

GILLANDERS ARBUTHNOT AND COMPANY LIMITED



Annual Report 2019



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.

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. K. Ashok, Additional Director (w.e.f. 28th May, 2019)
Mr. C.R. Prayag, Additional Director (w.e.f. 28th May, 2019)
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
HDFC Bank Limited
State Bank of India
United Bank of India
Yes Bank Limited

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
Website : 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 28th May, 2019.

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NOTICE

Notice is hereby given that the **Eighty Fifth Annual General Meeting** of the Members of the Company will be held on **Friday, the 9TH DAY OF AUGUST, 2019 at 10.30 A.M.** at the Seminar Hall, S-18 (A & B) 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 31st March, 2019, the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Arun Kumar Kothari (DIN: 00051900), who retires by rotation at this Annual General Meeting, and being eligible, offers himself for re-appointment.

SPECIAL BUSINESSES:

3. **To approve the remuneration of the Cost Auditors for the financial year ending on 31st March, 2020 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 and Textile Divisions of the Company for the financial year ending on 31st March, 2020, be paid the remuneration as set out in the statement annexed to the Notice convening this 85th 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. Kothaneth Ashok (DIN: 02272068), 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 Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013, as amended, 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 Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Kothaneth Ashok (DIN: 02272068), who was on the recommendation of the Nomination and Remuneration Committee, appointed by the Board of Directors as an Additional Director (Independent) of the Company, with effect from 28th May, 2019, and who holds office upto the date of this 85th 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 28th May, 2019.

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. Charudatta Raghvendra Prayag (DIN: 08463106), 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 Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013, as amended, 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 Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Charudatta Raghvendra Prayag (DIN: 08463106), who was on the recommendation of the Nomination and Remuneration Committee, appointed by the Board of Directors as an Additional Director (Independent) of the Company, with effect from 28th May, 2019, and who holds office upto the date of this 85th 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 28th May, 2019”.

Notice (Contd.)

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.”

6. To re-appoint Mr. Naresh Pachisia (DIN: 00233768) as an Independent Director and in this regard to consider and, if thought fit, to pass, with or without modification(s) the following Resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 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 statutory 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. Naresh Pachisia (DIN: 00233768), whose current tenure as Independent Director shall expire on the conclusion of the ensuing 85th Annual General Meeting of the Company, and whose re-appointment as an Independent Director for a second term of 5 (five) consecutive years has been recommended by the Nomination and Remuneration Committee, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for 5 (five) consecutive years with effect from 9th August, 2019.

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 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 ₹ 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

Place: Kolkata
Date: 28th May, 2019

Registered Office:

C-4, Gillander House,
Netaji Subhas Road,
Kolkata – 700 001, India
CIN: L51909WB1935PLC008194
e-mail: secretarial@gillandersarbuthnot.com

Notice (Contd.)

NOTES:

- 1) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE 85TH 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. 16. Communication relating to remote e-voting, which inter-alia, would contain details about User ID and password are being sent alongwith this Notice.
- 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 1st August, 2019 to 9th August, 2019 (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 31st March, 2011 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 2011-2012 or any subsequent financial years are requested to submit their claims at the Registered Office of the Company. The dividend for the financial year 2011-2012 is due to be transferred to IEPF immediately after 18th September, 2019. 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 2010-2011, 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.gillandersarbutnot.com to ascertain details of shares liable for transfer to IEPF Authority for the financial year 2011-2012.

- 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. Annual Custody / Issuer fees to CDSL for the financial year ending on 31st March, 2020 has already been paid, while, payment to NSDL shall be made on receipt of their bill.

Notice (Contd.)

- 9) 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,
5th 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.

- 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) The SEBI vide Circular no. MRD/DoP/Cir-05/2009 dated 20th 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) **In terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, securities of listed companies can only be transferred in dematerialized form with effect from 1st April, 2019. In view of the above, members are advised to dematerialize shares held by them in physical form. With regard to the same, the Company's RTA has already sent three reminder letters to the shareholders during the financial year 2018-19, for updating their KYC details and for dematerializing their physical holding of securities.**
- 14) 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.
- 15) 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 8th August, 2019, and will also be available for inspection at the Meeting.
- 16) **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 **Friday, 2nd August, 2019 (cut-off date fixed for this purpose)**. The Company has appointed CS Deepak Kumar Khaitan, Practising Company Secretary, (FCS No.5615), and / or CS Shruti Singhania, Practising Company Secretary, (ACS No.49632), to act as the Scrutinizer(s), for conducting the scrutiny of the votes cast. Detailed instructions for availing e-voting facility are as follows:

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on **Tuesday, 6th August, 2019 at 9.30 a.m.** and ends on **Thursday, 8th August, 2019 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 **Friday, 2nd August, 2019** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

Notice (Contd.)

- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (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 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:

For Members holding shares in Demat Form and Physical Form	
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"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	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"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <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.

Notice (Contd.)

- (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 and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- (xxii) Any person who acquire shares and becomes Member after dispatch of Notice of the 85th Annual General Meeting and holds shares as on the ‘cut off’ date of 2nd August, 2019, may obtain the sequence number for remote e-voting by sending a request to the Company’s RTA at mdpldc@yahoo.com.
- 17) 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.
- 18) The Scrutinizer will submit, not later than 2 days of conclusion of the 85th AGM, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman or any authorised person 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 and on the website of CDSL immediately after the declaration by the Chairman of the Meeting or any person authorized by the Chairman 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. 9th August, 2019.
- 19) Route-map to the venue of the Meeting is provided 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, had 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 31st March, 2020, 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.

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 31st March, 2020.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested financially or otherwise, in the Resolution set out at Item No. 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 8th August, 2019, 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(s) 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. Kothaneth Ashok (DIN: 02272068), 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 28th May, 2019. Mr. Kothaneth Ashok, holds office as a Director of the Company upto the date of the ensuing 85th Annual General Meeting.

The Company has received declaration from Mr. Kothaneth Ashok 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. Kothaneth Ashok 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 28th May, 2019.

In the opinion of the Board, Mr. Kothaneth Ashok 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. Kothaneth Ashok is independent of the management.

Brief resume of Mr. Kothaneth Ashok, 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. Kothaneth Ashok as an Independent Director setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

Annexure to the Notice (Contd.)

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

Mr. Kothaneth Ashok, is interested in the Resolution set out at Item No. 4 of the Notice with respect to his appointment. The relatives of Mr. Kothaneth Ashok, 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 8th August, 2019, 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 No. 5

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(s) 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. Charudatta Raghvendra Prayag (DIN: 08463106), 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 28th May, 2019. Mr. Charudatta Raghvendra Prayag, holds office as a Director of the Company upto the date of the ensuing 85th Annual General Meeting.

The Company has received declaration from Mr. Charudatta Raghvendra Prayag 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. Charudatta Raghvendra Prayag 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 28th May, 2019.

In the opinion of the Board, Mr. Charudatta Raghvendra Prayag 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. Charudatta Raghvendra Prayag is independent of the management.

Brief resume of Mr. Charudatta Raghvendra Prayag, 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. Charudatta Raghvendra Prayag 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. Charudatta Raghvendra Prayag, is interested in the Resolution set out at Item No. 5 of the Notice with respect to his appointment. The relatives of Mr. Charudatta Raghvendra Prayag, may be deemed to be interested in the Resolution set out at Item No.5 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.

Annexure to the Notice (Contd.)

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 8th August, 2019, and will also be available for inspection at the Meeting.

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

Item No. 6

Based on the recommendation of the Nomination and Remuneration Committee and pursuant to the provisions of 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(s) thereof for the time being in force] read with Schedule IV to the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Articles of Association of the Company, the Board of Directors of the Company has proposed the re-appointment of Mr. Naresh Pachisia (DIN: 00233768), as an Independent Director of the Company to hold office for a second term of 5 (five) consecutive years with effect from 9th August, 2019.

The Company has received declaration from Mr. Naresh Pachisia 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 re-appointment of Independent Directors. It is proposed to re-appoint Mr. Naresh Pachisia 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 second term of 5 (Five) consecutive years with effect from 9th August, 2019.

A notice in writing pursuant to Section 160 of the Act has been received by the Company from a Member proposing the re-appointment of Mr. Naresh Pachisia as an Independent Director of the Company.

In the opinion of the Board, Mr. Naresh Pachisia 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. Naresh Pachisia is independent of the management.

Brief resume of Mr. Naresh Pachisia, 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 re-appointment of Mr. Naresh Pachisia 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. Naresh Pachisia, is interested in the Resolution set out at Item No. 6 of the Notice with respect to his appointment. The relatives of Mr. Naresh Pachisia, may be deemed to be interested in the Resolution set out at Item No.6 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 8th August, 2019, and will also be available for inspection at the Meeting.

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

Annexure to the Notice (Contd.)**Item No. 7**

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. 7 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. 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 8th August, 2019, and will also be available for inspection at the Meeting.

The Board recommends the Special Resolution set out at Item No. 7 of the Notice for approval of the Members.

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

Place: Kolkata
Date: 28th May, 2019

D. Karmakar
Company Secretary

Annexure to the Notice (Contd.)

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 85th Annual General Meeting (Refer Item Nos. 2, 4, 5 and 6 of the Notice)

Name of the Director	Mr. Arun Kumar Kothari	Mr. Kothaneth Ashok
Date of Birth	10th July, 1953	10th December, 1955
Qualification	B. Com. (Hons.)	M.A. (Economics)
Date of Appointment	26th August, 1985	28th May, 2019
Brief Resume and nature of expertise in functional area	Mr. Arun Kumar Kothari is a well known Industrialist having knowledge, experience & expertise in areas relating to tea, pharmaceuticals, chemical, engineering and spinning industry.	Mr. K. Ashok had been the Vice Chairman and Managing Director of J. Thomas & Co. (P) Limited, largest and oldest tea auctioneers in the world. His rich and varied experience enhanced his progress and respect in the above stated Company, as well as in Tea Trade Associations, both in North and South India.
Relationship with other Directors, Key Managerial Personnel of the Company	Mr. Arun Kumar Kothari is the husband of Smt. Prabhawati Devi Kothari, Non-Executive Promoter Director of the Company.	-
Number of Meetings of the Board attended during the year	5 (Five)	-
Directorship(s), Membership(s)/ Chairmanship(s) of Committees of other Boards*	<p>Directorships: Listed Companies Albert David Limited Piani Investments & Industries Corporation Ltd.</p> <p>Unlisted Companies Bharat Fritz Werner Limited Arvind Engineering Works Ltd. Karunasindhu Properties Pvt Ltd Shubh Ananda Advisory Private Limited Arunodaya Consultancy Private Limited</p> <p>Committee Memberships* Member of Stakeholders Relationship Committee Albert David Ltd. Piani Investments & Industries Corporation Ltd. Member of Audit Committee Albert David Ltd. Piani Investments & Industries Corporation Ltd.</p>	<p>Directorships: Listed Companies Nil</p> <p>Unlisted Companies The Highland Produce Co. Ltd.</p> <p>Committee Memberships* Nil</p>
Number of Ordinary Shares held in the Company	1,08,472	Nil

Annexure to the Notice (Contd.)

Name of the Director	Mr. Charudatta Raghvendra Prayag	Mr. Naresh Pachisia
Date of Birth	27th August, 1959	26th September, 1962
Qualification	B.Tech (Textile) and M. Text. (By Research)	CFP, AMP (ISB, Hyderabad)
Date of Appointment	28th May, 2019	14th August, 2014
Brief Resume and nature of expertise in functional area	Mr. C.R. Prayag has over 34 years of experience in Research and Development, Technical Textiles, Geo-textiles, Nanofiber, composites, quality assurance and Technology Development in cotton yarn and manmade fiber textiles. He has been the Deputy Director of Ahmedabad Textile Industry's Research Association (ATIRA)	Mr. N. Pachisia aged about 57 years is a B.Com, CFP, AMP (ISB, Hyderabad) and Promoter-Managing Director of SKP Securities Ltd, carrying a rich experience of over 37 years in capital markets, especially in investment banking, wealth management and stock broking services.
Relationship with other Directors, Key Managerial Personnel of the Company	-	-
Number of Meetings of the Board attended during the year	-	4 (Four)
Directorship(s), Membership(s)/ Chairmanship(s) of Committees of other Boards*	Directorships: Listed Companies Nil Unlisted Companies Nil Committee Memberships* Nil	Directorships: Listed Companies Linc Pen & Plastics Ltd. SKP Securities Ltd. Unlisted Companies Orbit Regency Maintenance Company Private Limited SKP Commodities Limited SKP Insurance Advisors Private Limited Committee Memberships* Member of Stakeholders Relationship Committee SKP Securities Limited Member of Audit Committee SKP Securities Limited Linc Pen & Plastics Ltd.
Number of Ordinary Shares held in the Company	-	-

* 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.

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, 2019.

FINANCIAL RESULTS

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

₹ In Lakhs

Particulars	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Revenue from Operations	70,537.19	62,678.96	75,115.31	66,479.93
Other Income	1,094.39	1,468.69	1,212.54	2,056.35
Profit/(Loss) before Depreciation, Finance Costs, Exceptional items and Tax Expense	5,475.81	5,187.75	7,746.03	7,024.95
Less: Depreciation/ Amortisation/ Impairment	1,694.16	1,615.77	2,023.06	2,423.98
Profit /(Loss) before Finance Costs, Exceptional items and Tax Expense	3,781.65	3,571.98	5,722.97	4,600.97
Less: Finance Costs	4,498.76	4,492.68	5,048.86	5,005.31
Profit /(Loss) before Exceptional items and Tax Expense	(717.11)	(920.70)	674.11	(404.34)
Add/(Less): Exceptional items	-	-	-	-
Profit/(Loss) before Tax Expense	(717.11)	(920.70)	674.11	(404.34)
Less: Tax Expense (Current & Deferred)	162.58	142.81	641.70	452.41
Profit/(Loss) for the year (1)	(879.69)	(1,063.51)	32.41	(856.75)
Total Comprehensive Income / (Loss) (2)	(55.44)	349.04	(318.48)	349.04
Total (1+2)	(935.13)	(714.47)	(286.07)	(507.71)
Balance of Profit/(Loss) for earlier years	12,103.94	12,818.41	7,519.73	8,027.44
Balance carried forward	11,168.81	12,103.94	7,233.66	7,519.73
Earning per Ordinary Share (₹)				
Basic & Diluted	(4.12)	(4.98)	(0.15)	(4.01)

FINANCIAL PERFORMANCE AND REVIEW OF OPERATIONS

During the financial year ended on 31st March, 2019, your Company has reported a standalone EBITDA of ₹ 5,475.81 lakhs against ₹ 5,187.75 lakhs during the previous year. Total Standalone Income from Operations has increased to ₹ 70,537.19 lakhs as against ₹ 62,678.96 lakhs in the Previous Year. Operational matters have been discussed in detail under 'Management Discussion and Analysis', in appropriate part of this Report.

Directors' Report (Contd.)

DIVIDEND AND TRANSFER TO RESERVE

In view of inadequacy of profits for the financial year ended on 31st March, 2019, your Directors have not recommended any dividend for the year. The Board of Directors of your Company, has decided not to transfer any amount to the Reserves for the year under review.

INVESTMENT IN GILLANDERS MAURITIUS

During the year, the Company invested an amount of USD 5,30,000 (United States Dollar Five Lakhs thirty thousand only) by subscribing to 5,30,000 numbers of fully paid up equity shares of USD 1 each, at par, of Gillanders Holdings (Mauritius) Limited, a Wholly Owned Foreign Subsidiary.

QUALIFIED RE-ORGANISATION – SCHEME OF ARRANGEMENT OF SUBSIDIARIES AT MALAWI

Naming'omba Tea Estates Limited, Mafisi Tea Estates Limited and Group Holdings Limited, wholly owned subsidiaries of Group Developments Limited (GDL), a step down foreign subsidiary of the Company, undertook a qualified re-organization by way of amalgamating their respective whole businesses and undertaking with that of GDL through a mutually agreed upon scheme of arrangement. The said Scheme was approved by the Hon'ble High Court at Malawi vide Order dated 18th December, 2018. On the said Scheme becoming effective, the name of GDL was changed to Naming'omba Tea Estates Limited.

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 at 16,458 MT. The implementation of the Goods and Services Tax (GST) in the previous year continued to have adverse impact this year as well, as the value chain of the textile industry is dominated by the unorganized sector. The E-Way bill introduced during the year further increased the compliance at all levels which had its impact.

The year was marked with a very volatile crude oil market with Brent crude scaling up to USD 86 by October, 2018. The crude thereafter saw a huge fall to USD 50 by end of December, 2018. This resulted in huge fluctuation in prices of all the synthetic fiber. The increase in prices could not be fully passed on to the customer due to already poor market conditions.

Apart from the sluggish domestic market the exports in particular, of apparels was also not encouraging. Cotton crop during the crop year 2018-2019 is expected to be much lower than last year due to adverse weather condition and damages in cotton growing states.

Your division is continuously trying to increase its business of fancy and value added yarns, which is expected to improve the performance in the current year.

Tea Division

Global Tea Production in calendar year 2018 was higher, when compared to the previous calendar year. The production was higher due to increase in production in Kenya, Malawi and India. All India Tea production was 1338.6 million Kgs. in 2018 against 1321.8 million Kgs. in the previous calendar year.

Your Division reported a production of 9.9 million kgs, which is marginally higher than the production of 9.8 million kgs, as reported during the previous year. Production was impacted due to early closure of plucking, which was done in

Directors' Report (Contd.)

compliance with the Order of Tea Board. Price of bulk tea has increased by around ₹ 6 per kg, from previous year. The Division will continue its emphasis to increase production of orthodox and green tea in coming years in order to improve realization and profitability.

The export by the Division, during the year under review, has increased as compared to the previous year. The Division has penetrated into new potential markets and has also strengthened its presence in its existing markets.

Due to interim hike in the wages both in Assam and West Bengal, cost has increased, which has adversely affected the profitability. Profitability was also impacted by rising cost of other inputs like coal, fertilizer and agrochemicals etc. Due to increasing wages and shortage of labour, your Division is continuously in the process of automation of its operation viz., Tractor mounted spraying, plucking machine, plucking scissors, pruning machine, etc.

All eight factories of your Division are certified under ISO 22000-2005 and have Trust Tea Certificates. Your Division also enjoys RFA certification in its 3 Tea Estates located in the Golaghat district i.e. Gorunga, Dooria and Borkatonee Tea Estates.

During the current year, the prices as on date are not promising for CTC market due to initial high production and low demand. The Mombasa market, which primarily deals with African CTC are significantly down due to higher crop. Orthodox market has started on a buoyant note but its sustainability shall depend on the situation which may arise due to USA's sanction on Iran, a major orthodox market for Indian tea. However, your Directors expect with improved yield, quality and increase in exports, the Division's performance shall be stable during the current year.

Engineering (MICCO) Division

MICCO is an established contractor in almost all the steel plants of India doing both EPC and Job contracting work. Few expansion programs in the private sector steel industries are in the pipeline as they have taken over few stressed steel plants & their revival plans have been initiated. MICCO is expected to bag few orders.

During the year under review, MICCO has successfully carried out the job of Dismantling of an age old Gasholder, MAN oil seal type Coke oven holder. This was a very challenging assignment and MICCO deployed a unique method for this dismantling work, which earned MICCO high appreciation from all concerned in Tata Steel, Jamshedpur. MICCO has also successfully commissioned a 60,000 m³ LD gasholder at Tata Steel, 80,000 m³ LD gasholders at JSPL, Angul.

During this year under review, MICCO has also bagged four new orders from JSW, Dolvy plant covering total order value of about ₹ 60 Crores, which involves structural, mechanical & piping work for Cyclone, Pellet Plant & Slag Granulation Plant.

In the current year, there seems to be a global economic slowdown due to various factors. However, it is expected that with Indian government's plan to invest in infrastructure, outlook for steel industry seem to be positive. In spite of facing stiff competition due to lack of project jobs in public sector steel plants and cut throat pricing policy of customers in private sector, this division hopes to bag orders and expects stable performance.

Property Division

The Division has reported revenue of Rs 826.45 lakhs, which is 10.74% higher compared to previous year. Continuous efforts are being made to increase the occupancy of 'Gillander House', the property which generates rental income for your Company. Your Directors are hopeful that the division will maintain its performance during the ensuing year. As already reported, this division follows fire safety policy and conducts fire safety drills at regular intervals. Due to slow recovery of the property market and huge property banks with all modern amenities in the vicinity, this division may face severe competition in the coming year.

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

Directors' Report (Contd.)

by Independent firms of Chartered Accountants and the reports are discussed with the operational heads by the CFO, Managing Director and Executive 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. No fraud has been reported by the Statutory Auditor, Secretarial Auditor, Cost Auditor or Internal Auditors of the Company.

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, 2019, 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 ₹ 19.38 lakhs, against ₹ 66.16 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, 2019, Naming'omba Tea Estates Limited, Malawi (NTEL), a step down Foreign Subsidiary, has reported a profit before tax of ₹ 1,371.83 lakhs, against a reported profit of ₹ 450.21 lakhs for the previous year.

NTEL is engaged in growing and processing of Tea and Macadamia. NTEL is a material step down subsidiary of the Company, and it has not sold, disposed off or leased any asset of more than 25% of the assets on an aggregate basis during the year under review.

Tea production of NTEL for the year under review was 2.53 Million kgs, compared to last year's production of 2.40 million kgs.

During the year, Macadamia (N I H) production of NTEL was 2.22 million kgs against last year's production of 1.87 million kgs. Further, we have done extension planting of 64.50 Hectares of macadamia and will continue extension in coming years.

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.

Directors' Report (Contd.)

FIXED DEPOSITS

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

As on 31st March, 2019 an amount of ₹ 4,251.52 lakhs was outstanding as fixed deposit from the public and Shareholders of your Company out of which ₹ 2,436.36 lakhs were accepted during the year.

During the year under review, your Company has accepted deposits aggregating to ₹ 2,436.36 lakhs, which comprise of Fixed Deposit for ₹ 761.12 lakhs and Cumulative Deposit for ₹ 1,675.24 lakhs.

Matured Fixed Deposits for ₹ 5.74 lakhs remained unpaid and unclaimed as on 31st March, 2019, out of which Fixed Deposit for ₹ 0.40 lakh has been claimed and were repaid till date. There is no default in repayment of deposits and in payment of interest thereon.

All Fixed Deposits have been accepted in compliance with the requirements of the Companies Act, 2013 and Rules framed therein. No order has been passed by the National Company Law Tribunal / National Company Law Appellate Tribunal for extension of time for repayment nor has any penalty been imposed by the said Authorities.

DIRECTORS

Mr. A.K. Kothari (DIN 00051900) will retire in the ensuing 85th Annual General Meeting, and being eligible, offers himself, for re-appointment. The Board of Directors recommends his 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. A. Baheti (DIN 0008094824) Independent Directors of the Company, that they meet the criteria of Independence and they have complied with the Code for Independent Directors, as prescribed both under the Act and SEBI Listing Regulations, and the Code of Conduct for Directors and Senior Management personnel, formulated by the Company.

Mr. N. Pachisia's first term of 5 (five) consecutive years as an Independent Director of the Company shall come to an end on the conclusion of the ensuing 85th Annual General Meeting of the Company.

The second term of consecutive 5 (five) years of Mr. H. M. Parekh and Dr. H. P. Kanoria, as Independent Directors of the Company, shall come to an end on the conclusion of the ensuing 85th Annual General Meeting of the Company. On conclusion of the ensuing 85th Annual General Meeting of the Company, Mr. H. M. Parekh and Dr. H. P. Kanoria shall retire as Directors of the Company.

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on 14th November, 2018, had appointed Mr. S. Srivastav, (DIN: 00237561), 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 85th Annual General Meeting. However, Mr. Srivastav vide his letter dated 6th February, 2019 had resigned from the Directorship of the Company due to his pre-occupation and inability to travel out of Mumbai at regular intervals.

Your Directors wish to place their sincere appreciation for the contribution made by Dr. H.P. Kanoria, Mr. H.M. Parekh and Mr. S. Srivastav during his tenure as a Director of the Company.

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on 28th May, 2019, have appointed:

- (i) Mr. K. Ashok, (DIN: 02272068), 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 85th Annual General Meeting.
- (ii) Mr. C.R. Prayag (DIN: 08463106), 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 85th Annual General Meeting.

Directors' Report (Contd.)

(iii) Mr. N. Pachisia (DIN: 00233768) as an Independent Director of the Company for a second term of 5 (five) consecutive years with effect from 9th August, 2019, subject to the approval of the members of the Company at the ensuing 85th Annual General Meeting.

Mr. Ashok and Mr. Prayag have given declarations that they meet the criteria of Independence, as prescribed both under the Act and SEBI Listing Regulations.

In view of the forthcoming retirement of Mr. H. M. Parekh and Dr. H. P. Kanoria, and in order to maintain the diversity of the Board and be compliant with the requirements of the Companies Act, 2013 and SEBI Listing Regulations, your Board recommends the appointment of Mr. K. Ashok and Mr. C.R. Prayag, as Independent Directors, for a term of 5 (five) consecutive years each. Mr. Ashok and Mr. Prayag have varied and rich experience in Tea and Textile Industry respectively. The proposed appointments would be beneficial to the Company and your Board recommends the same.

The Board also recommends the re-appointment of Mr. N. Pachisia, as an Independent Director for a term of 5 (five) consecutive years. The proposed appointments / re-appointment would be beneficial to the Company.

Details of aforesaid Directors seeking appointment / re-appointment are stated in the Explanatory Statement to the Notice convening the 85th Annual General Meeting of 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, 2019, 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, 2019 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 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. Certificates on Corporate Governance and on non disqualifications of Directors, as stipulated in the said Regulations, issued by CS Deepak Kumar Khaitan, Practising Company Secretary (FCS No. 5615), are also attached to this Report.

Directors' Report (Contd.)

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. No material contract / arrangement / transaction were entered into with any Related Party.

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/rpt_policy_03jun19.pdf Your Directors draw attention of the Members to Note No. 46 to the standalone financial statements which set out related party disclosures as per the Act, SEBI Listing Regulations and the Accounting Standards.

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. During the year under review, the Company could not undertake any CSR activity as the average net profit of the Company during the 3 immediately preceding financial years was negative.

The CSR Policy of the Company 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 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, M/s. 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 83rd AGM of the Company, held on 1st September, 2017, M/s. Kothari & Company, Chartered Accountants, (Firm Registration No.- 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.

M/s. Dutta Ghosh & Associates, Chartered Accountants (Firm Registration No.- 309088E) retired as Branch Auditors of the GIS Cotton Mill (unit of Textile Division) of the Company on the conclusion of the 84th AGM of the Company held on 30th July, 2018. The financial results of the said Unit are now being audited by M/s. 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.

Directors' Report (Contd.)

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 has 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, 2020
1	Tea	M/s. B. Ray & Associates, Kolkata
2	Textile	M/s. D. Sabyasachi & Co., Kolkata

M/s. D. Sabyasachi & Co., Cost Accountants, has been appointed as the lead cost auditor. 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, 2020, is appearing in the Notice convening the 85th 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, 2019. The Secretarial Audit Report for the financial year ended on 31st March, 2019 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 Members of the said Committee. For details relating to composition, number and date of meeting please refer to Clause XV of the report on Corporate Governance, which forms part of this Annual Report. The recommendations made by the Corporate Social Responsibility Committee were accepted by the Board.

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. A. Baheti as Members of the said Committee. For details relating to composition, number and dates of meetings please refer to Clause III of the report on Corporate Governance, which forms part of this Annual Report. 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 Members of the said Committee. For details relating to composition, number and dates of meetings please refer to Clause IV of the report on Corporate Governance, which forms part of this Annual Report. The criteria for determining qualifications, positive attributes, independence of a Director, performance evaluation of Board, Committees and the Directors are laid down under the Nomination and Remuneration Policy of the Company.

The performance evaluation of the Board, its Committees and of individual Directors was made by way of structured questionnaire and the Directors were satisfied with the evaluation process. Remuneration Policy for Directors, Key Managerial Personnel and other employees may be accessed on the Company's website at the link: <http://www.gillandersarbuthnot.com/pdf/2019/NRC-Policy.pdf> The recommendations made by the Nomination and Remuneration Committee were accepted by the Board.

Directors' Report (Contd.)

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 Members of the said Committee. For details relating to composition, number and date of meeting please refer to Clause VIII(F) of the report on Corporate Governance, which forms part of this Annual Report. The recommendations made by the Stakeholders Relationship Committee were accepted by the Board.

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 also provides adequate safeguards against victimization. The whistle blower policy may be accessed on the Company's website at the link: <http://www.gillandersarbutnot.com/pdf/policy/Whistle-Blower-Policy-0519.pdf>. Your Board affirms that no person has been denied access to the Chairman of the Audit Committee.

Meetings of the Board

Five Meetings of the Board of Directors were held during the year. For details relating to composition and dates of meetings please refer to Clause II 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 and security. However, the Company has invested an amount of USD 5,30,000 (United States Dollar five Lakhs thirty thousand) by subscribing to the fully paid up Equity Shares of USD 1 each, at par, of Gillanders Holdings (Mauritius) Limited. For details, please refer to note no. 46 of notes to accounts.

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 under the Act, is annexed herewith and marked as **Annexure III**.

Extract of Annual Return

Extract of Annual Return of the Company is annexed herewith and marked as **Annexure IV**. The Annual Return of the Company may be accessed on the Company's website at the link: https://www.gillandersarbutnot.com/inv_info.php.

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) Amendment Rules, 2016. 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) Rules, 2014, as amended, is annexed herewith and marked as **Annexure V**.

Credit Ratings

Your Company has obtained credit ratings for bank loans and fixed deposit scheme from Care Ratings Limited, Mumbai (CARE). CARE vide its letter dated 2nd January, 2018 had given CARE BBB+, Negative, rating for the Company's long term bank facilities and fixed Deposit Scheme.

Directors' Report (Contd.)

Thereafter, CARE vide their letter dated 26th November, 2018 have made an upward revision in the ratings to CARE BBB+, Stable, for the Company's long term bank facilities and fixed Deposit Scheme. These ratings are valid for a period of one year from the date of the letter, until otherwise, revised.

Secretarial Standards

The Company is in compliance with applicable Secretarial Standards issued by the Institute of Company Secretaries of India, New Delhi.

Equity Shares in the Suspense Account

As on 1st April, 2018, 2,065 aggregate number of shareholders representing 2,13,678 fully paid up Ordinary shares were lying in the suspense account. During the financial year 2018-2019, 18,104 shares aggregating 229 shareholders were transferred to the suspense account. As on 31st March, 2019, 2,31,782 numbers of Ordinary shares aggregating 2,294 shareholders were lying in the suspense account. The voting rights on these shares remains frozen till the rightful owner of such shares claims the same.

Unpaid/Unclaimed Dividends – Transfer to Investor Education and Protection Funds (IEPF)

During the year under review, ₹ 14,18,985/- was transferred to the IEPF in respect of financial year 2010-2011. Shares in respect of which dividend has not been paid or claimed for seven consecutive years or more i.e. relating to the financial year 2010-2011, were required to be transferred to IEPF of the Central Government by 15th October, 2018. The Company had sent notices to all shareholders whose shares were due to be transferred to the IEPF Authority and subsequently have transferred 18,104 numbers of shares to IEPF.

Shareholders who have not yet encashed their dividend warrant(s) for the financial year 2011-2012 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 2011-2012 is due for transfer to IEPF later during the year.

