

# GILLANDERS ARBUTHNOT AND COMPANY LIMITED



# Annual Report 2020





**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, Director  
Mr. C.R. Prayag, Director  
Mr. Mahesh Sodhani, Managing Director  
Mr. Manoj Sodhani, Executive Director & CEO

### CHIEF FINANCIAL OFFICER

Mr. P.K. Jain#  
Mr. Niraj Singh\$

### 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  
Punjab National Bank (erstwhile United Bank of India)  
State 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@gillandersarbutnot.com](mailto:gillander@gillandersarbutnot.com)  
Website : [www.gillandersarbutnot.com](http://www.gillandersarbutnot.com)

### Audit Committee

Mr. A. Baheti, Chairman  
Mr. A.K. Kothari, Member  
Mr. N. Pachisia, Member  
Mr. K. Ashok, Member

### Stakeholders Relationship Committee

Mr. C. R. Prayag, Chairman  
Mr. A.K. Kothari, Member  
Smt. P.D. Kothari, Member  
Mr. Mahesh Sodhani, Member

### Nomination And Remuneration Committee

Mr. K. Ashok, Chairman  
Smt. P.D. Kothari, Member  
Mr. N. Pachisia, Member

### Corporate Social Responsibility Committee

Mr. N. Pachisia, Chairman  
Mr. C. R. Prayag, Member  
Mr. K. Ashok, Member

\*As on 30th June, 2020

^ceased w.e.f. 9th August, 2019

# retired w.e.f. 31st March, 2020

\$ appointed w.e.f. 1st April, 2020

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## NOTICE

Notice is hereby given that the **Eighty Sixth Annual General Meeting (“AGM”)** of the Members of the Company will be held on Friday, the **14th day of August, 2020 at 10.00 A.M.** (Indian Standard Time- IST) through Video Conferencing / Other Audio Visual Means (“VC/OAVM”) Facility 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, 2020, the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Mahesh Sodhani (DIN 02100322), who retires by rotation at this Annual General Meeting, and being eligible, offers himself for re-appointment.
3. To consider and, if thought fit, to pass, the following Resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 139 and 142 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], Messrs JKVS & Co., Chartered Accountants, Kolkata, (Firm Registration No. 318086E), be and is hereby appointed as the Auditor of the Company, to hold office for 5 (Five) consecutive years from the conclusion of this Annual General Meeting until the conclusion of the 91st Annual General Meeting of the Company to be held in the calendar year 2025 and that the Board of Directors be and is hereby authorized to fix such remuneration, as may be recommended by the Audit Committee in consultation with the Auditor, plus reimbursement of out-of-pocket expenses actually incurred by the Auditor at the time of performing their duties.”

### SPECIAL BUSINESSES:

4. **To approve the remuneration of the Cost Auditors for the financial year ending on 31st March, 2021 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, 2021, be paid the remuneration as set out in the statement annexed to the Notice convening this 86th 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.”

5. **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 and all matters connected therewith or incidental thereto.

**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.”

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

**D. Karmakar**  
*Company Secretary*

**Place: Kolkata**  
**Date: 30th June, 2020**

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

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## Notice (Contd.)

### NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“the Act”) setting out material facts concerning the businesses under Item Nos. 3 to 5 of the accompanying Notice, is annexed hereto.
2. **General instructions for accessing and participating in the 86th AGM through VC/OAVM Facility and voting through electronic means including remote e-Voting.**
  - a. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
  - b. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the businesses to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
  - c. The Members can join the 86th AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
  - d. The attendance of the Members attending the 86th AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013. Since the AGM will be held through VC / OAVM facility, Proxy Form, Attendance Slip including the Route Map is not annexed to this Notice.
  - e. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members may be appointed for the purpose of voting through remote e-voting, for participating in the 86th AGM through VC / OAVM facility and cast their votes through e-voting.
  - f. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the 86th AGM has been uploaded on the website of the Company at [www.gillandersarbuthnot.com](http://www.gillandersarbuthnot.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The 86th AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
3. **Instructions for Members for Remote e-Voting are as under:**
  - (i) The voting period begins on Tuesday, 11th August, 2020 at 9:00 a.m. and ends on Thursday, 13th August, 2020 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, 7th August, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

**Notice (Contd.)**

- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on “Shareholders” module.
- (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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant(s) are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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 shareholders 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 ‘Gillanders Arbuthnot and Company Limited’ on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL’s mobile app “m-Voting”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

**Notice (Contd.)**

4. **Process for those shareholders whose email addresses are not registered with the depositories for obtaining login credentials for e-voting for the resolutions proposed in this Notice:**
  - a. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [secretarial@gillandersarbuthrot.com](mailto:secretarial@gillandersarbuthrot.com) or [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com).
  - b. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [secretarial@gillandersarbuthrot.com](mailto:secretarial@gillandersarbuthrot.com) or [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com).
  - c. The company/RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.
5. **Instructions for Members for participating in the 86th AGM through VC/OAVM are as under:**
  - a. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
  - b. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
  - c. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
  - d. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
  - e. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **15 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at [secretarial@gillandersarbuthnot.com](mailto:secretarial@gillandersarbuthnot.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **15 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at [secretarial@gillandersarbuthnot.com](mailto:secretarial@gillandersarbuthnot.com). These queries will be replied to by the company suitably by email.
  - f. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
6. **Instructions for Members for e-Voting during the 86th AGM are as under:**
  - a. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
  - b. Only those shareholders, who are present in the 86th AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
  - c. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
  - d. Shareholders who have voted through Remote e-Voting will be eligible to attend the 86th AGM. However, they will not be eligible to vote at the 86th AGM.

**Notice (Contd.)****7. Note for Non – Individual Shareholders and Custodians**

- a. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  - b. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - c. 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.
  - d. The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - e. 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.
  - f. Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [secretarial@gillandersarbuthnot.com](mailto:secretarial@gillandersarbuthnot.com) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
  - g. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 1800225533.
  - h. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 1800225533.
8. Pursuant to the MCA Circulars and SEBI Circular and owing to the difficulties involved in dispatch of physical copies of the Notice of the 86th AGM and the Annual Report for the financial year 2019-2020 including therein the Audited Financial Statements for financial year 2019 -2020, the said documents are being sent only by email to the Members. Therefore, those Members, whose email address is not registered with the Company or with their respective Depository Participant(s), and who wish to receive the Notice of the 86th AGM and the Annual Report for the financial year 2019 - 2020 and all other communication to be sent by the Company, from time to time, can get their email address registered by following the steps as given below:-
- a. For Members holding shares in physical form, please send scan copy of a signed request letter mentioning your folio number, complete address, email address to be registered along with scanned self attested copy of the PAN and any document (such as Driving Licence, Passport, Bank Statement, AADHAR) supporting the registered address of the Member, by email to the Company’s email address [secretarial@gillandersarbuthnot.com](mailto:secretarial@gillandersarbuthnot.com).
  - b. For the Members holding shares in demat form, please update your email address through your respective Depository Participant(s).
9. The Notice of the 86th AGM and the Annual Report for the Financial Year 2019-2020 including therein the Audited Financial Statements for the financial year 2019 -2020, will be available on the website of the Company at [www.gillandersarbuthnot.com](http://www.gillandersarbuthnot.com) and the website of BSE Limited and National Stock Exchange Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The Notice of 86th AGM will also be available on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com).
10. The Register of Members and the Share Transfer books of the Company will remain closed from Friday, 7th August, 2020 to Friday, 14th August 2020, both days inclusive, for the purpose of the 86th AGM.
11. Any person, who acquires shares of the Company and becomes Member of the Company after the Company sends the Notice of the 86th AGM by email and holds shares as on the cut-off date i.e. Friday, 7th August, 2020, may obtain the User ID and password by sending a request to the RTA email address [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com). However, if you are

## Notice (Contd.)

already registered with CDSL for remote e-Voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evotingindia.com](http://www.evotingindia.com).

12. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting or casting vote through e-Voting system during the meeting.
13. CS Deepak Kumar Khaitan, Practising Company Secretary, (FCS No.5615), and / or CS Shruti Singhanian, Practising Company Secretary, (ACS No.49632), has been appointed as the Scrutinizer to scrutinize the remote e-Voting process and casting vote through the e-Voting system during the meeting in a fair and transparent manner.
14. During the 86th AGM, the Chairman shall, after response to the questions raised by the Members in advance or as a speaker at the 86th AGM, formally propose to the Members participating through VC/OAVM Facility to vote on the resolutions as set out in the Notice of the 86th AGM and announce the start of the casting of vote through the e-Voting system. After the Members participating through VC/OAVM Facility, eligible and interested to cast votes, have cast the votes, the e-Voting will be closed with the formal announcement of closure of the 86th AGM.
15. The Scrutinizer will submit, within 48 hours of conclusion of the 86th 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 Scrutinizer’s Report. The result declared along with the Scrutinizer’s report shall be placed on the Company’s website at [www.gillandersarbuthnot.com](http://www.gillandersarbuthnot.com) and on the website of CDSL immediately after the declaration by the Chairman of the Meeting 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. Friday, 14th August, 2020.
16. Electronic copy of all the documents referred to in the accompanying Notice of the 86th AGM and the Explanatory Statement shall be available for inspection in the Investor Section of the website of the Company at [www.gillandersarbuthnot.com](http://www.gillandersarbuthnot.com)
17. During the 86th AGM, Members may access the scanned copy of Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act, upon Log-in to CDSL e-Voting system at [www.evotingindia.com](http://www.evotingindia.com).
18. Brief resume of Director seeking re-appointment at the Meeting alongwith details of his other Directorships and shareholding in the Company pursuant to 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.
19. 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, 2012 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 2012-2013 or any subsequent financial years are requested to submit their claims at the Registered Office of the Company. The dividend for the financial year 2012-2013 is due to be transferred to IEPF in the second half of 2020. 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 2011-2012, which has not been claimed for seven consecutive years or more to the Investor Education and Protection Fund. Members are advised to visit the

**Notice (Contd.)**

Company's website at [www.gillandersarbuthnot.com](http://www.gillandersarbuthnot.com) to ascertain details of shares liable for transfer to IEPF Authority for the financial year 2012-2013.

20. 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 and NSDL for the financial year ending on 31st March, 2021 have also been paid.
21. 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  
Email - [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com)

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

22. 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.
23. 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.
24. The SEBI has vide Circular no. MRD/DoP/Cir-05/2009 dated 20th May, 2009 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.
25. 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.

## Annexure to the Notice

### ANNEXURE TO THE NOTICE

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

##### Item No. 3

The second term of 5 (five) consecutive years of M/s. Singhi & Co., Chartered Accountants, (Firm Registration No.- 302049E) as Statutory Auditors of the Company shall come to an end on the conclusion of the ensuing 86th Annual General Meeting of the Company. The present remuneration of M/s. Singhi & Co. for conducting audit for the financial year 2019-2020 is ₹ 19.20 lakhs plus taxes and reimbursement of out of pocket expenses.

The Board of Directors of the Company, on the recommendation of the Audit Committee, recommends to the members appointment of Messrs. JKVS & Co., Chartered Accountants, (Firm Registration No. 318086E ) as a Statutory Auditor of the Company for a period of 5 (five) consecutive years from the conclusion of this 86th AGM till the conclusion of 91st AGM. The remuneration to Messrs. JKVS & Co., would be paid on the recommendation of the Audit Committee and as approved by the Board of Directors during their tenure as statutory auditor of the Company. The proposed remuneration for the financial year 2020-2021 is ₹19.20 lakhs plus taxes and reimbursement of out of pocket expenses.

The Audit Committee has considered various parameters viz., capability, team size, experience, clientele served, technical knowledge and the ability to serve a diverse Company like Gillanders Arbuthnot and Company Limited and found Messrs. JKVS & Co., to be suitable to be the Statutory Auditor of the Company.

Messrs. JKVS & Co started as a sole proprietorship concern in the year 1987 the firm has been offering its clientele wide spectrum of services including Audit and Assurance, Risk Advisory, Consulting, Taxation, Corporate Finance and Management Services. At present the firm has 8 (eight) partners and have more than 30 (thirty) listed Companies as clients. Mr. V. Bapna (currently the Managing Partner) brings with him wide knowledge base and experience of almost 40 years. The firm has branches in Kolkata, Delhi and Mumbai. Recently, the name of the firm has been changed from erstwhile Jitendra K Agarwal & Associates to JKVS & Co.

Messrs. JKVS & Co., Chartered Accountants, has given their consent to be the Statutory Auditor of the Company, if appointed, at the ensuing 86th Annual General Meeting of the Company for a period of 5 (five) consecutive years. Messrs. JKVS & Co., Chartered Accountants, has also confirmed that their appointment would be in compliance with the provisions of the Companies Act, 2013 and applicable Rules and that they are not disqualified under any Act from being Statutory Auditors 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.

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.

Electronic copy of all the documents referred to in the accompanying Notice of the 86th AGM and the Explanatory Statement shall be available for inspection in the Investor Section of the website of the Company at [www.gillandersarbuthnot.com](http://www.gillandersarbuthnot.com).

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

##### Item No. 4

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, 2021, 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	₹78,500 /- 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. 4 of the Notice, for ratification of the remuneration payable to the Cost Auditors for the financial year ending on 31st March, 2021.

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. 4 of the Notice.

Electronic copy of all the documents referred to in the accompanying Notice of the 86th AGM and the Explanatory Statement shall be available for inspection in the Investor Section of the website of the Company at [www.gillandersarbuthnot.com](http://www.gillandersarbuthnot.com)

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

#### **Item No. 5**

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. 5 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. 5 of the Notice.

Electronic copy of all the documents referred to in the accompanying Notice of the 86th AGM and the Explanatory Statement shall be available for inspection in the Investor Section of the website of the Company at [www.gillandersarbuthnot.com](http://www.gillandersarbuthnot.com)

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

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

Place: Kolkata  
Date: 30th June, 2020

**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 Director seeking re-appointment at the ensuing 86th Annual General Meeting (Refer Item No. 2 of the Notice)**

<b>Name of the Director</b>	<b>Mr. Mahesh Sodhani (DIN 02100322)</b>
<b>Date of Birth</b>	24th February, 1972
<b>Qualification</b>	CA, CS & CMA
<b>Date of Appointment</b>	1st April, 2018
<b>Brief Resume and nature of expertise in functional area</b>	Mr. Mahesh Sodhani is associated with the Company since 01.05.2001. Mr. Sodhani has vast experience in Tea Industry and he also has experience in EPC business. Prior to his appointment as 'Managing Director' he was designated as President of the Company. Mr. Sodhani has expertise in finance, marketing and administration and he is an astute leader.
<b>Relationship with other Directors, Key Managerial Personnel of the Company</b>	Mr. Mahesh Sodhani is the brother of Mr. Manoj Sodhani, Executive Director & CEO of the Company.
<b>Number of Meetings of the Board attended during the year</b>	4 (Four)
<b>Directorship(s), Membership(s)/ Chairmanship(s) of Committees of other Boards*</b>	<b>Directorships:</b> <b>Listed Companies</b> Nil <b>Unlisted Companies</b> Nil <b>Committee Memberships*</b> <b>Member of Stakeholders Relationship Committee</b> Nil <b>Member of Audit Committee</b> Nil
<b>Number of Ordinary Shares held in the Company</b>	Nil
<b>Terms and conditions of re-appointment along with details of remuneration sought to be paid and the remuneration last drawn by such person</b>	The Shareholders of the Company at the 84th AGM has approved the appointment of Mr. Mahesh Sodhani as 'Managing Director' of the Company for period of 3 years with effect from 1st April, 2018, liable to retire by rotation.

\*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, 2020.

## FINANCIAL RESULTS

The Company's financial performance, for the year ended on 31st March, 2020, is summarized below:

₹ In Lakhs

Particulars	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Revenue from Operations	61,489.73	70,537.19	66,003.07	75,115.31
Other Income	1,592.46	1,094.39	1,684.28	1,212.54
Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	3,035.09	5,475.81	4,530.71	7,746.03
Less: Depreciation/ Amortisation/ Impairment	1,568.83	1,694.16	1,965.85	2,023.06
Profit /(loss) before Finance Costs, Exceptional items and Tax Expense	1,466.26	3,781.65	2,564.86	5,722.97
Less: Finance Costs	4,204.49	4,498.76	4,771.03	5,048.86
Profit /(loss) before Exceptional items and Tax Expense	(2,738.23)	(717.11)	(2,206.17)	674.11
Add/(less): Exceptional items	958.04	-	958.04	-
Profit / (loss) before Tax Expense	(1,780.19)	(717.11)	(1,248.13)	674.11
Less: Tax Expense (Current & Deferred)	-	162.58	273.83	641.70
<b>Profit /loss for the year (1)</b>	<b>(1,780.19)</b>	<b>(879.69)</b>	<b>(1,521.96)</b>	<b>32.41</b>
<b>Total Comprehensive Income/ (loss) (2)</b>	<b>(260.34)</b>	<b>(55.44)</b>	<b>205.83</b>	<b>(318.48)</b>
<b>Total (1+2)</b>	<b>(2,040.53)</b>	<b>(935.13)</b>	<b>(1,316.13)</b>	<b>(286.07)</b>
Balance of Profit / (Loss) of earlier years	11,168.81	12,103.94	8,811.46	9,097.53
Balance carried forward	9,128.28	11,168.81	7,495.33	8,811.46
<b>Earning per Ordinary Shares ( ₹ )</b>				
Basic & Diluted	(8.34)	(4.12)	(7.13)	0.15

## FINANCIAL PERFORMANCE AND REVIEW OF OPERATIONS

During the financial year ended on 31st March, 2020, your Company has reported a standalone EBITDA of ₹ 3,035.09 Lakhs against ₹ 5,475.81 Lakhs during the previous year. Total Standalone Income from Operations has decreased to ₹ 61,489.73 Lakhs as against ₹ 70,537.19 Lakhs in the Previous Year. Operational matters have been discussed under 'Management Discussion and Analysis', detailed in appropriate part of this Report.

During the year under review, the operating profit margin ratio and net profit margin ratio was lower by more than 25 per cent when compared with the previous financial year. This was primarily due to operating losses incurred by the Company

## Directors' Report (Contd.)

due to economic slowdown and Covid'19 which has been discussed in detail in Management Discussion and analysis section.

### DIVIDEND AND TRANSFER TO RESERVE

In view of inadequacy of profits for the financial year ended on 31st March, 2020, 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 HOLDINGS (MAURITIUS) LIMITED, A WHOLLY OWNED SUBSIDIARY

During the year, the Company has invested an amount of USD 2,00,000 (United States Dollar Two Lakhs only) by subscribing to 2,00,000 numbers of fully paid up equity shares of USD 1 each, at par, of Gillanders Holdings (Mauritius) Limited, a Wholly Owned Foreign Subsidiary. In the month of June, 2020, the Company has further invested USD 31,00,000 (United States Dollar thirty one lakhs only) by subscribing to 31,00,000 fully paid up equity shares of USD 1 each, at par, of Gillanders Holdings (Mauritius) Limited, a Wholly Owned Foreign Subsidiary since the close of the reporting financial year to the date of this Report.

### 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

The textile industry in general and spinning industry in particular has been passing through a huge crisis mainly due to poor demand in both the domestic and international markets. The cotton spinning mills are highly dependent on the export of yarn, which was down by about thirty percent in the year under review, as compared to previous year, resulting in big crisis for the spinning mills. The synthetic spinning mills also faced a crisis as the import of synthetic yarn increased as compared to previous year.

Covid'19 came as a big blow to the already struggling industry with unprecedented crisis in both the domestic and international markets, as most of the countries resorted to lockdown. The lockdown has resulted in total disruption to the businesses and destruction of demand across the world.

India has imposed continuous lockdown in the month of April and May with negligible activity in the textile sector. After initial phase of complete lockdown the industry has been allowed to function with substantially reduced capacity which is not sustainable and viable. The industry will have to deal with the totally uncertain environment with regard to government directives and restrictions, unpredictable demand scenario, erratic and uncertain labour availability. The industry is expected to encounter unprecedented challenges in the current year. Your Directors are closely monitoring the situation and will take all necessary steps to minimize the impact.

#### Tea Division

The Global Tea Production (Excluding China) in the financial year 2019-20 was at par with 2018-19. All India Tea Production during 2019-20 is 1360.10 million kgs compared to 1349.60 million kgs in the previous financial year.

Your Division reported a production of 9.2 million kgs, which is marginally lower than the previous year. Adverse weather condition during the early part of the year and sale of Jutlibari Tea Estate during the last quarter of the financial year have resulted in lower production. Further, rapid spread of Covid 19 pandemic across the world, including India, followed by Lockdowns have impacted the production in the month of March 2020.

## **Directors' Report** (Contd.)

Average Tea Prices at auction centers in North India witnessed a decrease of ₹ 3.00 per kg compared to the previous year, primarily due to decrease in price of non quality Tea. Price realization of our Bulk Tea is at par when compared with previous year.

During the year under review, Jutlibari Tea Estate, one of the tea estates of the Company, was sold to Jutlibari Tea and Plantations LLP, Assam in order to reduce the debts and improve the overall profitability of the Company.

During the period under review, the performance of the Export Division is stable. During the current year with an increased price in domestic market, economic slowdown in importing countries and lower price in African teas due to higher production may cause challenges for Indian tea export market. However, your Division is hopeful of maintaining its performance in the coming year.

All seven factories of your Division are certified under ISO 22000-2005 and are also certified under Trustea. Your Division also enjoys RFA certification in its three Tea Estates located in the Golaghat districts.

During the current year, due to Covid'19 production of Tea is adversely affected till date, resulting in loss of revenue, increased cost of production, which would adversely impact the profitability of the Division. However, due to lower tea in supply chain, prices have firm up and shall remain buoyant during the year. The Division is continuing its focus on quality and mechanization and expects that the performance to be stable in the current year.

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

MICCO (Engineering) Division is engaged mainly in the execution of EPC projects and different job work in the field of structural, mechanical, piping & electrical in different steel plants of India.

During the year under review, steel sector units are under stress due to worldwide low demand and falling price of steel products. During, the year under review, MICCO, having a good track record continued to remain adequately engaged in Tata Kalinganagar, RINL as well as in JSW Dolvi plant.

There has been impact of pandemic on progress of job during the current year resulting in slight increase in cost. However, your Directors are hopeful that with gradual opening up of the economy, demand shall improve and expects that the steel producers will proceed with expansion program albeit at a lower pace, which will help in procuring sufficient orders. Your Directors expect performance of this Division to be stable during the current year.

### **Property Division**

The Division has reported revenue of ₹ 919.95 lakhs, which is 11.31% higher compared to previous year. The increase in Revenue was due to induction of new tenants and renewal of tenancy at increased rates. Comprehensive fire safety policy is rigorously implemented with installation of fire safety equipments and conducting of fire safety drills at regular intervals.

Due to Covid'19 and slowing down of economic activities, the performance of this Division may be adversely affected. However, continuous efforts would be made to increase occupancy and rationalize cost.

### **Internal financial control systems and their adequacy**

Your Company has adequate Internal Financial Control Systems in all areas of operation. Your Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its businesses, including adherence to the Company's policies, safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial disclosures. Internal Audits are conducted by Independent firms of Chartered Accountants and the reports are discussed with the operational heads by the CFO, 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 Auditors or Internal Auditors of the Company.

## Directors' Report (Contd.)

### 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, pandemic 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, 2020, 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 loss before tax of ₹ 52.15 lakhs, against profit of ₹ 19.39 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, 2020, Naming'omba Tea Estates Limited, Malawi (NTEL), a step down Foreign Subsidiary, has reported a profit before tax of ₹ 1,050.38 lakhs, against a reported profit of ₹ 1,371.83 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 2.33 million kgs, compared to last year's production of 2.53 million kgs.

During the year, Macadamia (N I H) production of NTEL was 2.07 million kgs against last year's production of 2.22 million kgs. Further, we have done extension planting of 124.55 Hectares of macadamia and will continue extension plans in coming years.

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

### FIXED DEPOSITS

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

As on 31st March, 2020 an amount of ₹ 3,786.12 lakhs was outstanding as fixed deposit from the public and Shareholders of your Company out of which ₹ 1,953.74 lakhs were accepted / renewed during the year.

During the year under review, your Company has accepted / renewed deposits aggregating to ₹ 1,953.74 lakhs, which comprise of Fixed Deposit for ₹ 459.04 lakhs and Cumulative Deposit for ₹ 1,494.70 lakhs.

## **Directors' Report** (Contd.)

Matured Fixed Deposits for ₹ 18.64 lakhs remained unpaid and unclaimed as on 31st March, 2020, out of which Fixed Deposit for ₹ 13.48 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. Mahesh Sodhani will retire in the ensuing 86th 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 all 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.

The Board of Directors at its Meeting held on 28th May, 2019 had recommended the appointment of Mr. Charudatta Raghvendra Prayag and Mr. Kothaneth Ashok as Independent Directors for consecutive period of 5 (five) years each with effect from 28th May, 2019. Further, the Board of Directors had also recommended the re-appointment of Mr. Naresh Pachisia as an Independent Director of the Company for second term of 5 (five) consecutive years with effect from 9th August, 2019. The aforesaid appointments / re-appointment were approved at the 85th Annual General Meeting held on 9th August, 2019.

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, 2020, 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 on 31st March, 2020 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.

## Directors' Report (Contd.)

### 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. Certificate on Corporate Governance, as stipulated in the said Regulations, issued by CS Deepak Kumar Khaitan, Practicing Company Secretary (FCS No. 5615), is also attached to this Report.

### CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. 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.gillandersarbutnot.com/pdf/policy/rpt\\_policy\\_03jun19.pdf](http://www.gillandersarbutnot.com/pdf/policy/rpt_policy_03jun19.pdf). Your Directors draw attention of the Members to Note No. 47 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 activities. 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.gillandersarbutnot.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 monitoring, mitigating and minimization of the said risks.

### AUDITORS

The second term of 5 (five) consecutive years of M/s. Singhi & Co., Chartered Accountants, (Firm Registration No.- 302049E) as Statutory Auditors of the Company shall come to an end on the conclusion of the ensuing 86th Annual General Meeting of the Company. The Board of Directors of the Company would like to place on record their sincere appreciation for the services rendered by the said Auditor.

Messrs. JKVS & Co., Chartered Accountants, (Firm Registration No. 318086E ) has given their consent to be the Statutory Auditor of the Company, if appointed, at the ensuing 86th Annual General Meeting of the Company for a period of 5 (five) consecutive years. Messrs. JKVS & Co., Chartered Accountants, has also confirmed that their appointment would be in compliance with the provisions of the Companies Act, 2013 and applicable Rules and that they are not disqualified under any Act from being Statutory Auditors of the Company.

M/s. Kothari & Company, Chartered Accountants, (Firm Registration No.- 309088E), who were re-appointed as Branch Auditors 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, shall continue to be the Branch Auditor of the said Division.

Brief profile of JKVS & Co., Chartered Accountants, their terms and rationale for appointment has been provided in the

## Directors' Report (Contd.)

explanatory statement to the Resolution set out in the Notice convening the 86th AGM of the Company.

The Board of Directors recommends their appointment as 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 explanations.

### COST AUDITORS

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

S.N.	Division	Cost Auditors for the financial year ending on 31st March, 2021
1	Tea	M/s. B. Ray & Associates
2	Textile	M/s. D. Sabyasachi & Co

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, 2021, is appearing in the Notice convening the 86th AGM of the Company.

### SECRETARIAL AUDIT

The Board had appointed CS K.C. Dhanuka, Practicing Company Secretary (FCS No. 2204), to conduct Secretarial Audit for the financial year ended on 31st March, 2020. The Secretarial Audit Report for the financial year ended on 31st March, 2020 is annexed herewith and marked as **Annexure II** to this Report. The Secretarial Audit Report does not contain any qualification/ adverse remark/observation.

### CHANGE IN KEY MANAGERIAL PERSONNEL

The Board of Directors on the recommendation of the Nomination and Remuneration Committee have promoted and appointed Mr. Niraj Singh, who is a member of the Institute of Chartered Accountants of India, as the Chief Financial Officer of the Company with effect from 1st April, 2020.

Mr. P. K. Jain retired as the Chief Financial Officer of the Company from the close of business hours on 31st March, 2020. Your Board wishes to record its sincere appreciation for the services rendered by Mr. P. K. Jain during his long tenure as Chief Financial Officer of the Company.

### OTHER DISCLOSURES:

#### Composition of Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee of the Company, at present, comprises of Mr. N. Pachisia as the Chairman of the Committee, Mr. C. R. Prayag and Mr. K. Ashok as the 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. A. Baheti as the Chairman of the Committee, Mr. A.K. Kothari, Mr. N. Pachisia and Mr. K. Ashok as the Members of the said Committee. For details relating to composition,

## Directors' Report (Contd.)

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. K. Ashok as the Chairman of the Committee, Smt. P.D. Kothari and Mr. N. Pachisia as the 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, it's 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.gillandersarbutnot.com/pdf/2019/NRC-Policy.pdf>. The recommendations made by the Nomination and Remuneration Committee were accepted by the Board.

### Composition of Stakeholders Relationship Committee

The Stakeholders Relationship Committee of the Company, at present, comprises of Mr. C. R. Prayag as the Chairman of the Committee, Mr. A.K. Kothari, Smt. P.D. Kothari and Mr. Mahesh Sodhani as the Members of the said Committee. For details relating to composition, number and dates of meetings 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

Four 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 D of the report on Corporate Governance, which forms part of this Annual Report.

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

During the year under review, the Company had given a loan of USD 20,00,000 (United States Dollar Twenty lakhs only) to Gillanders (Holdings) Mauritius Limited, a wholly owned foreign subsidiary of the Company, which was repaid during the financial year by the said subsidiary. The Company has not given any guarantee and security during the year. However, during the financial year 2019-2020, the Company has invested an amount of USD 2,00,000 (United States Dollar Two Lakhs only) 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. 47 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**.

## Directors' Report (Contd.)

### 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.gillandersarbuthnot.com/inv\\_info.php](https://www.gillandersarbuthnot.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 23rd December 2019 had given CARE BBB+, Stable, and CARE A3+, Stable, rating for the Company's long term bank facilities and fixed Deposit Scheme.

Thereafter, CARE vide their letter dated 14th January, 2020 had given CARE BBB+, Stable, for the Company's fixed Deposit Scheme. These ratings are valid for a period of one year from the date of the letters, until otherwise, revised.

### Secretarial Standards

During the year under review, the Company has not issued any share capital. 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, 2019, 2,294 aggregate number of shareholders representing 2,31,782 numbers of fully paid up Ordinary shares were lying in the suspense account. During the financial year 2019-2020, 59,052 numbers of fully paid up ordinary shares aggregating 443 shareholders were transferred to the suspense account. As on 31st March, 2020, 2,90,834 numbers of Ordinary shares aggregating 2,737 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, ₹ 3,31,345 was transferred to the IEPF in respect of financial year 2011-12. 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 2011-2012, were required to be transferred to IEPF of the Central Government by 16th October, 2019. The Company had sent notices to all shareholders whose shares were due to be transferred to the IEPF Authority and subsequently have transferred 59,052 numbers of shares to IEPF.

Shareholders who have not yet encashed their dividend warrant(s) for the financial year 2012-2013 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 2012-2013 is due for transfer to IEPF later during the year.

## Directors' Report *(Contd.)*

### 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, 2020 except investment in Gillanders Holdings (Mauritius) Limited, as reported above. 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, and 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: 30th June, 2020**

**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, 2020**

1	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	CSR Policy of the Company has been framed in accordance with the provisions of the Companies Act, 2013 and Rules framed therein and the activities are undertaken as per Schedule VII of the said Act. For details please refer to the section 'Other Board Committees' of the Corporate Governance Report. The Company 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 <a href="http://www.gillandersarbuthnot.com/pdf/policy/Corporate%20Social%20Responsibility%20Policy.pdf">http://www.gillandersarbuthnot.com/pdf/policy/Corporate%20Social%20Responsibility%20Policy.pdf</a> .
2	The Composition of the CSR Committee.	Mr. N. Pachisia- Chairman (Independent Director) Mr. C. R. Prayag (Independent Director) Mr. K. Ashok (Independent Director)
3	Average net profit of the Company for last three financial years.	₹ (1,664.02) Lakhs
4	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	NIL Since the average net profits made by the Company during the 3 immediately preceding financial years (as stated in item 3 above) is negative, the Company did not spend any amount in CSR activities for the financial year 2019-2020.
5	Details of CSR spent during the financial year- (1) Total amount to be spent for the financial year: (2) Amount unspent, if any: (3) Manner in which the amount spent during the financial year:	No amount spent for reasons stated in Point No. 4 above.

**Place: Kolkata**  
**Date: 30th June, 2020**

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

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

**N. Pachisia**  
**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, 2020**

*[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, 2020 ("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, 2020 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, 2020 and as shown to us during our audit, according to the provisions of the following laws:
  - (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
  - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;
  - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
    - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
    - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
    - e. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

**Annexure to the Directors' Report (Contd.)**

- (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 agriculture 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 Commission 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, have not been reviewed in this Audit since the same has been subjected to review by statutory financial auditors and other designated professionals.
6. We further report to the best of our understanding that,
- (i) The Board of Directors of the Company is duly constituted as per the provision of Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the time being. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
  - (ii) Adequate notice is given to all Directors for the Board and Committee Meetings. Agenda and notes on agenda were sent in advance, and further information and clarifications on the agenda items were provided for meaningful participation at the meeting.
  - (iii) All decisions at Board Meetings and Committee Meetings are carried out unanimously, as recorded in the minutes of the Meetings of the Board of Directors or Committee of the Board, as the case may be.

## Annexure to the Directors' Report (Contd.)

### We further report that during the year under audit:

1. The Company has invested an amount of USD 2,00,000 (United States Dollar Two Lakhs only) by subscribing to 2,00,000 numbers of fully paid up equity shares of USD 1 each, at par, of Gillanders Holdings (Mauritius) Limited, a Wholly Owned Foreign Subsidiary Company.
2. The Board of Directors of the Company, on the recommendation of the Nomination and Remuneration Committee, at their meeting held on 28th May, 2019, had:
  - i) Appointed Mr. Kothaneth Ashok as an Additional Director (Independent) with immediate effect for a term of 5 years which was approved by the members of the Company at the 85th Annual General Meeting held on 09th August, 2019.
  - ii) Appointed Mr. Charudatta Raghuvendra Prayag as an Additional Director (Independent) with immediate effect for a term of 5 years which was approved by the members of the Company at the 85th Annual General Meeting, held on 09th August, 2019.
3. Mr. P.K. Jain, Chief Financial Officer retired from the services of the Company on closure of business hours on 31st March, 2020.
4. Mr. Niraj Singh, has been appointed as the Chief Financial Officer of the Company with effect from 1st April, 2020.
5. The Company had sold one of its Tea Estate namely Jutlibari Tea Estate to Jutlibari Tea And Plantations LLP at a consideration of ₹ 15.90 crores.

