Joonktollee Tea & Industries Ltd.

ANNUAL
REPORT
2020

A glimpse of the Hanuman Mandir at Joonktollee Tea Estate, Assam

CORPORATE INFORMATION

Board of Directors	:	Hemant Bangur - Non-Executive Chairman Pushpa Devi Bangur - Non-Executive Director M. K. Daga - Independent Director J. K. Surana - Independent Director
Manager	:	Mukundan Raman
Chief Financial Officer	:	Sayansiddha Das
Company Secretary	:	Sharad Bagree
Bankers	:	HDFC Bank Yes Bank ICICI Bank
Auditors	:	JKVS & Co., Chartered Accountants Kolkata
Registrars & Share Transfer Agents	:	Maheshwari Datamatics Pvt. Ltd. 23, R. N. Mukherjee Road, 5th Floor Kolkata - 700 001
Registered Office	:	21, Strand Road, Kolkata - 700 001 Corporate Indentity No. - L01132WB1900PLC000292 E-mail : info@joonktolleetea.in Website : www.joonktolleetea.in

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors present the 146th Annual Report of the Company together with the Audited Standalone and Consolidated Financial Statements for the year ended 31st March, 2020.

FINANCIAL PERFORMANCE

(₹ in Lakhs)

	Standalone		Consolidated	
	31.03.2020	31.03.2019	**31.03.2020**	31.03.2019
Revenue From Operations	8286.78	9,498.31	9212.53	10,076.97
Other Income	115.83	905.76	93.73	687.73
Total	8402.61	10,404.07	9,306.26	10,764.70
Profit/(Loss) before Depreciation, Finance Cost & Tax	(1123.27)	33.19	(1089.96)	(274.19)
Less : Depreciation	634.99	632.38	743.19	752.47
Less : Finance Cost	639.30	641.87	725.09	680.08
Profit/(Loss) before Tax	(2397.56)	(1241.06)	(2558.24)	(1706.74)
Less : Tax Expense (including Deferred Tax)	(103.65)	(131.56)	(130.53)	(116.82)
Profit/(Loss) after Tax	(2293.91)	(1109.50)	(2427.71)	(1589.92)
Other Comprehensive Income	(160.67)	(15.80)	(170.77)	(20.23)
(Net of Tax)				
Total Comprehensive Income	(2454.58)	(1125.30)	(2598.48)	(1610.15)
Less : Non-Controlling Interest	-	-	-	22.81
Total Comprehensive Income attributable to owners of the Company	(2454.58)	(1125.30)	(2598.48)	(1632.96)

Directors' Report *(Contd.)*

DIVIDEND & RESERVES

In view of the losses incurred by the Company, the Board of Directors regret their inability to propose any dividend for the year ended 31st March, 2020.

The Company has not transferred any amount to the General Reserve during the financial year ended 31st March, 2020.

OPERATIONAL REVIEW

Your Company produced 50,20,543 Kgs. of Tea during the year as against 54,00,961 Kgs. produced during the year 2018-19, a decrease of 3,80,418 Kgs. from the previous year; 2,31,123 Kgs. of Coffee during the year as against 2,51,127 Kgs. during the year 2018-19, a decrease of 20,004 Kgs. from the previous year and 7,01,253 Kgs. of Rubber during the year as against 6,20,584 Kgs. produced during the year 2018-19, an increase of 80,669 Kgs. from the previous year.

CAPITAL EXPENDITURE

The Company has incurred capital expenditure amounting to ₹ 456.29 lacs during the year ended 31st March, 2020 as compared to ₹ 310.66 lacs for the same period last year.

SHARE CAPITAL

The issued, subscribed and paid-up share capital of the Company as on 31st March, 2020 stood at ₹ 4,14,22,010 divided into 41,42,201 Ordinary Shares of ₹ 10 each fully paid-up. During the year under review, there has been no change in the capital structure of the Company and neither the Company has granted any stock options and sweat equity. As on 31st March, 2020, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

PUBLIC DEPOSITS

The Company has not accepted any public deposits and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the Balance Sheet.

LOANS, GUARANTEES AND INVESTMENTS

The particulars of loans, guarantees and investments made under section 186 of the Companies Act, 2013 have been disclosed in the notes of the financial statements for the year ended 31st March, 2020.

RELATED PARTY TRANSACTIONS

As required under the SEBI (LODR) Regulations, 2015 related party transactions are placed before the Audit Committee for approval. Wherever required, prior approval of the Audit Committee is obtained on an omnibus basis for continuous transactions. All the related party transactions are entered on arm's length basis and are in ordinary course of business in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. There are no materially significant related party transactions made by the Company with promoters, directors or key managerial personnel etc. during the year which might have potential conflict with the interest of the Company at large.

No material Contracts or arrangements with related parties were entered into during the year under review. There are no material related party transactions during the year under review with the Promoters, Directors or Key Managerial Personnel. Accordingly, no transactions are being reported in Form AOC-2 in terms of section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014.

The policy on Related Party Transactions has been uploaded on the website of the Company and can be accessed at ***http://www.joonktolleetea.in/downloads/party_transactions_policy.pdf.***

SUBSIDIARY & ASSOCIATE COMPANIES

The Company as on 31st March, 2020 has two subsidiary companies namely, Keshava Plantations Pvt. Ltd. and Pranav Infradev Co. Pvt. Ltd. and one associate company namely The Cochin Malabar Estates And Industries Ltd.

Directors' Report *(Contd.)*

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, a statement containing salient features of the financial statements of the Company's Subsidiaries and Associate in Form AOC-1 is attached to the financial statements of the Company.

Pursuant to the provisions of Section 136 of the Companies Act, 2013, the financial statements of the Company, consolidated financial statements alongwith the relevant documents and separate audited accounts in respect of Subsidiaries are available on the website of the Company. These documents will also be available for inspection on all working days, during business hours, at the Registered Office of the Company.

The policy on material subsidiaries is available on the website of the Company and can be accessed at ***http://www.joonktolleetea.in/downloads/ material_subsidiaries_policy.pdf.***

CONSOLIDATED FINANCIAL STATEMENTS

The audited consolidated financial statements of the Company together with Auditors' Report for the year ended 31st March, 2020 forms part of this Report.

ANNUAL RETURN

In accordance with the provisions of Section 134(3)(a) of the Companies Act, 2013 an extract of the Annual Return in the prescribed format is provided in **Annexure – A** forming part of this Report.

AUDITORS AND AUDITORS' REPORT

Statutory Auditors

M/s. JKVS & Co. (Firm Registration No.318086E) [formerly known as Jitendra K. Agarwal & Associates], Chartered Accountants, were appointed as Statutory Auditors of the Company at the Annual General Meeting held on August 31, 2017 to hold office till the conclusion of the Annual General Meeting for the Financial Year 2021-22.

Your Company has received a certificate from M/s. JKVS & Co., Chartered Accountants confirming the eligibility to continue as Auditors of the Company in terms of the provisions of Section 141 of the Companies Act, 2013 and the Rules framed thereunder. They have also confirmed that they hold a valid certificate issued by the Peer Review Board of the ICAI as required under the provisions of Regulation 33 of the Listing Regulations.

The Auditors' Report on the Standalone and Consolidated Financial Statements for the Financial Year ended 31st March, 2020 does not contain any qualification, reservation or adverse remark.

Secretarial Auditors

The Board of Directors of the Company had appointed M/s. MKB & Associates, Company Secretaries to carry out secretarial audit for the financial year 2019-20 in terms of the provisions of Section 204(1) of the Companies Act, 2013 and Rules made thereunder. The Secretarial Audit Report for the Financial Year 2019-20 is provided in the **Annexure – B** forming part of this report.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Cost Auditors

As per the requirements of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, the Company is required to maintain cost records and accordingly such records and accounts are maintained.

On the recommendation of the Audit Committee and in compliance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit & Auditors) Rules, 2014, the Board has appointed M/s. D. Sabyasachi & Co., Cost Accountants, as Cost Auditors for conducting the audit of cost records of the Company for the Financial Year 2020-21.

In accordance with Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit & Auditors) Rules, 2014, the remuneration payable to the Cost Auditors for the Financial Year 2020-21 would be placed at the ensuing Annual General Meeting for approval.

Directors' Report *(Contd.)*

REPORTING OF FRAUD BY AUDITORS

There were no instances of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and/or the Board under Section 143(12) of the Companies Act, 2013 and the rules made thereunder.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as prescribed under Clause (m) of Sub-Section (3) of Section 134 of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, relating to conservation of energy, technology Absorption and foreign exchange earnings and outgo is provided in **Annexure – C** forming part of this Report.

CORPORATE SOCIAL RESPONSIBILITY

In accordance with Section 135 of the Companies Act, 2013 and the rules made thereunder, the Company has formulated a CSR Policy. Since the average net profit for last three financial years is negative, the Company is not required to incur any expenditure on CSR.

However, the Company continues its welfare activities by participating in various projects sponsored by TAI, ITA, ABITA, TOKLAI, UPASI, KPA in the States of Assam, Karnataka & Kerala and also directly contributes to the area's social causes.

The composition and terms of reference of the Corporate Social Responsibility Committee has been furnished in the Corporate Governance Report forming part of this Annual Report.

The policy on Corporate Social Responsibility has been uploaded on the website of the Company and can be accessed at ***http://www.joonktolleetea.in/downloads/corporate_social_responsibility_policy.pdf.***

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of the Articles of Association of the Company read with Section 152 of the Companies Act, 2013, Shri Hemant Bangur, Director (DIN : 00040903), will retire by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment to the members of the Company in the ensuing Annual General Meeting.

All Independent Directors have submitted their disclosures to the Board that they meet the criteria of independence as stipulated in Section 149(6) of the Companies Act, 2013 and in accordance with Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015 which has been duly assessed by the Board as part of performance evaluation of Independent Directors. None of the Independent Directors are liable to retire by rotation. In the opinion of the Board, the Independent Directors possesses the requisite expertise and experience and are independent of management. All the Independent Directors on the Board of the Company are registered with the Indian Institute of Corporate Affairs, Manesar, Gurgaon as notified by the Central Government under Section 150(1) of the Companies Act, 2013. The Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Act and also Code of Conduct for Directors and senior management personnel.

None of the Directors proposed for appointment / re-appointment at the ensuing AGM are disqualified from being appointed/re-appointed as Director under the provisions of the Companies Act, 2013, SEBI (LODR) Regulations, 2015 or any other order of MCA, SEBI or any other statutory authorities.

Independent Directors have been familiarized with the nature of operations of the Company and the industry in which it operates and business module of the Company. The details of the familiarization programme have been posted on the website of the Company and can be accessed at ***http://www.joonktolleetea.in/downloads/familiarisation_programme.pdf.***

During the year, the Company had three Key Managerial Personnel, being Shri Mukundan Raman, Manager, Shri Sayansiddha Das, Chief Financial Officer and Shri S. Bagree, Manager (Finance) & Company Secretary.

Directors' Report *(Contd.)*

NUMBER OF BOARD MEETINGS HELD

The Board met four times during the financial year, the details of which are given in the ***"Report on Corporate Governance"*** forming part of this Annual Report.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013, Regulation 17(10) of the SEBI (LODR) Regulations, 2015 and Guidance Note on Board Evaluation issued by SEBI, the Board of Directors have carried out the performance evaluation for the Board, Committees of the Board, individual Directors including the Chairman of the Company for the Financial Year ended 31st March, 2020.

The Board of Directors expressed their satisfaction with the evaluation process.

COMMITTEES OF THE BOARD

Audit Committee : The composition, number of meetings held, attendance and terms of reference of the Audit Committee has been furnished in the Corporate Governance Report forming part of this Annual Report.

Nomination and Remuneration Committee : The composition, number of meetings held, attendance and terms of reference of the Nomination and Remuneration Committee has been furnished in the Corporate Governance Report forming part of this Annual Report.

Stakeholders' Relationship Committee : The composition, number of meetings held, attendance and terms of reference of the Stakeholders' Relationship Committee has been furnished in the Corporate Governance Report forming part of this Annual Report.

NOMINATION AND REMUNERATION POLICY

The Board has adopted a Remuneration Policy for identification, selection, appointment and payment of remuneration to Directors, Key Managerial Personnel (KMP) and Senior Managerial Personnel (SMP) of the Company. The policy enumerates the powers, roles and responsibilities of the Nomination and Remuneration Committee.

The Remuneration Policy aims to enable the Company to attract, retain and motivate qualified members for the Board and other executive level. It ensures that the interest of Board members and senior executives are aligned with the business strategy and risk tolerance objectives, values and long term interests of the Company. The Nomination and Remuneration Committee along with Board reviews on an annual basis appropriate skills, characteristics and experience required of the executives for the better management of the Company. The Company has a credible and transparent framework in determining the remuneration of Wholetime Directors, KMPs and SMPs. Remuneration to Directors is paid within the limits as prescribed under the Companies Act, 2013 and as approved by the members of the Company. The Company pays remuneration to Non-Executive Directors by way of sitting fees.

The aforesaid Remuneration policy has been uploaded on the website of the Company and can be accessed at ***http://www.joonktolleetea.in/downloads/remuneration _policy.pdf.***

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of provisions of Section 134(3)(c) of the Companies Act, 2013 your Directors confirm that:

i) in the preparation of the annual accounts, the applicable Accounting Standards have been followed and there has been no material departure;

ii) the selected Accounting Policies were applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the losses of the Company for the year ended on that date;

iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies

Directors' Report *(Contd.)*

Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) the annual accounts have been prepared on a going concern basis;

v) the internal financial controls have been laid down and such internal financial controls are adequate and are operating effectively; and

vi) the Company has adequate internal systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

WHISTLE BLOWER POLICY / VIGIL MECHANISM

In compliance with the provisions of Section 177(9) of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Company has framed a Whistle Blower Policy / Vigil Mechanism for Directors and Employees for reporting genuine concerns about any instance of any irregularity, unethical practice and/or misconduct.

The details of the Whistle Blower Policy / Vigil Mechanism are posted on the Company's website and can be accessed at ***http://www.joonktolleetea.in/downloads/ whistle_blower_policy.pdf.***

DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company has zero tolerance for sexual harassment at work place and has adopted a policy in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and the Rules thereunder for prevention, prohibition and redressal of complaints of sexual harassment at workplace. There were no cases of sexual harassment reported during the year.

The policy on Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 has been uploaded on the website of the Company and can be accessed at ***http://www.joonktolleetea.in/downloads/sexual_harassment_policy.pdf.***

RISK MANAGEMENT

The Company has laid down well defined risk management mechanism covering the risk exposure, potential impact and risk mitigation process. The Board periodically reviews the risks and suggests steps to be taken to control and mitigate the same through a properly defined frame work.

INTERNAL FINANCIAL CONTROL

For ensuring methodical and efficient conduct of its business, the Board has adopted policies and procedures. Thus, it ensures on the one hand, safeguarding of assets and resources of the Company, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, timely preparation of financial disclosures and on the other hand, encourages the improvement of the operational performance of the Company.

The Internal Audit of the Company was carried out by M/s. Singhi & Co., Chartered Accountants. The Audit Committee of the Board reviews the Internal Audit Report and corrective actions taken on the findings are also reported to the Audit Committee.

COMPLIANCE WITH SECRETARIAL STANDARDS

During the year under review, the Company has duly complied with the applicable provisions of the Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI).

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review is provided in **Annexure – D** forming part of this Report.

CORPORATE GOVERNANCE

The Company has adopted the Corporate Governance Policies and Code of Conduct which set out the principle of running the Company with fairness, transparency and accountability. A report on the Corporate Governance forming part of the Directors' Report is attached. A certificate from a Practicing Company Secretary regarding compliance of the Corporate Governance is given in the **Annexure – E** forming part of this Report.

Directors' Report *(Contd.)*

SAFETY, HEALTH & ENVIRONMENT

The Company has committed to maintaining highest standard of safety, health environment protection and has complied with all applicable statutory requirements and prevention of pollution. It always strives to keep the estates greener and cleaner and committed to the safety and health of its employees.

TRADE RELATIONS

The Board desires to place on record its appreciation for the support and co-operation that the Company has received from suppliers, brokers, customers and others associated with the Company as its enterprise partners. The Company has always looked upon them as partners in its progress and has happily shared with them rewards of growth. It will be Company's endeavor to build and nurture strong links with trade, based on mutuality, respect and co-operation with each other.

AWARDS & RECOGNITIONS

- The Company has been accredited with ISO 9001:2008 certification by SGS,
- Joonktollee Tea Estate in Assam has been accredited with ISO 22000 : 2005 certification by SGS,
- Goomankhan Tea Estate in Karnataka has been accredited with ISO 9001:2008 & HACCP certification by SGS.
- Pullikanam Tea Estate has bagged The Golden Leaf Awards for the leaf, fannings and dust categories for 2019.

CREDIT RATING

The Company has domestic credit ratings of BB + Stable from CARE for its banking facilities.

OTHER DISCLOSURES

i) There were no material changes and commitments affecting the financial position of the Company occurring between the end of financial year and the date of this Report.

ii) There is no change in the nature of business of the Company.

iii) There were no significant and material orders passed by regulator or courts or tribunals impacting the going concern status and Company's operation in future.

PARTICULARS OF EMPLOYEES

The information required under Section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 is provided in **Annexure – F** and forms part of this Report.

None of the employees of the Company fall within the purview of the information required under Section 197 read with Rules 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 during the Financial Year.

ACKNOWLEDGEMENT

Your Directors take this opportunity to thank the Banks, Central and State Government authorities, Regulatory authorities, Stock Exchanges and the stakeholders for their continued co-operation and support to the Company. Your Directors also wish to record their appreciation for the continued co-operation and support received from the employees of the Company.

On behalf of the Board

Place : Kolkata
Date : 14th July, 2020

(H.Bangur)
Chairman

Annexure to the Notice

Annexure - A

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	:	L01132WB1900PLC000292
ii)	Registration Date	:	07/08/1874
iii)	Name of the Company	:	Joonktollee Tea & Industries Limited
iv)	Category / Sub-Category of the Company	:	Public Company limited by shares
v)	Address of the Registered office and contact details	:	21, Strand Road, Kolkata – 700 001
vi)	Whether listed company Yes / No	:	Yes
viii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Maheshwari Datamatics Private Ltd. 23, R.N. Mukherjee Road, 5th Floor Kolkata – 700 001 Phone : (033) 2248-2248 Fax No. :(033) 2248-4787 E-mail : mdpldc@yahoo.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products /services	NIC Code of the Product /service	% to total turnover of the Company
1	Tea	01271	87%

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	Pranav Infradev Company Pvt. Ltd 21, Strand Road, Kolkata – 700 001	U45203WB2006PTC111437	Subsidiary	100.00	2(87)
2	Keshava Plantations Pvt. Ltd Azizbgah Tea Estate, Rajgarh, Dibrugarh, Assam - 786611	U01132AS1999PTC005666	Subsidiary	100.00	2(87)
3	The Cochin Malabar Estates And Industries Ltd. 21, Strand Road, Kolkata – 700 001	L01132WB1991PLC152586	Associate	24.68	2(6)

Annexure to the Notice *(Contd.)*

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (1st April, 2019)				No. of Shares held at the end of the year (31st March, 2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
a) Individual / HUF	1300047	-	1300047	31.3854	1300047	-	1300047	31.3854	0.0000
b) Central Govt									
c) State Govt									
d) Bodies Corp.	1806091	-	1806091	43.6022	1806091	-	1806091	43.6022	0.0000
e) Banks / FI									
f) Any Other									
Sub-total (A) (1):-	**3106138**	**–**	**3106138**	**74.9876**	**3106138**	**–**	**3106138**	**74.9876**	**0.0000**
1. Foreign									
a) NRIs - Individuals									
b) Other – Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other									
Sub-total (A) (2):-									
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	**3106138**	**–**	**3106138**	**74.9876**	**3106138**	**–**	**3106138**	**74.9876**	**0.0000**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI	-	2919	2919	0.0705	239179	2856	242035	5.8431	5.7726
c) Central Govt.									
d) State Govt.(s)									
e) Venture Capital Funds									
f) Insurance Companies	246493	-	246493	5.9508	-	-	-	-	(5.9508)
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									

Annexure to the Notice *(Contd.)*

Category of Shareholders	No. of Shares held at the beginning of the year (1st April, 2019)				No. of Shares held at the end of the year (31st March, 2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Sub-total (B)(1):-	**246493**	**2919**	**249412**	**6.0213**	**239179**	**2856**	**242035**	**5.8431**	**(0.1782)**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	46928	6335	53263	1.2859	57549	4793	62342	1.5050	0.2191
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	304435	157797	462232	11.1590	285978	118882	404860	9.7740	(1.3851)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	220214	-	220214	5.3163	244263	-	244263	5.8970	0.5807
c) Others	–	–	–	–	–	–	–	–	-
i) Trusts									
ii) Foreign National	14062	-	14062	0.3395	14062	-	14062	0.3395	0.0000
iii) Custodian of Enemy Property	–	240	240	0.0058	–	240	240	0.0058	0.0000
iv) Clearing Member	227	-	227	0.0055	90	-	90	0.0022	(0.0033)
v) Non Resident Individual	1916	2342	4258	0.1028	2419	356	2775	0.0670	(0.0358)
vi) NBFCs registered with RBI	1	-	1	0.0000	1	-	1	0.0000	0.0000
vii) Investor Education and Protection Fund Authority	32154	-	32154	0.7763	65395	-	65395	1.5788	0.8025
Sub-total (B)(2):-	**619937**	**166714**	**786651**	**18.9911**	**669757**	**124271**	**794028**	**19.1693**	**0.1782**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**866430**	**169633**	**1036063**	**25.0124**	**908936**	**127127**	**1036063**	**25.0124**	**0.0000**
C. Shares held by Custodian for GDRs & ADRs									
Promoter and Promoter Group									
Public									
Grand Total (A+B+C)	**3972568**	**169633**	**4142201**	**100.000**	**4015074**	**127127**	**4142201**	**100.000**	-

Annexure to the Notice *(Contd.)*

(ii) Shareholding of Promoters (including Promoter Group)

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of 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	% change in share holding during the year
1	Pushpa Devi Bangur	642928	15.5214	-	642928	15.5214	-	-
2	Hemant Bangur	426729	10.3020	-	426729	10.3020	-	-
3	Vinita Bangur	96800	2.3369	-	96800	2.3369	-	-
4	Hemant Kumar Bangur HUF	84490	2.0397	-	84490	2.0397	-	-
5	Purushottam Dass Bangur HUF	41000	0.9898	-	41000	0.9898	-	-
6	Purushottam Dass Bangur	7750	0.1871	-	7750	0.1871	-	-
7	Pranov Bangur	250	0.0060	-	250	0.0060	-	-
8	Gopal Das Bangur HUF	100	0.0024	-	100	0.0024	-	-
9	The Oriental Company Ltd.	593643	14.3316	-	593643	14.3316	-	-
10	Gloster Ltd.	538838	13.0085	-	538838	13.0085	-	-
11	Madhav Trading Corporation Ltd.	424130	10.2392	-	424130	10.2392	-	-
12	The Cambay Investment Corporation Ltd.	110737	2.6734	-	110737	2.6734	-	-
13	Credwyn Holdings (India) Pvt Ltd	98524	2.3785	-	98524	2.3785	-	-
14	Wind Power Vinimay Pvt Ltd.	27719	0.6692	-	27719	0.6692	-	-
15	Mugneeram Bangur & Company LLP	12500	0.3018	-	12500	0.3018	-	-
	Total	3106138	74.9876	-	3106138	74.9876	-	-

(iii) Change in Promoters (including Promoter Group) Shareholding

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
NO CHANGE IN THE PROMOTERS SHAREHOLDING DURING THE YEAR					

Annexure to the Notice *(Contd.)*

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	**Life Insurance Corporation of India**				
	a) At the Beginning of the Year	246493	5.9508	246493	5.9508
	As on 08/11/2019 - Sell	(100)	(0.0024)	246393	5.9484
	As on 15/11/2019 - Sell	(6000)	(0.1449)	240393	5.8035
	As on 22/11/2019 - Sell	(714)	(0.0172)	239679	5.7863
	As on 10/01/2020 - Sell	(500)	(0.0121)	239179	5.7742
	c) At the end of the Year			239179	5.7742
2	**Investor Education And Protection Fund Authority**				
	a) At the Beginning of the Year	32154	0.7763	32154	0.7763
	b) Changes during the year				
	As on 24/01/2020 - Transfer	33241	0.8025	65395	1.5788
	c) At the end of the Year			65395	1.5788
3	**Mahendra Girdharilal**				
	a) At the Beginning of the Year	63428	1.5313	63428	1.5313
	b) Changes during the year				
	As on 24/01/2020 - Buy	426	0.0102	63854	1.5293
	As on 20/03/2020 - Buy	200	0.0048	64054	1.5464
	c) At the end of the Year			64054	1.5464
4	**Surendra Kumar Nathany**				
	a) At the Beginning of the Year	55000	1.3278		
	b) Changes during the year	NO CHANGE DURING THE YEAR			
	c) At the end of the Year			55000	1.3278
5	**Yashwardhan Nathany**				
	a) At the Beginning of the Year	49000	1.1829		
	b) Changes during the year	NO CHANGE DURING THE YEAR			
	c) At the end of the Year			49000	1.1829
6	**Vijay Kumar Bangur**				
	a) At the Beginning of the Year	27499	0.6639		
	b) Changes during the year	NO CHANGE DURING THE YEAR			
	c) At the end of the Year			27499	0.6639

Annexure to the Notice *(Contd.)*

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
7	**P P Zibi Jose**				
	a) At the Beginning of the Year	4969	0.1200	4969	0.1200
	b) Changes during the year				
	As on 03/05/2019 - Buy	150	0.0036	5119	0.1236
	As on 10/05/2019 - Buy	3	0.0001	5122	0.1237
	As on 24/05/2019 - Buy	305	0.0074	5427	0.1310
	As on 31/05/2019 - Buy	426	0.0103	5853	0.1413
	As on 07/06/2019 - Buy	48	0.0012	5901	0.1425
	As on 14/06/2019 - Buy	2066	0.0499	7967	0.1923
	As on 21/06/2019 - Buy	210	0.0051	8177	0.1974
	As on 26/07/2019 - Buy	148	0.0036	8325	0.2010
	As on 23/08/2019 - Buy	1	0.0000	8326	0.2010
	As on 01/11/2019 - Buy	1063	0.0257	9389	0.2267
	As on 08/11/2019 - Buy	697	0.0168	10086	0.2435
	As on 15/11/2019 - Buy	5527	0.1334	15613	0.3769
	As on 22/11/2019 - Buy	2142	0.0517	17755	0.4286
	As on 29/11/2019 - Buy	50	0.0012	17805	0.4298
	As on 13/12/2019 - Buy	211	0.0051	18016	0.4349
	As on 20/12/2019 - Buy	51	0.0012	18067	0.4362
	As on 31/12/2019 - Buy	2393	0.0578	20460	0.4939
	As on 10/01/2020 - Buy	1221	0.0295	21681	0.5234
	As on 17/01/2020 - Buy	1025	0.0247	22706	0.5482
	As on 24/01/2020 - Buy	1044	0.0250	23750	0.5688
	As on 27/03/2020 - Buy	85	0.0021	23835	0.5754
	c) At the end of the Year			23835	0.5754
8	**Carwin Trading Pvt. Ltd.**				
	a) At the Beginning of the Year	19901	0.4804		
	b) Changes during the year	NO CHANGE DURING THE YEAR			
	c) At the end of the Year			19901	0.4804
9	**Joan Patricia Hardy**				
	a) At the Beginning of the Year	14062	0.3395		
	b) Changes during the Year	NO CHANGE DURING THE YEAR			
	c) At the end of the Year			14062	0.3395

Annexure to the Notice *(Contd.)*

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
10	**Amit Yeshwant Modak**				
	a) At the Beginning of the Year	13664	0.3299		
	b) Changes during the Year	NO CHANGE DURING THE YEAR			
	c) At the end of the Year			13664	0.3299
11	**Kailash Chandra Dhanuka**				
	a) At the Beginning of the Year	11630	0.2808	11630	0.2808
	b) Changes during the Year				
	As on 28/02/2020 – Sell	(10000)	(0.2414)	1630	0.0394
	c) At the end of the Year			1630	0.0394

NOTE :- The above information is based on the weekly beneficiary position received from Depositories.

Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) :

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**Hemant Bangur - Chairman**				
	a) At the Beginning of the Year	426729	10.30		
	b) Changes during the Year	NO CHANGE DURING THE YEAR			
	c) At the end of the Year			426729	10.30
2	**Pushpa Devi Bangur, Director**				
	a) At the Beginning of the Year	642928	15.52		
	b) Changes during the Year	NO CHANGE DURING THE YEAR			
	c) At the end of the Year			642928	15.52
3	**S. Bagree,** Manager (Finance) & Company Secretary				
	a) At the Beginning of the Year	50	0.01	50	0.01
	b) Changes during the Year	NO CHANGE DURING THE YEAR			
	c) At the end of the Year			50	0.01

Annexure to the Notice *(Contd.)*

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in ₹)

	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	34,73,25,496	11,52,17,999	-	46,25,43,495
ii) Interest due but not paid	12,45,521	8,83,287	-	21,28,808
iii) Interest accrued but not due	23,50,028	-	-	23,50,028
Total (i+ii+iii)	**35,09,21,045**	**11,61,01,286**	**-**	**46,70,22,331**
Change in Indebtedness during the financial year				
Addition	11,03,02,462	46,75,00,000	-	57,78,02,462
Reduction	12,37,15,856	25,60,78,266	-	37,97,94,122
Net Change	**(1,34,13,394)**	**21,14,21,734**	**-**	**19,80,08,340**
Indebtedness at the end of the financial year				
i) Principal Amount	33,68,27,759	32,25,00,000	-	65,93,27,759
ii) Interest due but not paid	-	50,23,020	-	50,23,020
iii) Interest accrued but not due	6,79,892	-	-	6,79,892
Total (i+ii+iii)	**33,75,07,651**	**32,75,23,020**	**-**	**66,50,30,671**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in ₹)

Sl. no.	Particulars of Remuneration	Mr. M. Raman Manager	Total Amount
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	18,14,400	18,14,400
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	15,99,000	15,99,000
	(c) Profits in lieu of salary under section 17(3) of the Income tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission		
	- as % of profit	-	-
	- others	-	-
5.	Others	-	-
	Total (A)	34,13,400	34,13,400
	Ceiling as per the Act	$	

$The remuneration paid is in line with Clause B of Section II of Part II of Schedule V of the Companies Act, 2013.

Annexure to the Notice *(Contd.)*

B. Remuneration to other directors: (Amount in ₹)

Sl. no.	Particulars of Remuneration	Name of Directors		Total Amount
	1. Independent Directors	**Mr. M.K. Daga**	**Mr. J.K. Surana**	
	· Fee for attending board / committee meetings	65,000	50,000	1,15,000
	· Commission	-	-	-
	· Others	-	-	-
	Total (1)	**65,000**	**50,000**	**1,15,000**
	2. Other Non-Executive Directors	**Mr. Hemant Bangur**	**Mrs. P.D. Bangur**	
	· Fee for attending board / committee meetings	65,000	40,000	1,05,000
	· Commission	-	-	-
	· Others	-	-	-
	Total (2)	**65,000**	**40,000**	**1,05,000**
	Total (B)=(1+2)			**2,20,000**
	Total Managerial Remuneration			36,33,400
	Overall Ceiling as per the Act			$

$ Payments to Non-Executive Directors consists only of sitting fees for attending Board/Committee meetings.

C. Remuneration to Key Managerial Personnel Other Than MD / Manager /WTD: (Amount in ₹)

Sl. no.	Particulars of Remuneration	Mr. S. Das Chief Financial Officer	Mr. S. Bagree Company Secretary	Total
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	15,23,200	16,80,000	32,03,200
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	9,50,000	10,60,600	20,10,600
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others	 - -	 - -	 - -
5.	Others	-	-	-
	Total	**24,73,200**	**27,40,600**	**52,13,800**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no default / punishment or compounding of offences for any breach of any Section of the Companies Act, 2013 against the Company, its Directors or other Officers in default during the year ended 31st March, 2020.

On behalf of the Board

Place : Kolkata
Date : 14th July, 2020

(H.Bangur)
Chairman

Annexure to the Notice *(Contd.)*

Annexure – B

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 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
JOONKTOLLEE TEA AND INDUSTRIES LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **JOONKTOLLEE TEA AND INDUSTRIES LIMITED** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

The Company's Management is responsible for preparation and maintenance of secretarial and other records and for devising proper systems to ensure compliance with the provisions of applicable laws and Regulations.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020, generally 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020, to the extent applicable, according to the provisions of:

i) The Companies Act, 2013 (as amended) (the Act) and the Rules made thereunder;

ii) The Securities Contracts (Regulation) Act, 1956 and Rules made thereunder;

iii) The Depositories Act, 1996 and Regulations and Bye-laws framed thereunder;

iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct investment and External Commercial Borrowings;

v) The Regulations and Guidelines prescribed under the Securities & Exchange Board of India Act, 1992 ("SEBI Act") or by SEBI, to the extent applicable:

   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) 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 (Share Based Employee Benefits) Regulations, 2014

   e) The Securities and Exchange Board of India (Issue and listing of Debt securities) Regulations, 2008

   f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993

Annexure to the Notice *(Contd.)*

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018

i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements Regulations, 2015

vi) Other than fiscal, labour and environmental laws which are generally applicable to all manufacturing companies, the following laws/ acts are also, inter alia, applicable to the Company:

a) The Food Safety and Standards Act, 2006 and Food Safety and Standard Rules, 2011;

b) The Legal Metrology Act, 2009 and Legal Metrology (Packaged Commodities) Rules, 2011;

c) The Tea Act, 1953 and Rules there under;

d) Tea Warehouse (Licensing) Order, 1989;

e) The Tea Waste (Control) Order, 1959;

f) The Tea (Marketing) Control Order, 1984;

g) The Coffee Act, 1942 and the Rules made there under;

h) The Coffee Market Expansion Act, 1942;

i) The Bureau of Indian Standards (BIS) Act, 1986;

j) The Plantations Labour Act, 1951;

k) The Assam Plantation Labour Rules, 1956;

l) The Plantation Labour (Karnataka) Rules, 1956;

m) The Rubber Act, 1947

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

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

We further report that:

a) The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and Listing Regulations.

b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

c) None of the directors in any meeting dissented on any resolution and hence there was no instance of recording any dissenting member's view in the minutes.

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 during the period under audit, the Company has passed the following special resolutions:

i. To re-appoint Mr. M.K. Daga, (DIN: 00123386) as an Independent Director of the Company for another term of five consecutive years from 1st April, 2019;

ii. To re-appoint Mr. J.K. Surana, (DIN: 00582653) as an Independent Director of the Company for

Annexure to the Notice *(Contd.)*

another term of five consecutive years from 1st April, 2019;

iii. To appoint Mr. Mukundan Raman as Manager of the Company under the category of Key Managerial Personnel for a term of three years from 1stNovember, 2018.

We further report that during the year under review the company has not held any meeting of Stakeholders Relationship Committee. Pursuant to circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/48 of Securities and Exchange Board of India, relaxation of time upto 30th June, 2020 has been granted for holding atleast one meeting of Stakeholders Relationship Committee for the financial year ended 31st March, 2020. The company has held the meeting of Stakeholders Relationship Committee on 24th June, 2020.

This report is to be read with our letter of even date which is annexed as **Annexure – I** which forms an integral part of this report.

For **MKB & Associates**
Company Secretaries

Neha Somani
(Partner)
ACS no. 44522
COP no. 17322
FRN: P2010WB042700

Date: 14th July, 2020
Place: Kolkata
UDIN: A044522B000454316

Annexure – I

To
The Members,
JOONKTOLLEE TEA AND INDUSTRIES LIMITED

Our report of even date is to be read along with this letter.

1. It is management's responsibility to identify the Laws, Rules, Regulations, Guidelines and Directions which are applicable to the Company depending upon the industry in which it operates and to comply and maintain those records with same in letter and in spirit. Our responsibility is to express an opinion on those records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management's Representation about the compliance of Laws, Rules, Regulations, Guidelines and Directions and happening events, etc.
5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Note: There was lockdown declared by the Central Government in the country due to COVID-19 pandemic since 24th March 2020. During the Lockdown, for carrying on and completion of the Audit, documents/ details have been provided by the Company through electronic mode only and the same have been verified by us.

For **MKB & Associates**
Company Secretaries

Neha Somani
(Partner)
ACS no. 44522
COP no. 17322
FRN: P2010WB042700

Date: 14th July, 2020
Place: Kolkata
UDIN: A044522B000454316

Annexure to the Notice *(Contd.)*

Annexure – C

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS & OUT GO REQUIRED U/S 134(3)(m) READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014.

A. CONSERVATION OF ENERGY

I. In line with the Company's commitment towards conservation of energy, all the estates continue with their efforts aimed at improving energy efficiency through improved operational and maintenance practices. The steps taken in this direction at various estates are as under:

- Installation of higher efficiency CTC machines with energy efficient motors.
- Reducing power consumption by using VFBD driers.
- Replacement of inefficient motors with energy efficient motors.
- Installation of Gas Generating Sets for generating power.
- Upgradation of Machineries and installation of new machineries based on fuel or power efficiency.
- Monitoring the maximum demand and power load factor on daily basis.
- Installation of adequate power capacitors for efficient utilization of available power.
- Optimum power factor is being maintained to avoid surcharge on power factor as well as to get maximum rebate on electricity consumption bills.

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1	Efforts, in brief, made towards technology absorption, adaptation and innovation.	Modernisation and upgradation of equipments and machines is a continuous process for the Company to enhance efficiency of operations, productivity and conservation of energy. Advanced technologies and equipments are installed at all the estates for improving efficiency and productivity. Managerial staff are encouraged to attend seminars and training programmes for agricultural practice in the field of manufacturing process in the factories. The Company also uses vermicompost for improving the organic status of the soil and plant nutrition. The Company has implemented an integrated, compact and user-friendly IT Solution at all its estates, administrative office and Head office which takes care of total business operations by automating and integrating all departmental and functional areas of different units.
2	Benefits derived as a result of the above efforts e.g. Products improvement, Cost reduction, Products development, Import substitution etc.	Adoption of improved technology, regular upgradation, modernization of equipments help in improving the yield and quality of Tea. Implementation of new software system has helped in bringing visibility, transparency and traceability in day-to-day operations. It provides better analytical reports at all levels and helps in taking decisions rightly at the correct time by providing a collaborative platform.

Annexure to the Notice *(Contd.)*

3	In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year).	The Company did not import any technology during the last 3 financial years.
4	RESEARCH AND DEVELOPMENT (R &D)	The Company contributes for the activities of Tea Research Association (TRA), Karnataka Planters Association (KPA) and United Planters Association of Southern India's (UPASI) scientific development regularly. Their recommendations are adopted wherever feasible, in addition to our own efforts for obtaining better results. The Company has incurred an expenditure of ₹ 14.60 lacs being amount paid to TRA, KPA & UPASI as above.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year under review foreign exchange earnings and foreign exchange outgo were NIL.

Management Discussion & Analysis Report

Annexure – D

A. ECONOMIC REVIEW

The world economy grew by 2.9% in 2019 compared to 3.6% in the previous year, the lowest since the global financial crisis. The slowdown has been more pronounced in emerging economies like India, China and Brazil, among others. The initial outlook was for a stronger growth, however, 2020 saw a significantly changed scenario with the outbreak of CoVID-19 pandemic. The prospects of a gradual recovery next year are marked with uncertainty depending on the duration of lockdown, growth in infection with opening up of economies, time taken for development of vaccine etc.

The country's economic growth tumbled to a 12-year low of 4.2% in 2019-20 due to slowdown in domestic demand, tightening of credit terms, decline in consumption growth, investment and exports. The Indian economy was projected to grow at a stronger pace in 2020 supported by monetary and fiscal stimulus, however, because of the unprecedented CoVID-19 pandemic prospects of a severe contraction looms this year. In the short term, the lockdown could also lead to a financial distress with possible contraction of GDP in first quarter of financial year 2020-21.

B. INDUSTRY STRUCTURE & DEVELOPMENT, SEGMENT-WISE / PRODUCT-WISE PERFORMANCE, OPPORTUNITIES & THREATS AND OUTLOOK

TEA

Global Black Tea production rose to 2290.51 million kgs. in 2019 as compared to 2266.82 million kgs. in 2018, an increase of 23.69 million kgs. making a growth of 1.045%.

India's Tea production rose to 1,389.70 million kgs. in 2019 from 1,338.63 million kgs. in 2018, an increase of 51.07 million kgs. making a gain of 3.82 %. This is the highest ever production for India so far. Crop output in North India was higher by 56.90 million kgs. while it was lower by 5.83 million kgs. in South India, where the output dropped to 219.04 million kgs. from 224.87 million kgs. because of lower output in earlier months following adverse weather. The CoVID-19 induced lockdown at the onset of the new season in 2020 has led to drop in production of black tea by estimated 140 million kgs. Deployment of workforce below the

Management Discussion & Analysis Report *(Contd.)*

normal strength for a long period during this time as per government directive has resulted in operational problems which led to the shortfall in crop.

Global consumption of Tea has been growing steadily in recent years, and its demand has traditionally been less exposed to economic cycles than other commodities. Tea consumption in India fell by 25 – 30% during lockdown period owing to reduced availability and a sharp decline in out-of-home consumption. On the assumption that the coronavirus outbreak comes under control in the second half of 2020, a recovery in consumption in 2021 is anticipated. With the long running market surplus expected to fall, the farm gate prices may go up by ₹ 50 – 60 per kg.

Tea industry has been reeling under the pressure of rising costs and lower realization exerting pressure on profitability. While costs have risen by around 15 – 18% over the past five years, prices inched up by only 5 – 7%. The year 2019 was another extremely poor year for the industry due to an unregulated increase of production, no export growth and domestic consumption not keeping pace with the production. Stagnant prices added to the gloom. The pandemic has aggravated financial stress of the industry.

The Company produced 50,20,543 kgs. of Tea during the year ended 31st March, 2020 against 54,00,691 kgs. for the same period last year. The average price for Assam Teas realized by the Company during the year was ₹ 139/- per kg. and for South Indian Teas was ₹ 89/- per kg.

COFFEE

Global Coffee production in the financial year 2019-20 was estimated at 168.86 million bags, a decrease of 0.8% as compared to the financial year 2018-19. Arabica production was estimated 3.9% lower at 96.37 million bags while Robusta output was estimated 3.7% higher at 72.5 million bags.

World Coffee consumption was estimated at 169.34 million bags, 0.7% higher than in 2018-19, following a year of exceptional consumption growth in Europe and North America.

In the financial year 2019-20, a deficit of 0.48 million bags is currently estimated; however, COVID-19 presents considerable downside risk to global coffee consumption. There is hope that growth will eventually return globally backed by rapid conversion of non-traditional markets to coffee and increase in 'in-home' consumption due to anticipated decline in 'out-of-home' consumption.

The production of Coffee in India for the season 2019 was estimated at around 299 million Kgs. comprising of 90 million Kgs. of Arabica and 209 million Kgs. of Robusta. The coffee plantation sector has suffered two consecutive years of drought and two years of floods in the past four years. About 8 – 10% of the total plantation area has been lost due to landslides and flooding in the past two years. The double whammy of CoVID crisis and devalued Brazilian currency has deepened the crisis in the country's coffee sector that was already reeling under the impact of low prices, rising costs and stagnating yields.

The Company produced 2,31,123 kgs. of Coffee comprising of 85,848 kgs. of Arabica and 1,45,275 kgs. of Robusta during the year ended 31st March, 2020 against 2,51,127 kgs. comprising of 1,08,119 kgs. of Arabica and 1,43,008 kgs. of Robusta harvested for the same period last year. The average price for Coffee realized by the Company during the year was higher at ₹ 182/- per kg. as compared to ₹ 167/- per kg. last year.

RUBBER

Global production of Natural Rubber fell 0.7% to 13.8 million tons during 2019 due to spread of a fungal disease in South-East Asia Rubber producing nations that affected over 1.2 million acres of yielding Rubber plantations. World Natural Rubber consumption fell 1% to 13.7 million tons during 2019 mainly on account of global economic slowdown, crisis in automotive sectors and trade uncertainties.

Management Discussion & Analysis Report *(Contd.)*

The Rubber Board of India estimates production in 2019-20 at 7,10,000 tons and consumption at 12,10,000 tons. The Board has reported a production loss of 65,000 tons in April & May, 2020. Climate change has already started making an impact on the production due to high incidence of pests and diseases.

After two months of the CoVID-19 led lockdown that battered economic activity, natural rubber prices are now looking up amid a supply crunch and resurgence in demand from tyre makers and glove manufacturers. Rubber prices had crashed to an over-four-year low of ₹ 114/115 per kg. but now are set to trudge up to ₹ 135/138 per kg.

The UPASI (United Planters Association of Southern India) has sought suspension of NR imports for two years and a levy of safeguard duty on imports for three years when the suspension is revoked. This could give time for the local industry to recover.

The Company produced 7,01,253 kgs. of Rubber during 2019-20 as against 6,20,584 kgs. during the previous year. The Company continues to focus on quality to fetch premium in the market for its product. The average price realized by the Company during the year was ₹ 145/- per kg. as against ₹ 133 per kg. last year.

C. RISKS AND CONCERNS

Risk management is an ongoing process that can help improve operation, prioritise resources, ensure regulatory compliance, achieve performance target, improve financial stability and ultimately prevent loss/damage to the entity. But business entities cannot be risk averse as profits in business without taking risk is highly unlikely. Risk management plays a key role in protecting the assets and resources and ensuring that risks are reduced to an acceptable level. The essence of the risk management is to reduce the risk to a reasonable and in manageable level on an ongoing basis. Risk management is a two-step process – determining what risks exist and, then, handling those risks in ways best-suited to the objectives. The Company has risk management which inter alia provides for review of the risk assessment and mitigation procedure, laying down procedure to inform and report periodically to the Board of Directors and to ensure that the procedure is properly followed to mitigate the risks.

The plantation industry is dependent on nature making it susceptible to climate vagaries. Since timely information of weather plays a vital role for initiating steps towards application of fertilisers, chemicals and pesticides, steps are taken at the estates to get the weather information well in advance. The Company has taken various cost management initiatives including implementation of integrated pest management process and replantation of crop with new varities to improve plantation yield.

The Company has made substantial investment in irrigation to minimize the impact on Crop in its Tea Estates. The Company has also increased its capacity to artificially irrigate its Robusta fields in the Coffee Estate by storing the rain water in its catchment areas by excavating reservoirs thereby recharging its water table and significantly augmenting the storage capacity.

The Company is increasingly concentrating on labour optimization initiative and mechanization of critical cultural operations wherever feasible to achieve better operating efficiency. Efforts are being made to retain the repeat workforce.

The Company has been maintaining exceptionally good relations with its labour force and with the employee friendly approach being adopted by it, the industrial relations continue to remain cordial. The Company is also focusing on retaining the skilled workforce by providing better working atmosphere, improving the skill levels by training on various activities like introduction of mechanization in all possible and feasible activities.

D. INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

The Company has adequate internal control system

Management Discussion & Analysis Report *(Contd.)*

commensurate with the size, scale and complexity of its operations which provides reasonable assurance with regard to safeguarding the Company's assets, promoting operational efficiency by cost control, preventing revenue leakages and ensuring adequate financial and accounting controls and compliance with various statutory provision.

A qualified and independent Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of internal control systems and suggests improvements for strengthening them.

E. FINANCIAL & OPERATIONAL PERFORMANCE

The details of Financial Performance and Operational Performance have been provided in the Report of the Directors.

F. HUMAN RESOURCE DEVELOPMENT / INDUSTRIAL RELATIONS

The Company has built its workforce with a diverse background of individuals - essential for the kind of organization what it is. The Company constantly endeavours to provide a platform where people have opportunities to actualize their maximum potential through work which helps to stretch their intellect. Continuous efforts are on for a work-culture which encourages innovation, transparency in communication, trust and amity. As on 31st March, 2020, there were 3203 permanent employees on the rolls of the Company. Industrial relations in all the estates, factories and offices of the organization were cordial throughout the year under review.

G. SIGNIFICANT CHANGES (MORE THAN 25%) IN KEY FINANCIAL RATIOS, ALONG WITH DETAILED EXPLANATIONS

Sl. No.	Key Financial Ratios	31.03.2020	31.03.2019	Change (%)
1	Debtors' Turnover	45.71	19.56	133.69%
2	Current Ratio	0.26	0.44	40.91%
3	Debt Equity Ratio	0.54	0.32	71.88%

- Higher Debtors' Turnover for the year ended 31st March, 2020 indicates that the Company's collection of accounts receivable was efficient during the year and lower credit was extended to customers.
- Current Ratio for the year ended 31st March, 2020 has declined due to increase in Current Liabilities, mainly Short-Term Borrowings.
- Debt Equity Ratio for the year ended 31st March, 2020 has increased due to increase in total borrowings.
- In view of the losses incurred by the Company for the year ended 31st March, 2020 and 31st March, 2019, Interest Coverage Ratio, Operating Profit Margin, Net Profit Margin and Return on Networth is not calculated.

H. CAUTIONARY STATEMENT

The statements made in the Management's Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be "Forward Looking Statements" within the meaning of applicable Securities Laws & Regulations and are based on the currently held beliefs and assumptions of our management, which are expressed in good faith and in their opinion, reasonable. Actual results could differ from those expressed and implied since the Company's operations are influenced by many external and internal factors beyond the control of the Company. Several factors could make a significant difference to the Company's operations which includes climatic conditions, economic conditions affecting demand and supply, government regulations and taxation, natural calamities, raw material price changes, domestic supply and prices conditions, company's success in attracting and retaining Key Personnel, integration and re-structuring activities, general business and economic conditions over which the Company does not have any direct control.