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, 2019. Further, there has been no change in the nature of business of the Company.

Disclosure pertaining to Sexual Harassment of Women

The company has in place a Policy for Prevention of Sexual Harassment at the Workplace in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No complaint was pending at the beginning of the year, no complaint was received during the year, hence, no complaint was pending at the end of the year.

General

Your Directors states that no significant or material orders were passed by the Regulators or Courts or Tribunals or quasi-judicial body, which may impact the going concern status and Company's operations in future.

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.

For and on behalf of the Board

Place: Kolkata
Date: 28th May, 2019

A. K. Kothari
Chairman

Annexure to the Directors' Report

Annexure I

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year ended on 31st March, 2019

<p>1.</p>	<p>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.</p>	<p>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 proposes to undertake 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 http://www.gillandersarbutnot.com/pdf/policy/Corporate%20Social%20Responsibility%20Policy.pdf</p>
<p>2.</p>	<p>The Composition of the CSR Committee.</p>	<p>Mr. H. M. Parekh- Chairman (Independent Director) Smt. P. D. Kothari (Non- Executive Promoter Director) Mr. N. Pachisia (Independent Director)</p>
<p>3.</p>	<p>Average net profit of the Company for last three financial years.</p>	<p>₹ (1,974.75) Lakhs</p>
<p>4.</p>	<p>Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)</p>	<p>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 2018-2019.</p>
<p>5.</p>	<p>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:</p>	<p>No amount spent for reasons stated in Point No. 4 above.</p>

Place: Kolkata
Date: 28th May, 2019

Manoj Sodhani
Executive Director & CEO

Mahesh Sodhani
Managing Director

H.M. Parekh
Chairman-CSR Committee

Annexure to the Directors' Report (Contd.)**Annexure II****Form No. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019**

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

To,
The Members,
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, 2019 ("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, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.
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, 2019 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;

Annexure to the Directors' Report (Contd.)

- 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;
- (vi) 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 with the following laws that are applicable specifically to the Company:
 - a) The Factories Act, 1948;
 - b) The Food Safety and Standards Act, 2006 and Food Safety and Standard Rules, 2011;
 - c) The Tea Act, 1953 and rules thereunder;
 - d) Tea Warehouse (Licensing) Order, 1989;
 - e) The Tea Waste (Control) Order, 1959;
 - f) The Tea (Marketing) Control Order, 1984;
 - g) Tea Plantations Provident Fund Scheme, 1955;
 - h) The Plantations Labour Act, 1951;
 - i) The Assam Plantation Labour Rules, 1956;
 - j) The Assam Agricultural Income Tax Act, 1939;
 - k) Air (Prevention and Control of Pollution) Act, 1981 and Water (Preservation and Control of Pollution) Act, 1974;
 - l) Directions given by the Office of Textile Commissioner and Rules made thereunder;
- (vii) 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;
 - d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.
4. We have also examined compliance 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 have 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.

Annexure to the Directors' Report (Contd.)

(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 has invested an amount of USD 5,30,000 (United States Dollar Five Lakhs thirty thousand only) by subscribing to 5,30,000 numbers of fully paid up equity shares of USD 1 each, at par, of Gillanders Holdings (Mauritius) Limited, a Wholly Owned Foreign Subsidiary.
2. The Board of Directors of the Company, on the recommendation of the Nomination and Remuneration Committee, at their meeting held on 28th 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 1st April, 2018, which was approved by the members of the Company at the 84th Annual General Meeting held on 30th July, 2018.
 - (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 1st April, 2018 which was approved by the members of the Company at 84th Annual General Meeting on 30th July, 2018.
 - (c) Appointed Mr. Arvind Baheti as an Additional Director (Independent) with immediate effect for a term of 5 years, which was approved by the members of the Company at 84th Annual General Meeting held on 30th July, 2018.
3. Mr. Sunil Srivastav was appointed as an Additional (Independent) Director of the Company with effect from 14th November, 2018. However, Mr. Srivastav resigned from the Directorship with effect from 6th February, 2019.
4. Naming'omba Tea Estates Limited, Mafisi Tea Estates Limited and Group Holdings Limited, wholly owned subsidiaries of Group Developments Limited (GDL), a step down subsidiary of the Company, undertook a qualified re-organization by way of amalgamating their respective whole businesses and undertaking with that of GDL through a mutually agreed upon scheme of arrangement. The said Scheme was approved by the Hon'ble High Court at Malawi vide Order dated 18th December, 2018. On the said Scheme becoming effective, the name of GDL was changed to Naming'omba Tea Estates Limited.

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. Moreover, we have not covered any matter related to any other law which may be applicable to the Company except the aforementioned corporate laws of the Union of India.

Place : Kolkata
Date : 28th May, 2019

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

Annexure to the Directors' Report (Contd.)

Annexure III

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, 2019.

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:

1. Conventional tube lights and vapour lamps are being replaced by the energy efficient LED lights in the Tea Estates.
2. Old Motors are replaced with new Ultra High efficiency motors to save energy in the Tea Estates.
3. Timely replacements of power capacitor and equipments for achieving ideal power factor in the Tea Estates.
4. Installation of rain water harvesting system to reduce pumping of ground water, hence reducing power consumption.
5. ETP processed water being reused in cooling tower, thereby, reducing extraction of water.
6. VFD Installed on Simplex LF-1400A Machines resulting saving in energy & reduction in startup breakage in Akbarpur unit.
7. Complete Automation of Dying Machines put in circuit.
8. All Ventilators of Blow Room and Tuft Blender are stopped during cleaning time.

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

At the Akbarpur unit, the Company uses rice husk alongwith rice straw trash for generation of power.

iii) Capital Investment on energy conservation equipments

Investments have been made for purchase of Gas Burner.

B. TECHNOLOGY ABSORPTION

i) Efforts made towards technology absorption:

1. Installation of latest machines / equipments, viz Gas Burner etc.
2. In-house seminars, discussion 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.
3. The Company also uses Vermi compost and Indigenous Technical Knowledge for improving the Organic status of the soil in the Tea Gardens.
4. The company has installed latest machines/equipments viz. Murata Automatic Package Winder, for developing special yarns. Ring frame, speed frame and carding modification has been done to meet the market quality norms for special valued added products.

Annexure to the Directors' Report (Contd.)
ii) Benefits derived like, Product improvement cost reduction, product development or Import substitution:

The latest technology is being adopted in plants to develop new products viz. Injection Slub, Edge Space Melange Yarn, Cloudy Melange Yarn, Neppy with Slub Yarn, Jaspe with Snow Yarn and other speciality yarns. It has improved productivity, Product-mix, product quality, reducing the consumption of energy and reduction of manpower.

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:

Revenue expenditure of ₹ 25.36 lakhs was incurred.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Total foreign exchange earned and used during the financial year ended on 31st March, 2019:

	(₹ in lakhs)
Foreign exchange earned	12,745.68
Foreign exchange used	1,514.79

For and on behalf of the Board

Place: Kolkata
Date: 28th May, 2019

A. K. Kothari
Chairman

Annexure to the Directors' Report (Contd.)

Annexure IV

FORM No. MGT 9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2019

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

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

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

Annexure to the Directors' Report (Contd.)
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	53.90
2.	Cultivation, Manufacture and Sale of Tea	01271/10791/46306	31.75

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.	Naming'omba Tea Estates Limited (Formerly Group Developments Limited)# P. O. Box 2, Thyolo, Malawi	NA	Wholly Owned step down Foreign Subsidiary	100	2(87)

A Scheme of Arrangement was approved by the Hon'ble High Court at Malawi vide Order dated 18th December, 2018. On the said Scheme becoming effective, the name of Group Developments Limited was changed to Naming'omba Tea Estates 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 01.04.2018]				No of Shares held at the end of the year [As on 31.03.2019]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	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	-	-	-	-	-	-	-	-	-
Sub-total (A)(1)	14671715	-	14671715	68.7446	14671715	-	14671715	68.7446	-
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)	0	0	0	0.0000	0	0	0	0.0000	0.0000
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	14671715	-	14671715	68.7446	14671715	0	14671715	68.7446	-

Annexure to the Directors' Report (Contd.)

Category of Shareholders	No of Shares held at the beginning of the year [As on 01.04.2018]				No of Shares held at the end of the year [As on 31.03.2019]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	300	-	300	0.0014	300	-	300	0.0014	0.0000
b) Banks/FIs	3437	65494	68931	0.3230	1190379	64414	1254793	5.8794	5.5564
c) Central Govt	-	7086	7086	0.0332	-	7086	7086	0.0332	0.0000
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	1187278	-	1187278	5.5630	-	-	-	-	-5.5630
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Alternate Investment Funds	-	-	-	-	-	1722	1722	0.0081	0.0081
Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-
Provident Funds / Pension Funds	-	-	-	-	-	-	-	-	-
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Sub-total(B)(1)	1191015	72580	1263595	5.9206	1190679	73222	1263901	5.9221	0.0015
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	764294	33475	797769	3.7380	794434	9403	803837	3.7664	0.0284
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	2293289	421096	2714385	12.7183	2255646	357340	2612986	12.2432	-0.4751
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1449618	46866	1496484	7.0118	1556875	46866	1603741	7.5144	0.5026
c) Others (Specify)									
Non Resident Indians	82848	9959	92807	0.4348	88279	9740	98019	0.4593	0.0245
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Custodian of Enemy Property	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	88090	-	88090	0.4127	52421	-	52421	0.2456	-0.1671
Trusts	3823	-	3823	0.0179	3905	-	3905	0.0183	0.0004
Foreign Bodies-D R	-	-	-	-	-	-	-	-	-
Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-
NBFCs registered with RBI	-	-	-	-	39	-	39	0.0002	0.0002
Employee Trusts	-	-	-	-	-	-	-	-	-
Domestic Corporate Unclaimed Shares Account	-	-	-	-	-	-	-	-	-

Annexure to the Directors' Report (Contd.)

Category of Shareholders	No of Shares held at the beginning of the year [As on 01.04.2018]				No of Shares held at the end of the year [As on 31.03.2019]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Investor Education and Protection Fund Authority	213678	-	213678	1.0012	231782	-	231782	1.0860	0.0848
Sub-total(B)(2)	4895640	511396	5407036	25.3347	4983381	423349	5406730	25.3334	-0.0013
Total Public Shareholding (B)=(B)(1)+ (B)(2)	6086655	583976	6670631	31.2553	6174060	496571	6670631	31.2555	0.0002
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	20758370	583976	21342346	100.0000	20845775	496571	21342346	100.0000	0.0000

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-2018]			Shareholding at the end of the Year [As on 31-March-2019]			% 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	A.k. 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	A.k. Kothari (Huf)	75741	0.3549	0.0000	75741	0.3549	0.0000	0.0000
11	P.d. Kothari	67875	0.3180	0.0000	67875	0.3180	0.0000	0.0000
12	A.v. 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
	TOTAL	14671715	68.7446	0.0000	14671715	68.7446	0.0000	0.0000

Annexure to the Directors' Report (Contd.)

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 Name	Shareholding at the beginning [As on 01-April-2018]/end of the year [As on 31-March-2019]		Date	Increase/decrease in Shareholding	Reason	Cumulative Shareholding during the year As on 01-April-2018 to 31- March-2019]	
		No. of Shares	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1.	Bhaktwatsal Investments Limited							
		498498	2.3357	01/04/2018	No Change during the year			
		498498	2.3357	31/03/2019		498498	2.3357	
2	Commercial House Private Limited							
		1368212	6.4108	01/04/2018	No Change during the year			
		1368212	6.4108	31/03/2019		1368212	6.4108	
3	Kothari Capital And Securities Private Limited							
		11250	0.0527	01/04/2018	No Change during the year			
		11250	0.0527	31/03/2019		11250	0.0527	
4	Kothari Phytochemicals And Industries Limited							
		5501078	25.7754	01/04/2018	No Change during the year			
		5501078	25.7754	31/03/2019		5501078	25.7754	
5	Kothari & Company Private Limited							
		1426199	6.6825	01/04/2018	No Change during the year			
		1426199	6.6825	31/03/2019		1426199	6.6825	
6	Vishnuhari Investments & Properties Limited							
		1707291	7.9995	01/04/2018	No Change during the year			
		1707291	7.9995	31/03/2019		1707291	7.9995	
7	Kothari Investment & Industries Private Limited							
		2253748	10.5600	01/04/2018	No Change during the year			
		2253748	10.5600	31/03/2019		2253748	10.5600	
8	M.D. Kothari & Company Limited							
		1521868	7.1307	01/04/2018	No Change during the year			
		1521868	7.1307	31/03/2019		1521868	7.1307	
9	Satyam Financial Services Limited							
		88177	0.4132	01/04/2018	No Change during the year			
		88177	0.4132	31/03/2019		88177	0.4132	

Annexure to the Directors' Report (Contd.)

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning [As on 01-April-2018]/end of the year [As on 31-March-2019]		Date	Increase/ decrease in Shareholding	Reason	Cumulative Shareholding during the year As on 01-April-2018 to 31- March-2019]	
	Name	No. of Shares	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
10	A.K. Kothari (HUF)							
		75741	0.3549	01/04/2018	No Change during the year			
		75741	0.3549	31/03/2019			75741	0.3549
11	A.K. Kothari							
		108472	0.5082	01/04/2018	No Change during the year			
		108472	0.5082	31/03/2019			108472	0.5082
12	P.D. Kothari							
		67875	0.3180	01/04/2018	No Change during the year			
		67875	0.3180	31/03/2019			67875	0.3180
13	A.V. Kothari							
		43306	0.2029	01/04/2018	No Change during the year			
		43306	0.2029	31/03/2019			43306	0.2029

Attachment F
IV. SHAREHOLDING 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 01-April-2018]/end of the year [As on 31-March-2019]		Date	Increase / decrease in Shareholding	Reason	Cumulative Shareholding during the year As on 01-April-2018 to 31-March-2019]	
	Name	No. of Shares	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1.	Jamson Securities Pvt Ltd							
		105704	0.4953	01/04/2018	No Change during the year			
		105704	0.4953	31/03/2019			105704	0.4953
2.	JM Financial Services Limited*							
		38341	0.1796					
				13/04/2018	-1	Sale	38340	0.1796
				20/04/2018	3800	Purchase	42140	0.1974
				27/04/2018	-2560	Sale	39580	0.1855
				04/05/2018	-11379	Sale	28201	0.1321
				11/05/2018	19105	Purchase	47306	0.2217
				18/05/2018	-1000	Sale	46306	0.2170

Annexure to the Directors' Report (Contd.)

Sl. No.	For Each of the Top 10 Shareholders		Shareholding at the beginning [As on 01-April-2018]/end of the year [As on 31-March-2019]		Date	Increase / decrease in Shareholding	Reason	Cumulative Shareholding during the year As on 01-April-2018 to 31-March-2019]	
	Name	No. of Shares	% of total Shares of the Company	No. of Shares				% of total Shares of the Company	
					08/06/2018	460	Purchase	46766	0.2191
					15/06/2018	-8452	Sale	38314	0.1795
					22/06/2018	3500	Purchase	41814	0.1959
					29/06/2018	180	Purchase	41994	0.1968
					13/07/2018	36249	Purchase	78243	0.3666
					10/08/2018	56799	Purchase	135042	0.6327
					31/08/2018	-3000	Sale	132042	0.6187
					07/09/2018	-21855	Sale	110187	0.5163
					14/09/2018	7710	Purchase	117897	0.5524
					21/09/2018	-92	Sale	117805	0.5520
					28/09/2018	250	Purchase	118055	0.5531
					29/09/2018	-250	Sale	117805	0.5520
					05/10/2018	2775	Purchase	120580	0.5650
					12/10/2018	1180	Purchase	121760	0.5705
					19/10/2018	3139	Purchase	124899	0.5852
					02/11/2018	850	Purchase	125749	0.5892
					16/11/2018	-10	Sale	125739	0.5892
					23/11/2018	-33257	Sale	92482	0.4333
					14/12/2018	33257	Purchase	125739	0.5891
					28/12/2018	-66	Sale	125673	0.5888
					25/01/2019	-24	Sale	125649	0.5887
					08/02/2019	42376	Purchase	168025	0.7873
					31/03/2019			168025	0.7873
3.	Life Insurance Corporation Of India								
		1187278	5.5630	01/04/2018	No Change during the year				
		1187278	5.5630	31/03/2019			1187278	5.5630	
4.	Raviraj Developers Limited#								
		53074	0.2487	1/04/2018					
				04/05/2018	7405	Purchase	60479	0.2834	
				10/08/2018	-60479	Sale	0	0.000	
				31/03/2019			0	0.000	

Annexure to the Directors' Report (Contd.)

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning [As on 01-April-2018]/end of the year [As on 31-March-2019]		Date	Increase / decrease in Shareholding	Reason	Cumulative Shareholding during the year As on 01-April-2018 to 31-March-2019]	
	Name	No. of Shares	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
5.	Mall Commercial Pvt. Ltd.							
		100903	0.4728	01/04/2018	No Change during the year			
		100903	0.4728	31/03/2019			100903	0.4728
6.	Jagdish Amritlal Shah							
		110740	0.5189	01/04/2018	No Change during the year			
		110740	0.5189	31/03/2019			110740	0.5189
7.	Muktilal Ganulal Paldiwal							
		95072	0.4455	01/04/2018				
				13/07/2018	29	Purchase	95101	0.4456
				29/09/2018	500	Purchase	95601	0.4479
				02/11/2018	542	Purchase	96143	0.4505
				09/11/2018	34	Purchase	96177	0.4506
				16/11/2018	500	Purchase	96677	0.4530
				18/01/2019	29	Purchase	96706	0.4531
				01/03/2019	653	Purchase	97359	0.4562
				08/03/2019	1500	Purchase	98859	0.4632
				15/03/2019	128	Purchase	98987	0.4638
				22/03/2019	2591	Purchase	101578	0.4759
				31/03/2019			101578	0.4759
8.	Priyank Nahata*							
		0	0.0000	01/04/2018				
				15/06/2018	26016	Purchase	26016	0.1219
				31/08/2018	9363	Purchase	35379	0.1658
				21/09/2018	12293	Purchase	47672	0.2234
				28/09/2018	5	Purchase	47677	0.2234
				12/10/2018	280	Purchase	47957	0.2247
				19/10/2018	5473	Purchase	53430	0.2503
				26/10/2018	1000	Purchase	54430	0.2548
				23/11/2018	347	Purchase	54777	0.2567
				01/03/2019	5925	Purchase	60702	0.2844
				31/03/2019			60702	0.2844

Annexure to the Directors' Report (Contd.)

Sl. No.	For Each of the Top 10 Shareholders Name	Shareholding at the beginning [As on 01-April-2018]/end of the year [As on 31-March-2019]		Date	Increase / decrease in Shareholding	Reason	Cumulative Shareholding during the year As on 01-April-2018 to 31-March-2019]	
		No. of Shares	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
9.	Anil Jain							
		133818	0.6270	01/04/2018				
				06/04/2018	1182	Purchase	135000	0.6325
				31/03/2019			135000	0.6325
10.	Suvarna Kumari Agarwal							
		200000	0.9371	01/04/2018	No Change during the year			
		200000	0.9371	31/03/2019			200000	0.9371
11.	Bank of Baroda#							
		54567	0.2557	01/04/2018	No Change during the year			
		54567	0.2557	31/03/2019			54567	0.2557
12	Investor Education And Protection Fund Authority (MCA)							
		213678	1.0012	01/04/2018				
				26/10/2018	17804	Transfer	231482	1.0837
				02/11/2018	300	Transfer	231782	1.0860
				31/03/2019			231782	1.0860

* Not in the list of Top 10 shareholders as on 01/04/2018. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2019.

Ceased to be in the list of Top 10 shareholders as on 31/03/2019. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01/04/2018.

Annexure to the Directors' Report (Contd.)
Attachment G
IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Shareholding of each Director and each Key Managerial Personnel	Shareholding at the beginning of the year [As on 01-April-2018]/ end of the year [31-March-2019]		Cumulative Shareholding during the year [01-April-2018 to 31-March-2019]	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	A.K. KOTHARI				
	At the beginning of the year	108472	0.5082		
	At the end of the year	108472	0.5082	108472	0.5082
2.	P.D. KOTHARI				
	At the beginning of the year	67875	0.3180		
	At the end of the year	67875	0.3180	67875	0.3180
3.	P.K. JAIN				
	At the beginning of the year	501	0.0023		
	At the end of the year	501	0.0023	501	0.0023

Dr. H.P. Kanoria, Mr. H.M. Parekh, Mr. N. Pachisia, Mr. A. Baheti, Mr. Mahesh Sodhani and Mr. Manoj Sodhani, Directors of the Company did not hold any shares during the financial year of 2018-2019. Mr. D. Karmakar, Company Secretary, of the Company did not hold any shares during the financial year of 2018-2019.

Attachment H
V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but due for payment (₹ in lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year – 1st April, 2018				
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
Total (i+ii+iii)	16,392.67	13,138.32	4,933.23	34,464.22
Change in indebtedness during the financial year				
· Addition	1,592.73	1,055.61	2,701.47	5349.81
· Reduction	1,651.42	3,683.32	3,069.91	8,404.65
Net Change	(58.69)	(2,627.71)	(368.44)	(3,054.84)
Indebtedness at the end of the financial year– 31st March 2019				
i) Principal Amount	16,333.98	10,455.00	4,251.52	31,040.50
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	55.61	313.27	368.88
Total (i+ii+iii)	16,333.98	10,510.61	4,564.79	31,409.38

Annexure to the Directors' Report (Contd.)

Attachment I

REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director and Executive Director & CEO

(₹ in lakhs)

Sl. No.	Particulars of Remuneration	Name of the Managing Director		Name of Executive Director & CEO	
		Mr. Mahesh Sodhani		Mr. Manoj Sodhani	
1	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	71.36		71.36	
	(b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	0.27		0.33	
	(c) Profits in lieu of salary under Section 17(3) of Income Tax Act, 1961	-		-	
2	Stock Option	-		-	
3	Sweat Equity	-		-	
4	Commission				
	- As a percentage of profit	-		-	
	- Others, specify	-		-	
5	Others, please specify (Contribution to Provident & other Funds)	2.88		2.88	
	Total Amount (A)	74.51		74.57	
	Ceiling as per the Act@				

@ The Company has made a loss of ₹ 879.69 lakhs, and hence, Section II of Part II of Schedule V is applicable. The Effective Capital of the Company is ₹ 33,212.03 lakhs. The Company can pay remuneration upto ₹ 120.82 lakhs. The said remuneration limit has been doubled as the shareholders have already passed a Special Resolution at the 84th AGM.

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
		AKK	PDK	HPK	HMP	NP	AB	
1	<u>Independent Directors</u>							
	·Fee for attending Board / Committee Meetings	-	-	0.50	2.10	1.85	1.55	6.00
	·Commission	-	-	-	-	-	-	-
	·Others, please specify	-	-	-	-	-	-	-
	Total(1)	-	-	0.50	2.10	1.85	1.55	6.00
2	<u>Other Non-Executive Directors</u>							
	·Fee for attending Board / Committee Meetings	2.20	2.20	-	-	-	-	4.40
	·Commission	-	-	-	-	-	-	-
	·Others, please specify	-	-	-	-	-	-	-
	Total(2)	2.20	2.20					4.40
	Total(B)=(1+2)	2.20	2.20	0.50	2.10	1.85	1.55	10.40
	Total Managerial Remuneration (A+B)							159.48
	Overall Ceiling as per the Act@							

Annexure to the Directors' Report (Contd.)

The Company has made a loss of ₹ 879.69 lakhs, and hence, Section II of Part II of Schedule V is applicable. The Effective Capital of the Company is ₹ 33212.03 lakhs. The Company can pay remuneration upto ₹ 120.82 lakhs. The said remuneration limit has been doubled as the shareholders have already passed a Special Resolution at the 84th AGM.

* AKK- Mr. A.K. Kothari, PDK- Smt. P.D. Kothari, HPK- Dr. H.P. Kanoria, HMP- Mr. H.M. Parekh, NP- Mr. N. Pachisia and AB- Mr. A. 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	37.76	18.54	56.30
	(b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	2.84	1.37	4.21
	(c) Profits in lieu of salary under Section 17(3) of Income Tax Act, 1961	-	-	
2	Stock Option	-	-	
3	Sweat Equity	-	-	
4	Commission			
	- As a percentage of profit	-	-	
	- Others, specify	-	-	
5	Others, please specify (Contribution to Provident & other Funds)	1.70	0.61	2.31
	Total	42.30	20.52	62.82

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

For and on behalf of the Board

Place: Kolkata
Date: 28th May, 2019

A. K. Kothari
Chairman

Annexure to the Directors' Report (Contd.)

Annexure V

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.

- 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, 2019 :

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, 2019
1.	Mr. Mahesh Sodhani	Managing Director	1:139.08	28.90
2.	Mr. Manoj Sodhani	Executive Director & CEO	1:139.20	27.80
3.	Mr. P. K. Jain	Chief Financial Officer	Not Applicable	7.80
4.	Mr. D. Karmakar	Company Secretary	Not Applicable	15.20

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, 2019. Dr. H.P. Kanoria, Mr. H. M. Parekh, Mr. N. Pachisia and Mr. A. Baheti, who are Independent Directors, received sitting fees only in the said financial year.
- In the financial year ended on 31st March, 2019, there was increase of 19.10% in the median remuneration of employees.
- There were 9352 permanent employees on the rolls of the Company as on 31st March, 2019.
- Average salary increase of Managerial employee and Non Managerial employee during the financial year ended on 31st March, 2019 is 19.90% and 12.60% 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. Manoj Sodhani	Executive Director & CEO	74,57,098	B.Com (Hons.), ACA, ACS	23 years	48 years	01.04.1996	Veneer & NP Saw Mills Ltd
2	Mr. Mahesh Sodhani	Managing Director	74,50,728	B.Com (Hons.), ACA, ACS, ACMA	21 years	47 years	01.05.2001	Kothari Plantations & Industries Ltd
3	Mr. Sanjib Raha	President & Business Head - NISM	59,45,370	B.Tech (Textile)	28 years	48 years	18.12.2013	PT. Lotus Indah Textile Industries
4	Mr. Bisham Chander Kaushik	President - Cotton Mill	47,64,290	B.Tech (Textile)	33 years	56 years	09.03.2017	Banswara Syntex Ltd.

Annexure to the Directors' Report (Contd.)

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
5	Mr. Pravin Kumar Jain	Jt. President & CFO	42,30,524	B.Com (Hons.), LLB, FCA, Certificate in Business & Industrial Administration	41 years	61 years	10.01.1984	Jain & Co. , Chartered Accountants
6	Mr. Subhayan Bhattacharya	Vice President - Micco Division	32,88,144	B.Com (Hons), ACA	21 years	46 years	10.07.2015	Primetals Technologies India Private Ltd.
7	Mr. Bithal Kumar Kothari	Sr. Vice President - Tea Division	24,89,336	B.Com	39 years	57 years	01.07.1981	Kothari Plantations & Industries Ltd.
8	Mr. Kevin Paul	Vice President - Exports , Tea Division	24,37,029	B.Com	33 years	70 years	01.09.2016	Tata Tea Ltd.
9	Mr. Niraj Singh	Asst Vice President	23,01,029	B.Com (Hons), FCA, MBA	16 years	43 years	16.09.2002	N.A.
10	Mr. Gautam Samanta	Sr. General Manager - Taxation	22,32,235	B.Sc (Hons), FCA, FCMA	21 years	50 years	01.12.2006	H.K. Agarwal & Co.

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.

For and on behalf of the Board

Place: Kolkata
Date: 28th May, 2019

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, 2019.]

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 senior management and creating a mechanism of checks and balances to ensure that the decision making powers vested in the senior 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, 2019, 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, 2019 the Board comprised of 8 (Eight) Directors, out of which 4 (Four) being Independent Directors, 2 (Two) being Non – Executive Promoter Directors and 2 (Two) being Executive Directors (one Managing Director and one Whole time Director designated as ‘Executive Director & CEO’) 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, Mr. Mahesh Sodhani, the Managing Director and Mr. Manoj Sodhani, Executive Director & CEO of the Company are responsible for the overall implementation of the decisions and policies framed by the Board. 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 14th November, 2018, had appointed Mr. S. Srivastav, (DIN: 00237561), 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 85th Annual General Meeting. However, Mr. Srivastav vide his letter dated 6th February,

Report on Corporate Governance (Contd.)

2019 had resigned from the Directorship of the Company due to his pre-occupation and inability to travel out of Mumbai at regular intervals.

Further, based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on 28th May, 2019, have:

- (i) Appointed Mr. K. Ashok (DIN: 02272068), as an Additional Director (Independent) with effect from 28th May, 2019.
- (ii) Appointed Mr. C.R. Prayag (DIN: 08463106) as an Additional Director (Independent) with effect from 28th May, 2019.
- (iii) Mr. N. Pachisia (DIN: 00233768) as an Independent Director of the Company for a second term of 5 (five) consecutive years with effect from 9th August, 2019.

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, 2019, 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 First Appointment
1.	Dr. H.P. Kanoria	6th March, 2009
2.	Mr. H.M. Parekh	30th April, 2009
3.	Mr. N. Pachisia	16th August, 2011
4.	Mr. A. Baheti	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 and in line with the Policy on Evaluation of Directors and Board 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, 2019, without the presence of the Managing Director, Executive 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. 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 read with Regulation 16(1) (b) of SEBI Listing Regulations.

(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

Report on Corporate Governance (Contd.)

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, 2019, 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 5 (Five) times. The details of Board Meetings held during the financial year ended on 31st March, 2019 are as under:

Sl. No.	Date of Board Meeting	City	No. of Directors present
1.	29th May, 2018	Kolkata	6
2.	30th July, 2018	Kolkata	7
3.	16th August, 2018	Kolkata	5
4.	14th November, 2018	Kolkata	6
5.	13th February, 2019	Kolkata	8

Mr. S. Srivastav did not attend any meeting of the Board of Directors of the Company during his tenure as a Director.

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, 2019 are as follows:

Sl. No.	Name of Director	Category of Director	Attendance during 2018-2019		No. of Directorship(s)/ Chairperson (s) in other Companies\$	No. of Membership(s)/ Chairmanship(s) in outside Committee*	Name of listed entities where he/she is a Director and category of Directorship
			Board Meetings	Last AGM held on 30.07.2018			
1.	Mr. A. K. Kothari	Non-Executive Promoter Chairman	5	Yes	5	4	i) Piloni Investment and Industries Corporation Limited (Independent Director) ii) Albert David Ltd (Executive Promoter Chairman)

Report on Corporate Governance (Contd.)

Sl. No.	Name of Director	Category of Director	Attendance during 2018-2019		No. of Directorship(s)/ Chairperson (s) in other Companies§	No. of Membership(s)/ Chairmanship(s) in outside Committee*	Name of listed entities where he/she is a Director and category of Directorship
			Board Meetings	Last AGM held on 30.07.2018			
2.	Smt. P. D. Kothari	Non-Executive Promoter	5	Yes	3	1	i) Albert David Ltd (Non-Executive Promoter Director)
3.	Dr. H. P. Kanoria	Independent	1	No	11	-	-
4.	Mr. H. M. Parekh	Independent	3	Yes	8	8(3 as Chairman)	i) The Peria Karamalai Tea and Produce Company Limited (Independent Director) ii) Williamson Magor & Co. Ltd. (Independent Director) iii) Rossell India Limited (Independent Director) iv) Diana Tea Co. Ltd. (Independent Director) v) Rasoi Ltd. (Independent Director) vi) The Grob Tea Co. Ltd. (Independent Director)
5.	Mr. N. Pachisia	Independent	4	Yes	5	3	i) Linc Pen & Plastics Ltd. (Independent Director) ii) SKP Securities Ltd. (Managing Director)
6.	Mr. A. Baheti	Independent	4	No	-	-	-
7.	Mr. Mahesh Sodhani	Managing Director	5	Yes	-	-	-
8.	Mr. Manoj Sodhani	Executive Director & CEO	5	Yes	-	-	-

§ 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.