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 : 30th June, 2020**

**K. C. Dhanuka**  
**K. C. Dhanuka & Co.**  
*Company Secretaries*  
**FCS – 2204, C.P. No. – 1247**  
**UDIN F002204B000401559**

**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, 2020.**

**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.
2. Old Motors are replaced with new Ultra High efficiency motors to save energy.
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.

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

At the NISM unit, Akbarpur, Punjab, the Company uses rice husk along with rice straw trash for generation of power.

**iii) Capital Investment on energy conservation equipment**

Nil

**B. TECHNOLOGY ABSORPTION****i) Efforts made towards technology absorption:**

1. Installation of latest machines/equipment, 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/equipment 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 value added products.

**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.

**Annexure to the Directors' Report (Contd.)**

**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 ₹ 26.18 lakhs was incurred.

**(C) FOREIGN EXCHANGE EARNINGS AND OUTGO**

Total foreign exchange earned and used during the financial year ended on 31st March, 2020:

	(₹ in lakhs)
Foreign exchange earned	10,662.66
Foreign exchange used	1,873.72

**For and on behalf of the Board**

**Place: Kolkata**  
**Date: 30th June, 2020**

**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, 2020**
*[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1)*
*Of the Companies (Management and Administration) Rules, 2014]*
**I REGISTRATION AND OTHER DETAILS:**

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

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

## 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	50.59
2	Cultivation, Manufacture and Sale of Tea	01271	34.16
3.	Other specialized construction activities	43900	11.87

### 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 P. O. Box 2, Thyolo, Malawi	NA	Wholly Owned Step Down Foreign Subsidiary	100	2(87)

### 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 01.04.2019]				No of Shares held at the end of the year [As on 31.03.2020]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	295394	0	295394	1.3841	295394	0	295394	1.3841	0.0000
b) Central Govt.									
c) State Govt(s)									
d) Bodies Corp.	14376321	0	14376321	67.3605	14376321	0	14376321	67.3605	0.0000
e) Banks/FIs									
f) Any other									
<b>Sub-total (A)(1)</b>	14671715	0	14671715	68.7446	14671715	0	14671715	68.7446	0.0000
<b>(2) Foreign</b>									
a) NRIs - Individuals									
b) Other - Individuals									
c) Bodies Corp.									
d) Banks/FIs									
e) Any other									
<b>Sub-total (A)(2)</b>	0	0	0	0.0000	0	0	0	0.0000	0.0000
<b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	14671715	0	14671715	68.7446	14671715	0	14671715	68.7446	0.0000

**Annexure to the Directors' Report (Contd.)**

Category of Shareholders	No of Shares held at the beginning of the year [As on 01.04.2019]				No of Shares held at the end of the year [As on 31.03.2020]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	300	0	300	0.0014	300	0	300	0.0014	0.0000
b) Banks/FIs	3101	64414	67515	0.3163	1041938	64246	1106184	5.1830	4.8667
c) Central Govt	0	7086	7086	0.0332	0	7086	7086	0.0332	0.0000
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies	1187278	0	1187278	5.5630	0	0	0	0.0000	-5.5630
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Alternate Investment Funds	0	1722	1722	0.0081	0	1722	1722	0.0081	0.0000
Foreign Portfolio Investors									
Provident Funds / Pension Funds									
Qualified Foreign Investor									
<b>Sub-total(B)(1)</b>	1190679	73222	1263901	5.9220	1042238	73054	1115292	5.2257	-0.6963
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	794434	9403	803837	3.7664	771809	9403	781212	3.6604	-0.1060
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	2255646	357340	2612986	12.2432	2301844	287996	2589840	12.1347	-0.1085
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1556875	46866	1603741	7.5144	1734101	46866	1780967	8.3448	0.8304
c) Others (Specify)									
Non Resident Indians	88279	9740	98019	0.4593	93671	9289	102960	0.4824	0.0231
Qualified Foreign Investor									
Custodian of Enemy Property									
Foreign Nationals									
Clearing Members	52421	0	52421	0.2456	5703	0	5703	0.0267	-0.2189
Trusts	3905	0	3905	0.0183	3823	0	3823	0.0179	-0.0004
Foreign Bodies-D R									
Foreign Portfolio Investors									
NBFCs registered with RBI	39	0	39	0.0002	0	0	0	0.0000	-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 01.04.2019]				No of Shares held at the end of the year [As on 31.03.2020]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Investor Education and Protection Fund Authority	231782	0	231782	1.0860	290834	0	290834	1.3627	0.2767
<b>Sub-total(B)(2)</b>	4983381	423349	5406730	25.3334	5201785	353554	5555339	26.0296	0.6962
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	6174060	496571	6670631	31.2554	6244023	426608	6670631	31.2553	-0.0001
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	20845775	496571	21342346	100.0000	20915738	426608	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-2019]			Shareholding at the end of the Year [As on 31-March-2020]			% 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 INVESTMENT & INDUSTRIES PRIVATE LIMITED #	2253748	10.5600	0.0000	7265198	34.0412	0.0000	23.4812
2	KOTHARI PHYTOCHEMICALS AND INDUSTRIES LIMITED	5501078	25.7754	0.0000	5501078	25.7754	0.0000	0.0000
3	M. D. KOTHARI & COMPANY LIMITED	1521868	7.1307	0.0000	1521868	7.1307	0.0000	0.0000
4	A.K. KOTHARI	108472	0.5082	0.0000	108472	0.5082	0.0000	0.0000
5	SATYAM FINANCIAL SERVICES LIMITED	88177	0.4132	0.0000	88177	0.4132	0.0000	0.0000
6	A.K. KOTHARI (HUF)	75741	0.3549	0.0000	75741	0.3549	0.0000	0.0000
7	P.D. KOTHARI	67875	0.3180	0.0000	67875	0.3180	0.0000	0.0000
8	A.V. KOTHARI	43306	0.2029	0.0000	43306	0.2029	0.0000	0.0000
9	KOTHARI & COMPANY PRIVATE LIMITED#	1426199	6.6825	0.0000	0	0.0000	0.0000	-6.6825
10	VISHNUHARI INVESTMENTS & PROPERTIES LTD#	1707291	7.9995	0.0000	0	0.0000	0.0000	-7.9995
11	BHAKTWATSAL INVESTMENTS LIMITED#	498498	2.3357	0.0000	0	0.0000	0.0000	-2.3357
12	COMMERCIAL HOUSE PRIVATE LTD.#	1368212	6.4108	0.0000	0	0.0000	0.0000	-6.4108
13	KOTHARI CAPITAL AND SECURITIES PRIVATE LIMITED#	11250	0.0527	0.0000	0	0.0000	0.0000	-0.0527
	<b>TOTAL</b>	<b>14671715</b>	<b>68.7446</b>	<b>0.0000</b>	<b>14671715</b>	<b>68.7446</b>	<b>0.0000</b>	<b>0.0000</b>

# Bhaktwatsal Investment Limited, Commercial House Private Limited, Kothari Capital and Securities Private Limited, Vishnuhari Investments and Properties Limited have merged with Kothari Investment and Industries Private Limited ("Acquirer") and the investment and trading division of Kothari & Company Private Limited ("KCPL") has demerged and transferred to the Acquirer pursuant to a scheme of arrangement under Sections 230 – 232 of the Companies Act, 2013 and its allied rules, which has been approved by the National Company Law Tribunal, Kolkata Bench vide order dated 4 November 2019 and has become effective from 4 December 2019.

**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-2019]/end of the year [As on 31-March-2020]		Date	Increase/ decrease in Shareholding	Reason	Cumulative Shareholding during the year As on 01-April-2019 to 31- March-2020]	
		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	01/04/2019	-498498	Transfer # (27/12/2019)	0	0.0000
		0	0.0000	31/03/2020				
2	COMMERCIAL HOUSE PRIVATE LIMITED	1368212	6.4108	01/04/2019	-1368212	Transfer # (27/12/2019)	0	0.0000
		0	0.0000	31/03/2020				
3	KOTHARI CAPITAL AND SECURITIES PRIVATE LIMITED	11250	0.0527	01/04/2019	-11250	Transfer # (10/01/2020)	0	0.0000
		0	0.0000	31/03/2020				
4	KOTHARI PHYTOCHEMICALS AND INDUSTRIES LIMITED	5501078	25.7754	01/04/2019	No Change during the year		5501078	25.7754
				31/03/2020				
5	KOTHARI & COMPANY PRIVATE LIMITED	1426199	6.6825	01/04/2019	-1426199	Transfer # (27/12/2019)	0	0.0000
		0	0.0000	31/03/2020				
6	VISHNUHARI INVESTMENTS & PROPERTIES LIMITED	1707291	7.9995	01/04/2019	-1707291	Transfer # (27/12/2019)	0	0.0000
		0	0.0000	31/03/2020				
7	KOTHARI INVESTMENT & INDUSTRIES PRIVATE LIMITED	2253748	10.5600	01/04/2019	5011450	Transfer # (27/12/2019) (10/01/2020)	7265198	34.0412
				31/03/2020				
8	M.D. KOTHARI & COMPANY LIMITED	1521868	7.1307	01/04/2019	No Change during the year		1521868	7.1307
				31/03/2020				
9	SATYAM FINANCIAL SERVICES LIMITED	88177	0.4132	01/04/2019	No Change during the year		88177	0.4132
				31/03/2020				
10	A.K. KOTHARI (HUF)	75741	0.3549	01/04/2019	No Change during the year		75741	0.3549
				31/03/2020				
11	A.K. KOTHARI	108472	0.5082	01/04/2019	No Change during the year		108472	0.5082
				31/03/2020				

**Annexure to the Directors' Report (Contd.)**

Sl. No.	For Each of the Top 10 Shareholders Name	Shareholding at the beginning [As on 01-April-2019]/end of the year [As on 31-March-2020]		Date	Increase/ decrease in Shareholding	Reason	Cumulative Shareholding during the year As on 01-April-2019 to 31- March-2020]	
		No. of Shares	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
12	P.D. KOTHARI							
		67875	0.3180	01/04/2019	No Change during the year			
				31/03/2020			67875	0.3180
13	A.V. KOTHARI							
		43306	0.2029	01/04/2019	No Change during the year			
				31/03/2020			43306	0.2029

# Pursuant to the Scheme of Arrangement as detailed in Attachment D.

**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 Name	Shareholding at the beginning [As on 01-April-2019]/end of the year [As on 31-March-2020]		Date	Increase / decrease in Shareholding	Reason	Cumulative Shareholding during the year As on 01-April-2019 to 31-March-2020]	
		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	01/04/2019	No Change during the year			
				31/03/2020			105704	0.4953
2.	JM Financial Services Limited							
		168025	0.7873					
				13/09/2019	2000	Purchase	170025	0.7967
				20/09/2019	311	Purchase	170336	0.7981
				27/09/2019	-2311	Sale	168025	0.7873
				30/09/2019	-12270	Sale	155755	0.7298
				27/12/2019	3680	Purchase	159435	0.7470
				17/01/2020	-22105	Sale	137330	0.6435
				31/03/2020			137330	0.6435
3.	Life Insurance Corporation Of India							
		1187278	5.5630	01/04/2019				
				13/09/2019	-3005	Sale	1184273	5.5489
				20/09/2019	-6000	Sale	1178273	5.5208
				27/09/2019	-500	Sale	1177773	5.5185
				04/10/2019	-545	Sale	1177228	5.5159
				11/10/2019	-5100	Sale	1172128	5.4920

**Annexure to the Directors' Report (Contd.)**

Sl. No.	For Each of the Top 10 Shareholders Name	Shareholding at the beginning [As on 01-April-2019]/end of the year [As on 31-March-2020]		Date	Increase / decrease in Shareholding	Reason	Cumulative Shareholding during the year As on 01-April-2019 to 31-March-2020]	
		No. of Shares	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
				18/10/2019	-3900	Sale	1168228	5.4738
				25/10/2019	-9604	Sale	1158624	5.4288
				08/11/2019	-11500	Sale	1147124	5.3749
				15/11/2019	-7091	Sale	1140033	5.3416
				22/11/2019	-6285	Sale	1133748	5.3122
				29/11/2019	-30124	Sale	1103624	5.1711
				10/01/2020	-6000	Sale	1097624	5.1429
				17/01/2020	-8981	Sale	1088643	5.1009
				24/01/2020	-20302	Sale	1068341	5.0057
				31/01/2020	-10000	Sale	1058341	4.9589
				07/02/2020	-20150	Sale	1038191	4.8645
				31/03/2020			1038191	4.8645
4.	Mall Commercial Pvt. Ltd.							
		100903	0.4728	01/04/2019	No Change during the year			
				31/03/2020			100903	0.4728
5.	Jagdish Amritlal Shah							
		110740	0.5189	01/04/2019	No Change during the year			
				31/03/2020			110740	0.5189
6.	Muktilal Ganulal Paldiwal							
		101578	0.4759	01/04/2019				
				24/05/2019	8	Purchase	101586	0.4760
				31/05/2019	1999	Purchase	103585	0.4853
				14/06/2019	43	Purchase	103628	0.4856
				28/06/2019	1506	Purchase	105134	0.4926
				26/07/2019	300	Purchase	105434	0.4940
				09/08/2019	216	Purchase	105650	0.4950
				16/08/2019	1338	Purchase	106988	0.5013
				30/09/2019	1000	Purchase	107988	0.5060
				11/10/2019	1979	Purchase	109967	0.5153
				18/10/2019	204	Purchase	110171	0.5162
				08/11/2019	1000	Purchase	111171	0.5209
				15/11/2019	1992	Purchase	113163	0.5302
				22/11/2019	590	Purchase	113753	0.5330
				13/12/2019	1000	Purchase	114753	0.5377

**Annexure to the Directors' Report (Contd.)**

Sl. No.	For Each of the Top 10 Shareholders Name	Shareholding at the beginning [As on 01-April-2019]/end of the year [As on 31-March-2020]		Date	Increase / decrease in Shareholding	Reason	Cumulative Shareholding during the year As on 01-April-2019 to 31-March-2020]	
		No. of Shares	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
				20/12/2019	1455	Purchase	116208	0.5445
				27/12/2019	1319	Purchase	117527	0.5507
				03/01/2020	1000	Purchase	118527	0.5554
				10/01/2020	500	Purchase	119027	0.5577
				24/01/2020	2109	Purchase	121136	0.5676
				28/02/2020	5000	Purchase	126136	0.5910
				06/03/2020	1821	Purchase	127957	0.5995
				13/03/2020	192	Purchase	128149	0.6004
				31/03/2020			128149	0.6004
7.	Priyank Nahata							
		60702	0.2844	01/04/2019				
				17/05/2019	3069	Purchase	63771	0.2988
				05/07/2019	1531	Purchase	65302	0.3060
				16/08/2019	998	Purchase	66300	0.3107
				30/08/2019	6421	Purchase	72721	0.3407
				20/09/2019	1	Purchase	72722	0.3407
				30/09/2019	2	Purchase	72724	0.3407
				11/10/2019	3	Purchase	72727	0.3408
				20/12/2019	1050	Purchase	73777	0.3457
				27/12/2019	4	Purchase	73781	0.3457
				14/02/2020	1000	Purchase	74781	0.3504
				28/02/2020	570	Purchase	75351	0.3531
				06/03/2020	3969	Purchase	79320	0.3717
				13/03/2020	3870	Purchase	83190	0.3898
				27/03/2020	2610	Purchase	85800	0.4020
				31/03/2020			85800	0.4020
8.	Anil Jain							
		135000	0.6325	01/04/2019				
				31/03/2020		No Change during the year	135000	0.6325
9.	Suvarna Kumari Agarwal							
		200000	0.9371	01/04/2019				
				31/03/2020		No Change during the year	200000	0.9371
10	Investor Education And Protection Fund Authority (MCA)							
		231782	1.0860	01/04/2019				
				01/11/2019	59052	Transfer	290834	1.3592
				31/03/2020			290834	1.3592

**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-2019]/ end of the year [31-March-2020]		Cumulative Shareholding during the year [01-April-2019 to 31-March-2020]	
		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

\*Mr. P. K. Jain retired from the services and as CFO of the Company from close of business hours on 31st March, 2020.

Mr. N. Pachisia, Mr. A. Baheti, Mr. K. Ashok, Mr. C.R. Prayag, Mr. Mahesh Sodhani and Mr. Manoj Sodhani, Directors of the Company did not hold any shares during the financial year 2019-2020. Mr. D. Karmakar, Company Secretary, of the Company did not hold any shares during the financial year of 2019-2020.

**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
<b>Indebtedness at the beginning of the financial year – 1st April, 2019</b>				
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
<b>Total (i+ii+iii)</b>	<b>16,333.98</b>	<b>10,510.61</b>	<b>4,564.79</b>	<b>31,409.38</b>
Change in indebtedness during the financial year				
· Addition	2,983.51	1,062.14	2,201.53	6,247.18
· Reduction	1,578.94	4,550.01	2,732.41	8,861.36
<b>Net Change</b>	<b>1,404.57</b>	<b>(3,487.87)</b>	<b>(530.88)</b>	<b>(2,614.18)</b>
<b>Indebtedness at the end of the financial year – 31st March 2020</b>				
i) Principal Amount	17,632.65	7,004.21	3,786.12	28,422.98
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	105.90	18.53	247.79	372.22
<b>Total (i+ii+iii)</b>	<b>17,738.55</b>	<b>7,022.74</b>	<b>4,033.91</b>	<b>28,795.20</b>

## Annexure to the Directors' Report (Contd.)

## Attachment I

## REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in lakhs)

Sl. No.	Particulars of Remuneration	Name of the Managing Director	
		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	78.18	78.18
	(b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	8.27	7.71
	(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)	3.31	3.31
	<b>Total Amount (A)</b>	<b>89.76</b>	<b>89.20</b>
	<b>Ceiling as per the Act@</b>		

@ The Company has made a loss of ₹ 1,780.19 lakhs, and hence, Section II of Part II of Schedule V is applicable. The Effective Capital of the Company is ₹ 31,932.62 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	NP	AB	KA	CRP	HMP	HPK	
1	<u>Independent Directors</u>									
	·Fee for attending Board / Committee Meetings	-	-	2.00	1.00	1.35	1.05	0.50	0.00	5.90
	·Commission	-	-	-	-	-	-	-	-	-
	·Others, please specify	-	-	-	-	-	-	-	-	-
	<b>Total(1)</b>	<b>--</b>	<b>--</b>	<b>2.00</b>	<b>1.00</b>	<b>1.35</b>	<b>1.05</b>	<b>0.50</b>	<b>0.00</b>	<b>5.90</b>
	<u>Other Non-Executive Directors</u>									
2	·Fee for attending Board / Committee Meetings	1.70	1.40	-	-	-	-	-	-	3.10
	·Commission	-	-	-	-	-	-	-	-	-
	·Others, please specify	-	-	-	-	-	-	-	-	-
	<b>Total(2)</b>	<b>1.70</b>	<b>1.40</b>							<b>3.10</b>
	<b>Total(B)=(1+2)</b>	<b>1.70</b>	<b>1.40</b>	<b>2.00</b>	<b>1.00</b>	<b>1.35</b>	<b>1.05</b>	<b>0.50</b>	<b>0.00</b>	<b>9.00</b>
	<b>Total Managerial Remuneration (A+B)</b>									<b>187.96</b>
	<b>Overall Ceiling as per the Act@</b>									

@ The Company has made a loss of ₹ 1780.19 lakhs, and hence, Section II of Part II of Schedule V is applicable. The Effective Capital of the Company is ₹ 31,932.62 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, KA – K. Ashok, CRP – C. R. Prayag HPK- Dr. H.P. Kanoria, HMP-Mr. H.M. Parekh, NP- Mr. N. Pachisia and AB- Mr. A. Baheti.

**Annexure to the Directors' Report (Contd.)**
**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	41.34	20.22	61.56
	(b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	6.08	1.96	8.04
	(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)	1.79	0.64	2.43
	<b>Total</b>	<b>49.21</b>	<b>22.82</b>	<b>72.03</b>

\*Mr. P. K. Jain retired from the services and as CFO of the Company with effect from close of business hours on 31st March, 2020.

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

For and on behalf of the Board

Place: Kolkata  
Date: 30th June, 2020

**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, 2020 :

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, 2020
1.	Mr. Mahesh Sodhani	Managing Director	1:163.46	24.55
2.	Mr. Manoj Sodhani	Executive Director & CEO	1:162.44	23.70
3.	Mr. P. K. Jain	Chief Financial Officer	Not Applicable	16.49
4.	Mr. D. Karmakar	Company Secretary	Not Applicable	11.32

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, 2020. Mr. N. Pachisia, Mr. A. Baheti, Mr. K. Ashok, Mr. C R Prayag, who are Independent Directors, received sitting fees only in the said financial year. Mr. H. M. Parekh who retired as an Independent Director with effect from 09th August, 2019 also received sitting fees. Dr. H. P. Kanoria who also retired as an Independent Director with effect from 09th August, 2019, did not attend any Board / Committee meetings during the year.

- In the financial year ended on 31st March, 2020, there was increase of 19.76% in the median remuneration of employees.
- There were 9,078 permanent employees on the rolls of the Company as on 31st March, 2020.
- Average salary increase of Managerial employee and Non Managerial employee during the financial year ended on 31st March, 2020 is 19.02% and 9.66% 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) Rules, 2014, as amended:

SN	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. Mahesh Sodhani	Managing Director	89,76,080/-	B.Com (Hons.), ACA, ACS, ACMA	22	48	01.05.2001	Kothari Plantations & Industries Ltd.
2	Mr. Manoj Sodhani	Executive Director & CEO	89,19,662/-	B.Com (Hons.), ACA, ACS	24	49	01.04.1996	Veneer & NP Saw Mills Ltd.
3	Mr. Sanjib Raha*	President & Business Head - NISM	60,97,534/-	B.Tech (Textile)	29	49	18.12.2013	PT. Lotus Indah Textile Industries
4	Mr. Bisham Chander Kaushik	President - Cotton Mill	47,92,521/-	B.Tech (Textile)	34	57	09.03.2017	Banswara Syntex Ltd.

**Annexure to the Directors' Report (Contd.)**

SN	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	49,20,722/-	B.Com (Hons.), LLB, FCA, Certificate in Business & Industrial Administration	42	62	10.01.1984	Jain & Co., Chartered Accountants
6	Mr. Subhayan Bhattacharya*	Vice President - Micco Division	38,83,448/-	B.Com (Hons), ACA	22	47	10.07.2015	Primetals Technologies India Private Ltd.
7	Mr. Bithal Kumar Kothari	Sr. Vice President - Tea Division	29,83,488/-	B.Com	40	58	01.07.1981	Kothari Plantations & Industries Ltd.
8	Mr. Kevin Paul	Vice President - Exports, Tea Division	28,43,820/-	B.Com	34	71	01.09.2016	Tata Tea Ltd.
9	Mr. Niraj Singh#	Asst Vice President	25,33,182/-	B.Com (Hons), FCA, MBA	17	44	16.09.2002	N.A.
10	Mr. Gautam Samanta	Sr. General Manager - Taxation	26,95,980/-	B.Sc (Hons), FCA, FCMA	22	51	01.12.2006	H.K. Agarwal & Co.

\*Mr. Sanijb Raha resigned from the services of the Company with effect from 22nd June, 2020. Mr. P. K. Jain retired from the services and as CFO of the Company with effect from close of business hours as on 31st March, 2020, whereas, Mr. Subhayan Bhattacharya ceased to be an employee of the Company with effect from 1st April, 2020.

# Mr. Niraj Singh has been promoted and appointed as Chief Financial Officer of the Company with effect from 1st April, 2020.

**Notes:**

- 1) Remuneration includes Basic Salary, HRA, Special Allowance, Ex-gratia, LTA, Medical, Leave Encashment, Employers' 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: 30th June, 2020**

**A. K. Kothari**  
*Chairman*

## Annexure to the Directors' Report (Contd.)



# 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, 2020.]

### 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, 2020, 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, 2020 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 & Chief Executive Officer [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.

During the financial year ended on 31st March, 2020 Mr. H.M. Parekh and Dr. H. P. Kanoria ceased from the directorship of the Company with effect from 9th August, 2019 on successful completion of their two consecutive terms of 5 (five) years each as Independent Directors of the Company.

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 had:

- (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) Re-appointed 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.

In the 85th Annual General Meeting of the Company held on 9th August, 2019, the Shareholders of the Company have regularized the appointment / re-appointment of the aforesaid Directors.

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, 2020, 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.	Mr. N. Pachisia	16th August, 2011
2.	Mr. A. Baheti	28th March, 2018
3.	Mr. K. Ashok	28th May, 2019
4.	Mr. C. R. Prayag	28th May, 2019

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 14th February, 2020, 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>

On retirement of Mr. H.M. Parekh at the 85th Annual General Meeting, Mr. N. Pachisia was appointed as the Lead Independent Director with effect from 9th August, 2019. 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, 2020, 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 4 (Four) times. The details of Board Meetings held during the financial year ended on 31st March, 2020 are as under:

Sl. No.	Date of Board Meeting	City	No. of Directors present
1.	28th May, 2019	Kolkata	6
2.	09th August, 2019	Kolkata	8
3.	08th November, 2019	Kolkata	7
4.	14th February, 2020	Kolkata	8

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, 2020 are as follows:

Sl. No.	Name of Director	Category of Director	Attendance during 2019-2020		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 09.8.2019			
1.	Mr. A. K. Kothari	Non-Executive Promoter Chairman	4	Yes	7	4	i) Pilani Investment and Industries Corporation Limited (Independent Director) ii) Albert David Ltd (Executive Promoter Chairman)
2.	Smt. P.D. Kothari	Non-Executive Promoter	4	Yes	4	1	i) Albert David Ltd (Non-Executive Promoter Director)

**Report on Corporate Governance (Contd.)**

Sl. No.	Name of Director	Category of Director	Attendance during 2019-2020		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 09.8.2019			
3.	Mr. N. Pachisia	Independent	4	Yes	5	3	i) Linc Pen & Plastics Ltd. (Independent Director) ii) SKP Securities Ltd. (Managing Director)
4.	Mr. A. Baheti	Independent	2	Yes	-	-	-
5.	Mr. K. Ashok	Independent	3	Yes	1	-	-
6.	Mr. C. R. Prayag	Independent	3	Yes	-	-	-
7.	Mr. Mahesh Sodhani	Managing Director	4	Yes	-	-	-
8	Mr. Manoj Sodhani	Executive Director & CEO	4	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.

None of the Directors is acting as an Independent Director in more than seven listed Companies All the Directors of the Company holds Directorship in compliance with Regulation 17A of SEBI Listing Regulations.

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

**(E) Core skills / expertise / competencies**

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

SN	Core Skills / expertise / competencies	Directors
1.	Entrepreneurship	Mr. A. K. Kothari, Smt. P. D. Kothari and Mr. N. Pachisia
2.	Leadership	Mr. A. K. Kothari and Smt. P. D. Kothari
3.	Financial Knowledge	Mr. A. Baheti, Mr. N. Pachisia, Mr. Mahesh Sodhani and Mr. Manoj Sodhani
4.	In depth Knowledge of Tea Industry	Mr. A. K. Kothari, Mr. K. Ashok and Mr. Mahesh Sodhani
5.	In depth Knowledge of Textile Industry	Mr. C. R. Prayag and Mr. Manoj Sodhani
6.	In depth Knowledge of Steel Industry	Mr. A. K. Kothari and Mr. Mahesh Sodhani

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 SEBI Listing Regulations and are independent of management.

## Report on Corporate Governance (Contd.)

### (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.gillandersarbutnot.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, 2020, 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.gillandersarbutnot.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.gillandersarbutnot.com/pdf/policy/Policy%20for%20Determination%20of%20Materiality%20of%20Events.pdf>

### (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.gillandersarbutnot.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.

## Report on Corporate Governance (Contd.)

Pursuant to the retirement of Mr. H.M. Parekh as a Director, the Audit Committee was reconstituted by the Board of Directors on 09th August, 2019, by inducting Mr. Kothaneth Ashok (DIN: 02272068) as a member. The composition of the Audit Committee as on 31st March, 2020 is as follows :

Sl. No.	Name of the Director	Category	Designation
1.	Mr. A. Baheti	Independent	Chairman
2.	Mr. A. K. Kothari	Non – Executive Promoter	Member
3.	Mr. N. Pachisia	Independent	Member
4.	Mr. K. Ashok	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 9th August, 2019.

### (B) Meetings of the Audit Committee

During the year under review, the Audit Committee met 4 (Four) times on 28th May, 2019, 09th August, 2019, 08th November, 2019, and 14th February, 2020 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. A. Baheti	2	30,000
2.	Mr. A. K. Kothari	4	60,000
3.	Mr. N. Pachisia	4	60,000
4.	Mr. K. Ashok #	2	30,000
5.	Mr. H. M. Parekh *	1	15000

\* Ceased w.e.f. 9th August, 2019.

# Appointed w.e.f. 9th August, 2019

### (C) Powers of Audit Committee

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

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

### (D) Role of Audit Committee

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

1. Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company.
3. Approval of payment to Statutory Auditor for any other services rendered by the Statutory Auditor.

## Report on Corporate Governance (Contd.)

4. Reviewing, with the management, the annual financial statements and Auditors Report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement which are to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Act;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by the management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions; and
  - g. Modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency, monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Reviewing and monitoring the Auditor's independence and performance, and effectiveness of audit process.
8. Approval of any subsequent modification of transaction of the Company with any related party.
9. Scrutiny of inter-corporate loans and investments.
10. Valuation of undertakings or assets of the Company, wherever it is necessary.
11. Evaluation of internal financial controls and risk management systems.
12. Reviewing, with the management, performance of Statutory and Internal Auditors, adequacy of the internal control systems.
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
14. Discussion with Internal Auditors of any significant findings and follow up there on.
15. Reviewing the findings of any internal investigation by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control system of a material nature and reporting the matter to the Board.
16. Discussion with Statutory Auditor before the audit commences, about the nature and scope of audit, as well as post-audit discussion to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
18. To review the functioning of the Whistle Blower Mechanism.
19. Approval of appointment of Chief Financial Officer assessing the qualifications, experience and background, etc. of the candidate.
20. To review utilization of loans and / or advances by holding company in subsidiary companies exceeding Rs. 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.

**Report on Corporate Governance (Contd.)**
**(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.
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 9th August, 2019.

Pursuant to the retirement of Mr. H.M. Parekh and Dr. H.P. Kanoria as Directors, the Nomination and Remuneration Committee was reconstituted by the Board of Directors on 09th August, 2019 by inducting Mr. K. Ashok (DIN: 02272068) as a member and Chairman of the said Committee. At present, the composition of the NRC is as follows :

Sl. No.	Name of the Director	Category	Designation
1.	Mr. K. Ashok	Independent	Chairman
2.	Smt. P. D. Kothari	Non - Executive Promoter	Member
3.	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.
6. To recommend all remuneration payable to Senior Management in whatever form.

## Report on Corporate Governance (Contd.)

During the year under review, the NRC met twice on 28th May, 2019 and 14th February, 2020 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. K. Ashok #	1	15,000
2.	Smt. P. D. Kothari	2	30,000
3.	Mr. N. Pachisia	2	30,000
4.	Dr. H.P. Kanoria *	-	-
5.	Mr. H.M. Parekh *	1	15000

\* Ceased w.e.f. 9th August, 2019.

# Appointed w.e.f. 9th August, 2019

### 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). The Company does not have any unlisted material subsidiary as per Regulation 24 of the SEBI Listing Regulations. Hence, the Company is not required to appoint an Independent Director in the Board of any of its unlisted subsidiaries.

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 Ind AS 24, and as prescribed under the Act, forms part of Note No. 47 to the standalone financial statements in the Annual Report.

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

**Report on Corporate Governance (Contd.)**
**VIII. Disclosures**
**(A) Related Party Transactions**

Your Company has disclosed that no material transactions, with related parties, have been entered into in the quarterly compliance reports on Corporate Governance and the policy on Related Party Transactions can be accessed on the Company's website at the link: [http://www.gillandersarbuthnot.com/pdf/policy/rpt\\_policy\\_03jun19.pdf](http://www.gillandersarbuthnot.com/pdf/policy/rpt_policy_03jun19.pdf)

**(B) Disclosure of Accounting Treatment**

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

**(C) Remuneration to Directors**

Remuneration of the Whole-time 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, 2020 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.	1.70	-	<b>1.70</b>
2.	Smt. P. D. Kothari	N.A.	N.A.	N.A.	N.A.	1.40	-	<b>1.40</b>
3.	Mr. N. Pachisia	N.A.	N.A.	N.A.	N.A.	2.00	-	<b>2.00</b>
4.	Mr. A. Baheti	N.A.	N.A.	N.A.	N.A.	1.00	-	<b>1.00</b>
5.	Mr. K. Ashok *	N.A.	N.A.	N.A.	N.A.	1.35	-	<b>1.35</b>
6.	Mr. C.R. Prayag *	N.A.	N.A.	N.A.	N.A.	1.05	-	<b>1.05</b>
7.	Mr. H.M. Parekh \$	N.A.	N.A.	N.A.	N.A.	0.50	-	<b>0.50</b>
8.	Dr. H.P. Kanoria \$	N.A.	N.A.	N.A.	N.A.	0.00	-	<b>0.00</b>
9.	Mr. Mahesh Sodhani	78.18	3.31	-	8.27	NA	-	<b>89.76</b>
10.	Mr. Manoj Sodhani	78.18	3.31	-	7.71	NA	-	<b>89.20</b>
	<b>Total</b>					<b>9.00</b>		<b>187.96</b>

\* Appointed as Independent Director w.e.f 28th May, 2019 \$ Mr. H.M. Parekh and Dr. H. P. Kanoria ceased to be director of the Company w.e.f. 9th August, 2019.

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

## Report on Corporate Governance (Contd.)

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, 2020
1.	Mr. A.K. Kothari	1,08,472
2.	Smt. P.D. Kothari	67,875
3.	Mr. N. Pachisia	-
4.	Mr. A. Baheti	-
5.	Mr. K. Ashok	-
6.	Mr. C.R. Prayag	-

### (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 ₹ 36.59 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 proposed appointment of the Messrs. JKVS & Co., Chartered Accountants, (Firm Registration No. 318086E) as Statutory Auditor of the Company, in the Notice convening the 86th 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.

