/advances		-	92.66
Directors' Sitting Fees		10.58	10.16
Consultation and Advisory Charges		237.46	231.19
Other Expenses		1,388.18	1,114.63
		5,007.07	5,243.73
		19,972.09	22,263.85

**34.1 Auditors' Remuneration**

(₹ in lakhs)

Particulars	Refer Note No.	For the year ended 31st March 2018	For the year ended 31st March 2017
<b>a Statutory Auditors</b>			
Audit Fees		40.23	44.05
Other Services		16.80	16.55
Reimbursement of Expenses		0.14	0.40
		57.17	61.00
<b>b Branch Auditors</b>			
Audit Fees		5.50	4.95
Tax Audit Fees		2.50	1.50
Other Services		0.90	1.58
Reimbursement of Expenses		0.45	0.56
		9.35	8.59
		66.52	69.59

**NOTE 35 - EXCEPTIONAL ITEMS**

(₹ in lakhs)

Particulars	Refer Note No.	For the year ended 31st March 2018	For the year ended 31st March 2017
Profit on Sale of Land & Building	<b>35.1</b>	-	1,573.38
Profit on Sale of Shares of Waldies Compound Limited (Formerly Barfani Builder Limited)	<b>35.2</b>	-	633.39
			<b>2,206.77</b>

**35.1** During the previous Year 2016-17, the Group has completed the sale of Land and Building structure of the fabrication factory of its Engineering (MICCO) Division located at Sodepur, West Bengal. Profit of ₹ 1,573.38 lakhs.

**35.2** During the previous Year 2016-17, the Group has sold and transferred its entire shareholding of 1,47,29,995 numbers of fully paid equity shares of ₹ 10 each, held in Waldies Compound Limited (formerly Barfani Builder Limited) for a total consideration of ₹ 2,106.29 lakhs. Profit of ₹ 633.39 lakhs.



Notes to the Consolidated Financial Statements for the year ended 31st March 2018 (Contd.)

NOTE 36 - TAX EXPENSE

(₹ in lakhs)

Particulars	For the	For the
	year ended 31st March 2018	year ended 31st March 2017
Current Tax for the year	277.07	158.59
Less : Provision for Earlier year written back		30.00
Current Tax	277.07	128.59
Deferred Tax	175.34	(54.86)
	<b>452.41</b>	<b>73.73</b>
<b>36.1 Reconciliation of estimated Income tax expense at Indian statutory Income tax rate to income tax expense reported in statement of Total Comprehensive Income</b>		
	<b>31-Mar-18</b>	<b>31-Mar-17</b>
Profit from before income tax expense	(404.34)	(1,811.70)
Indian Statutory Income Tax rate*	30.90%	30.90%
Estimated Income Tax Expense	(124.94)	(559.82)
<i>Tax effect of adjustments to reconcile expected Income tax expense to reported Income tax expense</i>		
a) Expenses that are not deductible in determining taxable profit	64.79	36.20
b) Additional deduction under Income -Tax Act, 1961	(83.33)	(185.03)
c) Income that is exempt from taxation	(19.91)	(12.75)
d) Adjustment in respect of tax rates #	1.01	2.00
e) Unrecognised deferred tax assets on tax losses for the year / period	291.03	193.40
f) Others	323.76	599.73
	577.35	633.55
<b>Income tax expense in Statement of Profit &amp; Loss</b>	<b>452.41</b>	<b>73.73</b>

\*Applicable Indian Statutory Income Tax rate for Fiscal Year 2018 & 2017 is 34.608%. However, Company is required to pay tax u/s 115JB of Income Tax Act, 1961.

NOTE 37 - OTHER COMPREHENSIVE INCOME

(₹ in lakhs)

Particulars	For the	For the
	year ended 31st March 2018	year ended 31st March 2017
<b>Items that will not be reclassified to profit or loss</b>		
Remeasurement of the defined benefit plans	(239.29)	89.95
Less: Tax expense on the above	(82.81)	31.13
<b>Total</b>	<b>(156.48)</b>	<b>58.82</b>
Equity Instruments through Other Comprehensive Income	505.52	6.44
	<b>505.52</b>	<b>6.44</b>
	<b>349.04</b>	<b>65.26</b>

Note 38 - Contingent Liabilities and Commitments:

Claims/Disputes/Demands not acknowledged as debts -

(₹ in lakhs)

Sl. No.	Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
a	Sales Tax	2,100.38	1,878.67	1,118.31
b	Cess on Jute bags/Jute Twine	7.32	7.32	7.32
c	Cess and Excise on Captive Consumption	11.33	11.33	11.33
d	Excise Duty	35.46	56.87	114.22
e	Service Tax	424.83	424.83	442.58
f	Income Tax	106.02	106.02	106.02
g	Voltage Surcharge on Electricity consumed	164.60	159.32	159.32
h	Others	27.53	24.61	31.99

At the reporting date the company remained a signatory to the ESCROW account held at CDH Investment Bank Limited, Malawi, with a balance of ₹ 977.5 lakhs as at 31 March 2018 in respect of a Share Purchase Agreement.

Note:- In respect of above, future cash flows are determinable only on receipt of judgements pending at various forums/authorities which in the opinion of the Company is not tenable and there is no possibility of any reimbursement in case of above.



## Notes to the Consolidated Financial Statements for the year ended 31st March 2018 (Contd.)

### NOTE 39 Commitments

Estimated amount of contracts remaining to be executed on Capital Account and not provided for - (₹ in lakhs)

Sl. No.	Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
a)	Estimated amount of contracts remaining to be executed on Capital Account (Net of Advance of Rs 28.15 lakhs (FY 16-17 - Rs 101.50 lakhs. FY 15-16 - Rs 105.84 lakhs)	136.31	167.76	206.65
b)	For Lease commitments, refer Note 40			
c)	For derivatives contract refer Note 50(C )(b)			
d)	Deposits with Bank committed to continue till the tenure of stand by letter of credit.	1,484.18	1,930.45	1,811.64

### NOTE 40 - Operating leases

#### 40.1 As Lessee

The Group has taken various Plant and Machinery for its Engineering (MICCO) Division under cancellable operating lease. Lease range for the period between 3 to 8 months. During the year, the company has charged related lease rental of ₹ 41.66 Lakhs (Previous Year ₹ 503.81 Lakhs) in the Statement of Profit and Loss under the head Machinery Hire Charges.

The Group has certain operating leases for premises (residential, offices and godowns) which are not non- cancellable range between 3 months to 5 years generally and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged in the Statement of Profit and Loss under the head Rent ( Refer Note 34).