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.

Report on Corporate Governance (Contd.)

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

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) Core skills / expertise / competencies

The Board of Directors of the Company has identified the following core skills / expertise / competencies for it to function effectively:

1. Entrepreneurship
2. Leadership
3. Financial knowledge
4. In depth knowledge of Tea Industry
5. In depth knowledge of Textile Industry
6. In depth knowledge of the Steel Industry

The present Board has the aforesaid skills / expertise / competencies for taking decisions and framing policies and strategies for the Company. In the opinion of the Board of Directors, the Independent Directors fulfill the conditions specified in the listing regulations and are independent of management.

(F) 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, 2019, signed by the Managing Director and Executive Director & CEO has been provided to the Board and is reproduced as **Annexure 1** to this Report.

(G) Whistle Blower Policy

The Company has a Whistle Blower Policy, 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-Blower-Policy-0519.pdf>

(H) 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>

Report on Corporate Governance (Contd.)

(I) 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. A. Baheti	Independent	Member

The Statutory Auditor, Cost Auditors, as well as the Internal Auditors, Managing Director, Executive 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 30th July, 2018.

(B) Meetings of the Audit Committee

During the year under review, the Audit Committee met 4 (Four) times on 29th May, 2018, 30th July, 2018, 14th November, 2018, and 13th February, 2019 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	3	45,000
2.	Mr. A. K. Kothari	4	60,000
3.	Mr. N. Pachisia	3	45,000
4.	Mr. A. Baheti	4	60,000

(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.

Report on Corporate Governance (Contd.)

(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.

Report on Corporate Governance (Contd.)

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. To review utilization of loans and/ or advances by holding company in subsidiary companies exceeding ₹ 100.00 crores or 10% of asset size of subsidiary whichever is lower.
21. 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 30th July, 2018

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.
5. Whether to extend or continue the term of appointment of the Independent Director, on the basis of report of performance evaluation of Independent Directors.

Report on Corporate Governance (Contd.)

6. To recommend all remuneration payable to Senior Management in whatever form.

During the year under review, the NRC met thrice on 29th May, 2018, 14th November, 2018 and 13th February, 2019 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	30,000
2.	Smt. P. D. Kothari	3	45,000
3.	Dr. H. P. Kanoria	1	15,000
4.	Mr. N. Pachisia	2	30,000

V. 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 Company at Malawi viz. Naming'omba Tea Estates Limited (NTEL).

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 Senior 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 IndAS 24, and as prescribed under the Act, forms part of Note No. 46 to the standalone financial statements in the Annual Report.

The Company's related party transactions include transactions with its Associate / Promoter Group / Sister Companies 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.gillandersarbutnot.com/pdf/policy/rpt_policy_03jun19.pdf

Report on Corporate Governance (Contd.)
(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 Directors of the Company are 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. 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, 2019 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.	2.20	-	2.20
2.	Smt. P. D. Kothari	N.A.	N.A.	N.A.	N.A.	2.20	-	2.20
3.	Dr. H. P. Kanoria	N.A.	N.A.	N.A.	N.A.	0.50	-	0.50
4.	Mr. H. M. Parekh	N.A.	N.A.	N.A.	N.A.	2.10	-	2.10
5.	Mr. N. Pachisia	N.A.	N.A.	N.A.	N.A.	1.85	-	1.85
6.	A. Baheti	N.A.	N.A.	N.A.	N.A.	1.55	-	1.55
7.	Mr. Mahesh Sodhani*	71.36	2.88	-	0.27	NA	-	74.51
8.	Mr. Manoj Sodhani#	71.36	2.88	-	0.33	NA	-	74.57
	Total							159.48

* Appointed Mr. Mahesh Sodhani as Managing Director w.e.f 1st April, 2018 for a period of 3 years.

Appointed Mr. Manoj Sodhani as Executive Director & CEO w.e.f 1st April, 2018 for a period of 3 years

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, 2019
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. A. Baheti	-

Report on Corporate Governance (Contd.)

(D) Fees to Statutory Auditor

Total consolidated fees paid for all services rendered by the Statutory Auditors to the Company, its subsidiaries and all other network entities where Statutory Auditors is a part during the year under review was ₹ 38.71 lakhs.

(E) 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.

(F) Shareholders

1. The Company has provided the details of the Directors seeking appointment / re-appointment (as per the requirement specified in Regulations 26(4) and 36(3) of SEBI Listing Regulations) in the Notice convening the 85th 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 uploaded in the websites of the 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.

The role of the committee shall inter-alia include the following:

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

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. Karmakar, Company Secretary acts as the Compliance Officer. The said Committee met once during the year on 13th February, 2019.

Report on Corporate Governance (Contd.)

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

SI. No.	Name of the Member	Attendance	Gross Amount of Sitting fees paid (₹)
1.	Mr. H. M. Parekh	Yes	15,000
2.	Mr. A. K. Kothari	Yes	15,000
3.	Smt. P. D. Kothari	Yes	15,000
4.	Mr. Mahesh Sodhani	Yes	N.A.

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 1 (One) investor complaint pending against the Company as on 31st March, 2019 on SCORES, the web based complaint redressal system of SEBI, which was resolved in the first week of April, 2019

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, 2019 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.

(G) 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

(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.

Report on Corporate Governance (Contd.)

(J) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

During the year under review, no instances of sexual harassment was reported.

IX. CEO and CFO Certification

The Managing Director and Executive Director & CEO and the CFO of the Company gives 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, wherever applicable.
- 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, 2019.
 - 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 complied with the requirement of having separate persons to 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
2017-2018 (84th AGM)	30.07.2018	Mini Auditorium Hall of the Science City, J.B.S. Haldane Avenue, Kolkata- 700 046.	10.30 A.M.
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.

Report on Corporate Governance (Contd.)

2. At the last Annual General Meeting of the Company held on 30th July, 2018, three Special Resolutions were proposed and passed. Two Special Resolutions were passed in the Annual General Meeting held on 1st September, 2017 and one Special Resolution was passed in the Annual General Meeting held on 28th December, 2016.

3. **Postal Ballot:**

During the financial year ended on 31st March, 2019, 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 85th 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 filed with the Stock Exchanges and also published in Business Standard in English and in Ekdin in 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 filed electronically on NEAPS.
3. BSE Corporate Compliance & Listing Centre (including XBRL Mode) – All periodical compliance filings are filed electronically on the said centre.
4. Quarterly/half yearly reports are not being sent to the shareholders.

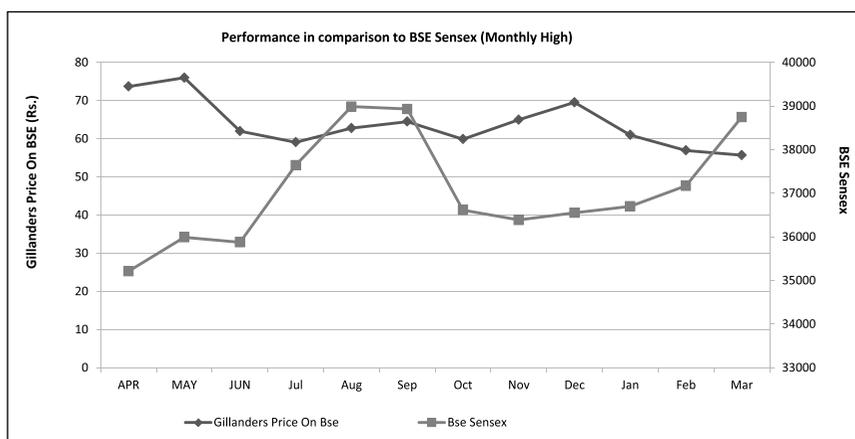
XIV. General Shareholder Information:

1)	Corporate Identity Number (CIN) of the Company	L51909WB1935PLC008194
2)	Date, time and venue of the Annual General Meeting (AGM)	85th Annual General Meeting of the Company will be held on 9th August, 2019 at 10.30 A.M. at Seminar Hall, S-18 (A & B) of the Science City, J.B.S. Haldane Avenue, Kolkata- 700 046.
3)	Financial Calendar 2019-2020 (tentative and subject to change)	<ul style="list-style-type: none"> • Financial Year: April to March • First Quarter Results: by second week of August, 2019 • Half Yearly Results: by second week of November, 2019 • Third Quarter Results: by second week of February, 2020 • Audited results for the year ending 31st March, 2020 by last week of May, 2020
4)	Book Closure Period	1st August, 2019 to 9th August, 2019 (both days inclusive)
5)	Dividend Payment Date	No dividend has been recommended.
6)	Listing on Stock Exchanges	i) National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051. ii) BSE Limited (BSE) P J Towers, Dalal Street, Mumbai- 400 001. The Company has paid the Annual Listing fees to NSE & BSE for 2019-2020.
7)	Stock Code	NSE – GILLANDERS BSE – 532716

Report on Corporate Governance (Contd.)

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, 2018	75.90	62.40	73.70	63.00	35,213.30	32,972.56
May, 2018	76.95	57.00	76.00	57.50	35,993.53	34,302.89
June, 2018	62.60	52.00	62.00	52.50	35,877.41	34,784.68
July, 2018	59.75	52.60	59.10	51.30	37,644.59	35,106.57
August, 2018	62.90	56.60	62.80	56.65	38,989.65	37,128.99
September, 2018	65.00	52.50	64.50	52.50	38,934.35	35,985.63
October, 2018	59.90	51.50	59.90	50.00	36,616.64	33,291.58
November, 2018	65.95	50.75	65.00	52.00	36,389.22	34,303.38
December, 2018	64.80	53.95	69.55	53.50	36,554.99	34,426.29
January, 2019	59.00	51.05	61.00	51.00	36,701.03	35,375.51
February, 2019	58.05	47.00	56.95	46.05	37,172.18	35,287.16
March, 2019	53.80	46.25	55.70	47.10	38,748.54	35,926.94



Source NSE & BSE Websites

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

11) Credit Rating

Details relating to credit rating have been reported elsewhere in the Directors’ Report.

Report on Corporate Governance (Contd.)
12) Foreign Exchange Risk and Hedging Activities

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.

13) Distribution of Shareholding as on 31st March, 2019

Ordinary Shares held	Number of Shareholders	Percentage of Shareholders	Number of Shares	Percentage of Shares
1-500	9628	88.6556	827466	3.8771
501-1000	579	5.3315	451117	2.1137
1001-2000	291	2.6796	422878	1.9814
2001-3000	119	1.0958	297805	1.3954
3001-4000	52	0.4788	187131	0.8768
4001-5000	37	0.3407	168609	0.7900
5001-10000	70	0.6446	508116	2.3808
10001 and above	84	0.7735	18479224	86.5848
Total	10860	100.00	21342346	100.00

14) Categories of Shareholders as on 31st March, 2019

Category	Number of equity shares	Percentage of Shareholdings
Indian Promoters	14671715	68.7446
Mutual Funds	300	0.0014
Banks, Financial Institutions, Insurance Companies	1254793	5.8794
Central Government/State Government(s)	7086	0.0332
Bodies Corporate	803837	3.7664
Indian Public	4216727	19.7575
NBFCs	39	0.0002
NRI	98019	0.4593
Others – Trusts, Clearing Members	58048	0.2720
Investor Education and Protection Fund Authority	231782	1.0860
TOTAL	21342346	100

15) Dematerialization of Shares and Liquidity	<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 2019-2020 has been paid to CDSL, while, payment to NSDL shall be made on receipt of their bill. Trading in Company's shares can now be done only in the dematerialized form. As on 31st March, 2019, 2,08,45,775 Ordinary Shares representing 97.6733% 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>
16) Outstanding ADRs/ GDRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity	Not applicable

Report on Corporate Governance (Contd.)

17) Plant Locations as on 31st March, 2019	1. Tea Division:	
	a. Betjan Tea Estate, Post Office: Makum Junction, District: Tinsukia, Assam. Pin- 786170	f. Borkatonee Tea Estate, Post Office: Golaghat, District: Golaghat, Assam. Pin- 785621
	b. Jutlibari Tea Estate, Post Office: Hoogrijan, District: Dibrugarh, Assam. Pin- 786601	g. Dherai Tea Estate, Post Office: Dhekiajuli, District: Sonitpur, Assam. Pin- 784110
	c. Gorunga Tea Estate, Post Office: Golaghat, District: Golaghat, Assam. Pin- 785621	h. Gairkhata Tea Estate, Post Office: Gairkhata, District: Jalpaiguri, W.B. Pin- 735212
	d. Arun Tea Estate, Post Office: Dhekiajuli, District: Sonitpur, Assam. Pin- 784110	i. Taipoo Tea Estate, Post Office: Bagdogra, District: Darjeeling, W. B. Pin- 734422
	e. Dooria Tea Estate, Post Office: Golaghat, District: Golaghat, Assam. Pin- 785621	j. Tengpani Tea Estate, Post Office: Makum Junction, District: Tinsukia, Assam. Pin- 786170
	2. Textile Division:	
	(i) North India Spinning Mill, Vill.- Akbarpur, Ahmedgarh- 148021 District: Sangrur, Punjab.	(ii) GIS Cotton Mill, 47, G.T. Road, Champdany, P.O. Baidyabati, District: Hooghly, W.B. Pin- 712222
18) Address for Communication	<p>Gillanders Arbuthnot and Company Limited, Secretarial Department, C-4, Gillander House, Netaji Subhas Road, Kolkata- 700 001. Phone: (033) 2230 2331(6 Lines) Fax: 033 - 2230 4185 email: secretarial@gillandersarbuthnot.com (Investors are requested to forward their complaints/ / grievances, if any, to the above e-mail address only)</p> <p>Registrar and Share Transfer Agent 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: mdpldc@yahoo.com</p>	

Report on Corporate Governance (Contd.)

19) Cost Audit	For the Financial Year 2018-2019	
	Name of Division	Name of Cost Auditor
	Tea	M/s. B. Ray & Associates
	Textile Division	M/s. D. Sabyasachi & Co.
	Engineering (MICCO)	M/s. D. Sabyasachi & 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. 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 12.04.2018, 05.07.2018 and 20.08.2018.

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 13th February, 2019.

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) 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.

2) 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, 2019, 2,31,782 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: 28th May, 2019

A. K. Kothari
Chairman

Report on Corporate Governance (Contd.)

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, 2019.

Place: Kolkata

Date: 28th May, 2019

Manoj Sodhani
Executive Director & CEO

Mahesh Sodhani
Managing Director

COMPLIANCE CERTIFICATE

REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2019

[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, 2019, 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, 2019.
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.

Name: Deepak Kumar Khaitan

F.C.S. No.: 5615

C.P. No.: 5207

ICSI Unique Code No.: I2003WB347200

Place: Kolkata

Date : 28th May, 2019

Report on Corporate Governance (Contd.)
CERTIFICATE OF NON DISQUALIFICATION OF DIRECTORS

[pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,

The Members of

Gillanders Arbuthnot & Company Limited

C-4, Gillander House, Netaji Subhas Road

Kolkata – 700 001

I have examined the relevant registers, records, forms and returns filed, notices, minutes books, other books and papers and disclosures received from the Directors of Gillanders Arbuthnot and Company Limited having CIN: L51909WB1935PLC008194 and having registered office at C-4, Gillanders House, Netaji Subhas Road, Kolkata- 700 001 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with sub-clause (i) of Clause 10 Para C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'the SEBI LODR'), as amended.

In my opinion and to the best of my information and according to the verifications (including DIN status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company, its officers and specific intimations in Form DIR 8 [pursuant to Section 164(2) of the Companies Act, 2013 read with Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014] as received by the Company from each Director and the Management Representation Letter of even date, I hereby certify for the Financial Year ended on 31st March 2019, that none of the Directors who were on the Board of the Company, as per details herein below, have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other statutory authority.

The following Directors were on the Board of the Company during the financial year ended on 31st March, 2019:-

Sl. No.	Name of the Director (in order of Date of Appointment)	DIN	Date of Appointment in the Company
1.	Arun Kumar Kothari	00051900	26.08.1985
2.	Hari Prasad Kanoria	00286685	06.03.2009
3.	Harischandra Maneklal Parekh	00026530	30.04.2009
4.	Prabhawati Devi Kothari	00051860	31.03.2010
5.	Naresh Pachisia	00233768	16.08.2011
6.	Arvind Baheti	08094824	28.03.2018
7.	Mahesh Sodhani	02100322	01.04.2018
8.	Manoj Sodhani	02267180	01.04.2018
9.	Sunil Srivastav (ceased to be Director with effect from 6th February, 2019)	00237561	14.11.2018

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

Name: Deepak Kumar Khaitan

F.C.S. No.: 5615

C.P. No.: 5207

ICSI Unique Code No.:I2003WB347200

Place: Kolkata

Date : 28th May, 2019



STANDALONE FINANCIALS



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GILLANDERS ARBUTHNOT AND COMPANY LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **GILLANDERS ARBUTHNOT AND COMPANY LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Change in Equity and the Cash Flows Statement for the year ended on that date, and a summary of the significant accounting policies and other explanatory information in which are included the financial statements for the year ended on that date audited by the branch auditors of the Company's "Engineering Division" (hereinafter referred to as "the standalone financial statements").

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

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
1. Revenue Recognition (See note 27 to the Standalone Financial Statements)	
<p>Revenue recognition is significant audit risk within the Company.</p> <p>The revenue standard establishes a comprehensive framework for determining whether, how much and when revenue is recognized. This involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of identified performance obligation, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, the standard mandates robust disclosures in respect of revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p>	<p>Our audit consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> ▪ Evaluated the design and tested the operative effectiveness of the internal controls relating to revenue recognition, discounts and rebates. ▪ Tested sample of sale transactions to their respective customer contracts, underlying invoices and related documents. ▪ Obtained confirmations from customers on sample basis to support existence assertion of trade receivables and assessed the relevant disclosures made in the financial statements; to ensure revenue from contracts with customers are in accordance with the requirements of relevant accounting standards.

Independent Auditors' Report (Contd.)

Key Audit Matter	How our audit addressed the key audit matter
1. Revenue Recognition (See note 27 to the Standalone Financial Statements Contd.)	
<p>Risk exists that revenue is recognized without substantial transfer of control and is not in accordance with Ind AS-115 "Revenue from Contracts with Customers".</p>	<ul style="list-style-type: none"> ▪ In case of construction contracts, reviewed the Company's estimation process (including the approval of project budget, monitoring of project costs and activities, and management's review and customer's approval of project's stage of completion and milestones achieved) used in determining the amounts of revenue and costs recognised in Company's financial statements.
2. Impairment of Assets (See note 4 to the Standalone Financial Statements)	
<p>Significant judgement is involved in assessing property, plant and equipment for impairment. At the end of every reporting period, the Company assesses whether there is any indication that an asset or cash generating unit (CGU) may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset or CGU.</p> <p>The determination of recoverable amount, being the higher of fair value less costs to sell and value-in-use involves significant estimates, assumptions and judgements of the long-term financial projections.</p> <p>Impairment of assets is a key audit matter considering the significance of the carrying value, long term estimation and the significant judgements involved in the impairment assessment.</p>	<p>Our audit procedures included considering the Company's accounting policies with respect to impairment in accordance with Ind AS 36 "Impairment of Assets".</p> <p>We performed test of controls over impairment process through inspection of evidence of performance of these controls. We performed the following tests of details:</p> <ul style="list-style-type: none"> ▪ We obtained the management's impairment assessment. ▪ We evaluated the key assumptions including projected cash flows. In determining future cash flows management is required to make assumptions relating to future profitability, including revenue growth and operating margins, and the determination of an appropriate discount rate, all of which are subject to management override as the outcome of the impairment assessments could vary significantly if different judgements are applied. ▪ We have tested the workings of management for ascertaining fair value and costs of disposal of CGU for ascertaining recoverable amount.
3. Expected Credit Loss (See note 50 (A) to the Standalone Financial Statements)	
<p>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 (ECL) 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.</p>	<p>Our Audit procedure on evaluation of Expected credit loss model include:</p> <ul style="list-style-type: none"> ▪ Obtained an understanding of the Company's process for estimating the ECL of various eligible assets included in the Standalone Financial Statements. ▪ Evaluated the detailed analysis performed by management on revenue by selecting samples for the existing contracts with customers. ▪ Evaluated the calculation of historical loss rate on the basis of historical trends, industry practices, business environment in which company operates and forward looking information.

Independent Auditors' Report *(Contd.)*

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the presentation of the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent Auditors' Report (Contd.)

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Other Matter

We did not audit the financial statements/information of Engineering Division included in the standalone financial statements of the Company whose financial statements reflect total assets of ₹ **17,441.42** lacs as at March 31, 2019 and total revenue of ₹ **7,736.68** lacs 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 auditor whose report have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of the said unit, is based solely on the report of such branch auditor.

Our opinion is not modified in respect of this matter.

Independent Auditors' Report (Contd.)

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit 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 report on the financial statements of Engineering Division of the Company audited under section 143(8) of the Act by branch auditors has been sent to us and have been properly dealt with us in preparing this report.
 - d) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - e) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with the relevant Rules thereon.
 - f) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 over financial reporting of the Company with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in Annexure "B" to this report. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting with reference to these standalone financial statements.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - i) 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 litigations as at March 31, 2019 on its financial position in its Standalone financial statements - Refer Note No. 38 to the Standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Singhi & Co.
Chartered Accountants
Firm's Registration No. 302049E

Anurag Singhi
Partner
Membership No. 066274

Place: Kolkata
Date : 28th May, 2019

Annexure 'A' to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- 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 its verification 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 Act. Accordingly, the provisions of paragraph 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 (Tea and Textile) pursuant to the rules prescribed by the Central Government of India under section 148 (1) of the Act and are of the opinion that prima facie, the prescribed records have been so 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, employees' state insurance, income tax, duty of customs, Goods & Service Tax, cess and other material statutory dues during the year by the Company with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, duty of customs, Goods & Service Tax, cess and other material statutory dues were in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
 - (b) According to the information and explanations given to us, the dues outstanding in respect of income tax or sales tax or wealth tax or duty of customs or duty of excise or value added tax or goods and service tax, on account of disputes are as follows:

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

Name of the Statute	Nature of Dues	Amount Involved	Period to which the amount relates	Forum where Dispute is Pending
		(₹ in Lakhs)		
The Central Sales Tax Act, 1956	Sales Tax	1.62	2011-12	West Bengal Commercial Taxes Appellate and Revisional Board, Kolkata
		194.45	2004-05	Joint Commissioner, Commercial Taxes, Kolkata
		104.61 (pre-deposit amount 6.41)	2014-15	Joint Commissioner (Appeal), Kolkata
		254.12 (pre-deposit amount 29.99)	2015-16	Sales tax Commissioner (Appeal), Kolkata
The West Bengal Value Added Tax Act, 2003	Sales Tax	28.68 (Net of amount paid under protest 3.28)	2013-14	WBCT Appellate and Revisional Board, Kolkata
		83.33 (Pre-deposit amount 8.18)	2014-15	Joint Commissioner (Appeal), Kolkata
		79.20 (Pre-deposit amount 12.58)	2015-16	Sales tax Commissioner (Appeal), Kolkata
		80.12	2004-05	Joint Commissioner, Commercial Taxes
Orissa Sales Tax Act, 1947	Sales Tax	11.91	1998-99	Additional Commissioner of Sales Tax, Cuttack
Central Sales Tax (Orissa) Rules, 1957	Sales Tax		1998-99 & 1999-2000	Additional Commissioner of Sales Tax, Cuttack
Assam Sales Tax	Sales Tax	5.08(Pre-deposit amount 1.68)	2011-12 to 2014-15	Deputy Commissioner of Commercial Taxes, Assam
Chennai Sales Tax	Sales Tax	5.13	2006-07	Sales Tax Tribunal, Chennai
Jharkhand VAT Act, 2005	VAT	1.16	2015-16	Sales Tax Tribunal, Ranchi
		51.38	2009-10	Sales Tax Tribunal, Ranchi
The Central Excise Act, 1944	Excise Duty	34.32	Upto 1987-88	Office of the Commissioner - Central Excise, Kolkata
		0.92	Various periods from 1994-95 to 2007-08	Office of the Additional / Deputy Commissioner of Central Excise
Finance Act, 1994	Service Tax	274.24 (Net of amount paid under Protest 81.66)	2003-04 to 2011-12	CESTAT, Kolkata
		35.00 (Net of amount paid under Protest 4.00)	June 2005 to September 2010	CESTAT, Chennai
		27.69 (Net of amount paid under Protest 2.24)	October 2010 to June 2012	Commissioner of Central excise (Appeals) Kolkata
		2.04 (Net of amount paid under Protest 0.26)	2012-13 to 2015-16	Assistant Commissioner of CGST and CX
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
		1.31	2007-08 - 2017-18	Income Tax Department, Siliguri

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

- viii. According to the records of the Company examined by us and the information and explanation given to us, the company has not defaulted in repayment of loans or borrowing to any financial institution 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 explanations 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 financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations give 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.

For **Singhi & Co.**
Chartered Accountants
Firm's Registration No. 302049E

Anurag Singhi
Partner
Membership No. 066274

Place: Kolkata
Date : 28th May, 2019

Annexure 'B' to the Independent Auditors' Report

(Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of **GILLANDERS ARBUTHNOT AND COMPANY LIMITED** ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

Other Matter

Our aforesaid reports u/s 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to one unit of the Company 'Engineering Division' is based on the corresponding report of the branch auditor of such unit.

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 : 28th May, 2019

STANDALONE BALANCE SHEET as at 31st March 2019

(₹ in Lakhs)

Particulars	Note No	As at 31st March, 2019	As at 31st March, 2018
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment	4	33,964.44	34,948.83
Capital Work-In-Progress	4	798.07	760.54
Intangible Assets	5	13.70	18.60
Intangible Assets under Development	5	25.90	-
Investment in Subsidiary	6	636.59	263.52
Financial Assets			
Investments	7	1,882.65	3,260.20
Other Financial Assets	8	1,924.47	2,836.76
Other Non-Current Assets	9	41.51	56.34
Total Non Current Assets		39,287.33	42,144.79
CURRENT ASSETS			
Biological Assets other than Bearer Plants	10	57.69	45.46
Inventories	11	17,404.50	17,766.56
Financial Assets			
Investments	12	1,053.79	113.85
Trade Receivables	13	8,857.57	9,273.76
Cash and Cash Equivalents	14	242.15	144.67
Bank Balances other than Note 14	15	647.94	767.93
Loans	16	24.90	14.27
Other Financial Assets	8	7,349.67	6,849.08
Current Tax Asset (Net)	17	980.30	762.82
Other Current Assets	9	4,770.49	5,472.48
Total Current Assets		41,389.00	41,210.88
Total Assets		80,676.33	83,355.67
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	18	2,134.23	2,134.23
Other Equity	19	24,698.88	25,634.01
Total Equity		26,833.11	27,768.24
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	20	9,951.95	10,556.30
Other Financial Liabilities	21	941.44	1,088.30
Provisions	22	169.55	145.23
Deferred Tax Liabilities (Net)	23	-	-
Other Non-Current Liabilities	24	30.79	61.21
Total Non-Current Liabilities		11,093.73	11,851.04
CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	25	18,374.15	20,095.44
Trade Payables	26		
Total Outstanding dues to Micro Enterprises and Small Enterprises		71.32	54.27
Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		13,780.71	12,927.06
Other Financial Liabilities	21	6,782.52	6,839.30
Other Current Liabilities	24	1,125.40	1,410.08
Provisions	22	2,615.39	2,410.24
Total Current Liabilities		42,749.49	43,736.39
Total Equity and Liabilities		80,676.33	83,355.67

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

Anurag Singhi
Partner

Membership No. 066274

Place : Kolkata

Date : 28th May 2019

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

STANDALONE STATEMENT OF PROFIT AND LOSS for the year ended 31st March 2019

(₹ in Lakhs)

Particulars	Note No.	For the year ended 31st March, 2019	For the year ended 31st March, 2018
INCOME			
Revenue from Operations	27	70,537.19	62,678.96
Other Income	28	1,094.39	1,468.69
Total Income (i)		71,631.58	64,147.65
EXPENSES			
Cost of Materials Consumed	29	25,033.59	22,743.20
Purchase of Traded Goods	30	6,659.48	5,103.29
Changes in Inventories of Finished Goods, Work-in-Progress and Traded Goods	31	142.27	(992.12)
Employee Benefits Expense	32	14,891.63	13,970.67
Finance Costs	33	4,498.76	4,492.68
Depreciation and Amortisation Expense	34	1,694.16	1,615.77
Other Expenses	35	19,428.80	18,134.86
Total Expenses (ii)		72,348.69	65,068.35
Profit / (Loss) before Exceptional Items and Tax (i) - (ii)		(717.11)	(920.70)
Exceptional Items		-	-
Profit / (Loss) after Exceptional Item but before Tax		(717.11)	(920.70)
Tax Expense:	36		
Current Tax		-	60.00
Deferred Tax		162.58	82.81
Profit / (Loss) for the year (iii)		(879.69)	(1,063.51)
Other Comprehensive Income			
Items that will not be reclassified to profit or loss	37		
Remeasurement of the Defined Benefit Plans		(465.25)	(239.29)
Equity Instruments through Other Comprehensive Income		247.23	505.52
Income tax relating to these items		162.58	82.81
Other Comprehensive Income for the year (Net of Tax) (iv)		(55.44)	349.04
Total Comprehensive Income for the year (iii + iv)		(935.13)	(714.47)
Earnings Per Share			
Nominal Value of Shares (₹ 10)			
Basic & Diluted Earnings Per Share	44	(4.12)	(4.98)

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

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Chairman

(DIN:00051900)

Pravin Kumar Jain

Chief Financial Officer

STANDALONE CASH FLOW STATEMENT for the year ended 31st March 2019

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019		For the year ended 31st March, 2018	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit/(Loss) before tax		(717.11)		(920.70)
Adjustments for :				
Depreciation and Amortisation Expense	1,694.16		1,615.77	
Finance Cost (Net of incentive income)	4,498.76		4,492.68	
(Gain) / Loss on Restatement of Investment at FVTPL	(3.11)		(3.16)	
(Profit)/Loss on Sale of Property, Plant and Equipment (Net)	(74.11)		(94.15)	
Loss on Foreign Currency transaction and translation (Net)	26.84		(178.11)	
Loss on Sale of Investment at FVTPL	-		0.01	
Bad Debts and Advances written off	282.85		177.38	
Allowances for Doubtful Debts and advances written back (Net of write off)	(202.84)		(166.26)	
Change in Fair Value of Biological Asset	(12.23)		(3.07)	
Interest Income	(206.61)		(284.41)	
Liability no longer required written back	(335.40)	5,668.31	(191.98)	5,364.70
Operating profit before Working Capital Changes		4,951.20		4,444.00
Adjustments for :				
Trade and Other Receivables	1,426.65		653.12	
Inventories	362.06		(2,179.97)	
Trade and Other Payables	1,507.66	3,296.37	1,985.79	458.94
Cash Generated from Operations		8,247.57		4,902.94
Direct Taxes (Paid) / Refund (Net)	(380.06)		261.44	
Interest received on Income Tax Refund	11.48	(368.58)	-	261.44
Net Cash from Operating Activities		7,878.99		5,164.38
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property, Plant and Equipment and Intangible Assets including Capital work-in-progress and capital advance	(1,097.78)		(1,493.80)	
Proceeds from Sale of Property, Plant and Equipment	199.54		454.78	
Purchase of Current Investments (Net)	(936.83)		-	
Proceeds from Sale of Non-Current Investments	1,624.78		0.08	
Investment in Subsidiary	(373.07)		(257.52)	
Proceeds from Bank Deposit (Net)	119.99		(118.55)	
Interest Received	180.88		292.72	
Net Cash used in Investing Activities		(282.49)		(1,122.29)

STANDALONE CASH FLOW STATEMENT for the year ended 31st March 2019 (Contd.)