**Report on Corporate Governance (Contd.)**
**The role of the committee inter-alia includes the following:**

- (1) Resolving the grievances of the shareholders of the Company 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 Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- (4) Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

Pursuant to the retirement of Mr. H.M. Parekh as a Director, the Stakeholders Relationship Committee was reconstituted by the Board of Directors on 09th August, 2019 by inducting Mr. Charudatta Raghvendra Prayag (DIN: 08463106) as a Member and Chairman of the said committee.

At present, the Stakeholders Relationship Committee comprises of the following Directors viz., Mr. Charudatta Raghvendra Prayag (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 14th February, 2020.

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

Sl. No.	Name of the Member	Attendance	Gross Amount of Sitting fees paid (₹)
1.	Mr. C.R. Prayag *	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.
5.	Mr. H.M. Parekh #	N.A.	0

\*Appointed w.e.f. 9th August, 2019

# Ceased w.e.f. 9th August, 2019

During the year, the Company had received 4 (four) complaints regarding non-receipt of Annual Report/ Share Certificate/ Dividend warrant from the shareholders, all of which were attended satisfactorily. There were no complaint pending against the Company as on 31st March, 2020 on SCORES.

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.

## Report on Corporate Governance (Contd.)

### 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, 2020 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.gillandersarbutnot.com/pdf/da\\_letter\\_i\\_directors.pdf](http://www.gillandersarbutnot.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.

### (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, as applicable.
- C. Non-Mandatory Requirements: In accordance with the Regulation 27 read with Part E of Schedule II of SEBI Listing Regulations, the Company has 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, 2020.
  - ii) Reporting of Internal Auditor: The Internal Auditors of the Company reports directly to the Audit Committee.

**Report on Corporate Governance (Contd.)**
**XII. General Body Meetings:**

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

Financial Year	Date of AGM	Venue	Time
2018-2019 (85th AGM)	09.08.2019	Seminar Hall, S-18 (A & B) of the Science City, J.B.S. Haldane Avenue, Kolkata – 700046	10.30 A.M.
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.

2. At the last Annual General Meeting of the Company held on 9th August, 2019, two Special Resolutions were proposed and passed. Three Special Resolutions were passed in the Annual General Meeting held on 30th July, 2018 and two Special Resolutions were passed in the Annual General Meeting held on 1st September, 2017.

3. **Postal Ballot:**

During the financial year ended on 31st March, 2020, 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 86th 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:**

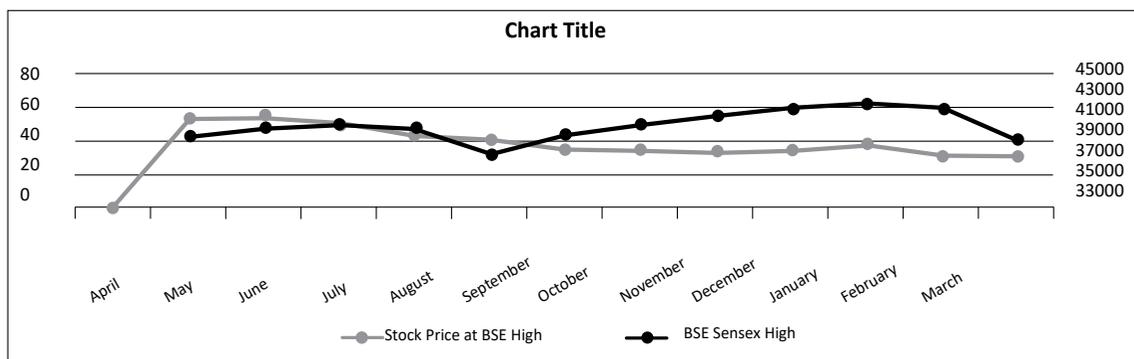
1)	<b>Corporate Identity Number (CIN) of the Company</b>	L51909WB1935PLC008194
2)	<b>Date, time and venue of the Annual General Meeting (AGM)</b>	86th Annual General Meeting of the Company will be held on Friday, 14th August, 2020 10.00 A.M. through video conferencing / other audio visual means ("VC/OAVM") facility.
3)	<b>Financial Calendar 2020-2021 (tentative and subject to change)</b>	<ul style="list-style-type: none"> <li>• Financial Year: April to March</li> <li>• First Quarter Results: by second week of August, 2020</li> <li>• Half Yearly Results: by second week of November, 2020</li> <li>• Third Quarter Results: by second week of February, 2020</li> <li>• Audited results for the year ending 31st March, 2021 by last week of May, 2021</li> </ul>
4)	<b>Book Closure Period</b>	7th August, 2020 to 14th August, 2020 (both days inclusive)

**Report on Corporate Governance (Contd.)**

5)	<b>Dividend Payment Date</b>	No dividend has been recommended.
6)	<b>Listing on Stock Exchanges</b>	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 2020-2021.
7)	<b>Stock Code</b>	NSE – GILLANDERS BSE – 532716

**8) Stock Market Price and Performance in comparison to 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, 2019	51.00	45.60	53.05	45.30	39,487.45	38,460.25
May, 2019	50.90	45.00	55.00	43.50	40,124.96	36,956.10
June, 2019	49.00	37.10	50.40	38.05	40,312.07	38,870.96
July, 2019	43.00	32.40	44.70	33.05	40,032.41	37,128.26
August, 2019	38.55	28.05	39.00	29.20	37,807.55	36,102.35
September, 2019	35.00	28.00	34.90	27.40	39,441.12	35,987.80
October, 2019	32.00	25.40	33.90	24.70	40,392.22	37,415.83
November, 2019	33.80	26.10	33.50	26.75	41,163.79	40,014.23
December, 2019	30.95	25.50	34.00	26.65	41,809.96	40,135.37
January, 2020	36.00	28.00	37.90	28.00	42,273.87	40,476.55
February, 2020	31.95	24.75	30.95	25.00	41,709.30	38,219.97
March, 2020	27.85	15.95	30.50	15.15	39,083.17	25,638.90



# Source NSE & BSE Websites

**Report on Corporate Governance (Contd.)**

9)	<b>Registrar &amp; Share Transfer Agent</b> (Both Physical & Demat Segments)	<b>Maheshwari Datamatics Pvt. Ltd.</b> (Unit : Gillanders Arbuthnot and Company Limited) 23, R. N. Mukherjee Road, 5th Floor, Kolkata – 700001
10)	<b>Share Transfer System</b>	Requests for transfer of shares in physical form received either at the office of the Company or at the Office of the Registrar 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.

**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, 2020**

Ordinary Shares held	Number of Shareholders	Percentage of Shareholders	Number of Shares	Percentage of Shares
1-500	9001	88.0638	788,916	3.6965
501-1000	567	5.5474	440,891	2.0658
1001-2000	294	2.8764	423,496	1.9843
2001-3000	120	1.1741	302,870	1.4191
3001-4000	55	0.5381	199,596	0.9352
4001-5000	31	0.3033	142,941	0.6698
5001-10000	71	0.6946	5,14,359	2.4100
10001 and above	82	0.8023	1,85,29,277	86.8193
<b>Total</b>	<b>10221</b>	<b>100.00</b>	<b>2,13,42,346</b>	<b>100.00</b>

**14) Categories of Shareholders as on 31st March, 2020**

Category	Number of equity shares	Percentage of Shareholdings
<b>Indian Promoters</b>	1,46,71,715	68.7446
Mutual Funds	300	0.0014
Banks, Financial Institutions, Insurance Companies	11,06,184	5.1830
Central Government/State Government(s)	7,086	0.0332
Bodies Corporate	7,81,212	3.6604
Indian Public	43,70,807	20.4796
NBFCs	-	-
NRI	1,02,960	0.4824
Others – Trusts, Clearing Members, Alternative Investment Fund	11,248	0.0527
Investor Education and Protection Fund Authority	2,90,834	1.3627
<b>TOTAL</b>	<b>2,13,42,346</b>	<b>100</b>

**Report on Corporate Governance (Contd.)**

<p><b>15) Dematerialization of Shares and Liquidity</b></p>	<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 2020-2021 has been paid to CDSL and NSDL. Trading in Company's shares can now be done only in the dematerialized form. As on 31st March, 2020, 2,09,15,738 Ordinary Shares representing 98.0011% 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>		
<p><b>16) Outstanding ADRs/ GDRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity</b></p>	<p>Not applicable</p>		
<p><b>17) Plant Locations as on 31st March, 2020</b></p>	<p><b>1. Tea Division:</b></p>		
	<p>a. Betjan Tea Estate, Post Office: Makum Junction, District: Tinsukia, Assam. Pin- 786170</p>	<p>f. Borkatonee Tea Estate, Post Office: Golaghat, District: Golaghat, Assam. Pin- 785621</p>	
	<p>b. Tengpani Tea Estate, Post Office: Makum Junction, District: Tinsukia, Assam. Pin- 786170</p>	<p>g. Dherai Tea Estate, Post Office: Dhekiajuli, District: Sonitpur, Assam. Pin- 784110</p>	
	<p>c. Gorunga Tea Estate, Post Office: Golaghat, District: Golaghat, Assam. Pin- 785621</p>	<p>h. Gairkhata Tea Estate, Post Office: Gairkhata, District: Jalpaiguri, W.B. Pin- 735212</p>	
	<p>d. Arun Tea Estate, Post Office: Dhekiajuli, District: Sonitpur, Assam. Pin- 784110</p>	<p>i. Taipoo Tea Estate, Post Office: Bagdogra, District: Darjeeling, W. B. Pin- 734422</p>	
	<p>e. Dooria Tea Estate, Post Office: Golaghat, District: Golaghat, Assam. Pin- 785621</p>		
	<p><b>2. Textile Division:</b></p>		
	<p>(i) North India Spinning Mill, Vill.- Akbarpur, Ahmedgarh- 148021 District: Sangrur, Punjab</p>	<p>(ii) GIS Cotton Mill, 47, G.T. Road, Champdany, P.O. Baidyabati, District: Hooghly, W.B. Pin- 712222</p>	

**Report on Corporate Governance (Contd.)**

<b>18) Address for Communication</b>	<p><b>Gillanders Arbuthnot and Company Limited,</b>          Secretarial Department,          C-4, Gillander House, Netaji Subhas Road,          Kolkata- 700 001.          Phone: (033) 2230 2331(6 Lines)          Fax: 033 - 2230 4185          email: secretarial@gillandersarbuthnot.com</p> <p><b>(Investors are requested to forward their complaints/ / grievances, if any, to the above e-mail address only)</b></p> <p><b>Registrar and Share Transfer Agent</b>          Maheshwari Datamatics Pvt. Ltd.          (Unit: Gillanders Arbuthnot and Company Limited)          23, R.N. Mukherjee Road,          5th Floor, Kolkata- 700 001          Phone: (033) 2248 2248, 2243 5029 2243 5809          Fax: 033 - 2248 4787          email: mdpldc@yahoo.com</p>
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<b>19) Cost Audit</b>	<b>For the Financial Year 2020-2021</b>	
	<b>Name of Division</b>	<b>Name of Cost Auditor</b>
	Tea	M/s. B. Ray & Associates
	Textile Division	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. The Board of Directors pursuant to the retirement of Mr. H.M. Parekh as a Director, reconstituted the said Committee on 09th August, 2019, by inducting Mr. Arvind Baheti (DIN: 08094824) as a member. Presently Mr. A.K. Kothari is the Chairman of the Committee, whereas, Smt. P.D. Kothari, Mr. A. Baheti, Mr. Mahesh Sodhani and Mr. Manoj Sodhani are the Members of the said Committee. Mr. P. K. Jain, Chief Financial Officer was 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 1 (One) time i.e. on 09th August, 2019.

**2) Corporate Social Responsibility Committee**

The Corporate Social Responsibility Committee of the Company has been constituted in accordance with the Act. The Board of Directors pursuant to the retirement of Mr. H.M. Parekh as a Director, reconstituted the said Committee on 09th August, 2019, by inducting Mr. Charudatta Raghvendra Prayag (DIN: 08463106) and Mr. Kothaneth Ashok (DIN: 02272068) as members. Smt. P. D. Kothari ceased to be a member of the said Committee with effect from 9th August, 2020. At present, Mr. N. Pachisia is the Chairman of the Committee, Mr. C.R. Prayag and Mr. K. Ashok, 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. 14th February, 2020.

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.

## Report on Corporate Governance (Contd.)

### 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 Suspense account

In compliance with Regulation 39(4) of the SEBI Listing Regulations read with Schedule VI of the said Regulation, the Company reports that as on 31st March, 2020, 2,90,834 numbers of Ordinary shares were lying in the suspense account. The voting rights on these shares remains frozen till the rightful owner of such shares claims the same.

**For and on behalf of the Board**

**Place: Kolkata**  
**Date: 30th June, 2020**

**A. K. Kothari**  
**Chairman**

**Report on Corporate Governance (Contd.)****Annexure 1****Declaration as prescribed under Schedule V of the 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, 2020.

**Place: Kolkata****Date: 30th June, 2020****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, 2020**

[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, 2020, 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 carried out by me to the extent possible due to COVID-19 and subsequent lock down situation 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, 2020.
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

**Deepak Khaitan & Co.**

ICSI Unique Code No.: S2019WB676500

UDIN: F005615B000404299

**Place: Kolkata****Date : 30th June, 2020**

**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 online verifications (including DIN status at the portal [www.mca.gov.in](http://www.mca.gov.in)) carried out by me to the extent possible due to COVID-19 and subsequent lockdown situation 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 2020, 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, 2020:-

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.	Prabhawati Devi Kothari	00051860	31.03.2010
3.	Naresh Pachisia	00233768	16.08.2011
4.	Arvind Baheti	08094824	28.03.2018
5.	Mahesh Sodhani	02100322	01.04.2018
6.	Manoj Sodhani	02267180	01.04.2018
7.	Kothaneth Ashok	02272068	28.05.2019
8.	Charudatta Raghvendra Prayag	08463106	28.05.2019
9.	Hari Prasad Kanoria (ceased to be Director with effect from 9th August,2019)	00286685	06.03.2009
10.	Harischandra Maneklal Parekh (ceased to be Director with effect from 9th August,2019)	00026530	30.04.2009

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

**Deepak Khaitan & Co.**

ICSI Unique Code No.: S2019WB676500

UDIN: F005615B000404255

**Place: Kolkata**  
**Date : 30th June, 2020**

## **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, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes 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 one unit of the Company’s Engineering (MICCO) 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, 2020, 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.

##### **Emphasis of Matter**

We draw attention to Note 54 of the standalone financial statements, which describes the extent to which the COVID-19 Pandemic will impact the Company's results which depend on future developments that are highly uncertain.

Our opinion is not modified in respect of this matter.

##### **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.

## Independent Auditors' Report (Contd.)

Key Audit Matter	How our audit addressed the key audit matter
<b>1. Revenue Recognition (See note 27 to the Standalone Financial Statements)</b>	
<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>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"> <li>▪ Evaluated the design and tested the operative effectiveness of the internal controls relating to revenue recognition, discounts and rebates.</li> <li>▪ Tested sample of sale transactions to their respective customer contracts, underlying invoices and related documents.</li> <li>▪ 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.</li> <li>▪ 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.</li> </ul>
<b>2. Impairment of Assets (See note 4 to the Standalone Financial Statements)</b>	
<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"> <li>▪ We obtained the management's impairment assessment.</li> <li>▪ 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.</li> <li>▪ We have tested the workings of management for ascertaining fair value and costs of disposal of CGU for ascertaining recoverable amount.</li> </ul>

**Independent Auditors' Report (Contd.)**

<b>Key Audit Matter</b>	<b>How our audit addressed the key audit matter</b>
<b>3. Expected Credit Loss (See note 51A to the Standalone Financial Statements)</b>	
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.	<p>Our Audit procedure on evaluation of Expected credit loss model include:</p> <ul style="list-style-type: none"> <li>▪ Obtained an understanding of the Company's process for estimating the ECL of various eligible assets included in the Standalone Financial Statements.</li> <li>▪ Evaluated the detailed analysis performed by management on revenue by selecting samples for the existing contracts with customers.</li> <li>▪ Evaluated the calculation of historical loss rate on the basis of historical trends, industry practices, business environment in which company operates &amp; forward looking information.</li> </ul>

**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.

## Independent Auditors' Report (Contd.)

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.
- 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 Matters

We did not audit the financial statements and other financial information of the Company's Engineering (MICCO) Division whose financial statements reflect total assets of Rs. 16627.91 lakhs as at 31st March 2020 and total revenue of ₹ 8142.67 lakhs for the year ended on that date. This financial statements/ financial information has been audited by other auditor and whose report have been furnished to us by the management. Our opinion on the Statement, in so far as it relates to the affairs of such division is based solely on the reports of the other auditors.

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 (MICCO) Division of the Company audited under section 143 (8) of the Act by branch auditors has been sent to us and has 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 with reference to financial statements 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 financial statements 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, 2020 on its financial position in its Standalone financial statements - Refer Note No. 39 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

**Aditya Singhi**  
*Partner*  
Membership No. 305161  
UDIN: 20305161AAAAAP2702

Place: Kolkata  
Date : 30th June, 2020

## 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. a. The Company has granted loan to a wholly owned subsidiary covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the company's interest.
  - b. The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations. The repayment of such loan along with interest has been made during the year.
  - c. There being no overdue amount and the loan being repaid during the year, the provision of paragraph 3 (iii) (c) of the said Order is 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 examined 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, 2020 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 (₹ in Lakhs)	Period to which the amount relates	Forum where Dispute is Pending
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
		254.13 (pre-deposit amount ₹ 29.99)	2015-16	Sales tax Commissioner (Appeal), Kolkata
The West Bengal Value Added Tax Act, 2005	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, Kolkata
		171.42 (Pre-deposit amount of ₹ 17.77)	2016-17	Sales tax Commissioner (Appeal), Kolkata
		9.92	2017-18	Sales tax Commissioner (Appeal), Kolkata
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
Finance Act, 1994	Service Tax	147.11 (Net of amount paid under Protest ₹ 14.00)	2003-04 to 2011-12	CESTAT, Kolkata
		2.04 (Net of amount paid under Protest ₹ 0.26)	2012-13 to 2015-16	Assistant Commissioner of CGST and Central Excise, Kolkata
Income Tax Act, 1961	Income Tax	8.36	2007-08 to 2017-18	Asst. commissioner of I.T -CPC (TDS), Kolkata
		5.86	1987-88	Hon'ble High Court at Calcutta
		1.31	2007-08 - 2017-18	Income Tax Department, Siliguri

- 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.

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

- 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

**Aditya Singhi**  
*Partner*  
Membership No. 305161  
UDIN: 20305161AAAAAP2702

Place: Kolkata  
Date : 30th June, 2020

## **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 with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **Gillanders Arbuthnot and Company Limited** ("the Company") as of March 31, 2020 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 with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 with reference to financial statements.

### **Meaning of Internal Financial Controls over financial reporting with reference to financial statements**

A company's internal financial control over financial reporting with reference to financial statements 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 with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and

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

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.

### Inherent Limitations of Internal Financial Controls over financial reporting with reference to financial statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### Other Matters

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 with reference to financial statements in so far as it relates to one unit of the Company's Engineering (MICCO) 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

**Aditya Singhi**  
Partner  
Membership No. 305161  
UDIN: 20305161AAAAAP2702

Place: Kolkata  
Date : 30th June, 2020

**STANDALONE BALANCE SHEET as at 31st March 2020**

(₹ in Lakhs)

Particulars	Note No	As at 31st March, 2020	As at 31st March, 2019
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	4	32,707.11	33,964.44
Capital Work-In-Progress	4	688.81	798.07
Intangible Assets	5	41.20	13.70
Intangible Assets under Development	5	-	25.90
Investment in Subsidiary	6	791.15	636.59
Financial Assets			
Investments	7	1,264.69	1,882.65
Loans	8	140.55	75.46
Other Financial Assets	9	489.11	1,849.01
Non-Current Tax Asset (Net)	10	848.84	980.30
Other Non-Current Assets	11	37.90	41.51
<b>Total Non Current Assets</b>		<b>37,009.36</b>	<b>40,267.63</b>
<b>CURRENT ASSETS</b>			
Biological Assets other than Bearer Plants	12	-	57.69
Inventories	13	14,204.24	17,404.50
Financial Assets			
Investments	14	399.71	1,053.79
Trade Receivables	15	7,644.76	8,857.57
Cash and Cash Equivalents	16	190.93	242.15
Bank Balances other than Note 16	17	2,258.39	647.94
Loans	8	144.76	228.74
Other Financial Assets	9	7,114.38	7,535.90
Other Current Assets	11	3,927.28	4,380.42
<b>Total Current Assets</b>		<b>35,884.45</b>	<b>40,408.70</b>
<b>Total Assets</b>		<b>72,893.81</b>	<b>80,676.33</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	18	2,134.23	2,134.23
Other Equity	19	22,658.35	24,698.88
<b>Total Equity</b>		<b>24,792.58</b>	<b>26,833.11</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Financial Liabilities			
Borrowings	20	9,595.58	9,951.95
Other Financial Liabilities	21	1,162.26	941.44
Provisions	22	187.37	169.55
Deferred Tax Liabilities (Net)	23	-	-
Other Non-Current Liabilities	24	-	30.79
<b>Total Non-Current Liabilities</b>		<b>10,945.21</b>	<b>11,093.73</b>
<b>CURRENT LIABILITIES</b>			
Financial Liabilities			
Borrowings	25	16,038.36	18,374.15
Trade Payables	26	-	-
Total Outstanding dues to Micro Enterprises and Small Enterprises		38.47	71.32
Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		11,996.21	13,780.71
Other Financial Liabilities	21	5,738.79	6,782.52
Other Current Liabilities	24	596.25	1,125.40
Provisions	22	2,747.94	2,615.39
<b>Total Current Liabilities</b>		<b>37,156.02</b>	<b>42,749.49</b>
<b>Total Equity And Liabilities</b>		<b>72,893.81</b>	<b>80,676.33</b>

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

As per our Report of even date annexed.

 For **SINGHI & CO.**

 Chartered Accountants  
 Firm Registration No. 302049E

**Aditya Singhi**

Partner

Membership No. 305161

Place : Kolkata

Date : 30th June 2020

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

**Dhananjay Karmakar**  
 Company Secretary

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

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

**Niraj Singh**  
 Chief Financial Officer

For and on behalf of the Board

**STANDALONE STATEMENT OF PROFIT AND LOSS** for the year ended 31st March 2020

(₹ in Lakhs)

Particulars	Note No.	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>INCOME</b>			
Revenue from Operations	27	61,489.73	70,537.19
Other Income	28	1,592.46	1,094.39
<b>Total Income (i)</b>		<b>63,082.19</b>	<b>71,631.58</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	29	19,092.73	25,033.59
Purchase of Traded Goods	30	7,594.54	6,659.48
Changes in Inventories of Finished Goods, Work-in-Progress and Traded Goods	31	1,454.46	142.27
Employee Benefits Expense	32	14,341.47	14,891.63
Finance Costs	33	4,204.49	4,498.76
Depreciation and Amortisation Expense	34	1,568.83	1,694.16
Other Expenses	35	17,563.90	19,428.80
<b>Total Expenses (ii)</b>		<b>65,820.42</b>	<b>72,348.69</b>
<b>Profit / (Loss) before Exceptional Items and Tax (i) - (ii)</b>		<b>(2,738.23)</b>	<b>(717.11)</b>
Exceptional Item	36	958.04	-
<b>Profit / (Loss) after Exceptional Item but before Tax</b>		<b>(1,780.19)</b>	<b>(717.11)</b>
<b>Tax Expense:</b>			
Current Tax		-	-
Deferred Tax	37	-	162.58
<b>Profit / (Loss) for the year (iii)</b>		<b>(1,780.19)</b>	<b>(879.69)</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>	38		
Remeasurement of the Defined Benefit Plans		(246.41)	(465.25)
Equity Instruments through Other Comprehensive Income		(13.93)	247.23
Income tax relating to these items		-	162.58
<b>Other Comprehensive Income for the year (Net of Tax) (iv)</b>		<b>(260.34)</b>	<b>(55.44)</b>
<b>Total Comprehensive Income for the year (iii + iv)</b>		<b>(2,040.53)</b>	<b>(935.13)</b>
<b>Earnings Per Share</b>			
Nominal Value of Shares (₹ 10)			
Basic & Diluted Earnings Per Share	45	(8.34)	(4.12)

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

As per our Report of even date annexed.

For **SINGHI & CO.**  
Chartered Accountants  
Firm Registration No. 302049E  
**Aditya Singhi**  
Partner  
Membership No. 305161  
Place : Kolkata  
Date : 30th June 2020

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

**Dhananjay Karmakar**  
Company Secretary

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

**For and on behalf of the Board**  
**Arun Kumar Kothari**  
Chairman  
(DIN:00051900)

**Niraj Singh**  
Chief Financial Officer

**STANDALONE CASH FLOW STATEMENT** for the year ended 31st March 2020

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2020		For the year ended 31st March, 2019	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit/(Loss) before tax		(1,780.19)		(717.11)
Adjustments for :				
Depreciation and Amortisation Expense	1,568.83		1,694.16	
Finance Cost (Net of incentive income)	4,204.49		4,498.76	
Exceptional Item (Refer Note 36)	(958.04)		-	
(Gain) / Loss on Restatement of Investment at FVTPL	(1.55)		(3.11)	
(Profit)/Loss on Sale of Property, Plant and Equipment (Net)	(31.93)		(74.11)	
Loss on Foreign currency transaction and translation (Net)	91.15		26.84	
Gain on Sale of Investment at FVTPL	(26.15)		-	
Bad Debts and Advances written off	121.24		282.85	
Allowances for Doubtful Debts and advances written back	(584.29)		(202.84)	
Change in Fair Value of Biological Asset	57.69		(12.23)	
Interest Income	(267.26)		(206.61)	
Dividend Income	(17.68)		-	
Liability no longer required written back	(240.66)	3,915.84	(335.40)	5,668.31
Operating profit before Working Capital Changes		2,135.65		4,951.20
Adjustments for :				
Trade and Other Receivables	2,535.61		2,792.74	
Inventories	3,145.20		362.06	
Trade and Other Payables	(2,477.21)	3,203.60	1,507.66	4,662.46
<b>Cash Generated from Operations</b>		5,339.25		9,613.66
Direct Taxes (Paid) / Refund (Net)	131.46		(380.06)	
Interest received on Income Tax Refund	62.84	194.30	11.48	(368.58)
<b>Net Cash from Operating Activities</b>		5,533.55		9,245.08
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Property, Plant and Equipment and Intangible Assets including Capital work-in-progress and capital advance	(985.63)		(1,097.78)	
Proceeds from Sale of Property, Plant and Equipment	125.51		199.54	
Proceeds from Sale of Tea Estate	1,060.27		-	
Proceeds / (Purchase) of Current Investments (Net)	681.78		(936.83)	
Proceeds from Sale of Non-Current Investments (Net)	604.03		1,624.78	
Investment in Subsidiary	(154.56)		(373.07)	
Loan given to a Subsidiary	(1,427.96)		-	
Loan repayment received from a Subsidiary	1,427.96		-	
Proceeds / (Investment) in Bank Deposit (Net)	(300.16)		(1,246.10)	
Interest on Loan Received from a Subsidiary	23.11		-	
Interest Received	196.51		180.88	
Dividend Received	17.68		-	
<b>Net Cash used in Investing Activities</b>		1,268.54		(1,648.58)

**STANDALONE CASH FLOW STATEMENT** for the year ended 31st March 2020 (Contd.)

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2020		For the year ended 31st March, 2019	
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from Long Term Borrowings	1,785.00		1,000.00	
Repayment of Long Term Borrowings	(1,738.54)		(2,609.48)	
Proceeds from Short Term Borrowings (Net)	(2,192.39)		(1,066.27)	
Proceeds from Fixed Deposits (from Public)	313.88		922.96	
Repayment of Fixed Deposits (from Public)	(779.30)		(1,329.42)	
Payment of Unclaimed Dividend	(17.48)		(0.03)	
Payment of Lease Principal	(9.40)		-	
Payment of Finance Charges on Lease	(4.36)		-	
Finance Charges Paid	(4,210.72)		(4,416.78)	
<b>Net Cash used in Financing Activities</b>		<b>(6,853.31)</b>		<b>(7,499.02)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)</b>		<b>(51.22)</b>		<b>97.48</b>
Cash and Cash Equivalents on Opening date		242.15		144.67
Cash and Cash Equivalents on Closing date (See Note 16)		190.93		242.15
		<b>(51.22)</b>		<b>97.48</b>

Notes :

- a) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard 7 on 'Cash Flow Statements'.

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>b) Component of Cash &amp; Cash Equivalents: -</b>		
Cash on Hand	44.17	19.51
Balances with Banks in Current Accounts	146.76	222.64
Cash & Cash Equivalent as per Balance sheet (Refer Note no 16)	<b>190.93</b>	<b>242.15</b>

Particulars	2019-2020	2018-2019
<b>c) Debt Reconciliation Statement in accordance with Ind AS 7</b>		
<b>Opening Balances</b>		
Non Current Borrowings	9,951.95	10,556.30
<b>Movement</b>		
Non Current Borrowings	(356.37)	(604.35)
<b>Closing Balances</b>		
Non Current Borrowings	<b>9,595.58</b>	9,951.95

- d) 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  
**Aditya Singhi**  
Partner  
Membership No. 305161  
Place : Kolkata  
Date : 30th June 2020

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

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

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

**Dhananjoy Karmakar**  
Company Secretary

**Niraj Singh**  
Chief Financial Officer

**STANDALONE STATEMENT OF CHANGE IN EQUITY** for the year ended 31st March 2020

**a) Equity Share Capital**

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
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	
<b>Balance as at 31st March 2018</b>	3,407.53	262.47	9,860.07	11,551.97	551.97	25,634.01
<b>Comprehensive Income for the year</b>						
Profit / (Loss) for the year				(879.69)		(879.69)
Other Comprehensive Income, net of Income Tax				(302.67)	247.23	(55.44)
<b>Total Comprehensive Income for the year</b>	-	-	-	(1,182.36)	247.23	(935.13)
Realised gain on Sale of Equity instruments through FVTOCI				359.11	(359.11)	-
<b>Balance as at 31st March 2019</b>	3,407.53	262.47	9,860.07	10,728.72	440.09	24,698.88
<b>Comprehensive Income for the year</b>						
Profit / (Loss) for the year				(1,780.19)		(1,780.19)
Other Comprehensive Income, net of Income Tax				(246.41)	(13.93)	(260.34)
<b>Total Comprehensive Income for the year</b>	-	-	-	(2,026.60)	(13.93)	(2,040.53)
Realised gain on Sale of Equity instruments through FVTOCI				155.71	(155.71)	-
<b>Balance as at 31st March 2020</b>	3,407.53	262.47	9,860.07	8,857.83	270.45	22,658.35

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

**Aditya Singhi**

Partner

Membership No. 305161

Place : Kolkata

Date : 30th June 2020

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

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

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

**Dhananjay Karmakar**  
Company Secretary

**Niraj Singh**  
Chief Financial Officer

## NOTES TO STANDALONE FINANCIAL STATEMENTS as on and for the year ended 31st March 2020

### 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, 2020 have been approved by the Board of Directors in their meeting held on 30th June, 2020.

#### 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

**NOTES TO STANDALONE FINANCIAL STATEMENTS** as on and for the year ended 31st March 2020 (*Contd.*)

Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

**2.6. Operating Cycle for current and non-current classification**

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

An asset is classified as current when it is:

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

All other assets are classified as non-current.

Similarly a liability is current if:

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

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

**2.7. Measurement of Fair Values**

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

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

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

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

## NOTES TO STANDALONE FINANCIAL STATEMENTS as on and for the year ended 31st March 2020

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

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

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

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

#### 3.1. INVENTORIES

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

- **Raw Materials, Stores and Spare Parts:** 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. Materials and other items held for use in the production of inventories are not written down below costs, if finished goods in which they will be incorporated are expected to be sold at or above cost.
- **Stock in Process:** Is valued with material at lower of weighted average cost and market rate and estimated conversion cost. In case of textile, in view of substantially large number of items in stock in progress, it is not feasible to maintain the status of movement of each item at shop floor on perpetual basis. The Company, however, physically verifies such stocks at the end of the year and valuation is made on the basis of such physical verification.
- **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.

**NOTES TO STANDALONE FINANCIAL STATEMENTS** as on and for the year ended 31st March 2020 *(Contd.)***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 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.

## NOTES TO STANDALONE FINANCIAL STATEMENTS as on and for the year ended 31st March 2020

### 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.
- 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.

**NOTES TO STANDALONE FINANCIAL STATEMENTS** as on and for the year ended 31st March 2020 *(Contd.)***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 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**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

## NOTES TO STANDALONE FINANCIAL STATEMENTS as on and for the year ended 31st March 2020

### 3.6.1. As a lessee:

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### i) Right-of-use Assets (ROU Assets)

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 3.15 Impairment of non-financial assets.

#### ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

#### iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of properties, machinery and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

### 3.6.2. 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.

**NOTES TO STANDALONE FINANCIAL STATEMENTS** as on and for the year ended 31st March 2020 (*Contd.*)**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.

**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.

## NOTES TO STANDALONE FINANCIAL STATEMENTS as on and for the year ended 31st March 2020

### 3.8. EMPLOYEE BENEFITS

#### 3.8.1. Short Term Benefits

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

#### 3.8.2. Other Long Term Employee Benefits

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

#### 3.8.3. Post-Employment Benefits

The Company operates the following post-employment schemes:

##### ➤ Defined Contribution Plan

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

##### ➤ Defined Benefit Plans

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

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

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.

**NOTES TO STANDALONE FINANCIAL STATEMENTS** as on and for the year ended 31st March 2020 (*Contd.*)**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.
- 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.

## NOTES TO STANDALONE FINANCIAL STATEMENTS as on and for the year ended 31st March 2020

### 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.

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

**NOTES TO STANDALONE FINANCIAL STATEMENTS** as on and for the year ended 31st March 2020 (*Contd.*)

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

## NOTES TO STANDALONE FINANCIAL STATEMENTS as on and for the year ended 31st March 2020

### ➤ **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 2020 *(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.

## NOTES TO STANDALONE FINANCIAL STATEMENTS as on and for the year ended 31st March 2020

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

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

- **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.

**NOTES TO STANDALONE FINANCIAL STATEMENTS** as on and for the year ended 31st March 2020 *(Contd.)*

- **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.
- **Uncertainties relating to the global health pandemic from COVID-19:** The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, projects work- in -progress and inventories including biological assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

**3.20. Recent accounting pronouncements - Standard issued but not yet effective**

Ministry of corporate affairs (MCA) notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2020.