#### a Future Minimum Lease Payments

At 31st March, the future minimum lease payments to be made under non-cancellable operating leases are as follows: (₹ in lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Payables within one year	13.76	13.76	-
Payables later than one year but not later than five years	55.03	55.03	-
Payables later than five years	-	13.76	-

#### b Amounts recognized in Profit and Loss

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Total rental expense relating to operating leases	62.10	117.46

#### 40.2 As Lessor

The Group has given office premises under cancellable operating leases. The leasing arrangements range between 3 years and 15 years generally or longer and are usually renewable by mutual consent on mutually agreeable terms. Initial direct costs for such leases are borne by the company and charged off to revenue. Lease rentals are recognised as income for Rs 603.03 lakhs during the year ( P.Y. Rs 591.80 lakhs). The gross value and accumulated depreciation of such asset as at 31st March, 2018 was Rs 15.62 lakhs ( P.Y. Rs 14.40 lakhs) and Rs 1.51 lakhs ( P.Y. Rs 0.71 lakhs) respectively.

**NOTE 41** - Revenue expenditure on Research and Development of ₹ 21.33 lakhs (P.Y. ₹ 17.41 lakhs) represents subscription to Tea Research Association.

**Notes to the Consolidated Financial Statements for the year ended 31st March 2018 (Contd.)****NOTE 42 - Disclosure pursuant to MSMED Act****(₹ in lakhs)**

Particulars	As at 31st March 2018	As at 31st March 2017
i) Principal Amount remaining unpaid to any suppliers under MSMED Act	54.27	-
ii) Interest due thereon remaining unpaid to any suppliers on above	-	-
iii) Any Payment made to suppliers beyond appointed date (under Section 16 of the Act)	-	-
iv) Interest due and payable to suppliers under MSMED Act	-	-
v) Interest Accrued & remaining unpaid	-	-
vi) Interest remaining due & payable as per section 23 of the Act	-	-
<b>Total</b>	<b>54.27</b>	<b>-</b>

The Company has compiled this information based on intimation received from the suppliers of their status as Micro or Small Enterprises and/or its registration with appropriate authority under the Micro, Small and Medium Enterprises Act, 2006 ("MSMED Act").

**NOTE 43** - In accordance with the Guidance Note on Accounting for Expenditure on Corporate Social Responsibility Activities, the requisite disclosure is as follows:

Particulars	2017-18	2016-17
Gross Amount Required to be spent by the company during the year	-	-
Related Party transactions as per Ind AS 24 in relation to CSR Expenditure	-	-
CSR expenditure incurred during the year	-	14.65

**NOTE 44** - Balances of some of the Trade Receivables, Other Assets, Trade and Other Payables are subject to confirmation/reconciliation and consequential adjustment, if any. Reconciliations are carried out on an on-going basis. Provisions, wherever considered necessary, have been made. However, management does not expect to have any material financial impact of such pending confirmation/reconciliation.

**NOTE 45 - Related Party Disclosures****45.1 Related parties with whom transactions have taken place during the year and previous year are:**

Nature	Name of the Company
<b>Name of the Company in which Directors/ Key Managerial Personnel and their relatives have significant influence</b>	i) M. D. Kothari & Company Limited (MDKCL)
	ii) Bharat Fritz Werner Limited (BFW)
	iii) Kothari & Co Private Limited (KCPL)
	iv) Kothari Investment & Industries Private Limited (KI IPL)
	v) Commercial House Private Limited (CHPL)
	vi) Vishnuhari Investment & Properties Limited (VIPL)
	vii) Kothari Medical Centre (KMC)
	viii) Kothari Phytochemicals & Industries Limited (KPIL)
	ix) Albert David Limited (ADL)
	x) Kothari & Company (KCO)
	xi) Kothari Capital & Securities Private Limited (KCSPL)

Nature	Name	Designation
<b>Key Management Personnels</b>	Mr. Arun Kumar Kothari (AKK)	Non-Executive Promoter Chairman
	Mrs. Prabhawati Devi Kothari (PDK)	Non-Executive Promoter Director
	Mr. Dev Kishan Sharda (DKS)	Managing Director & CEO (till 31st March 2018)
	Dr. Hari Prasad Kanoria (HPK)	Independent Director
	Mr. Harishchandra Maneklal Parekh	Independent Director
	Mr Naresh Pachisia (NP)	Independent Director
	Mr. Arvind Baheti (AB)	Independent Director



## Notes to the Consolidated Financial Statements for the year ended 31st March 2018 (Contd.)

## 45.2 Transactions during the year

(₹ in lakhs)

Particulars	2017-18	2016-17
	Companies in which Directors /KMP are interested	Companies in which KMP are interested
Rent Paid		
-KCPL	-	1.15
-KIPL	-	2.25
Rent Received		
-BFW	2.65	2.30
-KCO	0.51	0.44
-KPIL	0.86	0.75
-KMC	0.53	0.44
-ADL	30.29	-
-WCL	-	0.09
Guarantee Commission Paid		
-MDKCL	4.30	4.30
-CHPL	0.33	0.69
Sale of Fixed Assets		
-ADL	50.72	-
Unsecured Loan Taken		
-KCPL	-	170.00
-VIPL	-	130.00
-AKK	-	100.00
-PDK	35.00	65.00
-KCSPL	125.00	-
-CHPL	100.00	-
Unsecured Loan Repaid		
-KCPL	-	170.00
-VIPL	-	180.00
-PDK	100.00	-
-KCSPL	100.00	-
Interest on Loan Taken		
-KCPL	-	1.92
-VIPL	-	10.20
-AKK	12.50	13.00
-PDK	10.72	26.47
-KCSPL	6.71	18.81
-CHPL	10.68	-

**Notes to the Consolidated Financial Statements for the year ended 31st March 2018 (Contd.)****45.3 Key Management Personnel compensation**

Particulars	₹ in lakhs)	
	2017-18	2016-17
Mr Dev Kishan Sharda		
Short-term employee benefits	47.68	40.38
Post-employment benefits	36.84	4.09
<b>Total Compensation</b>	<b>84.52</b>	<b>44.47</b>
<b>Sitting Fees</b>		
Mr. Arun Kumar Kothari	2.00	1.74
M/S. Prabhawati Devi Kothari	1.67	2.15
Mr Dev Kishan Sharda	-	-
Dr. Hari Prasad Kanoria	0.15	0.15
Mr. Harishchandra Maneklal Parekh	2.44	2.11
Mr Naresh Pachisia	2.00	2.00
Mr. Arvind Baheti	0.26	-
<b>Total Sitting Fees</b>	<b>8.52</b>	<b>8.15</b>
<b>Total</b>	<b>93.04</b>	<b>52.62</b>

**45.4 Balance Outstanding as at the balance sheet date**

Particulars	₹ in lakhs)		
	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>Unsecured Loan Taken</b>			
-AKK	100.00	100.00	-
-PDK	-	65.00	-
-KCSPL	25.00	-	-
-VIPL	-	-	50.00
-CHPL	100.00	-	-

**45.5 Terms and Conditions of transactions with Related Parties**

All Related Party Transactions entered during the year were in ordinary course of the business and are on arm's length basis.