Report on Corporate Governance

Annexure-E

Pursuant to regulation 34(3) read with Part C of Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 a report on Corporate Governance for the year ended 31st March,2020 is given below :

1. COMPANY'S GOVERNANCE PHILOSOPHY:

Your Company believes in conducting its affairs with the highest levels of integrity, with proper authorisations, accountability and transparency. The Board ensures proper delegation of appropriate authority and oversees the functioning of the Company and that of its management, and ensures that every decision taken is in the best interest of all the stakeholders of the Company.

2. BOARD OF DIRECTORS :

i. COMPOSITION AND CATEGORY OF DIRECTORS

The Board has an appropriate mix of knowledge, wisdom and varied industry experience to guide the Company in achieving its objectives in a sustainable manner.

The Board of Directors as on 31st March, 2020, comprised of 4 (four) Directors that includes one woman Director and fifty percent of the Board of Directors comprises of Non-Executive Independent Directors whose composition is given below :

Category	Name of Directors
Promoter Directors	
Non-Executive Chairman	Shri Hemant Bangur
Non-Executive Woman Director	Smt. Pushpa Devi Bangur
Independent Directors/Non-Executive Directors	Shri Manoj Kumar Daga Shri Jay Kumar Surana

The number of Independent Directors on the Board is in conformity with the requirement of Regulation 17(1) (a) and (b) of SEBI (LODR) Regulations, 2015.

The Composition and category of each Director on the Board, attendance at the Board Meetings and at the last Annual General Meeting (AGM) held on September 9, 2019 together with details of other Directorships and Committee Memberships/ Chairmanships number of shares held in the Company by them are given below:

Report on Corporate Governance *(Contd.)*

Name of Director	Category of Directorship	No. of Board meetings attended	Attendance at last AGM held on September 9, 2019	No. of Directorships in other Public Limited Companies *	No. of Chairmanship/ Membership of Board Committees (Other than Joonktollee) •		No. of Shares held in the Company
					Chairman	Member	
Shri Hemant Bangur (DIN : 00040903)	NEC	4	Yes	9	-	3	426729
Smt.P.D.Bangur (DIN : 00695640)	NED	4	Yes	3	-	2	642928
Shri M.K. Daga (DIN : 00123386)	ID/NED	4	Yes	2	1	2	-
Shri J.K. Surana (DIN : 00582653)	ID/NED	3	Yes	3	3	4	-

NEC - Non-Executive Chairman

NED - Non-Executive Director

ID - Independent Director

* Excludes Pvt. Ltd. Companies, Foreign Companies, Companies Registered under Section 8 of the Companies Act, 2013.

• In accordance with Regulation 26 (1) (b) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Membership/Chairmanship of only Audit Committee and Stakeholders Relationship Committee has been considered.

Notes;

a. None of the directors hold directorships in more than 20 companies of which directorships in public companies does not exceed 10 in line with the provisions of Section 165 of the Act.

b. None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees across all companies in which they are Directors.

c. None of the Director serve as Director in more than eight listed companies.

d. No Independent Director of the Company holds the position of Independent Director in more than seven listed companies

e. None of the Directors has been appointed as Alternate Director for Independent Directors.

f. None of our Independent Dirtectors serve as Non-Independent Director of any company on the Board of which any of Non-Independent Director is an Independent Director.

Report on Corporate Governance *(Contd.)*

Details of directorship of aforesaid Directors in other listed entities and their category of directorship are given below;

Sl. No.	Name of Director	Name of the listed entity with Category
1.	Shri Hemant Bangur	Gloster Ltd – Executive Chairman The Phosphate Company Ltd – Non-Executive Promoter Director The Cochin Malabar Estates And Industries Ltd - Non-Executive Promoter Director
2.	Smt. P.D. Bangur	Gloster Ltd - Non-Executive Promoter Director Port Shipping Company Ltd – Non-Executive Promoter Director
3.	Shri M.K. Daga	Tongani Tea Company Ltd – Non-Executive Director Norben Tea & Exports Ltd – Managing Director
4.	Shri J. K. Surana	Port Shipping Company Ltd – Independent Director The Cochin Malabar Estates And Industries Ltd – Independent Director

Skills/Expertise/Competencies of the Board of Directors

The following skills/expertise/competencies required in the context of Company's businesses have been identified by the Board for it to function effectively viz.:

(i) Business Strategy, Planning and Corporate Management

(ii) Accounting & Financial Skills

(iii) Marketing

(iv) Communication

(v) Corporate Governance

(vi) Legal & Risk Management

(vii) Discharge of Corporate Social Responsibility

ii. BOARD MEETINGS

The Board meets at regular intervals to discuss and decide on business strategies, policies and review the financial performance of the Company and its subsidiaries. The notice and detailed agenda along with relevant notes are sent in advance separately to each Director. An action taken report on the decisions of the Board at its previous meeting is systematically put up to the Board at the following meeting for its information.

During the year under review, four Board Meetings were held on May 15, 2019; August 12, 2019; November 13, 2019 and February 11, 2020 to deliberate on various matters. The maximum time gap between two consecutive meetings was less than 120 days as stipulated under Section 173(1) of the Act, Regulation 17(2) of the Listing Regulations and Secretarial Standards issued by Institute of Company Secretaries of India.

iii. DISCLOSURE OF RELATIONSHIPS BETWEEN DIRECTORS

No Director is related to any other Director on the Board in the Company except Shri Hemant Bangur, Chairman and Smt. Pushpa Devi Bangur, Director who are related to each other within the meaning of the term "Relative" as per Section 2(77) of the Companies Act, 2013.

iv. INDEPENDENT DIRECTORS

In terms of the provisions of Section 149 of the Companies Act, 2013 and Rules framed thereunder and Listing Regulations, the Independent Directors of the Company were appointed for a period of five years by the Members of the Company. A formal letter of appointment setting out the terms and conditions of appointment, roles and functions, responsibilities, duties, fees and remuneration, liabilities, resignation / removal, etc., as specified under Schedule IV to the Companies Act, 2013 has been issued to each of the Independent Directors subsequent to obtaining approval of the Members to their respective appointments. The terms and

Report on Corporate Governance *(Contd.)*

conditions of such appointment of the Independent Directors are also made available on the website of the Company at ***www.joonktolleetea.in***.

The Board is of the opinion that the Independent Directors fulfill the conditions of Independence specified in Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulation and are independent of the management. In terms of Regulation 25(8) of the Listing Regulations, Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be anticipated that could impair or impact their ability to discharge their duties.

The Independent Directors have been familiarized with the nature of operations of the Company & the industry in which it operates, business model of the Company. The details of familiarization programme have been posted in the website of the Company and can be accessed at http://www.joonktolleetea.in/downloads/familiarisation_programme.pdf

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on 3rd February, 2020 to review the performance of Non-independent Directors (including the Chairman) and the Board as whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties.

v. CODE OF CONDUCT

The Board of Directors has adopted the Code of Conduct and Ethics for Directors and Senior Management. The Code has been posted on the website of the Company and the weblink for the same is http:// www.joonktolleetea.in/downloads/code_of_conduct.pdf. For the year under review, all the Directors and the Senior Management Personnel of the Company have confirmed their adherence to the provisions of this Code. A declaration to this effect given by the Chairman of the Company is annexed alongwith this report.

The Company has adopted an Internal Code of Conduct for Regulating Monitoring and Reporting of Trades by Designated persons in accordance with the SEBI (PIT) Regulations 2015, the same has been posted on the website of the Company and the weblink for the same is http://joonktolleetea.in/downloads/code_to_regulate.pdf.

The Company has also formulated "The Code of Practices and Procedures for Fair Disclosures of Unpublished Price Sensitive Information (UPSI) in compliance with the PIT Regulations. This Code is displayed on the Company's website and the weblink for the same is http://joonktolleetea.in/downloads/code_of_practices.pdf

3. AUDIT COMMITTEE :

The Board of Directors of the Company has constituted an Audit Committee of the Board in terms of the requirements of Section 177 of the Companies Act, 2013 and Rules framed thereunder read with Regulation 18 of the Listing Regulations. The Audit Committee of the Company meets every quarter, ***inter alia***, to review the financial results for the previous quarter before the same are approved at Board Meetings, pursuant to Regulation 33 of the Listing Regulations. The Audit Committee may also meet from time to time, if required.

(i) TERMS OF REFERENCE

The role and terms of Reference of the Audit Committee covers the areas mentioned under Regulation 18 of Listing Regulations and Section 177 of the Companies Act, 2013 and are as follows :

a. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

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b. Recommending to the Board the appointment, re-appointment and if required, the replacement or removal of the statutory auditor and the fixation of audit fees.

c. Recommending to the Board the appointment, re-appointment and if required, the replacement or removal of the internal auditor and the fixation of audit fees.

d. Recommending to the Board the appointment, re-appointment and if required, the replacement or removal of the cost auditor and the fixation of audit fees.

e. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

f. Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:

   - Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
   - Changes if any, in accounting policies and practices and reasons for the same.
   - Major accounting entries involving estimates based on the exercise of judgement by management.
   - Significant adjustments made in the financial statements arising out of audit findings.
   - Compliance with listing and other legal requirements relating to financial statements.
   - Disclosure of any related party transactions.
   - Modified opinion(s) in the draft audit report, if any.

g. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.

h. 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;

i. Review and monitor the auditor's independence and performance, and effectiveness of audit process;

j. Approval or any subsequent modification of transactions of the Company with related parties;

k. Scrutiny of inter-corporate loans and investments;

l. Valuation of undertakings or assets of the Company, wherever it is necessary;

m. Evaluation of internal financial controls and risk management systems;

n. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

o. 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;

p. Discussion with internal auditors of any significant findings and follow up there on;

q. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

r. Discussion with statutory auditors before the audit commences, about the nature and scope of

Report on Corporate Governance *(Contd.)*

audit as well as post-audit discussion to ascertain any area of concern;

s. 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;

t. To review the function of the Whistle Blower mechanism;

u. Approval of appointment of CFO after assessing the qualifications, experience & background, etc. of the candidate;

v. To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

w. The Audit Committee also reviews the following –

- Management discussion and analysis of financial condition and result of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.

x. Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding Rs. 100 crores or 10% of the asset size of the subsidiary, whichever is lower.

(ii) COMPOSITION OF THE COMMITTEE, MEETINGS AND ATTENDANCE

The Audit Committee comprises of three directors of which two are Independent Non-Executive Directors namely, Shri M.K. Daga, Shri J.K. Surana respectively and one is Promoter Non-Executive Chairman namely Shri Hemant Bangur. Shri M.K. Daga is the Chairman of the Committee.

The Committee met 4 times during the year on 15th May, 2019, 12th August, 2019, 13th November, 2019 and 11th February, 2020. The requisite quorum was present at all the Meetings. The attendance of the Members at the Audit Committee Meetings is as under:

Name of the Director	Category	No. of meetings entitled to attend	No. of meetings attended
Shri M.K. Daga, Chairman	Independent Director	4	4
Shri J.K. Surana , Member	Independent Director	4	3
Shri Hemant Bangur, Member	Non-Executive Director	4	4

The Company Secretary, Chief Operating Officer and Chief Financial Officer of the Company were present at the meetings. At the invitation of the Committee, the Statutory Auditors, the Internal Auditors of the Company also attend the meetings.

Shri M.K. Daga, the Chairman of the Audit Committee was present at the 145th AGM of the Company held on 9th September, 2019.

4. NOMINATION AND REMUNERATION COMMITTEE:

The Board of Directors of the Company has constituted a Nomination and Remuneration Committee of the Board in terms of the requirements of Section 178 of the Companies Act, 2013 and Rules framed thereunder read with Regulation 19 of the Listing Regulations.

(i) TERMS OF REFERENCE

The terms of reference of the Committee includes the

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following:

a) Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, key managerial personnel and other employees;

b) Formulation of criteria for evaluation of Independent Directors and the Board;

c) Devising a policy on Board diversity;

d) Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

e) Reviewing the overall compensation policy, service agreements and other employment conditions of Wholetime Director and Key Managerial Personnel;

f) Reviewing the performance of the Wholetime Director and Key Managerial Personnel and recommending to the Board, the quantum of annual increments and annual commission;

g) Approving and recommending to the Board, the remuneration and commission payable to the Directors.

h) To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

i) Recommend to the Board all remuneration, in whatever form payable to Senior Management.

j) Whether to extend or continue the term of appointment of the Independent Directors and on the basis of the report of performance evaluation of the Independent Directors;

(ii) COMPOSITION OF THE COMMITTEE, MEETINGS AND ATTENDANCE

The Nomination & Remuneration Committee comprises of three directors of which two are Independent Non-Executive Directors namely Shri J.K. Surana, Shri M.K. Daga respectively and one is Promoter Non-Executive Chairman namely Shri Hemant Bangur. Shri J.K. Surana is the Chairman of the Committee.

During the year under review, the Committee met once on 1st October, 2019. The requisite quorum was present at the Meeting. The attendance of the Members at the Nomination & Remuneration Committee Meeting is as under:

Name of the Director	Category	No. of meetings entitled to attend	No. of meetings attended
Shri J.K. Surana, Chairman	Independent Director	1	1
Shri M.K. Daga, Member	Independent Director	1	1
Shri Hemant Bangur, Member	Non-Executive Director	1	1

The Company Secretary was present at the above meeting.

Shri J.K. Surana, the Chairman of the Nomination & Remuneration Committee was present at the last AGM of the Company held on 9th September, 2019.

(iii) REMUNERATION OF DIRECTORS

The remuneration policy of the Company is directed towards rewarding performance, based on review of achievements on a periodical basis. The remuneration policy is in consonance with the existing Industry practice.

The Company has no pecuniary relationship of transaction with its Non-Executive & Independent Directors other than payment of sitting fees to them for attending Board Meetings & Committee Meetings.

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Criteria of making payment to Non-Executive Directors are disclosed in the Nomination and Remuneration Policy. The said policy has been uploaded on the website of the Company at www.joonktolleetea.in and is available at the link http://joonktolleetea.in/downloads/remuneration_policy.pdf

DETAILS OF REMUNERATION PAID TO ALL THE DIRECTORS/ MANAGER FOR THE YEAR ENDED 31ST MARCH, 2020

(Figures in Rupees)

Name of the Director	Sitting Fees
Smt. P.D. Bangur	40,000
Shri H. Bangur	65,000
Shri M.K. Daga	65,000
Shri J.K. Surana	50,000

(Figures in Rupees)

Name of the Manager	Salary	Perquisites and other benefits	Total
Shri M. Raman*	25,43,400	8,70,000	34,13,400

* Appointed for a tenure of 3 years with effect from 1st November, 2018.

(iv) PERFORMANCE EVALUATION OF BOARD, COMMITTEES AND DIRECTORS

The Company conducts a Performance Evaluation every year in respect of the following:

i. Board of Directors as a whole.

ii. Committees of the Board of Directors.

iii. Individual Directors including the Chairman of the Board of Directors.

The performance was evaluated based on parameters such as Composition and Quality of Board Members, Effectiveness of Board/Committee process and functioning, contribution of the Members, Board Culture and Dynamics, Fulfillment of key responsibilities, Ethics and Compliance etc.

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The Board of Directors of the Company has constituted a Stakeholders Relationship Committee of the Board in terms of the requirements of Section 178 of the Companies Act, 2013 and Rules framed thereunder read with Regulation 20 of the Listing Regulations.

(i) TERMS OF REFERENCE

The broad terms of Reference of the Stakeholders' Relationship Committee are as under :

a) Consider, approve or refuse the registration of transfer/transmission of shares in the Company.

b) Approve the sub-division, consolidation and renewal of share certificates and to issue new certificates, duplicate share certificates in lieu of those lost or destroyed.

c) Review and redress the compliance of laws and regulations governing the Company to the extent they are related to Shareholders' right.

d) Resolving the grievances of the security holders 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.

e) Review of measures taken for effective exercise of voting rights by shareholders.

f) Review of adherence to the service standards adopted by the Company in respect of various service being rendered by the Registrar & Share Transfer Agent.

g) 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.

Report on Corporate Governance *(Contd.)*

(ii) COMPOSITION OF THE COMMITTEE, MEETINGS AND ATTENDANCE

The Stakeholders' Relationship Committee comprises of one woman Promoter Non-Executive Director, one Independent Non-Executive Director and one Promoter Non-Executive Chairman namely Smt. P.D. Bangur, Shri J.K. Surana and Shri Hemant Bangur respectively. Shri S. Bagree, Manager (Finance) & Company Secretary, is the Compliance Officer of the Company.

Smt. Pushpa Devi Bangur, Chairperson of the Stakeholders Relationship Committee was present at the last AGM of the Company.

No meeting was held during the year. Due to global lockdown in view of COVID-19 pandemic, SEBI has given relaxation for holding atleast one meeting of Stakeholders Relationship Committee for financial year ended 31st March, 2020 upto 30th June, 2020. The company has held the meeting of Stakeholders Relationship Committee on 24th June, 2020.

The Board of Directors have authorized the Secretary to approve the transmission / rematerialisation of shares which are properly processed and related formalities are done by the Registrar & Share Transfer Agent, M/s. Maheshwari Datamatics Pvt. Ltd., Kolkata. The Committee also keeps a close watch on all the complaints/grievances from the shareholders which are duly attended. Continuous efforts are made to ensure that grievances are expeditiously redressed to the satisfaction of the investors.

In compliance with the requirements of the SEBI Circular No. CIR/OIAE/2/2011 dated June 3, 2011, the Company has obtained exclusive User Id and Password for processing the investor complaints in a centralized web based SEBI Complaints Redress System – 'SCORES'. This enables the investors to view online the action taken by the Company on their complaints and current status thereof, by logging on to the SEBI's website **www.sebi.gov.in.**

Details of Complaints received, redressed and pending during the financial year and reported under Regulation 13(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 are as under :

Pending at the beginning of the year	Received during the year	Redressed/ Replied during the year	Pending at the year end
Nil	0	0	Nil

There was no unresolved complaint as on 31st March, 2020.

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Board of Directors has constituted a Corporate Social Responsibility Committee (CSR Committee of the Board in terms of the requirements of Section 135 of the Companies Act, 2013 and Rules framed thereunder.

The said Committee has formulated a CSR policy which has activities envisaged in Schedule VII of the Companies Act, 2013 and has been disclosed on the website of the Company.

(i) TERMS OF REFERENCE

The broad terms of Reference of the Committee are as under :

a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act 2013;

b) Recommend the amount of expenditure to be incurred on the activities referred to in clause (a) in a financial year;

c) Monitor the Corporate Social Responsibility Policy of the company from time to time.

d) Any other matter/thing as may be considered expedient by the members in furtherance of and to comply with the CSR Policy of the Company.

Report on Corporate Governance *(Contd.)*

(ii) COMPOSITION OF THE COMMITTEE, MEETINGS AND ATTENDANCE

The Corporate Social Responsibility Committee comprises of one woman Promoter Non-Executive Director, one Independent Non-Executive Director and one Promoter Non-Executive Chairman namely Smt. P.D. Bangur, Shri M.K. Daga and Shri Hemant Bangur respectively. Smt. Pushpa Devi Bangur is the Chairperson of the Committee.

No meeting was held during the year.

7. ISSUE & ALLOTMENT COMMITTEE:

The Issue & Allotment Committee of the Board considers and approves issue and allotment of shares under agreed scheme e.g. Rights Issue, Bonus Issue, Capitalization or any other scheme as approved by the Board.

(i) TERMS OF REFERENCE

The broad terms of Reference of the Issue & Allotment Committee are as under :

a) notifying Registrar & Share Transfer Agents of the Company to issue share certificates for the shares to be allotted pursuant to any agreed scheme;

b) notifying the stock exchange(s) for issue and allotment of shares;

c) notifying the Registrar of Companies for issue and allotment of shares, through return of allotment;

d) taking up any other duties as determined by the Board from time to time.

(iii) COMPOSITION OF THE COMMITTEE, MEETINGS AND ATTENDANCE

The Issue and Allotment Committee comprises of one Promoter Non-Executive Chairman and one Independent Non-Executive Director namely Shri Hemant Bangur and Shri M.K. Daga respectively.

No meeting was held during the year.

8. GENERAL BODY MEETINGS:

LAST THREE ANNUAL GENERAL MEETINGS OF THE COMPANY WERE HELD AS UNDER :

Financial Year	Date of Meeting	Time	Location
2016-2017	Aug 31, 2017	10.30 A.M.	Shripati Singhania Hall, Rotary Sadan 94/2, Chowringhee Road, Kolkata-700 020
2017-2018	Aug 31, 2018	10.30 A.M.	Shripati Singhania Hall, Rotary Sadan 94/2, Chowringhee Road, Kolkata-700 020
2019-2020	Sep 9, 2019	10.30 A.M.	Shripati Singhania Hall, Rotary Sadan 94/2, Chowringhee Road, Kolkata-700 020

– At the Annual General Meeting held on 9th September, 2019 shareholders have considered special resolution in relation to re-appointment of Shri M.K. Daga and Shri J.K. Surana as Independent Directors of the Company for a second term w.e.f. 1st April, 2019 and appointment of Mr. Mukundan Raman as Manager in the category of Key Managerial Personnel of the Company for a period of three years commencing from 1st November, 2018.

No Special Resolution was passed in the AGM(s) held on 2017 & 2018.

– No Resolution was passed during the financial year ended March 31, 2020 through Postal Ballot under Section 110 of the Companies Act, 2013 and Rules framed thereunder.

The Company proposes to conduct Special Resolution through Postal Ballot under Section 110 of the Companies Act, 2013 and Rules framed thereunder on or before the forthcoming AGM.

Report on Corporate Governance *(Contd.)*

9. means of communication:

(a) The quarterly results of the Company were announced within due time as per the statutory requirements and were sent to the Stock Exchanges.

(b) These results were also published in 'The Echo of India' (English Newspaper) and ' Arthik Lipi' (Bengali Newspaper).

(c) The results are also posted on the Company's website at www.joonktolleetea.in.

(d) The Company has not made any official news release and presentations to any institutional investors/analysts during the year.

(e) The Company has an exclusive e-mail id for Shareholders/Investors and they may write to the Company at investors@joonktolleetea.in

10. SUBSIDIARY COMPANIES:

Non-listed Subsidiary

The Company has two material Non-listed Subsidiary Companies, namely Keshava Plantations Limited and Pranav Infradev Company Private Limited. It has appointed independent directors of the Company in each of such Subsidiary Companies. The Minutes of the meetings of the Board of Directors of these Subsidiary Companies are periodically placed before the Board of Directors of the Company and attention of the Directors is drawn to the significant transactions and arrangements entered into by the Subsidiary Companies.

The Company has undertaken Secretarial Audit of Material Subsidiaries under Section 204 of the Companies Act, 2013 and Regulation 24A of the SEBI (LODR) Regulations, 2015.

11. Disclosures:

(a) Related Party Transactions :

There were no materially significant related party transactions made by the Company with promoters, directors or key managerial personnel etc. which might have potential conflict with the interest of the Company at large. The Audit Committee has granted omnibus approval for related party transactions in the ordinary course of business.

A statement of all related party transactions is presented before Audit Committee on a quarterly basis specifying the nature, value and terms & conditions of the transactions.

The details of the transactions with the related parties are provided in the Notes to Company's Financial Statement.

(b) Non-compliance/strictures/penalties imposed:

No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets for non-compliance by the Company during the last three years.

(c) Whistle Blower Policy / Vigil Mechanism :

The Company has adopted a Whistle Blower Policy and has established the necessary mechanism, for directors & employees to report concerns about unethical behavior or suspected fraud in violation of Company's Code of Conduct or any other point of concern. The policy has been disclosed on the website of the Company and the weblink for the same is http://www.joonktolleetea.in/downloads/whistle_blower_policy.pdf

No personnel has been denied access to the Audit Committee.

(d) Compliance with Corporate Governance Norms:

The Company has complied with all the applicable mandatory requirements as stipulated in regulation 27 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

(e) Policy for determining 'material' subsidiaries:

The Company has formulated a policy for determining 'material' subsidiaries in accordance with the guidelines set out in the Listing Regulation. The policy has been disclosed on the website of the Company and the weblink

Report on Corporate Governance *(Contd.)*

for the same is http://www.joonktolleetea.in/downloads/material_subsidiaries_policy.pdf.

(f) The Related Party Transaction Policy as approved by the Board is uploaded on the Company's website and the weblink for the same is http://www.joonktolleetea.in/downloads/party_transaction_policy.pdf.

(g) **Commodity price risk or foreign exchange risk and hedging activities:**

The Company did not have any commodity price risk or foreign exchange risk and hedging activities as on 31st March, 2020.

(h) The Company has not raised funds through preferential allotment or qualified institutions placement as specified under regulation 32(7A).

(i) **Practicing Company Secretary Certificate on Director qualification:**

The Company has obtained a Certificate from a Practicing Company Secretary confirming that none of the Directors has been debarred or disqualified from being appointed or continuing on the Board as Directors of any Company by any statutory authority.