**Notes to Standalone Financial Statements as on and for the year ended 31st March 2020 (Contd.)**  
**NOTE 4 | PROPERTY, PLANT AND EQUIPMENT**

(₹ in Lakhs)

SI No.	Particulars	Gross Block		Disposal / Adjustment	Balance as at 31st March 20	Balance as at 31st March 19	Depreciation and Amortisation		Net Block	
		Additions	Disposal / Adjustment				Depreciation / Amortisation for the year	Disposal / Adjustment	Balance as at 31st March 20	Balance as at 31st March 19
<b>A</b>	<b>Tangible Assets</b>									
	Freehold Land	13,591.27	-	354.48	13,591.27	13,591.27	-	222.98	13,591.27	13,591.27
	Buildings	8,638.72	8.55	0.13	8,292.79	4,010.63	-	147.56	4,357.58	4,628.09
	Bridges, culverts, bunders, etc	17.14	-	13.85	17.01	8.84	0.61	0.07	7.63	8.30
	Roads	124.51	-	-	110.66	106.67	1.92	13.15	15.22	17.84
	Plant and Machinery	32,285.36	526.01	1,651.71	31,159.66	21,277.66	1,127.35	1,316.19	10,070.84	11,007.70
	Furniture and Fittings	516.46	5.29	17.30	504.45	418.56	13.57	15.28	87.60	97.90
	Motor Vehicles	1,176.42	18.29	110.81	1,083.90	798.03	68.13	84.52	302.26	378.39
	Office Equipment	323.59	4.90	23.90	304.59	276.83	12.01	22.34	38.09	46.76
	Computers and Data Processing units	369.80	2.81	16.43	356.18	332.21	16.34	15.26	22.89	37.59
	Electrical Installations and Equipment	2,466.80	4.60	83.59	2,387.81	1,499.57	50.85	76.08	913.47	967.23
	Bearer Plants	3,504.26	305.06	107.95	3,701.37	320.89	118.75	7.25	432.39	3,183.37
	Right of Use Asset (Refer Note e below)	-	33.52	-	33.52	-	2.24	-	31.28	-
	<b>Total</b>	<b>63,014.33</b>	<b>909.03</b>	<b>2,380.15</b>	<b>61,543.21</b>	<b>29,049.89</b>	<b>1,559.33</b>	<b>1,773.12</b>	<b>32,707.11</b>	<b>33,964.44</b>
	<b>Capital Work In Progress</b>									
	<b>Total</b>	<b>63,014.33</b>	<b>909.03</b>	<b>2,380.15</b>	<b>61,543.21</b>	<b>29,049.89</b>	<b>1,559.33</b>	<b>1,773.12</b>	<b>33,395.92</b>	<b>34,762.51</b>
<b>B</b>	<b>Grand Total (A+B)</b>									

SI No.	Particulars	Gross Block		Disposal / Adjustment	Balance as at 31st March 19	Balance as at 31st March 18	Depreciation and Amortisation		Net Block	
		Additions	Disposal / Adjustment				Depreciation / Amortisation for the year	Disposal / Adjustment	Balance as at 31st March 19	Balance as at 31st March 18
<b>A</b>	<b>Tangible Assets</b>									
	Freehold Land	13,591.27	-	-	13,591.27	13,591.27	-	-	13,591.27	13,591.27
	Buildings	8,564.43	74.29	-	8,638.72	3,859.66	150.97	-	4,628.09	4,704.77
	Bridges, culverts, bunders, etc	17.14	-	-	17.14	7.85	0.99	-	8.30	9.29
	Roads	124.51	-	-	124.51	104.75	1.92	-	17.84	19.76
	Plant and Machinery	32,215.94	488.82	419.40	32,285.36	20,463.00	1,133.28	318.62	11,007.70	11,752.94
	Furniture and Fittings	504.76	12.24	0.54	516.46	404.77	14.31	0.52	97.90	99.99
	Motor Vehicles	1,198.82	51.82	74.22	1,176.42	769.82	77.93	49.72	378.39	429.00
	Office Equipment	303.13	21.56	1.10	323.59	263.76	14.12	1.05	46.76	39.37
	Computers and Data Processing units	356.82	14.41	1.43	369.80	316.48	17.09	1.36	37.59	40.34
	Electrical Installations and Equipment	2,453.91	13.12	0.23	2,466.80	1,336.86	162.93	0.22	967.23	1,117.05
	Bearer Plants	3,353.20	151.06	-	3,504.26	208.15	112.74	-	3,183.37	3,145.05
	<b>Total</b>	<b>62,683.93</b>	<b>827.32</b>	<b>496.92</b>	<b>63,014.33</b>	<b>27,735.10</b>	<b>1,686.28</b>	<b>371.49</b>	<b>33,964.44</b>	<b>34,948.83</b>
	<b>Capital Work In Progress</b>									
	<b>Total</b>	<b>62,683.93</b>	<b>827.32</b>	<b>496.92</b>	<b>63,014.33</b>	<b>27,735.10</b>	<b>1,686.28</b>	<b>371.49</b>	<b>34,762.51</b>	<b>35,709.37</b>

Note:

- The amount of Contractual commitments for acquisition of property, plant and equipment is disclosed in Note 40(a).
- Refer Note 41.2 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 Rs 25.03 Lakhs (PY - Rs 46.04 Lakhs)
- Borrowing cost capitalised during year is Rs 12.64 Lakhs (PY- Rs 21.87 Lakhs) at the capitalisation rate of 9.50% (PY- 10.10%)
- Addition to Right of Use Asset is due to reclassification of Leasehold Land as on 01.04.2019.
- 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 2020 (Contd.)**

<b>NOTE 5   INTANGIBLE ASSETS</b>											
(₹ in Lakhs)											
Sl No.	Particulars	Gross Block				Depreciation and Amortisation				Net Block	
		Balance as at 31st March 2019	Additions	Disposal / Adjustment	Balance as at 31st March 2020	Balance as at 31st March 2019	Amortisation for the year	Disposal / Adjustment	Balance as at 31st March 2020	Balance as at 31st March 2020	Balance as at 31st March 2019
A	Computer Softwares	323.64	37.00	-	360.64	309.94	9.50	-	319.44	41.20	13.70
	<b>Total</b>	<b>323.64</b>	<b>37.00</b>	<b>-</b>	<b>360.64</b>	<b>309.94</b>	<b>9.50</b>	<b>-</b>	<b>319.44</b>	<b>41.20</b>	<b>13.70</b>
B	Intangible Assets under development										25.90
	<b>Total</b>										<b>25.90</b>
	<b>Grand Total (A+B)</b>	<b>323.64</b>	<b>37.00</b>	<b>-</b>	<b>360.64</b>	<b>309.94</b>	<b>9.50</b>	<b>-</b>	<b>319.44</b>	<b>41.20</b>	<b>39.60</b>

Sl No.	Particulars	Gross Block				Depreciation and Amortisation				Net Block	
		Balance as at 31st March 18	Additions	Disposal / Adjustment	Balance as at 31st March 19	Balance as at 31st March 18	Amortisation for the year	Disposal / Adjustment	Balance as at 31st March 19	Balance as at 31st March 18	Balance as at 31st March 19
A	Computer Softwares	320.83	2.98	0.17	323.64	302.23	7.88	0.17	309.94	13.70	18.60
	<b>Total</b>	<b>320.83</b>	<b>2.98</b>	<b>0.17</b>	<b>323.64</b>	<b>302.23</b>	<b>7.88</b>	<b>0.17</b>	<b>309.94</b>	<b>13.70</b>	<b>18.60</b>
B	Intangible Assets under development									25.90	-
	<b>Total</b>									<b>25.90</b>	<b>-</b>
	<b>Grand Total (A+B)</b>	<b>320.83</b>	<b>2.98</b>	<b>0.17</b>	<b>323.64</b>	<b>302.23</b>	<b>7.88</b>	<b>0.17</b>	<b>309.94</b>	<b>39.60</b>	<b>18.60</b>

Note:

- 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 2020 (Contd.)

NOTE 6 INVESTMENT IN SUBSIDIARY					(₹ in Lakhs)	
Particulars	Face Value	As at 31st March 2020		As at 31st March 2019		
	(₹)	Qty	Amount	Qty	Amount	
<b>Unquoted Investments (Fully Paid up)</b>						
<b>Investment in Equity Shares (Measured at Cost)</b>						
Gillanders Holdings (Mauritius) Ltd	USD 1	11,40,000	791.15	9,40,000	636.59	
<b>Total</b>			<b>791.15</b>		<b>636.59</b>	
Aggregate amount of Unquoted Investment			791.15		636.59	
NOTE 7 NON - CURRENT INVESTMENTS					(₹ in Lakhs)	
Particulars	Face Value	As at 31st March 2020		As at 31st March 2019		
	(₹)	Qty	Amount	Qty	Amount	
<b>INVESTMENTS AT AMORTIZED COST</b>						
<b>Investment in Fully paid Debentures (Unquoted)</b>						
5% 10 years Redeemable Debenture in Shillong Club Ltd.	100	18	0.01	18	0.01	
			<b>0.01</b>		<b>0.01</b>	
<b>INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME</b>						
<b>Investments in Unquoted Equity Instruments</b>						
Bharat Fritz Werner Ltd	2	9,62,311	1,251.38	14,22,311	1,869.34	
Kothari Investment and Industries Pvt Ltd (erstwihle Kothari Hi Tech Consultants Pvt. Ltd.) #	10	3,800	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	
			<b>1,264.68</b>		<b>1,882.64</b>	
<b>INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>						
<b>Investments in Quoted Equity Instruments</b>						
Era Infra Engineering Ltd.	2	1	*	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	*	
UB Engineering Ltd.	10	1	*	1	*	
Winsome Yarns Ltd.	10	1	*	1	*	
			<b>*</b>		<b>*</b>	
<b>Total</b>			<b>1,264.69</b>		<b>1,882.65</b>	
Aggregate amount of						
- Quoted Investments			*		*	
- Unquoted Investments			1,264.69		1,882.65	
Aggregate Market Value of Quoted Investment			*		*	

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

# Pursuant to an Order passed by the Kolkata Bench of National Company Law Tribunal ("NCLT") on 04.11.2019, company have been allotted 3800 fully paid equity shares of face value of ₹ 10 each (Rupees Ten only) of Kothari Investment and Industries Private Limited in lieu of 95000 equity shares of face value of Rs 10 each (Rupees Ten only) of Kothari Hitech and Consultants Pvt Ltd.

**Notes to Standalone Financial Statements as on and for the year ended 31st March 2020 (Contd.)**

<b>NOTE 8   LOANS</b>		(₹ in Lakhs)			
Particulars	Refer Note No.	Non-Current		Current	
		As at 31st March 2020	As at 31st March 2019	As at 31st March 2020	As at 31st March 2019
<b>Unsecured, considered good</b>					
Advance to Employees, unsecured, considered good				32.10	24.90
<b>Security Deposits</b>					
Unsecured, considered good		140.55	75.46	112.66	203.84
Unsecured, having significant increase in credit risk		-	-	-	-
Unsecured, credit impaired		-	-	-	12.79
		<b>140.55</b>	<b>75.46</b>	<b>144.76</b>	<b>241.53</b>
Less:- Allowances for doubtful Security deposits		-	-	-	12.79
<b>Total</b>	8.1	<b>140.55</b>	<b>75.46</b>	<b>144.76</b>	<b>228.74</b>

**8.1** - 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.

<b>NOTE 9   OTHERS FINANCIAL ASSETS</b>		(₹ in Lakhs)			
Particulars	Refer Note No.	Non-Current		Current	
		As at 31st March 2020	As at 31st March 2019	As at 31st March 2020	As at 31st March 2019
<b>Retention Deposits</b>					
Unsecured, considered good		433.31	482.92	2,686.96	2,082.84
Unsecured, having significant increase in credit risk		-	-	-	-
Unsecured, credit impaired		235.63	882.53	3,857.84	3,653.22
		<b>668.94</b>	<b>1,365.45</b>	<b>6,544.80</b>	<b>5,736.06</b>
Less:- Allowances for doubtful retention deposits		235.63	882.53	3,857.84	3,653.22
		<b>433.31</b>	<b>482.92</b>	<b>2,686.96</b>	<b>2,082.84</b>
<b>Other Deposits</b>					
NABARD Deposit		-	-	0.82	0.82
Interest Accrued on Loans and Deposits		-	-	26.62	41.82
Incentive and Subsidy Receivable		-	-	383.40	390.07
Deposits with Bank having maturity of more than one year from the balance sheet date	9.1	55.80	1,366.09	-	-
Others		-	-	4,016.58	5,020.35
		<b>55.80</b>	<b>1,366.09</b>	<b>4,427.42</b>	<b>5,453.06</b>
<b>Total</b>		<b>489.11</b>	<b>1,849.01</b>	<b>7,114.38</b>	<b>7,535.90</b>

**9.1** - Include Rs 55.80 Lakhs (P.Y. Rs 1,366.09 Lakhs) under lien with bank.

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

**Notes to Standalone Financial Statements** as on and for the year ended 31st March 2020 *(Contd.)***NOTE 10 | NON CURRENT TAX ASSETS (NET)** (₹ in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Advance Income Tax and Tax Deducted at Source	1,875.54	2,016.80
Less: Provision for Income Tax	1,026.70	1,036.50
<b>Total</b>	<b>848.84</b>	<b>980.30</b>

**NOTE 11 | OTHER ASSETS** (₹ in Lakhs)

Particulars	Refer Note No.	Non-Current		Current	
		As at 31st March 2020	As at 31st March 2019	As at 31st March 2020	As at 31st March 2019
Capital Advances		37.90	41.51	-	-
Advance against supply of Goods and Services		-	-	900.09	943.45
Prepaid Expenses		-	-	375.43	340.49
Balances with Government and Statutory Authorities		-	-	2,682.76	3,127.48
		<b>37.90</b>	<b>41.51</b>	<b>3,958.28</b>	<b>4,411.42</b>
Less : Allowances for Doubtful Advances		-	-	31.00	31.00
<b>Total</b>	<b>11.1</b>	<b>37.90</b>	<b>41.51</b>	<b>3,927.28</b>	<b>4,380.42</b>

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

**NOTE 12 | BIOLOGICAL ASSETS OTHER THAN BEARER PLANTS** (₹ in Lakhs)

Particulars	Refer Note No.	As at 31st March 2020	As at 31st March 2019
Opening Fair Value of Biological Assets Other than Bearer Plants	12.1	57.69	45.46
Addition / (Deletion) during the year (Net of Harvest)		(57.69)	-
Fair Value Gain routed through Profit and Loss		-	12.23
<b>Closing Fair Value of Biological Assets Other than Bearer Plants</b>		<b>-</b>	<b>57.69</b>

**12.1** - 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.

**12.2** - Refer Note 20.3 and Note 25.1 for information on Biological Assets other than Bearer Plants pledged as securities by the Company.

**Notes to Standalone Financial Statements** as on and for the year ended 31st March 2020 (Contd.)

<b>NOTE 13   INVENTORIES</b>		(₹ in Lakhs)	
Particulars	As at		
	31st March 2020	31st March 2019	
(As valued and certified by the Management)			
Raw Materials	2,162.07	3,496.68	
Stock-in-Process	1,458.16	1,693.12	
Finished Goods	6,033.60	6,937.14	
Stock-in-Trade (In respect of goods acquired for trading)	90.79	464.34	
Contracts in Progress	3,079.77	2,508.30	
Scrap and Waste	207.41	149.82	
Stores and Spares etc.	1,172.44	2,155.10	
<b>Total</b>	<b>14,204.24</b>	<b>17,404.50</b>	
The above includes goods-in-transit as under:			
Raw Materials	175.84	778.70	
	<b>175.84</b>	<b>778.70</b>	

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

<b>NOTE 14   CURRENT INVESTMENTS</b>		(₹ in Lakhs)			
Particulars	Face Value (₹)	As at 31st March 2020		As at 31st March 2019	
		Qty	Amount	Qty	Amount
<b>INVESTMENTS AT AMORTIZED COST</b>					
<b>Investments in Government and Trust Securities (Unquoted)</b>					
6 Years National Saving Certificates (Deposited with Commercial Tax Officer)			0.07		0.07
			<b>0.07</b>		<b>0.07</b>
<b>INVESTMENTS AT FAIR VALUE THROUGH PROFIT AND LOSS</b>					
<b>Investments in Mutual funds (Unquoted)</b>					
Aditya Birla Sun Life Liquid Fund - Growth	10	-	-	1,25,862	376.37
HDFC Liquid Fund Regular Plan - Growth	100	7,704	299.19	10,280	376.30
ICICI Prudential Liquid Fund - Growth	10	34,328	100.45	1,09,307	301.05
			<b>399.64</b>		<b>1,053.72</b>
<b>Total</b>			<b>399.71</b>		<b>1,053.79</b>
Aggregate amount of Unquoted Investments			399.71		1,053.79

**Notes to Standalone Financial Statements** as on and for the year ended 31st March 2020 (Contd.)

**NOTE 15 | TRADE RECEIVABLES** (₹ in Lakhs)

Particulars	Refer Note No.	As at 31st March 2020	As at 31st March 2019
Unsecured, considered good		7,644.76	8,857.57
Unsecured, having significant increase in credit risk		-	-
Unsecured, credit impaired		670.81	783.07
<b>Total</b>		<b>8,315.57</b>	<b>9,640.64</b>
Less: Allowances for doubtful receivables	51A	670.81	783.07
<b>Total</b>		<b>7,644.76</b>	<b>8,857.57</b>

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

**15.2** - 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.

**15.3** - Refer Note 20.3 and Note 25.1 for information on Trade Receivable pledged as securities by the Company.

**NOTE 16 | CASH AND CASH EQUIVALENTS** (₹ in Lakhs)

Particulars	Refer Note No.	As at 31st March 2020	As at 31st March 2019
Balances With Banks :			
In Current Account		146.76	138.69
In Deposit Accounts with Original Maturity of less than three months	16.1	-	83.95
Cash on Hand		44.17	19.51
<b>Total</b>		<b>190.93</b>	<b>242.15</b>

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

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

**NOTE 17 | BANK BALANCES (OTHER THAN NOTE: 16)** (₹ in Lakhs)

Particulars	Refer Note No.	As at 31st March 2020	As at 31st March 2019
Balance in Unpaid Dividend Account		11.41	28.89
In Deposit accounts with Original maturity of more than three months	17.1 17.2	2,302.78	1,985.14
		<b>2,314.19</b>	<b>2,014.03</b>
Less:- Deposits with Bank disclosed under 'other financial Assets' having maturity of more than 12 months		55.80	1,366.09
<b>Total</b>		<b>2,258.39</b>	<b>647.94</b>

**17.1** - 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 40(b)).

**17.2** - Includes deposits marked lien in favour of Bank ₹ 847.20 Lakhs (P.Y. ₹ 619.05 Lakhs).

**Notes to Standalone Financial Statements as on and for the year ended 31st March 2020 (Contd.)**
**NOTE 18 | SHARE CAPITAL**

Particulars	As at 31st March 2020		As at 31st March 2019	
	No. of Shares	(₹ in Lakhs)	No. of Shares	(₹ in Lakhs)
<b>18.1 - Authorised Share Capital</b>				
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
	<b>4,52,00,000</b>	<b>7,400.00</b>	<b>4,52,00,000</b>	<b>7,400.00</b>
<b>18.2 - Issued Share Capital</b>				
Ordinary Shares of ₹10 each	2,13,42,346	2,134.23	2,13,42,346	2,134.23
	<b>2,13,42,346</b>	<b>2,134.23</b>	<b>2,13,42,346</b>	<b>2,134.23</b>
<b>18.3 - Subscribed and Paid-up Share Capital</b>				
Ordinary Shares of ₹10 each fully paid-up	2,13,42,346	2,134.23	2,13,42,346	2,134.23
	<b>2,13,42,346</b>	<b>2,134.23</b>	<b>2,13,42,346</b>	<b>2,134.23</b>

**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 2020		As at 31st March 2019	
	No. of Shares held	% of holding	No. of Shares held	% of holding
Kothari Investment & Industries Private Limited	72,65,198	34.04%	22,53,748	10.56%
Kothari Phytochemicals & Industries Limited	55,01,078	25.78%	55,01,078	25.78%
M. D. Kothari & Company Limited	15,21,868	7.13%	15,21,868	7.13%
Life Insurance Corporation of India	10,38,191	4.86%	11,87,278	5.56%
Commercial House Private Limited *	-	-	13,68,212	6.41%
Kothari & Co. Private Limited *	-	-	14,26,199	6.68%
Vishnuhari Investments & Properties Limited *	-	-	17,07,291	8.00%

\* National Company Law Tribunal (NCLT) vide order dated 04.11.2019 had approved the Scheme of Arrangement by virtue of which Bhaktwatsal Investments Limited, Commercial House Private Limited, Vishnuhari Investments & Properties Limited, Kothari Hitech Consultants Private Limited, Kothari & Co. Private Limited and Kothari Capital & Securities Private Limited have been amalgamated with Kothari Investment & Industries Private Limited.

**Notes to Standalone Financial Statements** as on and for the year ended 31st March 2020 *(Contd.)*

**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.

<b>NOTE 19   OTHER EQUITY</b>		(₹ in Lakhs)	
<b>Particulars</b>	<b>As at 31st March 2020</b>	<b>As at 31st March 2019</b>	
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	8,857.83	10,728.72	
Other Reserves	270.45	440.09	
<b>Total</b>	<b>22,658.35</b>	<b>24,698.88</b>	

**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) **Preference Share Redemption Reserve** – Reserve is created for redemption of preference shares as per statutory requirement.
- c) **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.
- d) **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.
- e) **Other Reserve** - 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.

**Notes to Standalone Financial Statements as on and for the year ended 31st March 2020 (Contd.)**

<b>NOTE 20   BORROWINGS</b>		(₹ in Lakhs)			
Particulars	Refer Note No.	Non-Current Portion		Current Maturities	
		As at 31st March 2020	As at 31st March 2019	As at 31st March 2020	As at 31st March 2019
<b>Cumulative Redeemable Preference Shares (CRPS)</b> <b>(Face Value of Rs. 100 each)</b>					
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
<b>Term Loans</b>					
<b>From Banks:</b>					
Rupee Loans	20.2	6,976.07	6,863.75	1,506.46	1,392.39
<b>Fixed Deposits (From Public)</b>	20.2	1,365.90	1,829.04	1,176.50	1,048.26
<b>Lease Liability</b>	20.2	23.87	–	10.34	–
<b>Others</b>	20.2	19.74	49.16	19.74	24.58
<b>Total</b>		<b>9,595.58</b>	<b>9,951.95</b>	<b>2,713.04</b>	<b>2,665.23</b>
Amount disclosed under the head "Other Financial Liability"	21			(2,713.04)	(2,665.23)
		<b>9,595.58</b>	<b>9,951.95</b>	<b>–</b>	<b>–</b>

**20.1 - Break Up of Security Details** (₹ in Lakhs)

Particulars	Non-Current Portion		Current Maturities	
	As at 31st March 2020	As at 31st March 2019	As at 31st March 2020	As at 31st March 2019
Secured	5,995.81	5,912.91	1,526.20	1,416.97
Unsecured	3,599.77	4,039.04	1,186.84	1,248.26
<b>Total</b>	<b>9,595.58</b>	<b>9,951.95</b>	<b>2,713.04</b>	<b>2,665.23</b>

**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.)
<b>A</b>	<b>Cumulative Redeemable Preference Shares (CRPS)</b>						
i.	7.75% CRPS	1,210.00	Maximum 18 years from the date of allotment 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%

**Notes to Standalone Financial Statements** as on and for the year ended 31st March 2020 *(Contd.)*

	Particulars	Amount (₹ in Lakhs)	Period of Maturity	Instalments Due	Instalment Value (₹ in Lakhs)	Repayment Terms	Rate of Interest (P.A.)
<b>B</b>	<b>Term Loan - From Banks</b>						
i	State Bank of India (Corporate Loan-I)	1,920.00	Jun-23	12	125.00/Quarter 175.00/Quarter 185.00/Quarter	Sep'20 - Jun'21 Jul'21 - Dec'22 Jan'23 - Jun'23	MCLR + 2.30 %
ii	State Bank of India (Corporate Loan-II)	1,990.00	Jun-23	12	150.00/Quarter 175.00/Quarter 165.00/Quarter	Sep'20 - Jun'21 Jul'21 - Mar'23 Jun'23	MCLR + 3.00 %
iii	State Bank of India (Corporate Loan-III)	1,990.00	Jun-23	12	150.00/Quarter 175.00/Quarter 165.00/Quarter	Sep'20 - Jun'21 Jul'21 - Mar'23 Jun'23	MCLR + 2.40 %
iv	State Bank of India (Lease Rental Discounting Loan) (LRD)	1,633.60	Mar-26	72	Equated Monthly Installments (EMI)	Apr'20 - Mar'26	MCLR + 2.00%
v	YES Bank Limited (Medium Term Loan)	1,000.00	May-22	3	Mar'22 -333.00, Apr'22 - 333.00 and May'22 - 334.00	Mar'22, Apr'22 and May'22	MCLR+1.1%
vi	HDFC Bank Limited (Vehicle Loan)	6.29	May -20 Jun -20 Jul -20 Aug -20 Sep -21	2 3 4 5 18	EMI EMI EMI EMI EMI	Apr'20-May'20 Apr'20-Jun'20 Apr'20-Jul'20 Apr'20-Aug'20 Apr'20-Sep'21	8.75% 8.75% 8.75% 8.75% 9.50%
vii	Unamortised Borrowing Cost on Term Loans	(57.36)					
	<b>Total of Term Loan from Banks</b>	<b>8,482.53</b>					
<b>C</b>	<b>Fixed Deposits (From Public)</b>	<b>2,542.40</b>	One year to three years	Bullet payment on the maturity date	2020-21 - 1,176.50, 2021-22 - 864.72, 2022-23 - 501.18	The fixed deposit includes fixed and cumulative deposits both	9.75% - 10.75%
<b>D</b>	<b>Term Loan - From Others</b>						
	Tea Board of India (Special Purpose Tea Fund Scheme)	39.48	Jul-21	2	19.74 / yearly	Apr'20-July'21	9.00%
<b>E</b>	<b>Lease Liability</b>						
	Lease Liability	34.21	Jan-23	3	13.76/year	Jan'21-Jan'23	10.00%

**Notes to Standalone Financial Statements as on and for the year ended 31st March 2020 (Contd.)**
**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.

**NOTE 21 | OTHER FINANCIAL LIABILITIES**

(₹ in Lakhs)

Particulars	Refer Note No.	Non-Current		Current		
		As at	As at	As at	As at	
		31st March 2020	31st March 2019	31st March 2020	31st March 2019	
Current maturities of Long Term Debts	20	-	-	2,713.04	2,665.23	
Trade and Security Deposits (Unsecured)		997.38	854.19	593.30	846.30	
Interest accrued but not due on Borrowings		164.88	87.25	204.35	280.90	
Unpaid and unclaimed dividends		-	-	11.41	28.89	
Employees related Liabilities		-	-	1,721.37	2,515.79	
Amount payable for Capital Goods		-	-	24.10	39.55	
Unpaid matured deposits and interest accrued thereon		-	-	21.63	6.49	
Other Payables		-	-	449.59	399.37	
<b>Total</b>			<b>1,162.26</b>	<b>941.44</b>	<b>5,738.79</b>	<b>6,782.52</b>

**NOTE 22 | PROVISIONS**

(₹ in Lakhs)

Particulars	Non-Current		Current	
	As at	As at	As at	As at
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
Provision for Employee Benefits	187.37	169.55	2,747.94	2,615.39
<b>Total</b>	<b>187.37</b>	<b>169.55</b>	<b>2,747.94</b>	<b>2,615.39</b>

**Notes to Standalone Financial Statements** as on and for the year ended 31st March 2020 *(Contd.)*

<b>NOTE 23 DEFERRED TAX LIABILITIES (NET)</b>		(₹ in Lakhs)	
Particulars	Refer Note No.	As at 31st March 2020	As at 31st March 2019
<b>Deferred Tax Liabilities</b>			
Arising on account of :			
Property, Plant and Equipment and Intangible Assets		3,994.71	4,123.26
<b>Sub-total</b>		<b>3,994.71</b>	<b>4,123.26</b>
<b>Less: Deferred Tax Assets</b>			
Arising on account of :			
Allowance for Doubtful Debts		1,666.26	1,873.19
Section 43B of Income-tax Act, 1961		1,007.22	1,117.88
Unabsorbed Depreciation/ Carried Forward Business Losses	<b>23.1</b>	1,203.37	998.55
Others		117.86	133.64
<b>Sub-total</b>		<b>3,994.71</b>	<b>4,123.26</b>
<b>Deferred Tax Liabilities (Net)</b>		-	-

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

**23.2** - Movement in deferred tax asset and deferred tax liabilities during the year ended 31st March, 2019 and 31st March, 2020

(₹ in Lakhs)

Particulars	As at 31st March, 2019	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	As at 31st March, 2020
<b>Deferred Tax Liabilities (A)</b>				
Property, Plant and Equipment and Intangible Assets	4,123.26	(128.55)	-	3,994.71
<b>Total (A)</b>	<b>4,123.26</b>	<b>(128.55)</b>	-	<b>3,994.71</b>
<b>Deferred Tax Assets (B)</b>				
Allowance for Doubtful Debts	1,873.19	(206.93)	-	1,666.26
Items u/s 43B of the Income Tax Act, 1961	1,117.88	(110.66)	-	1,007.22
Unabsorbed Depreciation/ Carried Forward Business Losses	998.55	204.82	-	1,203.37
Others	133.64	(15.78)	-	117.86
<b>Total (B)</b>	<b>4,123.26</b>	<b>(128.55)</b>	-	<b>3,994.71</b>
<b>Total - (A) - (B)</b>	-	-	-	-

**Notes to Standalone Financial Statements** as on and for the year ended 31st March 2020 (Contd.)

(₹ 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
<b>Deferred Tax Liabilities (A)</b>				
Property, Plant and Equipment and Intangible Assets	3,868.63	254.63	-	4,123.26
<b>Total (A)</b>	<b>3,868.63</b>	<b>254.63</b>	-	<b>4,123.26</b>
<b>Deferred Tax Assets (B)</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
<b>Total (B)</b>	<b>3,868.63</b>	<b>92.05</b>	<b>162.58</b>	<b>4,123.26</b>
<b>Total - (A) - (B)</b>	-	<b>162.58</b>	<b>(162.58)</b>	-

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

**NOTE 24 | OTHER LIABILITIES**

(₹ in Lakhs)

Particulars	Non-Current		Current	
	As at 31st March 2020	As at 31st March 2019	As at 31st March 2020	As at 31st March 2019
Job Advance	-	30.79	231.76	707.11
Advances Received from Customers	-	-	103.10	141.93
Statutory Dues	-	-	261.39	276.36
<b>Total</b>	-	<b>30.79</b>	<b>596.25</b>	<b>1,125.40</b>

**NOTE 25 | SHORT TERM BORROWINGS**

(₹ in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Loans Repayable on Demand</b>		
Working Capital Facilities from Banks		
- Punjab National Bank (erstwhile United Bank of India)	1,347.74	233.33
- Other Banks	8,705.54	8,727.34
<b>Short Term Loans</b>		
From Banks	-	3,000.00
From Other Bodies Corporates	4,660.00	4,945.00
From Related Parties	100.00	100.00
Fixed Deposits (From Public)	1,225.08	1,368.48
<b>Total</b>	<b>16,038.36</b>	<b>18,374.15</b>
<b>The above amount includes</b>		
Secured Borrowings	10,053.28	8,960.67
Unsecured Borrowings	5,985.08	9,413.48
<b>Total</b>	<b>16,038.36</b>	<b>18,374.15</b>

**Notes to Standalone Financial Statements** as on and for the year ended 31st March 2020 *(Contd.)***25.1 - Details of Security Given for Loan**

- a) The working capital facilities from Punjab National Bank 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 Punjab National Bank) 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 9.90% p.a. - 10.90% p.a. are repayable on demand.
- b) Short term loans 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.

**NOTE 26 | TRADE PAYABLES**

(₹ in Lakhs)

Particulars	Refer Note No.	As at 31st March 2020	As at 31st March 2019
Trade Payables for goods and services			
-Total Outstanding dues to Micro Enterprises and Small Enterprises	43	38.47	71.32
-Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		11,996.21	13,780.71
<b>Total</b>		<b>12,034.68</b>	<b>13,852.03</b>

**NOTE 27 | REVENUE FROM OPERATIONS**

(₹ in Lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Sale of Products	52,012.68	60,886.87
Income from Construction Contracts	7,300.45	7,341.37
Rental Income	749.36	646.98
	<b>60,062.49</b>	<b>68,875.22</b>
<b>Other Operating Revenues</b>		
Incentives and Subsidies	368.93	462.58
Service Charges from Tenants	170.60	179.47
Sale of Waste	885.13	937.54
Other Revenues	2.58	82.38
	<b>1,427.24</b>	<b>1,661.97</b>
<b>Total</b>	<b>61,489.73</b>	<b>70,537.19</b>

**Notes to Standalone Financial Statements** as on and for the year ended 31st March 2020 (Contd.)

**REVENUE FROM CONTRACTS WITH CUSTOMERS**

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

(₹ in Lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>Revenue based on product &amp; services</b>		
Cotton /Man Made Fibre Yarn	31,009.74	38,493.55
Tea	21,002.94	22,393.32
Income from Construction Contracts	7,300.45	7,341.37
Rental Income	749.36	646.98
Other Operating Revenues	1,427.24	1,661.97
<b>Total</b>	<b>61,489.73</b>	<b>70,537.19</b>
<b>Revenue based on Geography</b>		
India	50,827.07	57,791.51
Overseas	10,662.66	12,745.68
<b>Total</b>	<b>61,489.73</b>	<b>70,537.19</b>
<b>Reconciliation of Revenue from Operation with contract price</b>		
Contract Price	61,840.53	71,054.09
Less: Sales Return	(287.62)	(409.20)
Rebates & Discounts	(63.18)	(107.70)
<b>Revenue from Operation</b>	<b>61,489.73</b>	<b>70,537.19</b>

**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, 2020, other than those meeting the exclusion criteria mentioned above.