**NOTE 46 - Transition to Ind AS****Impact of Transition to Ind AS**

The following is a summary of the effects of the differences between IND AS and Indian GAAP on the Group's total equity shareholders' funds and profit and loss for the financial periods previously reported under Indian GAAP following the date of transition to IND AS.



## Notes to the Consolidated Financial Statements for the year ended 31st March 2018 (Contd.)

## 46.1 Reconciliation of Items of Balance Sheet as at 1st April, 2016 (transition date) and as at 31st March, 2017

(₹ in lakhs)

Particulars	Refer Note No.	Previous GAAP* as at 31.03.2017	Effect of Ind AS Transition	Ind AS Balance Sheet as at 31.03.2017	Previous GAAP* as at 01.04.2016	Effect of Ind AS Transition	Ind AS Balance Sheet as at 01.04.2016
<b>ASSETS</b>							
<b>NON-CURRENT ASSETS</b>							
Property, Plant and Equipment	46.5(a)	23,430.80	20,614.52	44,045.32	23,931.21	21,687.20	45,618.41
Capital Work-In-Progress		62.08	869.14	931.22	428.31	696.93	1,125.24
Intangible Assets	46.5(q)	6,902.02	(6,882.04)	19.98	7,070.62	(7,041.36)	29.26
Financial Assets		-	-	-	-	-	-
Investments	46.5(b)	2,708.25	46.51	2,754.76	2,708.25	40.05	2,748.30
Other Financial Assets	46.5(i)	6,258.40	(3,950.43)	2,307.97	6,823.02	(3,629.28)	3,193.74
Other Non-Current Assets		145.24	-	145.24	113.03	-	113.03
<b>Total Non Current Asset</b>		<b>39,506.79</b>	<b>10,697.70</b>	<b>50,204.49</b>	<b>41,074.44</b>	<b>11,753.54</b>	<b>52,827.98</b>
<b>CURRENT ASSETS</b>							
Biological Assets other than bearer plants	46.5(l)	-	67.54	67.54	-	359.67	359.67
Inventories	46.5(m)	16,292.47	(197.31)	16,095.16	16,172.66	(719.03)	15,453.63
Financial Assets		-	-	-	-	-	-
Investments	46.5(b)(iii)	99.74	10.95	110.69	99.74	1,472.58	1,572.32
Trade Receivables	46.5(j)	10,768.68	(600.56)	10,168.12	12,843.46	(1,204.19)	11,639.27
Cash and Cash Equivalents	46.5(b)	226.97	-	226.97	374.54	(90.80)	283.74
Bank balances other than above		649.38	-	649.38	88.36	0.00	88.36
Loans		19.57	-	19.57	23.64	-	23.64
Other Financial Assets	46.5(i)	10,216.06	257.22	10,473.28	10,152.30	1,220.93	11,373.23
Other Current Assets		4,489.26	-	4,489.26	4,372.92	(42.50)	4,330.42
Current Tax Asset (Net)		1,089.74	-	1,089.74	1,287.05	(148.26)	1,138.79
<b>Total Current Assets</b>		<b>43,851.87</b>	<b>(462.16)</b>	<b>43,389.71</b>	<b>45,414.67</b>	<b>848.40</b>	<b>46,263.07</b>
<b>Total Assets</b>		<b>83,358.67</b>	<b>10,235.53</b>	<b>93,594.20</b>	<b>86,489.11</b>	<b>12,601.94</b>	<b>99,091.05</b>
<b>EQUITY AND LIABILITIES</b>							
<b>EQUITY</b>							
Equity Share Capital	46.5(n)	3,544.23	(1,410.00)	2,134.23	2,334.23	(200.00)	2,134.23
Other Equity		16,512.89	9,734.08	26,246.97	15,471.52	12,747.34	28,218.86
<b>Equity attributable to the owners</b>		<b>20,057.12</b>	<b>8,324.08</b>	<b>28,381.20</b>	<b>17,805.75</b>	<b>12,547.34</b>	<b>30,353.09</b>
<b>LIABILITIES</b>							
<b>NON-CURRENT LIABILITIES</b>							
Financial Liabilities		-	-	-	-	-	-
Borrowings	46.5(c)	18,247.36	1,318.96	19,566.32	21,639.26	74.07	21,713.33
Other Financial Liabilities		1,641.00	-	1,641.00	1,677.31	-	1,677.31
Provisions		-	-	-	-	-	-
Deferred Tax Liabilities (Net)	46.5(g)	(10.12)	487.94	477.82	605.02	-	605.02
Other Liabilities	46.5(b)(iii)	72.94	-	72.94	90.91	598.07	688.98
<b>Non Current Liabilities</b>		<b>19,951.18</b>	<b>1,806.90</b>	<b>21,758.08</b>	<b>24,012.50</b>	<b>672.14</b>	<b>24,684.64</b>
<b>CURRENT LIABILITIES</b>							
Financial Liabilities		-	-	-	-	-	-
Borrowings	46.5(b)(iii)	20,964.18	-	20,964.18	21,956.60	(61.40)	21,895.20
Trade Payables	46.5(b)(iii)	11,518.34	-	11,518.34	11,608.16	(365.59)	11,242.57
Other Financial Liabilities	46.5(i)	7,377.79	104.55	7,482.34	6,912.77	59.98	6,972.75
Provisions	46.5(b)(iii)	2,330.93	-	2,330.93	2,915.72	(98.61)	2,817.11
Other Liabilities	46.5(b)(iii)	1,159.13	-	1,159.13	1,129.47	(3.78)	1,125.69
Current Tax Liabilities (Net)	46.5(b)(iii)	-	-	-	148.14	(148.14)	-
<b>Current Liabilities</b>		<b>43,350.37</b>	<b>104.55</b>	<b>43,454.92</b>	<b>44,670.86</b>	<b>(617.54)</b>	<b>44,053.32</b>
<b>Total Equity and Liabilities</b>		<b>83,358.67</b>	<b>10,235.53</b>	<b>93,594.20</b>	<b>86,489.11</b>	<b>12,601.94</b>	<b>99,091.05</b>

\* The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purposes of this note.



Notes to the Consolidated Financial Statements for the year ended 31st March 2018 (Contd.)