(j) **Committee Recommendations:**

During the year under review, there were no instances where the Board had not accepted any recommendation of any committee of the Board which is mandatorily required.

(k) **Fees paid to the Statutory Auditor:**

Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis to the Statutory auditor and all entities in the network firm / network entity of which the statutory auditors is a part is given in Note No. 35 to the Standalone Financial Statements & Note No. 35 to the Consolidated Financial Statements.

(l) **Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

There were no complaints filed during the year under the above Act.

(m) The Company has also adopted Material Event Policy and Archival Policy and Policy on Prevention of Documents which is available on website of the Company.

12. CEO/CFO CERTIFICATION:

In accordance with Part B of Schedule II to the Listing Regulation, the Certificate signed by Shri Mukundan Raman, Manager and Shri Sayansiddha Das, CFO was placed before the Board of Directors at their meeting held on 14th July, 2020.

13. GENERAL SHAREHOLDER INFORMATION :

The required information under regulation 34(3) read with Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is given in the "Shareholder Information" separately in the annexure to this Corporate Governance Report.

14. STATUS OF ADOPTION OF THE NON-MANDATORY REQUIREMENTS:

In terms of Regulation 27(1) of the Listing Regulations read with Part E of Schedule II, the disclosure on account of the discretionary requirements are given below:

(i) The Chairman does not maintain any office at the expense of the Company;

(ii) In view of publication of the Financial Results of the Company in newspapers and disseminating the same on the website of the Company as well as on the website of the Stock Exchanges, the Company does not consider it prudent to circulate the half-yearly Results separately to the Shareholders;

(iii) The Company's Financial Statements have been accompanied with unmodified audit opinion – both on quarterly and yearly basis and also both on standalone and consolidated basis;

(iv) The Internal Auditors of the Company are independent and their Reports are placed before the Audit Committee.

Shareholder Information

(i) Annual General Meeting:

Day : Monday

Date : 28th September, 2020

Time : 11.30 a.m.

Venue: AGM shall be held through Video Conferencing or Other Audio Visual Means in compliance with SEBI/MCA circulars without the physical presence of members at a common venue. The proceedings of the AGM shall be deemed to be conducted at the Registered office of the Company which shall be deemed venue of the AGM.

iii) **Financial Year:** The Financial Year of the Company is from 1st April to 31st March.

(iii) Financial Calendar (tentative):

June 30, 2020	Second week of August, 2020
September 30, 2020	Second week of November, 2020
December 31, 2020	Second week of February, 2021
March 31, 2021	Within May, 2021

(iv) Date of Book Closure:

Day	Date	To	Day	Date
Tuesday	22/9/2020		Monday	28/9/2020

(v) A)

Name and address of Stock Exchanges:	Scrip Code
BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001	538092
The Calcutta Stock Exchange Ltd. 7, Lyons Range, Kolkata-700 001	10020009

B) Payment of Listing Fees: Annual listing fee for the year 2020-21 has been paid by the company to BSE and CSE Limited.

C) Demat ISIN No. for NSDL & CDSL : INE574G01013

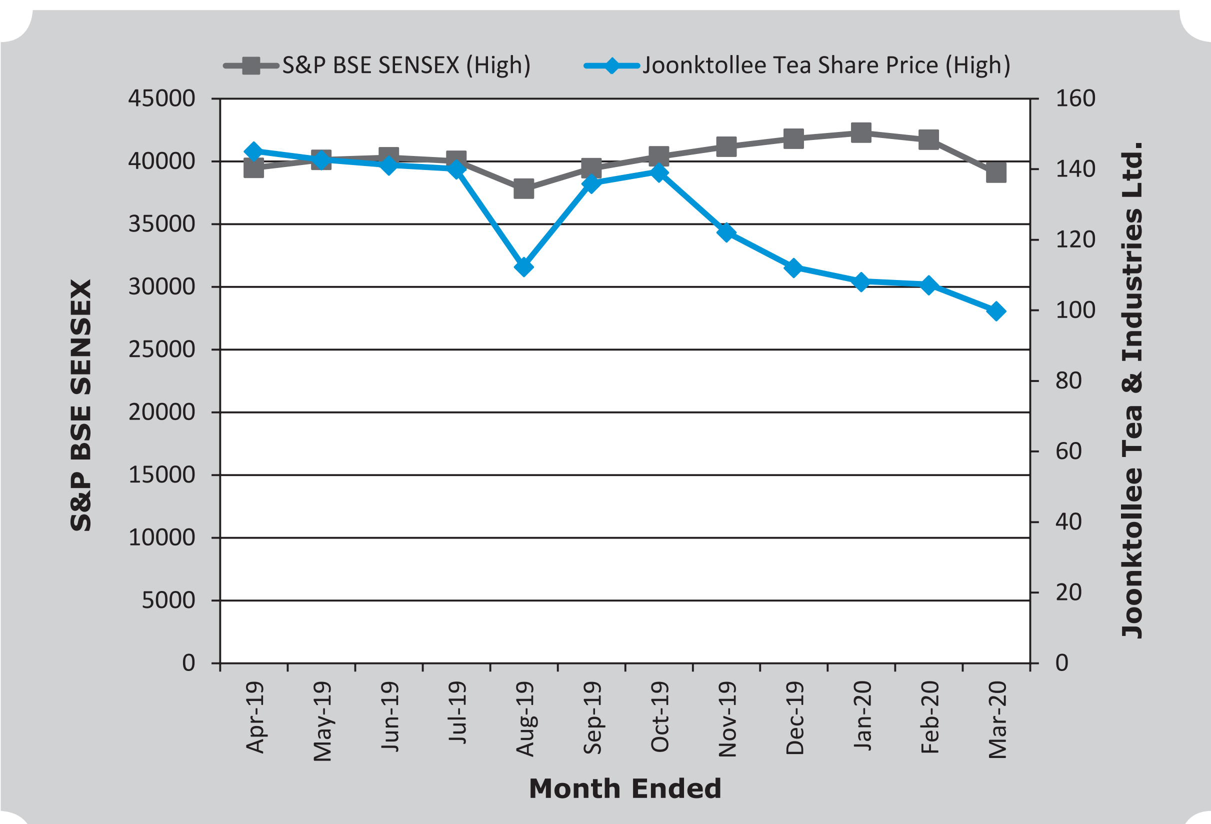
(vi) Stock Market Performance

There were no transactions in the equity shares of the Company at The Calcutta Stock Exchange, hence there is no monthly high and low quotations and volume of shares traded on the Stock Exchange during the year. However, the month-wise high, low of the market price of the

Report on Corporate Governance *(Contd.)*

Company's shares traded on BSE along with month-wise high, low of the BSE SENSEX are as under :

Months	Stock Price at BSE		BSE SENSEX	
	High (₹)	Low (₹)	High	Low
April, 2019	144.95	122.00	39487.45	38460.25
May, 2019	142.50	118.70	40124.96	36956.10
June, 2019	140.95	121.45	40312.07	38870.96
July, 2019	139.90	115.50	40032.41	37128.26
August, 2019	112.20	92.75	37807.55	36102.35
September, 2019	135.80	89.50	39441.12	35987.80
October, 2019	139.00	112.00	40392.22	37415.83
November, 2019	122.00	100.05	41163.79	40014.23
December, 2019	112.00	99.55	41809.96	40135.37
January, 2020	108.00	97.00	42273.87	40476.55
February, 2020	107.10	91.80	41709.30	38219.97
March, 2020	99.70	68.25	39083.17	25638.90



Report on Corporate Governance *(Contd.)*

(vii) Registrars And Share Transfer Agent :

M/s. Maheshwari Datamatics Pvt. Ltd.
23, R.N. Mukherjee Road, 5th Floor,
Kolkata 700 001
Phone : (033) 2248-2248
Fax No.:(033) 2248-4787
E-mail : mdpldc@yahoo.com

(viii) Share Transfer System :

Transfer of equity shares of the company are permitted only in dematerialized form. The dematerialized shares are credited directly to the respective Demat Account of beneficiaries by the Depositories.

Securities and Exchange Board of India (SEBI) vide its notification dated 8th June, 2018 has notified Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 (Listing Regulations) and SEBI (Registrars to an Issue and Share Transfer Agents) (Amendment) Regulations 2018 (RTA Regulations) and amendment to Regulation 40 of the Listing Regulations and Clause 5(c) of Schedule III of the RTA Regulations. These amendments have mandated that the transfer of securities would be carried out only in dematerialized form.

(ix) A) Shareholding Pattern as on March 31, 2020 :

CATEGORY		NO. OF SHARES HELD	% OF SHARE CAPITAL
A.	PROMOTER'S HOLDING		
1.	Promoters		
a.	Indian Promoters	3106138	74.9876
	Total	3106138	74.9876
B.	NON-PROMOTER'S HOLDING		
2.	Institutional Investors		
a.	Banks, Financial Institutions, Insurance Companies	242035	5.8431
	Total	242035	5.8431
3.	OTHERS		
a.	Bodies Corporate	62342	1.5050
b.	Indian Public	649123	15.6710
c.	NRIs/OCBs	2775	0.0670
d.	Foreign Nationals	14062	0.3395
e.	IEPF	65395	1.5788
f.	Others	331	0.0080
	Total	794028	19.1693
	GRAND TOTAL	4142201	100.0000

Report on Corporate Governance *(Contd.)*

B) Distribution of Shareholding as on March 31, 2020:

Category	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholding
Upto 500	3024	94.2056	206068	4.9748
501 to 1000	81	2.5234	57276	1.3827
1001 to 2000	50	1.5576	66620	1.6083
2001 to 3000	19	0.5919	48337	1.1669
3001 to 4000	2	0.0623	6933	0.1674
4001 to 5000	3	0.0935	13265	0.3202
5001 to 10000	8	0.2492	62832	1.5169
10001 and above	23	0.7165	3680870	88.8627
GRAND TOTAL	3210	100.0000	4142201	100.0000

(x) Dematerialisation of Shares And Liquidity :

The trading in Company's shares on the Stock Exchange is permitted only in dematerialized form. In order to enable the shareholders to hold their share in electronic form and to facilitate scripless trading, the Company has entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) whereby shareholders have the option to dematerialize their shares with either of the Depositories.

As stipulated by SEBI, a practicing Company Secretary carries out the Reconciliation of Share Capital Audit on quarterly basis to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital and the same is deposited with stock exchanges within the stipulated time period.

Status of Dematerialisation as on 31st March, 2020 was as under :

Particulars	No. of Shares	% to Total Capital	No. of Accounts
National Securities Depository Limited	2487248	60.0466	1550
Central Depository Services (India) Limited	1527826	36.8844	908
Total Dematerialised	4015074	96.9310	2458
Physical	127127	3.0690	1111
Grand Total	4142201	100.0000	3569

(xi) Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, Conversion date and likely impact on Equity:

The Company did not have any outstanding GDRs / ADRs / Warrants or Convertible Instruments as on 31st March, 2020.

Report on Corporate Governance *(Contd.)*

(xii)Locations:

A. Tea / Coffee/ Rubber Estates and Factories are located at –

Tea

Joonktollee Tea Estate
P.O. Barbam-786 624
Dist. Dibrugarh, Assam

Shree Ganga Tea Estate
P.O. Barbam-786 624
Dist. Dibrugarh, Assam

Goomankhan Tea Estate
Hirebile P.O.577121
Dist. Chikmagalur, Karnataka

Kolahalmedu Tea Estate
Vagamon Post
P.O. Pullikanam-685503
Dist. Idukki, Kerala

Jamirah Tea Estate
P.O. Dibrugarh-786 001
Dist. Dibrugarh, Assam

Nilmoni Tea Estate
P.O. Tinkhong-786 112
Rajgarh, Assam

Pullikanam Tea Estate
Vagamon Post
P.O. Pullikanam-685503
Dist. Idukki, Kerala

Azizbagh Tea Estate
Rajgarh - 786611
Dist. Dibrugarh, Assam

Coffee
Cowcoody Estate
Somwarpet-571236
Dist. Coorg, Karnataka

Rubber
Chemoni Rubber Estate
P.O. Palapilly-680304
Dist. Trichur, Kerala

Pudukad Rubber Estate
P.O. Palapilly-680304
Dist. Trichur, Kerala

Echipara Rubber Estate
P.O. Palapilly-680304
Dist. Trichur, Kerala

B. **Administrative Office –**
Cowcoody Chambers
234-A, Race Course Road
Coimbatore-641 018
Tamil Nadu

Report on Corporate Governance *(Contd.)*

(xiii) Address for correspondence :

Registrar & Share Transfer Agents	Registered Office
Maheshwari Datamatics Pvt. Ltd. 23, R.N. Mukherjee Road, 5th Floor Kolkata - 700 001. Tel : 033-2248-2248 Fax : 033-2248-4787 e-mail : mdpldc@yahoo.com	Joonktollee Tea & Industries Ltd. 21, Strand Road, Kolkata – 700 001. Tel : 033-2230-9601 Fax : 033-2210-6495 e-mail : info@joonktolleetea.in / investors@ joonktollee tea.in

(xiv) Credit Ratings

During the year under review, CARE has affirmed the rating of BB+/Stable for the bank facilities of the Company.

(xv) Transfer of unpaid and unclaimed dividend to Investor Education and Protection Fund

The Company has transferred the unpaid and unclaimed dividends declared up to financial years 2011-2012, from time to time, to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Pursuant to the provisions of IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 9th September, 2019 (date of last Annual General Meeting) on the website of the Company at the web link at http://joonktolleetea.in/unpaid_dividend.html

Unclaimed shares transferred to IEPF Authority

In line with the IEPF Rules, the Company sends reminder letter to all such shareholders, whose dividend has remained unpaid / unclaimed for a consecutive period of 7 years with a request to claim the dividends, failing which the shares would be transferred to the IEPF Authority on the due date which is available at the Company's website at http://joonktolleetea.in

Accordingly, all such shares in respect of which dividend had remained unclaimed for a consecutive period of 7 years from the financial years 2011-2012 to 2018-2019 were transferred to the demat account of the IEPF authority. The details of such shares uploaded on the website of the Company www.joonktolleetea.in

During the year under review there are no shares in the demat suspense account or unclaimed suspense account of the Company.

Mr. Sharad Bagree, Company Secretary is the Nodal Officer for IEPF related matters.

(xvi) Corporate Governance Compliance Certificate :

Certificate from Ms. Sweety Kapoor, a practicing Company Secretary, confirming compliance with the relevant provisions of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred in Regulation 15(2) of the Listing Regulations for the financial year ended 31st March, 2020 is attached to the Corporate Governance Report forming part of the Directors' Report.

This Certificate will be forwarded to the Stock Exchanges alongwith the Annual Report of the Company.

DECLARATION BY THE CHAIRMAN ON CODE OF CONDUCT

This is to certify that all the Members of the Board of Directors and Senior Management of the Company, have confirmed compliance with the Company's Code of Conduct during April, 2019 to March, 2020 as provided under the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

On behalf of the Board

Place : Kolkata
Date : 14th July, 2020

(H.Bangur)
Chairman

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To
The Members of Joonktollee Tea & Industries Ltd.

I have examined the compliance of conditions of Corporate Governance by Joonktollee Tea & Industries Limited ('the Company'), for the year ended 31st March, 2020, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, of the said Company with stock exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. On account of pandemic "COVID 2019 and nation wise lockdown imposed by governments, audit process has been modified wherein certain documents/records etc. were verified in electronic mode and have been relied on representations received from the company. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, read with the matter described hereinabove, and considering the relaxations granted by Ministry of Corporate Affairs and SEBI warranted due to the spread of COVID -19, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulations'), of the said Company with stock exchanges.

I further 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 the affairs of the Company.

(Sweety Kapoor)
Practising Company Secretary
Membership No.FCS 6410, C.P. No.5738

Place : Kolkata
Kolkata : 14th July, 2020

Report on Corporate Governance Report *(Contd.)*

Annexure – F

Information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year alongwith the percentage increase in remuneration of each Director and Key Managerial Personnel (KMP) during the financial year:

Sl. No.	Name of Director and KMP	Designation	Ratio of remuneration of each Director/KMP to the median remuneration of employees	% increase in remuneration in the Financial Year 2019-20
1.	Mr. M. Raman	Manager	3.21	8.00%
2.	Mr. S. Das	Chief Financial Officer	2.74	21.05%
3.	Mr. S. Bagree	Company Secretary	2.98	8.69%

The Independent Directors & Non-Executive Directors of the Company are entitled to sitting fee as per statutory provisions of the Companies Act, 2013, details of which has been provided in the Corporate Governance Report. The ratio of remuneration and percentage increase for the same is, therefore, not considered for the purpose above.

(ii) The percentage increase in the median remuneration of employees in the financial year: 5.53%

(iii) The number of permanent employees on the rolls of the Company as on 31st March, 2020: 3203

(iv) Average percentage increase for other than managerial personnel was 6.41%, whereas average percentage increase for managerial personnel was 8.13%.

(v) The Company affirms that the remuneration is as per the Remuneration Policy of the Company.

Independent Auditor's Report *(Contd.)*

To The Members of
JOONKTOLLEE TEA & INDUSTRIES LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of Joonktollee Tea & Industries Limited ("the Company"), which comprise the Standalone Balance Sheet as at March 31st 2020, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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, and its loss, total comprehensive income, the 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 Responsibility 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 ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made there under, 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below as Key audit matters and for each matter, our description of how our audit addressed the matter is provided in that context.

Independent Auditor's Report *(Contd.)*

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>Investment in Associate and Subsidiaries

The company carries its investments in two subsidiaries and an associate at cost, adjusted for impairment if any. At 31st March 2020, total investments amounted to INR 47.18 crs, The amount is significant to the financial statements. Moreover, the testing of impairment exercise involves the use of estimates and judgements. The identification of impairment events and the determination of an impairment charge also require the application of significant judgement by management, in particular with respect to the timing, quantity and estimation of future cash flows. In view of the significance of the investments and the above, we consider investment valuation/impairment to be a significant key audit matter.</td><td>Our audit procedures comprised, amongst others:
• We have assessed the valuation methodology used by management and the requirements in IndAS and tested the inputs used
• Our audit response also consisted of analysing the possible indications of impairment and discussed them with management.
• We have discussed the forecasted results of the investments with management and also reviewed the substantiation of the forecasts based on historical information.
• We have reviewed the market value of assets provided by the management based upon prevalent market conditions and evidences of the market value of the assets.</td></tr>
<tr><td>Valuation of Biological Assets

The company's biological assets include standing timber, unharvested green leaf, etc., which is measured at fair value less costs to sell.

The principal assumptions and estimates in the determination of the fair value include assumptions about the yields or quantity of biological asset, market prices and the stage of transformation. The determination of these assumptions and estimates require careful evaluation by management and could lead to material impact on the financial position and the results of the Company.

Refer note no 15 to the financial statement.</td><td>With reference to this key audit matter, we have:

Evaluating the design and implementation of Company's controls around the valuation of biological assets and agricultural produce.
• Assessing the plucking yields and basis of quantification of biological asset and analyse the stage of transformation considered for the fair valuation.
• Assessing the basis, reasonableness and accuracy of adjustments made to market prices.
• Testing the consistency of application of the fair value approaches and models over the years.</td></tr>
</table>

Independent Auditor's Report *(Contd.)*

Key audit matters	How our audit addressed the key audit matter
Contingent Liabilities	
The Company is exposed to different laws, regulations and interpretations thereof. The company is also subject to number of significant claims and litigations. The assessment of the likelihood and quantum of any liability in respect of these matters can be judgmental due to the uncertainty inherent in their nature. At March 31, 2020, the Company has disclosed significant pending legal cases with respect to Income tax under appeal, Seigniorage Charges, lease rent and other material contingent liabilities [Refer Note 39.1 to the financial statements]. We considered this to be a key audit matter, since the accounting and disclosure of claims and litigations is complex and judgmental, and the amounts involved are, or can be, material to the financial statements.	Our audit procedures included among others: I. Understanding and assessing the internal control environment relating to the identification, recognition and measurement of provisions for disputes, potential claims and litigation, and contingent liabilities; II. Analyzed significant changes/update from previous periods and obtained a detailed understanding of such items. Assessed recent judgments passed by the court authorities affecting such change; III. Discussed the status of significant known actual and potential litigations with the management & noted that information placed before the board for such cases and IV. Assessment of the management's assumptions and estimates related to the recognized provisions for disputes and disclosures of contingent liabilities in the financial statements.

Information other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including annexure to the Board's Report&other Shareholder's Information, but does not include theConsolidated Financial Statements, 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 theStandalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone 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 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, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with (Indian Accounting Standards) Rules, 2015, as

Independent Auditor's Report *(Contd.)*

amended. 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 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 Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether theStandalone 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 theseStandalone 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- 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. Refer to paragraph "material uncertainty related to going concern" above in respect to our reporting in respect to

Independent Auditor's Report *(Contd.)*

going concern appropriateness. 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 Standalone 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 Statementsfor 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.

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 sub-section (11) of section 143 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, 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 accountas required by law have been kept by the Company so far as it appears from our examination of those books;
   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
   (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time;

Independent Auditor's Report *(Contd.)*

(e) 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;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to theseStandalone Financial Statementsand the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;

(g) In our opinion and to the best of our information and according to the explanation 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.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 39.1 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 during the year.

For **JKVS & CO**
(Formerly known as Jitendra K. Agarwal & Associates)
Chartered Accountants
Firm's Registration No. 318086E

(Utsav Saraf)
Partner
Membership No. 306932
UDIN: 20306932AAAABG2434

Place: Kolkata
Date: 14th July, 2020

Annexure - A to the Independent Auditor's Report

(Referred to in 'Report on Other Legal and Regulatory Requirements' section of our report of even date in respect to statutory audit of Joonktollee Tea & Industries Limited for the year ended 31st March 2020)

We report that:

i. In respect of its fixed assets:

a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) According to information and explanation given to us, fixed assets have been physically verified during the year by the management at reasonable intervals and no material discrepancies have been noticed on such physical verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

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 except for in as follows:

Name of the Unit	Assets Description	As at 31st march 2020 (Rs in Lacs)		Remarks
		Gross Block	Net Block	
Shreemoni Tea Factory	Leasehold Land and Buildings	617.29	274.61	In process of transfer in the name of Company
Joonktollee Tea Estate	Leasehold Land	2.25	2.25	
Chemoni & Pudukad Rubber Estate	Leasehold Land	10.60	10.60	

ii. According to information and explanation given to us, inventories were physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on such verification.

iii. In our opinion and according to information and explanation given to us, the Company has not granted any loan to parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, paragraph 3(iii) of the 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 Section 186 of the Act, with respect to the loans given. The company has neither issued any guarantee nor has provided any security on behalf of any parties or made any investment in parties covered under Section 185 and Section 186 of the Act.

v. According to information and explanations given to us, the Company has not accepted any deposits within the meaning of Sections 73 to Sections 76 of the Act during the year.

vi. The Central Government has prescribed maintenance of Cost records under section 148(1) of the Act for the Company's Tea, Rubber and Coffee units. We have broadly reviewed the books of accounts maintained by Company in respect of product, where pursuant to the rule made by the Central Government of India the maintenance of cost records has been prescribed under section 148 (1) of the Companies Act 2013 and are of the opinion that, prima facie, the prescribed records have been maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

Annexure - A to the Independent Auditor's Report *(Contd.)*

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 regular in depositing undisputed statutory dues including provident fund, employee's state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, Goods & Service tax, cess and other statutory dues 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, Goods & Service tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at 31st March 2020 for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us and records of Company examined by us, the dues of sales tax, income tax, duty of customs, duty of excise, service tax and value added tax which have not been deposited on account of any dispute and the forum where the dispute is pending as on 31st March, 2020 are as under :-

Name of the Statute	Nature of Dues	Amount (Rs. In Lakh)	Period to which the amount relates	Forum where dispute pending
Income Tax Act 1961	Income Tax Demand	82.56	A.Y 2007-08 to 2013-14	Commissioner of Income Tax Appeal
Karnataka Agricultural Income Tax Act 1957	Agricultural Income Tax	12.29	A.Y 2009-10 and 2010-11	Joint Commissioner of Commercial Taxes (Appeal)

viii. Based on our audit procedures and on the basis of information and explanations given by the management, the Company has not defaulted in repayment of dues to the Banks during the year. However, one installment due to HDFC bank amounting to 93.48 lacs which was due on 31 March 2020 and the same was paid on 3rd April 2020 due to lockdown.

ix. Based on information and explanations given to us and records of the Company examined by us, the Company has raised Term Loan during the year and has applied the same for the purpose for which term loans are raised. The company did not raise any money by way of initial public offer or further public offer including debt instruments during the year.

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. In our opinion and according to the information and explanations given to us, 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 financial statements as required by the applicable accounting standards.

Annexure - A to the Independent Auditor's Report *(Contd.)*

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.

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.