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019		For the year ended 31st March, 2018	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Long Term Borrowings	1,000.00		1,000.00	
Repayment of Long Term Borrowings	(2,609.48)		(2,455.56)	
Proceeds from Short Term Borrowings (Net)	(1,066.27)		(548.77)	
Proceeds from Fixed Deposits (from Public)	922.96		963.78	
Repayment of Fixed Deposits (from Public)	(1,329.42)		(748.21)	
Payment of Unclaimed Dividend	(0.03)		(19.42)	
Finance Charges Paid	(4,416.78)		(4,216.60)	
Net Cash used in Financing Activities		(7,499.02)		(6,024.78)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)		97.48		(1,982.69)
Cash and Cash Equivalents on Opening date		144.67		2,127.36
Cash and Cash Equivalents on Closing date		242.15		144.67
		97.48		(1,982.69)

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'.
- Previous year's figures have been rearranged / 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

Anurag Singhi

Partner

Membership No. 066274

Place : Kolkata

Date : 28th May 2019

Manoj Sodhani

Executive Director & CEO

(DIN:02267180)

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Chairman

(DIN:00051900)

Dhananjoy Karmakar

Company Secretary

Pravin Kumar Jain

Chief Financial Officer

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

a) Equity Share Capital

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Opening Balance	2,134.23	2,134.23
Add/(Less): Changes in Equity Share Capital during the year	-	-
Closing Balance	2,134.23	2,134.23

b) Other Equity

(₹ in Lakhs)

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	
For the year ended 31st March 2018						
Balance as at 31st March, 2017	3,407.53	262.47	9,860.07	12,771.96	46.45	26,348.48
Comprehensive Income for the year						
Profit for the year				(1,063.51)		(1,063.51)
Other Comprehensive Income, net of Income Tax				(156.48)	505.52	349.04
Total Comprehensive Income for the year	-	-	-	(1,219.99)	505.52	(714.47)
Balance as at 31st March, 2018	3,407.53	262.47	9,860.07	11,551.97	551.97	25,634.01
For the year ended 31st March 2019						
Balance as at 31st March, 2018	3,407.53	262.47	9,860.07	11,551.97	551.97	25,634.01
Comprehensive Income for the year						
Profit for the year				(879.69)		(879.69)
Other Comprehensive Income, net of Income Tax				(302.67)	247.23	(55.44)
Total Comprehensive Income for the year	-	-	-	(1,182.36)	247.23	(935.13)
Realised gain on Sale of Equity instruments through FVTOCI				359.11	(359.11)	-
Balance as at 31st March, 2019	3,407.53	262.47	9,860.07	10,728.72	440.09	24,698.88

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

Anurag Singhi
Partner

Membership No. 066274

Place : Kolkata

Date : 28th May 2019

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Executive Director & CEO
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Chairman
 (DIN:00051900)

Dhananjay Karmakar
Company Secretary
Pravin Kumar Jain
Chief Financial Officer

NOTES TO STANDALONE FINANCIAL STATEMENTS as on and for the year ended 31st March 2019

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

2.2. Basis of Accounting

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

- Certain Financial Assets and Liabilities is measured at Fair value/ Amortized cost (Refer Note 48);
- 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.

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).

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

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.

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

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 (on 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 Other Comprehensive Income (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.

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

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

- Depreciation on additions / (disposals) during the year is provided on a pro-rata basis i.e., from / (up to) the date on which asset is ready for use / (disposed of).
- Depreciation method, useful 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 by the Management. 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 Standalone Financial Statements as on and for the year ended 31st March 2019 *(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 Statement of profit and 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 from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

3.7.1. Sale of Products:

Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

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

3.7.2. Revenue from construction contracts:

Revenue from fixed-price construction contract, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is assessed by the Management. Efforts or costs expended have been used to measure progress towards completion. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date. The significant terms of payment of the contract are the Job advances, progressive payments and mile stone payments as mutually agreed upon.

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 Statement of Profit and 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.

Notes to Standalone Financial Statements as on and for the year ended 31st March 2019 *(Contd.)***➤ Defined Benefit Plans**

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

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

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.

Alternatively, the same can be presented by deducting the grant from the carrying amount of the asset.

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.

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

- 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 instruments. A financial asset is initially measured at fair value plus, in the case of financial assets not recorded at fair value through statement of profit and loss, transaction costs that are attributable to the acquisition of the financial asset.

➤ Classification and Subsequent Measurement:

For the 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 Statement of Profit and 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 Statement of profit and loss. This category generally applies to trade receivables, cash and bank balances, loans and other financial assets of the company.

- **Measured at FVTOCI:** A debt instrument is measured at the FVTOCI if both the following conditions are met:
 - ◆ The objective of the business model is achieved by both collecting contractual cash flows and selling the financial assets; and
 - ◆ The asset's contractual cash flows represent SPPI.

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

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 the 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 Statement of Profit and Loss, even on sale of investment.

➤ **Derecognition:**

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

➤ **Impairment of Financial Assets:**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS – 109 requires expected credit losses to be measured through a loss allowance. The company recognizes 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 Statement of profit and 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 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

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

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 Statement of profit and loss immediately.

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.

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

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 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

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

accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

- **Revenue Recognition:** In case of construction contracts, the Company uses the percentage of completion method in accounting for its fixed-price contracts. Use of the percentage of completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion.
- **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.
- **Impairment of Financial Assets:** The Company reviews its carrying value of investments carried at amortized cost annually, or more frequently when there is indication of impairment. If recoverable amount is less than its carrying amount, the impairment loss is accounted for.
- **Allowances for Doubtful Debts:** The Company makes allowances for doubtful debts through appropriate estimations of irrecoverable amount. The identification of doubtful debts requires use of judgment and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.
- **Fair value measurement of financial Instruments:** When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The input to these models are taken from observable markets where possible, but where this not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.
- **Fair Value of Biological Assets:** The fair value of Biological Assets is determined based on recent transactions entered into with third parties or available market price.

Notes to Standalone Financial Statements as on and for the year ended 31st March 2019 *(Contd.)***3.20. Recent accounting pronouncements**

The standard issued but not yet effective up to the date of issuance of the Company's financial Statements is disclosed below. The Company intends to adopt this Standard when it becomes effective.

On March 30, 2019 the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2019, notifying Ind AS 116 on Leases. Ind AS 116 would replace the existing leases standard Ind AS 17. The standard sets out the principles for the recognition, measurement, presentation and disclosures for both parties to a contract, i.e. the lessee and the lessor. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently for operating lease rentals are charged to the statement of profit and loss. The Company is currently evaluating the implications of Ind AS 116 on the financial statements.

- The Companies (Indian Accounting Standards) Amendment Rules, 2019 also notified amendments to the following accounting standards. The amendments would be effective from April 1, 2019.
 - a. Ind AS 12, Income taxes – Appendix C on uncertainty over income tax treatments
 - b. Ind AS 23, Borrowing costs - Accounting treatment for specific borrowings cost to be considered for capitalization
 - c. Ind AS 109, Financial instruments - Accounting for prepayment features with Negative Compensation
 - d. Ind AS 19, Employee benefits – Accounting for defined benefit plan on Plan Amendment, Curtailment or Settlement

The Company is in the process of evaluating the impact of such amendments.

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

NOTE 4 PROPERTY, PLANT AND EQUIPMENT										
(₹ in Lakhs)										
SI No.	Particulars	Gross Block			Depreciation and Amortisation			Net Block		
		Balance as at 31st March 18	Additions	Disposal / Adjustments	Balance as at 31st March 19	Balance as at 31st March 18	Depreciation / Amortisation for the year	Disposal / Adjustments	Balance as at 31st March 19	Balance as at 31st March 18
A	Tangible Assets Freehold Land Buildings Bridges, culverts, bunders, etc Roads Plant and Machinery Furniture and Fittings Motor Vehicles Office Equipment Computers and Data Processing units Electrical Installations and Equipment Bearer Plants	13,591.27	-	-	13,591.27	-	-	-	13,591.27	13,591.27
		8,564.43	74.29	-	8,638.72	3,859.66	150.97	-	4,010.63	4,704.77
		17.14	-	-	17.14	7.85	0.99	-	8.84	8.30
		124.51	-	-	124.51	104.75	1.92	-	106.67	19.76
		32,215.94	488.82	419.40	32,285.36	20,463.00	1,133.28	318.62	21,277.66	11,752.94
		504.76	12.24	0.54	516.46	404.77	14.31	0.52	418.56	97.90
		1,198.82	51.82	74.22	1,176.42	769.82	77.93	49.72	798.03	378.39
		303.13	21.56	1.10	323.59	263.76	14.12	1.05	276.83	46.76
		356.82	14.41	1.43	369.80	316.48	17.09	1.36	332.21	37.59
		2,453.91	13.12	0.23	2,466.80	1,336.86	162.93	0.22	1,499.57	967.23
3,353.20	151.06	-	3,504.26	208.15	112.74	-	320.89	3,183.37		
62,683.93	827.32	496.92	63,014.33	27,735.10	1,686.28	371.49	29,049.89	33,964.44	34,948.83	
Total								798.07	760.54	
Capital Work In Progress										
Total								798.07	760.54	
Grand Total (A+B)				63,014.33	27,735.10	1,686.28	371.49	29,049.89	34,762.51	35,709.37

SI No.	Particulars	Gross Block			Depreciation and Amortisation			Net Block		
		Balance as at 31st March 17	Additions	Disposal / Adjustments	Balance as at 31st March 18	Balance as at 31st March 17	Depreciation / Amortisation for the year	Disposal / Adjustments	Balance as at 31st March 18	Balance as at 31st March 17
A	Tangible Assets Freehold Land Buildings Bridges, culverts, bunders, etc Roads Plant and Machinery Furniture and Fittings Motor Vehicles Office Equipment Computers and Data Processing units Electrical Installations and Equipment Bearer Plants	13,689.67	-	98.40	13,591.27	-	-	-	13,591.27	13,689.67
		8,533.22	101.21	70.00	8,564.43	3,713.72	150.71	4.77	3,859.66	4,819.50
		17.14	-	-	17.14	7.23	0.62	-	7.85	9.29
		124.51	-	-	124.51	102.83	1.92	-	104.75	21.68
		32,121.88	1,006.50	912.44	32,215.94	20,167.91	1,040.28	745.19	20,463.00	11,953.97
		507.77	17.71	20.72	504.76	419.43	32.28	46.94	404.77	99.99
		1,271.61	93.70	166.49	1,198.82	810.03	78.50	118.71	769.82	88.34
		313.29	8.14	18.30	303.13	265.42	15.43	17.09	263.76	429.00
		342.37	24.86	10.41	356.82	318.17	8.29	9.98	316.48	39.37
		2,479.74	2.32	28.15	2,453.91	1,192.62	165.84	21.60	1,336.86	40.34
3,218.02	135.18	-	3,353.20	96.60	111.55	-	208.15	1,117.05		
62,619.22	1,389.62	1,324.91	62,683.93	27,093.96	1,605.42	964.28	27,735.10	34,948.83	35,525.26	
Total								760.54	502.14	
Capital Work In Progress										
Total								760.54	502.14	
Grand Total (A+B)				62,683.93	27,093.96	1,605.42	964.28	27,735.10	35,709.37	36,027.40

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 Property, Plant and Equipment in the course of construction / development is ₹ 46.04 Lakhs (FY 17-18 - ₹ 53.16 Lakhs)
- Borrowing cost capitalised during year is ₹ 21.87 Lakhs (PY- ₹ 27.02 Lakhs) at the capitalisation rate of 10.10% (PY- 10.15%)
- Refer Note 20.3 and Note 25.1 for information on Property, Plant and Equipment pledged as securities by the Company.

Notes to Standalone Financial Statements as on and for the year ended 31st March 2019 (Contd.)
NOTE 5 | INTANGIBLE ASSETS (₹ in Lakhs)

Sl No.	Particulars	Gross Block			Depreciation and Amortisation			Net Block	
		Balance as at 31st March 18	Additions	Disposal / Adjustments	Balance as at 31st March 18	Amortisation for the year	Disposal / Adjustments	Balance as at 31st March 19	Balance as at 31st March 18
A	Computer Softwares	320.83	2.98	0.17	302.23	7.88	0.17	13.70	18.60
	Total	320.83	2.98	0.17	302.23	7.88	0.17	13.70	18.60
B	Intangible Assets under development							25.90	-
	Total							25.90	-
	Grand Total (A+B)	320.83	2.98	0.17	302.23	7.88	0.17	39.60	18.60

Sl No.	Particulars	Gross Block			Depreciation and Amortisation			Net Block	
		Balance as at 31st March 17	Additions	Disposal / Adjustments	Balance as at 31st March 17	Amortisation for the year	Disposal / Adjustments	Balance as at 31st March 18	Balance as at 31st March 17
A	Computer Softwares	311.86	8.97	-	291.88	10.35	-	18.60	19.98
	Total	311.86	8.97	-	291.88	10.35	-	18.60	19.98
B	Intangible Assets under development							-	-
	Total							-	-
	Grand Total (A+B)	311.86	8.97	-	291.88	10.35	-	18.60	19.98

Note:

- The amount of Contractual commitments for acquisition of Intangible Assets is disclosed in Note 39(a).
- Refer Note 20.3 and Note 25.1 for information on Intangible Assets pledged as securities by the Company.

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

NOTE 6 INVESTMENT IN SUBSIDIARY (₹ in Lakhs)

Particulars	Face Value	As at 31st March 2019		As at 31st March 2018	
	(₹)	Qty	Amount	Qty	Amount
Unquoted Investments (Fully Paid up)					
Investment in Equity Shares (Measured at Cost)					
Gillanders Holdings (Mauritius) Ltd	USD 1	9,40,000	636.59	4,10,000	263.52
Total			636.59		263.52
Aggregate Book Value of Unquoted Investment			636.59		263.52

NOTE 7 NON - CURRENT INVESTMENTS (₹ in Lakhs)

Particulars	Face Value	As at 31st March 2019		As at 31st March 2018	
	(₹)	Qty	Amount	Qty	Amount
INVESTMENTS AT AMORTIZED COST					
Investment in Fully paid Debentures (Unquoted)					
5% 10 years Redeemable Debenture in Shillong Club Ltd.	100	13	0.01	13	0.01
			0.01		0.01
INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME					
Investments in Unquoted Equity Instruments					
Bharat Fritz Werner Ltd	2	14,22,311	1,869.34	26,81,811	3,246.87
Kothari Hi Tech Consultants Pvt. Ltd.	10	95,000	4.50	95,000	4.50
Satyam Financial Services Ltd.	10	59,669	7.18	59,669	7.18
Woodlands Multispeciality Hospital Ltd.	10	8,655	0.87	8,655	0.87
ABC Tea Workers Welfare Services Ltd.	10	7,502	0.75	7,502	0.75
			1,882.64		3,260.17
INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS					
Investments in Quoted Equity Instruments					
Era Infra Engineering Ltd.	2	1	*	1	*
K.P.R. Mill Ltd.	5	-	-	1	*
Maharaja Shree Umaid Mills Ltd.	10	1	*	1	*
Shree Rajasthan Syntex Ltd.	10	1	*	1	*
Stewarts & Llyods of India Ltd.	10	1	*	1	*
Suryajyoti Spinning Mills Ltd.	10	1	*	1	*
Sutlej Textiles & Industries Ltd.	1	-	-	1	*
UB Engineering Ltd.	10	1	*	1	*
Warren Tea Ltd.	10	-	-	1	*
Winsome Yarns Ltd.	10	1	*	1	*
			*		0.02
Total			1,882.65		3,260.20
Aggregate book value of					
- Quoted Investments			*		0.02
- Unquoted Investments			1,882.65		3,260.18
Aggregate Market Value of Quoted Investment			*		0.02

* Amount is below the rounding off norm adopted by the Company.

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

NOTE 8 OTHERS FINANCIAL ASSETS		(₹ in Lakhs)			
Particulars	Refer Note No.	Non-Current		Current	
		As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018
Security Deposits					
Unsecured, considered good		558.38	1,352.58	2,286.68	2,589.35
Unsecured, having significant increase in credit risk		-	-	-	-
Unsecured, credit impaired		882.53	2,397.88	3,666.01	2,270.08
		1,440.91	3,750.46	5,952.69	4,859.43
Less:- Allowances for doubtful security deposits		882.53	2,397.88	3,666.01	2,270.08
		558.38	1,352.58	2,286.68	2,589.35
Other Deposits					
NABARD Deposit		-	-	0.82	166.82
Interest Accrued on Loans and Deposits		-	-	41.82	27.57
Others		-	-	5,020.35	4,065.34
Deposits with Bank having maturity of more than one year from the balance sheet date	8.1	1,366.09	1,484.18	-	-
		1,366.09	1,484.18	5,062.99	4,259.73
Total		1,924.47	2,836.76	7,349.67	6,849.08

8.1 Include ₹ 1,366.09 Lakhs (P.Y. 2017-18 ₹ 1,484.18 Lakhs) under lien with bank

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

NOTE 9 OTHER ASSETS		(₹ in Lakhs)			
Particulars		Non-Current		Current	
		As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018
Capital Advances		41.51	56.34	-	-
Advance against supply of Goods and Services		-	-	943.45	1,046.95
Prepaid Expenses		-	-	340.49	334.61
Balances with Government and Statutory Authorities		-	-	3,127.48	3,745.93
Incentive and Subsidy Receivable		-	-	390.07	388.78
		41.51	56.34	4,801.49	5,516.27
Less : Allowances for Doubtful Advances		-	-	31.00	43.79
Total		41.51	56.34	4,770.49	5,472.48

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

Notes to Standalone Financial Statements as on and for the year ended 31st March 2019 *(Contd.)***NOTE 10 | BIOLOGICAL ASSETS OTHER THAN BEARER PLANTS** (₹ in Lakhs)

Particulars	Refer Note No.	As at	As at
		31st March 2019	31st March 2018
Fair Value of Biological Assets other than Bearer Plants	10.1	57.69	45.46
Total		57.69	45.46

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 securities by the Company.

NOTE 11 | INVENTORIES (₹ in Lakhs)

Particulars	As at	As at
	31st March 2019	31st March 2018
(As valued and certified by the Management)		
Raw Materials	3,496.68	3,284.89
Stock-in-Process	1,693.12	1,350.91
Finished Goods	6,937.14	7,765.70
Stock-in-Trade (In respect of goods acquired for trading)	464.34	107.74
Contracts in Progress	2,508.30	3,397.76
Scrap and Waste	149.82	162.34
Stores and Spares etc.	2,155.10	1,697.22
Total	17,404.50	17,766.56
The above includes goods-in-transit as under:		
Raw Materials	778.70	158.91
	778.70	158.91

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

NOTE 12 | CURRENT INVESTMENTS (₹ in Lakhs)

Particulars	Face Value	As at		As at	
		31st March 2019		31st March 2018	
	(₹)	Qty	Amount	Qty	Amount
INVESTMENTS AT AMORTIZED COST					
Investments in Government and Trust Securities (Unquoted)					
6 Years National Saving Certificates (Deposited with Commercial Tax Officer)			0.07		0.07
Sub Total			0.07		0.07

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

(₹ in Lakhs)

Particulars	Face Value (₹)	As at 31st March 2019		As at 31st March 2018	
		Qty	Amount	Qty	Amount
INVESTMENTS AT FAIR VALUE THROUGH PROFIT AND LOSS					
Investments in Mutual funds (Unquoted)					
SBI PSU Fund - Regular Plan-Growth	10	-	-	2,50,000	27.72
SBI Premier Liquid Fund- Institutional-Growth	100	-	-	4	0.12
Reliance Mututal Fund ETF Gold Bees	100	-	-	3,100	85.94
Aditya Birla Sun Life Liquid Fund - Growth	10	1,25,862	376.37	-	-
HDFC Liquid Fund Regular Plan - Growth	100	10,280	376.30	-	-
ICICI Prudencial Liquid Fund - Growth	10	1,09,307	301.05	-	-
Sub Total			1,053.72		113.78
Total			1,053.79		113.85
Aggregate book value of Unquoted Investments			1,053.79		113.85

NOTE 13 | TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Unsecured, considered good	8,857.57	9,273.76
Unsecured, having significant increase in credit risk	-	-
Unsecured, credit impaired	783.07	831.71
Total	9,640.64	10,105.47
Less: Allowances for doubtful receivables	783.07	831.71
Total	8,857.57	9,273.76

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 on Trade Receivable pledged as securities by the Company.

NOTE 14 | CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	Refer Note No.	As at 31st March 2019	As at 31st March 2018
Balances With Banks :			
In Current Accounts		138.69	128.38
In Deposit Accounts with Original Maturity of less than three months	14.1	83.95	-
Cash on Hand		19.51	16.29
Total		242.15	144.67

14.1 - Includes deposits marked lien in favour of Bank ₹ 83.95 Lakhs (P.Y. ₹ Nil)

14.2 - Refer Note 20.3 and Note 25.1 for information on Cash and Cash Equivalent pledged as securities by the Company.

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

NOTE 15 | BANK BALANCES (OTHER THAN NOTE: 14) (₹ in Lakhs)

Particulars	Refer Note No.	As at	As at
		31st March 2019	31st March 2018
Balance in Unpaid Dividend Accounts		28.89	28.92
In Deposit accounts with Original maturity of more than three months	15.1	1,985.14	2,223.19
		2,014.03	2,252.11
Less :- Deposits with Bank disclosed under 'other financial Assets' having maturity of more than 12 months		1,366.09	1,484.18
Total		647.94	767.93

15.1 - Includes deposits with bank committed to continue till the tenure of stand by letter of credit for loan availed by Wholly Owned Subsidiary (Refer Note 39(d)).

NOTE 16 | LOANS (₹ in Lakhs)

Particulars	As at	As at
	31st March 2019	31st March 2018
Unsecured, considered good		
Advance to Employees, unsecured, considered good	24.90	14.27
Total	24.90	14.27

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	As at
	31st March 2019	31st March 2018
Advance Income Tax and Tax Deducted at Source	2,016.80	1,811.86
Less: Provision for Income Tax	1,036.50	1,049.04
Total	980.30	762.82

NOTE 18 | SHARE CAPITAL

Particulars	As at 31st March 2019		As at 31st March 2018	
	No. of Shares	(₹ in Lakhs)	No. of Shares	(₹ in Lakhs)
18.1 - Authorised Share Capital				
Ordinary Shares of ₹ 10 each	4,20,00,000	4,200.00	4,20,00,000	4,200.00
Preference Shares of ₹ 100 each	32,00,000	3,200.00	32,00,000	3,200.00
	4,52,00,000	7,400.00	4,52,00,000	7,400.00
18.2 - Issued Share Capital				
Ordinary Shares of ₹ 10 each	2,13,42,346	2,134.23	2,13,42,346	2,134.23
	2,13,42,346	2,134.23	2,13,42,346	2,134.23
18.3 - Subscribed and Paid-up Share Capital				
Ordinary Shares of ₹ 10 each fully paid-up	2,13,42,346	2,134.23	2,13,42,346	2,134.23
	2,13,42,346	2,134.23	2,13,42,346	2,134.23

Notes to Standalone Financial Statements as on and for the year ended 31st March 2019 (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 Equity Shareholders holding more than 5% shares in the Company.

Name of Shareholders	As at 31st March 2019		As at 31st March 2018	
	No. of Shares held	% of holding	No. of Shares held	% of holding
Kothari Phytochemicals & Industries Limited	55,01,078	25.78%	55,01,078	25.78%
Kothari Investment & Industries Private Limited	22,53,748	10.56%	22,53,748	10.56%
Vishnuhari Investments & Properties Limited	17,07,291	8.00%	17,07,291	8.00%
M. D. Kothari & Company Limited	15,21,868	7.13%	15,21,868	7.13%
Kothari & Co. Private Limited	14,26,199	6.68%	14,26,199	6.68%
Commercial House Private Limited	13,68,212	6.41%	13,68,212	6.41%
Life Insurance Corporation of India	11,87,278	5.56%	11,87,278	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

(₹ in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Capital Reserve	3,407.53	3,407.53
Preference Share Redemption Reserve	262.47	262.47
General Reserve	9,860.07	9,860.07
Retained Earnings	10,728.72	11,551.97
Other Reserves	440.09	551.97
Total	24,698.88	25,634.01

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

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 Reserves** – Equity Instruments through Other Comprehensive Income (OCI) – 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.

NOTE 20 BORROWINGS		(₹ in Lakhs)			
Particulars	Refer Note No.	Non-Current Portion		Current Maturities	
		As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018
Cumulative Redeemable Preference Shares (CRPS) (Face Value of ₹ 100/- each)					
12,10,000 (P. Y - 12,10,000) 7.75% CRPS	20.2	1,210.00	1,210.00	-	-
2,00,000 (P. Y - 2,00,000) 8% CRPS	20.2	-	200.00	200.00	-
		1,210.00	1,410.00	200.00	-
Term Loans					
From Banks:					
Rupee Loans	20.2	6,863.75	7,246.76	1,392.39	2,615.56
		6,863.75	7,246.76	1,392.39	2,615.56
Fixed Deposits (From Public)	20.2	1,829.04	1,825.80	1,048.26	798.10
Others	20.2	49.16	73.74	24.58	24.58
Total		9,951.95	10,556.30	2,665.23	3,438.24
Amount disclosed under the head "Other Financial Liability"				(2,665.23)	(3,438.24)
		9,951.95	10,556.30	-	-

20.1 - Break Up of Security Details

(₹ in Lakhs)

Particulars	Non-Current Portion		Current Maturities	
	As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018
Secured	5,912.91	7,320.50	1,416.97	1,640.14
Unsecured	4,039.04	3,235.80	1,248.26	1,798.10
Total	9,951.95	10,556.30	2,665.23	3,438.24

Notes to Standalone Financial Statements as on and for the year ended 31st March 2019 (Contd.)
20.2 - Terms and Conditions of Long Term Borrowings :

	Particulars	Amount (₹ in Lakhs)	Period of Maturity	Instalments Due	Instalment Value (₹ in Lakhs)	Repayment Terms	Rate of Interest (P.A.)
A	Cumulative Redeemable Preference Shares (CRPS)						
i.	7.75% CRPS	1,210.00	Maximum 18 years from the date of allotment i.e. 19.11.2016	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 i.e. 31.03.2005	In bullet payment mode	200.00		8.00%
B	Term Loan - From Banks - in Indian Rupees						
i	State Bank of India (Corporate Loan-I)	2,320.00	Mar-23	16	100.00/Quarter 125.00/Quarter 175.00/Quarter 185.00/Quarter	Apr'19 - Mar'20 Apr'20 - Mar'21 Apr'21 - Sep'22 Oct'22 - Mar'23	MCLR + 2.30 %
ii	State Bank of India (Corporate Loan-II)	2,390.00	Mar-23	16	100.00/Quarter 150.00/Quarter 175.00/Quarter 165.00/Quarter	Apr'19 - Mar'20 Apr'20 - Mar'21 Apr'21 - Dec'22 Mar'23	MCLR + 3.00 %
iii	State Bank of India (Corporate Loan-III)	2,390.00	Mar-23	16	100.00/Quarter 150.00/Quarter 175.00/Quarter 165.00/Quarter	Apr'19 - Mar'20 Apr'20 - Mar'21 Apr'21 - Dec'22 Mar'23	MCLR + 2.40 %
iv	State Bank of India (Lease Rental Discounting Loan) (LRD)	152.89	Mar-20	12	Equated Monthly Installments (EMI)	Apr'19 - Mar'20	MCLR + 2.85%
v	YES Bank Limited (Term Loan)	1,000.00	Jun-21	3	Apr'21 -Rs 333.00, May'21 - Rs 333 and Jun'21 - Rs 334.	Apr'21, May'21 and Jun'21	MCLR+1.1%
vi	HDFC Bank Limited (Vehicle Loan)	46.68	Dec -19 Jan -20 May -20 Jun -20 Jul -20 Aug -20 Sep -21	9 10 14 15 16 17 30	EMI EMI EMI EMI EMI EMI EMI	Apr'19-Dec'19 Apr'17-Jan'20 Apr'19-May'20 Apr'19-Jun'20 Apr'19-Jul'20 Apr'19-Aug'20 Apr'19-Sep'21	9.25% 9.25% 8.75% 8.75% 8.75% 8.75% 9.50%
vii	Unamortised Borrowing Cost on Term Loans	(43.43)					
	Total of Term Loan from Banks	8,256.14					

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

	Particulars	Amount (₹ in Lakhs)	Period of Maturity	Instalments Due	Instalment Value (₹ in Lakhs)	Repayment Terms	Rate of Interest (P.A.)
C	Fixed Deposits (From Public)	2,877.30	One year to three years	Bullet payment on the maturity date	2019-20 - ₹ 1,048.26, 2020-21 - ₹ 1,202.74, 2021-22 - ₹ 626.30	The fixed deposit includes fixed and cumulative deposits both	9.75% - 10.75%
D	Term Loan - From Others - In Indian Rupees						
	Tea Board of India (Special Purpose Tea Fund Scheme)	73.74	Mar-22	3	₹ 24.58 / yearly	Apr'19-Jan'22	9.00%

20.3 - Details of Security Given for Loan

- a) The 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 Corporate Loans and letter of credit for Capital Goods are also secured by guarantee of a Director.
- b) 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.
- c) Term Loan from Yes Bank Limited is guaranteed by a Director.
- d) The Term Loan from HDFC Bank Ltd., are secured by hypothecation of the related vehicles purchased.
- e) 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.