46.2 Reconciliation of Statement of Profit & Loss for the year ended 31 March 2017

(₹ in lakhs)

Particulars	Refer Note No.	Previous GAAP*	Adjustment	Ind AS
<b>INCOME</b>				
Revenue from Operations	46.5(j) , (p)	76,440.30	(8,304.74)	68,135.56
Other Income	46.5(b.i), (i), (l)	1,239.02	(458.58)	780.44
<b>Total Income (A)</b>		<b>77,679.32</b>	<b>(8,763.32)</b>	<b>68,916.00</b>
<b>EXPENSES</b>				
Cost of Materials Consumed		28,289.12	(5,224.26)	23,064.86
Purchases of Stock -in- Trade		5,423.38	4.94	5,428.32
Changes in Inventories of Finished Goods, Stock-In-Trade and Work-in-Progress	46.5(m)	(257.27)	154.84	(102.43)
Excise Duty on Sales	46.5(p)	784.42	(784.42)	
Employee Benefits Expense	46.5(d)	14,900.46	(180.04)	14,720.42
Finance Costs	46.5(c) , (n)	5,245.24	105.66	5,350.90
Depreciation and Amortisation Expense	46.5(k)	2,150.12	58.43	2,208.55
Unrealised Foreign Exchange Loss	46.5(i)	390.11	(390.11)	-
Other Expenses	46.5(j), (p)	22,709.63	(445.77)	22,263.85
<b>Total Expenses (B)</b>		<b>79,635.21</b>	<b>(6,700.73)</b>	<b>72,934.47</b>
<b>Profit / (Loss) before Exceptional Items and Tax (A-B)</b>		<b>(1,955.88)</b>	<b>(2,062.58)</b>	<b>(4,018.47)</b>
Exceptional Items		1,942.50	264.27	2,206.77
<b>Profit / (Loss) after Exceptional Item but before Tax</b>		<b>(13.39)</b>	<b>(1,798.31)</b>	<b>(1,811.70)</b>
<b>Tax Expense:</b>				
Current Tax		224.25	(65.66)	158.59
Deferred Tax	46.5.g	(6.54)	(48.32)	(54.86)
Excess Provision made for earlier years written back		(30.00)	-	(30.00)
<b>Profit for the year</b>		<b>(201.10)</b>	<b>(1,684.33)</b>	<b>(1,885.43)</b>
<b>Other Comprehensive Income</b>				
Items that will not be reclassified to profit or loss	46.5.f	-	96.39	96.39
Income tax relating to these items			(31.13)	(31.13)
<b>Other Comprehensive Income for the Year (Net of Tax)</b>		<b>-</b>	<b>65.26</b>	<b>65.26</b>
<b>Total Comprehensive Income for the period</b>		<b>(201.10)</b>	<b>(1,619.07)</b>	<b>(1,820.17)</b>

46.3 Reconciliation of Other Equity

(₹ in lakhs)

Particulars	Refer Note no.	As at 31st March, 2017	As at 1st April, 2016
<b>Equity under Previous GAAP</b>		<b>16,512.89</b>	<b>15,471.52</b>
On account of measuring Property, Plant & Equipment at Fair Value as deemed Cost	46.5(a)	13,163.87	13,161.84
On account of application of Effective Interest Rate	46.5(c)	108.86	108.86
On account of application of Expected Credit Loss Model	46.5(j)	(2,930.54)	(2,930.54)
Other Ind AS Adjustments / OCI		(1,438.48)	(38.37)
On account of Business Combination	46.5(q)	830.37	1,854.60
<b>Total Adjustment to Equity</b>		<b>9,734.08</b>	<b>12,156.39</b>
<b>Total Equity Under Ind AS</b>		<b>26,246.97</b>	<b>27,627.91</b>



## Notes to the Consolidated Financial Statements for the year ended 31st March 2018 (Contd.)

### 46.4 Impact of Ind AS adoption on the consolidated statements of cash flows for the year ended 31st March 2017

There is no material impact on the statement of cash flows due to transition from IGAAP to Ind AS

### 46.5 Notes to First Time Adoption

#### a Fair Valuation and remeasurement of cost at Ind AS cost of Property, Plant and Equipment

The Company has elected to treat fair value as deemed cost for certain items of its property, plant and equipment. Other items of Property, Plant and Equipment have been measured as per Ind AS 16.

#### b Fair valuation of Investments and reclassification

- i Under the previous GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments (other than unquoted equity instruments designated as at FVOCI) have been recognised in retained earnings as at the date of transition and subsequently in the Statement of Profit and Loss for the year ended 31st March 2017.
- ii Fair value changes with respect to investments in unquoted equity instruments designated as at FVOCI have been recognised in FVOCI – Equity investments reserve as at the date of transition and subsequently in the other comprehensive income for the year ended 31 March 2017.
- iii Investment in Barfani Builders is considered as a Subsidiary under IGAAP. As the said Investment are acquired and disposed off during financial year 2016-17 the same has been considered as an Investment held for sale under IND AS, not considered for consolidation purpose and disclosed as Investment in Equity in fair value through Profit and Loss Account.

#### c Borrowings

Under Indian GAAP, the Company accounted for long term borrowings measured at transaction value. Under Ind AS, the Company has to recognise the long term borrowings at amortised cost using effective interest.

#### d Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of Statement of Profit and Loss. Under the previous GAAP, these remeasurements were forming part of the Statement of Profit and Loss for the year.

#### e Retained Earnings

Retained earnings as at April 1, 2016 has been adjusted consequent to the above Ind AS transition adjustments.

#### f Other Comprehensive Income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans and fair value gains or (losses) on FVOCI equity instruments and debt instruments. The concept of other comprehensive income did not exist under previous GAAP.

#### g Deferred Tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to different temporary differences. According to the accounting policies, the company has to account for such differences. Deferred tax adjustments are recognized in correlation to the underlying transaction either in retained earnings or a separate component of equity.

**Notes to the Consolidated Financial Statements for the year ended 31st March 2018 (Contd.)****h Re-classifications**

The Company has done the following reclassifications as per the requirements of Ind-AS :

- i Assets / liabilities which do not meet the definition of financial asset / financial liability have been reclassified to other asset / liability.
- ii Remeasurement gain/loss on long term employee defined benefit plans are re-classified from statement of profit and loss to OCI.
- iii The Company has re-classified unpaid dividend balance from cash and cash equivalents to other bank balances.
- iv Excise duty on sales was earlier netted off with Sales, has now been presented separately.

**i Forward Contracts**

Under IND AS mark to market gain/loss on restatement of forward contract as at the reporting date has been recognized in the Statement of Profit and Loss.

**j Expected Credit Loss Model**

Ind-AS 109 requires to recognize loss allowances on trade receivable and other financial assets of the Company, at an amount equal to the lifetime expected credit loss or the 12 month expected credit loss based on the increase in the credit risk.

**k Deferred Revenue**

Under India GAAP, grants received from government agencies against specific fixed assets (Property, Plant and Equipment) are adjusted to the cost of the assets. Under IND AS the same has been presented as deferred revenue being amortised in the statement of profit and loss on a systematic basis.