For **JKVS & CO**
(Formerly known as Jitendra K. Agarwal & Associates)
Chartered Accountants
Firm's Registration No. 318086E

(Utsav Saraf)
Partner
Membership No. 306932
UDIN: 20306932AAAABG2434

Place: Kolkata
Date: 14th July, 2020

Annexure - B to the Independent Auditor's Report

(Referred to in paragraph 2 (f) under "Report on Other Legal and Regulatory Requirements" section of our Report to the members of Joonktollee Tea & Industries Limitedof even date)

We have audited the internal financial controls over financial reporting of Joonktollee Tea & Industries Limited("the Company") as of 31st March 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 OVER FINANCIAL REPORTING

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

AUDITOR'S RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the

Annexure - B to the Independent Auditor's Report *(Contd.)*

maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations 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

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

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

For **JKVS & CO**
(Formerly known as Jitendra K. Agarwal & Associates)
Chartered Accountants
Firm's Registration No. 318086E

(Utsav Saraf)
Partner
Membership No. 306932
UDIN: 20306932AAAABG2434

Place: Kolkata
Date: 14th July, 2020

Balance Sheet

as at 31st March, 2020

(₹ in lakhs)

	Note No.	As at 31st March, 2020		As at 31st March, 2019	
ASSETS					
1 NON-CURRENT ASSETS					
a Property, Plant and Equipment	5	10,435.28		10,616.28	
b Capital Work-In-Progress		585.03		595.77	
c Intangible Assets	6	1.33		2.84	
d Intangible Assets under Development		82.67		-	
e Rights to use Assets	7	58.78		-	
f Biological Asset other than Bearer Plants	15	3,235.60		3,276.99	
g Investment in Subsidiaries & Associate	8	4,718.45		4,718.45	
h Financial Assets					
i. Investments	9	114.27		80.71	
ii. Loans	10	201.20		206.56	
i Non-Current Tax Assets (Net)	12	371.70		317.00	
j Other Non-Current Assets	13	291.01	20,095.32	250.51	20,065.11
2 CURRENT ASSETS					
a Inventories	14	1,284.04		1,190.10	
b Biological Asset other than Bearer Plants	15	6.64		26.99	
c Financial Assets					
i Trade Receivables	16	166.75		195.86	
ii Cash and Cash Equivalents	17	28.58		30.36	
iii Bank balances other than Note ii above	18	15.10		17.63	
iv Loans	10	45.38		395.07	
v Other Financial Assets	11	7.18		4.77	
d Other Current Assets	13	326.06	1,879.73	197.10	2,057.88
Total Assets			**21,975.05**		**22,122.99**
EQUITY AND LIABILITIES					
EQUITY					
a Equity Share Capital	19	414.22		414.22	
b Other Equity	20	11,696.38	12,110.60	14,150.96	14,565.18
LIABILITIES					
1 NON-CURRENT LIABILITIES					
a Financial Liabilities					
i Borrowings	21	615.12		1,200.00	
ii Lease Liabilities		28.16			
b Provisions	22	892.21		476.10	
c Deferred Tax Liabilities (Net)	23	1,037.83	2,573.32	1,205.18	2,881.28
2 CURRENT LIABILITIES					
a Financial Liabilities					
i Borrowings	24	5,279.94		2,825.43	
ii Lease Liability		18.00		-	
iii Trade Payables	25				
Total outstanding dues to micro enterprises and small enterprises		-		-	
Total outstanding dues of creditor other than micro enterprises and small enterprises		491.20		475.05	
iv Other Financial Liabilities	26	984.28		975.42	
b Other Current Liabilities	27	266.33		167.56	
c Provisions	22	251.38	7,291.13	233.07	4,676.53
Total Equity and Liabilities			**21,975.05**		**22,122.99**

Basis of preparation and presentation of Financial Statement	2
Significant Accounting Policies	3
Significant Judgements & Key Estimates	4

The Notes are an integral part of the Financial Statements

As per our report of even date annexed.
For and on behalf of
J K V S & CO
Chartered Accountants
Firm Registration No. 318086E

Utsav Saraf
(Partner)
Membership No. 306932
Place: Kolkata
Dated: 14th July, 2020

For and on behalf of Board of Directors

Hemant Bangur
Chairman
(DIN 00040903)

Manoj Kumar Daga
Director
(DIN 00123386)

Sayansiddha Das
Chief Financial Officer

Sharad Bagree
Manager (Finance) & Company Secretary

Statement of Profit & Loss

for the year ended 31st March, 2020

(₹ in lakhs)

	Note No.	For the year ended 31st March, 2020	For the year ended 31st March, 2019
INCOME			
Revenue from Operations	28	8,286.78	9,498.31
Other Income	29	115.83	905.76
Total Income		**8,402.61**	**10,404.07**
EXPENSES			
Cost of Materials Consumed	30	1,661.42	1,863.85
Purchase of Traded Goods		7.96	7.54
Changes in Inventories of Finished Goods, Traded Goods and Work-in-Progress	31	(100.72)	657.93
Employee Benefits Expense	32	5,576.97	5,274.67
Finance Costs	33	639.30	641.87
Depreciation and Amortisation Expense	34	634.99	632.38
Other Expenses	35	2,380.25	2,566.89
Total Expenses		**10,800.17**	**11,645.13**
Profit/(Loss) before Tax		**(2,397.56)**	**(1,241.06)**
Tax Expense:	36		
Current Tax		-	-
Income Tax for Earlier Years		-	27.72
Deferred Tax		(103.65)	(159.28)
Profit/(Loss) for the year		**(2,293.91)**	**(1,109.50)**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss	37		
Remeasurement of the defined benefit plans		(257.94)	(72.57)
Fair value of Equity Instruments through OCI		33.56	42.12
Less: Income tax relating to these items		(63.71)	(14.65)
Other Comprehensive Income for the Year (Net of Tax)		**(160.67)**	**(15.80)**
Total Comprehensive Income for the period		**(2,454.58)**	**(1,125.30)**
Earnings Per Share of ₹ 10/- each			
Basic & Dilluted	38	(55.38)	(26.79)

Basis of preparation and presentation of Financial Statement	2
Significant Accounting Policies	3
Significant Judgements & Key Estimates	4

The Notes are an integral part of the Financial Statements

As per our report of even date annexed.
For and on behalf of
J K V S & CO
Chartered Accountants
Firm Registration No. 318086E

Utsav Saraf
(Partner)
Membership No. 306932
Place: Kolkata
Dated: 14th July, 2020

For and on behalf of Board of Directors

Hemant Bangur
Chairman
(DIN 00040903)

Manoj Kumar Daga
Director
(DIN 00123386)

Sayansiddha Das
Chief Financial Officer

Sharad Bagree
Manager (Finance) & Company Secretary

Statement of Changes in Equity

for the year ended 31st March, 2020

(₹ in lakhs)

a)	Equity Share Capital	
	Balance as at 31st March 2018	414.22
	Add/(Less): Changes in Equity Share Capital during the year	-
	Balance as at 31st March 2019	414.22
	Add/(Less): Changes in Equity Share Capital during the year	-
	Balance as at 31st March 2020	**414.22**

b) Other Equity

Particulars	other Equity attributable to owner of the Company						Other Comprehensive Income		Total
	Capital Reserve	Capital Redemption Reserve	Capital Reserve in the nature of Securities Premium	Securities Premium	General Reserve	Retained Earnings	Remeasurement of defined benefit obligation through Other Comprehensive Income	Fair Value of Equity Instruments through Other Comprehensive Income	
Balance as at 31st March, 2018	6,982.04	0.42	698.39	247.01	3,102.64	4,270.73	-	-	15,301.23
Profit/ (Loss) for the year	-	-	-	-	-	(1,109.50)	-	-	(1,109.50)
Other Comprehensive Income	-	-	-	-	-	-	(53.70)	37.90	(15.80)
Total Comprehensive Income for the year	-	-	-	-	-	(1,109.50)	(53.70)	37.90	(1,125.30)
Dividends Paid	-	-	-	-	-	(20.71)	-	-	(20.71)
Dividend Distribution Tax	-	-	-	-	-	(4.26)	-	-	(4.26)
Transfer of Remeasurement of defined benefit obligation	-	-	-	-	-	(53.70)	53.70	-	-
	-	-	-	-	-	(78.67)	53.70	-	(24.97)
Balance as at 31st March, 2019	6,982.04	0.42	698.39	247.01	3,102.64	3,082.56	-	37.90	14,150.96
Profit/ (Loss) for the year	-	-	-	-	-	(2,293.91)	-	-	(2,293.91)
Other Comprehensive Income	-	-	-	-	-	-	(190.88)	30.21	(160.67)
Total Comprehensive Income for the year	-	-	-	-	-	(2,293.91)	(190.88)	30.21	(2,454.58)
Transfer of Remeasurement of defined benefit obligation	-	-	-	-	-	(190.88)	190.88	-	-
	-	-	-	-	-	(190.88)	190.88	-	-
Balance as at 31st March, 2020	6,982.04	0.42	698.39	247.01	3,102.64	597.77	-	68.11	11,696.38

Basis of preparation and presentation of Financial Statement	2
Significant Accounting Policies	3
Significant Judgements & Key Estimates	4

The Notes are an integral part of the Financial Statements

As per our report of even date annexed.
For and on behalf of
J K V S & CO
Chartered Accountants
Firm Registration No. 318086E

Utsav Saraf
(Partner)
Membership No. 306932
Place: Kolkata
Dated: 14th July, 2020

For and on behalf of Board of Directors

Hemant Bangur
Chairman
(DIN 00040903)

Manoj Kumar Daga
Director
(DIN 00123386)

Sayansiddha Das
Chief Financial Officer

Sharad Bagree
Manager (Finance) & Company Secretary

Cash Flow Statement

for the year ended 31st March, 2020

(₹ in lakhs)

	Particulars	2019-2020		2018-2019	
A)	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit/(Loss) before Tax		**(2,397.56)**		**(1,241.06)**
	Adjusted for :				
	Depreciation & Amortisation	634.99		632.38	
	Loss / (Profit) on Sale/discard of Property, Plant & Equipment (net)	6.08		(2.19)	
	Loss / (Profit) on Sale of Non Current Investment	-		(802.11)	
	Interest Income	(24.27)		(74.62)	
	Finance Cost	639.30		641.87	
	Fair Valuation for Biological Assets other than bearer plants	61.74		(19.38)	
	Sundry Credit bal. no longer required written back	(10.89)		(6.99)	
	Provision for doubtful debts/Advances and Advances written off (Net)	(2.00)	1,304.95	-	368.96
	Operating Profit /(Loss)before working capital changes		**(1,092.61)**		**(872.10)**
	Adjustments for :				
	(Increase)/Decrease in Trade Receivables	29.11		579.68	
	(Increase)/Decrease in Inventories	(93.93)		706.47	
	(Increase)/Decrease in Loans, Other Financial Assets & Other Assets	(133.63)		(41.33)	
	Increase/(Decrease) in Trade Payables & Other Liability	17.38		139.56	
	Increase/(Decrease) in Provisions	176.48	(4.61)	116.96	1,501.32
	Cash Generated from Operations		(1,097.22)		629.22
	Direct Taxes (Paid)(net of refund)		(54.71)		0.70
	Net Cash from/(used in) operating activities		**(1,151.92)**		**629.92**
B)	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of Property,Plant and Equipment & Intangible Assets including CWIP / Capital Advances	(537.81)		(319.23)	
	Sale of Property,Plant and Equipment Assets	5.34		6.67	
	Sale of Non Current Investments carried at Cost in a Subsidiary	-		1,696.72	
	(Placement)/ Redemption Fixed deposits (net)	-		1.40	
	(Increase)/Decrease in Loans to Related Parties	330.00		(130.00)	
	Interest Income received	24.27		99.14	
	Net cash from/(used in) Investing Activities		**(178.20)**		**1,354.70**

Cash Flow Statement

for the year ended 31st March, 2020

(₹ in lakhs)

	Particulars	2019-2020		2018-2019	
C)	CASH FLOW FROM FINANCING ACTIVITIES				
	Proceeds from Non Current Borrowings	21.34		400.00	
	Repayments of Non Current Borrowings	(508.00)		(1,000.00)	
	Repayments of Lease Liabilities	(12.44)		-	
	(Repayments)/Proceeds from Current Borrowings	2,454.50		(907.49)	
	Finance Cost paid	(627.06)		(702.69)	
	Corporate Dividend tax paid	-		(24.97)	
	Net Cash from/(used in) Financing Activities		**1,328.34**		**(2,235.15)**
	Net Change in Cash and Cash Equivalents		**(1.78)**		**(250.53)**
D)	Cash and Cash Equivalents balances				
	Balances at the beginning of the year		30.36		280.89
	Balances at the end of the year		**28.58**		**30.36**

Notes :

1. Cash and cash equivalents consists of cash in hand and balances with banks in Current / Cash Credit accounts as per note 17
2. Cash and cash equivalents consists of:

	Particulars	2019-2020	2018-2019
	Cash in hand	9.50	3.89
	Bank Balance	19.08	26.47
	Total	28.58	30.36

Basis of preparation and presentation of Financial Statement 2

Significant Accounting Policies 3

Significant Judgements & Key Estimates 4

As per our report of even date annexed.
For and on behalf of
J K V S & CO
Chartered Accountants
Firm Registration No. 318086E

Utsav Saraf
(Partner)
Membership No. 306932
Place: Kolkata
Dated: 14th July, 2020

For and on behalf of Board of Directors

Hemant Bangur
Chairman
(DIN 00040903)

Manoj Kumar Daga
Director
(DIN 00123386)

Sayansiddha Das
Chief Financial Officer

Sharad Bagree
Manager (Finance) & Company Secretary

Notes to Financial Statements

as at and for the year ended 31st March, 2020

1. CORPORATE AND GENERAL INFORMATION

Joonktollee Tea & Industries Limited was incorporated as a Limited Company in India under the Companies Act 1956 and has its listing on the BSE Limited and CSE Limited. The registered office of the Company is at 21, Strand Road Kolkata - 700 001. The Company's principal business is manufacturing of Tea, Coffee and Rubber.

2. BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENT

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 standalone financial statements of the Company for the year ended 31st March, 2020 has been approved by the Board of Directors in their meeting held on 14th July, 2020.

2.2. **Basis of Measurement**

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

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

2.3. **Functional and Presentation Currency**

The Financial Statements are presented in Indian Rupee (INR), which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates. All financial information presented in INR has been rounded off to the nearest 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. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

2.5. **Presentation of Financial Statements**

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

Notes to Financial Statements

as at and for the year ended 31st March, 2020

2.6. Operating Cycle for current and non-current classification

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

An asset is classified as current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- 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.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- 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

Some of the accounting policies and disclosures of the company require Fair Value measurement for both financial and non-financial assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

Notes to Financial Statements
as at 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 categorised within the fair value hierarchy, described as follows, based on the input that is significant to the fair value measurement as a whole:

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

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

2.8 Recent Accounting Pronouncement- 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.

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

Raw materials (including purchased tea leaves), Stores & Spare parts, Finished Goods and Stock in trade are stated at the lower of cost and estimated net realisable value. Cost comprises of expenditure incurred in the normal course of business in bringing such inventories to their present location and condition and includes appropriate overheads (in case of Finished Goods). Cost is determined on weighted average basis. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

- Raw material:- in nature of harvested tea leaves, picked cherries, latex and other minor agricultural produce raised from own gardens are measured at fair value less cost of sale at point of harvest. The same cost is used for measuring cost for the purpose of valuation of finished goods.
- Stores and Spare Parts: Stores and Spare Parts are measured at cost (measured at weighted average basis) or net realizable value whichever is lower.
- Stock in Process: Is valued with material at lower of weighted average cost and market rate and estimated conversion cost.
- Finished Goods: Finished goods produced from agricultural produce are valued at lower of cost and the net realizable value. Cost is arrived at by adding the cost of conversion to the fair value of agricultural produce. Other finished goods are measured at cost or NRV whichever is lower.
- Waste/ Scrap: Waste and Scrap (including tea waste) are valued at estimated realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Notes to Financial Statements
as at and for the year ended 31st March, 2020

3.2. CASH AND CASH EQUIVALENTS

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

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

3.3. INCOME TAX

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate as per taxation laws under Income tax act, 1961 and under respective state Agriculture Income tax act and adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Current and deferred tax is recognised in the statement of profit & loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

3.3.1. Current Tax:

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

3.3.2. Deferred Tax

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

Notes to Financial Statements

as at and for the year ended 31st March, 2020

- Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

3.4. PROPERTY, PLANT AND EQUIPMENT

3.4.1. Tangible Assets (Other than Bearer Plants)

3.4.1.1. Recognition and Measurement:

- Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost, less any accumulated depreciation and accumulated impairment losses (if any).
- Cost of an item of property, plant and equipment acquired comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting any trade discounts and rebates, any directly attributable costs of bringing the assets to its working condition and location for its intended use and present value of any estimated cost of dismantling and removing the item and restoring the site on which it is located.
- If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.
- Profit or loss arising on the disposal of property, plant and equipment are recognized in the Statement of Profit and Loss.

3.4.1.2. Subsequent Measurement:

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

3.4.1.3. Depreciation and Amortization:

- Depreciation on Property, Plant & Equipment is provided under Written Down Method at rates determined based on the useful life of the respective assets and the residual values in accordance with Schedule II of the Companies Act, 2013 or as reassessed by the Company based on the technical evaluation.
- In case of asset "Fences, wells, tube wells" & "Carpeted Roads – Other than RCC", depreciation has been provided on written down value method at the rates determined considering the useful lives of 15 years which is based on assessment carried out by external valuers and the management believes that the useful lives as considered above best represent the period over which the respective assets shall be expected in use.

Notes to Financial Statements
as at and for the year ended 31st March, 2020

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

3.4.1.4. Disposal of Assets

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

3.4.1.5. Capital Work in Progress

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

3.4.2. Bearer Plants

3.4.2.1. Recognition and Measurement:

Bearer Plants which are used in the production or supply of agricultural produce and expected to bear produce for more than a period of twelve months are capitalized as part of Property, Plant and Equipments and are stated in the balance sheet at cost, less any accumulated depreciation and accumulated impairment losses (if any).The cost of Bearer Plant includes all cost incurred till the plants are ready for commercial harvest.

3.4.2.2. Depreciation:

- Depreciation on bearer plants is recognised so as to write off its cost over useful lives, using the straight-line method.
- The residual value in case of Bearer Plants has been considered as NIL. Estimated useful life of the bearer plants has been determined as the following:

Tea Bushes	50 years to 60 years
Coffee Bushes	30 years to 80 years
Rubber plants	30 years
Minor produce	30 years

3.4.2.3. Capital Work in Progress

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

Notes to Financial Statements
as at and for the year ended 31st March, 2020

3.5. 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.

3.5.1. Company as lessor

➢ Finance Lease

Leases which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item are classified and accounted for as finance lease. Lease rental receipts are apportioned between the finance income and capital repayment based on the implicit rate of return. Contingent rents are recognized as revenue in the period in which they are earned.

➢ Operating Lease

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

3.5.2. Company as lessee

➢ Finance Lease

Finance Leases, which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease Payments under such leases are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly to the statement of profit and loss. Lease management fees, legal charges and other initial direct costs are capitalized.

If there is no reasonable certainty that the Company will obtain the ownership by the end of lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

➢ Operating Lease

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 recognizes 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 recognized, 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.

Notes to Financial Statements

as at and for the year ended 31st March, 2020

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.

ii) **Lease Liabilities**

At the commencement date of the lease, the Company recognizes 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 recognized 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.

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 that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

3.6. REVENUE FROM CONTRACT WITH CUSTOMERS

Revenue from contract with customers is recognized when the Company satisfies performance obligations by transferring promised goods and services to the customer. Performance obligations are satisfied at a point of time or over a period of time. Performance obligations satisfied over a period of time are recognized as per the terms of relevant contractual agreements/arrangements. Performance obligations are said to be satisfied at a point of time when the customer obtain controls of the asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added tax. Transaction price is recognized based on the price specified in the contract, net of the estimated sales incentives/discounts. Accumulated experience is used to estimate and provide for the discounts/right of return, using the expected value method.

Notes to Financial Statements

as at and for the year ended 31st March, 2020

3.6.1. Sales 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.

3.6.2 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

3.6.3 Other Income:

i) **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.

ii) **Dividend Income:**

It is accounted for in the period in which the right to receive the same is established.

iii) **Other Income:**

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

3.7 EMPLOYEE BENEFITS

3.7.1. 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.

3.7.2. Other Long Term Employee Benefits

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

Notes to Financial Statements

as at and for the year ended 31st March, 2020

3.7.3. **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.

- **Defined Benefit Plans**

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

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

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

3.8 **GOVERNMENT GRANTS**

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

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

3.9 **FOREIGN CURRENCY TRANSACTIONS**

- Foreign currency (other than the functional currency) transactions are translated into the functional currency using the spot rates of exchanges at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchanges at the reporting date.
- Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities are generally recognized in profit or loss in the year in

Notes to Financial Statements

as at and for the year ended 31st March, 2020

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).

3.10 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 that 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.

3.11 INVESTMENT IN SUBSIDIARIES& ASSOCIATE

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

3.12 FINANCIAL INSTRUMENTS

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

3.12.1 Financial Assets

➢ **Recognition and Initial Measurement:**

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

➢ **Classification and Subsequent Measurement:**

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

o Measured at Amortized Cost;

o Measured at Fair Value Through Other Comprehensive Income (FVTOCI);

o Measured at Fair Value Through Profit or Loss (FVTPL); and

o Equity Instruments designated at Fair Value Through Other Comprehensive Income (FVTOCI).

Notes to Financial Statements
as at and for the year ended 31st March, 2020

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.

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

➢ The asset is held within a business model whose objective is achieved by both collecting contractual cash flows; and

➢ The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

- o 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.

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

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

Notes to Financial Statements

as at and for the year ended 31st March, 2020

- **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.

3.12.2 Financial Liabilities

- **Recognition and Initial Measurement:**

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

- **Subsequent Measurement:**

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

- **Derecognition:**

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

3.12.3 Offsetting financial instruments

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

Notes to Financial Statements

as at and for the year ended 31st March, 2020

3.13 Earnings Per Share

Basic Earnings per share (EPS) amounts are calculated by dividing the profit for the year attributable to equity holders bythe weighted average number of equity shares outstanding during the year.Diluted EPS amounts are calculated by dividing the profit attributable to equity holders adjusted for the effects of potentialequity shares by the weighted average number of equity shares outstanding during the year plus the weighted averagenumber 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 Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful lives of the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (Cash Generating Units – CGU).

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

3.15 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 Company or a present obligation that arises from past events but is not recognized because it is not possible that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations cannot be made. The Company discloses the existence of contingent liabilities in Other Notes to Financial Statements.

3.15.3 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.

Notes to Financial Statements

as at and for the year ended 31st March, 2020

3.16 Non-Current Assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets are not depreciated or amortised.

3.17 Intangible Assets

3.17.1 Recognition and Measurement

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

3.17.2 Subsequent Expenditure

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

3.17.3 Amortization

- Softwares 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.

3.17.4 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.

3.18 Biological Assets and Agricultural Produce

3.18.1 Biological Assets

Biological assets of the company comprises of un-harvested green tea leaves, unpicked cherries, latex on tree, timber and other minor produce are measured at fair value less cost of sales. 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.

3.18.2 Agricultural Produce

Agricultural produce harvested from the Company's biological assets are valued at fair value less cost to sell at the point of harvest. A gain or loss arising on initial recognition of agricultural produce at fair value less cost to sell shall be included in Statement of Profit & Loss for the period in which it arises.

Notes to Financial Statements

as at and for the year ended 31st March, 2020

3.19 Operating Segment

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker of the Company is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the chief operating decision maker (CODM).

The Company has identified three reportable segment "Tea", "Coffee" and "Rubber" based on the information reviewed by the CODM.

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

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

- Recognition of Deferred Tax Assets: The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits.
- Useful lives of depreciable/ amortisable assets (tangible and intangible): Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to actual normal wear and tear that may change the utility of plant and equipment.
- 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 recognising provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgement by management regarding the probability of exposure to potential loss.
- Impairment of Financial Assets:The Company reviews its carrying value of investments carried at amortized cost annually, or more frequently when there is indication of impairment. If recoverable

Notes to Financial Statements

as at and for the year ended 31st March, 2020

amount is less than its carrying amount, the impairment loss is accounted for.

- Allowances for Doubtful Debts: The Company makes allowances for doubtful debts through appropriate estimations of irrecoverable amount. The identification of doubtful debts requires use of judgment and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.
- Fair value measurement of financial Instruments:When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The input to these models are taken from observable markets where possible, but where this not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.
- Fair Value of Biological Assets and Agricultural Produce:The fair value of Biological Assets and Agricultural Produce is determined based on recent transactions entered into with third parties or available market price. Fair valuation of Biological Asset and Agriculture Produce are based on the market rates published by the industrial body for various grades from which the fair value of Biological asset and Agriculture Produce are derived.
- **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.