(₹ in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Contract Balances</b>		
Contract Assets	7,213.74	7,101.51
Less: Impairment allowances	(4,093.47)	(4,535.75)
<b>Total</b>	<b>3,120.27</b>	<b>2,565.76</b>
<b>Contract Liabilities</b>	<b>334.86</b>	<b>879.83</b>
Gross Trade Receivables	8,315.57	9,640.64
Unbilled Revenue for passage of time	6,702.73	6,881.10
Less: Impairment allowances	(670.81)	(783.07)
<b>Net Receivables</b>	<b>14,347.49</b>	<b>15,738.67</b>

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 2020 *(Contd.)*

<b>NOTE 28   OTHER INCOME</b>		(₹ in Lakhs)	
Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019	
<b>Interest Income</b>			
Deposits with Banks and others	267.26	206.61	
<b>Dividend Income</b>			
On Long-term investments	10.73	–	
On Current investments	6.95	–	
<b>Net Gain/ (Loss) on sale of Investments at FVTPL</b>			
On Current investments	26.15	–	
Gain/ (Loss) on restatement of Investments at FVTPL	1.55	3.11	
<b>Other Non Operating Income</b>			
Profit on sale of Property, Plant and Equipment (Net)	31.93	74.11	
Change in fair valuation of biological assets	–	12.23	
Liabilities no longer required written back	240.66	335.40	
Allowances for doubtful debts and deposits no longer required written back	584.29	202.84	
Sundry Receipts and Claims	422.94	260.09	
<b>Total</b>	<b>1,592.46</b>	<b>1,094.39</b>	

<b>NOTE 29   COST OF MATERIALS CONSUMED</b>		(₹ in Lakhs)	
Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019	
Opening Stock of Raw Materials	3,496.68	3,284.89	
Add: Purchases	17,758.12	25,245.38	
Less Closing Stock of Raw Materials	(2,162.07)	(3,496.68)	
<b>Total</b>	<b>19,092.73</b>	<b>25,033.59</b>	

<b>NOTE 30   PURCHASE OF TRADED GOODS</b>		(₹ in Lakhs)	
Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019	
Purchase of Traded Goods	7,594.54	6,659.48	
<b>Total</b>	<b>7,594.54</b>	<b>6,659.48</b>	

**Notes to Standalone Financial Statements** as on and for the year ended 31st March 2020 (Contd.)

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

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>Inventories at the beginning of the year</b>		
Finished Goods	6,937.14	7,765.70
Stock-in-Trade	464.34	107.74
Stock-In-Process	1,693.12	1,350.91
Scrap and Waste	149.82	162.34
<b>Total</b>	<b>9,244.42</b>	<b>9,386.69</b>
<b>Inventories at the end of the year</b>		
Finished Goods	6,033.60	6,937.14
Stock-in-Trade	90.79	464.34
Stock-In-Process	1,458.16	1,693.12
Scrap and Waste	207.41	149.82
<b>Total</b>	<b>7,789.96</b>	<b>9,244.42</b>
<b>Total changes in inventories of Finished Goods, Work-in-Progress, and Traded Goods</b>	<b>1,454.46</b>	<b>142.27</b>

**NOTE 32 | EMPLOYEE BENEFITS EXPENSE** (₹ in Lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Salaries and Wages	11,793.33	12,397.62
Contribution to Provident and Other Funds	1,475.79	1,378.40
Staff Welfare Expenses	1,072.35	1,115.61
<b>Total</b>	<b>14,341.47</b>	<b>14,891.63</b>

**NOTE 33 | FINANCE COST** (₹ in Lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Interest Expense (Net of Incentive Income)	3,352.28	3,504.97
Interest on Fixed Deposits (From Public)	437.97	458.38
Dividend on Redeemable Preference Shares	99.90	109.78
Interest on Lease Liabilities	4.36	-
Other Finance Charges	309.98	425.63
<b>Total</b>	<b>4,204.49</b>	<b>4,498.76</b>

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

Particulars	Refer Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
On Property, Plant and Equipment	4	1,559.33	1,686.28
On Intangible Assets	5	9.50	7.88
<b>Total</b>		<b>1,568.83</b>	<b>1,694.16</b>

**Notes to Standalone Financial Statements** as on and for the year ended 31st March 2020 (Contd.)

<b>NOTE 35   OTHER EXPENSES</b>		(₹ in Lakhs)	
Particulars	Refer Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>Manufacturing Expenses</b>			
Stores, Spare Parts and Packing Materials Consumed		3,096.79	3,186.69
Power and Fuel		6,615.55	6,558.85
Cess		-	82.69
Repairs to Buildings		197.87	234.33
Repairs to Machinery		862.35	1,257.70
Repairs to Other Assets		80.58	87.83
Jobs on Contract		1,612.75	2,566.92
Job Outsourcing		374.42	599.47
Machinery Hire Charges		234.78	157.79
Change in fair valuation of biological assets		57.69	-
		<b>13,132.78</b>	<b>14,732.27</b>
<b>Selling and Distribution Expenses</b>			
Brokerage and Commission on Sales		491.45	501.14
Freight, Shipping, Delivery and Selling Expenses		1,247.72	1,410.41
<b>Administrative and Other Expenses</b>			
Travelling and Conveyance		666.18	719.15
Rent		60.29	61.53
Rates and Taxes		407.43	379.48
Insurance		207.94	188.65
Bad debts written off		121.24	282.85
Corporate Social Responsibility Expenses		-	-
Auditors' Remuneration	<b>35.1</b>	41.89	44.11
Loss on Foreign currency transaction and translation (Net)		91.15	26.84
Directors' Sitting Fees		9.00	10.40
Consultation and Advisory Charges		231.36	169.41
Other Expenses		855.47	902.56
		<b>4,431.12</b>	<b>4,696.53</b>
<b>Total</b>		<b>17,563.90</b>	<b>19,428.80</b>

**35.1 - Auditors' Remuneration**

(₹ in Lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
a) Statutory Auditors		
Audit Fees	19.20	19.20
Other Services	16.70	18.90
Reimbursement of Expenses	0.69	0.61
	<b>36.59</b>	<b>38.71</b>
b) Branch Auditors		
Audit Fees	4.00	4.00
Tax Audit Fees	0.55	0.55
Other Services	0.60	0.60
Reimbursement of Expenses	0.15	0.25
	<b>5.30</b>	<b>5.40</b>
<b>Total</b>	<b>41.89</b>	<b>44.11</b>

**Notes to Standalone Financial Statements as on and for the year ended 31st March 2020 (Contd.)**
**NOTE 36 | EXCEPTIONAL ITEMS** (₹ in Lakhs)

Particulars	Refer Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
Profit on Sale of Tea Garden	36.1	958.04	-
<b>Total</b>		<b>958.04</b>	<b>-</b>

36.1 - During the year, the Company has completed the sale of Jutlibari Tea Estate of Tea Division located at Dibrugarh, Assam.

**NOTE 37 | TAX EXPENSE** (₹ in Lakhs)

Particulars	Refer Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
Current Tax for the year		-	-
Deferred Tax	37.1	-	162.58
<b>Total</b>		<b>-</b>	<b>162.58</b>

37.1 - Reconciliation of estimated Income tax expense at Indian statutory Income tax rate to income tax expense reported in statement of Total Comprehensive Income :

Particulars	2019-2020	2018-19
Profit / (Loss) before income tax expense	(1,780.19)	(717.11)
Indian Statutory Income Tax rate*	31.20%	31.20%
Estimated Income Tax Expense	(555.42)	(223.74)
<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	45.98	44.76
b) Additional deduction under Income-Tax Act, 1961	(79.39)	(86.91)
c) Loss/ (Income) that is exempt from taxation	25.34	(112.74)
d) Unrecognised deferred tax assets on tax losses for the year / period	517.17	561.49
Others	46.32	(20.28)
	555.42	386.32
<b>Income tax expense in Statement of Profit and Loss</b>	<b>-</b>	<b>162.58</b>

\* Applicable Indian Statutory Income Tax rate is 31.20% for Fiscal Year 2020 and 2019.

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

**NOTE 38 | OTHER COMPREHENSIVE INCOME** (₹ in Lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>Items that will not be reclassified to profit or loss</b>		
Remeasurement of the defined benefit plans	(246.41)	(465.25)
Less: Tax expense on the above	-	(162.58)
<b>Total</b>	<b>(246.41)</b>	<b>(302.67)</b>
Equity Instruments through Other Comprehensive Income	(13.93)	247.23
Less: Tax expense on the above	-	-
	(13.93)	247.23
<b>Total</b>	<b>(260.34)</b>	<b>(55.44)</b>

**Notes to Standalone Financial Statements** as on and for the year ended 31st March 2020 *(Contd.)***NOTE 39 | CONTINGENT LIABILITIES****A) Claims/Disputes/Demands not acknowledged as debts -** (₹ in Lakhs)

Sl. No.	Particulars	As at 31st March 2020	As at 31st March 2019
a.	Sales Tax	1,162.02	962.91
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
e.	Service Tax	163.41	427.13
f.	Income Tax	107.33	107.33
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 Group 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 2020	As at 31st March 2019
a.	Amount of Guarantee given as on 31st March USD 7.15 million (P.Y. - USD 9.10 million)	5,390.39	6,294.59
b.	Amount outstanding as on 31st March USD 5.09138 million (P.Y. - USD 8.85 million) *	3,838.39	6,118.20

\* Process has been initiated by the Company for release of SBLC.

**NOTE 40 | COMMITMENTS**

(₹ in Lakhs)

Sl. No.	Particulars	As at 31st March 2020	As at 31st March 2019
a.	Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of Advance of Rs 37.90 Lakhs (P.Y. - Rs 41.51 Lakhs))	55.54	63.15
b.	Deposits with Banks committed to continue till the tenure of stand by letter of credit.	1,399.78	1,315.59

**40.1** For Lease commitments, refer Note 51(B)(a) and for derivatives contract refer Note 51(C)(b)

**Notes to Standalone Financial Statements as on and for the year ended 31st March 2020 (Contd.)**
**NOTE 41 | LEASES**
**41.1 - As Lessee**

Effective April 1, 2019, the Company has adopted Ind AS 116 to its leases using modified retrospective transition method. Accordingly, the comparative information for periods relating to earlier years is not restated. The lease liability is measured at the present value of remaining lease payments discounted using incremental borrowing rate at the date of initial application and right of use asset has been recognized at an amount equal to the lease liability plus prepaid rentals recognised in the Balance Sheet before the date of initial application, if any. Further, the Company has exercised the following practical expedient;

- i) The Company has not reassessed whether a contract is, or contains, a lease at the date of initial application i.e. the contracts classified as leases as on March 31, 2019 as per Ind-AS 17 is treated as leases under Ind-AS 116 and not applying this standard to contracts that were not previously identified as containing a lease applying Ind AS 17.
- ii) Leases for which the lease term ends within 12 months of the date of initial application have been accounted as short term leases.

Further, refer Note 3.6: Significant Accounting Policies for detailed measurement and recognition principles on Leases.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of Rs 33.52 lakhs, and a lease liability of Rs 43.61 lakhs. The effect of this adoption is insignificant on the profit / loss before tax, profit / loss for the period and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The weighted average incremental borrowing rate applied to lease liabilities as at 1st April, 2019 is 10%.

The changes in the carrying value of right of use (ROU) assets for the year ended 31st March, 2020 are disclosed in Note 4.

As per the requirement of Ind As -107 maturity analysis of lease liability have been shown under maturity analysis of Long term borrowing under Liquidity risk Note 51B(a).

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Machinery Hire Charges and Rental expense recorded for short-term leases or cancellable in nature was Rs 234.78 lakhs (P.Y. - ₹ 157.79 lakhs) and ₹ 60.29 lakhs (P.Y. - ₹ 61.53 lakhs) for the year ended 31st March, 2020 (Refer Note - 35).

(₹ in Lakhs)

Particulars	As at 31st March 2020
ROU Balance at the beginning of the year	-
Opening balance reclassified on account of adoption of Ind AS 116	33.52
Additions:	-
Amortization cost accrued during the year	(2.24)
Deletions	-
<b>ROU Balance at the end of the year</b>	<b>31.28</b>
Lease liabilities at the beginning of the year	-
Opening balance reclassification on a/c of Ind AS 116	43.61
Additions:	-
Interest cost accrued during the year	4.36
Payment of lease liabilities	(13.76)
Deletion	-
<b>Lease liabilities at the end of the year</b>	<b>34.21</b>
Current lease liabilities	10.34
Non-current lease liabilities	23.87
<b>Total Lease liabilities</b>	<b>34.21</b>

**Notes to Standalone Financial Statements** as on and for the year ended 31st March 2020 *(Contd.)*

**41.2 - As Lessor**

The company has given office premises under cancellable operating leases. The leasing arrangements range between 3 years and 15 years generally or longer and are usually renewable by mutual consent on mutually agreeable terms. Initial direct costs for such leases are borne by the company and charged off to revenue. Lease rentals are recognised as income for Rs 749.36 Lakhs during the year (P.Y. Rs 646.98 Lakhs). The gross value and accumulated depreciation of such asset as at 31st March, 2020 was Rs 17.16 Lakhs (P.Y. Rs 17.12 Lakhs) and Rs 3.26 Lakhs (P.Y. Rs 2.48 Lakhs) respectively.

**NOTE 42**

Revenue expenditure on Research and Development of Rs 26.18 Lakhs (P.Y. ₹25.36 Lakhs) represents subscription to Tea Research Association.

**NOTE 43 | DISCLOSURE PURSUANT TO MSMED ACT**

(₹ in Lakhs)

Sl. No.	Particulars	As at 31st March 2020	As at 31st March 2019
i)	Principal Amount remaining unpaid to any suppliers under MSMED Act	37.27	70.86
ii)	Interest due thereon remaining unpaid to any suppliers on above	1.20	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	-	-
	<b>Total</b>	<b>38.47</b>	<b>71.32</b>

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

**NOTE 44 | DISCLOSURE PURSUANT TO INDIAN ACCOUNTING STANDARD - 19 'EMPLOYEE BENEFITS' AS NOTIFIED U/S 133 OF THE COMPANIES ACT, 2013**

**44.1 - Defined Contribution Plan:**

**a) 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, 2020 as well as in the previous year.

**Notes to Standalone Financial Statements** as on and for the year ended 31st March 2020 (Contd.)

- b) 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 2020	For the year ended 31st March 2019
Provident Fund	881.68	870.72
Employee State Insurance Scheme	113.01	159.66

**44.2 - Defined Benefit Plan:**
**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) Risk Exposure**

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

<b>INTEREST RATE RISK</b>	The defined benefit obligation calculation uses a discount rate based on government bonds. If bond yield fall, the defined benefit obligation will tend to increase.
<b>SALARY INFLATION RISK</b>	Higher than expected increase in salary will increase the defined benefit obligation.
<b>DEMOGRAPHIC RISK</b>	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.

**c) 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	
	2019-2020	2018-2019
Balance at the beginning of the year	2,860.39	2,498.46
Current Service Cost	186.13	153.78
Interest Cost on Defined Benefit Obligation	203.49	175.71
Past Service Cost	-	-
Acquisition Credit / (Cost)	(325.17)	-
Actuarial Gain and Losses arising from:		
Changes in demographic assumptions	-	(164.99)
Changes in financial assumptions	202.96	236.87
Experience Adjustment	42.64	393.64
Benefits paid directly by the Company	(164.54)	(255.49)
Benefits Paid from the Plan Assets	(201.31)	(177.59)
Balance at the end of the year	2,804.59	2,860.39

**Notes to Standalone Financial Statements** as on and for the year ended 31st March 2020 (Contd.)**d) 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	
	2019-2020	2018-2019
Balance at the beginning of the year	285.61	137.26
Interest Income on Plan Assets	14.09	15.67
Remeasurement of Defined Benefit Obligation:		
Return on plan assets greater/ (lesser) than discount rate	(0.81)	0.27
Employer Contributions to the Plan	1.00	310.00
Benefits Paid from the Plan Assets	(201.31)	(177.59)
Balance at the end of the year	98.58	285.61

**e) Expenses recognized in statement of profit and loss**

(₹ in Lakhs)

Particulars	Gratuity	
	2019-2020	2018-2019
Current Service Cost	186.13	153.78
Past Service Cost	-	-
Interest Cost	203.49	175.71
Interest Income on Plan Assets	(14.09)	(15.67)
<b>Total</b>	<b>375.53</b>	<b>313.82</b>

**f) Remeasurements recognized in other comprehensive income**

(₹ in Lakhs)

Particulars	Gratuity	
	2019-2020	2018-2019
Actuarial (Gain)/ Loss on defined benefit obligation	245.60	465.52
Return on plan assets greater/ (lesser) than discount rate	0.81	(0.27)
<b>Total</b>	<b>246.41</b>	<b>465.25</b>

**g) Major Categories of Plan Assets**

(₹ in Lakhs)

Particulars	Gratuity	
	2019-2020	2018-2019
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.

**h) 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.

**Notes to Standalone Financial Statements** as on and for the year ended 31st March 2020 (Contd.)

**i) Actuarial Assumptions**

Particulars	Gratuity	
	2019-2020	2018-2019
<b>Financial Assumptions</b>		
Discount Rate	6.70%	7.60%
Salary Escalation Rate	4.00%	4.00%
<b>Demographic Assumptions</b>		
Mortality Rate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Withdrawal Rate	1.00%	1.00%

- j) 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.
- k) At 31st March 2020, the weighted average duration of the defined benefit obligation was 11 years (PY - 11 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	2019-2020	2018-2019
Within next 12 months (Next Annual report period)	305.58	378.45
Following 2 - 5 years	935.00	1,052.73
After 5 years	1,493.51	1,522.19
<b>Total Expected payment</b>	<b>2,734.09</b>	<b>2,953.37</b>

- l) The Company expects to contribute ₹ 310 Lakhs (previous year ₹ 400 Lakhs) to its gratuity liability.

**m) 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	
	2019-2020	2018-2019
Effect on DBO due to 1% increase in Discount Rate	(223.84)	(210.55)
Effect on DBO due to 1% decrease in Discount Rate	262.03	245.41
Effect on DBO due to 1% increase in Salary Escalation Rate	264.21	250.02
Effect on DBO due to 1% decrease in Salary Escalation Rate	(229.17)	(217.40)

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

**Notes to Standalone Financial Statements** as on and for the year ended 31st March 2020 *(Contd.)*

**NOTE 45 | BASIC AND DILUTED EARNING PER SHARE**

Sl. No.	Particulars	2019-2020	2018-2019
i)	Profit / (Loss) after Tax available for Ordinary Sharholders (Rs in Lakhs)	(1,780.19)	(879.69)
ii)	Weighted Average of Ordinary Shares of Rs 10 each outstanding during the year (Numbers)	2,13,42,346	2,13,42,346
iii)	Basic and Diluted Earning per Share {(i) / (ii)} (In Rupees)	(8.34)	(4.12)

**NOTE 46**

Balances of some of the Trade Receivables, Other Assets, Trade and Other Payables are subject to confirmation/reconciliation and consequential adjustment, if any. Reconciliations are carried out on 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 47 | RELATED PARTY DISCLOSURES**

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

Sl No.	Name of the Entity	Place of Incorporation	Ownership Interest held by the Company	
			31st March 2020	31st March 2019
<b>i)</b>	<b>Direct Subsidiaries:</b>			
	Gillanders Holdings (Mauritius) Limited, (GHML), (Wholly Owned Subsidiary (WOS) of GACL)	Mauritius	100.00%	100.00%
<b>ii)</b>	<b>Indirect Subsidiaries:</b>			
	Naming'omba Tea Estates Limited, (NTEL), (Wholly Owned Subsidiary (WOS) of GHML)	Malawi	100.00%	100.00%

**Notes to Standalone Financial Statements** as on and for the year ended 31st March 2020 *(Contd.)*

(₹ in Lakhs)

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

Nature		Name	Designation
(a) (i)	Key Management Personnel	Mr. Arun Kumar Kothari	Non-Executive Promoter Chairman
		Mrs. Prabhawati Devi Kothari	Non-Executive Promoter Director
		Mr. Mahesh Sodhani	Managing Director (MD)
		Mr. Manoj Sodhani	Executive Director and Chief Executive Officer (CEO)
		Dr. Hari Prasad Kanoria	Independent Director (Ceased to be Director w.e.f 9th August' 2019)
		Mr. Harishchandra Maneklal Parekh	Independent Director (Ceased to be Director w.e.f 9th August' 2019)
		Mr. Naresh Pachisia	Independent Director
		Mr. Arvind Baheti	Independent Director
		Mr. Kothaneth Ashok	Independent Director (w.e.f. 28.05.19)
		Mr. Charudatta Raghvendra Prayag	Independent Director (w.e.f. 28.05.19)
(a) (ii)	Relatives of Key Management Personnel	Mr. Om Prakash Sodhani	Father of Manoj Sodhani and Mahesh Sodhani
		Mrs. Raj Kumari Sodhani	Mother of Manoj Sodhani and Mahesh Sodhani
		Mrs. Nitu Sodhani	Wife of Mahesh Sodhani
		Mrs. Sangita Sodhani	Wife of Manoj Sodhani
		Ms. Navya Sodhani	Daughter of Mahesh Sodhani
		Ms. Shakshi Sodhani	Daughter of Manoj Sodhani
		Mrs. Sabita Malani	Sister of Manoj Sodhani and Mahesh Sodhani
Nature		Name of the Company	
(b)	Companies having significant influence over the Company	i) Kothari Investment & Industries Private Limited (KI IPL)	
		ii) Kothari Phytochemicals & Industries Limited (KPIL)	
(c) (i)	Companies / Trust / Firm in which Directors/ Key Managerial Personnel and their relatives have significant influence	i) Albert David Limited (ADL)	
		ii) Bharat Fritz Werner Limited (BFW)	
		iii) Commercial House Private Limited (CHPL) *	
		iv) G. Das & Co. Pvt. Limited	
		v) Kothari & Co Private Limited (KCPL) *	
		vi) Kothari & Company (KCO)	
		vii) Kothari Capital & Securities Private Limited (KCSPL) *	
		viii) Kothari Medical Centre	
		ix) M. D. Kothari & Company Limited	
		x) SKP Securities Limited (SKPSL)	
		xi) Vishnuhari Investment & Properties Limited (VIPL) *	
(c) (ii)	Employee Benefit Plan	i) Kothari Provident Fund	

\* National Company Law Tribunal (NCLT) vide order dated 04.11.2019 had approved the Scheme of Arrangement by virtue of which Bhaktwatsal Investments Limited, Commercial House Private Limited, Vishnuhari Investments & Properties Limited, Kothari Hitech Consultants Private Limited, Kothari & Co. Private Limited and Kothari Capital & Securities Private Limited have been amalgamated with Kothari Investment & Industries Private Limited.

**Notes to Standalone Financial Statements** as on and for the year ended 31st March 2020 *(Contd.)*

**47.3 - Transactions during the Year and Balance Outstanding:-**

(₹ in Lakhs)

Particulars	2019-2020				2018-2019			
	Direct Subsidiaries	Directors / KMP and their Relatives	Companies having significant influence over the Company	Companies / Trust / Firm in which Directors/ Key Managerial Personnel and their relatives have significant influence and Employee Benefit Plan	Direct Subsidiaries	Directors / KMP and their Relatives	Companies having significant influence over the Company	Companies / Trust / Firm in which Directors/ Key Managerial Personnel and their relatives have significant influence and Employee Benefit Plan
<b>Transactions during the Year:-</b>								
1 Guarantee Commission Received	1.44	-	-	-	1.78	-	-	-
2 Interest Received on Unsecured Loan	23.11	-	-	-	-	-	-	-
3 Unsecured Loan Given	1,427.96	-	-	-	-	-	-	-
4 Unsecured Loan Repayment received	1,427.96	-	-	-	-	-	-	-
5 Investment in Equity Shares	154.56	-	-	-	373.07	-	-	-
6 Services Received	-	-	-	0.25	-	-	-	-
7 Rent Received	-	-	0.86	28.53	-	-	0.86	28.27
8 Sale of Unquoted Equity Shares	-	-	203.34	400.69	-	206.40	612.75	555.35
9 Dividend Received	-	-	-	10.73	-	-	-	-
10 Guarantee Commission Paid	-	-	0.25	4.30	-	-	0.25	4.30
11 Interest on Loan Taken	-	-	12.50	-	-	7.12	12.50	1.21
12 Remuneration to Key Management Personnel	-	178.96	-	-	-	149.08	-	-
13 Directors Sitting Fee	-	9.00	-	-	-	10.40	-	-
14 Unsecured Loan Repaid	-	-	-	-	-	100.00	-	25.00
15 Employer Contribution towards Provident Fund	-	-	-	59.76	-	-	-	47.19
16 Unsecured Fixed Deposit Received	-	38.50	-	-	-	-	-	-
17 Unsecured Fixed Deposit repaid	-	122.74	-	-	-	84.00	-	-
18 Interest Accrued on Fixed Deposits	-	16.69	-	-	-	17.84	-	-
19 Interest on Fixed Deposits paid	-	44.38	-	-	-	9.56	-	-
<b>Balance Outstanding:-</b>								
1 Guarantee Commission Receivable	0.67	-	-	-	0.82	-	-	-
2 Guarantee Given	5,390.39	-	-	-	6,294.59	-	-	-
3 Unsecured Loan Taken	-	-	100.00	-	-	-	100.00	-
4 Guarantee Commission Payable	-	-	0.25	4.30	-	-	0.25	-
5 Interest Payable on Unsecured Loan Taken	-	-	12.50	-	-	-	12.50	-
6 Rent Receivable	-	-	-	0.18	-	-	-	-
7 Unsecured Fixed Deposit Payable	-	60.48	-	-	-	144.72	-	-
8 Interest on Unsecured Fixed Deposit Payable	-	6.93	-	-	-	34.62	-	-

**Notes to Standalone Financial Statements as on and for the year ended 31st March 2020 (Contd.)**
**47.4 - Key Managerial Personnel compensation \*\***

(₹ in Lakhs)

Particulars	2019-2020	2018-2019
<b>Short Term Employee Benefits</b>		
Mr Mahesh Sodhani	89.76	74.51
Mr Manoj Sodhani	89.20	74.57
<b>Total Compensation</b>	<b>178.96</b>	<b>149.08</b>
<b>Sitting Fees</b>		
Mr. Arun Kumar Kothari	1.70	2.20
Mrs. Prabhawati Devi Kothari	1.40	2.20
Dr. Hari Prasad Kanoria	-	0.50
Mr. Harishchandra Maneklal Parekh	0.50	2.10
Mr Naresh Pachisia	2.00	1.85
Mr. Arvind Baheti	1.00	1.55
Mr. Kothaneth Ashok (w.e.f 28th May 2019)	1.35	-
Mr. Charudatta Raghvendra Prayag (w.e.f 28th May 2019)	1.05	-
<b>Total Sitting Fees</b>	<b>9.00</b>	<b>10.40</b>
<b>Total</b>	<b>187.96</b>	<b>159.48</b>

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

**47.5 -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.

**NOTE 48 | FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES**

(₹ in Lakhs)

Particulars	31st March 2020			31st March 2019		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
<b>Financial Assets</b>						
Investment						
- Equity Instruments	*	1,264.68	-	*	1,882.64	-
- Debt Instrument	-	-	0.08	-	-	0.08
- Mutual Funds	399.64	-	-	1,053.72	-	-
Trade Receivables	-	-	7,644.76	-	-	8,857.57
Loans Given	-	-	285.31	-	-	304.20
Cash and Cash Equivalents	-	-	190.93	-	-	242.15
Other Bank Balances	-	-	2,258.39	-	-	647.94
Deposits with Bank having maturity of more than one year from the balance sheet date	-	-	55.80	-	-	1,366.09
Interest Accrued on Deposits	-	-	26.62	-	-	41.82
Retention & Other Deposits	-	-	3,504.49	-	-	2,956.65
Other Financial Assets	-	-	4,016.58	50.72	-	4,969.63
<b>Total Financial Assets</b>	<b>399.64</b>	<b>1,264.68</b>	<b>17,982.96</b>	<b>1,104.44</b>	<b>1,882.64</b>	<b>19,386.13</b>

\* 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 2020 (Contd.)

(₹ in Lakhs)

Particulars	31st March 2020			31st March 2019		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
<b>Financial Liabilities</b>						
Borrowings	-	-	28,346.98	-	-	30,991.33
Trade Payables	-	-	12,034.68	-	-	13,852.03
Trade & Security Deposits	-	-	1,590.68	-	-	1,700.49
Interest accrued but not due on Borrowings & Public Deposits	-	-	369.23	-	-	368.15
Amount Payable for Capital Goods	-	-	24.10	-	-	39.55
Employee Related Liabilities	-	-	1,721.37	-	-	2,515.79
Other Financial Liabilities	71.80	-	410.83	-	-	434.75
<b>Total Financial Liabilities</b>	<b>71.80</b>	<b>-</b>	<b>44,497.87</b>	<b>-</b>	<b>-</b>	<b>49,902.09</b>

**NOTE 49 | FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES MEASURED AT AMORTISED COST**

**49.1** - 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.

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

**NOTE 50 | 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.

**50.1 - Assets and Liabilities measured at Fair Value - recurring fair value measurements**

(₹ in Lakhs)

Particulars	31st March 2020			31st March 2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial Assets</b>						
<b>Financial Investment at FVTPL</b>						
Mutual Funds	399.64	-	-	1,053.72	-	-
Listed Equity Investments	*	-	-	*	-	-
<b>Financial Investment at FVOCI</b>						
Unlisted Equity Investments	-	-	1,264.68	-	-	1,882.64
Foreign Exchange Forward Contracts	-	-	-	-	50.72	-
<b>Total Financial Assets</b>	<b>399.64</b>	<b>-</b>	<b>1,264.68</b>	<b>1,053.72</b>	<b>50.72</b>	<b>1,882.64</b>
<b>Financial Liabilities</b>						
Foreign Exchange Forward Contracts	-	71.80	-	-	-	-
<b>Total Financial Liabilities</b>	<b>-</b>	<b>71.80</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\* 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 2020 (Contd.)**
**NOTE 51 | FINANCIAL RISK MANAGEMENT**

The Company's business activities are exposed to a variety of financial risks, namely liquidity risk, market risk and credit risk. The Company's senior management has the overall responsibility for establishing and governing the Company's financial risk management framework. The Company's Audit Committee, is responsible for developing and monitoring the Company's financial risk management policies. The Company's financial risk management policies are established to identify and analyze the risks faced by the Company, to set and monitor appropriate controls.

**(A) Credit risk**

Credit risk refers to risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, bank balances, loans, investments and other financial assets.

At each reporting date, the Company measures loss allowance for certain class of financial assets based on historical trend, industry practices and the business environment in which the Company operates.

Credit risk arising from investments, derivative financial instruments and balances with banks is limited because the counterparties are banks and recognized financial institutions with high credit worthiness.

**(i) Provision for expected credit losses**

The Company measures Expected Credit Loss (ECL) for financial instruments based on historical trend, industry practices and the business environment in which the Company operates.

For financial assets, a credit loss is the present value of the difference between:

- (a) the contractual cash flows that are due to an entity under the contract; and
- (b) the cash flows that the entity expects to receive

The Company recognises in profit 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 2020	As at 31st March 2019
Trade Receivables (Gross)	8,315.57	9,640.64
Less: Provision for Loss Allowances	670.81	783.07
Trade Receivables (Net)	<b>7,644.76</b>	<b>8,857.57</b>

**(iii) The movement of Retention Deposits and Loss Allowance thereto are as follows:** (₹ in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Retention Deposits (Gross)	7,213.74	7,101.51
Less: Provision for Loss Allowances	4,093.47	4,535.75
Retention Deposits (Net)	<b>3,120.27</b>	<b>2,565.76</b>

**Notes to Standalone Financial Statements** as on and for the year ended 31st March 2020 (Contd.)**iv) Reconciliation of Loss allowance provision:**

(₹ in Lakhs)

Particulars	Trade Receivables	Loans & Deposits
Loss Allowance in 31st March 2019	783.07	4,535.75
Change in Loss allowance	(112.26)	(442.28)
Loss Allowance in 31st March 2020	<b>670.81</b>	<b>4,093.47</b>

**(B) Liquidity risk**

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash credit facilities agreed with the banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost effective manner.

The following table shows the maturity analysis of the Company's derivative and non-derivative financial liabilities based on contractually agreed undiscounted cash flows.

**a) As at 31st March 2020**

(₹ in Lakhs)

Particulars	Total	On Demand	Within 1 year	1 year to 5 Years	More than 5 years
<b>Non-Derivative</b>					
Trade payables	12,034.68	-	12,034.68	-	-
Long Term Borrowings	12,308.62	-	2,713.04	9,223.92	371.66
Short Term Borrowing	16,038.36	10,053.28	5,985.08	-	-
Other financial liabilities	4,116.21	2,156.30	797.65	1,162.26	-
<b>Total</b>	<b>44,497.87</b>	<b>12,209.58</b>	<b>21,530.45</b>	<b>10,386.18</b>	<b>371.66</b>
<b>Derivative</b>					
Foreign Exchange forwards contracts	71.80		71.80		

**b) As at 31st March 2019**

(₹ in Lakhs)

Particulars	Total	On Demand	Within 1 year	1 year to 5 Years	More than 5 Years
<b>Non-Derivative</b>					
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	-
<b>Total</b>	<b>49,902.09</b>	<b>11,950.76</b>	<b>27,057.94</b>	<b>10,893.39</b>	<b>-</b>
<b>Derivative</b>					
Foreign Exchange forwards contracts	-		-		

**Notes to Standalone Financial Statements as on and for the year ended 31st March 2020 (Contd.)**
**(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 2020	%	As at 31st March 2019	%
Variable rate borrowings	17,575.29	62.00%	16,290.55	52.56%
Fixed Rate borrowings	10,771.69	38.00%	14,700.78	47.44%
<b>Total Borrowings</b>	<b>28,346.98</b>	<b>100.00%</b>	<b>30,991.33</b>	<b>100.00%</b>

Preference Shares, Fixed Deposit (From Public) and Inter Corporate Deposits are considered as Fixed rate borrowings and other borrowings are considered as Variable rate Borrowings.

Sensitivity: A change of 50 bps in interest rates of variable rate borrowings would have following Impact on profit before tax.