**l Recognition of Biological Assets**

Under previous GAAP, biological assets i.e. unplucked leaf on tea bushes has neither been valued nor recognised in the accounts. Under Ind AS, unplucked leaf on tea bushes has been measured at its fair value less cost to sell.

**m Valuation of Made Tea Stock**

Under previous GAAP, tea stock has been valued at the lower of cost and net realizable value. Cost of inventories comprise all costs of purchase/production of green leaf, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Under Ind AS, cost of inventories comprise cost of purchase of green leaf, fair value of green leaf at the time of harvest less cost to sell, conversion cost and other costs incurred in bringing the inventories to their present location and condition.

**n Preference shares considered as borrowings**

Cumulative redeemable preference shares issued by the Company have been classified as borrowings and recognized at amortised cost on transition date as against part of share capital under previous GAAP. The difference on the transition date has been recognized in opening retained earnings net of related deferred taxes. Interest charge at effective interest rate on such borrowings has been recognized as finance cost in subsequent periods as against appropriation of dividend at coupon rate from reserves under the previous GAAP.

**o Fair Valuation of Security Deposits**

Under the Previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) were recorded at their transaction value. Under Ind AS, all financial liabilities are required to be recognised at fair value. Accordingly, the Company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as advance rent.

**p Excise Duty**

Under previous GAAP, revenue from sale of goods was presented net of excise duty whereas under IND AS the revenue from sale of goods is presented inclusive of excise duty. The excise duty is presented on the face of the Statement of Profit and Loss as part of expenses.



## Notes to the Consolidated Financial Statements for the year ended 31st March 2018 (Contd.)

### q Ind AS 101 - Exemptions/ Options Applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. Exemptions applied by Company are detailed here under:

(i) The Company has applied Ind AS 103 for Business Combinations retrospectively from 31st August 2014 and consequently one of the business combination from 01-09-2014 has been reinstated (Refer Note 46.6).

(ii) The Company has elected to measure certain items of its Property, Plant and Equipment at its fair value and use that fair value as its deemed cost at the date of transition to Ind AS. Other items of Property, Plant and Equipment and Other intangible assets have been measured as per Ind AS 16 and Ind AS 38, respectively.

### 46.6 Ind AS 101- First-time adoption of Indian Accounting Standards, allows first-time adopters, exemptions from the retrospective application and exemption from application of certain requirements of other Ind AS. The Group has elected to apply Ind AS 103- Business Combinations, retrospectively to past business combination.

The Company made a bargain purchase of GDL and its subsidiaries on 1st September 2014 in which the net amount of the identifiable assets acquired and the liability assumed (measured as per IND AS) exceeded the aggregate of the consideration paid by ₹ 4,175.89 lakhs, which has been recognised as capital reserve on the acquisition date (01/09/2014). The details of acquisition have been given below:

(₹ in lakhs)

SI No.	Particulars	Amount	Amount
1	PPE	5,235.90	
2	Biological Asset	10,696.58	
3	Current Assets	725.23	16,657.71
	Less:		
4	Non Current Liability	4,586.85	
5	Current Liability	5,623.33	10,210.18
	Total		6,447.53
6	Consideration paid		2,271.63
7	Capital Reserve		4,175.90

### 47 Fair value of Financial Assets and Financial Liabilities

As at 31st March 2018 and 31st March 2017

(₹ in lakhs)

Particulars	31st March 2018			31st March 2017		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
<b>Financial Assets</b>						
Investment						
- Equity Instruments	0.02	3,260.17	-	0.10	2,754.65	-
- Debentures	-	-	0.08	-	-	0.08
- Mutual Funds	113.78	-	-	110.62	-	-
Trade Receivables	-	-	9,693.58	-	-	10,168.12
Loans Given	-	-	14.27	-	-	19.57
Cash and Cash Equivalents	-	-	166.50	-	-	226.97
Other Bank Balances	-	-	767.93	-	-	649.38
Deposits with Bank having maturity of more than one year from the balance sheet date	-	-	1,484.18	-	-	1,937.31
Interest Accrued on Deposits	-	-	27.57	-	-	35.88
Security & Other Deposits	-	-	4,108.74	-	-	4,638.98
Other Financial Assets	-	-	4,258.39	60.85	-	6,108.23
<b>Total Financial Assets</b>	<b>113.80</b>	<b>3,260.17</b>	<b>20,521.24</b>	<b>171.57</b>	<b>2,754.65</b>	<b>23,784.52</b>
<b>Financial Liabilities</b>						
Borrowings	-	-	42,449.99	-	-	44,923.12
Trade Payables	-	-	13,165.27	-	-	11,518.34
Trade & Security Deposits	-	-	1,895.65	-	-	2,148.84
Interest accrued but not due on Borrowings & Public Deposits	-	-	336.30	-	-	270.01
Amount Payable for Capital Goods	-	-	220.49	-	-	158.26
Employee Related Liabilities	-	-	1,801.76	-	-	1,557.09
Other Financial Liabilities	4.96	-	410.26	-	-	596.52
<b>Total Financial Liabilities</b>	<b>4.96</b>	<b>-</b>	<b>60,279.72</b>	<b>-</b>	<b>-</b>	<b>61,172.18</b>

**Notes to the Consolidated Financial Statements for the year ended 31st March 2018 (Contd.)**

As at 1st April 2016

Particulars	FVTPL	FVOCI	Amortized Cost
<b>Financial Assets</b>			
Investment			
- Equity Instruments	0.08	2,748.21	-
- Debentures	-	-	0.08
- Mutual Funds	104.25	-	-
Trade Receivables	-	-	11,639.27
Loans Given	-	-	23.64
Cash and Cash Equivalents	-	-	283.74
Other Bank Balances	-	-	88.36
Deposits with Bank having maturity of more than one year from the balance sheet date	-	-	1,903.00
Interest Accrued on Deposits	-	-	49.50
Security & Other Deposits	-	-	5,338.14
Other Financial Assets	-	-	7,276.33
<b>Total Financial Assets</b>	<b>104.33</b>	<b>2,748.21</b>	<b>26,602.06</b>
<b>Financial Liabilities</b>			
Borrowings	-	-	47,809.82
Trade Payables	-	-	11,242.57
Trade & Security Deposits	-	-	2,202.04
Interest accrued but not due on Borrowings & Public Deposits	-	-	245.25
Amount Payable for Capital Goods	-	-	37.03
Employee Related Liabilities	-	-	1,506.90
Other Financial Liabilities	14.13	-	443.42
<b>Total Financial Liabilities</b>	<b>14.13</b>	<b>-</b>	<b>63,487.03</b>

**48 Fair Values**

- 48.1** 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.
- 48.2** 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.

**49 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 the 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 Consolidated Financial Statements for the year ended 31st March 2018 (Contd.)