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

NOTE 21 | OTHER FINANCIAL LIABILITIES (₹ in Lakhs)

Particulars	Refer Note No.	Non-Current		Current	
		As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018
Current maturities of Long Term Debts	20	-	-	2,665.23	3,438.24
Trade and Security Deposits (Unsecured)		854.19	928.61	846.30	967.04
Interest accrued but not due on Borrowings		87.25	159.69	280.90	150.17
Unpaid and unclaimed dividends		-	-	28.89	28.92
Employees related Liabilities		-	-	2,515.79	1,740.56
Amount payable for Capital Goods		-	-	39.55	220.49
Unpaid matured deposits and interest accrued thereon		-	-	6.49	4.30
Other Payables		-	-	399.37	289.58
Total		941.44	1,088.30	6,782.52	6,839.30

NOTE 22 | PROVISIONS (₹ in Lakhs)

Particulars	Non-Current		Current	
	As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018
Provision for Employee Benefits	169.55	145.23	2,615.39	2,410.24
Total	169.55	145.23	2,615.39	2,410.24

NOTE 23 | DEFERRED TAX LIABILITIES (NET) (₹ in Lakhs)

Particulars	Refer Note No.	As at 31st March 2019	As at 31st March 2018
Deferred Tax Liabilities			
Arising on account of :			
Property, Plant and Equipment and Intangible Assets		4,123.26	3,868.63
Sub-total		4,123.26	3,868.63
Less: Deferred Tax Assets			
Arising on account of :			
Allowance for Doubtful Debts		1,873.19	1,911.34
Section 43B of Income-tax Act, 1961		1,117.88	1,068.14
Unabsorbed Depreciation/ Carried Forward Business Losses	23.1	998.55	755.51
Others		133.64	133.64
Sub-total		4,123.26	3,868.63
Deferred Tax Liabilities (Net)		-	-

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

23.2 - Movement in deferred tax asset and deferred tax liabilities during the year ended 31st March, 2018 and 31st March, 2019

(₹ in Lakhs)

Particulars	As at 31st March, 2018	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	As at 31st March, 2019
Deferred Tax Liabilities (A)				
Property, Plant and Equipment and Intangible Assets	3,868.63	254.63	-	4,123.26
Total (A)	3,868.63	254.63	-	4,123.26
Deferred Tax Assets (B)				
Allowance for Doubtful Debts	1,911.34	(38.15)	-	1,873.19
Items u/s 43B of the Income Tax Act, 1961	1,068.14	(112.84)	162.58	1,117.88
Unabsorbed Depreciation/ Carried Forward Business Losses	755.51	243.04	-	998.55
Others	133.64	-	-	133.64
Total (B)	3,868.63	92.05	162.58	4,123.26
Total (A) - (B)	-	162.58	(162.58)	-

(₹ in Lakhs)

Particulars	As at 31st March, 2017	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	As at 31st March, 2018
Deferred Tax Liabilities (A)				
Property, Plant and Equipment and Intangible Assets	3,603.75	264.88	-	3,868.63
Total (A)	3,603.75	264.88	-	3,868.63
Deferred 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
Total (B)	3,603.75	182.07	82.81	3,868.63
Total (A) - (B)	-	82.81	(82.81)	-

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.

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

NOTE 24 OTHER LIABILITIES		(₹ in Lakhs)		
Particulars	Non-Current		Current	
	As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018
Job Advance	30.79	61.21	707.11	503.64
Advances Received from Customers	-	-	141.93	199.86
Statutory Dues	-	-	276.36	706.58
Total	30.79	61.21	1,125.40	1,410.08

NOTE 25 SHORT TERM BORROWINGS		(₹ in Lakhs)	
Particulars	As at		
	31st March 2019	31st March 2018	
Loans Repayable on Demand			
Working Capital Facilities from Banks			
- United Bank of India	233.33	198.46	
- Other Banks	8,727.34	7,173.48	
Short Term Loan			
From Banks	3,000.00	5,500.00	
From Other Bodies Corporates	4,945.00	4,975.00	
From Related Parties	100.00	225.00	
Fixed Deposits (From Public)	1,368.48	2,023.50	
Total	18,374.15	20,095.44	
The above amount includes			
Secured Borrowings	8,960.67	7,371.94	
Unsecured Borrowings	9,413.48	12,723.50	
Total	18,374.15	20,095.44	

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 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 and equipment 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 10.10% p.a. - 11.30% p.a. are repayable on demand.
- b) Short term loans from HDFC Bank Ltd. ₹ 3,000.00 Lakhs having interest rate of 10.15% p.a. is repayable by June 2019 and that from Body Corporates and Related Parties having interest varying between 11.50% to 12.50% p.a.
- c) Fixed Deposit from Public is having interest rate varying between 9.75% p.a. to 10.75% p.a.

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

NOTE 26 TRADE PAYABLES		(₹ in Lakhs)	
Particulars	Refer Note No.	As at 31st March 2019	As at 31st March 2018
Trade Payables for goods and services			
- Total Outstanding dues to Micro Enterprises and Small Enterprises	42	71.32	54.27
- Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		13,780.71	12,927.06
Total		13,852.03	12,981.33

NOTE 27 REVENUE FROM OPERATIONS		(₹ in Lakhs)	
Particulars		For the year ended 31st March 2019	For the year ended 31st March 2018
Sale of Products		60,886.87	55,005.70
Income from Construction Contracts		7,341.37	5,557.29
Rental Income		646.98	603.03
		68,875.22	61,166.02
Other Operating Revenues			
Incentives and Subsidies		462.58	432.09
Service Charges from Tenants		179.47	143.28
Sale of Waste		937.54	847.27
Other Revenues		82.38	90.30
		1,661.97	1,512.94
Total		70,537.19	62,678.96

REVENUE FROM CONTRACTS WITH CUSTOMERS

Effective April 1, 2018, the Company has adopted Ind AS 115 - Revenue from Contracts with Customers, using the cumulative effect method and the comparative information is not restated. The adoption of the standard did not have any material impact on the financial statements of the Company.

A. Revenue from contracts with customers disaggregated based on revenue stream and by reportable segment

(₹ in Lakhs)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Revenue based on product & services		
Cotton /Man Made Fibre Yarn	38,493.55	34,802.88
Tea	22,393.32	20,202.82
Income from Construction Contracts	7,341.37	5,557.29
Rental Income	646.98	603.03
Other Operating Revenues	1,661.97	1,512.94
Total	70,537.19	62,678.96
Revenue based on Geography		
India	57,791.51	51,553.10
Overseas	12,745.68	11,125.86
Total	70,537.19	62,678.96

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

(₹ in Lakhs)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Reconciliation of Revenue from Operation with contract price		
Contract Price	71,054.09	63,080.82
Less: Sales Return	(409.20)	(311.81)
Rebates & Discounts	(107.70)	(90.05)
Revenue from Operation	70,537.19	62,678.96

Transaction Price - Unstatisfied Performance Obligation

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognised as at the end of the reporting period and an explanation as to when the Company expects to recognise these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts as the revenue recognised corresponds directly with the value to the customer of the entity's performance completed to date.

There are no aggregate value of performance obligations that are completely or partially unsatisfied as of 31st March, 2019, other than those meeting the exclusion criteria mentioned above.

(₹ in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Contract Balances		
Contract Assets	7,101.51	8,316.28
Less: Impairment allowances	(4,535.75)	(4,667.96)
Total	2,565.76	3,648.32
Contract Liabilities		
Gross Trade Receivables	9,640.64	10,105.47
Unbilled Revenue for passage of time	6,881.10	7,046.96
Less: Impairment allowances	(783.07)	(831.71)
Net Receivables	15,738.67	16,320.72

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer in advance. Contract assets are transferred to receivables when the rights become unconditional and contract liabilities are recognised as revenue as and when the performance obligation is satisfied.

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

NOTE 28 OTHER INCOME		(₹ in Lakhs)	
Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018	
Interest Income			
Deposits with Banks and others	206.61	284.41	
Net Gain/ (Loss) on sale of Investments at FVTPL			
On Non-Current investments	-	0.01	
Gain/ (Loss) on restatement of Investments at FVTPL	3.11	3.16	
Other Non Operating Income			
Profit on sale of Property, Plant and Equipment (Net)	74.11	94.15	
Change in fair valuation of biological assets	12.23	3.07	
Liabilities no longer required written back	335.40	191.98	
Allowances for doubtful debts and advances no longer required written back (Net) (Net of ₹ Nil Lakhs (PY - ₹ 885.52 Lakhs) charged as Contractual Obligation)	202.84	166.26	
Foreign Exchange Fluctuation (Net)	-	178.11	
Sundry Receipts and Claims	260.09	547.54	
Total	1,094.39	1,468.69	

NOTE 29 COST OF MATERIALS CONSUMED		(₹ in Lakhs)	
Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018	
Opening Stock of Raw Materials	3,284.89	3,738.07	
Add: Purchases	25,245.38	22,290.02	
Less Closing Stock of Raw Materials	(3,496.68)	(3,284.89)	
Total	25,033.59	22,743.20	

NOTE 30 PURCHASE OF TRADED GOODS		(₹ in Lakhs)	
Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018	
Purchase of Traded Goods	6,659.48	5,103.29	
Total	6,659.48	5,103.29	

Notes to Standalone Financial Statements as on and for the year ended 31st March 2019 (Contd.)
NOTE 31 | CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS (₹ in Lakhs)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Inventories at the beginning of the year		
Finished Goods	7,765.70	7,088.12
Stock-in-Trade	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
Inventories at the end of the year		
Finished Goods	6,937.14	7,765.70
Stock-in-Trade	464.34	107.74
Stock-In-Progress	1,693.12	1,350.91
Scrap and Waste	149.82	162.34
	9,244.42	9,386.69
Total changes in inventories of Finished Goods, Work-in-Progress, and Traded Goods	142.27	(992.12)

NOTE 32 | EMPLOYEE BENEFITS EXPENSE (₹ in Lakhs)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Salaries and Wages	12,397.62	11,407.61
Contribution to Provident and Other Funds	1,378.40	1,467.54
Staff Welfare Expenses	1,115.61	1,095.52
Total	14,891.63	13,970.67

NOTE 33 | FINANCE COST (₹ in Lakhs)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Interest Expense (Net of Incentive Income)	3,504.97	3,588.64
Interest on Fixed Deposits (From Public)	458.38	496.34
Dividend on Redeemable Preference Shares	109.78	109.78
Other Finance Charges	425.63	297.92
Total	4,498.76	4,492.68

NOTE 34 | DEPRECIATION AND AMORTIZATION EXPENSES (₹ in Lakhs)

Particulars	Refer Note No.	For the year ended 31st March 2019	For the year ended 31st March 2018
On Property, Plant and Equipment	4	1,686.28	1,605.42
On Intangible Assets	5	7.88	10.35
Total		1,694.16	1,615.77

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

NOTE 35 OTHER EXPENSES		(₹ in Lakhs)	
Particulars	Refer Note No.	For the year ended 31st March 2019	For the year ended 31st March 2018
Manufacturing Expenses			
Stores, Spare Parts and Packing Materials Consumed		3,186.69	2,964.42
Power and Fuel		6,558.85	6,184.44
Cess		82.69	88.84
Repairs to Buildings		234.33	307.94
Repairs to Machinery		1,257.70	1,147.72
Repairs to Other Assets		87.83	121.16
Jobs on Contract		2,566.92	2,101.38
Jobs Outsourcing		599.47	650.97
Machinery Hire Charges		157.79	42.38
		14,732.27	13,609.25
Selling and Administrative Expenses			
Brokerage and Commission on Sales		501.14	488.67
Freight, Shipping, Delivery and Selling Expenses		1,410.41	1,222.27
Travelling and Conveyance		719.15	705.30
Rent		61.53	62.10
Rates and Taxes		379.48	383.90
Insurance		188.65	222.16
Bad debts written off		282.85	177.38
Corporate Social Responsibility Expenses		-	-
Auditors' Remuneration	35.1	44.11	43.69
Loss on Foreign currency transaction and translation (Net)		26.84	-
Directors' Sitting Fees		10.40	8.52
Consultation and Advisory Charges		169.41	225.47
Other Expenses		902.56	986.15
		4,696.53	4,525.61
Total		19,428.80	18,134.86

35.1 - Auditors' Remuneration

(₹ in Lakhs)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
a) Statutory Auditors		
Audit Fees	19.20	17.40
Other Services	18.90	16.80
Reimbursement of Expenses	0.61	0.14
	38.71	34.34
b) Branch Auditors		
Audit Fees	4.00	5.50
Tax Audit Fees	0.55	2.50
Other Services	0.60	0.90
Reimbursement of Expenses	0.25	0.45
	5.40	9.35
Total	44.11	43.69

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

NOTE 36 TAX EXPENSE		(₹ in Lakhs)	
Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018	
Current Tax for the year	-	60.00	
Deferred Tax	162.58	82.81	
Total	162.58	142.81	

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 :

(₹ in Lakhs)

Particulars	2018-19	2017-18
Profit/(Loss) before income tax expense	(717.11)	(920.70)
Indian Statutory Income Tax rate*	31.20%	30.90%
Estimated Income Tax Expense	(223.74)	(284.50)
<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	44.76	16.61
b) Additional deduction under Income-Tax Act, 1961	(86.91)	(83.33)
c) Income that is exempt from taxation	(112.74)	(19.91)
d) Unrecognised deferred tax assets on tax losses for the year / period	561.49	291.03
e) Others	(20.28)	222.91
	386.32	427.31
Income tax expense in Statement of Profit and Loss	162.58	142.81

* Applicable Indian Statutory Income Tax rate for Fiscal Year 2019 and 2018 is 31.20% and 30.90% respectively.

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

NOTE 37 OTHER COMPREHENSIVE INCOME		(₹ in Lakhs)	
Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018	
Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit plans	(465.25)	(239.29)	
Less: Tax expense on the above	(162.58)	(82.81)	
	(302.67)	(156.48)	
Equity Instruments through Other Comprehensive Income	247.23	505.52	
Less: Tax expense on the above	-	-	
	247.23	505.52	
Total	(55.44)	349.04	

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

NOTE 38 | CONTINGENT LIABILITIES

A) Claims/Disputes/Demands not acknowledged as debts - (₹ in Lakhs)

Sl. No.	Particulars	As at 31st March 2019	As at 31st March 2018
a.	Sales Tax	962.91	2,100.38
b.	Cess on Jute bags/Jute Twine	7.32	7.32
c.	Cess and Excise on Captive Consumption	11.33	11.33
d.	Excise Duty	35.24	35.46
e.	Service Tax	427.13	424.83
f.	Income Tax	107.33	106.02
g.	Voltage Surcharge on Electricity consumed	164.60	164.60

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.

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 2019	As at 31st March 2018
a.	Amount of Guarantee given as on 31st March USD 9.10 million (Previous Year 31st March 2018 USD 11.05 million)	6,294.59	7,187.37
b.	Amount outstanding as on 31st March USD 8.845 million (Previous Year 31st March 2018 USD 10.59 million)	6,118.20	6,886.54

NOTE 39 | COMMITMENTS

(₹ in Lakhs)

Sl. No.	Particulars	As at 31st March 2019	As at 31st March 2018
a.	Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of Advance of ₹ 41.51 Lakhs (PY 17-18 - ₹ 56.24 Lakhs))	63.15	136.31
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.	1,366.09	1,484.18

NOTE 40 | OPERATING LEASES

40.1 - 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 ₹ 157.57 Lakhs (P.Y. - ₹ 41.66 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).

Notes to Standalone Financial Statements as on and for the year ended 31st March 2019 (Contd.)
i) 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 2019	As at 31st March 2018
Payables within one year	13.76	13.76
Payables later than one year but not later than five years	41.27	55.03
Payables later than five years	-	-

ii) Amounts recognized in Profit or Loss

(₹ in Lakhs)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Total rental expense relating to operating leases	61.53	62.10

40.2 - 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 ₹ 646.98 Lakhs during the year (P.Y. ₹ 603.03 Lakhs). The gross value and accumulated depreciation of such asset as at 31st March, 2019 was ₹ 17.12 Lakhs (P.Y. ₹ 15.62 Lakhs) and ₹ 2.48 Lakhs (P.Y. ₹ 1.51 Lakhs) respectively.

NOTE 41

Revenue expenditure on Research and Development of ₹ 25.36 Lakhs (P.Y. ₹ 21.33 Lakhs) represents subscription to Tea Research Association.

NOTE 42 | DISCLOSURE PERSUANT TO MSMED ACT

(₹ in Lakhs)

Sl. No.	Particulars	As at 31st March 2019	As at 31st March 2018
i)	Principal Amount remaining unpaid to any suppliers under MSMED Act	70.86	54.27
ii)	Interest due thereon remaining unpaid to any suppliers on above	0.46	-
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	-	-
	Total	71.32	54.27

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 Development Act, 2006 ("MSMED Act").

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

NOTE 43 | DISCLOSURE PURSUANT TO INDIAN ACCOUNTING STANDARD - 19 'EMPLOYEE BENEFITS' AS NOTIFIED U/S 133 OF THE COMPANIES ACT, 2013.

43.1 - 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:

(₹ in Lakhs)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Provident Fund	870.72	879.00
Employee State Insurance Scheme	159.66	149.98

43.2 - 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, 2019 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:

INTEREST RATE RISK	The defined benefit obligation calculation uses a discount rate based on government bonds. If bond yeild fall, the defined benefit obligation will tend to increase.
SALARY INFLATION RISK	Higher then expected increase in salary will increase the defined benefit obligation.
DEMOGRAPHIC RISK	This is the risk of variability of results due to unsystematic nature of decrements that includes mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria.

Notes to Standalone Financial Statements as on and for the year ended 31st March 2019 (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:

(₹ in Lakhs)

Particulars	Gratuity	
	2018-19	2017-18
Balance at the beginning of the year	2,498.46	2,264.38
Current Service Cost	153.78	145.06
Interest Cost on Defined Benefit Obligation	175.71	161.11
Past Service Cost	-	38.31
Actuarial Gain and Losses arising from:		
Changes in demographic assumptions	(164.99)	-
Changes in financial assumptions	236.87	(35.84)
Experience Adjustment	393.64	269.42
Benefits paid directly by the Company	(255.49)	(203.75)
Benefits Paid from the Plan Assets	(177.59)	(140.23)
Balance at the end of the year	2,860.39	2,498.46

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:

(₹ in Lakhs)

Particulars	Gratuity	
	2018-19	2017-18
Balance at the beginning of the year	137.26	262.96
Interest Income on Plan Assets	15.67	20.24
Remeasurement of Defined Benefit Obligation:		
Return on plan assets greater/ (lesser) than discount rate	0.27	(5.71)
Employer Contributions to the Plan	310.00	-
Benefits Paid from the Plan Assets	(177.59)	(140.23)
Balance at the end of the year	285.61	137.26

f) Expenses recognized in statement of profit and loss

(₹ in Lakhs)

Particulars	Gratuity	
	2018-19	2017-18
Current Service Cost	153.78	145.06
Past Service Cost	-	38.31
Interest Cost	175.71	161.11
Interest Income on Plan Assets	(15.67)	(20.24)
Total	313.82	324.24

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

g) Remeasurements recognized in other comprehensive income (₹ in Lakhs)

Particulars	Gratuity	
	2018-19	2017-18
Actuarial (Gain)/ Loss on defined benefit obligation	465.52	233.58
Return on plan assets greater/ (lesser) than discount rate	(0.27)	5.71
Total	465.25	239.29

h) Major Categories of Plan Assets (₹ in Lakhs)

Particulars	Gratuity	
	2018-19	2017-18
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.

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

Particulars	Gratuity	
	2018-19	2017-18
Financial Assumptions		
Discount Rate	7.60%	7.70%
Salary Escalation Rate	4.00%	3.00%
Demographic Assumptions		
Mortality Rate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Withdrawal Rate	1.00%	3.00%

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

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

- l) At 31st March 2019, the weighted average duration of the defined benefit obligation was 11 years (PY - 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	2018-19	2017-18
Within next 12 months (Next Annual report period)	378.45	646.37
Following 2 - 5 years	1,052.73	780.61
After 5 years	1,522.19	938.51
Total Expected payment	2,953.37	2,365.49

- m) The Company expects to contribute ₹ 400 Lakhs (previous year ₹ 255 Lakhs) to its gratuity liability.

n) Sensitivity Analysis

The sensitivity analyses 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	
	2018-19	2017-18
Effect on DBO due to 1% (PY - 0.5%) increase in Discount Rate	(210.55)	(85.10)
Effect on DBO due to 1% (PY - 0.5%) decrease in Discount Rate	245.41	91.69
Effect on DBO due to 1% (PY - 0.5%) increase in Salary Escalation Rate	250.02	94.29
Effect on DBO due to 1% (PY - 0.5%) decrease in Salary Escalation Rate	(217.40)	(88.14)

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 44 | BASIC AND DILUTED EARNING PER SHARE

Sl. No.	Particulars	2018-19	2017-18
i)	Profit / (Loss) after Tax available for Ordinary Shareholders (₹ in Lakhs)	(879.69)	(1,063.51)
ii)	Weighted Average of Ordinary Shares of ₹ 10 each outstanding during the year (Numbers)	2,13,42,346	2,13,42,346
iii)	Basic and Diluted Earning per Share {(i) / (ii)} (₹)	(4.12)	(4.98)

NOTE 45

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.

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

NOTE 46 RELATED PARTY DISCLOSURES

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

Name of the Entity	Place of Incorporation	Ownership Interest held by the Company	
		31st March 2019	31st March 2018
i) Direct Subsidiaries:			
a) Gillanders Holdings (Mauritius) Limited, (GHML), (Wholly Owned Subsidiary (WOS) of GACL)	Mauritius	100.00%	100.00%
ii) Indirect Subsidiaries:			
b) Naming'omba Tea Estates Limited (NTEL), (Wholly Owned Subsidiary (WOS) of GHML) *	Malawi	100.00%	-
c) Group Developments Limited (GDL)	Malawi	-	100.00%
d) Naming'omba Tea Estates Limited (NTEL), (WOS of GDL)	Malawi	-	100.00%
e) Mafisi Tea Estates Limited (MTEL), (WOS of GDL)	Malawi	-	100.00%
f) Group Holdings Limited (GHL), (WOS of GDL)	Malawi	-	100.00%

*** Qualified Re-organisation - Scheme of Arrangement of Wholly owned Subsidiaries at Malawi**

Naming'omba Tea Estates Limited, Mafisi Tea Estates Limited and Group Holdings Limited, wholly owned subsidiaries of erstwhile Group Developments Limited (GDL), a step down subsidiary of the Company, undertook a qualified re-organization by way of amalgamating their respective whole businesses and undertaking with that of GDL through a mutually agreed upon scheme of arrangement. The said Scheme was approved by the Hon'ble High Court at Malawi vide Order dated 18th December, 2018. On the said Scheme becoming effective, the name of GDL was changed to Naming'omba Tea Estates Limited.

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

Nature	Name	Designation
Key Managerial Personnel	Mr. Arun Kumar Kothari (AKK)	Non-Executive Promoter Chairman
	Mrs. Prabhawati Devi Kothari (PDK)	Non-Executive Promoter Director
	Mr. Mahesh Sodhani (MS)	Managing Director (MD) (w.e.f - 01.04.2018)
	Mr. Manoj Sodhani (MSI)	Executive Director and Chief Executive Officer (CEO) (w.e.f - 01.04.2018)
	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 Standalone Financial Statements as on and for the year ended 31st March 2019 *(Contd.)*

(₹ in Lakhs)

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 (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 of the Company
Employee Benefit Plan	Kothari Provident Fund (KPF)

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

46.3 - Transactions during the year

(₹ in Lakhs)

Particulars	2018-19		2017-18	
	Direct Subsidiaries	Companies in which Directors / KMP are interested	Direct Subsidiaries	Companies in which Directors / KMP are interested
Rent Received				
-BFW	-	2.65	-	2.65
-KCO	-	0.51	-	0.51
-KPIL	-	0.86	-	0.86
-KMC	-	0.51	-	0.53
-ADL	-	24.60	-	30.29
Guarantee Commission Received				
-GHML	1.78	-	0.93	-
Guarantee Commission Paid				
-MDKCL	-	4.30	-	4.30
-CHPL	-	0.25	-	0.33
Sale of PPE				
-ADL	-	-	-	50.72
Unsecured Loan Taken				
-PDK	-	-	-	35.00
-KCSPL	-	-	-	125.00
-CHPL	-	-	-	100.00
Unsecured Loan Repaid				
-AKK	-	100.00	-	-
-PDK	-	-	-	100.00
-KCSPL	-	25.00	-	100.00
Interest on Loan Taken				
-AKK	-	7.12	-	12.50
-PDK	-	-	-	10.72
-KCSPL	-	1.21	-	6.71
-CHPL	-	12.50	-	10.68
Equity Contribution/ Investment				
-GHML	373.07	-	263.52	-
Sale of Investment of Unquoted Equity Shares				
-KPIL	-	612.75	-	-
-MDKCL	-	187.05	-	-
-AKK	-	103.20	-	-
-PDK	-	103.20	-	-
-VIPL	-	216.72	-	-
Employer Contribution towards Provident Fund				
-KPF	47.19	-	52.77	-

Notes to Standalone Financial Statements as on and for the year ended 31st March 2019 *(Contd.)*
46.4 - Key Managerial Personnel compensation *

(₹ in Lakhs)

Particulars	2018-19	2017-18
Mr Mahesh Sodhani	74.51	-
Mr Manoj Sodhani	74.57	-
Mr Deo Kishan Sharda	-	84.52
Total Compensation	149.08	84.52
Sitting Fees		
Mr. Arun Kumar Kothari	2.20	2.00
Mrs. Prabhawati Devi Kothari	2.20	1.67
Dr. Hari Prasad Kanoria	0.50	0.15
Mr. Harishchandra Maneklal Parekh	2.10	2.44
Mr Naresh Pachisia	1.85	2.00
Mr. Arvind Baheti	1.55	0.26
Total Sitting Fees	10.40	8.52
Total	159.48	93.04

* Provision for Employee Benefits which are based on Actuarial Valuation done on overall company basis are excluded.

46.5 - Balance Outstanding as at the balance sheet date

(₹ in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Guarantee Commission Receivable		
-GHML	0.82	0.93
Guarantee Given		
-GHML (Refer Note No. 38B(a))	6,294.59	7,187.37
Unsecured Loan Taken		
-AKK	-	100.00
-KCSPL	-	25.00
-CHPL	100.00	100.00
Guarantee Commission Payable		
-CHPL	0.25	-
Interest Payable on Loan Taken		
-CHPL	12.50	-

46.6 - 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.

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

NOTE 47 | FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (₹ in Lakhs)

Particulars	31st March 2019			31st March 2018		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
Financial Assets						
Investment						
- Equity Instruments	*	1,882.64	-	0.02	3,260.17	-
- Debt Instrument	-	-	0.08	-	-	0.08
- Mutual Funds	1,053.72	-	-	113.78	-	-
Trade Receivables	-	-	8,857.57	-	-	9,273.76
Loans Given	-	-	24.90	-	-	14.27
Cash and Cash Equivalents	-	-	242.15	-	-	144.67
Other Bank Balances	-	-	647.94	-	-	767.93
Non Current deposits with Banks	-	-	1,366.09	-	-	1,484.18
Interest Accrued on Deposits	-	-	41.82	-	-	27.57
Security & Other Deposits	-	-	2,845.88	-	-	4,108.75
Other Financial Assets	50.72	-	4,969.63	-	-	4,065.34
Total Financial Assets	1,104.44	1,882.64	18,996.06	113.80	3,260.17	19,886.55

* Amount is below the rounding off norm adopted by the Company.

Particulars	31st March 2019			31st March 2018		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
Financial Liabilities						
Borrowings	-	-	30,991.33	-	-	34,089.98
Trade Payables	-	-	13,852.03	-	-	12,981.33
Trade & Security Deposits	-	-	1,700.49	-	-	1,895.65
Interest accrued but not due on Borrowings and Public Deposits	-	-	368.15	-	-	309.86
Amount Payable for Capital Goods	-	-	39.55	-	-	220.49
Employee Related Liabilities	-	-	2,515.79	-	-	1,740.56
Other Financial Liabilities	-	-	434.75	4.96	-	317.84
Total Financial Liabilities	-	-	49,902.09	4.96	-	51,555.71

NOTE 48 | FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES MEASURED AT AMORTISED COST

48.1 - 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.

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.

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

NOTE 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.

49.1 - Assets and Liabilities measured at Fair Value - recurring fair value measurements (₹ in Lakhs)

Particulars	31st March 2019			31st March 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Financial Investment at FVTPL						
Mutual Funds	1,053.72	-	-	113.78	-	-
Listed Equity Investments	*	-	-	0.02	-	-
Financial Investment at FVOCI						
Unlisted Equity Investments	-	-	1,882.64	-	-	3,260.17
Foreign Exchange Forward Contracts	-	50.72	-	-	-	-
Total Financial Assets	1,053.72	50.72	1,882.64	113.80	-	3,260.17
Financial Liabilities						
Foreign Exchange Forward Contracts	-	-	-	-	4.96	-
Total Financial Liabilities	-	-	-	-	4.96	-

* Amount is below the rounding off norm adopted by the Company.

NOTE 50 | 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.

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

(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 and 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 2019	As at 31st March 2018
Trade Receivables (Gross)	9,640.64	10,105.47
Less: Provision for Loss Allowances	783.07	831.71
Trade Receivables (Net)	8,857.57	9,273.76

(iii) The movement of Security Deposit and Loss Allowance thereto are as follows: (₹ in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Security Deposits (Gross)	7,393.60	8,609.89
Less: Provision for Loss Allowances	4,548.54	4,667.96
Security Deposits (Net)	2,845.06	3,941.93

iv) Reconciliation of Loss allowance provision: (₹ in Lakhs)

Particulars	Trade Receivables	Loans & Deposits
Loss Allowance in 31st March 2018	831.71	4,667.96
Change in Loss allowance	(48.64)	(119.42)
Loss Allowance in 31st March 2019	783.07	4,548.54

(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.

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

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 2019

(₹ in Lakhs)

Particulars	Total	On Demand	Within 1 year	1 year to 5 Years
Non-Derivative				
Trade payables	13,852.03		13,852.03	
Long Term Borrowings	12,617.18		2,665.23	9,951.95
Short Term Borrowing	18,374.15	8,960.67	9,413.48	
Other financial liabilities	5,058.73	2,990.09	1,127.20	941.44
Total	49,902.09	11,950.76	27,057.94	10,893.39
Derivative				
Foreign Exchange forwards contracts	-	-	-	-

b) As at 31st March 2018

(₹ in Lakhs)

Particulars	Total	On Demand	Within 1 year	1 year to 5 Years
Non-Derivative				
Trade payables	12,981.33		12,981.33	
Long Term Borrowings	13,994.54		3,438.24	10,556.30
Short Term Borrowing	20,095.44	7,371.94	12,723.50	
Other financial liabilities	4,484.40	2,283.85	1,112.25	1,088.30
Total	51,555.71	9,655.79	30,255.32	11,644.60
Derivative				
Foreign Exchange forwards contracts	4.96		4.96	

(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 Company's borrowing to interest rate changes at the end of the reporting period are as follows:

(₹ in Lakhs)

Particulars	As at 31st March 2019	%	As at 31st March 2018	%
Variable rate borrowings	16,290.55	52.56%	16,247.95	47.66%
Fixed Rate borrowings	14,700.78	47.44%	17,842.03	52.34%
Total Borrowings	30,991.33	100.00%	34,089.98	100.00%

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.