(₹ in Lakhs)

Particulars	For the year ended 2019-20	For the year ended 2018-19
50 bps increase would decrease the profit before tax by	(87.88)	(81.45)
50 bps decrease would increase the profit before tax by	87.88	81.45

**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 2020		As at 31st March 2019	
		Amount in Foreign Currency (in Lakhs)	Amount (₹ in Lakhs)	Amount in Foreign Currency (in Lakhs)	Amount (₹ in Lakhs)
Forward Contract to Sell	USD	22.70	1,618.32	25.36	1,754.21
Forward Contract to Buy	USD	3.25	252.12	12.19	843.00
	EURO	1.86	156.87	-	-

**Notes to Standalone Financial Statements** as on and for the year ended 31st March 2020 *(Contd.)*

**(ii) Particulars of unhedged foreign currency exposures as at the reporting date** (₹ in Lakhs)

Particulars	Currency	As at 31st March 2020		As at 31st March 2019	
		Amount in Foreign Currency (in Lakhs)	Amount (₹ in Lakhs)	Amount in Foreign Currency (in Lakhs)	Amount (₹ in Lakhs)
Trade & Other Receivable	USD	1.89	142.35	1.66	114.51
Trade & Other Payable	USD	0.40	29.96	0.41	28.15
	EURO	1.86	154.22	-	-

**Sensitivity:** A change of 3% in Foreign currency would have following Impact on profit before tax

Particulars	For the year 2019-2020		For the year 2018-19	
	3% Increase	3% Decrease	3% Increase	3% Decrease
USD	(1.26)	1.26	2.59	(2.59)

**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 2020	As at 31st March 2019
Investment in Quoted Equity Instruments	*	*
Investment in Mutual Funds	399.64	1,053.72

\* 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 2019-20	For the year ended 2018-19
50 bps increase would increase the profit before tax by	2.00	5.27
50 bps decrease would decrease the profit before tax by	(2.00)	(5.27)

**NOTE 52 | CAPITAL MANAGEMENT**

The Company's objective when managing capital (defined as net debt and equity) is to safeguard the Company's ability to continue as a going concern in order to provide returns to shareholders and benefit for other stakeholders, while protecting and strengthening the Balance Sheet through the appropriate balance of debt and equity funding. The Company manages its capital structure and makes adjustments to it, in light of changes to economic conditions and strategic objectives of the Company.

**Notes to Standalone Financial Statements** as on and for the year ended 31st March 2020 (Contd.)

**NOTE 53 | SEGMENT REPORTING**
**53.1 - 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) Tea	Manufacture and sale of Tea
iii) Engineering (MICCO)	Manufacture and sale of Steel Structural, Pipes and equipments and Designing, Supplying, erection and Commissioning of projects on turnkey basis.
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.

- i) 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".
- ii) 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".

**53.2 - Primary Segment Information (Business Segment)**

(₹ in Lakhs)

Particulars	Textiles	Tea	Engineering (Micco)	Property	Unallocable	Total
<b>Segment Revenue</b>						
External Turnover	31,903.36	21,365.97	7,300.45	919.95	-	61,489.73
	(39,533.81)	(22,835.56)	(7,341.37)	(826.45)		(70,537.19)
Inter Segment Revenue	-	-	-	70.24	-	70.24
	-	-	-	(70.24)	-	(70.24)
<b>Total Segment Revenue</b>	31,903.36	21,365.97	7,300.45	990.19	-	61,559.97
	(39,533.81)	(22,835.56)	(7,341.37)	(896.69)		(70,607.43)
<b>Less: Inter Segment Elimination</b>	-	-	-	70.24	-	70.24
				(70.24)		(70.24)
<b>Revenue from Operations</b>	31,903.36	21,365.97	7,300.45	919.95	-	61,489.73
	(39,533.81)	(22,835.56)	(7,341.37)	(826.45)	-	(70,537.19)
<b>Segment Result</b>	-984.45	658.76	1,222.91	668.10	-	1,565.32
	(842.65)	(738.66)	(1,670.80)	(633.48)	-	(3,885.59)
<b>Less: Unallocable Expenditure net of unallocable Income</b>					99.06	99.06
					(103.94)	(103.94)

## Notes to Standalone Financial Statements as on and for the year ended 31st March 2020 (Contd.)

(₹ in Lakhs)

Particulars	Textiles	Tea	Engineering (Micco)	Property	Unallocable	Total
Finance Costs					4,204.49	4,204.49
					(4,498.76)	(4,498.76)
Add: Exceptional Item (Refer Note 36)					958.04	958.04
					(-)	
Profit / (Loss) Before Tax						-1,780.19
						(-717.11)
Other Information						
Segment Assets	30,573.32	12,525.20	16,627.91	7,993.03	5,174.35	72,893.81
	(35,591.53)	(13,276.97)	(17,441.42)	(7,938.99)	(6,427.42)	(80,676.33)
Segment Liabilities	8,979.06	4,719.12	4,321.65	633.68	29,447.72	48,101.23
	(10,915.43)	(5,427.58)	(4,841.18)	(553.61)	(32,105.42)	(53,843.22)
Capital Expenditure	409.71	372.16	12.99	3.01	13.00	810.87
	(380.29)	(449.78)	(3.70)	(7.00)	(52.96)	(893.73)
Depreciation and Amortisation Expense	1,003.25	450.91	80.29	2.47	31.91	1,568.83
	(1,117.62)	(457.55)	(89.30)	(2.73)	(26.96)	(1,694.16)
Non Current Assets	16,865.75	8,106.82	999.31	7,909.05	1,072.59	34,953.52
	(17,445.21)	(8,706.18)	(1,185.49)	(7,908.51)	(2,503.00)	(37,748.39)

Figures in bracket represents previous year figures

## 53.3 - Secondary Segment Information (Geographical Segment)

(₹ in Lakhs)

Particulars	Within India	Outside India	Total
Segment Revenue	50,827.07	10,662.66	61,489.73
	(57,791.51)	(12,745.68)	(70,537.19)
Segment Assets	66,500.96	1,218.50	67,719.46
	(73,181.81)	(1,067.10)	(74,248.91)
Capital Expenditure	797.87	-	797.87
	(840.77)	(-)	(840.77)

Figures in bracket represents previous year figures.

## 53.4 - 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.

**Notes to Standalone Financial Statements** as on and for the year ended 31st March 2020 (*Contd.*)

- 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 6365.78 Lakhs. (P.Y. Rs 7228.56 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 54 | EFFECT OF COVID-19**

The Company has assessed the impact of COVID-19 on its financial statements based on the internal and external information up to the date of approval of these financial statements and the Company expects to recover the carrying amounts of its trade receivable, projects work- in -progress and inventories including biological assets. The Company will continue to monitor the future economic conditions and assess its impact on its financial statements.

**NOTE 55 | LOANS AND ADVANCES TO SUBSIDIARY COMPANY**

Information pursuant to Regulation 34(3) of SEBI (Listing Obligation and disclosure requirements) Regulations, 2015 Loan and Advances (in nature of loan both Current and Non - Current) to Subsidiary company are as under:-

Particulars	Balance as on 31st March 2020	Balance as on 31st March 2019	Maximum Balance Outstanding during FY 2019-2020	Maximum Balance Outstanding during FY 2018-2019
Gillanders Holdings (Mauritius) Limited, (GHML)	-	-	1427.96	-

**NOTE 56**

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

**Aditya Singhi**

*Partner*

Membership No. 305161

Place : Kolkata

Date : 30th June 2020

**Manoj Sodhani**

*Executive Director & CEO*

(DIN:02267180)

**Dhananjay Karmakar**

*Company Secretary*

**Mahesh Sodhani**

*Managing Director*

(DIN:02100322)

**Arun Kumar Kothari**

*Chairman*

(DIN:00051900)

**Niraj Singh**

*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 & 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 2020, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the Consolidated Statement of Changes 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, 2020, their consolidated losses 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 there under, 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.

##### **Emphasis of Matter**

We draw attention to Note 54 of the consolidated financial statements, which describes the extent to which the COVID-19 Pandemic will impact the Group’s results which depend on future developments that are highly uncertain.

Our opinion is not modified in respect of this matter.

##### **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, 2020. 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
<b>1. Revenue Recognition (See note 27 to the Consolidated Financial Statements)</b>	
<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"> <li>▪ Evaluated the design and tested the operative effectiveness of the internal controls relating to revenue recognition, discounts and rebates.</li> <li>▪ Tested sample of sale transactions to their respective customer contracts, underlying invoices and related documents.</li> <li>▪ 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.</li> <li>▪ 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.</li> </ul>
<b>2. Impairment of Assets (See note 4 to the Consolidated Financial Statements)</b>	
<p>Significant judgment 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 judgments 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 judgments 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"> <li>▪ We obtained the management's impairment assessment.</li> <li>▪ 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 judgments are applied.</li> <li>▪ We have tested the workings of management for ascertaining fair value and costs of disposal of CGU for ascertaining recoverable amount.</li> </ul>

**Independent Auditors' Report (Contd.)**

Key Audit Matter	How our audit addressed the key audit matter
<b>3. Expected Credit Loss (See note 50A to the Consolidated Financial Statements)</b>	
<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 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 (ECL) model include:</p> <ul style="list-style-type: none"> <li>▪ Obtained an understanding of the Group's process for estimating the ECL of various eligible assets included in the Consolidated Financial Statements.</li> <li>▪ Evaluated the detailed analysis performed by management on revenue by selecting samples for the existing contracts with customers.</li> <li>▪ Evaluated the calculation of historical loss rate on the basis of historical trends, industry practices, business environment in which group operates &amp; forward-looking information.</li> </ul>

**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 is 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, 2020 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 Matters**

1. The consolidated annual financial statements include the financial statements/ financial information of one foreign subsidiary, including one step down foreign subsidiary, whose financial statements / financial information reflect total assets of Rs. 13562.72 lakhs as at 31st March, 2020 and total revenue of Rs. 4513.34 Lakhs and net cash inflow of Rs. 164.03 Lakhs for the year ended 31st March 2020.
  - i. The independent auditors report on the financial statements/ financial information of these entities have been furnished to us by the management and our opinion on the statement in so far as it relates to the amounts and disclosures included in the respect of these subsidiaries is based solely on the reports of such auditors and the procedures performed by us as stated in paragraph above.
  - ii. These subsidiaries are located outside India whose annual financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which has been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding's management has converted the financial results of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding's management. Our conclusion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding and audited by us.
2. We did not audit the financial statements and other financial information of the Holding Company's Engineering (MICCO) Division whose financial statements reflect total assets of Rs.16627.91 lakhs as at 31st March 2020 and total revenue of Rs. 8142.67 lakhs for the year ended on that date. This financial statements/ financial information has been audited by other auditors and whose reports have been furnished to us by the management. Our opinion on the Statement, in so far as it relates to the affairs of such division is based solely on the reports of the 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 matters' 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;

## Independent Auditors' Report (Contd.)

- (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, 2020 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, 2020 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 financial statements 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;
- (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 read with Schedule V to 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 39 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's Registration No. 302049E

**Aditya Singhi**  
Partner  
Membership No. 305161  
UDIN: 20305161AAAAAR2859

Place: Kolkata  
Date: 30th June, 2020

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

### **“Annexure 1” to the Independent Auditor’s Report of even date on the Consolidated Financial Statements of Gillanders Arbuthnot & 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 & Company Limited** as of and for the year ended March 31, 2020, we have audited the internal financial controls with reference to financial statements of **Gillanders Arbuthnot & Company Limited** (hereinafter referred to as the “Holding Company”) and its subsidiary companies, which are companies incorporated in 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 in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls over financial reporting with reference to financial statements, 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 with reference to financial statements of the Holding Company.

#### **Meaning of Internal Financial Controls With reference to financial statements With Reference to these Consolidated Financial Statements**

A company’s internal financial control over financial reporting with reference to the consolidated financial statements 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 with reference to financial statements includes those policies and procedures that

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

(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 accordance with authorizations 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 With reference to financial statements With Reference to these Consolidated Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 and its subsidiary companies, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to consolidated financial statements and such internal financial controls over financial reporting with reference to consolidated financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to financial statements 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 with reference to consolidated financial statements 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's Registration No. 302049E

**Aditya Singhi**

*Partner*

Membership No. 305161

UDIN: 20305161AAAAAR2859

Place: Kolkata

Date: 30th June, 2020

**CONSOLIDATED BALANCE SHEET as at 31st March 2020**

(₹ in Lakhs)

Particulars	Note No	As at 31st March, 2020	As at 31st March, 2019
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	4	42,031.80	42,674.05
Capital Work-In-Progress	4	1,494.14	1,414.28
Intangible Assets	5	41.20	13.70
Intangible Assets under Development	5	-	25.90
Financial Assets			
Investments	6	1,264.69	1,882.65
Loans	7	140.55	75.46
Other Financial Assets	8	489.11	1,849.01
Non-Current Tax Asset (Net)	9	848.84	980.30
Other Non-Current Assets	10	37.90	41.51
<b>Total Non Current Assets</b>		<b>46,348.23</b>	<b>48,956.86</b>
<b>CURRENT ASSETS</b>			
Biological Assets other than Bearer Plants	11	857.20	700.17
Inventories	12	15,814.53	18,761.91
Financial Assets			
Investments	13	399.71	1,053.79
Trade Receivables	14	8,153.09	9,763.40
Cash and Cash Equivalents	15	354.96	255.64
Bank Balances other than Note 15	16	2,258.39	647.94
Loans	7	144.76	228.74
Other Financial Assets	8	7,326.52	7,677.38
Other Current Assets	10	4,009.04	4,416.37
<b>Total Current Assets</b>		<b>39,318.20</b>	<b>43,505.34</b>
<b>Total Assets</b>		<b>85,666.43</b>	<b>92,462.20</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	17	2,134.23	2,134.23
Other Equity	18	25,460.38	26,776.51
<b>Total Equity</b>		<b>27,594.61</b>	<b>28,910.74</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Financial Liabilities			
Borrowings	19	11,260.74	15,116.49
Other Financial Liabilities	20	1,162.26	941.44
Provisions	21	187.37	169.55
Deferred Tax Liabilities (Net)	22	573.30	524.39
Other Non Current Liabilities	23	-	30.79
<b>Total Non-current Liabilities</b>		<b>13,183.67</b>	<b>16,782.66</b>
<b>CURRENT LIABILITIES</b>			
Financial Liabilities			
Borrowings	24	18,020.69	19,882.03
Trade Payables	25		
Total Outstanding dues to Micro Enterprises and Small Enterprises		38.47	71.32
Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		12,562.64	14,177.79
Other Financial Liabilities	20	10,677.48	8,483.72
Other Current Liabilities	23	596.25	1,125.40
Provisions	21	2,826.06	2,689.17
Current Tax Liabilities (Net)	26	166.56	339.37
<b>Total Current Liabilities</b>		<b>44,888.15</b>	<b>46,768.80</b>
<b>Total Equity and Liabilities</b>		<b>85,666.43</b>	<b>92,462.20</b>

The accompanying notes form an integral part of these Consolidated Financial Statements.

As per our Report of even date annexed.

For and on behalf of the Board

 For **SINGHI & CO.**

 Chartered Accountants  
 Firm Registration No. 302049E

**Aditya Singhi**

Partner

Membership No. 305161

Place : Kolkata

Date : 30th June 2020

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

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

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

**Dhananjay Karmakar**  
 Company Secretary

**Niraj Singh**  
 Chief Financial Officer

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS** for the year ended 31st March 2020

(₹ in Lakhs)

Particulars	Note No.	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>INCOME</b>			
Revenue from Operations	27	66,003.07	75,115.31
Other Income	28	1,684.28	1,212.54
<b>Total Income (i)</b>		<b>67,687.35</b>	<b>76,327.85</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	29	19,105.44	25,033.59
Purchase of Traded Goods	30	7,594.54	6,659.48
Changes in Inventories of Finished Goods, Work-in-Progress and Traded Goods	31	1,360.65	(421.08)
Employee Benefits Expense	32	15,472.09	15,932.37
Finance Costs	33	4,771.03	5,048.86
Depreciation and Amortisation Expense	34	1,965.85	2,023.06
Other Expenses	35	19,623.92	21,377.46
<b>Total Expenses (ii)</b>		<b>69,893.52</b>	<b>75,653.74</b>
<b>Profit / (Loss) before Exceptional Items and Tax (i) - (ii)</b>		<b>(2,206.17)</b>	<b>674.11</b>
Exceptional Item	36	958.04	-
<b>Profit / (Loss) after Exceptional Item but before Tax</b>		<b>(1,248.13)</b>	<b>674.11</b>
Tax Expense:	37		
Current Tax		224.92	467.53
Deferred Tax		48.91	174.17
<b>Profit / (Loss) for the year (iii)</b>		<b>(1,521.96)</b>	<b>32.41</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>	38		
Remeasurement of the Defined Benefit Plans		(246.41)	(465.25)
Equity Instruments through Other Comprehensive Income		(13.93)	247.23
Income tax relating to these items		-	162.58
<b>Items that will be reclassified subsequently to profit or loss</b>			
Foreign Currency Translation Reserve		466.17	(263.04)
<b>Other Comprehensive Income for the Year (Net of Tax) (iv)</b>		<b>205.83</b>	<b>(318.48)</b>
<b>Total Comprehensive Income for the year attributable to the owner of the Company (iii + iv)</b>		<b>(1,316.13)</b>	<b>(286.07)</b>
<b>Earnings Per Share</b>			
Nominal Value of Shares (₹ 10)			
Basic & Diluted Earnings Per Share	44	(7.13)	(0.15)

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

**Aditya Singhi**

Partner

Membership No. 305161

Place : Kolkata

Date : 30th June 2020

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

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

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

**Dhananjay Karmakar**  
Company Secretary

**Niraj Singh**  
Chief Financial Officer

**CONSOLIDATED CASH FLOW STATEMENT** for the year ended 31st March 2020

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2020		For the year ended 31st March, 2019	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit/(Loss) before tax		(1,248.13)		674.11
Adjustments for :				
Depreciation and Amortisation Expense	1,965.85		2,023.06	
Finance Cost (Net of incentive income)	4,771.03		5,048.86	
Exceptional Item (Refer Note 35)	(958.04)		-	
Fluctuation of Exchange Rate carried to Foreign Exchange Translation Reserve	370.16		(275.59)	
(Gain) / Loss on Restatement of Investment at FVTPL	(1.55)		(3.11)	
(Profit)/Loss on Sale of Property, Plant and Equipment (Net)	(31.93)		(74.11)	
Loss on Foreign currency transaction and translation (Net)	105.75		45.91	
Gain on Sale of Investment at FVTPL	(26.15)		-	
Bad Debts and Advances written off	121.24		282.85	
Allowances for Doubtful Debts and advances written back	(584.29)		(202.84)	
Change in Fair Value of Biological Asset	(65.44)		(87.19)	
Interest Income	(244.14)		(206.61)	
Dividend Income	(17.68)		-	
Liability no longer required written back	(240.66)	5,164.15	(335.40)	6,215.83
Operating profit before Working Capital Changes		3,916.02		6,889.94
Adjustments for :				
Trade and Other Receivables	2,802.04		2,346.01	
Inventories	2,988.33		(258.46)	
Trade and Other Payables	(2,223.42)	3,566.95	1,776.97	3,864.52
<b>Cash Generated from Operations</b>		7,482.97		10,754.46
Direct Taxes (Paid) / Refund (Net)	(266.27)		(615.27)	
Interest received on Income Tax Refund	62.84	(203.43)	11.48	(603.79)
<b>Net Cash from Operating Activities</b>		7,279.54		10,150.67
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Property, Plant and Equipment and Intangible Assets including Capital work-in-progress and capital advance	(2,278.44)		(1,643.25)	
Proceeds from Sale of Property, Plant and Equipment	125.51		199.54	
Proceeds from Sale of Tea Estate	1,060.27		-	
Proceeds / (Purchase) of Current Investments (Net)	681.78		(936.83)	
Proceeds from Sale of Non-Current Investments (Net)	604.03		1,624.78	
Proceeds / (Investment) in Bank Deposit (Net)	(300.16)		(1,246.10)	
Interest Received	196.50		180.88	
Dividend Received	17.68		-	
<b>Net Cash used in Investing Activities</b>		107.17		(1,820.98)

**CONSOLIDATED CASH FLOW STATEMENT** for the year ended 31st March 2020 (Contd.)

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2020		For the year ended 31st March, 2019	
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from Long Term Borrowings	4,386.36		1,000.00	
Repayment of Long Term Borrowings	(4,680.56)		(3,517.42)	
Proceeds from Short Term Borrowings (Net)	(1,717.94)		(351.85)	
Proceeds from Fixed Deposits (from Public)	313.88		922.96	
Repayment of Fixed Deposits (from Public)	(779.30)		(1,329.42)	
Payment of Unclaimed Dividend	(17.48)		(0.03)	
Payment of Lease Principal	(9.40)		-	
Payment of Finance Charges on Lease	(4.36)		-	
Finance Charges Paid	(4,778.59)		(4,964.79)	
<b>Net Cash used in Financing Activities</b>		<b>(7,287.39)</b>		<b>(8,240.55)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)</b>		<b>99.32</b>		<b>89.14</b>
Cash and Cash Equivalents on Opening date		255.64		166.50
Cash and Cash Equivalents on Closing date (See Note 15)		354.96		255.64
		<b>99.32</b>		<b>89.14</b>

Notes :

- a) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard 7 on 'Cash Flow Statements'.

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>b) Component of Cash &amp; Cash Equivalents: -</b>		
Cash on Hand	44.17	19.51
Balances with Banks in Current Accounts	310.79	236.13
Cash & Cash Equivalent as per Balance sheet (Refer Note no 15)	354.96	255.64

Particulars	2019-2020	2018-2019
<b>c) Debt Reconciliation Statement in accordance with Ind AS 7</b>		
<b>Opening Balances</b>		
Non Current Borrowings	15,116.49	16,598.68
<b>Movement</b>		
Non Current Borrowings	(3,855.75)	(1,482.19)
<b>Closing Balances</b>		
Non Current Borrowings	11,260.74	15,116.49

- d) 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

Aditya Singhi

Partner

Membership No. 305161

Place : Kolkata

Date : 30th June 2020

Manoj Sodhani  
Executive Director & CEO  
(DIN:02267180)

Dhananjay Karmakar  
Company Secretary

Mahesh Sodhani  
Managing Director  
(DIN:02100322)

Arun Kumar Kothari  
Chairman  
(DIN:00051900)

Niraj Singh  
Chief Financial Officer

**CONSOLIDATED STATEMENT OF CHANGE IN EQUITY** for the year ended 31st March 2020

**a) Equity Share Capital**

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Opening Balance	2,134.23	2,134.23
Add/(Less): Changes in Equity Share Capital during the year	-	-
Closing Balance	<b>2,134.23</b>	<b>2,134.23</b>

**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	
<b>Balance as at 31st March 2018</b>	<b>3,407.53</b>	<b>4,434.98</b>	<b>262.47</b>	<b>9,860.07</b>	<b>6,967.76</b>	<b>1,577.80</b>	<b>551.97</b>	<b>27,062.58</b>
<b>Comprehensive Income for the year</b>								
<b>Profit / (Loss) for the year</b>					32.41			32.41
Other Comprehensive Income, net of Income Tax					(302.67)	(263.04)	247.23	(318.48)
<b>Total Comprehensive Income for the year</b>	-	-	-	-	<b>(270.26)</b>	<b>(263.04)</b>	<b>247.23</b>	<b>(286.07)</b>
Realised gain on Sale of Equity instruments through FVTOCI					359.11		(359.11)	-
<b>Balance as at 31st March 2019</b>	<b>3,407.53</b>	<b>4,434.98</b>	<b>262.47</b>	<b>9,860.07</b>	<b>7,056.61</b>	<b>1,314.76</b>	<b>440.09</b>	<b>26,776.51</b>
<b>Comprehensive Income for the year</b>								
<b>Profit / (Loss) for the year</b>					(1,521.96)			(1,521.96)
Other Comprehensive Income, net of Income Tax					(246.41)	466.17	(13.93)	205.83
<b>Total Comprehensive Income for the year</b>	-	-	-	-	<b>(1,768.37)</b>	<b>466.17</b>	<b>(13.93)</b>	<b>(1,316.13)</b>
Realised gain on Sale of Equity instruments through FVTOCI					155.71		(155.71)	-
<b>Balance as at 31st March 2020</b>	<b>3,407.53</b>	<b>4,434.98</b>	<b>262.47</b>	<b>9,860.07</b>	<b>5,443.95</b>	<b>1,780.93</b>	<b>270.45</b>	<b>25,460.38</b>

The accompanying notes form an integral part of these Consolidated Financial Statements.

As per our Report of even date annexed.

**For and on behalf of the Board**
**For SINGHI & CO.**

 Chartered Accountants  
 Firm Registration No. 302049E

**Aditya Singhi**

Partner

Membership No. 305161

Place : Kolkata

Date : 30th June 2020

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

**Dhananjay Karmakar**  
 Company Secretary

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

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

**Niraj Singh**  
 Chief Financial Officer

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS as on and for the year ended 31st March 2020

### 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, erectioning and commissioning of projects on turnkey basis, and letting out of property on Rent.

### 2. BASIS OF PREPARATION

#### 2.1. Statement of Compliance

These 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, 2020 has been approved by the Board of Directors in their meeting held on 30th June 2020.

#### 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 47);
- 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 of the Parent Company and to the non-controlling interests, even if this results in the non-controlling interests having a

**Notes to Consolidated Financial Statements** as on and for the year ended 31st March 2020 (*Contd.*)

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, 2020	Percentage of voting power as at 31st March, 2020	Percentage of ownership interest as at 31st March, 2019	Percentage of voting power as at 31st March, 2019
<b>Subsidiaries (Held directly)</b> Gillanders Holdings (Mauritius) Limited (GHML) (WOS of GACL)	Mauritius	100.00	100.00	100.00	100.00
<b>Subsidiaries (Held indirectly)</b> Naming'omba Tea Estates Limited (WOS of GHML)	Malawi	100.00	100.00	100.00	100.00

**2.3.2. Business Combinations**

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the fair values of assets transferred on acquisition-date, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values on acquisition date. However, deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and recognized in accordance with the requirements of Ind AS 12, Income Taxes and Ind AS 19, Employee Benefits, respectively.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the excess is recognized as Capital Reserve.

Business combinations involving entities or business under common control have been accounted for using the pooling of interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts. No adjustments have been made to reflect fair values, or to recognize any new assets or liabilities except changes made to harmonize the accounting policies.

**2.4. Functional and Presentation Currency**

The 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).

## Notes to Consolidated Financial Statements as on and for the year ended 31st March 2020 (Contd.)

### 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 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 restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All the other assets are classified as non-current.

Similarly, a liability is current if:

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

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

### 2.8. Measurement of Fair Values

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

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

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

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.

## Notes to Consolidated Financial Statements as on and for the year ended 31st March 2020 (Contd.)

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

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

External valuers are involved for valuation of significant assets & 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, Stores and Spare Parts:** 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. Materials and other items held for use in the production of inventories are not written down below costs, if finished goods in which they will be incorporated are expected to be sold at or above cost.
- **Stock in Process:** Is valued with material at lower of weighted average cost and market rate and estimated conversion cost. In case of textile, in view of substantially large number of items in stock in progress, it is not feasible to maintain the status of movement of each item at shop floor on perpetual basis. The Company, however, physically verifies such stocks at the end of the year and valuation is made on the basis of such physical verification.
- **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.

## Notes to Consolidated Financial Statements as on and for the year ended 31st March 2020 (Contd.)

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

##### 3.4.1.2. Subsequent Measurement:

- Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced.

**Notes to Consolidated Financial Statements** as on and for the year ended 31st March 2020 (*Contd.*)

- Major Inspection/ Repairs/ Overhauling expenses are recognized in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any Unamortized part of the previously recognized expenses of similar nature is derecognized.

**3.4.1.3. Depreciation:**

- Depreciation on Property, Plant & Equipment is provided under Straight Line Method at rates determined based on the useful life of the respective assets and their residual value in accordance with Schedule II of the Companies Act, 2013 or as reassessed by the Group based on the technical evaluation.
- In respect of the Plant and Machinery other than continuous process plant under Textile Division, useful life of 30 years has been considered on the basis of technical evaluation, which is different from life specified in Schedule-II.
- In respect of spares for specific machinery, it is depreciated over the remaining useful life of the related machinery as estimated by the management.
- 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.

## Notes to Consolidated Financial Statements as on and for the year ended 31st March 2020 (Contd.)

### 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

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### 3.6.1. As a Lessee:

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

##### i) Right-of-use Assets (ROU Assets)

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 3.15 Impairment of non-financial assets.

**Notes to Consolidated Financial Statements** as on and for the year ended 31st March 2020 (*Contd.*)**ii) Lease Liabilities**

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

**iii) Short-term leases and leases of low-value assets**

The Group applies the short-term lease recognition exemption to its short-term leases of properties, machinery and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that is considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**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

## Notes to Consolidated Financial Statements as on and for the year ended 31st March 2020 (Contd.)

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

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

## 3.8. EMPLOYEE BENEFITS

### 3.8.1. Short Term Benefits

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

### 3.8.2. Other Long Term Employee Benefits

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

### 3.8.3. Post-Employment Benefits

The Group operates the following post-employment schemes:

#### ➤ Defined Contribution Plan

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

#### ➤ Defined Benefit Plans

The liability or asset recognized in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Group's net obligation in respect

**Notes to Consolidated Financial Statements** as on and for the year ended 31st March 2020 (*Contd.*)

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 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.

## Notes to Consolidated Financial Statements as on and for the year ended 31st March 2020 (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. 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.

##### ➤ **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

**Notes to Consolidated Financial Statements** as on and for the year ended 31st March 2020 (*Contd.*)

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.

➤ **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.

## Notes to Consolidated Financial Statements as on and for the year ended 31st March 2020 (Contd.)

### 3.12.3. Offsetting financial instruments

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

### 3.12.4. Derivative financial instruments

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

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

**Notes to Consolidated Financial Statements** as on and for the year ended 31st March 2020 (*Contd.*)**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.

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

## Notes to Consolidated Financial Statements as on and for the year ended 31st March 2020 (Contd.)

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 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.
- **Uncertainties relating to the global health pandemic from COVID-19:** The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, projects work-in-progress and inventories including biological assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these financial statements.

### 3.19. Recent Accounting Pronouncements - Standard issued but not yet effective

Ministry of corporate affairs (MCA) notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2020.

**Notes to Consolidated Financial Statements as on and for the year ended 31st March 2020 (Contd.)**
**NOTE 4 | PROPERTY, PLANT AND EQUIPMENT**

(₹ in Lakhs)

Sl No.	Particulars	Gross Block			Depreciation and Amortisation			Net Block	
		Balance as at 31st March 19	Additions	Disposal / Adjustment	Balance as at 31st March 19	Depreciation / Amortisation for the year	Disposal / Adjustment	Balance as at 31st March 2020	Balance as at 31st March 19
<b>A</b>	<b>Tangible Assets</b>								
	Freehold Land	15,038.38	-	(117.24)	4,087.32	171.83	217.18	15,155.62	15,038.38
	Buildings	9,540.44	36.41	281.43	8.84	0.60	0.07	5,253.45	5,453.12
	Bridges,culverts,bunders, etc	17.14	-	0.13	106.67	13.16	95.43	7.64	8.30
	Roads	124.51	-	13.85	21,873.32	1,290.57	1,256.45	15.23	17.84
	Plant and Machinery	33,662.96	551.14	1,540.10	429.88	17.21	14.15	10,766.56	11,789.64
	Furniture and Fittings	550.88	7.03	14.51	856.62	105.09	77.58	110.46	121.00
	Motor Vehicles	1,400.05	110.02	92.68	276.83	12.01	22.34	533.26	543.43
	Office Equipment	323.59	4.90	23.89	332.21	16.34	15.26	38.10	46.76
	Computers and Data Processing units	369.80	2.81	16.44	1,499.57	50.85	76.08	22.88	37.59
	Electrical Installations and Equipment	2,466.80	4.60	83.58	1,584.61	287.69	(105.10)	913.48	967.23
	Bearer Plants	10,235.37	488.48	(437.39)	33.52	2.24	2.24	9,183.84	8,650.76
	Right of Use Asset (Refer Note f below)	-	33.52	-	-	-	-	31.28	-
	<b>Total</b>	<b>73,729.92</b>	<b>1,238.91</b>	<b>1,511.98</b>	<b>31,055.87</b>	<b>1,956.35</b>	<b>1,587.17</b>	<b>42,031.80</b>	<b>42,674.05</b>
								1,494.14	1,414.28
<b>B</b>	<b>Capital Work In Progress</b>							<b>1,494.14</b>	<b>1,414.28</b>
	<b>Total</b>	<b>73,729.92</b>	<b>1,238.91</b>	<b>1,511.98</b>	<b>31,055.87</b>	<b>1,956.35</b>	<b>1,587.17</b>	<b>43,525.94</b>	<b>44,088.33</b>

Sl No.	Particulars	Gross Block			Depreciation and Amortisation			Net Block	
		Balance as at 31st March 18	Additions	Disposal / Adjustment	Balance as at 31st March 18	Depreciation / Amortisation for the year	Disposal / Adjustment	Balance as at 31st March 19	Balance as at 31st March 18
<b>A</b>	<b>Tangible Assets</b>								
	Freehold Land	14,967.76	-	(70.62)	3,914.85	169.92	-	15,038.38	14,967.76
	Buildings	9,376.34	122.44	(41.66)	7.85	0.99	(2.55)	5,453.12	5,461.49
	Bridges,culverts,bunders, etc	17.14	-	17.14	104.75	1.92	8.84	8.30	9.29
	Roads	124.51	-	-	20,900.82	1,270.71	298.21	17.84	19.76
	Plant and Machinery	33,459.58	558.98	355.60	412.47	17.58	0.17	11,789.64	12,558.76
	Furniture and Fittings	536.30	13.50	(1.08)	807.69	96.99	48.06	121.00	123.83
	Motor Vehicles	1,331.97	135.47	67.39	263.76	14.12	1.05	543.43	524.28
	Office Equipment	303.13	21.56	1.10	316.48	17.09	1.36	46.76	39.37
	Computers and Data Processing units	356.82	14.41	1.43	1,336.86	162.93	1,499.57	37.59	40.34
	Electrical Installations and Equipment	2,453.91	13.12	0.23	1,269.47	262.93	(52.21)	967.23	1,117.05
	Bearer Plants	9,573.33	342.92	(319.12)	29,335.00	2,015.18	294.31	8,650.76	8,303.86
	<b>Total</b>	<b>72,500.79</b>	<b>1,222.40</b>	<b>(6.73)</b>	<b>73,729.92</b>	<b>2,015.18</b>	<b>294.31</b>	<b>42,674.05</b>	<b>43,165.79</b>
								1,414.28	1,652.83
<b>B</b>	<b>Capital Work In Progress</b>							<b>1,414.28</b>	<b>1,652.83</b>
	<b>Total</b>	<b>72,500.79</b>	<b>1,222.40</b>	<b>(6.73)</b>	<b>73,729.92</b>	<b>2,015.18</b>	<b>294.31</b>	<b>44,088.33</b>	<b>44,818.62</b>

**Note:**

- The amount of Contractual commitments for acquisition of property, plant and equipment is disclosed in Note 40(a).
- Refer Note 41.2 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 Rs 25.03 Lakhs (PY - Rs 46.04 Lakhs)
- Borrowing cost capitalised during year is Rs 12.64 Lakhs (PY- Rs 21.87 Lakhs) at the capitalisation rate of 9.50% (PY- 10.10%)
- Disposal / Adjustments includes Foreign Currency Translation adjustments for Rs 682.22 Lakhs (PY Rs 426.51 Lakhs).
- Addition to Right of Use Asset is due to reclassification of Leasehold Land as on 01.04.2019.
- Refer Note 19.3 and Note 24.1 for information on Property, Plant and Equipment pledged as securities by the Group.