### 49.1 Assets and Liabilities measured at Fair Value - recurring fair value measurements

As at 31st March 2018 and 31st March 2017

(₹ in lakhs)

Particulars	31st March 2018			31st March 2017		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial Assets</b>						
<b>Financial Investment at FVTPL</b>						
Mutual Funds	113.78	-	-	110.62	-	-
Listed Equity Investments	0.02	-	-	0.10	-	-
<b>Financial Investment at FVOCI</b>						
Unlisted Equity Investments	-	-	3,260.17	-	-	2,754.65
Foreign Exchange Forward Contracts	-	-	-	-	60.85	-
<b>Total Financial Assets</b>	<b>113.80</b>	<b>-</b>	<b>3,260.17</b>	<b>110.72</b>	<b>60.85</b>	<b>2,754.65</b>
<b>Financial Liabilities</b>						
Foreign Exchange Forward Contracts	-	4.96	-	-	-	-
<b>Total Financial Liabilities</b>	<b>-</b>	<b>4.96</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

As at 1st April 2016

Particulars	Level 1	Level 2	Level 3
<b>Financial Assets</b>			
<b>Financial Investment at FVTPL</b>			
Mutual Funds	104.25	-	-
Listed Equity Investments	0.08	-	-
<b>Financial Investment at FVOCI</b>			
Unlisted Equity Investments	-	-	2,748.21
<b>Total Financial Assets</b>	<b>104.33</b>	<b>-</b>	<b>2,748.21</b>
<b>Financial Liabilities</b>			
Foreign Exchange Forward Contracts	-	14.13	-
<b>Total Financial Liabilities</b>	<b>-</b>	<b>14.13</b>	<b>-</b>

### Note 50: Financial Risk Management

The Group's business activities are exposed to a variety of financial risks, namely liquidity risk, market risk and credit risk. The Group's senior management has the overall responsibility for establishing and governing the Group's financial risk management framework. The Group's Audit Committee, is responsible for developing and monitoring the Group's financial risk management policies. The Group's financial risk management policies are established to identify and analyze the risks faced by the Group, to set and monitor appropriate controls.

#### (A) Credit risk

Credit risk refers to risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises primarily from financial assets such as trade receivables, bank balances, loans, investments and other financial assets.

At each reporting date, the Group measures loss allowance for certain class of financial assets based on historical trend, industry practices and the business environment in which the Company operates.

Credit risk arising from investments, derivative financial instruments and balances with banks is limited because the counterparties are banks and recognized financial institutions with high credit worthiness.

#### (i) Provision for expected credit losses

The Group measures Expected Credit Loss (ECL) for financial instruments based on historical trend, industry practices and the business environment in which the Group operates.

For financial assets, a credit loss is the present value of the difference between:

- the contractual cash flows that are due to an entity under the contract; and
- the cash flows that the entity expects to receive

**Notes to the Consolidated Financial Statements for the year ended 31st March 2018 (Contd.)**

The Group recognises in profit or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date in accordance with Ind AS 109.

In determination of the allowances for credit losses on trade receivables, the Group has used a practical expedience by computing the expected credit losses based on ageing matrix, which has taken into account historical credit loss experience and adjusted for forward looking information.

**(ii) The movement of Trade Receivables and Expected Credit Loss are as follows :**

Particulars	(₹ in lakhs)		
	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
Trade Receivables (Gross)	10,525.29	11,054.36	12,604.79
Less: Expected Credit Loss	831.71	886.24	965.52
Trade Receivables (Net)	9,693.58	10,168.12	11,639.27

**(iii) The movement of Security Deposit and Loss Allowance thereto are as follows:**

Particulars			
	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
Security Deposits (Gross)	8,609.89	9,954.30	10,385.48
Less: Expected Credit Loss	4,667.96	5,674.65	5,681.88
Security Deposits (Net)	3,941.93	4,279.65	4,703.60

Reconciliation of Loss allowance provision	Trade	Loans &	Total
	Receivables	Deposits	
Loss Allowance on 1 <sup>st</sup> April 2016	965.52	5,681.88	6,647.40
Change in Loss allowance	(79.28)	(7.23)	(86.51)
Loss Allowance in 31 <sup>st</sup> March 2017	886.24	5,674.65	6,560.89
Change in Loss allowance	(54.53)	(1,006.69)	(1,061.22)
Loss Allowance in 31 <sup>st</sup> March 2018	831.71	4,667.96	5,499.67

**(B) Liquidity risk**

Liquidity risk is the risk that the Group will face in meeting its obligations associated with its financial liabilities. The Group has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash credit facilities agreed with the banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost effective manner.

The following table shows the maturity analysis of the Company's derivative and non-derivative financial liabilities based on contractually agreed undiscounted cash flows.

**a) As at 31st March 2018**

Particulars	(₹ in lakhs)			
	Total	On Demand	Within 1 year	1 year to 5 Years
<b>Non-derivative</b>				
Trade payables	13,165.27		13,165.27	
Long Term Borrowings	16,598.68			16,598.68
Short Term Borrowings	20,888.90	198.46	20,690.44	-
Other financial liabilities	9,626.87	2,432.51	6,106.06	1,088.30
<b>Total</b>				
<b>Derivative</b>				
Foreign Exchange forwards contracts	4.96		4.96	

**b) As at 31st March 2017**

Particulars				
	Total	On Demand	Within 1 year	1 year to 5 Years
<b>Non-derivative</b>				
Trade payables	11,518.34		11,518.34	-
Long Term Borrowings	19,566.32	-	-	11,956.61
Short Term Borrowings	20,964.18	982.64	19,981.54	-
Other financial liabilities	9,123.34	2,311.87	5,170.47	1,641.00
<b>Total</b>				
<b>Derivative</b>				
Foreign Exchange forwards contracts	-	-	-	-



## Notes to the Consolidated Financial Statements for the year ended 31st March 2018 (Contd.)

### c) As at 1st April 2016

Particulars	Total	On Demand	Within 1 year	1 year to 5 Years
<b>Non-derivative</b>				
Trade payables	11,242.57	-	11,242.57	-
Long Term Borrowings	21,713.33	-	-	21,713.33
Short Term Borrowings	21,895.20	2,105.16	12,542.57	-
Other financial liabilities	8,635.93	1,987.35	4,971.27	1,677.31
obligations under finance lease	-	-	-	-
<b>Total</b>				
<b>Derivative</b>				
Foreign Exchange forwards contracts	14.13	-	14.13	-

### (C) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk.

#### a) Interest rate risk:

Interest rate risk is measured by using cash flow sensitivity for changes in variable interest rate. Any movement in the reference rates could have an impact on the Company's cash flow as well as cost. The management is focused towards reducing the volatility due to interest rates, which is reflected in proportion of variable interest rate borrowing to total borrowing.