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

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 ended 2018-19	For the year ended 2017-18
50 bps increase would decrease the profit before tax by	(81.45)	(81.24)
50 bps decrease would increase the profit before tax by	81.45	81.24

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

Particulars	Currency	As at 31st March 2019		As at 31st March 2018	
		Amount in Foreign Currency (in Lakhs)	Amount (₹ in Lakhs)	Amount in Foreign Currency (in Lakhs)	Amount (₹ in Lakhs)
Forward Contract to Sell	USD	25.36	1,754.21	22.20	1,438.49
Forward Contract to Buy	USD	12.19	843.00	1.03	66.93
	EURO	-	-	1.82	148.59

(ii) Particulars of unhedged foreign currency exposures as at the reporting date

Particulars	Currency	As at 31st March 2019		As at 31st March 2018	
		Amount in Foreign Currency (in Lakhs)	Amount (₹ in Lakhs)	Amount in Foreign Currency (in Lakhs)	Amount (₹ in Lakhs)
Trade & Other Receivable	USD	1.66	114.51	8.10	526.66
Trade & Other Payable	USD	0.41	28.15	0.71	45.90

Sensitivity: A change of 3% in Foreign currency would have following Impact on profit before tax
(₹ in Lakhs)

Particulars	Currency	For the year 2018-19		For the year 2017-18	
		3% Increase	3% Decrease	3% Increase	3% Decrease
USD	USD	2.59	(2.59)	24.04	(24.04)

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

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.

(₹ in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Investment in Quoted Equity Instruments	*	0.02
Investment in Mutual Funds	1,053.72	113.78

* Amount is below the rounding off norm adopted by the Company.

Sensitivity: A change of 50 bps on Net Asset Value of Mutual Fund would have following Impact on profit before tax

(₹ in Lakhs)

Particulars	For the year ended 2018-19	For the year ended 2017-18
50 bps increase would increase the profit before tax by	5.27	0.57
50 bps decrease would decrease the profit before tax by	(5.27)	(0.57)

NOTE 51 | 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.

NOTE 52 | SEGMENT REPORTING
52.1 - Information in accordance with the requirements of the IND AS - 108 on 'Segment Reporting':-

The Company has identified four primary business segments viz :

i) Textile	Manufacture and sale of yarn and fabric made out of Cotton and Man-made Fibre viz., Acrylic, Polyester, Viscose Staple and Blends thereof.
ii) Engineering (MICCO)	Manufacture and sale of Steel Structural, Pipes and equipments and Designing, Supplying, erection and Commissioning of projects on turnkey basis.
iii) Tea	Manufacture and sale of Tea
iv) Property	Letting out property on rent

Segments have been identified and reported taking into account nature of products and services, the different risks and returns and the internal business reporting systems. The accounting policies adopted for segment reporting are in line with the accounting policy of the Company with the following additional policies for segment reporting.

- Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".
- Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related asset and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

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

52.2 - Primary Segment Information (Business Segment)

(₹ in Lakhs)

Particulars	Textiles	Tea	Engineering (Micco)	Property	Unallocable	Total
Segment Revenue						
External Turnover	39,533.81	22,835.56	7,341.37	826.45	-	70,537.19
	(35,838.23)	(20,531.02)	(5,563.40)	(746.31)	-	(62,678.96)
Inter Segment Revenue	-	-	-	70.24	-	70.24
	-	-	-	(61.07)	-	(61.07)
Total Segment Revenue	39,533.81	22,835.56	7,341.37	896.69	-	70,607.43
	(35,838.23)	(20,531.02)	(5,563.40)	(807.38)	-	(62,740.03)
Less: Inter Segment Elimination	-	-	-	70.24	-	70.24
	-	-	-	(61.07)	-	(61.07)
Revenue from Operations	39,533.81	22,835.56	7,341.37	826.45	-	70,537.19
	(35,838.23)	(20,531.02)	(5,563.40)	(746.31)	-	(62,678.96)
Segment Result	842.65	738.66	1,670.80	633.48	-	3,885.59
	(1,677.53)	(568.06)	(1,077.30)	(564.18)	-	(3,887.07)
Less: Unallocable Expenditure net of unallocable Income					103.94	103.94
					(315.09)	(315.09)
Finance Costs					4,498.76	4,498.76
					(4,492.68)	(4,492.68)
Profit Before Tax						(717.11)
						(-920.70)
Other Information						
Segment Assets	35,591.53	13,276.97	17,441.42	7,938.99	6,427.42	80,676.33
	(36,727.53)	(13,527.76)	(18,733.52)	(7,988.99)	(6,377.87)	(83,355.67)
Segment Liabilities	10,915.43	5,427.58	4,841.18	553.61	32,105.42	53,843.22
	(10,005.22)	(4,665.80)	(5,348.99)	(527.05)	(35,040.37)	(55,587.43)
Capital Expenditure	380.29	449.78	3.70	7.00	52.96	893.73
	(949.16)	(683.32)	(8.05)	(2.38)	(14.08)	(1,656.99)
Depreciation and Amortisation Expense	1,117.62	457.55	89.30	2.73	26.96	1,694.16
	(1,038.44)	(435.76)	(99.58)	(2.07)	(39.92)	(1,615.77)

Figures in bracket represents previous year figures

Notes to Standalone Financial Statements as on and for the year ended 31st March 2019 *(Contd.)*
52.3 - Secondary Segment Information (Geographical Segment)

(₹ in Lakhs)

Particulars	Within India	Outside India	Total
Segment Revenue	57,791.51	12,745.68	70,537.19
	(51,553.10)	(11,125.86)	(62,678.96)
Segment Assets	73,181.81	1,067.10	74,248.91
	(75,217.03)	(1,760.77)	(76,977.80)
Capital Expenditure	840.77	-	840.77
	(1,642.91)	(-)	(1,642.91)

Figures in bracket represents previous year figures.

52.4 - Other Disclosures

- a) 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.
- b) The geographical information considered for disclosure are:
 - Sales within India
 - Sales outside India
- c) The Company is not reliant on revenues from transactions with any external customer for more than 10% or more of its revenue other than one from whom company derives a turnover of Rs 717.71 Lakhs.
- d) Inter-segment transfers are based on prevailing market prices.
- e) The accounting policies adopted for segment reporting are in line with the accounting policy of the Company.

NOTE 53

Previous years figures have been rearranged / regrouped wherever necessary.

As per our Report of even date annexed.

For and on behalf of the Board
For SINGHI & CO.
Chartered Accountants

Firm Registration No. 302049E

Anurag Singhi
Partner

Membership No. 066274

Place : Kolkata

Date : 28th May 2019

Manoj Sodhani
Executive Director & CEO

(DIN:02267180)

Dhananjay Karmakar
Company Secretary
Mahesh Sodhani
Managing Director

(DIN:02100322)

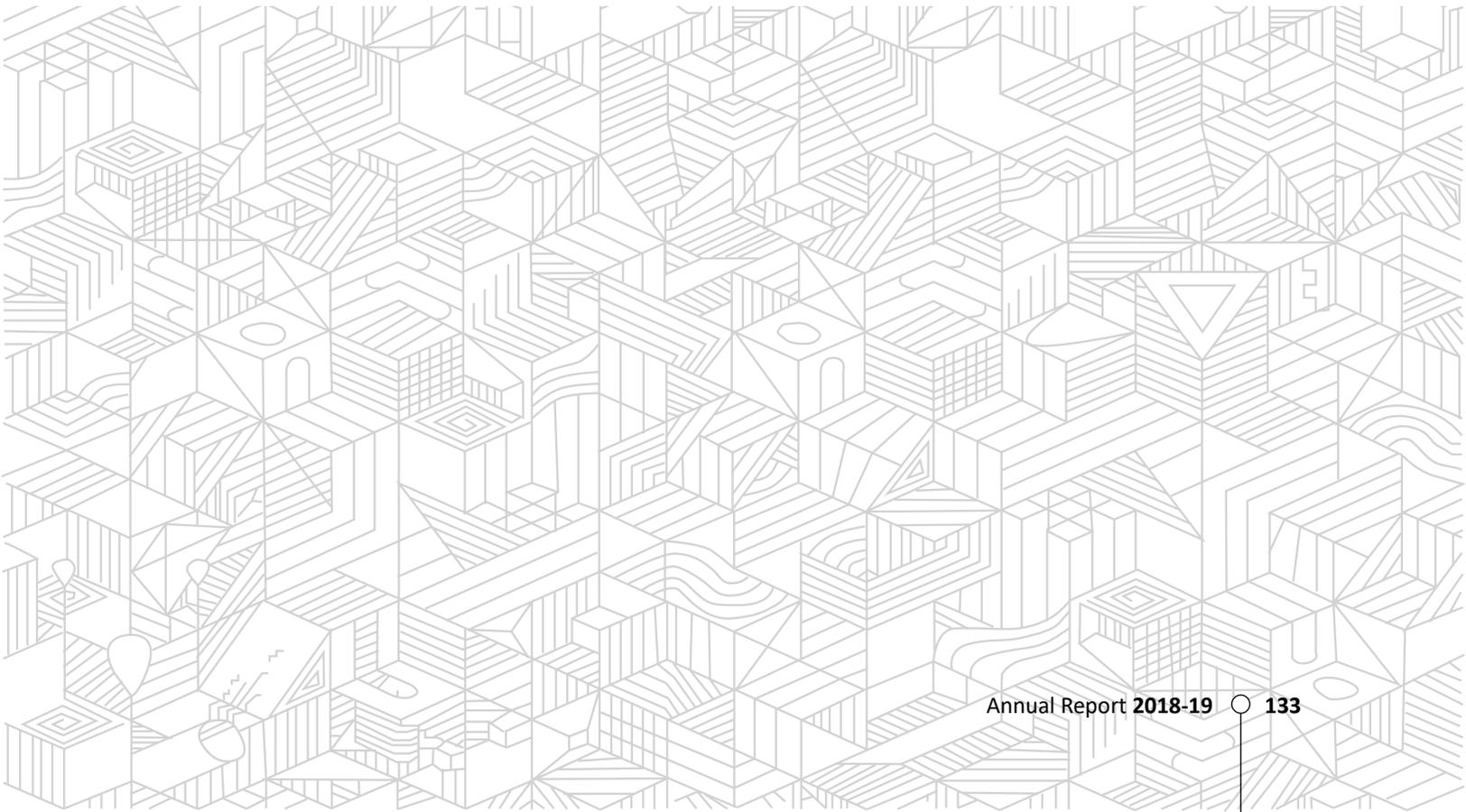
Arun Kumar Kothari
Chairman

(DIN:00051900)

Pravin Kumar Jain
Chief Financial Officer



CONSOLIDATED FINANCIALS



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GILLANDERS ARBUTHNOT AND COMPANY LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **GILLANDERS ARBUTHNOT AND COMPANY LIMITED** (hereinafter referred to as “the Holding Company”) and its foreign subsidiary and a step down foreign subsidiary (the Holding Company and its subsidiaries/step down subsidiary together referred to as “the Group”) comprising of the consolidated Balance sheet as at March 31 2019, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the Consolidated Statement of Change in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

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 and step down subsidiary, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standard) Rules, 2015, as amended (Ind AS) and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements” section of our report. We are independent of the Group in accordance with the ‘Code of Ethics’ issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

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

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor’s responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Independent Auditors' Report (Contd.)

Key Audit Matter	How our audit addressed the key audit matter
1. Revenue Recognition (See note 27 to the Consolidated Financial Statements)	
<p>Revenue recognition is significant audit risk within the Group.</p> <p>The revenue standard establishes a comprehensive framework for determining whether, how much and when revenue is recognized. This involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of identified performance obligation, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, the standard mandates robust disclosures in respect of revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p> <p>Risk exists that revenue is recognized without substantial transfer of control and is not in accordance with Ind AS-115 "Revenue from Contracts with Customers".</p>	<p>Our audit consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> ▪ Evaluated the design and tested the operative effectiveness of the internal controls relating to revenue recognition, discounts and rebates. ▪ Tested sample of sale transactions to their respective customer contracts, underlying invoices and related documents. ▪ Obtained confirmations from customers on sample basis to support existence assertion of trade receivables and assessed the relevant disclosures made in the financial statements; to ensure revenue from contracts with customers are in accordance with the requirements of relevant accounting standards. ▪ In case of construction contracts, reviewed the Group's estimation process (including the approval of project budget, monitoring of project costs and activities, and management's review and customer's approval of project's stage of completion and milestones achieved) used in determining the amounts of revenue and costs recognised in Group's financial statements.
2. Impairment of Assets (See note 4 to the Consolidated Financial Statements)	
<p>Significant judgement is involved in assessing property, plant and equipment for impairment. At the end of every reporting period, the Group assesses whether there is any indication that an asset or cash generating unit (CGU) may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset or CGU.</p> <p>The determination of recoverable amount, being the higher of fair value less costs to sell and value-in-use involves significant estimates, assumptions and judgements of the long-term financial projections.</p> <p>Impairment of assets is a key audit matter considering the significance of the carrying value, long term estimation and the significant judgements involved in the impairment assessment.</p>	<p>Our audit procedures included considering the Group's accounting policies with respect to impairment in accordance with Ind AS 36 "Impairment of Assets".</p> <p>We performed test of controls over impairment process through inspection of evidence of performance of these controls. We performed the following tests of details:</p> <ul style="list-style-type: none"> ▪ We obtained the management's impairment assessment. ▪ We evaluated the key assumptions including projected cash flows. In determining future cash flows management is required to make assumptions relating to future profitability, including revenue growth and operating margins, and the determination of an appropriate discount rate, all of which are subject to management override as the outcome of the impairment assessments could vary significantly if different judgements are applied. ▪ We have tested the workings of management for ascertaining fair value and costs of disposal of CGU for ascertaining recoverable amount.

Independent Auditors' Report (Contd.)

Key Audit Matter	How our audit addressed the key audit matter
3. Expected Credit Loss (See note 49(A) to the Consolidated Financial Statements)	
<p>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 (ECL) 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 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.</p>	<p>Our Audit procedure on evaluation of Expected credit loss model include:</p> <ul style="list-style-type: none"> ▪ Obtained an understanding of the Group’s process for estimating the ECL of various eligible assets included in the Consolidated Financial Statements. ▪ Evaluated the detailed analysis performed by management on revenue by selecting samples for the existing contracts with customers. ▪ Evaluated the calculation of historical loss rate on the basis of historical trends, industry practices, business environment in which group operates and forward looking information.

Information Other than the Consolidated Financial Statements and Auditor’s Report Thereon

The Holding Company’s Board of Directors is responsible for the presentation of the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor’s report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management’s Responsibility for the Consolidated Financial Statements

The Holding Company’s Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of 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 Ind AS. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 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 financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Independent Auditors' Report *(Contd.)*

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

Independent Auditors' Report (Contd.)

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

Other Matter

We did not audit the financial statements and other financial information, in respect of one branch, a foreign subsidiary and a step down foreign subsidiary, whose financial statements include total assets of Rs.36,816.23 lacs as at March 31, 2019, and total revenues of Rs.12,432.95 lacs and net cash outflows of Rs. 186.62 lacs for the year ended on that date. These financial statements and other financial information have been audited by other auditors, whose reports have been furnished to us by the 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 branch and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and branch is based solely on the report(s) of such other auditors.

Our opinion on the consolidated financial statements, and our report on "Other Legal and Regulatory Requirements" below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and branch, as noted in the 'other matter' paragraph 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 consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company none of the directors of the Holding Company is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company and its subsidiary/step down subsidiary companies, refer to our separate Report in Annexure "1" to this report;

Independent Auditors' Report *(Contd.)*

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- (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 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 financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 38 to the consolidated 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 Registration No.302049E

Anurag Singhi
Partner
Membership No. 066274

Place: Kolkata

Date: 28th May, 2019

'Annexure 1' to the Independent Auditor's Report of even date on the Consolidated Financial Statements of Gillanders Arbuthnot and Company Limited

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

In conjunction with our audit of the consolidated financial statements of **GILLANDERS ARBUTHNOT AND COMPANY LIMITED** as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of **Gillanders Arbuthnot and Company Limited** (hereinafter referred to as the "Holding Company") and its subsidiary companies, which are companies incorporated outside India, as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company and its subsidiary companies which are companies incorporated outside India, 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. 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 the Holding 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding 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, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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 consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained 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 controls over financial reporting of the Holding Company.

Meaning of Internal Financial Controls over Financial Reporting With Reference to these Consolidated Financial Statements

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 consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in

Annexure 1 to the Independent Auditors' Report (Contd.)

accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting With Reference to these Consolidated Financial Statements

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

Opinion

In our opinion, the Holding Company have maintained in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, 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

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, insofar as it relates to the branch 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 Registration No.302049E

Anurag Singhi

Partner

Membership No. 066274

Place: Kolkata

Date: 28th May, 2019

CONSOLIDATED BALANCE SHEET as at 31st March 2019

(₹ in Lakhs)

Particulars	Note No	As at 31st March, 2019	As at 31st March, 2018
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment	4	42,674.05	43,165.79
Capital Work-In-Progress	4	1,414.28	1,652.83
Intangible Assets	5	13.70	18.60
Intangible Assets under Development	5	25.90	-
Financial Assets			
Investments	6	1,882.65	3,260.20
Other Financial Assets	7	1,924.47	2,836.75
Other Non-Current Assets	8	41.51	56.34
Total Non Current Assets		47,976.56	50,990.51
CURRENT ASSETS			
Biological Assets other than Bearer Plants	9	700.17	630.03
Inventories	10	18,761.91	18,473.85
Financial Assets			
Investments	11	1,053.79	113.85
Trade Receivables	12	9,763.40	9,693.58
Cash and Cash Equivalents	13	255.64	166.50
Bank Balances other than Note 13	14	647.94	767.93
Loans	15	24.90	14.27
Other Financial Assets	7	7,491.15	7,042.13
Current Tax Asset (Net)	16	980.30	766.57
Other Current Assets	8	4,806.44	5,515.22
Total Current Assets		44,485.64	43,183.93
Total Assets		92,462.20	94,174.44
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	17	2,134.23	2,134.23
Other Equity	18	26,776.51	27,062.58
Total Equity		28,910.74	29,196.81
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	19	15,116.49	16,598.68
Other Financial Liabilities	20	941.44	1,088.30
Provisions	21	169.55	145.23
Deferred Tax Liabilities (Net)	22	524.39	487.94
Other Non-Current Liabilities	23	30.79	61.21
Total Non-Current Liabilities		16,782.66	18,381.36
CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	24	19,882.03	20,888.90
Trade Payables	25		
Total Outstanding dues to Micro Enterprises and Small Enterprises		71.32	54.27
Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		14,177.79	13,111.00
Other Financial Liabilities	20	8,483.72	8,543.53
Other Current Liabilities	23	1,125.40	1,410.07
Provisions	21	2,689.17	2,452.84
Current Tax Liabilities (Net)	26	339.37	135.66
Total Current Liabilities		46,768.80	46,596.27
Total Equity and Liabilities		92,462.20	94,174.44

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

Anurag Singhi
Partner

Membership No. 066274

Place : Kolkata

Date : 28th May 2019

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

CONSOLIDATED STATEMENT OF PROFIT AND LOSS for the year ended 31st March 2019

(₹ in Lakhs)

Particulars	Note No.	For the year ended 31st March, 2019	For the year ended 31st March, 2018
INCOME			
Revenue from Operations	27	75,115.31	66,479.93
Other Income	28	1,212.54	2,056.35
Total Income (i)		76,327.85	68,536.28
EXPENSES			
Cost of Materials Consumed	29	25,033.59	22,743.20
Purchase of Traded Goods	30	6,659.48	5,103.29
Changes in Inventories of Finished Goods, Work-in-Progress and Traded Goods	31	(421.08)	(1,182.50)
Employee Benefits Expense	32	15,932.37	14,875.25
Finance Costs	33	5,048.86	5,005.31
Depreciation and Amortisation Expense	34	2,023.06	2,423.98
Other Expenses	35	21,377.46	19,972.09
Total Expenses (ii)		75,653.74	68,940.62
Profit / (Loss) before Exceptional Items and Tax (i) - (ii)		674.11	(404.34)
Exceptional Items		-	-
Profit / (Loss) after Exceptional Item but before Tax		674.11	(404.34)
Tax Expense:	36		
Current Tax		467.53	277.07
Deferred Tax		174.17	175.34
Profit / (Loss) for the year (iii)		32.41	(856.75)
Other Comprehensive Income			
Items that will not be reclassified to profit or loss	37		
Remeasurement of the Defined Benefit Plans		(465.25)	(239.29)
Equity Instruments through Other Comprehensive Income		247.23	505.52
Income tax relating to these items		162.58	82.81
Items that will be reclassified subsequently to profit or loss			
Foreign Currency Translation Reserve		(263.04)	-
Other Comprehensive Income for the year (Net of Tax) (iv)		(318.48)	349.04
Total Comprehensive Income for the year attributable to the owner of the Company (iii + iv)		(286.07)	(507.71)
Earnings Per Share			
Nominal Value of Shares (₹ 10)			
Basic & Diluted Earnings Per Share	43	0.15	(4.01)

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
Anurag Singhi
Partner
Membership No. 066274
Place : Kolkata
Date : 28th May 2019

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

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

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019		For the year ended 31st March, 2018	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit/(Loss) before tax		674.11		(404.34)
Adjustments for :				
Depreciation and Amortisation Expense	2,023.06		2,423.98	
Finance Cost	5,048.86		5,005.31	
Fluctuation of Exchange Rate carried to Foreign Exchange Translation Reserve	(275.59)		(11.39)	
(Gain) / Loss on Restatement of Investment at FVTPL	(3.11)		(3.16)	
(Profit)/Loss on Sale of Property, Plant and Equipment (Net)	(74.11)		(96.24)	
Loss on Foreign Currency Transaction and Translation (Net)	45.91		(196.66)	
Loss on Sale of Investment at FVTPL	-		0.01	
Bad Debts and Advances written off	282.85		177.38	
Allowances for Doubtful Debts and advances (Net of written back)	(202.84)		(166.26)	
Change in Fair Value of Biological Asset	(87.19)		(562.49)	
Interest Income	(206.61)		(284.41)	
Liability no longer required written back	(335.40)	6,215.83	(191.98)	6,094.09
Operating profit before Working Capital Changes		6,889.94		5,689.75
Adjustments for :				
Trade and Other Receivables	979.92		790.03	
Inventories	(258.46)		(1,956.99)	
Trade and Other Payables	1,776.97	2,498.43	2,334.73	1,167.77
Cash Generated from Operations		9,388.37		6,857.52
Direct Taxes (Paid) / Refund (Net)	(615.27)		16.54	
Interest received on Income Tax Refund	11.48	(603.79)	-	16.54
Net Cash from Operating Activities		8,784.58		6,874.06
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property, Plant and Equipment and Intangible Assets including Capital work-in-progress and capital advance	(1,643.25)		(2,075.73)	
Proceeds from Sale of Property, Plant and Equipment	199.54		474.99	
Purchase of Current Investments (Net)	(936.83)		-	
Proceeds from Sale of Non-Current Investments	1,624.78		0.08	
Proceeds from Bank Deposits	119.99		(118.55)	
Interest Received	180.88		292.72	
Net Cash used in Investing Activities		(454.89)		(1,426.49)

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March 2019 (*Contd.*)

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019		For the year ended 31st March, 2018	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Long Term Borrowings	1,000.00		1,000.00	
Repayment of Long Term Borrowings	(3,517.42)		(3,665.35)	
Proceeds from Short Term Borrowings (Net)	(351.85)		(237.06)	
Proceeds from Fixed Deposits (from Public)	922.96		963.78	
Repayment of Fixed Deposits (from Public)	(1,329.42)		(748.21)	
Payment of Unclaimed Dividend	(0.03)		(19.42)	
Finance Charges Paid	(4,964.79)		(4,739.09)	
Net Cash used in Financing Activities		(8,240.55)		(7,445.35)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)		89.14		(1,997.78)
Cash and Cash Equivalents on Opening date		166.50		2,164.28
Cash and Cash Equivalents on Closing date		255.64		166.50
		89.14		(1,997.78)

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'.
- Previous year's figures have been rearranged / 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

Anurag Singhi

Partner

Membership No. 066274

Place : Kolkata

Date : 28th May 2019

Manoj Sodhani

Executive Director & CEO

(DIN:02267180)

Dhananjoy Karmakar

Company Secretary

Mahesh Sodhani

Managing Director

(DIN:02100322)

Arun Kumar Kothari

Chairman

(DIN:00051900)

Pravin Kumar Jain

Chief Financial Officer

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

a) Equity Share Capital

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Opening Balance	2,134.23	2,134.23
Add/(Less): Changes in Equity Share Capital during the year	-	-
Closing Balance	2,134.23	2,134.23

b) Other Equity

(₹ in Lakhs)

Particulars	Reserves & 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	
For the year ended 31st March 2018								
Balance as at 31st March, 2017	3,407.53	4,652.95	262.47	9,860.07	7,980.99	36.51	46.45	26,246.97
Profit for the year	-	-	-	-	(856.75)	-	-	(856.75)
Other Comprehensive Income, net of Income Tax	-	(217.97)	-	-	(156.48)	1,541.29	505.52	1,672.36
Total Comprehensive Income for the year	-	(217.97)	-	-	(1,013.23)	1,541.29	505.52	815.61
Balance as at 31st March, 2018	3,407.53	4,434.98	262.47	9,860.07	6,967.76	1,577.80	551.97	27,062.58
For the year ended 31st March 2019								
Balance as at 31st March, 2018	3,407.53	4,434.98	262.47	9,860.07	6,967.76	1,577.80	551.97	27,062.58
Profit for the year	-	-	-	-	32.41	-	-	32.41
Other Comprehensive Income, net of Income Tax	-	-	-	-	(302.67)	(263.04)	247.23	(318.48)
Realised gain on Sale of Equity instruments through FVTOCI	-	-	-	-	359.11	-	(359.11)	-
Total Comprehensive Income for the year	-	-	-	-	88.85	(263.04)	(111.88)	(286.07)
Balance as at 31st March, 2019	3,407.53	4,434.98	262.47	9,860.07	7,056.61	1,314.76	440.09	26,776.51

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

Anurag Singhi
Partner

Membership No. 066274

Place : Kolkata

Date : 28th May 2019

Manoj Sodhani
Executive Director & CEO

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Arun Kumar Kothari
Chairman

(DIN:00051900)

Pravin Kumar Jain
Chief Financial Officer

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS as on and for the year ended 31st March 2019

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 Consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (“Ind AS”) as prescribed by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 (“the Act”), read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended), other relevant provisions of the Act and other accounting principles generally accepted in India.

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

2.2. Basis of Accounting

The 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 46 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.

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

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

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, 2019	Percentage of voting power as at 31st March, 2019	Percentage of ownership interest as at 31st March, 2018	Percentage of voting power as at 31st March, 2018
Subsidiaries (Held directly)					
Gillanders Holdings (Mauritius) Limited (GHML) (WOS of GACL)	Mauritius	100.00	100.00	100.00	100.00
Subsidiaries (Held indirectly)					
Naming'omba Tea Estates Limited (WOS of GHML)*	Malawi	100.00	100.00	-	-
Group Developments Ltd. (WOS of GHML) (GDL)	Malawi	-	-	100.00	100.00
Naming'omba Tea Estates Limited (WOS of GDL)	Malawi	-	-	100.00	100.00
Mafisi Tea Estates Limited (WOS of GDL)	Malawi	-	-	100.00	100.00
Group Holdings Ltd. (WOS of GDL)	Malawi	-	-	100.00	100.00

* Naming'omba Tea Estates Limited, Mafisi Tea Estates Limited and Group Holdings Limited, wholly owned subsidiaries of erstwhile Group Developments Limited (GDL), a step down subsidiary of the Company, undertook a qualified re-organization by way of amalgamating their respective whole businesses and undertaking with that of GDL through a mutually agreed upon scheme of arrangement. The said Scheme was approved by the Hon'ble High Court at Malawi vide Order dated 18th December, 2018. On the said Scheme becoming effective, the name of GDL was changed to Naming'omba Tea Estates Limited.

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.

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

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 Consolidated 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.

2.5. Use of Estimates and Judgements

The preparation of Consolidated financial statements in conformity with Ind AS requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. 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 Consolidated Financial statements (refer note 3.18)

2.6. Presentation of Consolidated 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 Consolidated financial statements along with the other notes required to be disclosed under the notified Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (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.

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

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.

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 consolidated 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, 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.

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

- **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 Other Comprehensive Income (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

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

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 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 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.
- 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).

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

- 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 by the Management. 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.

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 Statement of profit and loss on a straight line basis over the period of the leases unless the payments are structured to

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

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 from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Group is expected to be entitled to in exchange for those goods or services.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Group as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

3.7.1. Sale of Products:

Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

3.7.2. Revenue from construction contracts:

Revenue from fixed-price construction contract, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is assessed by the Management. Efforts or costs expended have been used to measure progress towards completion. Provisions for estimated losses, if any, on incomplete contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date. The significant terms of payment of the contract are the Job advances, progressive payments and mile stone payments as mutually agreed upon.

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.

3.7.1. Other Income:

3.7.1.1. 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 Statement of profit and 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.

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

3.7.1.3. 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.

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

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.

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

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

assets are depreciated over their expected life and are presented in other operating income.

Alternatively, the same can be presented by deducting the grant from the carrying amount of the asset.

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 INR (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 Statement of profit and loss, transaction costs that are attributable to the acquisition of the financial asset.

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

➤ Classification and Subsequent Measurement:

For the 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 Statement of Profit and 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 Statement of 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 group 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 the 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 Statement of Profit and Loss, even on sale of investment.

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

- **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 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 Statement of profit and 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.

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

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 Statement of profit and 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 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, Macademia Nuts and Timber Plantation that are classified as current biological assets.

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

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 and Loss for the period in which it arises.

The Group's agricultural produce comprises of green leaves and macadamia 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.

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 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 Consolidated financial statements is included in the following notes:

- **Revenue Recognition:** In case of construction contracts, the Group uses the percentage of completion method in accounting for its fixed-price contracts. Use of the percentage of completion method requires the Group to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion.
- **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 Property, 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

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

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.

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.

On March 30, 2019 the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2019, notifying Ind AS 116 on Leases. Ind AS 116 would replace the existing leases standard Ind AS 17. The standard sets out the principles for the recognition, measurement, presentation and disclosures for both parties to a contract, i.e. the lessee and the lessor. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently for operating lease rentals are charged to the statement of profit and loss. The Group is currently evaluating the implications of Ind AS 116 on the Consolidated financial statements.

- The Companies (Indian Accounting Standards) Amendment Rules, 2019 also notified amendments to the following accounting standards. The amendments would be effective from April 1, 2019.
 - a. Ind AS 12, Income taxes – Appendix C on uncertainty over income tax treatments
 - b. Ind AS 23, Borrowing costs - Accounting treatment for specific borrowings cost to be considered for capitalisation
 - c. Ind AS 109, Financial instruments - Accounting for prepayment features with Negative Compensation
 - d. Ind AS 19, Employee benefits – Accounting for defined benefit plan on Plan Amendment, Curtailment or Settlement
- The Group is in the process of evaluating the impact of such amendments.