## Notes to Consolidated Financial Statements as on and for the year ended 31st March 2020 (Contd.)

NOTE 5   INTANGIBLE ASSETS											
(₹ in Lakhs)											
Sl No.	Particulars	Gross Block			Amortisation			Net Block			
		Balance as at 31st March 19	Additions	Disposal / Adjustment	Balance as at 31st March 2020	Balance as at 31st March 19	Amortisation for the year	Disposal / Adjustment	Balance as at 31st March 2020	Balance as at 31st March 2020	Balance as at 31st March 19
A	Computer Softwares	323.64	37.00	-	360.64	309.94	9.50	-	319.44	41.20	13.70
	<b>Total</b>	<b>323.64</b>	<b>37.00</b>	<b>-</b>	<b>360.64</b>	<b>309.94</b>	<b>9.50</b>	<b>-</b>	<b>319.44</b>	<b>41.20</b>	<b>13.70</b>
B	Intangible Assets under development										25.90
	<b>Total</b>										<b>25.90</b>
	<b>Grand Total (A+B)</b>	<b>323.64</b>	<b>37.00</b>	<b>-</b>	<b>360.64</b>	<b>309.94</b>	<b>9.50</b>	<b>-</b>	<b>319.44</b>	<b>41.20</b>	<b>39.60</b>

Sl No.	Particulars	Gross Block			Amortisation			Net Block		
		Balance as at 31st March 18	Additions	Disposal / Adjustment	Balance as at 31st March 19	Balance as at 31st March 18	Depreciation /Amortisation for the year	Disposal / Adjustment	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	13.70
	<b>Total</b>	<b>320.83</b>	<b>2.98</b>	<b>0.17</b>	<b>323.64</b>	<b>302.23</b>	<b>7.88</b>	<b>0.17</b>	<b>309.94</b>	<b>13.70</b>
B	Intangible Assets under development									25.90
	<b>Total</b>									<b>25.90</b>
	<b>Grand Total (A+B)</b>	<b>320.83</b>	<b>2.98</b>	<b>0.17</b>	<b>323.64</b>	<b>302.23</b>	<b>7.88</b>	<b>0.17</b>	<b>309.94</b>	<b>39.60</b>

## Note:

a) Refer Note 19.3 and Note 24.1 for information on Intangible Assets pledged as securities by the Group.

**Notes to Consolidated Financial Statements** as on and for the year ended 31st March 2020 (*Contd.*)

**NOTE 6 NON - CURRENT INVESTMENTS**

(₹ in Lakhs)

Particulars	Face Value	As at 31st March 2020		As at 31st March 2019	
	(₹)	Qty	Amount	Qty	Amount
<b>INVESTMENTS AT AMORTIZED COST</b>					
<b>Investment in Fully paid Debentures (Unquoted)</b>					
5% 10 years Redeemable Debenture in Shillong Club Ltd.	100	18	0.01	18	0.01
			<b>0.01</b>		<b>0.01</b>
<b>INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME</b>					
<b>Investments in Unquoted Equity Instruments</b>					
Bharat Fritz Werner Ltd	2	9,62,311	1,251.38	14,22,311	1,869.34
Kothari Investment and Industries Pvt Ltd (erstwihle Kothari Hi Tech Consultants Pvt. Ltd.) #	10	3,800	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
			<b>1,264.68</b>		<b>1,882.64</b>
<b>INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>					
<b>Investments in Quoted Equity Instruments</b>					
Era Infra Engineering Ltd.	2	1	*	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	*
UB Engineering Ltd.	10	1	*	1	*
Winsome Yarns Ltd.	10	1	*	1	*
			*		*
<b>Total</b>			<b>1,264.69</b>		<b>1,882.65</b>
Aggregate amount of					
- Quoted Investments			*		*
- Unquoted Investments			1,264.69		1,882.65
Aggregate Market Value of Quoted Investment			*		*

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

# Pursuant to an Order passed by the Kolkata Bench of National Company Law Tribunal ("NCLT") on 04.11.2019, company have been allotted 3800 fully paid equity shares of face value of Rs 10 each (Rupees Ten only) of Kothari Investment and Industries Private Limited in lieu of 95000 equity shares of face value of Rs 10 each (Rupees Ten only) of Kothari Hitech and Consultants Pvt Ltd.

**Notes to Consolidated Financial Statements** as on and for the year ended 31st March 2020 (Contd.)

**NOTE 7 | LOANS** (₹ in Lakhs)

Particulars	Refer Note No.	Non-Current		Current	
		As at 31st March 2020	As at 31st March 2019	As at 31st March 2020	As at 31st March 2019
<b>Unsecured, considered good</b>					
Advance to Employees, unsecured, considered good				32.10	24.90
<b>Security Deposits</b>					
Unsecured, considered good		140.55	75.46	112.66	203.84
Unsecured, having significant increase in credit risk		-	-	-	-
Unsecured, credit impaired		-	-	-	12.79
		<b>140.55</b>	<b>75.46</b>	<b>144.76</b>	<b>241.53</b>
Less: Allowances for doubtful Security deposits		-	-	-	12.79
<b>Total</b>		<b>140.55</b>	<b>75.46</b>	<b>144.76</b>	<b>228.74</b>

7.1 - 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 8 | OTHERS FINANCIAL ASSETS** (₹ in Lakhs)

Particulars	Refer Note No.	Non-Current		Current	
		As at 31st March 2020	As at 31st March 2019	As at 31st March 2020	As at 31st March 2019
<b>Retention Deposits</b>					
Unsecured, considered good		433.31	482.92	2,686.96	2,082.84
Unsecured, having significant increase in credit risk		-	-	-	-
Unsecured, credit impaired		235.63	882.53	3,857.84	3,653.22
		<b>668.94</b>	<b>1,365.45</b>	<b>6,544.80</b>	<b>5,736.06</b>
Less:- Allowances for doubtful retention deposits		235.63	882.53	3,857.84	3,653.22
		<b>433.31</b>	<b>482.92</b>	<b>2,686.96</b>	<b>2,082.84</b>
<b>Other Deposits</b>					
NABARD Deposit		-	-	0.82	0.82
Interest Accrued on Loans and Deposits		-	-	26.62	41.82
Incentive and Subsidy Receivable		-	-	383.40	390.07
Deposits with Bank having maturity of more than one year from the balance sheet date	8.1	55.80	1,366.09	-	-
Others		-	-	4,228.72	5,161.83
		<b>55.80</b>	<b>1,366.09</b>	<b>4,639.56</b>	<b>5,594.54</b>
<b>Total</b>		<b>489.11</b>	<b>1,849.01</b>	<b>7,326.52</b>	<b>7,677.38</b>

8.1 - Include ₹ 55.80 Lakhs (P.Y. ₹ 1,366.09 Lakhs) under lien with bank

**Notes to Consolidated Financial Statements** as on and for the year ended 31st March 2020 (*Contd.*)

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

**NOTE 9 | NON CURRENT TAX ASSETS (NET)** (₹ in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Advance Income Tax and Tax Deducted at Source	1,875.54	2,016.80
Less: Provision for Income Tax	1,026.70	1,036.50
<b>Total</b>	<b>848.84</b>	<b>980.30</b>

**NOTE 10 | OTHER ASSETS** (₹ in Lakhs)

Particulars	Refer Note No.	Non-Current		Current	
		As at 31st March 2020	As at 31st March 2019	As at 31st March 2020	As at 31st March 2019
Capital Advances		37.90	41.51	-	-
Advance against supply of Goods and Services		-	-	900.09	943.45
Prepaid Expenses		-	-	457.19	376.44
Balances with Government & Statutory Authorities		-	-	2,682.76	3,127.48
		<b>37.90</b>	<b>41.51</b>	<b>4,040.04</b>	<b>4,447.37</b>
Less : Allowances for Doubtful Advances		-	-	31.00	31.00
<b>Total</b>	10.1	<b>37.90</b>	<b>41.51</b>	<b>4,009.04</b>	<b>4,416.37</b>

10.1 Refer Note 19.3 and Note 24.1 for information on Other Assets pledged as securities by the Group.

**NOTE 11 | BIOLOGICAL ASSETS OTHER THAN BEARER PLANTS** (₹ in Lakhs)

Particulars	Refer Note No.	As at 31st March 2020	As at 31st March 2019
Opening Fair Value of Biological Assets Other than Bearer Plants	11.1	700.17	630.03
Addition / (Deletion) during the year (Net of Harvest)		91.59	(17.05)
Fair Value Gain routed to Profit and Loss		65.44	87.19
<b>Closing Fair Value of Biological Assets Other than Bearer Plants</b>		<b>857.20</b>	<b>700.17</b>

11.1 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.

11.2 Refer Note 19.3 and Note 24.1 for information on Biological Assets other than Bearer Plant pledged as securities by the Group.

**Notes to Consolidated Financial Statements** as on and for the year ended 31st March 2020 (Contd.)

**NOTE 12 | INVENTORIES** (₹ in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
(As valued and certified by the Management)		
Raw Materials	2,162.07	3,496.68
Stock-in-Process	1,458.16	1,693.12
Finished Goods	7,340.17	8,053.89
Stock-in-Trade (In respect of goods acquired for trading)	90.79	464.34
Contracts in Progress	3,079.77	2,508.30
Scrap and Waste	207.41	149.82
Stores and Spares etc.	1,476.16	2,395.76
<b>Total</b>	<b>15,814.53</b>	<b>18,761.91</b>
The above includes goods-in-transit as under:		
Raw Materials	175.84	778.70
	<b>175.84</b>	<b>778.70</b>

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

**NOTE 13 | CURRENT INVESTMENTS** (₹ in Lakhs)

Particulars	Face Value (₹)	As at 31st March 2020		As at 31st March 2019	
		Qty	Amount	Qty	Amount
<b>INVESTMENTS AT AMORTIZED COST</b>					
<b>Investments in Government and Trust Securities (Unquoted)</b>					
6 Years National Saving Certificates (Deposited with Commercial Tax Officer)			0.07		0.07
			<b>0.07</b>		<b>0.07</b>
<b>INVESTMENTS AT FAIR VALUE THROUGH PROFIT AND LOSS</b>					
<b>Investments in Mutual funds (Unquoted)</b>					
Aditya Birla Sun Life Liquid Fund - Growth	10	–	–	1,25,862	376.37
HDFC Liquid Fund Regular Plan - Growth	100	7,704	299.19	10,280	376.30
ICICI Prudential Liquid Fund - Growth	10	34,328	100.45	1,09,307	301.05
			<b>399.64</b>		<b>1,053.72</b>
<b>Total</b>			<b>399.71</b>		<b>1,053.79</b>
Aggregate amount of Unquoted Investments			399.71		1,053.79

**Notes to Consolidated Financial Statements as on and for the year ended 31st March 2020 (Contd.)**
**NOTE 14 | TRADE RECEIVABLES** (₹ in Lakhs)

Particulars	Refer Note No.	As at 31st March 2020	As at 31st March 2019
Unsecured, considered good		8,153.09	9,763.40
Unsecured, having significant increase in credit risk		-	-
Unsecured, credit impaired		670.81	783.07
<b>Total</b>		<b>8,823.90</b>	<b>10,546.47</b>
Less: Allowances for doubtful receivables	50A	670.81	783.07
<b>Total</b>		<b>8,153.09</b>	<b>9,763.40</b>

- 14.1** Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.
- 14.2** 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.
- 14.3** Refer Note 19.3 and Note 24.1 for information on Trade Receivable pledged as securities by the Group.

**NOTE 15 | CASH AND CASH EQUIVALENTS** (₹ in Lakhs)

Particulars	Refer Note No.	As at 31st March 2020	As at 31st March 2019
Balances With Banks :			
In Current Accounts		310.79	152.18
In Deposit Accounts with Original Maturity of less than three months	15.1	-	83.95
Cash on Hand		44.17	19.51
<b>Total</b>		<b>354.96</b>	<b>255.64</b>

- 15.1** Includes deposits marked lien in favour of Bank Rs. Nil Lakhs (P.Y. Rs. 83.95 Lakhs)
- 15.2** Refer Note 19.3 and Note 24.1 for information on Cash and Cash Equivalent pledged as securities by the Group.

**NOTE 16 | BANK BALANCES (OTHER THAN NOTE: 15)** (₹ in Lakhs)

Particulars	Refer Note No.	As at 31st March 2020	As at 31st March 2019
Balance in Unpaid Dividend Account		11.41	28.89
In Deposit accounts with Original maturity of more then three months	16.1 16.2	2,302.78	1,985.14
		<b>2,314.19</b>	<b>2,014.03</b>
Less:- Deposits with Bank disclosed under 'other financial Assets' having maturity of more then 12 months		55.80	1,366.09
<b>Total</b>		<b>2,258.39</b>	<b>647.94</b>

- 16.1** Includes deposits with bank committed to continue till the tenure of stand by letter of credit for loan availed by the Group. (Refer Note 40(c))
- 16.2** Includes deposits marked lien in favour of Bank Rs. 847.20 Lakhs (P.Y. Rs. 619.05 Lakhs)

## Notes to Consolidated Financial Statements as on and for the year ended 31st March 2020 (Contd.)

### NOTE 17 | SHARE CAPITAL

Particulars	As at 31st March 2020		As at 31st March 2019	
	No. of Shares	(₹ in Lakhs)	No. of Shares	(₹ in Lakhs)
<b>17.1 - Authorised Share Capital</b>				
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
	<b>4,52,00,000</b>	<b>7,400.00</b>	<b>4,52,00,000</b>	<b>7,400.00</b>
<b>17.2 - Issued Share Capital</b>				
Ordinary Shares of ₹ 10 each	2,13,42,346	2,134.23	2,13,42,346	2,134.23
	<b>2,13,42,346</b>	<b>2,134.23</b>	<b>2,13,42,346</b>	<b>2,134.23</b>
<b>17.3 - Subscribed and Paid-up Share Capital</b>				
Ordinary Shares of ₹ 10 each fully paid-up	2,13,42,346	2,134.23	2,13,42,346	2,134.23
	<b>2,13,42,346</b>	<b>2,134.23</b>	<b>2,13,42,346</b>	<b>2,134.23</b>

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

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

#### 17.5 Terms/ Rights attached to Ordinary Shares :

The Parent Company has only one class of Ordinary shares having a face value of Rs. 10 per share and each holder of Ordinary shares is entitled to one vote per share. The Parent 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 Parent Company

Name of Shareholders	As at 31st March 2020		As at 31st March 2019	
	No. of Shares of held	% of Shares held	No. of Shares of held	% of Shares held
Kothari Investment & Industries Private Limited	72,65,198	34.04%	22,53,748	10.56%
Kothari Phytochemicals & Industries Limited	55,01,078	25.78%	55,01,078	25.78%
M. D. Kothari & Company Limited	15,21,868	7.13%	15,21,868	7.13%
Life Insurance Corporation of India	10,38,191	4.86%	11,87,278	5.56%
Commercial House Private Limited *	-	-	13,68,212	6.41%
Kothari & Co. Private Limited *	-	-	14,26,199	6.68%
Vishnuhari Investments & Properties Limited *	-	-	17,07,291	8.00%

\* National Company Law Tribunal (NCLT) vide order dated 04.11.2019 had approved the Scheme of Arrangement by virtue of which Bhaktwatsal Investments Limited, Commercial House Private Limited, Vishnuhari Investments & Properties Limited, Kothari Hitech Consultants Private Limited, Kothari & Co. Private Limited and Kothari Capital & Securities Private Limited have been amalgamated with Kothari Investment & Industries Private Limited.

**Notes to Consolidated Financial Statements** as on and for the year ended 31st March 2020 (*Contd.*)

- 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 Parent Company has not allotted any Ordinary shares against consideration other than cash nor has allotted any shares as fully paid up by way of bonus shares nor has bought back any shares during the period of five years immediately preceding the date at which the Balance Sheet is prepared.
- 17.10** No securities convertible into Ordinary/ Preference shares have been issued by the Parent Company during the year.
- 17.11** No calls are unpaid by any Director or Officer of the Parent Company during the year.

**NOTE 18 | OTHER EQUITY**

(₹ in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
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	1,780.93	1,314.76
General Reserve	9,860.07	9,860.07
Retained Earnings	5,443.95	7,056.61
Other Reserves	270.45	440.09
<b>Total</b>	<b>25,460.38</b>	<b>26,776.51</b>

**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 Reserve** - Equity instrument 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.

Notes to Consolidated Financial Statements as on and for the year ended 31st March 2020 (Contd.)

**NOTE 19 | BORROWINGS** (₹ in Lakhs)

Particulars	Refer Note No.	Non-Current Portion		Current Maturities	
		As at 31st March 2020	As at 31st March 2019	As at 31st March 2020	As at 31st March 2019
<b>Cumulative Redeemable Preference Shares (CRPS)</b> <b>(Face Value of ₹ 100 each)</b>					
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
<b>Term Loans</b>					
<b>From Banks:</b>					
Rupee Loans	19.2	6,976.07	6,863.75	1,506.46	1,392.39
Foreign Currency Loans	19.2	1,665.16	5,164.54	4,652.79	1,494.07
<b>Fixed Deposits (From Public)</b>	19.2	1,365.90	1,829.04	1,176.50	1,048.26
<b>Lease Liability</b>	19.2	23.87	-	10.34	-
<b>Others</b>	19.2	19.74	49.16	19.74	24.58
<b>Total</b>		<b>11,260.74</b>	<b>15,116.49</b>	<b>7,365.83</b>	<b>4,159.30</b>
Amount disclosed under the head "Other Financial Liability"	20			(7,365.83)	(4,159.30)
<b>Total</b>		<b>11,260.74</b>	<b>15,116.49</b>	<b>-</b>	<b>-</b>

**19.1 - Break Up of Security Details**

(₹ in Lakhs)

Particulars	Non-Current Portion		Current Maturities	
	As at 31st March 2020	As at 31st March 2019	As at 31st March 2020	As at 31st March 2019
Secured	7,660.97	11,077.45	6,178.99	2,911.04
Unsecured	3,599.77	4,039.04	1,186.84	1,248.26
<b>Total</b>	<b>11,260.74</b>	<b>15,116.49</b>	<b>7,365.83</b>	<b>4,159.30</b>

**19.2 - Terms and Conditions of Long Term Borrowings**

	Particulars	Amount (₹ in Lakhs)	Period of Maturity	Installments Due	Installment Value (₹ in Lakhs)	Repayment Terms	Rate of Interest (P.A.)
<b>A</b>	<b>Cumulative Redeemable Preference Shares (CRPS)</b>						
i.	7.75% CRPS	<b>1,210.00</b>	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%

**Notes to Consolidated Financial Statements as on and for the year ended 31st March 2020 (Contd.)**

	Particulars	Amount (₹ in Lakhs)	Period of Maturity	Installments Due	Installment Value (₹ in Lakhs)	Repayment Terms	Rate of Interest (P.A.)
<b>B</b>	<b>Term Loan - From Banks</b>						
i	State Bank of India (Corporate Loan-I)	<b>1,920.00</b>	Jun-23	12	125.00/Quarter 175.00/Quarter 185.00/Quarter	Sep'20 - Jun'21 Jul'21 - Dec'22 Jan'23 - Jun'23	MCLR + 2.30 %
ii	State Bank of India (Corporate Loan-II)	<b>1,990.00</b>	Jun-23	12	150.00/Quarter 175.00/Quarter 165.00/Quarter	Sep'20 - Jun'21 Jul'21 - Mar'23 Jun'23	MCLR + 3.00 %
iii	State Bank of India (Corporate Loan-III)	<b>1,990.00</b>	Jun-23	12	150.00/Quarter 175.00/Quarter 165.00/Quarter	Sep'20 - Jun'21 Jul'21 - Mar'23 Jun'23	MCLR + 2.40 %
iv	State Bank of India (Lease Rental Discounting Loan) (LRD)	<b>1,633.60</b>	Mar-26	72	Equated Monthly Installments (EMI)	Apr'20 - Mar'26	MCLR + 2.00%
v	YES Bank Limited (Medium Term Loan)	<b>1,000.00</b>	May-22	3	Mar'22 - 333.00, Apr'22 - 333.00 and May' 22 - 334.00	Mar'22, Apr'22 and May'22	MCLR+1.1%
vi	HDFC Bank Limited (Vehicle Loan)	<b>6.29</b>	May -20 Jun -20 Jul -20 Aug -20 Sep -21	2 3 4 5 18	EMI EMI EMI EMI EMI	Apr'20-May'20 Apr'20-Jun'20 Apr'20-Jul'20 Apr'20-Aug'20 Apr'20-Sep'21	8.75% 8.75% 8.75% 8.75% 9.50%
vii.	Axis Bank Ltd, IBU, GIFT City, Gandhinagar, Gujarat	<b>3,838.39</b>	Mar-21	3	1,441.83/Year 1,201.53/Year 1,195.03/Year	Jul'20 Dec'20 Mar'21	3 Month LIBOR+2.90%
viii.	Standard Bank Ltd, Malawi	<b>445.42</b>	Apr-21	1	445.42	Apr'21	3 Month LIBOR+5.88%
ix.	National Bank of Malwai, Malawi	<b>2,034.14</b>	Apr-25	10	Semi Annual Equated Installments	Oct'20-Apr'25	7.50%
x.	Unamortised Borrowing Cost on Term Loans	<b>(57.36)</b>					
	<b>Total of Term Loan from Banks</b>	<b>14,800.48</b>					

**Notes to Consolidated Financial Statements as on and for the year ended 31st March 2020 (Contd.)**

	Particulars	Amount (₹ in Lakhs)	Period of Maturity	Installments Due	Installment Value (₹ in Lakhs)	Repayment Terms	Rate of Interest (P.A.)
<b>C</b>	<b>Fixed Deposits (From Public)</b>	<b>2,542.40</b>	One year to three years	Bullet payment on the maturity date	2020-21 - 1,176.50, 2021-22 - 864.72, 2022-23 - 501.18	The fixed deposit includes fixed and cumulative deposits both	9.75% - 10.75%
<b>D</b>	<b>Term Loan - From Others - In Indian Rupees</b>						
	Tea Board of India (Special Purpose Tea Fund Scheme)	<b>39.48</b>	Jul-21	2	19.74 / yearly	Apr' 20-July' 21	9.00%
<b>E</b>	<b>Lease Liability</b>						
	Lease Liability	<b>34.21</b>	Jan-23	3	13.76/year	Jan'21-Jan'23	10.00%

**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, IBU, GIFT City, Gandhinagar, Gujarat, is secured by stand by letter of credit of USD 7.15 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 Punjab National Bank (PNB).
- g) The Term Loan from Standard Bank PLC, Malawi, is secured by way of mortgage charge created over Deeds Registry Number 39951 situated in Thyolo District of Naming'omba Tea Estates, Malawi.
- h) The Term Loan from National Bank of Malawi, Malawi, is secured by way of mortgage charge created over properties held on Deeds Registry Numbers 92115, 92117, and 92118 situated in Thyolo District of Naming'omba Tea Estates, Malawi.

**Notes to Consolidated Financial Statements** as on and for the year ended 31st March 2020 (Contd.)

**NOTE 20 | OTHER FINANCIAL LIABILITIES**

(₹ in Lakhs)

Particulars	Refer Note No.	Non-Current		Current	
		As at 31st March 2020	As at 31st March 2019	As at 31st March 2020	As at 31st March 2019
Current maturities of Long Term Debt	19	-	-	7,365.83	4,159.30
Trade and Security Deposits (Unsecured)		997.38	854.19	593.30	846.30
Interest accrued but not due on Borrowings		164.88	87.25	231.55	309.43
Unpaid and unclaimed dividends		-	-	11.41	28.89
Employees related Liabilities		-	-	1,799.97	2,597.41
Amount payable for Capital Goods		-	-	24.10	39.55
Unpaid matured deposits and interest accrued thereon		-	-	21.63	6.49
Other Payables		-	-	629.69	496.35
<b>Total</b>		<b>1,162.26</b>	<b>941.44</b>	<b>10,677.48</b>	<b>8,483.72</b>

**NOTE 21 | PROVISIONS**

(₹ in Lakhs)

Particulars	Non-Current		Current	
	As at 31st March 2020	As at 31st March 2019	As at 31st March 2020	As at 31st March 2019
Provision for Employee Benefits	187.37	169.55	2,826.06	2,689.17
<b>Total</b>	<b>187.37</b>	<b>169.55</b>	<b>2,826.06</b>	<b>2,689.17</b>

**NOTE 22 | DEFERRED TAX LIABILITIES (NET)**

(₹ in Lakhs)

Particulars	Refer Note No.	As at 31st March 2020	As at 31st March 2019
<b>Deferred Tax Liabilities</b>			
Arising on account of :			
Property, Plant & Equipment, Intangible Assets and Biological Assets		4,568.01	4,647.65
<b>Sub-total</b>		<b>4,568.01</b>	<b>4,647.65</b>
<b>Less: Deferred Tax Assets</b>			
Arising on account of :			
Allowances for Doubtful Debts		1,666.26	1,873.19
Section 43B of Income Tax Act, 1961		1,007.22	1,117.88
Unabsorbed Depreciation/ Carried Forward Business Losses	22.1	1,203.37	998.55
Others		117.86	133.64
<b>Sub-total</b>		<b>3,994.71</b>	<b>4,123.26</b>
<b>Deferred Tax Liabilities (Net)</b>		<b>573.30</b>	<b>524.39</b>

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

## Notes to Consolidated Financial Statements as on and for the year ended 31st March 2020 (Contd.)

### 22.2 Movement in deferred tax asset and deferred tax liabilities during the year ended 31st March, 2019 and 31st March, 2020

(₹ in Lakhs)

Particulars	As at 31st March, 2019	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	As at 31st March, 2020
<b>Deferred Tax Liabilities (A)</b>				
Property, Plant & Equipment, Intangible Assets and Biological Assets	4,647.65	(79.64)	-	4,568.01
<b>Total (A)</b>	<b>4,647.65</b>	<b>(79.64)</b>	-	<b>4,568.01</b>
<b>Deferred Tax Assets (B)</b>				
Allowances for Doubtful Debts (ECL Model)	1,873.19	(206.93)	-	1,666.26
Items u/s 43B of the Income Tax Act, 1961	1,117.88	(110.66)	-	1,007.22
Unabsorbed Depreciation/ Carried Forward Business Losses	998.55	204.82	-	1,203.37
Others	133.64	(15.78)	-	117.86
<b>Total (B)</b>	<b>4,123.26</b>	<b>(128.55)</b>	-	<b>3,994.71</b>
<b>Total (A) - (B)</b>	<b>524.39</b>	<b>48.91</b>	-	<b>573.30</b>

Particulars	As at 31st March, 2018	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	As at 31st March, 2019
<b>Deferred Income Tax Liabilities (A)</b>				
Property, Plant and Equipment & Intangible Assets	4,356.57	291.08		4,647.65
<b>Total (A)</b>	<b>4,356.57</b>	<b>291.08</b>		<b>4,647.65</b>
<b>Deferred Income Tax Assets (B)</b>				
Allowances for Doubtful Debts	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
<b>Total (B)</b>	<b>3,868.63</b>	<b>417.21</b>	<b>(162.58)</b>	<b>4,123.26</b>
<b>Total (A) - (B)</b>	<b>487.94</b>	<b>(126.13)</b>	<b>162.58</b>	<b>524.39</b>

22.3 Deferred Tax Assets and Deferred Tax Liabilities have been offset wherever the Group 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 2020 (Contd.)

**NOTE 23 | OTHER LIABILITIES**

(₹ in Lakhs)

Particulars	Non-Current		Current	
	As at 31st March 2020	As at 31st March 2019	As at 31st March 2020	As at 31st March 2019
Job Advance	–	30.79	231.76	707.11
Advances Received from Customers	–	–	103.10	141.93
Statutory Dues	–	–	261.39	276.36
<b>Total</b>	–	<b>30.79</b>	<b>596.25</b>	<b>1,125.40</b>

**NOTE 24 | SHORT TERM BORROWINGS**

(₹ in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Loans Repayable on Demand</b>		
Working Capital Facilities from Banks		
- Punjab National Bank in Indian Currency (erstwhile United Bank of India)	1,347.74	233.33
- Other Banks in Indian Currency	8,705.54	8,727.34
- Other Banks in Foreign Currency	1,982.33	1,507.88
<b>Short Term Loan</b>		
From Banks	-	3,000.00
From Other Body Corporates	4,660.00	4,945.00
From Related Parties	100.00	100.00
Fixed Deposits (From Public)	1,225.08	1,368.48
<b>Total</b>	<b>18,020.69</b>	<b>19,882.03</b>
<b>The above amount includes</b>		
Secured Borrowings	12,035.61	10,468.55
Unsecured Borrowings	5,985.08	9,413.48
<b>Total</b>	<b>18,020.69</b>	<b>19,882.03</b>

**24.1 - Details of Security Given for Loan**

- a) The working capital facilities from Punjab National Bank 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 Punjab National Bank) 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 & equipment of the Company (other than Tea Division) ranking pari passu inter-se.
- c) Working Capital Facilities in foreign currency from Standard Bank PLC , Malawi and National Bank of Malawi, Malawi, are secured by way of mortgage charge created over properties held on Deeds Registry Numbers 92115, 92117, and 92118 on Naming'omba Tea Estates situated in Thyolo District, Malawi.

**Notes to Consolidated Financial Statements** as on and for the year ended 31st March 2020 (Contd.)**24.2 - Details of Interest Rates on Short Term Borrowings**

- a) The Working Capital Facilities in Indian Currency having interest rate varying between 9.90% p.a. - 10.90% p.a. are repayable on demand.
- b) Short term loans 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 National Bank of Malawi Plc, carries a interest of 20.30% p.a. and Working Capital facilities in United States Dollar (USD) currency from Standard Bank Plc, 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 2020	As at 31st March 2019
Trade Payables for goods and services			
-Total Outstanding dues to Micro Enterprises and Small Enterprises	42	38.47	71.32
-Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		12,562.64	14,177.79
<b>Total</b>		<b>12,601.11</b>	<b>14,249.11</b>

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

Particulars	As at 31st March 2020	As at 31st March 2019
Current Tax Liability (Net)	166.56	339.37
<b>Total</b>	<b>166.56</b>	<b>339.37</b>

**NOTE 27 | REVENUE FROM OPERATIONS** (₹ in Lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Sale of Products	56,496.88	65,464.99
Income from Construction Contracts	7,300.45	7,341.37
Rental Income	749.36	646.98
	<b>64,546.69</b>	<b>73,453.34</b>
<b>Other Operating Revenues</b>		
Incentives & Subsidies *	398.07	462.58
Service Charges from Tenants	170.60	179.47
Sale of Waste	885.13	937.54
Other Revenues	2.58	82.38
	<b>1,456.38</b>	<b>1,661.97</b>
<b>Total</b>	<b>66,003.07</b>	<b>75,115.31</b>

\* Includes Grant of Rs 29.13 lakhs received from IDH Sustainable Trade Initiative upon utilisation of fund through various Malawi Tea 2020 project expenditure activities.

**Notes to Consolidated Financial Statements** as on and for the year ended 31st March 2020 (Contd.)

**REVENUE FROM CONTRACTS WITH CUSTOMERS**
**A. Revenue from contracts with customers disaggregated based on revenue stream and by reportable segment**

(₹ in Lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>Revenue based on product &amp; services</b>		
Cotton /Man Made Fibre Yarn	31,009.74	38,493.55
Tea and Macademia Nuts	25,487.14	26,971.44
Income from Construction Contracts	7,300.45	7,341.37
Rental Income	749.36	646.98
Other Operating Revenues	1,456.38	1,661.97
<b>Total</b>	<b>66,003.07</b>	<b>75,115.31</b>
<b>Revenue based on Geography</b>		
India	50,827.09	57,791.51
Overseas	15,175.98	17,323.80
<b>Total</b>	<b>66,003.07</b>	<b>75,115.31</b>
<b>Reconciliation of Revenue from Operation with contract price</b>		
Contract Price	66,353.87	75,632.21
Less: Sales Return	(287.62)	(409.20)
Rebates & Discounts	(63.18)	(107.70)
<b>Revenue from Operation</b>	<b>66,003.07</b>	<b>75,115.31</b>

**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 Group expects to recognise these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Group 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, 2020, other than those meeting the exclusion criteria mentioned above.

(₹ in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Contract Balances</b>		
Contract Assets	7,213.74	7,101.51
Less: Impairment allowances	(4,093.47)	(4,535.75)
<b>Total</b>	<b>3,120.27</b>	<b>2,565.76</b>
<b>Contract Liabilities</b>	<b>334.86</b>	<b>879.83</b>
Gross Trade Receivables	8,823.90	10,546.47
Unbilled Revenue for passage of time	6,702.73	6,881.10
Less: Impairment allowances	(670.81)	(783.07)
<b>Net Receivables</b>	<b>14,855.82</b>	<b>16,644.50</b>

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 Consolidated Financial Statements as on and for the year ended 31st March 2020 (Contd.)