Notes to Financial Statements

as at and for the year ended 31st March, 2020

(₹ in lakhs)

5) PROPERTY, PLANT AND EQUIPMENT

Particulars	Year Ended 31st March 2020								
	Gross Carrying Amount				Accumulated Depreciation				
	As at 31st March 2019	Additions	Disposals	As at 31st March 2020	As at 31st March 2019	Depreciation charged during the year	Deductions	As at 31st March 2020	Net Carrying Amount
Leasehold Land and Development	2,875.47	-	-	2,875.47	-	-	-	-	2,875.47
Freehold Land and Development	489.37	-	-	489.37	-	-	-	-	489.37
Buildings	2,858.31	76.65	-	2,934.96	1,671.59	99.38	-	1,770.97	1,163.99
Plant and Machinery	3,714.72	106.80	38.30	3,783.22	2,861.88	165.96	29.95	2,997.89	785.33
Furniture and Fittings	197.61	46.82	0.26	244.17	173.42	9.57	0.24	182.75	61.42
Vehicles	580.12	40.46	36.72	583.86	472.80	34.85	33.66	473.99	109.87
Office Equipments	90.24	3.87	0.09	94.02	70.70	10.10	0.09	80.71	13.31
Bearer Plant	5,880.59	169.72	-	6,050.31	819.76	294.03	-	1,113.79	4,936.52
Total	**16,686.43**	**444.32**	**75.37**	**17,055.38**	**6,070.15**	**613.89**	**63.94**	**6,620.10**	**10,435.28**

Particulars	Year Ended 31st March 2019								
	Gross Carrying Amount				Accumulated Depreciation				
	As at 31st March 2018	Additions	Disposals	As at 31st March 2019	As at 31st March 2018	Depreciation charged during the year	Deductions	As at 31st March 2019	Net Carrying Amount
Leasehold Land and Development	2,875.47	-	-	2,875.47	-	-	-	-	2,875.47
Freehold Land and Development	489.37	-	-	489.37	-	-	-	-	489.37
Buildings	2,851.26	7.05	-	2,858.31	1,560.50	111.09	-	1,671.59	1,186.72
Plant and Machinery	3,603.17	119.78	8.23	3,714.72	2,686.80	182.50	7.42	2,861.88	852.84
Furniture and Fittings	190.29	7.78	0.46	197.61	169.87	3.93	0.38	173.42	24.19
Vehicles	603.28	25.14	48.30	580.12	482.23	35.76	45.19	472.80	107.32
Office Equipments	76.31	15.03	1.10	90.24	65.55	6.15	1.00	70.70	19.54
Bearer Plant	5,746.86	133.73	-	5,880.59	528.46	291.30	-	819.76	5,060.83
Total	**16,436.01**	**308.51**	**58.09**	**16,686.43**	**5,493.41**	**630.73**	**53.99**	**6,070.15**	**10,616.28**

Refer note no. 40 for information on the carrying amounts of financial and non-financial assets pledged as security for the non-current

Notes to Financial Statements

as at and for the year ended 31st March, 2020

(₹ in lakhs)

borrowings.

6) INTANGIBLE ASSETS

Particulars	Year Ended 31st March 2020								
	Gross Carrying Amount				Accumulated Depreciation/Amortisation				
	As at 31st March 2019	Additions	Disposals	As at 31st March 2020	As at 31st March 2019	Charged during the year	Deductions	As at 31st March 2020	Net Carrying Amount
Computer Software	7.23	-	-	7.23	4.39	1.51	-	5.90	1.33
Total	**7.23**	**-**	**-**	**7.23**	**4.39**	**1.51**	**-**	**5.90**	**1.33**

Particulars	Year Ended 31st March 2019								
	Gross Carrying Amount				Accumulated Depreciation/Amortisation				
	As at 31st March 2018	Additions	Disposals	As at 31st March 2019	As at 31st March 2018	Charged during the year	Deductions	As at 31st March 2019	Net Carrying Amount
Computer Software	5.08	2.15	-	7.23	2.74	1.65	-	4.39	2.84
Total	**5.08**	**2.15**	**-**	**7.23**	**2.74**	**1.65**	**-**	**4.39**	**2.84**

7) RIGHT TO USE

Particulars	Year Ended 31st March 2020								
	Gross Carrying Amount				Accumulated Depreciation/Amortisation				
	As at 31st March 2019	Additions	Disposals	As at 31st March 2020	As at 31st March 2019	Charged during the year	Deductions	As at 31st March 2020	Net Carrying Amount
Buildings	-	78.37	-	78.37	-	19.59	-	19.59	58.78
Total	**-**	**78.37**	**-**	**78.37**	**-**	**19.59**	**-**	**19.59**	**58.78**

8) INVESTMENT IN SUBSIDIARIES & ASSOCIATES

Particulars	Face Value (Rs.)	As at 31st March 2020		As at 31st March 2019	
		Qty	Amount	Qty	Amount
(Fully Paid-up unless otherwise stated)					
Equity investments valued at cost					
Unquoted - In trade					
Investment in Subsidiaries					
Pranav Infradev Co. Pvt. Ltd.	10	212,271	2,023.71	212,271	2,023.71
Keshava Plantations Private Limited	100	80,000	2,271.08	80,000	2,271.08
Quoted - In trade					
Investment in Associate					
The Cochin Malabar Estates & Ind. Ltd. (Note 8.1)	10	437,294	423.66	437,294	423.66
			4,718.45		**4,718.45**
Aggregate amount of quoted investments			423.66		423.66
Aggregate market value of quoted investments			253.63		257.13
Aggregate amount of unquoted investments			4,294.79		4,294.79

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as at and for the year ended 31st March, 2020

(₹ in lakhs)

8.1 Considering the investment in associate, no impairment in value of investment has been envisaged

9)	NON - CURRENT INVESTMENTS					
	Particulars	Face Value (Rs.)	As at 31st March 2020		As at 31st March 2019	
			Qty	Amount	Qty	Amount
	INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME					
	Investments in quoted Equity Instruments					
	The Phosphate Co. Ltd.	10	138,680	114.27	138,680	80.71
				114.27		**80.71**
	Aggregate amount of quoted investments (At book value)			38.60		38.60

10)	LOANS					
	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
	Security Deposit					
	Unsecured, considered good		172.49	184.78	-	-
			172.49	**184.78**	**-**	**-**
	Loans to related parties					
	Unsecured, considered good	10.1	-	-	-	330.00
			-	**-**	**-**	**330.00**
	Other Loans and Advances, unsecured, considered good unless otherwise mentioned					
	Loan to Employees	10.2	28.71	21.78	45.38	65.07
			28.71	**21.78**	**45.38**	**65.07**
			201.20	**206.56**	**45.38**	**395.07**

10.1 Loans to Related parties/ Companies/ Firm are given for general business purpose and payable on demand.

10.2 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 other than disclosed in Note no. 45.2

Notes to Financial Statements

as at and for the year ended 31st March, 2020

(₹ in lakhs)

11) OTHERS FINANCIAL ASSETS

Particulars	Refer Note No.	Non-Current As at 31st March 2020	Non-Current As at 31st March 2019	Current As at 31st March 2020	Current As at 31st March 2019
Deposit with Nabard		-	-	0.50	0.50
Deposit with Assam Financial Corporation		-	-	1.04	2.24
Other Receivables		-	-	5.64	2.03
		-	-	**7.18**	**4.77**

12) NON CURRENT TAX ASSETS (NET)

	Refer Note No.	As at 31st March 2020	As at 31st March 2019
Advance Income Tax & TDS		359.37	304.67
Income Tax Refundable		12.33	12.33
		371.70	**317.00**

13) OTHER ASSETS

Particulars	Refer Note No.	Non-Current As at 31st March 2020	Non-Current As at 31st March 2019	Current As at 31st March 2020	Current As at 31st March 2019
Capital Advances		41.03	12.62	-	-
Advances other than Capital Advances					
Advances to Suppliers & Service Providers		24.18	26.18	104.25	30.13
Balances with Government & Statutory Authorities		10.41	-	107.76	55.75
Prepaid Expenses		1.68	-	23.18	25.16
Subsidy Receivable				85.22	80.43
Other Assets	13.1	237.89	237.89	5.65	5.63
		315.19	276.69	326.06	197.10
Less : Provision for Doubtful Advances		24.18	26.18	-	-
		291.01	**250.51**	**326.06**	**197.10**

13. Represents payment under protest in respect of lease rent and Seigniorage Charges Rs. 237.88 lacs (Previous Year 2019- Rs. 237.88 lacs)

Notes to Financial Statements

as at and for the year ended 31st March, 2020

(₹ in lakhs)

14)	INVENTORIES			
	Particulars	Refer Note No.	As at 31st March 2020	As at 31st March 2019
	(As valued and certified by the Management)			
	Finished Goods		868.09	861.19
	Semi Finished Goods		93.82	-
	Stores and Spares (net of Obsolescence)		322.13	328.91
			1,284.04	**1,190.10**

14.1)	Details of Inventories - Finished Goods :			
	Particulars	Refer Note No.	As at 31st March 2020	As at 31st March 2019
	Tea		235.65	518.09
	Coffee		263.41	262.03
	Rubber - Semi-Finished		93.82	-
	Rubber - Finished		302.31	51.15
	Minor Produce		66.72	29.92
			961.91	**861.19**

15)	BIOLOGICAL ASSET OTHER THAN BEARER PLANT					
	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
	As at Opening date		3,276.99	3,296.70	26.99	26.66
	Increase due to purchases / physical changes/Net change in fair value less estimated costs to sell		4.95	20.40	6.64	26.99
	Decreases due to harvest / physical changes/sales		46.34	40.11	26.99	26.66
	As at Closing date		**3,235.60**	**3,276.99**	**6.64**	**26.99**

Notes to Financial Statements

as at and for the year ended 31st March, 2020

(₹ in lakhs)

16) TRADE RECEIVABLES

Particulars	Refer Note No.	As at 31st March 2020	As at 31st March 2019
Trade Receivables		170.38	179.01
Receivables from related parties	45.2	-	20.48
Less: Allowance for expected Credit loss		(3.63)	(3.63)
Total receivables		**166.75**	**195.86**
Break up of security details			
Trade Receivables considered good-Secured		-	-
Trade Receivables considered good-Unsecured		166.75	195.86
Trade Receivables which have been significant increase in Credit Risk: and		-	-
Trade Receivables -credit impaired		-	-
		3.63	3.63
Total		**170.38**	**199.49**
Less: Allowance for expected Credit loss		3.63	3.63
Total Trade receivables		**166.75**	**195.86**

17) CASH AND CASH EQUVALENTS

Particulars	Refer Note No.	As at 31st March 2020	As at 31st March 2019
Balances With Banks :			
In Current Account		19.08	26.47
In Cash Credit Account		-	-
Cash in Hand		9.50	3.89
		28.58	**30.36**

18) BANK BALANCES (OTHER THAN NOTE: 17)

Particulars	Refer Note No.	As at 31st March 2020	As at 31st March 2019
Balance in Unpaid Dividend Account		14.52	17.05
Fixed Deposit with Banks		0.58	0.58
		15.10	**17.63**
Includes deposits marked lien in favour of Govt. Authorities, deposits having maturity of more than three month but less than twelve months.		0.58	0.58

Notes to Financial Statements

as at and for the year ended 31st March, 2020

(₹ in lakhs)

19)	EQUITY SHARE CAPITAL					
	Particulars	Face Value (Rs.)	As at 31st March 2020		As at 31st March 2019	
			No. of Shares	Amount	No. of Shares	Amount
19.1	Authorised Share Capital					
	Equity Shares:					
	Equity Shares of Rs. 10/- each		11,249,000	1,124.90	11,249,000	1,124.90
	Equity Shares of Rs. 100/- each		35,000	35.00	35,000	35.00
	Preference Shares:					
	Redeemable Cumulative Shares of Rs. 10/- each		50,000	5.00	50,000	5.00
	13.5% Redeemable Cumulative Shares of Rs. 100/- each		100	0.10	100	0.10
				1,165.00		**1,165.00**
19.2	Issued Share Capital					
	Ordinary Shares of Rs. 10/- each		4,142,201	414.22	4,142,201	414.22
			4,142,201	**414.22**	**4,142,201**	**414.22**
19.3	Subscribed and Paid-up Share Capital					
	Ordinary Shares of Rs.10/- each fully paid-up		4,142,201	414.22	4,142,201	414.22
			4,142,201	**414.22**	**4,142,201**	**414.22**

19.4 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.

19.5 Terms/ Rights attached to Equity Shares :

The Company has only one class of issued shares i.e. Ordinary Shares having par value of Rs. 10/- per share. Each holder of Ordinary Shares is entitled to one vote per share and equal right for dividend. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the ordinary shareholders are eligible to receive the remaining assets of the Company after payment of all preferential amounts, in proportion to their shareholding.

19.6 Shareholding Pattern with respect of Holding or Ultimate Holding Company

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

Notes to Financial Statements

as at and for the year ended 31st March, 2020

(₹ in lakhs)

19.7 Details of Equity Shareholders holding more than 5% shares in the Company

Particulars	As at 31st March 2020		As at 31st March 2019	
	No. of Shares	% Holding	No. of Shares	% Holding
Equity Shares of Rs. 10/- each fully paid				
Pushpa Devi Bangur	642,928	15.52%	642,928	15.52%
The Oriental Company Limited	593,643	14.33%	593,643	14.33%
Gloster Ltd	538,838	13.01%	538,838	13.01%
Hemant Bangur	426,729	10.30%	426,729	10.30%
Madhav Trading Corporation Limited	424,130	10.24%	424,130	10.24%
Life Insurance Corporation of India	239,179	5.77%	246,493	5.95%

19.8 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.

19.9 No Ordinary Shares have been bought back by the Company during the period of 5 years preceding the date as at which the Balance Sheet is prepared.

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

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

20)	OTHER EQUITY			
	Particulars	Refer Note No.	As at 31st March 2020	As at 31st March 2019
	Capital Reserve	20.1	6,982.04	6,982.04
	Capital Redemption Reserve	20.2	0.42	0.42
	Capital Reserve in the nature of Share Premium	20.3	698.39	698.39
	Securities Premium	20.4	247.01	247.01
	General Reserve	20.5	3,102.64	3,102.64
	Retained Earnings	20.6	597.77	3,082.56
	Other Comprehensive Income	20.7	68.11	37.90
			11,696.38	**14,150.96**

a) Capital Reserve & Capital Reserve in the nature of Security Premium: During amalgamation / merger / acquisition, the excess of net assets taken, over the consideration paid, if any, is treated as capital reserve.

b) Capital Redemption Reserve: The Company has recognised Capital Redemption Reserve on redemption of preference shares from its retained earnings. The amount in Capital Redemption Reserve is equal to nominal amount of the preference shares redeemed.

Notes to Financial Statements

as at and for the year ended 31st March, 2020

(₹ in lakhs)

c) Securities Premium: The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. This reserve is utilised in accordance with the provisions of the Companies Act , 2013.

d) General Reserve: The reserve arises on transfer portion of the net profit pursuant to the earlier provisions of Companies Act , 1956.

e) Retained Earnings: Retained earnings represent accumulated profits earned by the Company and remaining undistributed as on date.

f) Other Comprehensive Income (OCI) : Other Comprehensive Income (OCI) represent the balance in equity for items to be accounted under OCI and comprises of the following:

i) Equity Instruments through OCI: The Company has elected to recognise changes in the fair value of certain investment in equity instrument in other comprehensive income.

ii) Remeasurement of defined benefit obligations: The actuarial gains and losses arising on defined benefit obligations have been recognised in OCI

	Particulars	As at 31st March 2020	As at 31st March 2019
20.1	**Capital Reserve**		
	Balance at the beginning and at the end of the year	6,982.04	6,982.04
20.2	**Capital Redemption Reserve**		
	Balance at the beginning and at the end of the year	0.42	0.42
20.3	**Capital Reserve in the nature of Share Premium**		
	Balance at the beginning and at the end of the year	698.39	698.39
20.4	**Securities Premium**		
	Balance at the beginning and at the end of the year	247.01	247.01
20.5	**General Reserve**		
	Balance at the beginning and at the end of the year	3,102.64	3,102.64

Notes to Financial Statements

as at and for the year ended 31st March, 2020

(₹ in lakhs)

	Particulars	Refer Note No.	As at 31st March 2020	As at 31st March 2019
20.6	**Retained Earnings**			
	Balance at the beginning of the year		3,082.56	4,270.73
	Add: Profit/(Loss) for the year		(2,293.91)	(1,109.50)
	Add: Other Comprehensive Income arising from remeasurement of defined benefit obligation (net of tax)		(190.88)	(53.70)
			597.77	**3,107.53**
	Less: Appropriation			
	Final Dividend		-	20.71
	Dividend Distribution Tax on Final Dividend		-	4.26
			-	**24.97**
	Balance at the end of the year		**597.77**	**3,082.56**

20.7	**Other Comprehensive Income**			
	Remeasurement of Defined Benefit Obligations			
	Balance at the beginning of the year		-	-
	Add/(Less): Changes during the year (net of tax)		(190.88)	(53.70)
	Add/(Less): Transferred to Retained Earnings		190.88	53.70
	Balance at the end of the year		-	
	Fair Value of Equity Instruments			
	Balance at the beginning of the year		37.90	-
	Add/(Less): Changes during the year (net of tax)		30.21	37.90
	Balance at the end of the year		68.11	37.90
	Total Reserve & Surplus		**11,696.38**	**14,150.96**

21)	BORROWINGS			
	Particulars	Refer Note No.	Non-Current	
			As at 31st March 2020	As at 31st March 2019
	Secured			
	Term Loan from banks		1,293.48	1,800.00
	Term Loan from other financial institutions		19.86	-
	Less: Current Maturities of Long term Borrowings		698.22	600.00
	Total Secured Borrowings		**615.12**	**1,200.00**
	Amount disclosed under the head "Other Financial Liability"		698.22	600.00
	Break Up of Security Details			
	Secured		1,313.34	1,800.00
	Unsecured		-	-
			1,313.34	**1,800.00**

Notes to Financial Statements

as at and for the year ended 31st March, 2020

(₹ in lakhs)

21.1 Details of Security Given for Loan

a. Term Loan from a Bank amounting to Rs. 793.48 lacs together with working capital facility from the same Bank is secured by exclusive charge on the title deeds of Jamirah Tea Estate . Loan is repayable Rs. 93.47 lacs and balance in 7 quarterly installments of Rs. 100.00 Lacs . Interest is payable on quarterly basis at 9.85%

b. Term Loan from a Bank amounting to Rs. 500.00 lacs together with working capital facility from the same Bank is secured by exclusive charge on the title deeds of Nilmoni Tea Estate and the current assets of Karnataka division both, present and future . Loan is repayable in 10 quarterly installments of Rs. 50.00 lacs Interest is payable on monthly basis at 11.45%.

c. Vehicle Loan from Mahindra and Mahindra Financial Services Limited payable in ramaining 40 instalments of Rs.0.23 lacs including interest @ 6.50% p.a

d. Vehicle Loan from Bank amounting to Rs. 12.34 lacs payable in remaining 38 instalments of Rs.0.32 lacs including interest @ 10% p.a

21.2 Refer note no. 40 for information on the carrying amounts of financial and non-financial assets pledged as security for the non-current borrowings.

22)	PROVISIONS					
	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
	Provision for Employee Benefits					
	Gratuity		892.21	476.10	-	-
	Bonus		-	-	225.12	202.96
	Leave		-	-	26.26	30.11
			892.21	**476.10**	**251.38**	**233.07**

23)	DEFERRED TAX LIABILITIES (NET)			
	Particulars	Refer Note No.	As at 31st March 2020	As at 31st March 2019
	Deferred Tax Liabilities			
	Arising on account of :			
	Property, Plant & Equipments & Intangible Assets		1,331.09	1,376.19
	Other temporary differences		97.13	117.00
	Remeasurment of Financial Instruments		3.36	4.21
			1,431.58	**1,497.40**

Notes to Financial Statements

as at and for the year ended 31st March, 2020

(₹ in lakhs)

23)	DEFERRED TAX LIABILITIES (NET) *(Contd.)*			
	Particulars	Refer Note No.	As at 31st March 2020	As at 31st March 2019
	Less: Deferred Tax Assets			
	Arising on account of :			
	Unused tax credit		18.00	18.00
	Section 43B of Income-tax Act		257.70	146.74
	Unabsorbed Depreciation/ Carried Forward Losses	23.1	118.05	127.48
			393.75	**292.22**
	Deferred Tax Liabilities (Net)		**1,037.83**	**1,205.18**

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

23.2 Movement in deferred tax liabilities/ (asset) during the year ended 31st March, 2019 and 31st March, 2020

	Particulars	Face Value (Rs.)	As at 31st March, 2018	Charge/(Credit) in Statement of Profit & Loss	Charge/ (Credit) in Other Comprehensive Income	As at 31st March, 2019
	Deferred Income Tax Liabilities/ (Assets)					
	Property, Plant & Equipments & Intangible Assets		1,412.33	(36.14)	-	1,376.19
	Other temporary differences		161.18	(44.18)	-	117.00
	Remeasurment of Financial Instruments		-	-	4.21	4.21
	Unused tax credit		(18.00)	-	-	(18.00)
	Items u/s 43B of the Income Tax Act, 1961		(92.33)	(35.54)	(18.87)	(146.74)
	Unabsorbed Depreciation/ Carried Forward Business Losses		(84.06)	(43.42)	-	(127.48)
	Deferred Tax Liabilities/(Assets)		**1,379.12**	**(159.28)**	**(14.66)**	**1,205.18**

Notes to Financial Statements

as at and for the year ended 31st March, 2020

(₹ in lakhs)

	Particulars	Face Value (Rs.)	As at 31st March, 2019	Charge/(Credit) in Statement of Profit & Loss	Charge/ (Credit) in Other Comprehensive Income	As at 31st March, 2020
	Deferred Income Tax Liabilities/ (Assets)					
	Property, Plant & Equipments & Intangible Assets		1,376.19	(45.10)	-	1,331.09
	Other temporary differences		117.00	(19.87)	-	97.13
	Remeasurment of Financial Instruments		4.21	-	(0.85)	3.36
	Unused tax credit		(18.00)	-	-	(18.00)
	Items u/s 43B of the Income Tax Act, 1961		(146.74)	(43.89)	(67.07)	(257.70)
	Unabsorbed Depreciation/ Carried Forward Business Losses		(127.48)	9.43	-	(118.05)
	Deferred Tax Liabilities/(Assets)		**1,205.18**	**(99.43)**	**(67.92)**	**1,037.83**

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

24)	CURRENT BORROWINGS			
	Particulars	Refer Note No.	As at 31st March 2020	As at 31st March 2019
	Secured			
	Working Capital loans from banks repayable on demand		2,054.94	973.25
	Short Term Loan from Bank		700.00	700.00
	Unsecured			
	Short Term Loan from Bank		300.00	1,152.18
	Short Term Loan from Body Corporates repayable on demand		2,225.00	-
			5,279.94	**2,825.43**

24.1 Details of Security Given for Loan

a. Working Capital Loan and Short Term Loan from a bank amounting to Rs.355.84 lacs and Rs. 700.00 lacs respectively is secured by way of exclusive charge on the title deeds of Nilmoni Tea Estate and the Current Assets of the Karnataka Division, both present and future.

b. Working Capital Loan from a Bank of Rs. 670.88 lacs is secured by equitable mortgage immovable properties and current assets of Jamirah Tea Estate and Pullikanam Tea Estate and also by way of hypothecation of current assets of Kerala Division.

Notes to Financial Statements

as at and for the year ended 31st March, 2020

(₹ in lakhs)

c. Working Capital Loan from a Bank of Rs. 1028.22 lacs is secured by equitable mortgage of Joonktollee Tea Estate and hypothecation of current assets of Joonktollee Tea Estate and Nilmoni Tea Estate.