Notes to Consolidated Financial Statements as on and for the year ended 31st March 2019 (Contd.)
NOTE 4 | PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Sl No.	Particulars	Gross Block		Depreciation and Amortisation Disposal / Adjustments	Balance as at 31st March 18	Depreciation / Amortisation for the year	Balance as at 31st March 19	Net Block Balance as at 31st March 18	Net Block Balance as at 31st March 19
		Balance as at 31st March 18	Additions						
A	Tangible Assets Freehold Land Buildings Bridges, culverts, bunders, etc Roads Plant and Machinery Furniture and Fittings Motor Vehicles Office Equipment Computers and Data Processing units Electrical Installations and Equipment Bearer Plants	14,967.76	-	(70.62)	15,038.38	-	169.92	15,038.38	14,967.76
		9,376.34	122.44	(41.66)	9,540.44	3,914.85	0.99	5,453.12	5,461.49
		17.14	-	-	17.14	7.85	1.92	8.30	8.30
		124.51	-	-	124.51	104.75	1.92	106.67	17.84
		33,459.58	558.98	355.60	33,662.96	20,900.82	1,270.71	21,873.32	11,789.64
		536.30	13.50	(1.08)	550.88	412.47	17.58	429.88	121.00
		1,331.97	135.47	67.39	1,400.05	807.69	96.99	856.62	543.43
		303.13	21.56	1.10	323.59	263.76	14.12	276.83	46.76
		356.82	14.41	1.43	369.80	316.48	17.09	332.21	37.59
		2,453.91	13.12	0.23	2,466.80	1,336.86	162.93	1,499.57	967.23
9,573.33	342.92	(319.12)	10,235.37	1,269.47	262.93	1,584.61	8,650.76	8,303.86	
Total	72,500.79	1,222.40	(6.73)	73,729.92	29,335.00	2,015.18	31,055.87	42,674.05	43,165.79
Total								1,414.28	1,652.83
Grand Total (A+B)	72,500.79	1,222.40	(6.73)	73,729.92	29,335.00	2,015.18	31,055.87	44,088.33	44,818.62

Sl No.	Particulars	Gross Block		Depreciation and Amortisation Disposal / Adjustments	Balance as at 31st March 17	Depreciation / Amortisation for the year	Balance as at 31st March 18	Net Block Balance as at 31st March 17	Net Block Balance as at 31st March 18
		Balance as at 31st March 17	Additions						
A	Tangible Assets Freehold Land Buildings Bridges, culverts, bunders, etc Roads Plant and Machinery Furniture and Fittings Motor Vehicles Office Equipment Computers and Data Processing units Electrical Installations and Equipment Bearer Plants	15,068.95	-	101.19	14,967.76	-	166.95	14,967.76	15,068.95
		9,346.77	101.21	71.64	9,376.34	3,752.76	0.62	3,914.85	5,461.49
		17.14	-	-	17.14	7.23	1.92	7.85	9.29
		124.51	-	-	124.51	102.83	1.92	104.75	19.76
		33,354.42	1,020.08	914.92	33,459.58	20,460.23	1,186.37	20,900.82	12,894.19
		539.11	17.97	20.78	536.30	423.99	35.43	412.47	123.83
		1,379.38	119.30	166.71	1,331.97	833.44	93.00	807.69	524.28
		313.29	8.14	18.30	303.13	265.42	15.43	263.76	39.37
		342.37	24.86	10.41	356.82	318.17	8.29	316.48	40.34
		2,479.74	2.32	28.15	2,453.91	1,192.62	165.84	1,336.86	1,117.05
8,965.95	618.97	11.59	9,573.33	529.62	739.78	1,269.47	8,303.86		
Total	71,931.63	1,912.85	1,343.69	72,500.79	27,886.31	2,413.63	29,335.00	43,165.79	44,045.32
Total								1,652.83	931.22
Grand Total (A+B)	71,931.63	1,912.85	1,343.69	72,500.79	27,886.31	2,413.63	29,335.00	44,818.62	44,976.54

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 Property, Plant and Equipment in the course of construction / development is ₹ 46.04 Lakhs (PY - ₹ 53.16 Lakhs).
- Borrowing cost capitalised during year is ₹ 21.87 Lakhs (PY- ₹ 27.02 Lakhs) at the capitalisation rate of 10.10% (PY- 10.15%).
- Refer Note 19.3 and Note 24.1 for information on Property, Plant and Equipment pledged as securities by the Company.
- Disposal / Adjustments includes Foreign Currency Translation adjustments for ₹ 426.47 Lakhs (PY - ₹ (404.51) Lakhs).

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

NOTE 5 | INTANGIBLE ASSETS (₹ in Lakhs)

Sl No.	Particulars	Gross Block			Depreciation and Amortisation			Net Block		
		Balance as at 31st March 18	Additions	Disposal / Adjustments	Balance as at 31st March 19	Balance as at 31st March 18	Amortisation for the year	Disposal / Adjustments	Balance as at 31st March 19	Balance as at 31st March 18
A	Computer Softwares	320.83	2.98	0.17	323.64	302.23	7.88	0.17	309.94	18.60
	Total	320.83	2.98	0.17	323.64	302.23	7.88	0.17	309.94	18.60
B	Intangible Assets under development								25.90	
	Total								25.90	
	Grand Total (A+B)	320.83	2.98	0.17	323.64	302.23	7.88	0.17	309.94	18.60

Sl No.	Particulars	Gross Block			Depreciation and Amortisation			Net Block		
		Balance as at 31st March 17	Additions	Disposal / Adjustments	Balance as at 31st March 18	Balance as at 31st March 17	Amortisation for the year	Disposal / Adjustments	Balance as at 31st March 18	Balance as at 31st March 17
A	Computer Softwares	311.86	8.97	-	320.83	291.88	10.35	-	302.23	19.98
	Total	311.86	8.97	-	320.83	291.88	10.35	-	302.23	19.98
B	Intangible Assets under development									
	Total	-	-	-	-	-	-	-	-	-
	Grand Total (A+B)	311.86	8.97	-	320.83	291.88	10.35	-	302.23	19.98

Note:

- a) The amount of Contractual commitments for acquisition of property, plant and equipment is disclosed in Note 39(a).
- b) Refer Note 19.3 and Note 24.1 for information on Intangible Assets pledged as securities by the Company.

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

NOTE 6 NON - CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	Face Value	As at 31st March 2019		As at 31st March 2018	
	(₹)	Qty	Amount	Qty	Amount
INVESTMENTS AT AMORTIZED COST					
Investment in Fully paid Debentures (Unquoted)					
5% 10 years Redeemable Debenture in Shillong Club Ltd.	100	13	0.01	13	0.01
			0.01		0.01
INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME					
Investments in Unquoted Equity Instruments					
Bharat Fritz Werner Ltd	2	1,422,311	1,869.34	2,681,811	3,246.87
Kothari Hi Tech Consultants Pvt. Ltd.	10	95,000	4.50	95,000	4.50
Satyam Financial Services Ltd.	10	59,669	7.18	59,669	7.18
Woodlands Multispeciality Hospital Ltd.	10	8,655	0.87	8,655	0.87
ABC Tea Workers Welfare Services Ltd.	10	7,502	0.75	7,502	0.75
			1,882.64		3,260.17
INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS					
Investments in Quoted Equity Instruments					
Era Infra Engineering Ltd.	2	1	*	1	*
K.P.R. Mill Ltd.	5	-	-	1	*
Maharaja Shree Umaid Mills Ltd.	10	1	*	1	*
Shree Rajasthan Syntex Ltd.	10	1	*	1	*
Stewarts & Llyods of India Ltd.	10	1	*	1	*
Suryajyoti Spinning Mills Ltd.	10	1	*	1	*
Sutlej Textiles & Industries Ltd.	1	-	-	1	*
UB Engineering Ltd.	10	1	*	1	*
Warren Tea Ltd.	10	-	-	1	*
Winsome Yarns Ltd.	10	1	*	1	*
			*		0.02
Total			1,882.65		3,260.20
Aggregate book value of					
- Quoted Investments			*		0.02
- Unquoted Investments			1,882.65		3,260.18
Aggregate Market Value of Quoted Investment			*		0.02

* Amount is below the rounding off norm adopted by the Company.

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

NOTE 7 OTHERS FINANCIAL ASSETS (₹ in Lakhs)

Particulars	Refer Note No.	Non-Current		Current	
		As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018
Security Deposits					
Unsecured, considered good		558.38	1,352.58	2,286.68	2,589.35
Unsecured, having significant increase in credit risk		–	–	–	–
Unsecured, credit impaired		882.53	2,397.88	3,666.01	2,270.08
		1,440.91	3,750.46	5,952.69	4,859.43
Less:- Allowances for doubtful security deposits		882.53	2,397.88	3,666.01	2,270.08
		558.38	1,352.58	2,286.68	2,589.35
Other Deposits					
NABARD Deposit		–	–	0.82	166.82
Interest Accrued on Loans and Deposits		–	–	41.82	27.57
Others		–	–	5,161.83	4,258.39
Deposits with Bank having maturity of more than one year from the balance sheet date	7.1	1,366.09	1,484.17	–	–
		1,366.09	1,484.17	5,204.47	4,452.78
Total		1,924.47	2,836.75	7,491.15	7,042.13

7.1 - Include ₹ 1,366.09 Lakhs (P.Y. 2017-18 ₹ 1,484.17 Lakhs) marked lien with bank

7.2 - Refer Note 19.3 and Note 24.1 for information on Other Financial Assets pledged as securities by the Company.

NOTE 8 OTHER ASSETS (₹ in Lakhs)

Particulars	Non-Current		Current	
	As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018
Capital Advances	41.51	56.34	–	–
Advance against supply of Goods and Services	–	–	943.45	1,046.95
Prepaid Expenses	–	–	376.44	377.35
Balances with Government and Statutory Authorities	–	–	3,127.48	3,745.93
Incentive and Subsidy Receivable	–	–	390.07	388.78
	41.51	56.34	4,837.44	5,559.01
Less : Allowances for Doubtful Advances	–	–	31.00	43.79
Total	41.51	56.34	4,806.44	5,515.22

8.1 - Refer Note 19.3 and Note 24.1 for information on Other Assets pledged as securities by the Company.

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

NOTE 9 | BIOLOGICAL ASSETS OTHER THAN BEARER PLANTS (₹ in Lakhs)

Particulars	Refer Note No.	As at 31st March 2019	As at 31st March 2018
Fair Value of Biological Assets other than Bearer Plants	9.1	700.17	630.03
Total		700.17	630.03

9.1 The Group owns biological assets, i.e., green leaves on tea bushes from which made tea is produced, macademia nuts and Timber Plantation. The Group has tea estates in Assam, West Bengal in India and in 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 2019	As at 31st March 2018
(As valued and certified by the Management)		
Raw Materials	3,496.68	3,284.89
Stock-in-Process	1,693.12	1,350.91
Finished Goods	8,053.89	8,306.55
Stock-in-Trade (In respect of goods acquired for trading)	464.34	107.74
Contracts in Progress	2,508.30	3,397.76
Scrap and Waste	149.82	162.34
Stores and Spares etc.	2,395.76	1,863.66
Total	18,761.91	18,473.85
The above includes goods-in-transit as under:		
Raw Materials	778.70	158.91
	778.70	158.91

10.1 - Refer note no. 19.3 and note 24.1 for information on inventories pledged as securities by the Group.

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

NOTE 11 | CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	Face Value (₹)	As at 31st March 2019		As at 31st March 2018	
		Qty	Amount	Qty	Amount
INVESTMENTS AT AMORTIZED COST					
Investments in Government and Trust Securities (Unquoted)					
6 Years National Saving Certificates (Deposited with Commercial Tax Officer)			0.07		0.07
			0.07		0.07
Investments in Mutual funds (Unquoted)					
SBI PSU Fund - Regular Plan-Growth	10	–	–	250,000	27.72
SBI Premier Liquid Fund- Institutional-Growth	100	–	–	4	0.12
Reliance Mututal Fund ETF Gold Bees	100	–	–	3,100	85.94
Aditya Birla Sun Life Liquid Fund - Growth	10	125,862	376.37	–	–
HDFC Liquid Fund Regular Plan - Growth	100	10,280	376.30	–	–
ICICI Prudencial Liquid Fund - Growth	10	109,307	301.05	–	–
			1,053.72		113.78
Total			1,053.79		113.85
Aggregate book value of Unquoted Investments			1,053.79		113.85

NOTE 12 | TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Unsecured, considered good	9,763.40	9,693.58
Unsecured, having significant increase in credit risk	-	-
Unsecured, credit impaired	783.07	831.71
Total	10,546.47	10,525.29
Less: Allowances for doubtful receivables	783.07	831.71
Total	9,763.40	9,693.58

12.1 - Trade receivables are non-interest bearing and are generally on terms of 30 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.

Notes to Consolidated Financial Statements as on and for the year ended 31st March 2019 (Contd.)
NOTE 13 | CASH AND CASH EQUIVALENTS (₹ in Lakhs)

Particulars	Refer Note No.	As at 31st March 2019	As at 31st March 2018
Balances With Banks :			
In Current Accounts		152.18	150.21
In Deposit Accounts with Original Maturity of less than three months	13.1	83.95	-
Cash on Hand		19.51	16.29
Total		255.64	166.50

13.1 - Includes deposits marked lien in favour of Bank ₹ 83.95 Lakhs (P.Y. ₹ Nil)

13.2 - Refer Note 19.3 and Note 24.1 for information on Cash and Cash Equivalent pledged as securities by the Company.

NOTE 14 | BANK BALANCES (OTHER THAN NOTE: 13) (₹ in Lakhs)

Particulars	Refer Note No.	As at 31st March 2019	As at 31st March 2018
Balance in Unpaid Dividend Accounts		28.89	28.92
In Deposit accounts with Original maturity of more than three months	14.1	1,985.14	2,223.18
		2,014.03	2,252.10
Less :- Deposits with Bank disclosed under 'other financial Assets' having maturity of more than 12 months		1,366.09	1,484.17
Total		647.94	767.93

14.1 - Includes deposits with bank committed to continue till the tenure of stand by letter of credit for loan availed by the group (Refer Note 39(d)).

NOTE 15 | LOANS (₹ in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Other Loans and Advances		
Advance to Employees, unsecured, considered good	24.90	14.27
Total	24.90	14.27

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 2019	As at 31st March 2018
Advance Income Tax and Tax Deducted at Source	2,016.80	1,811.86
Less: Provision for Income Tax	1,036.50	1,045.29
Total	980.30	766.57

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

NOTE 17 | SHARE CAPITAL

Particulars	As at 31st March 2019		As at 31st March 2018	
	No. of Shares	(₹ in Lakhs)	No. of Shares	(₹ in Lakhs)
17.1 - Authorised Share Capital				
Ordinary Shares of ₹ 10 each	4,20,00,000	4,200.00	4,20,00,000	4,200.00
Preference Shares of ₹ 100 each	32,00,000	3,200.00	32,00,000	3,200.00
	4,52,00,000	7,400.00	4,52,00,000	7,400.00
17.2 - Issued Share Capital				
Ordinary Shares of ₹ 10 each	2,13,42,346	2,134.23	2,13,42,346	2,134.23
	2,13,42,346	2,134.23	2,13,42,346	2,134.23
17.3 - Subscribed and Paid-up Share Capital				
Ordinary Shares of ₹ 10 each fully paid-up	2,13,42,346	2,134.23	2,13,42,346	2,134.23
	2,13,42,346	2,134.23	2,13,42,346	2,134.23

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.

17.7 - Details of Ordinary Shareholders holding more than 5% shares in the Company

Name of Shareholders	As at 31st March 2019		As at 31st March 2018	
	No. of Shares of held	% of Shares held	No. of Shares of held	% of Shares held
Kothari Phytochemicals & Industries Limited	55,01,078	25.78%	55,01,078	25.78%
Kothari Investment & Industries Private Limited	22,53,748	10.56%	22,53,748	10.56%
Vishnuhari Investments & Properties Limited	17,07,291	8.00%	17,07,291	8.00%
M. D. Kothari & Company Limited	15,21,868	7.13%	15,21,868	7.13%
Kothari & Co. Private Limited	14,26,199	6.68%	14,26,199	6.68%
Commercial House Private Limited	13,68,212	6.41%	13,68,212	6.41%
Life Insurance Corporation of India	11,87,278	5.56%	11,87,278	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.

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

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	As at
	31st March 2019	31st March 2018
Capital Reserve	3,407.53	3,407.53
Capital Reserve on Consolidation	4,434.98	4,434.98
Preference Share Redemption Reserve	262.47	262.47
Foreign Currency Translation Reserve	1,314.76	1,577.80
General Reserve	9,860.07	9,860.07
Retained Earnings	7,056.61	6,967.76
Other Reserves	440.09	551.97
Total	26,776.51	27,062.58

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

- a) **Capital Reserve** – Reserve is created on business combination as per statutory requirement.
- b) **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.
- c) **Preference Share Redemption Reserve** – Reserve is created for redemption of preference shares as per statutory requirement.
- d) **Foreign Currency Translation Reserve** – Reserve is created on translation of Financial Statements of Foreign Subsidiaries into presentation Currency.
- e) **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.
- f) **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.
- g) **Other Reserves** – 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.

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

NOTE 19 | BORROWINGS

(₹ in Lakhs)

Particulars	Refer Note No.	Non-Current Portion		Current Maturities	
		As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018
Cumulative Redeemable Preference Shares (CRPS) (Face Value of ₹ 100 each)					
12,10,000 (P. Y - 12,10,000) 7.75% CRPS	19.2	1,210.00	1,210.00	–	–
2,00,000 (P. Y - 2,00,000) 8% CRPS	19.2	–	200.00	200.00	–
		1,210.00	1,410.00	200.00	–
Term Loans					
From Banks:					
Rupee Loans	19.2	6,863.75	7,246.76	1,392.39	2,615.56
Foreign Currency Loans	19.2	5,164.54	6,042.38	1,494.07	1,524.17
		12,028.29	13,289.14	2,886.46	4,139.73
Fixed Deposits (From Public)	19.2	1,829.04	1,825.80	1,048.26	798.10
Others	19.2	49.16	73.74	24.58	24.58
Total		15,116.49	16,598.68	4,159.30	4,962.41
Amount disclosed under the head "Other Financial Liability"				(4,159.30)	(4,962.41)
Total		15,116.49	16,598.68	–	–

19.1 - Break Up of Security Details

(₹ in Lakhs)

Particulars	Non-Current Portion		Current Maturities	
	As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018
Secured	11,077.45	13,362.88	2,911.04	3,164.31
Unsecured	4,039.04	3,235.80	1,248.26	1,798.10
Total	15,116.49	16,598.68	4,159.30	4,962.41

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.)
A	Cumulative Redeemable Preference Shares (CRPS)						
i.	7.75% CRPS	1,210.00	Maximum 18 years from the date of allotment i.e. 19.11.16	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 i.e. 31.03.2005	In bullet payment mode	200.00		8.00%

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

	Particulars	Amount (₹ in Lakhs)	Period of Maturity	Installments Due	Installment Value (₹ in Lakhs)	Repayment Terms	Rate of Interest (P.A.)
B	Term Loan - From Banks						
i	State Bank of India (Corporate Loan-I)	2,320.00	Mar-23	16	100.00/Quarter 125.00/Quarter 175.00/Quarter 185.00/Quarter	Apr'19 - Mar'20 Apr'20 - Mar'21 Apr'21 - Sep'22 Oct'22 - Mar'23	MCLR + 2.30 %
ii	State Bank of India (Corporate Loan-II)	2,390.00	Mar-23	16	100.00/Quarter 150.00/Quarter 175.00/Quarter 165.00/Quarter	Apr'19 - Mar'20 Apr'20 - Mar'21 Apr'21 - Dec'22 Mar'23	MCLR + 3.00 %
iii	State Bank of India (Corporate Loan-III)	2,390.00	Mar-23	16	100.00/Quarter 150.00/Quarter 175.00/Quarter 165.00/Quarter	Apr'19 - Mar'20 Apr'20 - Mar'21 Apr'21 - Dec'22 Mar'23	MCLR + 2.40 %
iv	State Bank of India (Lease Rental Discounting Loan) (LRD)	152.89	Mar-20	12	Equated Monthly Installments (EMI)	Apr'19 - Mar'20	MCLR + 2.85%
v	YES Bank Limited (Term Loan)	1,000.00	Jun-21	3	Apr'21 -Rs 333.00, May'21 - Rs 333 and Jun'21 - Rs 334.	Apr'21, May'21 and Jun'21	MCLR+1.1%
vi	HDFC Bank Limited (Vehicle Loan)	46.68	Dec -19 Jan -20 May -20 Jun -20 Jul -20 Aug -20 Sep -21	9 10 14 15 16 17 30	EMI EMI EMI EMI EMI EMI EMI	Apr'19-Dec'19 Apr'17-Jan'20 Apr'19-May'20 Apr'19-Jun'20 Apr'19-Jul'20 Apr'19-Aug'20 Apr'19-Sep'21	9.25% 9.25% 8.75% 8.75% 8.75% 8.75% 9.50%
vii.	Axis Bank Ltd, Singapore	6,118.20	Sep-22	4	1,267.56/Year 1,322.90/Year 1,322.90/Year 2,204.84/Year	Sep'19 Sep'20 Sep'21 Sep'22	3 Month LIBOR+2.90%
viii.	First Capital Bank Limited , Malawi	540.41	Mar-22	36	14.00/Month	Apr'19-Mar'22	7.75%
ix.	Unamortised Borrowing Cost on Term Loans	(43.43)					
	Total of Term Loan from Banks	14,914.75					

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

	Particulars	Amount (₹ in Lakhs)	Period of Maturity	Installments Due	Installment Value (₹ in Lakhs)	Repayment Terms	Rate of Interest (P.A.)
C	Fixed Deposits (From Public)	2,877.30	One year to three years	Bullet payment on the maturity date	2019-20 - Rs 1,048.26, 2020-21 - Rs 1,202.74, 2021-22 - Rs 626.30	The fixed deposit includes fixed and cumulative deposits both	9.75% - 10.75%
D	Term Loan - From Others - In Indian Rupees						
	Tea Board of India (Special Purpose Tea Fund Scheme)	73.74	Mar-22	3	Rs 24.58 / yearly	Apr'19-Jan'22	9.00%

19.3 - Details of Security Given for Loan

- a) The 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 Corporate Loans and letter of credit for Capital Goods are also secured by guarantee of a Director.
- b) 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.
- c) Term Loan from Yes Bank Limited is guaranteed by a Director.
- d) The Term Loan from HDFC Bank Ltd., are secured by hypothecation of the related vehicles purchased.
- e) 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.
- f) The Term Loan from Axis Bank Limited, Singapore, is secured by stand by letter of credit of USD 9.10 Million issued by Axis Bank Limited, India, and also secured by mortgage charge created over tea estates in India of the Parent Company on pari-pasu basis with United Bank of India (UBI).
- g) The Term Loan from First Capital Bank Ltd, Malawi, is secured by way of mortgage charge created on Assets of Naming'omba Tea Estates, Malawi.

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

NOTE 20 | OTHER FINANCIAL LIABILITIES (₹ in Lakhs)

Particulars	Refer Note No.	Non-Current		Current	
		As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018
Current maturities of Long Term Debts	19	–	–	4,159.30	4,962.41
Trade and Security Deposits (Unsecured)		854.19	928.61	846.30	967.04
Interest accrued but not due on Borrowings		87.25	159.69	309.43	176.61
Unpaid and unclaimed dividends		–	–	28.89	28.92
Employees related Liabilities		–	–	2,597.41	1,801.76
Amount payable for Capital Goods		–	–	39.55	220.49
Unpaid matured deposits and interest accrued thereon		–	–	6.49	4.30
Other Payables		–	–	496.35	382.00
Total		941.44	1,088.30	8,483.72	8,543.53

NOTE 21 | PROVISIONS (₹ in Lakhs)

Particulars	Non-Current		Current	
	As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018
Provision for Employee Benefits	169.55	145.23	2,689.17	2,452.84
Total	169.55	145.23	2,689.17	2,452.84

NOTE 22 | DEFERRED TAX LIABILITIES (NET) (₹ in Lakhs)

Particulars	Refer Note No.	As at 31st March 2019	As at 31st March 2018
Deferred Tax Liabilities			
Arising on account of :			
Property, Plant and Equipment and Intangible Assets		4,647.65	4,356.57
Sub-total		4,647.65	4,356.57
Less: Deferred Tax Assets			
Arising on account of :			
Allowance for Doubtful Debts		1,873.19	1,911.34
Section 43B of Income-tax Act, 1961		1,117.88	1,068.14
Unabsorbed Depreciation/ Carried Forward Business Losses	22.1	998.55	755.51
Others		133.64	133.64
Sub-total		4,123.26	3,868.63
Deferred Tax Liabilities (Net)		524.39	487.94

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.

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

(₹ in Lakhs)

22.2 - Movement in deferred tax asset and deferred tax liabilities during the year ended 31st March, 2018 and 31st March, 2019

Particulars	As at 31st March, 2018	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	As at 31st March, 2019
Deferred Tax Liabilities (A)				
Property, Plant and Equipment and Intangible Assets	4,356.57	291.08	–	4,647.65
Total (A)	4,356.57	291.08	–	4,647.65
Deferred Tax Assets (B)				
Allowances for Doubtful Debts (ECL Model)	1,911.34	(38.15)	–	1,873.19
Items u/s 43B of the Income Tax Act, 1961	1,068.14	212.32	(162.58)	1,117.88
Unabsorbed Depreciation/ Carried Forward Business Losses	755.51	243.04	–	998.55
Others	133.64	–	–	133.64
Total (B)	3,868.63	417.21	(162.58)	4,123.26
Total (A) - (B)	487.94	(126.13)	162.58	524.39

Particulars	As at 31st March, 2017	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	As at 31st March, 2018
Deferred Income Tax Liabilities (A)				
Property, Plant and Equipment & Intangible Assets	4,081.57	275.00	–	4,356.57
Total (A)	4,081.57	275.00	–	4,356.57
Deferred Income Tax Assets (B)				
Allowances for Doubtful Debts	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
Total (B)	3,603.75	347.69	(82.81)	3,868.63
Total (A) - (B)	477.82	(72.69)	82.81	487.94

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.

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

NOTE 23 | OTHER LIABILITIES

(₹ in Lakhs)

Particulars	Non-Current		Current	
	As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018
Job Advance	30.79	61.21	707.11	503.64
Advances Received from Customers	–	–	141.93	199.86
Statutory Dues	–	–	276.36	706.57
Total	30.79	61.21	1,125.40	1,410.07

NOTE 24 | SHORT TERM BORROWINGS

(₹ in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Loans Repayable on Demand		
Working Capital Facilities from Banks		
- United Bank of India in Indian Currency	233.33	198.46
- Other Banks in Indian Currency	8,727.34	7,173.48
- Other Banks in Foreign Currency	1,507.88	793.46
Short Term Loan		
From Banks	3,000.00	5,500.00
From Other Body Corporates	4,945.00	4,975.00
From Related Parties	100.00	225.00
Fixed Deposits (From Public)	1,368.48	2,023.50
Total	19,882.03	20,888.90
The above amount includes		
Secured Borrowings	10,468.55	8,165.40
Unsecured Borrowings	9,413.48	12,723.50
Total	19,882.03	20,888.90

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 in Indian Currency, (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 equipment of the Company (other than Tea Division) ranking pari passu inter-se.
- c) Working Capital facilities in Foreign Currency from First Capital Bank Ltd, Malawi, is secured by mortgage charge created on assets of Naming'omba Tea Estate, Malawi.
- d) Working Capital facilities in Foreign Currency from National Bank of Malawi Plc, is secured by mortgage charge created on assets of Mafisi Tea Estate of Naming'omba Tea Estate Ltd, Malawi.

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

24.2 - Details of Interest Rates on Short Term Borrowings

- a) The Working Capital Facilities in Indian Currency having interest rate varying between 10.10% p.a. - 11.30% p.a. are repayable on demand.
- b) Short term loans from HDFC Bank Ltd. ₹ 3,000.00 Lakhs having interest rate of ranging from 10.15% p.a. is repayable by June 2019 and that from Body Corporates and Related Parties having interest varying between 11.50% to 12.50% p.a.
- c) Fixed Deposit from Public is having interest rate varying between 9.75% p.a. to 10.75% p.a.
- d) Working Capital facilities in local currency i.e. in Malawi Kwacha, from First Capital Bank Ltd, Malawi, carries a interest of 18% p.a. and Working Capital facilities in United States Dollar (USD) currency from First Capital Bank Ltd, Malawi, and National Bank of Malawi Plc, are carrying an interest of 7.75% p.a.

NOTE 25 | TRADE PAYABLES (₹ in Lakhs)

Particulars	Refer Note No.	As at 31st March 2019	As at 31st March 2018
Trade Payables for goods and services			
-Total Outstanding dues to Micro Enterprises and Small Enterprises	42	71.32	54.27
-Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		14,177.79	13,111.00
Total		14,249.11	13,165.27

NOTE 26 | CURRENT TAX LIABILITIES (NET) (₹ in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Opening Balance	135.66	(141.15)
Add: Current Tax payable for the year	467.53	277.07
Less: Taxes Paid	(263.82)	(0.26)
Closing Balance	339.37	135.66

NOTE 27 | REVENUE FROM OPERATIONS (₹ in Lakhs)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Sale of Products	65,464.99	58,806.62
Income from Construction Contracts	7,341.37	5,557.29
Rental Income	646.98	603.07
	73,453.34	64,966.98
Other Operating Revenues		
Incentives and Subsidies	462.58	432.09
Service Charges from Tenants	179.47	143.28
Sale of Waste	937.54	847.28
Other Revenues	82.38	90.30
	1,661.97	1,512.95
Total	75,115.31	66,479.93

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

REVENUE FROM CONTRACTS WITH CUSTOMERS

Effective April 1, 2018, the Company has adopted Ind AS 115 - Revenue from Contracts with Customers, using the cumulative effect method and the comparative information is not restated. The adoption of the standard did not have any material impact on the financial statements of the Company.

A. Revenue from contracts with customers disaggregated based on revenue stream and by reportable segment.

(₹ in Lakhs)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Revenue based on product & services		
Cotton /Man Made Fibre Yarn	38,493.55	34,802.88
Tea and Macademia Nuts	26,971.44	24,003.74
Income from Construction Contracts	7,341.37	5,557.29
Rental Income	646.98	603.07
Other Operating Revenues	1,661.97	1,512.95
Total	75,115.31	66,479.93
Revenue based on Geography		
India	57,791.51	51,553.15
Overseas	17,323.80	14,926.78
Total	75,115.31	66,479.93
Reconciliation of Revenue from Operation with contract price		
Contract Price	75,632.21	66,881.79
Less: Sales Return	(409.20)	(311.81)
Rebates & Discounts	(107.70)	(90.05)
Revenue from Operation	75,115.31	66,479.93

Transaction Price - Unstatisfied Performance Obligation

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognised as at the end of the reporting period and an explanation as to when the Company expects to recognise these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts as the revenue recognised corresponds directly with the value to the customer of the entity's performance completed to date.

There are no aggregate value of performance obligations that are completely or partially unsatisfied as of 31st March, 2019, other than those meeting the exclusion criteria mentioned above.

(₹ in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Contract Balances		
Contract Assets	7,101.51	8,316.28
Less: Impairment allowances	(4,535.75)	(4,667.96)
Total	2,565.76	3,648.32
Contract Liabilities	879.83	764.71
Gross Trade Receivables	10,546.47	10,525.29
Unbilled Revenue for passage of time	6,881.10	7,046.96
Less: Impairment allowances	(783.07)	(831.71)
Net Receivables	16,644.50	16,740.54

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

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer in advance. Contract assets are transferred to receivables when the rights become unconditional and contract liabilities are recognised as revenue as and when the performance obligation is satisfied.