**NOTE 28 | OTHER INCOME** (₹ in Lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>Interest Income</b>		
Deposits with Bank and others	244.14	206.61
<b>Dividend Income</b>		
On Long-term investments	10.73	
On Current investments	6.95	-
<b>Net Gain/ (Loss) on sale of Investments at FVTPL</b>		
On Current investments	26.15	-
Gain/ (Loss) on restatement of Investments at FVTPL	1.55	3.11
<b>Other Non Operating Income</b>		
Profit on sale of Property, Plant and Equipment (Net)	31.93	74.11
Change in fair valuation of biological assets	65.44	87.19
Liabilities no longer required written back	240.66	335.40
Allowances for doubtful debts and deposits no longer required written back	584.29	202.84
Sundry Receipts and Claims	472.44	303.28
<b>Total</b>	<b>1,684.28</b>	<b>1,212.54</b>

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

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Opening Stock of Raw Materials	3,496.68	3,284.89
Add: Purchases	17,770.83	25,245.38
Less Closing Stock of Raw Materials	(2,162.07)	(3,496.68)
<b>Total</b>	<b>19,105.44</b>	<b>25,033.59</b>

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

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Purchase of Traded Goods	7,594.54	6,659.48
<b>Total</b>	<b>7,594.54</b>	<b>6,659.48</b>

**Notes to Consolidated Financial Statements** as on and for the year ended 31st March 2020 (*Contd.*)

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

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>Inventories at the beginning of the year</b>		
Finished Goods	8,053.89	8,306.55
Stock-In-Trade	464.34	107.74
Stock-In-Process	1,693.12	1,350.91
Scrap and Waste	149.82	162.34
<b>Total</b>	<b>10,361.17</b>	<b>9,927.54</b>
<b>Inventories at the end of the year</b>		
Finished Goods	7,340.17	8,053.89
Stock-In-Trade	90.79	464.34
Stock-In-Process	1,458.16	1,693.12
Scrap and Waste	207.41	149.82
<b>Total</b>	<b>9,096.53</b>	<b>10,361.17</b>
Fluctuation of Exchange Rate carried to Foreign Exchange Translation Reserve	96.01	12.55
<b>Total changes in inventories of Finished Goods, Work-in-Progress, and Traded Goods</b>	<b>1,360.65</b>	<b>(421.08)</b>

**NOTE 32 | EMPLOYEE BENEFITS EXPENSE** (₹ in Lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Salaries and Wages	12,923.95	13,438.36
Contribution to Provident and Other Funds	1,475.79	1,378.40
Staff Welfare Expenses	1,072.35	1,115.61
<b>Total</b>	<b>15,472.09</b>	<b>15,932.37</b>

**NOTE 33 | FINANCE COST** (₹ in Lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Interest Expense (Net of Incentive Income)	3,838.12	3,967.26
Interest on Fixed Deposits (From Public)	437.97	458.38
Dividend on Redeemable Preference Shares	99.90	109.78
Interest on Lease Liabilities	4.36	-
Other Financial Charges	390.68	513.44
<b>Total</b>	<b>4,771.03</b>	<b>5,048.86</b>

## Notes to Consolidated Financial Statements as on and for the year ended 31st March 2020 (Contd.)

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

Particulars	Refer Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
On Property, Plant and Equipment	4	1,956.35	2,015.18
On Intangible Assets	5	9.50	7.88
<b>Total</b>		<b>1,965.85</b>	<b>2,023.06</b>

**NOTE 35 | OTHER EXPENSES** (₹ in Lakhs)

Particulars	Refer Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>Manufacturing Expenses</b>			
Stores, Spare Parts & Packing Materials Consumed		3,516.34	3,634.77
Power & Fuel		6,939.68	6,558.85
Cess		-	82.69
Repairs to Buildings		197.87	234.33
Repairs to Machinery		862.35	1,257.70
Repairs to Other Assets		97.55	102.62
Jobs on Contract		1,612.75	2,566.92
Jobs Outsourcing		374.42	599.47
Machinery Hire Charges		234.78	157.79
Other Manufacturing Expenses		1,073.19	1,264.06
		<b>14,908.93</b>	<b>16,459.20</b>
<b>Selling and Distribution Expenses</b>			
Brokerage & Commission on Sales		491.45	501.14
Freight, Shipping, Delivery and Selling Expenses		1,247.72	1,410.41
<b>Administrative and Other Expenses</b>			
Travelling & Conveyance		692.92	746.59
Rent		60.29	61.53
Rates & Taxes		410.39	382.09
Insurance		245.78	217.69
Bad debts written off		121.24	282.85
Corporate Social Responsibility Expenses		-	-
Auditors' Remuneration	35.1	70.60	73.60
Loss on Foreign currency transaction and translation (Net)		105.75	45.91
Directors' Sitting Fees		13.83	16.47
Consultation and Advisory Charges		258.48	216.06
Other Expenses		996.54	963.92
		<b>4,714.99</b>	<b>4,918.26</b>
<b>Total</b>		<b>19,623.92</b>	<b>21,377.46</b>

**Notes to Consolidated Financial Statements** as on and for the year ended 31st March 2020 (*Contd.*)

**35.1 - Auditors' Remuneration**

(₹ in Lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
a) Statutory Auditors		
Audit Fees	47.91	48.69
Other Services	16.70	18.90
Reimbursement of Expenses	0.69	0.61
	<b>65.30</b>	<b>68.20</b>
b) Branch Auditors		
Audit Fees	4.00	4.00
Tax Audit Fees	0.55	0.55
Other Services	0.60	0.60
Reimbursement of Expenses	0.15	0.25
	<b>5.30</b>	<b>5.40</b>
<b>Total</b>	<b>70.60</b>	<b>73.60</b>

**NOTE 36 | EXCEPTIONAL ITEMS**

(₹ in Lakhs)

Particulars	Refer Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
Profit on Sale of Tea Garden	36.1	958.04	-
<b>Total</b>		<b>958.04</b>	<b>-</b>

**36.1** During the year, the Company has completed the sale of Jutlibari Tea Estate of Tea Division located at Dibrugarh, Assam.

**NOTE 37 | TAX EXPENSE**

(₹ in Lakhs)

Particulars	Refer Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
Current Tax for the year	37.1	224.92	467.53
Deferred Tax		48.91	174.17
<b>Total</b>		<b>273.83</b>	<b>641.70</b>

**Notes to Consolidated Financial Statements** as on and for the year ended 31st March 2020 (Contd.)

**37.1 Reconciliation of estimated Income tax expense at Indian statutory Income tax rate to income tax expense reported in statement of Total Comprehensive Income.** (₹ in Lakhs)

Particulars	2019-2020	2018-2019
Profit / (Loss) before income tax expense	(1,248.13)	674.11
Indian Statutory Income Tax rate*	31.20%	31.20%
Estimated Income Tax Expense	(389.42)	210.32
<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	45.98	44.76
b) Additional deduction under Income -Tax Act, 1961	(79.39)	(86.91)
c) Loss/ (Income) that is exempt from taxation	25.34	(112.74)
d) Unrecognised deferred tax assets on tax losses for the year / period	517.17	561.49
e) Taxes in other Jurisdiction	107.83	45.06
f) Others	46.32	(20.28)
	663.25	431.38
<b>Income tax expense in Statement of Profit and Loss</b>	<b>273.83</b>	<b>641.70</b>

\*Applicable Indian Statutory Income Tax rate is 31.20% for Fiscal Year 2020 and 2019. Further Income Tax Rate at Mauritius on dividend and interest is 10% and 15% respectively moreover the entity at Malawi is taxed at 30%.

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

**NOTE 38 | OTHER COMPREHENSIVE INCOME**

(₹ in Lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>Items that will not be reclassified to profit or loss</b>		
Remeasurement of the defined benefit plans	(246.41)	(465.25)
Less: Tax expense on the above	-	(162.58)
<b>Total</b>	<b>(246.41)</b>	<b>(302.67)</b>
Equity Instruments through Other Comprehensive Income	(13.93)	247.23
Less: Tax expense on the above	-	-
<b>Items that will be reclassified subsequently to profit or loss</b>		
Foreign Currency Translation Reserve	466.17	(263.04)
	452.24	(15.81)
<b>Total</b>	<b>205.83</b>	<b>(318.48)</b>

**Notes to Consolidated Financial Statements as on and for the year ended 31st March 2020 (Contd.)**
**NOTE 39 | CONTINGENT LIABILITIES**
**Claims/Disputes/Demands not acknowledged as debts -**

(₹ in Lakhs)

Sl. No.	Particulars	As at 31st March 2020	As at 31st March 2019
a.	Sales Tax	1,162.02	962.91
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
e.	Service Tax	163.41	427.13
f.	Income Tax	107.33	107.33
g.	Voltage Surcharge on Electricity consumed	164.60	164.60
h.	Others	31.29	28.95

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 40 | COMMITMENTS**

(₹ in Lakhs)

Sl. No.	Particulars	As at 31st March 2020	As at 31st March 2019
a.	Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of Advance of Rs 37.90 Lakhs (PY 18-19 - Rs 41.51 Lakhs)	55.54	63.15
b.	Deposits with Bank committed to continue till the tenure of stand by letter of credit.	1,399.78	1,315.59

**40.1** For Lease commitments, refer Note 51(B)(a) and for derivatives contract refer Note 51(C)(b)

**NOTE 41 | OPERATING LEASES**
**41.1 - As Lessee**

Effective April 1, 2019, the Group has adopted Ind AS 116 to its leases using modified retrospective transition method. Accordingly, the comparative information for periods relating to earlier years is not restated. The lease liability is measured at the present value of remaining lease payments discounted using incremental borrowing rate at the date of initial application and right of use asset has been recognized at an amount equal to the lease liability plus prepaid rentals recognised in the Balance Sheet before the date of initial application, if any. Further, the Company has exercised the following practical expedient;

- i) The Group has not reassessed whether a contract is, or contains, a lease at the date of initial application i.e. the contracts classified as leases as on March 31, 2019 as per Ind-AS 17 is treated as leases under Ind-AS 116 and not applying this standard to contracts that were not previously identified as containing a lease applying Ind AS 17.
- ii) Leases for which the lease term ends within 12 months of the date of initial application have been accounted as short term leases.

Further, refer Note 3.6: Significant Accounting Policies for detailed measurement and recognition principles on Leases.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of Rs 33.52 lakhs, and a lease liability of Rs 43.61 lakhs. The effect of this adoption is insignificant on the profit / (loss) before tax, profit / (loss) for the period and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

## Notes to Consolidated Financial Statements as on and for the year ended 31st March 2020 (Contd.)

The weighted average incremental borrowing rate applied to lease liabilities as at 1st April, 2019 is 10%.

The changes in the carrying value of right of use (ROU) assets for the year ended 31st March, 2020 are disclosed in Note 4.

As per the requirement of Ind As -107 maturity analysis of lease liability have been shown under maturity analysis of Long term borrowing under Liquidity risk Note 51B(a). The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Machinery Hire Charges and Rental expense recorded for short-term leases or cancellable in nature was ₹ 234.78 lakhs (P.Y. - ₹ 157.79 lakhs) and ₹ 60.29 lakhs (P.Y. - ₹ 61.53 lakhs) for the year ended 31st March, 2020 (Refer Note - 35).

Particulars	As at 31st March 2020
ROU Balance at the beginning of the year	-
Opening balance reclassified on account of adoption of Ind AS 116	33.52
Additions:	-
Amortization cost accrued during the year	(2.24)
Deletions	-
<b>ROU Balance at the end of the year</b>	<b>31.28</b>
Lease liabilities at the beginning of the year	-
Opening balance reclassification on a/c of Ind AS 116	43.61
Additions:	-
Interest cost accrued during the year	4.36
Payment of lease liabilities	(13.76)
Deletion	-
<b>Lease liabilities at the end of the year</b>	<b>34.21</b>
Current lease liabilities	10.34
Non-current lease liabilities	23.87
<b>Total Lease liabilities</b>	<b>34.21</b>

### 41.2 - As Lessor

The company has given office premises under cancellable operating leases. The leasing arrangements range between 3 years and 15 years generally or longer and are usually renewable by mutual consent on mutually agreeable terms. Initial direct costs for such leases are borne by the company and charged off to revenue. Lease rentals are recognised as income for ₹ 749.36 Lakhs during the year (P.Y. ₹ 646.98 Lakhs). The gross value and accumulated depreciation of such asset as at 31st March, 2020 was ₹ 17.16 Lakhs (P.Y. ₹ 17.12 Lakhs) and Rs 3.26 Lakhs (P.Y. ₹ 2.48 Lakhs) respectively.

### NOTE 42

Revenue expenditure on Research and Development of ₹ 26.18 Lakhs (P.Y. ₹ 25.36 Lakhs) represents subscription to Tea Research Association.

**Notes to Consolidated Financial Statements as on and for the year ended 31st March 2020 (Contd.)**
**NOTE 43 | DISCLOSURE PURSUANT TO MSMED ACT** (₹ in Lakhs)

Sl. No.	Particulars	As at 31st March 2020	As at 31st March 2019
i)	Principal Amount remaining unpaid to any suppliers under MSMED Act	37.27	70.86
ii)	Interest due thereon remaining unpaid to any suppliers on above	1.20	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	-	-
	<b>Total</b>	<b>38.47</b>	<b>71.32</b>

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

**NOTE 44 | 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)	(1,521.96)	32.41
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)}	(7.13)	0.15

**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.

**NOTE 46 | RELATED PARTY DISCLOSURES**
**46.1 Related parties with whom transactions have taken place during the year and previous year are:**

	Nature	Name	Designation
(a) (i)	Key Management Personnel	Mr. Arun Kumar Kothari	Non-Executive Promoter Chairman
		Mrs. Prabhawati Devi Kothari	Non-Executive Promoter Director
		Mr. Mahesh Sodhani	Managing Director (MD)
		Mr. Manoj Sodhani	Executive Director and Chief Executive Officer (CEO)
		Dr. Hari Prasad Kanoria	Independent Director (Ceased to be Director w.e.f 9th August' 2019)
		Mr. Harishchandra Maneklal Parekh	Independent Director (Ceased to be Director w.e.f 9th August' 2019)
		Mr Naresh Pachisia	Independent Director

**Notes to Consolidated Financial Statements** as on and for the year ended 31st March 2020 *(Contd.)*

Nature		Name	Designation
		Mr. Arvind Baheti	Independent Director
		Mr. Kothaneth Ashok	Independent Director (w.e.f. 28.05.19)
		Mr. Charudatta Raghvendra Prayag	Independent Director (w.e.f. 28.05.19)
		Mr. Arvind Baheti (AB)	Independent Director
<b>(ii)</b>	<b>Relatives of Key Management Personnel</b>	Mr. Om Prakash Sodhani	Father of Manoj Sodhani and Mahesh Sodhani
		Mrs. Raj Kumari Sodhani	Mother of Manoj Sodhani and Mahesh Sodhani
		Mrs. Nitu Sodhani	Wife of Mahesh Sodhani
		Mrs. Sangita Sodhani	Wife of Manoj Sodhani
		Ms. Navya Sodhani	Daughter of Mahesh Sodhani
		Ms. Shakshi Sodhani	Daughter of Manoj Sodhani
		Mrs. Sabita Malani	Sister of Manoj Sodhani and Mahesh Sodhani

Nature		Name of the Company
<b>(b)</b>	<b>Companies having significant influence over the Company</b>	i) Kothari Investment & Industries Private Limited (KIPL) ii) Kothari Phytochemicals & Industries Limited (KPIL)

Nature		Name of the Company
<b>(c) (i)</b>	<b>Companies / Trust / Firm in which Directors/ Key Managerial Personnel and their relatives have significant influence</b>	i) Albert David Limited (ADL) ii) Bharat Fritz Werner Limited (BFW) iii) Commercial House Private Limited (CHPL) * iv) G. Das & Co. Pvt. Limited v) Kothari & Co Private Limited (KCPL) * vi) Kothari & Company (KCO) vii) Kothari Capital & Securities Private Limited (KCSPL) * viii) Kothari Medical Centre ix) M. D. Kothari & Company Limited x) SKP Securities Limited (SKPSL) xi) Vishnuhari Investment & Properties Limited (VIPL) *
<b>(ii)</b>	<b>Employee Benefit Plan</b>	i) Kothari Provident Fund

\*National Company Law Tribunal (NCLT) vide order dated 04.11.2019 had approved the Scheme of Arrangement by virtue of which Bhaktwatsal Investments Limited, Commercial House Private Limited, Vishnuhari Investments & Properties Limited, Kothari Hitech Consultants Private Limited, Kothari & Co. Private Limited and Kothari Capital & Securities Private Limited have been amalgamated with Kothari Investment & Industries Private Limited.

**Notes to Consolidated Financial Statements** as on and for the year ended 31st March 2020 (Contd.)

**NOTE 46.2 Transactions during the year and balance outstanding:-** (₹ in Lakhs)

Particulars	2019-2020			2018-2019		
	Directors / KMP and their Relatives	Companies having significant influence over the Company	Companies / Trust / Firm in which Directors/ Key Managerial Personnel and their relatives have significant influence and Employee Benefit Plan	Directors / KMP and their Relatives	Companies having significant influence over the Company	Companies / Trust / Firm in which Directors/ Key Managerial Personnel and their relatives have significant influence and Employee Benefit Plan
<b>Transactions during the Year:-</b>						
1	Services Received	-	-	0.25	-	-
2	Rent Received	-	0.86	28.53	-	0.86
3	Sale of Unquoted Equity Shares	-	203.34	400.69	206.40	612.75
4	Dividend Received	-	-	10.73	-	-
5	Guarantee Commission Paid	-	0.25	4.30	-	0.25
6	Interest on Loan Taken	-	12.50	-	7.12	12.50
7	Remuneration to Key Management Personnel	178.96	-	-	149.08	-
8	Directors Sitting Fee	9.00	-	-	10.40	-
9	Unsecured Loan Repaid	-	-	-	100.00	-
10	Employer Contribution towards Provident Fund	-	-	59.76	-	-
11	Unsecured Fixed Deposit Received	38.50	-	-	-	-
12	Unsecured Fixed Deposit repaid	122.74	-	-	84.00	-
13	Interest Accrued on Fixed Deposits	16.69	-	-	17.84	-
14	Interest on Fixed Deposits paid	44.38	-	-	9.56	-
<b>Balance Outstanding:-</b>						
1	Unsecured Loan Taken	-	100.00	-	-	100.00
2	Guarantee Commission Payable	-	0.25	4.30	-	0.25
3	Interest Payable on Unsecured Loan Taken	-	12.50	-	-	12.50
4	Rent Receivable	-	-	0.18	-	-
5	Unsecured Fixed Deposit Payable	60.48	-	-	144.72	-
6	Interest on Unsecured Fixed Deposit Payable	6.93	-	-	34.62	-

**Notes to Consolidated Financial Statements** as on and for the year ended 31st March 2020 (Contd.)

**NOTE 46.3 Key Management Personnel compensation \*\*** (₹ in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Short Term Employee Benefits</b>		
Mr Mahesh Sodhani	89.76	74.51
Mr Manoj Sodhani	89.20	74.57
<b>Total Compensation</b>	<b>178.96</b>	<b>149.08</b>
<b>Sitting Fees</b>		
Mr. Arun Kumar Kothari	1.70	2.20
Mrs. Prabhawati Devi Kothari	1.40	2.20
Dr. Hari Prasad Kanoria	-	0.50
Mr. Harishchandra Maneklal Parekh	0.50	2.10
Mr Naresh Pachisia	2.00	1.85
Mr. Arvind Baheti	1.00	1.55
Mr. Kothaneth Ashok (w.e.f 28th May 2019)	1.35	-
Mr. Charudatta Raghvendra Prayag (w.e.f 28th May 2019)	1.05	-
<b>Total Sitting Fees</b>	<b>9.00</b>	<b>10.40</b>
<b>Total</b>	<b>187.96</b>	<b>159.48</b>

**NOTE 46.4 Terms and Conditions of transaction with Related Parties**

All Related Party Transactions entered during the year were in ordinary course of the business and are on arm's length basis.

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

Particulars	31st March 2020			31st March 2019		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
<b>Financial Assets</b>						
Investment						
- Equity Instruments	*	1,264.68	-	*	1,882.64	-
- Debentures	-	-	0.08	-	-	0.08
- Mutual Funds	399.64	-	-	1,053.72	-	-
Trade Receivables	-	-	8,153.09	-	-	9,763.40
Loans Given	-	-	285.31	-	-	304.20
Cash and Cash Equivalents	-	-	354.96	-	-	255.64
Other Bank Balances	-	-	2,258.39	-	-	647.94
Deposits with Bank having maturity of more than one year from the balance sheet date	-	-	55.80	-	-	1,366.09
Interest Accrued on Deposits	-	-	26.62	-	-	41.82
Retention & Other Deposits	-	-	3,504.49	-	-	2,905.93
Other Financial Assets	-	-	4,228.72	50.72	-	5,161.83
<b>Total Financial Assets</b>	<b>399.64</b>	<b>1,264.68</b>	<b>18,867.46</b>	<b>1,104.44</b>	<b>1,882.64</b>	<b>20,446.93</b>

\* Amount is below the rounding off norm adopted by the Group.

**Notes to Consolidated Financial Statements** as on and for the year ended 31st March 2020 (Contd.)

(₹ in Lakhs)

Particulars	31st March 2020			31st March 2019		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
<b>Financial Liabilities</b>						
Borrowings	-	-	36,647.26	-	-	39,157.82
Trade Payables	-	-	12,601.11	-	-	14,249.11
Trade & Security Deposits	-	-	1,590.68	-	-	1,700.49
Interest accrued but not due on Borrowings & Public Deposits	-	-	396.43	-	-	396.68
Amount Payable for Capital Goods	-	-	24.10	-	-	39.55
Employee Related Liabilities	-	-	1,799.97	-	-	2,597.41
Other Financial Liabilities	71.80	-	590.93	-	-	531.73
<b>Total Financial Liabilities</b>	<b>71.80</b>	<b>-</b>	<b>53,650.48</b>	<b>-</b>	<b>-</b>	<b>58,672.79</b>

**NOTE 48 - Fair Values of Financial Assets and Financial Liabilities measured at Amortised Cost**

**48.1** The management assessed that the fair values of cash and cash equivalents, trade receivables, trade payables, short term borrowings, and other financial liabilities approximates their carrying amounts.

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

**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 2020			31st March 2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial Assets</b>						
<b>Financial Investment at FVTPL</b>						
Mutual Funds	399.64	-	-	1,053.72	-	-
Listed Equity Investments	*	-	-	*	-	-
<b>Financial Investment at FVOCI</b>						
Unlisted Equity Investments	-	-	1,264.68	-	-	1,882.64
Foreign Exchange Forward Contracts	-	-	-	-	50.72	-
<b>Total Financial Assets</b>	<b>399.64</b>	<b>-</b>	<b>1,264.68</b>	<b>1,053.72</b>	<b>50.72</b>	<b>1,882.64</b>
<b>Financial Liabilities</b>						
Foreign Exchange Forward Contracts	-	71.80	-	-	-	-
<b>Total Financial Liabilities</b>	<b>-</b>	<b>71.80</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\* 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 2020 *(Contd.)*

**NOTE 50 | FINANCIAL RISK MANAGEMENT**

The Group’s business activities are exposed to a variety of financial risks, namely liquidity risk, market risk and credit risk. The Group’s senior management has the overall responsibility for establishing and governing the Group’s financial risk management framework. The Group’s Audit Committee, is responsible for developing and monitoring the Group’s financial risk management policies. The Group’s financial risk management policies are established to identify and analyze the risks faced by the Group, to set and monitor appropriate controls.

**(A) Credit risk**

Credit risk refers to risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises primarily from financial assets such as trade receivables, bank balances, loans, investments and other financial assets.

At each reporting date, the Group measures loss allowance for certain class of financial assets based on historical trend, industry practices and the business environment in which the Company operates.

Credit risk arising from investments, derivative financial instruments and balances with banks is limited because the counterparties are banks and recognized financial institutions with high credit worthiness.

**(i) Provision for expected credit losses**

The Group measures Expected Credit Loss (ECL) for financial instruments based on historical trend, industry practices and the business environment in which the Group operates.

For financial assets, a credit loss is the present value of the difference between:

- (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 2020	As at 31st March 2019
Trade Receivables (Gross)	8,823.90	10,546.47
Less: Provision for Loss Allowance	670.81	783.07
Trade Receivables (Net)	<b>8,153.09</b>	<b>9,763.40</b>

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

Particulars	As at 31st March 2020	As at 31st March 2019
Retention Deposits (Gross)	7,213.74	7,101.51
Less: Provision for Loss Allowance	4,093.47	4,535.75
Retention Deposits (Net)	<b>3,120.27</b>	<b>2,565.76</b>

**Notes to Consolidated Financial Statements** as on and for the year ended 31st March 2020 (Contd.)

**iv) Reconciliation of Loss allowance provision:**

(₹ in Lakhs)

Particulars	Trade Receivables	Loans & Deposits
Loss Allowance in 31st March 2019	783.07	4,535.75
Change in Loss allowance	(112.26)	(442.28)
Loss Allowance in 31st March 2020	<b>670.81</b>	<b>4,093.47</b>

**(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 Group's derivative and non-derivative financial liabilities based on contractually agreed undiscounted cash flows.

**a) As at 31st March 2020**

(₹ in Lakhs)

Particulars	Total	On Demand	Within 1 year	1 year to 5 Years	More than 5 years
<b>Non-derivative</b>					
Trade payables	12,601.11	–	12,601.11	–	–
Long Term Borrowings	18,626.57	–	7,365.83	10,889.08	371.66
Short Term Borrowings	18,020.69	12,035.61	5,985.08	–	–
Other financial liabilities	4,402.11	2,486.80	753.05	1,162.26	–
<b>Total</b>	<b>53,650.48</b>	<b>14,522.41</b>	<b>26,705.07</b>	<b>12,051.34</b>	<b>371.66</b>
<b>Derivative</b>					
Foreign Exchange forwards contracts	71.80	–	71.80	–	–

**b) As at 31st March 2019**

(₹ in Lakhs)

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

**(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.

**Notes to Consolidated Financial Statements** as on and for the year ended 31st March 2020 (Contd.)

**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 31st March 2020	%	As at 31st March 2019	%
Variable rate borrowings	21,859.10	59.65%	24,457.04	62.46%
Fixed Rate borrowings	14,788.16	40.35%	14,700.78	37.54%
<b>Total Borrowings</b>	<b>36,647.26</b>	<b>100.00%</b>	<b>39,157.82</b>	<b>100.00%</b>

Working Capital Loan from Banks which are linked with one year fixed Marginal Cost of funds based Lending Rate (MCLR) of respective Banks are considered as Fixed rate borrowings and other borrowings are considered as Variable rate Borrowings.

**Sensitivity: A change of 50 bps in interest rates of variable rate borrowings would have following Impact on profit before tax**

(₹ in Lakhs)

Particulars	For the year 2019-20	For the year 2018-19
50 bps increase would decrease the profit before tax by	(109.30)	(122.29)
50 bps decrease would increase the profit before tax by	109.30	122.29

**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 2020		As at 31st March 2019	
		Amount in Foreign Currency (in Lakhs)	Amount (₹ in Lakhs)	Amount in Foreign Currency (in Lakhs)	Amount (₹ in Lakhs)
Forward Contract to Sell	USD	22.70	1,618.32	25.36	1,754.21
Forward Contract to Buy	USD	3.25	252.12	12.19	843.00
	EURO	1.86	156.87	-	-

**Notes to Consolidated Financial Statements** as on and for the year ended 31st March 2020 (Contd.)

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

Particulars	Currency	As at 31st March 2020		As at 31st March 2019	
		Amount in Foreign Currency (in Lakhs)	Amount (₹ in Lakhs)	Amount in Foreign Currency (in Lakhs)	Amount (₹ in Lakhs)
Trade & Other Receivable	USD	1.89	142.35	1.66	114.51
Trade & Other Payable	USD	0.40	29.96	0.41	28.15
	EURO	1.86	154.22	-	-

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

Particulars	For the year 2019-20		For the year 2018-19	
	3% Increase	3% Decrease	3% Increase	3% Decrease
USD	(1.26)	1.26	2.59	(2.59)

**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 2020	As at 31st March 2019
Investment in Quoted Equity Instruments	*	*
Investment in Mutual Funds	399.64	1,053.72

\* Amount is below the rounding off norm adopted by the Group.

**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 2019-20	For the year 2018-19
50 bps increase would increase the profit before tax by	2.00	5.27
50 bps decrease would decrease the profit before tax by	(2.00)	(5.27)

**NOTE 51 | CAPITAL MANAGEMENT**

The Group's objective when managing capital (defined as net debt and equity) is to safeguard the Group's ability to continue as a going concern in order to provide returns to shareholders and benefit for other stakeholders, while protecting and strengthening the Balance Sheet through the appropriate balance of debt and equity funding. The Group manages its capital structure and makes adjustments to it, in light of changes to economic conditions and strategic objectives of the Group.

## Notes to Consolidated Financial Statements as on and for the year ended 31st March 2020 (Contd.)

### 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) Tea	Manufacture and sale of Tea and Macademia Nuts.
iii) Engineering (MICCO)	Manufacture and sale of Steel Structural, Pipes and equipments and Designing, Supplying, erectioning and Commissioning of projects on turnkey basis.
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".

#### 52.2 - Primary Segment Information (Business Segment)

(₹ in Lakhs)

Particulars	Textiles	Tea	Engineering (Micco)	Property	Unallocable	Total
<b>Segment Revenue</b>						
External Turnover	31,903.36 (39,533.81)	25,879.31 (27,413.68)	7,300.45 (7,341.37)	919.95 (826.45)	-	66,003.07 (75,115.31)
Inter Segment Revenue	-	-	-	70.24 (70.24)	-	70.24 (70.24)
<b>Total Segment Revenue</b>	31,903.36 (39,533.81)	25,879.31 (27,413.68)	7,300.45 (7,341.37)	990.19 (896.69)	-	66,073.31 (75,185.55)
<b>Less: Inter Segment Elimination</b>	-	-	-	70.24 (70.24)	-	70.24 (70.24)
<b>Revenue from Operations</b>	31,903.36 (39,533.81)	25,879.31 (27,413.68)	7,300.45 (7,341.37)	919.95 (826.45)	-	66,003.07 (75,115.31)
<b>Segment Result</b>	-984.45 (842.65)	1,757.36 (2,679.98)	1,222.91 (1,670.80)	668.10 (633.48)	-	2,663.92 (5,826.91)
<b>Less: Unallocable Expenditure net of unallocable Income</b>					99.06 (103.94)	99.06 (103.94)
<b>Finance Costs</b>					4,771.03 (5,048.86)	4,771.03 (5,048.86)
<b>Add: Exceptional Item (Refer Note 36)</b>					958.04 (-)	958.04 -
<b>Profit / (Loss) Before Tax</b>						-1,248.13 (674.11)

**Notes to Consolidated Financial Statements** as on and for the year ended 31st March 2020 *(Contd.)*

(₹ in Lakhs)

Particulars	Textiles	Tea	Engineering (Micco)	Property	Unallocable	Total
<b>Other Information</b>						
<b>Segment Assets</b>	30,573.32	26,089.64	16,627.91	7,993.03	4,382.53	85,666.43
	(35,591.53)	(25,700.24)	(17,441.42)	(7,938.99)	(5,790.02)	(92,462.20)
<b>Segment Liabilities</b>	8,979.06	5,622.36	4,321.65	633.68	38,515.07	58,071.82
	(10,915.43)	(6,077.04)	(4,841.18)	(553.61)	(41,164.20)	(63,551.46)
<b>Capital Expenditure</b>	409.71	891.16	12.99	3.01	13.00	1,329.87
	(380.29)	(568.78)	(3.70)	(7.00)	(52.96)	(1,012.73)
<b>Depreciation and Amortisation Expense</b>	1,003.25	847.92	80.29	2.47	31.92	1,965.85
	(1,117.62)	(786.45)	(89.30)	(2.73)	(26.96)	(2,023.06)
<b>Non Current Assets</b>	16,865.75	18,236.84	999.31	7,909.05	1,072.59	45,083.54
	(17,445.21)	(18,032.00)	(1,185.49)	(7,908.51)	(2,503.00)	(47,074.21)

Figures in bracket represents particulars for Previous Year

**52.3 - Secondary Segment Information (Geographical Segment)**

(₹ in Lakhs)

Particulars	Within India	Outside India	Total
<b>Segment Revenue</b>	50,827.09	15,175.98	66,003.07
	(57,791.51)	(17,323.80)	(75,115.31)
<b>Segment Assets</b>	66,500.96	14,782.94	81,283.90
	(73,181.81)	(13,490.37)	(86,672.18)
<b>Capital Expenditure</b>	797.87	519.00	1,316.87
	(840.77)	(119.00)	(959.77)

Figures in bracket represents previous year figures.

**52.4 - 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 ₹ 6,365.78 Lakhs. (P.Y. ₹ 7,228.56 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.

**Notes to Consolidated Financial Statements** as on and for the year ended 31st March 2020 (Contd.)

**NOTE 53**

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, 2020			
	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
<b>Parent</b>				
Gillanders Arbuthnot and Company Limited	89.85%	24,792.58	-155.04%	(2,040.53)
<b>Subsidiaries</b>				
1) Gillanders Holdings (Mauritius) Limited (Mauritius)	2.35%	649.41	-8.00%	(105.30)
2) Naming'omba Tea Estates Limited (Malawi)	10.67%	2,943.75	63.04%	829.70
Adjustment / Elimination on consolidation		(791.13)		0.00
<b>Total</b>		<b>27,594.61</b>		<b>(1,316.13)</b>

**NOTE 54 | EFFECT OF COVID-19**

The Group has assessed the impact of COVID-19 on its financial statements based on the internal and external information up to the date of approval of these financial statements and the Group expects to recover the carrying amounts of its trade receivable, projects work-in-progress and inventories including biological assets. The Group will continue to monitor the future economic conditions and assess its impact on its financial statements.

**NOTE 55**

Previous years figures have been rearranged / regrouped wherever necessary.

As per our Report of even date annexed.

For **SINGHI & CO.**

Chartered Accountants  
Firm Registration No. 302049E

**Aditya Singhi**  
Partner

Membership No. 305161  
Place : Kolkata  
Kolkata, 30th June 2020

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

**Dhananjay Karmakar**  
Company Secretary

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

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

**Niraj Singh**  
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	<b>Gillanders Holdings (Mauritius) Ltd.</b>	<b>Naming'omba Tea Estates Limited</b>
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	<b>1st April 2019 to 31st March 2020</b>	<b>1st April 2019 to 31st March 2020</b>
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	<b>USD Exchange Rate - 75.39</b>	<b>Malawi Kwacha Exchange Rate 0.1023</b>
5.	Share capital	859.46	1.32
6.	Reserve & surplus	(210.05)	2,942.45
7.	Total assets	4,527.83	9,036.61
8.	Total Liabilities	3,878.41	6,092.85
9.	Investments	2,790.91	-
10.	Turnover	-	4,513.32
11.	Profit / (Loss) before taxation	(52.15)	1,050.38
12.	Provision for taxation	53.15	220.68
13.	Profit / (Loss) after taxation	(105.30)	829.70
14.	Proposed Dividend	-	-
15.	% of shareholding	100%	100%

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

**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 2019-2020.

**For and on behalf of the Board**

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

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

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

Place : Kolkata  
Date : 30th June 2020

**Dhananjay Karmakar**  
*Company Secretary*

**Niraj Singh**  
*Chief Financial Officer*







**GILLANDERS ARBUTHNOT AND COMPANY LIMITED**  
**CIN : L51909WB1935PLC008194**

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