24.2 **Refer note no. 40 for information on the carrying amounts of financial and non-financial assets pledged as security for current borrowings.**

25)	TRADE PAYABLES			
	Particulars	**Refer Note No.**	**As at 31st March 2020**	**As at 31st March 2019**
	Trade Payables for goods and services			
	Total outstanding dues of micro enterprises and small enterprises		-	-
	Total outstanding dues of creditor other than micro enterprises and small enterprises		491.20	475.05
			491.20	**475.05**

26)	OTHER CURRENT FINANCIAL LIABILITIES			
	Particulars	**Refer Note No.**	**As at 31st March 2020**	**As at 31st March 2019**
	Current maturities of Non Current Debt		698.22	600.00
	Employee Related Liability		158.02	262.15
	Interest accrued but not due on Borrowings		6.80	23.50
	Interest accrued and due on Borrowings		50.23	21.29
	Unpaid and unclaimed dividends	26.1	14.52	17.05
	Security deposit		3.43	5.22
	Amount payable for Capital Goods		53.06	46.21
			984.28	**975.42**

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

27)	OTHER CURRENT LIABILITIES			
	Particulars	**Refer Note No.**	**As at 31st March 2020**	**As at 31st March 2019**
	Statutory Dues Payable		188.36	143.02
	Advances Received from Customers		77.97	24.54
			266.33	**167.56**

Notes to Financial Statements

as at and for the year ended 31st March, 2020

(₹ in lakhs)

28)	REVENUE FROM OPERATIONS			
	Particulars	Refer Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
	Sale of Finished Goods		7,922.29	9,322.99
	Sale of Green Leaf		269.79	21.58
			8,192.08	**9,344.57**
	Other Operating Revenues			
	Sale of Minor Produce / Timber		70.19	119.82
	Incentives & Subsidies		24.36	31.71
	Insurance and Other Claims (Net)		0.15	2.22
			94.70	**153.75**
			8,286.78	**9,498.31**
	Details of Sale of Finished Goods :			
	Tea		6,867.64	7,783.23
	Rubber		627.33	1,070.30
	Coffee		427.32	469.46
			7,922.29	**9,322.99**
	Geographical Sales			
	In India		7,922.29	9,322.99
	Outside India		-	-
			7,922.29	**9,322.99**

29)	OTHER INCOME			
	Particulars	Refer Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
	Interest Income at amortised cost			
	On Bank Deposits		-	0.03
	On Inter Corporate Deposits		11.00	28.22
	From Others		13.26	46.36

Notes to Financial Statements

as at and for the year ended 31st March, 2020

(₹ in lakhs)

29) OTHER INCOME

Particulars	Refer Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
Other Non Operating Income			
Rent		1.06	2.06
Excess Liabilities and Unclaimed Balances written back		10.89	6.99
Profit on Sale/discard of Property, Plant and Equipment		-	2.19
Provision for doubtful advances written back		2.00	-
Business Support Service		18.99	-
Land Revenue expenses written back		25.50	-
Miscellaneous Income		33.13	17.80
Profit on Sale of Non Current Investment		-	802.11
		115.83	**905.76**

30) COST OF MATERIALS CONSUMED

Particulars	Refer Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
Purchase of Green Leaf		1,661.42	1,863.85
		1,661.42	**1,863.85**

31) CHANGES IN INVENTORIES OF FINISHED GOODS, TRADED GOODS AND WORK-IN-PROGRESS

Particulars	Refer Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
Inventories at the end of the year			
Tea		235.65	518.09
Rubber		396.13	51.15
Coffee		263.41	262.03
Minor Produce		66.72	29.92
		961.91	**861.19**
Inventories at the beginning of the year			
Tea		518.09	812.23
Rubber		51.15	290.25
Coffee		262.03	307.95
Minor Produce		29.92	108.69
		861.19	1,519.12
		(100.72)	**657.93**

Notes to Financial Statements

as at and for the year ended 31st March, 2020

(₹ in lakhs)

32)	EMPLOYEE BENEFITS EXPENSE			
	Particulars	Refer Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
	Salaries & Wages		4,687.28	4,399.54
	Contribution to Provident Funds and Others		452.17	426.36
	Contribution to Gratuity Fund		158.17	129.87
	Contribution to Superannuation Fund		-	11.77
	Staff Welfare Expenses		365.38	376.52
			5,663.00	5,344.06
	Less: Amount Capitalised		86.03	69.39
			5,576.97	**5,274.67**

33)	FINANCE COST			
	Particulars	Refer Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
	Interest Expenses			
	To Banks on Term Loans		163.76	216.06
	To Banks On Working Capital Loans		367.68	408.36
	To Body Corporates		90.83	-
	To Other Financial Institutions		0.88	-
	To Others		6.43	6.36
	Other Borrowing Costs			
	Other Financial Charges		16.40	18.00
			645.98	**648.78**
	Less: Amount Capitalised	33.1	6.68	6.91
			639.30	**641.87**

33.1 The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the entity's general borrowings during the year, in this case 11.52% (31 March 2019 - 12.06%).

Notes to Financial Statements

as at and for the year ended 31st March, 2020

(₹ in lakhs)

34) DEPRECIATION AND AMORTIZATION EXPENSES

Particulars	Refer Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
On Property, Plant and Equipment		633.48	630.73
On Intangible Assets		1.51	1.65
		634.99	**632.38**

Note: Depreciation on Right to Use is Rs. 19.59 Lakhs included under PPE

35) OTHER EXPENSES

Particulars	Refer Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
Manufacturing Expenses			
Stores, Spare Parts & Packing Materials Consumed		163.97	170.08
Power & Fuel		820.69	883.73
Cultivations		599.43	667.13
Repairs to Buildings		74.77	77.36
Repairs to Machinery		99.24	91.61
Repairs to Other Assets		2.39	2.99
		1,760.49	1,892.90
Less: Amount Capitalised		29.91	45.72
		1,730.58	**1,847.18**
Selling and Administration Expenses			
Freight & Cartage		76.64	112.95
Commission , Brokerage		48.28	70.11
Land Revenue		5.80	6.19
Rent		-	22.93
Rates & Taxes		22.17	59.75
Insurance		59.17	54.66
Vehicle Running & Maintenance Expense		129.30	120.01
Charity & Donation		-	0.15
Corporate Social Responsibility Expenses		-	0.62

Notes to Financial Statements

as at and for the year ended 31st March, 2020

(₹ in lakhs)

35)	OTHER EXPENSES			
	Particulars	Refer Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
	Auditors' Remuneration -			
	Statutory Auditors -			
	Audit Fees		12.00	12.00
	Issue of Certificates		10.40	10.40
	Reimbursement of Expenses		0.25	0.32
	Cost Auditors' Remuneration -			
	Audit Fees		1.50	1.50
	Legal & Professional Fees		41.72	26.51
	Loss on Sale/discard of Property, Plant and Equipment		6.08	-
	Changes in Fair value of Biological assets		61.74	19.38
	Travelling Expenses		21.33	21.90
	Director Sitting Fees		2.20	5.55
	Other Miscellaneous Expenses		151.09	174.78
			649.67	**719.71**
			2,380.25	**2,566.89**

36)	TAX EXPENSE			
	Particulars	Refer Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
	Current Tax		-	-
	Income Tax for Earlier Years		-	27.72
	Deferred Tax		(103.65)	(159.28)
			(103.65)	**(131.56)**

36.1 Reconciliation of estimated Income tax expense at Indian statutory Income tax rate to income tax expense reported in statement of Profit & Loss.

Notes to Financial Statements

as at and for the year ended 31st March, 2020

(₹ in lakhs)

	Particulars	Refer Note No.	31st March 2020	31st March 2019
	Profit from before income tax expense		(2,397.56)	(1,241.06)
	Income Tax rate*		0.26	0.26
	Estimated Income Tax Expense		(623.37)	(322.68)
	Tax effect of adjustments to reconcile expected Income tax expense to reported Income tax expense			
	Exempt Income		(120.04)	3.78
	Non Deductible expenses under Income tax Act		-	0.16
	Adjustments due to change in tax rates		-	118.71
	Unrecognised tax credit on losses		(400.21)	(241.22)
	Others		0.53	(44.83)
			(519.72)	**(163.40)**
	Income tax expense in Statement of Profit & Loss		**(103.65)**	**(159.28)**

* Applicable Income Tax rate for Financial Year 2020 & 2019 is 26 % & 26 % respectively.

37)	OTHER COMPREHENSIVE INCOME			
	Particulars	Refer Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
	Items that will not be reclassified to profit or loss			
	Remeasurement of the defined benefit obligation		(257.94)	(72.57)
	Remeasurement of Financial Instruments		33.56	42.12
	Less: Tax expense on defined benefit obligation		(67.06)	(18.87)
	Less: Tax expense on Financial Instruments		3.35	4.22
			(160.67)	**(15.80)**

38)	EARNING PER SHARE			
	Particulars	Refer Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
	Nominal Value of Equity Share (Rs.)		10.00	10.00
	Profit attributed to the Equity shareholders of the Company		(2,293.91)	(1,109.50)
	Weighted average number of equity shares		4,142,201	4,142,201
	Basis and diluted earning per share (Rs.)		(55.38)	(26.79)

There are no dilutive equity shares in the Company.

Notes to Financial Statements

as at and for the year ended 31st March, 2020 (₹ in lakhs)

39. Contingent Liabilities, Contingent Assets & Commitment to the extent not provided for:

39.1 Contingent Liabilities

Sl. No.	Particulars	As at 31st March 2020	As at 31st March 2019
A	Claims/Disputes/Demands not acknowledged as debts -		
i.	Income Tax under appeal [Note 1]	273.69	273.69
ii.	Karnataka Agriculture Income Tax under Appeal (Advance paid Rs. 16.16 lacs)	28.45	28.45
iii.	Claims of Creditors & workers	28.54	25.82
iv.	Seigniorage Charges (KERALA Forest Dept.)	177.02	177.02
v.	Provident Fund Damages	51.80	51.80
vi.	Lease Rent **[Note 2]**	144.86	130.86
vii.	Other claims not acknowledged as debts	84.37	84.37
viii	Plantation Tax	29.44	26.50

Note 1 Rs. 191.13 Lacs (2019: Rs. 178.35 lacs) paid under protest / adjusted for appeal.

Note 2 The Government of Kerala has increased the Lease Rent payable in respect of Chemoni and Pudukad Estates from Rs. 2/- per Acre to Rs. 1300/- per Hectare with effect from 25th November, 2009. The Company filed Writ Petition before the Hon'ble Court of Kerala challenging the increase and the case is subjudice.

In respect of above matters, future cash outflows in respect of contingent liabilities are determinable only on receipt of judgements pending at various forums/ authorities.

39.2 Commitments

Sl. No.	Particulars	As at 31st March 2020	As at 31st March 2019
i.	Estimated amount of contracts remaining to be executed on Capital Account (net of advances)	38.56	17.75

40 Assets pledged as security

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

Particulars	As at 31st March 2020	As at 31st March 2019
<u>Current</u>		
Financial assets	**329.79**	**282.25**
Trade Receivables	166.75	195.86

Notes to Financial Statements

as at and for the year ended 31st March, 2020

(₹ in lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Cash and cash equivalents	26.05	20.51
Other Current Assets	136.99	65.88
Non-financial assets	**1,296.48**	**1,190.10**
Inventories	1,296.48	1,190.10
Total current assets pledged as security	**1,626.27**	**1,472.35**
Non-current		
Land and Development	6,063.93	6,088.47
Freehold buildings	966.55	972.01
Plant and Machinery	390.71	424.53
Vehicle	28.72	13.20
Furniture and fittings	3.63	3.14
Office Equipment	3.08	4.03
Total non-currents assets pledged as security	**7,456.62**	**7,505.38**
Total assets pledged as security	**9,082.89**	**8,977.73**

41 **Disclosure as required under the Micro, Small and Medium Enterprises Development Act, 2006, to the extent ascertained, and as per notification number GSR 679 (E) dated 4th September, 2015.**

Sl. No.	Particulars	As at 31st March 2020	As at 31st March 2019
i	The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each financial year.	-	-
ii	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
iii	The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
iv	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
v	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

Notes to Financial Statements

as at and for the year ended 31st March, 2020

(₹ in lakhs)

42 Operating Leases

Operating Lease 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 3.5.2 .: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. 78.37 lakhs , and a lease liability of Rs 58.60 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.

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 50.2.1

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.

42.1 Movement in Lease Liabilities during the year ended 31st March 2020

Particulars	As at 31st March 2020
Balance at the beginning	-
Classified on account of adoption of IND AS 116	58.60
Interest Cost accrued during the period	5.56
Deletions	-
Payment of lease liabilites	(18.00)
Balance at the end	**46.16**

The total 36 monthly instalments of Rs. 1,50,000 is payable upto 31st March 2023. The weighted average incremental borrowing rate applied to lease liabilities as at 1st April, 2019 is 11%.

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as at and for the year ended 31st March, 2020

(₹ in lakhs)

42.2 Current & Non-Current lease liabilities as at 31st March 2020

Particulars	As at 31st March 2020
Current Lease Liabilities	18.00
Non- Current Lease Liabilities	28.16
	46.16

42.3 The changes in the carrying value of ROU assets for the year ended March 31, 2020 are as follows:

Particulars	ROU Assets (Office Premises)
Balance as at April 1, 2019	-
Classified on account of adoption of IND AS 116	78.37
Additions	-
Deletion	-
Amortization cost accrued during the year	(19.59)
Balance as at March 31, 2020	**58.78**

43 **Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits'**

43.1 Defined Contribution Plan:

The Company makes contribution towards provident fund and superannuation fund to a defined contribution retirement plan for qualifying employees. The Provident fund plan is operated by statutory authorities. Under the said scheme the company is required to contribute a specific percentage of pay roll costs in respect of eligible employees to the retirement benefit scheme to fund the benefits.

The Company operates a superannuation scheme for certain employees and contributions by the Company under the scheme, is charged against revenue every year.

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

Sl. No.	Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
a	Provident Fund	448.33	374.77
b	Superannuation Fund	-	11.77

43.2 Defined Benefit Plan:

The following are the types of defined benefit plans

Notes to Financial Statements
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(₹ in lakhs)

43.2.1 Gratuity Plan

The Company makes annual contribution of gratuity to gratuity funds duly constituted and administered by independent trustees and funded with Birla Sun Life Insurance Company Limited/ independent trust for the qualifying employees. The scheme provides for a lump sum payment to vested employees upon retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of 5 years of continuous service. 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 each balance sheet date.

43.2.2 Leave

The employees of the Company are also eligible for encashment of leave upon retirement up to 30 days for each year (maximum 120 days). The benefit obligation related to leave liability are funded with Life Insurance Corporation of India.

43.2.3 Risk Exposure

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

Interest rate risk	The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation with tend to increase.
Salary Inflation risk	Higher than expected increases in salary will increase the defined benefit obligation.
Demographic risk	This is the risk of variability of results due to unsystematic nature of decrements that include 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. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compare to long service employee.

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

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

Particulars	**Gratuity**	
	2019-20	**2018-19**
Net defined benefit asset/(liability) at the beginning of the year	(476.10)	(273.66)
Service Cost	(122.46)	(109.08)
Net interest on net defined benefit (liability)/asset	(35.71)	(20.79)
Amount recognised in OCI	(257.94)	(72.57)
Employer contributions	-	-
Net defined benefit asset/(liability) at the end of the year	**(892.21)**	**(476.10)**

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as at and for the year ended 31st March, 2020

(₹ in lakhs)

43.2.5 Reconciliation of Defined Benefit Obligations

The following table shows a reconciliation to defined benefits obligations:

Particulars	Gratuity	
	2019-20	**2018-19**
Defined Benefit Obligation at the beginning of the year	2,014.23	1,830.31
Current Service Cost	122.46	109.08
Interest Cost on the defined benefit obligation	143.81	133.47
Curtailment (Credit)/ Cost	-	-
Settlement (Credit)/ Cost	-	-
Past Service cost- plan amendments	-	-
Acquisitions (Credit)/ Cost	-	-
Actuarial (gain)/loss-experience	24.72	73.73
Actuarial (gain)/ loss -demographic assumptions	-	-
Actuarial (gain)/loss-financial assumptions	138.25	15.78
Benefits paid directly by the Company	-	-
Benefits paid from plan assets	(193.48)	(148.14)
Defined Benefit Obligation at the end of the year	2,249.99	2,014.23

43.2.6 Reconciliation of the Plan Assets

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

Particulars	Gratuity	
	2019-20	**2018-19**
Fair Value of Plan Assets at the beginning of the year	1,538.13	1,556.65
Interest Income on Plan Assets	108.10	112.68
Return on plan assets greater/ (lesser) than discount rate	(94.97)	16.94
Employer Contributions	-	-
Benefits Paid	(193.48)	(148.14)
Fair Value of Plan Assets at the end of the year	**1,357.78**	**1,538.13**

43.2.7 Expenses recognized in profit or loss

Particulars	Gratuity	
	2019-20	**2018-19**
Current Service Cost	122.46	109.08
Interest Cost	143.81	133.47
Interest Income on Plan Assets	108.10	112.68

Notes to Financial Statements

as at and for the year ended 31st March, 2020

(₹ in lakhs)

43.2.8 Remeasuremets recognzied in other comprehensive income

Particulars	Gratuity	
	2019-20	2018-19
Actuarial (gain)/ Loss on defined benefit obligation	162.97	89.51
Return on plan assets greater/ (lesser) than discount rate	94.97	(16.94)

43.2.9 Major Categories of Plan Assets

The Gratuity Scheme is invested in a Group Unit Linked Gratuity Plan managed by Birla Sun Life Insurance Company Limited and the Independent Administered Gratuity Fund. The information on the allocations of fund managed by Birla Sun Life Insurance Company Limited into major assets classes and expected return on each major classes are not readily available. In case of company's administered trust, 100% allocation of fund has been made towards government securities. The expected rate of return on plan assets is based on the assumed rate of return provided by Company's actuary.

43.2.10 Actuarial Assumptions

Particulars	Gratuity	
	2019-20	2018-19
Financial Assumptions		
Discount Rate	6.70	7.50
Salary Escalation Rate- Management	8.00	8.00
Salary Escalation Rate- Non- Management	6.00	6.00
Demographic Assumptions		
Mortality Rate	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult
Withdrawal Rate	Age from 20-40 : 2.00% Age from 40-60 : 1.00%	Age from 20-40 : 2.00% Age from 40-60 : 1.00%

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

43.2.12 At 31st March 2020, the weighted average duration of the defined benefit obligation was 9 years (previous year 9). The distribution of the timing of benefits payment i.e., the maturity analysis of the benefit payments is as follows:

Notes to Financial Statements

as at and for the year ended 31st March, 2020

(₹ in lakhs)

Particulars	Gratuity	
	2019-20	2018-19
Within 1 year	237.63	251.42
1-2 Year	142.59	139.46
2-3 Year	175.65	144.54
3-4 Year	191.87	172.12
4-5 Year	211.00	178.63
5-9 Years	1,328.33	1,308.37

43.2.13 The Company expects to contribute Rs. Nil (previous year Rs. Nil) to its gratuity fund in 2020-21

43.2.14 Sensitivity Analysis

The sensitivity analyses below have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occuring 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:

Particulars	Gratuity	
	2019-20	2018-19
Effect on DBO due to 1% increase in Discount Rate	(170.43)	(148.20)
Effect on DBO due to 1% decrease in Discount Rate	197.18	171.10
Effect on DBO due to 1% increase in Salary Escalation Rate	196.18	171.56
Effect on DBO due to 1% decrease in Salary Escalation Rate	(172.70)	(151.18)

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

44 In accordance with the Guidance Note on Accounting for Expenditure on Corporate Social Responsibility Activities, the requisite disclosure as follows:

44.1

Particulars	2019-20	2018-19
Gross Amount Required to be spent by the company during the year	-	-
Provision made in relation to CSR expenditure	-	-

44.2

Particulars	2019-20		2018-19	
	In Cash	Yet to be paid in cash	In Cash	Yet to be paid in cash
Amount spent during the year on:				
Construction/ Acquisition of any asset	-	-	-	-
On purpose other than above	-	-	0.62	-
Unspent Amount	-	-	-	-

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(₹ in lakhs)

45 Related Party Disclosures

45.1 Name of the related parties and description of relationship

A Subsidiaries of the Company

- Cowcoody Builders Private Limited (CBPL) (Subsidiary upto 12.02.2019)
- Pranav Infradev Company Private Limited (PICPL)
- Keshava Plantations Private Limited (KPPL)

B Associate of the Company

- The Cochin Malabar Estates And Industries Limited (TCMEIL)

C Key Management Personnel

- Hemant Bangur- Chairman
- Pushpa Devi Bangur- Non Executive Director
- Manoj Kumar Daga-Independent Director
- Mihir Mohan Pyne-Independent Director (till 31.03.2019)
- Jay Kumar Surana-Independent Director
- K. C. Mohta - Executive Director & C.E.O (till 30.04.2018)
- Mukundan Raman - Chief Operating Officer (w.e.f. 01.11.2018)
- Sayansiddha Das - Chief Financial Officer
- Sharad Bagree - Company Secretary

D Entities over which Key Management Personnels are able to exercise control/joint control

- Credwyn Holdings (I) Private Limited (CHPL)
- The Oriental Company Limited (TOCL)
- Madhav Trading Corporation Limited (MTCL)
- Wind Power Vinimay Private Limited (WPVPL)
- Gopal Das Bangur (HUF)
- PDGD Investment & Trading Private Limited
- Mugneeram Bangur & Company LLP (MB)
- The Cambay Investment Corporation Limited (TCICL)

E Post Employement Benefit Plan

- Bangur Superannuation Fund
- Joonktollee Tea & Industries Limited Gratuity Fund

Notes to Financial Statements

as at and for the year ended 31st March, 2020

(₹ in lakhs)

45.2 Summary of transactions with the related parties

Particulats	Subsidiaries of the Company	Associate of the Company	Entities over which Key Management Personnels are able to exercise control/ joint control	Key Management Personnel	Post Employement Benefit Plan
Loan/ Advances Given (Net)	120.00	-	-	14.10	-
Previous Year	350.00	-	-	5.20	-
Loan/ Advances Refunded	450.00	-	-	1.20	-
Previous Year	220.00	-	-	-	-
Loan/advance Received	75.00	-	1,325.00	-	-
Previous Year	-	-	100.00	-	-
Loan Repaid	-	-	-	-	-
Previous Year	-	-	100.00	-	-
Interest Income/ (Paid)	11.00	-	(53.38)	-	-
Previous Year	28.22	-	(4.01)	-	-
Rent Paid	-	-	18.00		
Previous Year	-	-	18.00	-	-
Purchase of Goods	5.40	-	-	-	-
Previous Year	7.54	-	-	-	-
Purchase of Plants/Manure	1.74	-	-	-	-
Previous Year	-	-	-	-	-
Sale of Green Leaf	223.47	-	-	-	-
Previous Year	21.58	-	-	-	-
Service Charges expense	-	-	-	-	-
Previous Year	4.09	-	-	-	-
Service Charges Income(Including GST)	22.98				
Previous Year	-				
Dividend Paid	-	-	-	-	-
Previous Year	-	-	9.03	5.35	-
Sale of Investment	-	-	-	-	-
Previous Year	-	-	452.82	1,243.90	
Sitting Fees	-	-	-	2.20	-
Previous Year	-	-	-	5.55	-
Remuneration	-	-	-	86.27	-

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as at and for the year ended 31st March, 2020

(₹ in lakhs)

Particulats	Subsidiaries of the Company	Associate of the Company	Entities over which Key Management Personnels are able to exercise control/ joint control	Key Management Personnel	Post Employement Benefit Plan
Previous Year	-	-	-	70.14	-
Contribution towards post employment benefit plan	-	-	-	-	-
Previous Year	-	-	-	-	11.77

45.3 Summary of Closing Balance Outstanding with the related parties

Particulats	Subsidiaries of the Company	Associate of the Company	Entities over which Key Management Personnels are able to exercise control/joint control	Key Management Personnel	Post Employement Benefit Plan
Loan/ Advances Outstanding					
2020	-	-	-	16.40	-
2019	330.00	-	-	5.20	-
Loan/ Advances Receivable					
2020	-	-	75.00	-	-
2019	-	-	75.00	-	-
Advance Payable					
2020	70.98	-	-	-	-
2019	-	-	-	-	-
Receivable on Sale of Green Leaf					
2020	-	-	-	-	-
2019	21.58	-	-	-	-
Payable for Service charges					
2020	-	-	-	-	-
2019	1.09	-	-	-	-

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(₹ in lakhs)

45.4 Key Management Personnel compensation

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Short-term employee benefits	86.27	70.14
*Post-employment benefits	-	-
*Long-term employee benefits	-	-
Sitting Fees	2.20	5.55
Total compensation	**88.47**	**75.69**

* Post-employment benefits and other long-term benefits is being disclosed based on actual payment made on retirement/resignation of services, but does not includes provision made on actuarial basis as the same is available for all the employees together.

45.5 Major terms and conditions of transactions with related parties

Transactions with related parties are carried out in the normal course of business and are made on terms equivalent to those that prevail in arm's length transactions.

Loans to related parties which are generally for a period of one to three years. Interest rates range from 11% to 12%. All loans to related parties are unsecured.

46 Segment Reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Based on the management approach as defined in Ind AS 108, the Chief Operating Decision Maker evaluates the Company's performance based on only three segment i.e. Tea, Coffee and Rubber which have been identified taking into account the organizational structure as well as the differing risks and returns of these segments. The segment wise revenue, assets and liabilities relate to the respective amounts directly identifiable with each other of the segments. There is no inter-segment revenue. The company does not have any secondary/geographical segments.