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March 2018	%	As at 31 <sup>st</sup> March 2017	%	As at 1 <sup>st</sup> April 2016	%
Variable rate borrowings	31,107.96	73.28%	33,504.43	74.58%	37,442.77	78.32%
Fixed Rate borrowings	11,342.03	26.72%	11,418.69	25.42%	10,367.05	21.68%
<b>Total Borrowings</b>	<b>42,449.99</b>	<b>100.00%</b>	<b>44,923.12</b>	<b>100.00%</b>	<b>47,809.82</b>	<b>100.00%</b>

Working Capital Loan from Banks which are linked with one year fixed Marginal Cost of funds based Lending Rate (MCLR) of respective Banks are considered as Fixed rate borrowings and other borrowings are considered as Variable rate Borrowings.

Sensitivity: A change of 50 bps in interest rates of variable rate borrowings would have following Impact on profit before tax

(₹ in lakhs)

Particulars	For the year 2017-18	For the year 2016-17
50 bps increase would decrease the profit before tax by	(155.54)	(167.52)
50 bps decrease would increase the profit before tax by	155.54	167.52

#### b) Foreign currency risk:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Group enters into forward exchange contracts to hedge against its foreign currency exposures relating to the recognized underlying liabilities / assets and firm commitments. The Group's policy is to hedge its exposures other than natural hedge. The Group does not enter into any derivative instruments for trading or speculative purposes.

**Notes to the Consolidated Financial Statements for the year ended 31st March 2018 (Contd.)**

The Group's Derivative instruments and unhedged foreign currency exposure at the end of the reporting period are as follows:

**(i) Derivatives Outstanding as at the reporting date****(Amount in lakhs)**

Particulars	Currency	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
		Amount in Foreign Currency	Amount (INR)	Amount in Foreign Currency	Amount (INR)	Amount in Foreign Currency	Amount (INR)
Forward Contract to Sell	USD	22.20	1,438.49	23.61	1,531.05	20.35	1,363.42
Forward Contract to Buy	USD	1.03	148.59	14.10	914.15	5.12	339.59
	EURO	1.82	66.93	-	-	-	-

**(ii) Particulars of unhedged foreign currency exposures as at the reporting date****(Amount in lakhs)**

Particulars	Currency	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
		Amount in Foreign Currency	Amount (INR)	Amount in Foreign Currency	Amount (INR)	Amount in Foreign Currency	Amount (INR)
Trade & Other Receivable	USD	8.10	526.66	2.18	141.22	1.92	127.27
Trade & Other Payable	USD	0.71	45.90	1.51	97.86	6.71	445.17

**Sensitivity:** A change of 3% in Foreign currency would have following Impact on profit before tax

Particulars	For the year 2017-18		For the year 2016-17	
	3% Increase	3% Decrease	3% Increase	3% Decrease
USD	24.04	(24.04)	2.17	(2.17)

**c) Other price risk:**

The Group's exposure to securities price risk arises from investments in mutual funds and equity instruments held by the Group and classified in the balance sheet as FVPL and FVOCI respectively.

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Investment in Equity Instruments	0.02	0.10	0.08
Investment in Mutual Funds	113.78	110.62	104.25

Note: As the Group's exposure to instruments tradable in market is immaterial, hence any movement in market indices will not have material impact on Group's profitability.

**NOTE 51 - Capital Management**

The Group's objective when managing capital (defined as net debt and equity) is to safeguard the Group's ability to continue as a going concern in order to provide returns to shareholders and benefit for other stakeholders, while protecting and strengthening the Balance Sheet through the appropriate balance of debt and equity funding. The Group manages its capital structure and makes adjustments to it, in light of changes to economic conditions and strategic objectives of the Group.



Notes to the Consolidated Financial Statements for the year ended 31st March 2018 (Contd.)

NOTE 52 - Segment Reporting

52.1 Primary Segment Information (Business Segment)

(₹ in lakhs)

Particulars	Textiles	Tea	Engineering (Micco)	Property	Unallocable	Total
<b>Segment Revenue</b>						
External Turnover	35,838.28	24,331.94	5,563.40	746.31	-	66,479.93
	(36,630.75)	(22,547.06)	(8,231.77)	(725.98)	-	(68,135.56)
Inter Segment Revenue	-	-	-	61.07	-	61.07
	-	-	-	(72.93)	-	(72.93)
<b>Total Segment Revenue</b>	35,838.28	24,331.94	5,563.40	807.38	-	66,541.00
	(36,630.75)	(22,547.06)	(8,231.77)	(798.91)	-	(68,208.49)
<b>Less: Inter Segment Elimination</b>	-	-	-	61.07	-	61.07
	-	-	-	(72.93)	-	(72.93)
<b>Revenue from Operations</b>	35,838.28	24,331.94	5,563.40	746.31	-	66,479.93
	(36,630.75)	(22,547.06)	(8,231.77)	(725.98)	-	(68,135.56)
<b>Segment Result</b>	1,677.53	1,594.67	1,077.30	564.18	-	4,913.68
	(2,135.75)	(696.83)	(-644.11)	(571.79)	-	(3,404.37)
<b>Less: Unallocable Expenditure net of unallocable Income</b>					312.71	312.71
					(134.83)	(134.83)
<b>Finance Costs</b>					5,005.31	5,005.31
					(5,350.90)	(5,350.90)
<b>Profit Before Tax</b>						<b>(404.34)</b>
						(1,811.70)
<b>Other Information</b>						
<b>Segment Assets</b>	36,727.53	24,798.72	18,733.52	7,988.99	5,925.68	94,174.44
	(34,793.38)	(22,615.71)	(20,293.36)	(7,954.91)	(7,936.84)	(93,594.20)
<b>Segment Liabilities</b>	10,005.22	4,321.77	5,348.99	527.05	44,774.60	64,977.63
	(11,383.51)	(5,825.16)	(6,331.97)	(505.11)	(41,167.25)	(65,213.00)
<b>Capital Expenditure</b>	949.16	1,669.79	8.05	2.38	14.08	2,643.46
	(433.64)	(1,002.35)	(22.01)	(-)	(-)	(1,458.00)
<b>Depreciation</b>	1,038.44	1,243.97	99.58	2.07	39.92	2,423.98
	(1,023.98)	(882.88)	(249.86)	(1.98)	(49.85)	(2,208.55)

**Notes to the Consolidated Financial Statements for the year ended 31st March 2018 (Contd.)****52.2 Secondary Segment Information (Geographical Segment)**

(₹ in lakhs)

Particulars	Within India	Outside India	Total
<b>Segment Revenue</b>	51,553.15 (54,010.38)	14,926.78 (14,125.18)	66,479.93 (68,135.56)
<b>Segment Assets</b>	75,217.03 (73,659.65)	13,031.73 (11,997.71)	88,248.76 (85,657.36)
<b>Capital Expenditure</b>	1,656.99 (1,339.14)	986.47 (118.86)	2643.46 (1,458.00)

Figures in bracket represents previous year figures

**52.3 Other Disclosures**

- The Company's corporate strategy aims at creating multiple drivers of growth anchored on its core competencies. The Company is currently focused on four business groups : Textile, Engineering, Tea and Property. The Company's organisational structure and governance processes are designed to support effective management of multiple businesses while retaining focus on each one of them.
- The geographical information considered for disclosure are:  
-Sales within India  
-Sales outside India
- The Company is not reliant on revenues from transactions with any single external customer and does not receive 10% or more of its revenues from transactions with any single external customer.
- Inter-segment transfers are based on prevailing market prices.
- The accounting policies adopted for segment reporting are in line with the accounting policy of the Company.