NOTE 28 | OTHER INCOME (₹ in Lakhs)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Interest Income		
Deposits with Banks and others	206.61	284.41
Net Gain/ (Loss) on sale of Investments at FVTPL		
On Non-Current investments	-	0.01
Gain/ (Loss) on restatement of Investments at FVTPL	3.11	3.16
Other Non Operating Income		
Profit on sale of Property, Plant and Equipment (Net)	74.11	96.24
Change in fair valuation of biological assets	87.19	562.49
Liabilities no longer required written back	335.40	191.98
Allowances for doubtful debts and advances no longer required written back (Net) (NET OF NIL (PY -RS 885.52 LAKHS) CHARGED AS CONTRACTUAL OBLIGATION)	202.84	166.26
Foreign Exchange Fluctuation (Net)	-	196.66
Sundry Receipts and Claims	303.28	555.14
Total	1,212.54	2,056.35

NOTE 29 | COST OF MATERIALS CONSUMED (₹ in Lakhs)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Opening Stock of Raw Materials	3,284.89	3,738.07
Add: Purchases	25,245.38	22,290.02
Less Closing Stock of Raw Materials	(3,496.68)	(3,284.89)
Total	25,033.59	22,743.20

NOTE 30 | PURCHASE OF TRADED GOODS (₹ in Lakhs)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Purchase of Traded Goods	6,659.48	5,103.29
Total	6,659.48	5,103.29

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

NOTE 31 | CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS (₹ in Lakhs)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Inventories at the beginning of the year		
Finished Goods	8,306.55	7,427.20
Stock-in-Trade	107.74	132.48
Stock-In-Progress	1,350.91	1,157.95
Scrap and Waste	162.34	16.02
	9,927.54	8,733.65
Inventories at the end of the year		
Finished Goods	8,053.89	8,306.55
Stock-in-Trade	464.34	107.74
Stock-In-Progress	1,693.12	1,350.91
Scrap and Waste	149.82	162.34
	10,361.17	9,927.54
Fluctuation of Exchange Rate carried to Foreign Exchange Translation Reserve	12.55	11.39
Total changes in inventories of Finished Goods, Work-in-Progress, and Traded Goods	(421.08)	(1,182.50)

NOTE 32 | EMPLOYEE BENEFITS EXPENSE (₹ in Lakhs)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Salaries and Wages	13,438.36	12,298.90
Contribution to Provident and Other Funds	1,378.40	1,467.54
Staff Welfare Expenses	1,115.61	1,108.81
Total	15,932.37	14,875.25

NOTE 33 | FINANCE COST (₹ in Lakhs)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Interest Expense (Net of Incentive Income)	3,967.26	4,009.24
Interest on Fixed Deposits (From Public)	458.38	496.34
Dividend on Redeemable Preference Shares	109.78	109.78
Other Financial Charges	513.44	389.95
Total	5,048.86	5,005.31

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

NOTE 34 DEPRECIATION AND AMORTIZATION EXPENSES (₹ in Lakhs)

Particulars	Refer Note No.	For the year ended 31st March 2019	For the year ended 31st March 2018
On Property, Plant and Equipment	4	2,015.18	2,417.20
On Intangible Assets	5	7.88	6.78
Total		2,023.06	2,423.98

NOTE 35 OTHER EXPENSES (₹ in Lakhs)

Particulars	Refer Note No.	For the year ended 31st March 2019	For the year ended 31st March 2018
Manufacturing Expenses			
Stores, Spare Parts & Packing Materials Consumed		3,634.77	3,332.39
Power & Fuel		6,558.85	6,184.44
Cess		82.69	88.84
Repairs to Buildings		234.33	307.94
Repairs to Machinery		1,257.70	1,147.72
Repairs to Other Assets		102.62	132.52
Jobs on Contract		2,566.92	2,101.38
Jobs Outsourcing		599.47	650.97
Machinery Hire Charges		157.79	42.38
Other Manufacturing Expenses		1,264.06	1,217.67
		16,459.20	15,206.25
Selling and Administrative Expenses			
Brokerage & Commission on Sales		501.14	488.67
Freight, Shipping, Delivery and Selling Expenses		1,410.41	1,222.27
Travelling & Conveyance		746.59	724.83
Rent		61.53	62.10
Rates & Taxes		382.09	386.22
Insurance		217.69	242.86
Bad debts written off		282.85	177.38
Corporate Social Responsibility Expenses		-	-
Auditors' Remuneration	35.1	73.60	66.52
Loss on Foreign currency transaction and translation (Net)		45.91	-
Directors' Sitting Fees		16.47	10.58
Consultation and Advisory Charges		216.06	237.46
Other Expenses		963.92	1,146.95
		4,918.26	4,765.84
Total		21,377.46	19,972.09

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

35.1 - Auditors' Remuneration

(₹ in Lakhs)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
a) Statutory Auditors		
Audit Fees	48.69	40.23
Other Services	18.90	16.80
Reimbursement of Expenses	0.61	0.14
	68.20	57.17
b) Branch Auditors		
Audit Fees	4.00	5.50
Tax Audit Fees	0.55	2.50
Other Services	0.60	0.90
Reimbursement of Expenses	0.25	0.45
	5.40	9.35
Total	73.60	66.52

NOTE 36 | TAX EXPENSE

(₹ in Lakhs)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Current Tax for the year	467.53	277.07
Deferred Tax	174.17	175.34
Total	641.70	452.41

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

(₹ in Lakhs)

Particulars	2018-19	2017-18
Profit/(Loss) before income tax expense	674.11	(404.34)
Indian Statutory Income Tax rate*	31.20%	30.90%
Estimated Income Tax Expense	210.32	(124.94)
<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	44.76	64.79
b) Additional deduction under Income-Tax Act, 1961	(86.91)	(83.33)
c) Income that is exempt from taxation	(112.74)	(19.91)
d) Unrecognised deferred tax assets on tax losses for the year / period	561.49	291.03
e) Taxes in other Jurisdiction	45.06	150.04
f) Others	(20.28)	174.73
	431.38	577.35
Income tax expense in Statement of Profit and Loss	641.70	452.41

* Applicable Indian Statutory Income Tax rate for Fiscal Year 2019 and 2018 is 31.20% and 30.90% respectively.

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

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

NOTE 37 OTHER COMPREHENSIVE INCOME (₹ in Lakhs)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Items that will not be reclassified to profit or loss		
Remeasurement of the defined benefit plans	(465.25)	(239.29)
Less: Tax expense on the above	(162.58)	(82.81)
	(302.67)	(156.48)
Equity Instruments through Other Comprehensive Income	247.23	505.52
Less: Tax expense on the above	–	–
Items that will be reclassified subsequently to profit or loss		
Foreign Currency Translation Reserve	(263.04)	–
	(15.81)	505.52
Total	(318.48)	349.04

NOTE 38 CONTINGENT LIABILITIES

A) Claims/Disputes/Demands not acknowledged as debts - (₹ in Lakhs)

Sl. No.	Particulars	As at 31st March 2019	As at 31st March 2018
a.	Sales Tax	962.91	2,100.38
b.	Cess on Jute bags/Jute Twine	7.32	7.32
c.	Cess and Excise on Captive Consumption	11.33	11.33
d.	Excise Duty	35.24	35.46
e.	Service Tax	427.13	424.83
f.	Income Tax	107.33	106.02
g.	Voltage Surcharge on Electricity consumed	164.60	164.60
h.	Others	28.95	27.53

At the reporting date NTEL remained a signatory to the ESCROW account held with CDH Investment Bank Limited, Malawi, with a balance of Rs.33.12 Lakhs as at 31 March 2019 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.

NOTE 39 COMMITMENTS (₹ in Lakhs)

Sl. No.	Particulars	As at 31st March 2019	As at 31st March 2018
a.	Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of Advance of ₹ 41.51 Lakhs (PY - ₹ 56.24 Lakhs)	63.15	136.31
b.	For Lease commitments, refer Note 40	–	–
c.	For derivatives contract refer Note 49(C)(b)	–	–
d.	Deposits with Bank committed to continue till the tenure of stand by letter of credit.	1,366.09	1,484.17

Notes to Consolidated Financial Statements as on and for the year ended 31st March 2019 (Contd.)
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 ₹ 157.57 Lakhs (P.Y - ₹ 41.66 Lakhs) in the Statement of Profit and Loss under the head Machinery Hire Charges (Refer Note 35).

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 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:
(₹ in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Payables within one year	13.76	13.76
Payables later than one year but not later than five years	41.27	55.03
Payables later than five years	—	—

ii) Amounts recognized in Profit and Loss

(₹ in Lakhs)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Total rental expense relating to operating leases	61.53	62.10

40.2 - 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 ₹ 646.98 Lakhs during the year (P.Y - ₹ 603.03 Lakhs). The gross value and accumulated depreciation of such asset as at 31st March, 2019 was ₹ 17.12 Lakhs (P.Y - ₹ 15.62 Lakhs) and ₹ 2.48 Lakhs (P.Y - ₹ 1.51 Lakhs) respectively.

NOTE 41

Revenue expenditure on Research and Development of ₹ 25.36 Lakhs (P.Y. ₹ 21.33 Lakhs) represents subscription to Tea Research Association.

Notes to Consolidated Financial Statements as on and for the year ended 31st March 2019 (Contd.)**NOTE 42 | DISCLOSURE PURSUANT TO MSMED ACT** (₹ in Lakhs)

Sl. No.	Particulars	As at 31st March 2019	As at 31st March 2018
i)	Principal Amount remaining unpaid to any suppliers under MSMED Act	70.86	54.27
ii)	Interest due thereon remaining unpaid to any suppliers on above	0.46	-
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	-	-
	Total	71.32	54.27

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 | BASIC AND DILUTED EARNING PER SHARE

Sl. No.	Particulars	As at 31st March 2019	As at 31st March 2018
i)	Profit / (Loss) after Tax available for Ordinary Shareholders (₹ in Lakhs)	32.41	(856.75)
ii)	Weighted Average of Ordinary Shares of ₹ 10 each outstanding during the year (Numbers)	2,13,42,346	2,13,42,346
iii)	Basic and Diluted Earning per Share {(i) / (ii)} (₹)	0.15	(4.01)

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	Designation
Key Managerial Personnel	Mr. Arun Kumar Kothari (AKK)	Non-Executive Promoter Chairman
	Mrs. Prabhawati Devi Kothari (PDK)	Non-Executive Promoter Director
	Mr. Mahesh Sodhani (MS)	Managing Director (MD) (w.e.f - 01.04.2018)
	Mr. Manoj Sodhani (MSI)	Executive Director and Chief Executive Officer (CEO) (w.e.f - 01.04.2018)
	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 Consolidated Financial Statements as on and for the year ended 31st March 2019 *(Contd.)*

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 (KIIPL) 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 of the Company
Employee Benefit Plan	Kothari Provident Fund (KPF)

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

45.2 - Transactions during the year

(₹ in Lakhs)

Particulars	2018-19	2017-18
	Companies in which Directors / KMP are interested	Companies in which Directors/KMP are interested
Rent Received		
-BFW	2.65	2.65
-KCO	0.51	0.51
-KPIL	0.86	0.86
-KMC	0.51	0.53
-ADL	24.60	30.29
-WCL	-	-
Guarantee Commission Paid		
-MDKCL	4.30	4.30
-CHPL	0.25	0.33
Sale of Fixed Assets		
-ADL	-	50.72
Unsecured Loan Taken		
-PDK	-	35.00
-KCSPL	-	125.00
-CHPL	-	100.00
Unsecured Loan Repaid		
-AKK	100.00	-
-PDK	-	100.00
-KCSPL	25.00	100.00
Interest on Loan Taken		
-AKK	7.12	12.50
-PDK	-	10.72
-KCSPL	1.21	6.71
-CHPL	12.50	10.68
Sale of Investment of Unquoted Equity Shares		
-KPIL	612.75	-
-MDKCL	187.05	-
-AKK	103.20	-
-PDK	103.20	-
-VIPL	216.72	-
Employer Contribution towards Provident Fund		
-KPF	47.19	52.77

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

45.3 - Key Managerial Personnel compensation *

(₹ in Lakhs)

Particulars	2018-19	2017-18
Mr Mahesh Sodhani	74.51	-
Mr Manoj Sodhani	74.57	-
Mr Deo Kishan Sharda	-	84.52
Total Compensation	149.08	84.52
Sitting Fees		
Mr. Arun Kumar Kothari	2.20	2.00
Mrs. Prabhawati Devi Kothari	2.20	1.67
Dr. Hari Prasad Kanoria	0.50	0.15
Mr. Harishchandra Maneklal Parekh	2.10	2.44
Mr Naresh Pachisia	1.85	2.00
Mr. Arvind Baheti	1.55	0.26
Total Sitting Fees	10.40	8.52
Total	159.48	93.04

* Provision for Employee Benefits which are based on Actuarial Valuation done on overall company basis are excluded.

45.4 - Balance Outstanding as at the balance sheet date

(₹ in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Unsecured Loan Taken		
-AKK	-	100.00
-KCSPL	-	25.00
-CHPL	100.00	100.00
Guarantee Commission Payable		
-CHPL	0.25	-
Interest Payable on Loan Taken		
-CHPL	12.50	-

45.5 - 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.

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

NOTE 46 | FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (₹ in Lakhs)

Particulars	31st March 2019			31st March 2018		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
Financial Assets						
Investment						
- Equity Instruments	*	1,882.64	–	0.02	3,260.17	–
- Debentures	–	–	0.08	–	–	0.08
- Mutual Funds	1,053.72	–	–	113.78	–	–
Trade Receivables	–	–	9,763.40	–	–	9,693.58
Loans Given	–	–	24.90	–	–	14.27
Cash and Cash Equivalents	–	–	255.64	–	–	166.50
Other Bank Balances	–	–	647.94	–	–	767.93
Deposits with Bank having maturity of more than one year from the balance sheet date	–	–	1,366.09	–	–	1,484.17
Interest Accrued on Deposits	–	–	41.82	–	–	27.57
Security & Other Deposits	–	–	2,845.88	–	–	4,108.75
Other Financial Assets	50.72	–	5,111.11	–	–	4,258.39
Total Financial Assets	1,104.44	1,882.64	20,056.86	113.80	3,260.17	20,521.24

* Amount is below the rounding off norm adopted by the Company.

Particulars	31st March 2019			31st March 2018		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
Financial Liabilities						
Borrowings	–	–	39,157.82	–	–	42,449.99
Trade Payables	–	–	14,249.11	–	–	13,165.27
Trade & Security Deposits	–	–	1,700.49	–	–	1,895.65
Interest accrued but not due on Borrowings and Public Deposits	–	–	396.68	–	–	336.30
Amount Payable for Capital Goods	–	–	39.55	–	–	220.49
Employee Related Liabilities	–	–	2,597.41	–	–	1,801.76
Other Financial Liabilities	–	–	531.73	4.96	–	410.26
Total Financial Liabilities	–	–	58,672.79	4.96	–	60,279.72

NOTE 47 | FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES MEASURED AT AMORTISED COST

47.1 - 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.

47.2 - 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.

Notes to Consolidated Financial Statements as on and for the year ended 31st March 2019 (Contd.)
NOTE 48 | 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.

48.1 - Assets and Liabilities measured at Fair Value - recurring fair value measurements (₹ in Lakhs)

Particulars	31st March 2019			31st March 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Financial Investment at FVTPL						
Mutual Funds	1,053.72	–	–	113.78	–	–
Listed Equity Investments	*	–	–	0.02	–	–
Financial Investment at FVOCI						
Unlisted Equity Investments	–	–	1,882.64	–	–	3,260.17
Foreign Exchange Forward Contracts	–	50.72	–	–	–	–
Total Financial Assets	1,053.72	50.72	1,882.64	113.80	–	3,260.17
Financial Liabilities						
Foreign Exchange Forward Contracts	–	–	–	–	4.96	–
Total Financial Liabilities	–	–	–	–	4.96	–

* Amount is below the rounding off norm adopted by the Company.

NOTE 49 | 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.

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

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 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 :

(₹ in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Trade Receivables (Gross)	10,546.47	10,525.29
Less: Provision for Loss Allowances	783.07	831.71
Trade Receivables (Net)	9,763.40	9,693.58

(iii) The movement of Security Deposit and Loss Allowance thereto are as follows:

(₹ in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Security Deposits (Gross)	7,393.60	8,609.89
Less: Provision for Loss Allowances	4,548.54	4,667.96
Security Deposits (Net)	2,845.06	3,941.93

iv) Reconciliation of Loss allowance provision:

(₹ in Lakhs)

Particulars	Trade Receivables	Loans & Deposits
Loss Allowance in 31st March 2018	831.71	4,667.96
Change in Loss allowance	(48.64)	(119.42)
Loss Allowance in 31st March 2019	783.07	4,548.54

(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.

Notes to Consolidated Financial Statements as on and for the year ended 31st March 2019 (Contd.)
a) As at 31st March 2019

(₹ in Lakhs)

Particulars	Total	On Demand	Within 1 year	1 year to 5 Years
Non-Derivative				
Trade payables	14,249.11	-	14,249.11	-
Long Term Borrowings	19,275.79	-	4,159.30	15,116.49
Short Term Borrowing	19,882.03	10,468.55	9,413.48	-
Other financial liabilities	5,265.86	3,168.69	1,155.73	941.44
Total	58,672.79	13,637.24	28,977.62	16,057.93
Derivative				
Foreign Exchange forwards contracts	-	-	-	-

b) As at 31st March 2018

(₹ in Lakhs)

Particulars	Total	On Demand	Within 1 year	1 year to 5 Years
Non-Derivative				
Trade payables	13,165.27	-	13,165.27	-
Long Term Borrowings	21,561.09	-	4,962.41	16,598.68
Short Term Borrowing	20,888.90	8,165.40	12,723.50	-
Other financial liabilities	4,664.46	2,432.51	1,143.65	1,088.30
Total	60,279.72	10,597.91	31,994.83	17,686.98
Derivative				
Foreign Exchange forwards contracts	4.96	-	4.96	-

(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	%	As at	%
	31st March 2019		31st March 2018	
Variable rate borrowings	24,457.04	62.46%	24,607.96	57.97%
Fixed Rate borrowings	14,700.78	37.54%	17,842.03	42.03%
Total Borrowings	39,157.82	100.00%	42,449.99	100.00%

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.

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

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 ended 2018-19	For the year ended 2017-18
50 bps increase would decrease the profit before tax by	(122.29)	(123.04)
50 bps decrease would increase the profit before tax by	122.29	123.04

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.

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

Particulars	Currency	As at 31st March 2019		As at 31st March 2018	
		Amount in Foreign Currency (in Lakhs)	Amount (₹ in Lakhs)	Amount in Foreign Currency (in Lakhs)	Amount (₹ in Lakhs)
Forward Contract to Sell	USD	25.36	1,754.21	22.20	1,438.49
Forward Contract to Buy	USD	12.19	843.00	1.03	66.93
	EURO	-	-	1.82	148.59

(ii) Particulars of unhedged foreign currency exposures as at the reporting date

Particulars	Currency	As at 31st March 2019		As at 31st March 2018	
		Amount in Foreign Currency (in Lakhs)	Amount (₹ in Lakhs)	Amount in Foreign Currency (in Lakhs)	Amount (₹ in Lakhs)
Trade & Other Receivable	USD	1.66	114.51	8.10	526.66
Trade & Other Payable	USD	0.41	28.15	0.71	45.90

Sensitivity: A change of 3% in Foreign currency would have following Impact on profit before tax
(₹ in Lakhs)

Particulars	Currency	For the year 2018-19		For the year 2017-18	
		3% Increase	3% Decrease	3% Increase	3% Decrease
USD	USD	2.59	(2.59)	24.04	(24.04)

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

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.

(₹ in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Investment in Quoted Equity Instruments	*	0.02
Investment in Mutual Funds	1,053.72	113.78

* Amount is below the rounding off norm adopted by the Company.

Sensitivity: A change of 50 bps on Net Asset Value of Mutual Fund would have following Impact on profit before tax.

(₹ in Lakhs)

Particulars	For the year 2018-19	For the year 2017-18
50 bps increase would increase the profit before tax by	5.27	0.57
50 bps decrease would decrease the profit before tax by	(5.27)	(0.57)

NOTE 50 | 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.

NOTE 51 | SEGMENT REPORTING
51.1 - Information in accordance with the requirements of the IND AS - 108 on 'Segment Reporting':-

The Company has identified four primary business segments viz :

i) Textile	Manufacture and sale of yarn and fabric made out of Cotton and Man-made Fibre viz., Acrylic, Polyester, Viscose Staple and Blends thereof.
ii) Engineering (MICCO)	Manufacture and sale of Steel Structural, Pipes and equipments and Designing, Supplying, erection and Commissioning of projects on turnkey basis.
iii) Tea	Manufacture and sale of Tea and Macademia Nuts.
iv) Property	Letting out property on rent.

Segments have been identified and reported taking into account nature of products and services, the different risks and returns and the internal business reporting systems. The accounting policies adopted for segment reporting are in line with the accounting policy of the Company with the following additional policies for segment reporting.

- Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".
- Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related asset and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

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

51.2 - Primary Segment Information (Business Segment)

(₹ in Lakhs)

Particulars	Textiles	Tea	Engineering (Micco)	Property	Unallocable	Total
Segment Revenue						
External Turnover	39,533.81	27,413.68	7,341.37	826.45	-	75,115.31
	(35,838.28)	(24,331.94)	(5,563.40)	(746.31)	-	(66,479.93)
Inter Segment Revenue	-	-	-	70.24	-	70.24
	-	-	-	(61.07)	-	(61.07)
Total Segment Revenue	39,533.81	27,413.68	7,341.37	896.69	-	75,185.55
	(35,838.28)	(24,331.94)	(5,563.40)	(807.38)	-	(66,541.00)
Less: Inter Segment Elimination	-	-	-	70.24	-	70.24
	-	-	-	(61.07)	-	(61.07)
Revenue from Operations	39,533.81	27,413.68	7,341.37	826.45	-	75,115.31
	(35,838.28)	(24,331.94)	(5,563.40)	(746.31)	-	(66,479.93)
Segment Result	842.65	2,679.98	1,670.80	633.48	-	5,826.91
	(1,677.53)	(1,594.67)	(1,077.30)	(564.18)	-	(4,913.68)
Less: Unallocable Expenditure net of unallocable Income					103.94	103.94
					(312.71)	(312.71)
Finance Costs					5,048.86	5,048.86
					(5,005.31)	(5,005.31)
Profit Before Tax						674.11
						(404.34)
Other Information						
Segment Assets	35,591.53	25,700.24	17,441.42	7,938.99	5,790.02	92,462.20
	(36,727.53)	(24,798.72)	(18,733.52)	(7,988.99)	(5,925.68)	(94,174.44)
Segment Liabilities	10,915.43	6,077.04	4,841.18	553.61	41,164.20	63,551.46
	(10,005.22)	(4,321.77)	(5,348.99)	(527.05)	(44,774.60)	(64,977.63)
Capital Expenditure	380.29	568.78	3.70	7.00	52.96	1,012.73
	(949.16)	(1,669.79)	(8.05)	(2.38)	(14.08)	(2,643.46)
Depreciation and Amortisation Expense	1,117.62	786.45	89.30	2.73	26.96	2,023.06
	(1,038.44)	(1,243.97)	(99.58)	(2.07)	(39.92)	(2,423.98)

Figures in bracket represents previous year figures

51.3 - Secondary Segment Information (Geographical Segment)

(₹ in Lakhs)

Particulars	Within India	Outside India	Total
Segment Revenue	57,791.51	17,323.80	75,115.31
	(51,553.15)	(14,926.78)	(66,479.93)
Segment Assets	73,181.81	13,490.37	86,672.18
	(75,217.03)	(13,031.73)	(88,248.76)
Capital Expenditure	840.77	119.00	959.77
	(1,642.91)	(986.47)	(2,629.38)

Figures in bracket represents previous year figures.

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

51.4 - Other Disclosures

- a) The Group's corporate strategy aims at creating multiple drivers of growth anchored on its core competencies. The Group is currently focused on four business groups : Textile, Engineering, Tea and Property. The Group's organisational structure and governance processes are designed to support effective management of multiple businesses while retaining focus on each one of them.
- b) The geographical information considered for disclosure are:
- Sales within India
 - Sales outside India
- c) The Group is not reliant on revenues from transactions with any external customer for more than 10% or more of its revenue other than one from whom company derives a turnover of ₹ 717.71 Lakhs.
- d) Inter-segment transfers are based on prevailing market prices.
- e) The accounting policies adopted for segment reporting are in line with the accounting policy of the Company.

NOTE 52

Additional Information, as required under Schedule-III to the Companies Act, 2013, of enterprises consolidated as Subsidiary:

(₹ in Lakhs)

Name of the entity	As at 31st March, 2019			
	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
Parent				
Gillanders Arbuthnot and Company Limited	92.81%	26,833.11	-326.89%	(935.13)
Subsidiaries				
1) Gillanders Holdings (Mauritius) Limited (Mauritius)	1.92%	554.11	-18.03%	(51.57)
2) Naming'omba Tea Estates Limited (Malawi)	7.47%	2,160.10	244.91%	700.62
Adjustment / Elimination on consolidation		(636.58)		0.01
Total		28,910.74		(286.07)

NOTE 53

Previous years figures have been rearranged / regrouped wherever necessary.

As per our Report of even date annexed.

For and on behalf of the Board

For **SINGHI & CO.**

Chartered Accountants

Firm Registration No. 302049E

Anurag Singhi

Partner

Membership No. 066274

Place : Kolkata

Date : 28th May 2019

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

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)

1.	Sl. No.	1	2
2.	Name of the subsidiary	Gillanders Holdings (Mauritius) Ltd.	Naming'omba Tea Estates Limited *
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1st April 2018 to 31st March 2019	1st April 2018 to 31st March 2019
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	USD Exchange Rate - 69.1713	Malawi Kwacha Exchange Rate 0.0946
5.	Share capital	650.21	1.16
6.	Reserve & surplus	(96.10)	2,158.94
7.	Total Assets	6,701.74	5,721.54
8.	Total Liabilities	6,147.63	3,561.44
9.	Investments	2,560.71	-
10.	Turnover	-	4,578.12
11.	Profit / (Loss) before taxation	19.39	1,371.83
12.	Provision for taxation	70.95	408.17
13.	Profit / (Loss) after taxation	(51.56)	963.66
14.	Proposed Dividend	-	-
15.	% of shareholding	100%	100%

Notes: There are no subsidiaries which are yet to commence operation

* Naming'omba Tea Estates Limited, Mafisi Tea Estates Limited and Group Holdings Limited, wholly owned subsidiaries of erstwhile Group Developments Limited (GDL), a step down subsidiary of the Company, undertook a qualified re-organization by way of amalgamating their respective whole businesses and undertaking with that of GDL through a mutually agreed upon scheme of arrangement. The said Scheme was approved by the Hon'ble High Court at Malawi vide Order dated 18th December, 2018. On the said Scheme becoming effective, the name of GDL was changed to Naming'omba Tea Estates Limited.

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 Number	—
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 ventures which are yet to commence operation
2. There are no associates and joint ventures which have been liquidated or sold during the year 2018-19

As per our Report of even date annexed.

For and on behalf of the Board

For **SINGHI & CO.**

Chartered Accountants

Firm Registration No. 302049E

Anurag Singhi

Partner

Membership No. 066274

Place : Kolkata

Date : 28th May 2019

Manoj Sodhani

Executive Director & CEO

(DIN:02267180)

Mahesh Sodhani

Managing Director

(DIN:02100322)

Arun Kumar Kothari

Chairman

(DIN:00051900)

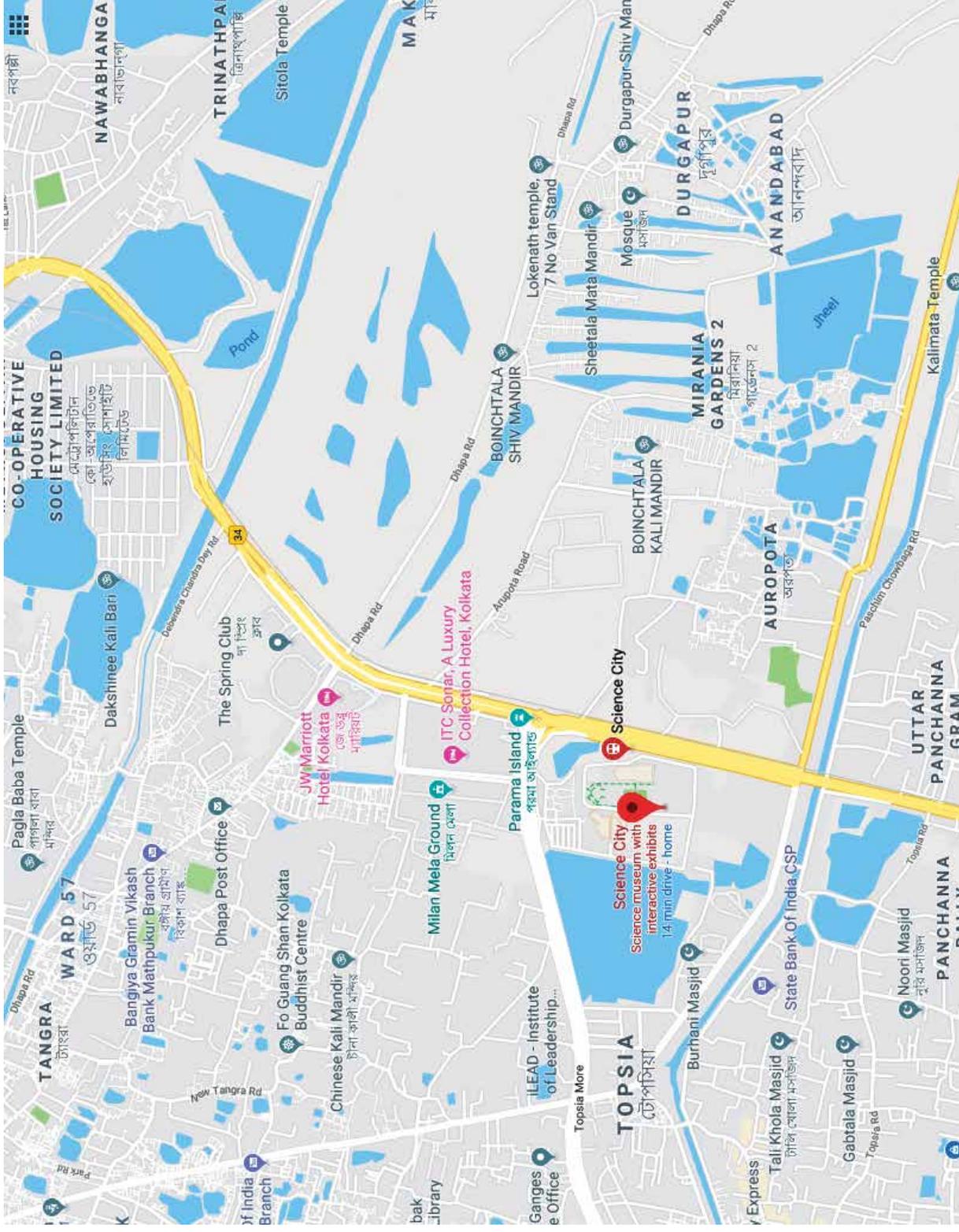
Dhananjay Karmakar

Company Secretary

Pravin Kumar Jain

Chief Financial Officer

Route Map of the Venue of the 85th Annual General Meeting –Seminar Hall, S-18 (A & B) of the Science City, J.B.S. Haldane Avenue, Kolkata – 700046





GILLANDERS ARBUTHNOT AND COMPANY LIMITED
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Website : www.gillandersarbuthnot.com