**53 Basic and Diluted earnings per Share**

Sl. No.	Particulars	2017-18	2016-17
i)	Profit / (Loss) after Tax available for Ordinary Shareholders (₹ in lakhs)	(856.75)	(1,885.43)
ii)	Weighted Average of Ordinary Shares of Rs 10 each outstanding during the year (Numbers)	21,342,346.00	21,342,346.00
iii)	Basic and Diluted Earning per Share {(i) / (ii)}	(4.01)	(8.83)

**54 Information in accordance with the requirements of the IND-AS 11 on " Construction Contract":**

(₹ in lakhs)

Sl. No.	Particulars	2017-18	2016-17
a)	Contract revenue recognised for the year	5,563.40	9,682.56
b)	Aggregate amount of contract costs incurred and recognised Profits (less recognised losses) up to the year end for all the contracts-in-Progress.	137,284.81	135,068.56
	Progress Billing	133,635.61	131,113.24
	Unbilled Revenue (Net)	3,649.20	3,955.32
	Due from Customer	4,763.75	4,783.08
	Due to Customer	1,114.55	827.76
c)	The amount of customer advances outstanding for Contract-in-Progress as at year end.	514.86	728.89
d)	The amount of retention money due from customers for Contract-in-Progress as at year end.	8,316.28	9,618.04
e)	Gross amount due from customers for Contracts-in-Progress as at year end [Included in work-in-progress ₹ 3397.75 Lakhs (Previous year – ₹ 1513.14 Lakhs), Sundry Debtors ₹ 5203.50 Lakhs (Previous year – ₹ 6035.66 Lakhs)]	8,601.26	7,548.81



## Notes to the Consolidated Financial Statements for the year ended 31st March 2018 (Contd.)

55 Additional Information, as required under Schedule-III to the Companies Act, 2013, of enterprises consolidated as Subsidiary:

Name of the entity	As at 31st March, 2018			
	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of con- solidated net assets	Amount	As % of consol- idated profit or loss	Amount
<b>Parent</b>				
Gillanders Arbuthnot and Company Limited	95.11	27,768.24	-140.72	(714.47)
<b>Subsidiaries</b>				
1) Gillanders Holdings (Mauritius) Limited (Mauritius)	0.77	224.65	-1.47	(7.47)
2) Group Developments Limited (Malawi)	32.86	9,593.53	-	442.82
Adjustment / Elimination on consolidation		(8,389.61)		(228.59)
<b>Total</b>		<b>29,196.81</b>		<b>(507.71)</b>

56 Previous GAAP figures have been reclassified/regrouped 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 accompanying notes form an integral part of these Consolidated Financial Statements.

As per our Report of even date annexed.

For and on behalf of the Board

For **SINGHI & CO.**  
Chartered Accountants  
Firm Registration No. 302049E

**Manoj Sodhani**  
Executive Director & CEO  
(DIN:02267180)

**Mahesh Sodhani**  
Managing Director  
(DIN:02100322)

**Arun Kumar Kothari**  
Chairman  
(DIN:00051900)

**Anurag Singhi**  
Partner  
Membership No. 066274  
Kolkata, 30th May 2018

**Dhananjoy Karmakar**  
Company Secretary

**Pravin Kumar Jain**  
Chief Financial Officer

**Form AOC-1**

Statement containing salient features of the financial statement of subsidiaries/associate companies / joint ventures  
[Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014

**Part "A" : Subsidiaries**

(Information in respect of each subsidiary to be presented with amount in ₹ Lakhs)

	<b>Particulars</b>	<b>1</b>	<b>2</b>
1.	Name of the subsidiary	Gillanders Holdings (Mauritius) Ltd.	Group Developments Ltd *
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1st April 2017 to 31st March 2018	1st April 2017 to 31st March 2018
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	USD Exchange Rate - 65.17004	Malawi Kwacha Exchange Rate 0.090
4.	Share capital	267.20	1.16
5.	Reserve & surplus	(42.55)	9,592.37
6.	Total assets	7,153.07	22,789.30
7.	Total Liabilities	6,928.42	13,195.77
8.	Investments	2,412.57	-
9.	Turnover	-	3,800.92
10.	Profit / (Loss) before taxation	66.16	701.60
11.	Provision for taxation	73.63	258.78
12.	Profit / (Loss) after taxation	(7.47)	442.82
13.	Proposed Dividend	-	-
14.	% of shareholding	100%	100%

Notes: There are no subsidiaries which are yet to commence operation

\* Includes its three wholly-owned subsidiaries, viz. Naming'omba Tea Estates Ltd., Mafisi Tea Estates Ltd. and Group Holdings Ltd., all located at Malawi.

**Part "B" : Associates and Joint Ventures**

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

Name of Associate	-
Latest audited Balance Sheet date	-
Shares of Associate held by the company on the year end	-
No.	-
Amount of Investment in Associates	-
Extend of Holding %	-
Description of how there is significant influence	-
Reason why the associate is not consolidated	-
Networth attributable to Shareholding as per latest audited Balance Sheet	-
Profit / (Loss) for the year	-
i) Considered in Consolidation	-
ii) Not Considered in Consolidation	-

Notes:

1. There are no Associates and Joint Venture which are yet to commence operation
2. There are no Associates and Joint Venture which have been liquidated or sold during the year 2017-18

**For and on behalf of the Board**

**Manoj Sodhani**  
Executive Director & CEO  
(DIN:02267180)

**Mahesh Sodhani**  
Managing Director  
(DIN:02100322)

**Arun Kumar Kothari**  
Chairman  
(DIN:00051900)

**Dhananjoy Karmakar**  
Company Secretary

**Pravin Kumar Jain**  
Chief Financial Officer





## **GILLANDERS ARBUTHNOT AND COMPANY LIMITED**

**CIN:L51909WB1935PLC008194**

**Registered Office**

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