Particulars	2019-20	2018-19
Segment Revenue		
Tea	7,167.43	7,869.04
Coffee	447.41	485.65
Rubber	627.34	1,070.90
Others	44.60	72.71
Total	**8,286.78**	**9,498.31**

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(₹ in lakhs)

Particulars	2019-20	2018-19
Segment Results		
Tea	(1,219.14)	(892.81)
Coffee	(93.88)	47.56
Rubber	(308.88)	(375.67)
Others	58.51	(26.35)
Total	**(1,563.39)**	**(1,247.27)**
Interest Expenses	639.30	641.87
Interest Income	24.27	74.62
Other Unallocated Income (net of Unallocated Expenses)	(219.14)	573.46
Total Profit before Tax	(2,397.56)	(1,241.06)
Less : Income Taxes	(103.65)	(131.56)
Total Profit/(Loss) after Tax	**(2,293.91)**	**(1,109.50)**

Particulars	31-03-2020		31-03-2019	
	Assets	Liabilities	Assets Liabilities	Liabilities
Segment Assets & Segment Liabilities				
Tea	10,471.46	1,623.71	10,665.03	1,235.76
Coffee	3,771.88	47.36	3,788.29	30.58
Rubber	2,103.07	320.16	1,847.83	193.84
Others	66.72	-	29.92	-
Unallocable	5,561.92	1,279.95	5,791.92	1,472.20
Total	**21,975.05**	**3,271.18**	**22,122.99**	**2,932.38**

Particulars	31-03-2020		31-03-2019	
	Capital Expenditure	Depreciation/ Amortisation	Capital Expenditure	Depreciation/ Amortisation
Capital Expenditure & Depreciation/ Amortisation				
Tea	407.22	434.95	246.34	450.04
Coffee	30.29	44.61	19.04	50.69
Rubber	1.53	123.92	19.25	123.48
Unallocable	77.21	31.51	75.50	8.17
Total	**516.25**	**634.99**	**360.13**	**632.38**

No customer individually accounted for more than 10% of the revenues from external customers during the years.

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as at and for the year ended 31st March, 2020

(₹ in lakhs)

47 Fair Value Measurement

Categories of Financial Assets & Financial Liabilities as at 31st March 2020 and 31st March 2019

Particulars	31st March 2020			31st March 2019		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
Financial Assets						
Investment						
- Equity Instruments	-	114.27	-	-	80.71	-
Trade Receivables	-	-	166.75	-	-	195.86
Cash and Cash Equivalents	-	-	28.58	-	-	30.36
Bank Balance other than above	-	-	15.10	-	-	17.63
Loans to Employees	-	-	74.09	-	-	86.85
Loans to Related Parties	-	-	-	-	-	330.00
Loans to Companies/ Firm	-	-	-	-	-	-
Security Deposits	-	-	172.49	-	-	184.78
Other Financial Assets	-	-	7.18	-	-	4.77
Total Financial Assets	**-**	**114.27**	**464.19**	**-**	**80.71**	**850.25**
Financial Liabilities						
Borrowings	-	-	5,895.06	-	-	4,025.43
Trade Payables	-	-	491.20	-	-	475.05
Other Financial Liabilities	-	-	984.28	-	-	975.42
Lease Liabilities	-	-	46.16	-	-	-
Total Financial Liabilities	**-**	**-**	**7,416.70**	**-**	**-**	**5,475.90**

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 largely due to the short-term maturities of these instruments.

48.2 The management considers that the carrying amounts of Financial assets and Financial liabilities recognised at nominal cost/amortised cost in the Financial statements approximate their fair values.

48.3 Non current borrowings has been contracted at floating rates of interest, which are reset at short intervals. Fair value of floating interest rate borrowings approximates their carrying value subject to adjustments made for transaction cost.

49 Fair Value Hierarchy

49.1 Financial Instrument

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

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(₹ in lakhs)

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.

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

As at 31st March 2020 and 31st March 2019

Particulars	31st March 2020			31st March 2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Investment						
- Equity Instruments	114.27	-	-	80.71	-	-
Total Financial Assets	**114.27**	**-**	**-**	**80.71**	**-**	**-**

49.2 Biological assets other than bearer plants

This section explains the judgements and estimates made in determining the fair values of the biological assets other than bearer plants that are recognised and measured at fair value in the financial statements. The Company uses a Valuation technique that is appropriate in the circumstances and for which sufficient data are available to measure the fair value, maximising the use of relevant observable inputs.

Biological Assets measured at Fair Value less cost to sell

As at 31st March 2020 and 31st March 2019

Particulars	31st March 2020			31st March 2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Non Financial Assets						
Biological Assets other than Bearer Plant						
- Unharvested Tea Leaf & Other Minor Produce	-	6.64	-	-	26.99	-
- Timber	-	3,235.60	-	-	3,276.99	-
Total Non Financial Assets	**-**	**3,242.24**	**-**	**-**	**3,303.98**	**-**

49.2.1 Valuation Technique

Unharvested Tea Leaf: Fair value is being arrived at based on the observable market prices of made tea adjusted for manufacturing costs. The same is applied on quantity of the tea leaves unharvested using plucking averages of various estates.

Timber Plantation & Others : Fair value is being arrived at based on the observable market prices of timber.

49.3 There were no transfers between level 1, level 2 and level 3.

49.4 Explanation to the fair value hierarchy

The Company measures Financial instruments, such as, equity investments and non financial instruments, such as, unharvested tea leaf and timber plantation, at fair value at each reporting date. Fair value is

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(₹ in lakhs)

the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The valuation of equity instruments are based on level 1 inputs and valuation of unharvested tea leaf and timber plantation are based on level 2 inputs as per the hierarchy mentioned in the Accounting Policies.

50 Financial Risk Management

Financial management of the Company has been receiving attention of the top management of the Company. The management considers finance as the lifeline of the business and therefore, financial management is carried out meticulously on the basis of detailed management information systems and reports at periodical intervals extending from daily reports to long-term plans. Importance is laid on liquidity and working capital management with a view to reduce over-dependence on borrowings and reduction in interest cost.

50.1 Credit Risk

Credit risk is the risk that counterparty will not meet its obligations leading to financial loss. The Company has an established credit policy and a credit review mechanism. Credit exposure is undertaken only with large reputed business houses and with no history of default against payments. The Company has used a practical expedience by computing the expected credit losses matrix which has taken into account historical credit loss experience based on which no expected credit loss risk has been estimated.

50.2 Liquidity Risk

The Company determines its liquidity requirement in the short, medium and long term. This is done by drawings up cash forecast for short term and long term needs.

The Company manage its liquidity risk in a manner so as to meet its normal financial obligations without any significant delay or stress. Such risk is managed through ensuring operational cash flow while at the same time maintaining adequate cash and cash equivalent position. The management has arranged for diversified funding sources and adopted a policy of managing assets with liquidity monitoring future cash flow and liquidity on a regular basis. Surplus funds not immediately required are invested in and fixed deposit which provide flexibility to liquidate. Besides, it generally has certain undrawn credit facilities which can be assessed as and when required; such credit facilities are reviewed at regular basis.

Notes to Financial Statements
as at and for the year ended 31st March, 2020

(₹ in lakhs)

50.2.1 Maturity Analysis for financial liabilities

The following are the remaining contractual maturities of financial liabilities as at 31st March 2020

a	Particulars	On Demand	Less than 6 months	6 months to 1 year	More than 1 year	Total
	Borrowings					
	Term loan from banks	-	393.48	300.00	600.00	1,293.48
	Term loan from other financial liabilities		2.31	2.43	15.12	19.86
	Working Capital loans repayable on demand	2,054.94	-	-	-	2,054.94
	Short term loan	2,225.00	1,000.00	-	-	3,225.00
	Trade payables	-	491.20	-	-	491.20
	Other financial liabilities	71.01	215.05	-	-	286.06
	Lease liabilities		6.72	7.08	32.36	46.16
	Total	**4,350.95**	**2,108.76**	**309.51**	**647.48**	**7,416.70**

b The following are the remaining contractual maturities of financial liabilities as at 31st March 2019

Particulars	On Demand	Less than 6 months	6 months to 1 year	More than 1 year	Total
Borrowings					
Term loan from banks	-	300.00	300.00	1,200.00	1,800.00
Working Capital loans repayable on demand	973.25	-	-	-	973.25
Short term loan	-	1,852.18	-	-	1,852.18
Trade payables	-	475.05	-	-	475.05
Other financial liabilities	89.77	285.65	-	-	375.42
Total	**1,063.02**	**2,912.88**	**300.00**	**1,200.00**	**5,475.90**

c The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements (if any). The interest payments on variable interest rate loans in the tables above reflect market forward interest rates at the respective reporting dates and these amounts may change as market interest rates change. Except for these financial liabilities, it is not expected that cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts. When the amount payable is not fixed, the amount disclosed has been determined with reference to conditions existing at the reporting date.

50.3 Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company's business primarily agricultural in nature, exposes it to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of adverse weather conditions and lack of future markets. The Company closely monitors the changes in market conditions and select the sales strategies to mitigate its exposure to risk.Market risk comprises two type of risks: Interest Rate Risk, Commodity Risk and Foreign Curreency Risk.

Notes to Financial Statements

as at and for the year ended 31st March, 2020 (₹ in lakhs)

50.3.1 Commodity Risk

Cultivation of tea being an agricultural activity, there are certain specific financial risks. These financial risks arise mainly due to adverse weather conditions, logistic problems inherent to remote areas, and fluctuation of selling price of finished goods viz. tea, coffee and rubber due to increase in supply/availability. The Company manages the above financial risks in the following manner:

i) Sufficient inventory levels of chemicals, fertilisers and other inputs are maintained so that timely corrective action can be taken in case of adverse weather conditions.

ii) Slightly higher level of consumable stores viz. packing materials, coal and HSD are maintained in order to mitigate financial risk arising from logistics problems.

iii) Sufficient working-capital-facility is obtained from banks in such a way that cultivation, manufacture and sale of tea is not adversely affected even in times of adverse conditions.

50.3.2 Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates. The company's exposure to the risk of changes in market interest rate relates primarily to company's borrowing with floating interest rates. The Company do not have any significant interest rate risk on its current borrowing due to their short tenure. The Company is also exposed to interest rate risk on surplus funds parked in loans. To manage such risks, such loans are granted for short durations with fixed interest rate in line with the expected business requirements for such funds.

a **Exposure to interest rate risk**

Particulars	As at 31st March 2020	As at 31st March 2019
Borrowings at floating rate	3,554.94	3,473.25
Borrowings at fixed rate	3,038.34	1,152.18
	6,593.28	**4,625.43**

b **Sensitivity Analysis**

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

Particulars	31st March 2020			31st March 2019		
	Sensitivity Analysis	Impact on		Sensitivity Analysis	Impact on	
		Profit before tax	Other Equity		Profit before tax	Other Equity
Interest Rate Increase by	0.50%	(17.77)	(13.15)	0.50%	(17.37)	(12.85)
Interest Rate Decrease by	0.50%	17.77	13.15	0.50%	(17.37)	12.85

Notes to Financial Statements

as at and for the year ended 31st March, 2020

(₹ in lakhs)

50.3.3 Foreign Currency Risk

The Company has no exposure to foreign exchange currency the financial year. There were no foreign exchange derivative contracts dealt by the Company.

51 Capital Management

The Company objective to manage its capital is to ensure continuity of business while at the same time provide reasonable returns to its various stakeholders but keep associated costs under control. In order to achieve this, requirement of capital is reviewed periodically with reference to operating and business plans that take into account capital expenditure and strategic Investments. Sourcing of capital is done through judicious combination of equity/internal accruals and borrowings, both short term and long term. Net debt (total borrowings less cash and cash equivalents) to equity ratio is used to monitor capital.

Particulars	As at 31st March 2020	As at 31st March 2019
Net Debt	6,593.28	4,625.43
Total Equity	12,110.60	14,565.18
Net Debt to Equity Ratio	0.54	0.32

52 Information pursuant to Regulation 34(3) of SEBI (Listing Obligation and disclosure requirements) Regulation 2015.

Loan to subsidiary/associate company are as under :

Particulars	Balance Outstanding		Maximum Outstanding	
	As at 31st March 2020	As at 31st March 2019	For the year ended 31st March 2020	For the year ended 31st March 2019
Keshava Plantations Pvt. Ltd (Subsidiary)	-	330.00	410.00	350.00
The Cochin Malabar Estates and Industries Ltd. (Associate)	-	-	-	-

Note: The loan was given for the general business purpose of the subsidiary & associate.

53 The Company's entitlement of Rs. 175.60 lacs (2019: Rs. 175.60 lacs) under section 80-IC of the Income Tax Act, 1961 in respect of income generated from facilities situated in North East states is pending before Hon'ble High Court since assessment year 2004-05 to 2013-14. The management of the Company does not foresee any additional liability of the income tax at this point.

54 Transfer of certain assets/liabilities from/to transferor companies/demerged units under the scheme of arrangement/amalgamations carried out in earlier years are still in the process of completion.

55 Trade Receivables, Loans, Other Financial Assets and Other Assets include certain overdue and unconfirmed balances. However, in the opinion of the management, these current assets would, in the ordinary course of business, realize the value stated in the accounts.

Notes to Financial Statements

as at and for the year ended 31st March, 2020

(₹ in lakhs)

56 Miscellaneous Expenditure includes revenue expenditure on research and development Rs. 8.60 lacs (2019: Rs. 7.26 lacs) incurred towards subscription to Tea Research Association.

57 The wage agreements with workers in Assam are under negotiation. Interim wage increase has been announced in Assam and the basic wage has been increased by Rs 30/-. In absence of final agreement, the wages have been accounted for on the basis of interim order for the period from March, 2018 to March, 2020 .

58 The Company's management believes that it has taken into consideration all the possible impact of known events till the date of approval of its financial statements arising from COVID-19 pandemic in the preparation of the financial results. Management is of the view that considering the nature of its business operations, existing customer and supplier relationships and its market position, impact on its business operation, if any, arising from COVID-19 pandemic is not expected to be significant in relation to financial statements prepared. The actual outcome of these assumptions and estimates may vary in future due to impact of pandemic.

59 Previous year figures have been regrouped / rearranged wherever necessary, to confirm to the current period's classification.

As per our report of even date annexed.
For and on behalf of
J K V S & CO
Chartered Accountants
Firm Registration No. 318086E

Utsav Saraf
(Partner)
Membership No. 306932
Place: Kolkata
Dated: 14th July, 2020

For and on behalf of Board of Directors

Hemant Bangur
Chairman
(DIN 00040903)

Manoj Kumar Daga
Director
(DIN 00123386)

Sayansiddha Das
Chief Financial Officer

Sharad Bagree
Manager (Finance) & Company Secretary

Consolidated Financial Statements

Independent Auditor's Report

To The Members of
JOONKTOLLEE TEA & INDUSTRIES LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of Joonktollee Tea & Industries Limited("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") which includes the Group's share of profit in its associate, which comprise the Consolidated Balance Sheet as at March 31st 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Statement of Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 of the subsidiaries and associates referred to below in the Other Matter section below, 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 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 consolidated state of affairs of the Group and its associates as at 31st March, 2020, and their consolidated loss, their consolidated total comprehensive income, their consolidated cash flows and their consolidated 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 specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made there under, 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. 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 as Key audit matters and for each matter, our description of how our audit addressed the matter is provided in that context.

Independent Auditor's Report *(Contd.)*

Key audit matters	How our audit addressed the key audit matter
Impairment of goodwill in Consolidated Financial Statements The Consolidated Financial Statements reflect Goodwill of Rs 7,06,98,281 on acquisition / consolidation. Goodwill is required to be tested annually for impairment. To this end, the Parent and the relevant subsidiary have estimated the recoverable amount of the Cash Generating Unit (CGU) to which the goodwill is allocable based on Value in Use (ViU) calculations. Determination of ViU involves significant estimates, assumptions and judgements as regards determination of method to be used for ViU calculation, reasonableness of assumptions involved in developing projections of financial performance etc. In view of the significance of the Goodwill and the above, we consider impairment testing of goodwill to be a significant key audit matter.	In our audit approach, we reviewed the approach adopted for testing impairment including the method used for determination of Value in Use, testing the design, implementation and operating effectiveness of controls over the process of impairment assessment and performing substantive testing in respect of financial projections for their accuracy, reviewing the assumptions used for reasonableness and involving fair value specialists. We challenged the assumptions made by the management of the Parent in relation to the ViU computation. We also reviewed the sensitivity analysis performed by the management of the Parent on the key assumptions.
Valuation of Biological Assets The Group's biological assets include standing timber, unharvested green leaf, etc., which is measured at fair value less costs to sell. The principal assumptions and estimates in the determination of the fair value include assumptions about the yields or quantity of biological asset, market prices and the stage of transformation. The determination of these assumptions and estimates require careful evaluation by management and could lead to material impact on the financial position and the results of the Company. Refer note no 14 to the financial statement.	With reference to this key audit matter, we have: Evaluated the design and implementation of Company's controls around the valuation of biological assets and agricultural produce. • Assessing the plucking yields and basis of quantification of biological asset and analyse the stage of transformation considered for the fair valuation. • Assessing the basis, reasonableness and accuracy of adjustments made to market prices. • Testing the consistency of application of the fair value approaches and models over the years.

Independent Auditor's Report *(Contd.)*

Key audit matters	How our audit addressed the key audit matter
Contingent Liabilities The Group is exposed to different laws, regulations and interpretations thereof. The company is also subject to number of significant claims and litigations. The assessment of the likelihood and quantum of any liability in respect of these matters can be judgmental due to the uncertainty inherent in their nature. At March 31, 2020, the Company has disclosed significant pending legal cases with respect to Income tax under appeal, Seigniorage Charges, lease rent and other material contingent liabilities [Refer Note 40.1 to the financial statements]. We considered this to be a key audit matter, since the accounting and disclosure of claims and litigations is complex and judgmental, and the amounts involved are, or can be, material to the financial statements.	Our audit procedures included among others: I. Understanding and assessing the internal control environment relating to the identification, recognition and measurement of provisions for disputes, potential claims and litigation, and contingent liabilities; II. Analyzed significant changes/update from previous periods and obtained a detailed understanding of such items. Assessed recent judgments passed by the court authorities affecting such change; III. Discussed the status of significant known actual and potential litigations with the management & noted that information placed before the board for such cases and IV. Assessment of the management's assumptions and estimates related to the recognized provisions for disputes and disclosures of contingent liabilities in the financial statements.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

The Parent's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including annexures to the Board's Report, Corporate Governance & other Shareholder's Information, but does not include the Consolidated Financial Statements, Standalone Financial Statement 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, compare with the financial statement of the subsidiaries and associates audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries and associate, is traced from their financial statements audited by the other auditors.

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.

Independent Auditor's Report *(Contd.)*

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its associates in accordance with Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates 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 Parent, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate 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 and of its associate are also responsible for overseeing the financial reporting process of the Group and of its associate.

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 financial 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 Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.

Independent Auditor's Report *(Contd.)*

- 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 and its associates 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 and its associate 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 and its associates 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 or business activities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities or business activities 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.

Materiality is the magnitude of misstatements in the Consolidated 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 Consolidated Financial Statements.

We communicate with those charged with governance of the Parent and such other entities included in the Consolidated Financial Statements of which we are the independent auditors 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 Consolidated 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.

Independent Auditor's Report *(Contd.)*

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 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

The Consolidated Financial Statement include financial statement of one ("1") subsidiary which is audited by other auditor and whose financial statements reflect total assets of Rs. 2,053.57 Lakhs and net assets of Rs. 1,990.40 Lakhs as at March 31, 2020, total revenues of Rs. 17.73 Lakhs, total comprehensive income of Rs. (3.11) Lakhs {comprising Loss and other comprehensive income (net of tax) as considered in the statement. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the reports of the other auditor. Our opinion on the Consolidated Financial Statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of other auditors on separate financial statements of subsidiaries and associate company incorporated in India, referred in the Other Matters paragraph above we report, to the extent applicable, that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements;

    (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

    (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements;

Independent Auditor's Report *(Contd.)*

(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 from time to time;

(e) On the basis of the written representations received from the directors of the Parent as on 31st March, 2020 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies and associate company incorporated in India, none of the directors of the Group companies and its associate company incorporated in India is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Parent, subsidiary companies and associate company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies, for the reasons stated therein.

(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 Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Consolidated Financial Statements have disclosed the impact of pending litigations on the consolidated financial position of the Group- Refer Note 40.1 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;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and associate incorporated in India during the year ended March 31, 2020.

For **JKVS & CO**
(Formerly known as Jitendra K. Agarwal & Associates)
Chartered Accountants
Firm's Registration No. 318086E

(Utsav Saraf)
Partner
Membership No. 306932
UDIN: 20306932AAAABG2434

Place: Kolkata
Date: 14th July, 2020

Annexure - A to the Independent Auditor's Report

(Referred to in paragraph 2 (f) under "Report on Other Legal and Regulatory Requirements" section of our Report to the members of Joonktollee Tea & Industries Limited of even date)

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

In conjunction with our audit of the consolidated financial statements of Joonktollee Tea & Industries Limited (the 'Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as the 'Group'), its associate as at and for the year ended 31 March 2020, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Holding Company, its three subsidiary companies and one associate company, which are companies covered under the Act, as at that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

AUDITOR'S RESPONSIBILITY

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 of the subsidiary companies and associate company, which are companies incorporated in India, 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 system over financial reporting of the Company, its subsidiary companies, its associate company, which are companies incorporated in India.

Annexure - A to the Independent Auditor's Report *(Contd.)*

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies and associate company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020,based on the criteria for internal control over financial reporting established by the respective companies 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 report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one subsidiary company, which is company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

For **JKVS & CO**
(Formerly known as Jitendra K. Agarwal & Associates)
Chartered Accountants
Firm's Registration No. 318086E

(Utsav Saraf)
Partner
Membership No. 306932
UDIN: 20306932AAAABG2434

Place: Kolkata
Date: 14th July, 2020

Consolidated Balance Sheet

as at 31st March, 2020

(₹ in lakhs)

	Note No.	As at 31st March, 2020		As at 31st March, 2019	
ASSETS					
1 NON-CURRENT ASSETS					
a Property, Plant and Equipment	5	14,864.27		15,038.45	
b Capital Work-In-Progress		635.94		633.91	
c Goodwill on Consolidation		706.98		706.98	
d Intangible Assets	6	3.32		6.83	
e Intangible Assets under Development		82.67		-	
f Rights to use Assets	7	58.78		-	
g Biological Asset other than Bearer Plants	14	3,235.60		3,276.99	
h Financial Assets					
i. Investments	8	114.27		80.71	
ii. Loans	9	227.42		232.79	
i Non-Current Tax Assets (Net)	11	384.27		325.58	
j Other Non-Current Assets	12	293.87	20,607.39	250.51	20,552.75
2 CURRENT ASSETS					
a Inventories	13	1,331.32		1,270.90	
b Biological Asset other than Bearer Plants	14	6.64		33.04	
c Financial Assets					
i Trade Receivables	15	182.40		184.89	
ii Cash and Cash Equivalents	16	43.00		34.49	
iii Bank balances other than Note ii above	17	15.10		17.63	
iv Loans	9	46.60		65.82	
v Other Financial Assets	10	8.41		5.76	
d Other Current Assets	12	351.55	1,985.02	208.36	1,820.89
Total Assets			**22,592.41**		**22,373.64**
EQUITY AND LIABILITIES					
EQUITY					
a Equity Share Capital	18	414.22		414.22	
b Other Equity	19	11,018.15	11,432.37	13,616.64	14,030.86
c Non-controlling interest	20		-		-
			11,432.37		**14,030.86**
LIABILITIES					
1 NON-CURRENT LIABILITIES					
a Financial Liabilities					
i Borrowings	21	620.56		1,200.00	
ii Lease Liabilities		28.16		-	
b Provisions	22	1,019.70		586.97	
c Deferred Tax Liabilities (Net)	23	1,188.13	2,856.55	1,385.92	3,172.89
2 CURRENT LIABILITIES					
a Financial Liabilities					
i Borrowings	24	6,175.54		3,200.76	
ii Lease Liability		18.00		-	
iii Trade Payables	25				
Total outstanding dues to micro enterprises and small enterprises		-		-	
Total outstanding dues of creditor other than micro enterprises and small enterprises		559.42		531.22	
iv Other Financial Liabilities	26	1,037.13		1,006.17	
b Other Current Liabilities	27	238.09		180.80	
c Provisions	22	275.31	8,303.49	250.94	5,169.89
Total Equity and Liabilities			**22,592.41**		**22,373.64**

Basis of preparation and presentation of Financial Statement	2
Significant Accounting Policies	3
Significant Judgements & Key Estimates	4
The Notes are an integral part of the Financial Statements	

As per our report of even date annexed.
For and on behalf of
J K V S & CO
Chartered Accountants
Firm Registration No. 318086E

Utsav Saraf
(Partner)
Membership No. 306932
Place: Kolkata
Dated: 14th July, 2020

For and on behalf of Board of Directors

Hemant Bangur
Chairman
(DIN 00040903)

Manoj Kumar Daga
Director
(DIN 00123386)

Sayansiddha Das
Chief Financial Officer

Sharad Bagree
Manager (Finance) & Company Secretary

Statement of Consolidated Profit & Loss

for the year ended 31st March, 2020

(₹ in lakhs)

	Note No.	For the year ended 31st March, 2020	For the year ended 31st March, 2019
INCOME			
Revenue from Operations	28	9,212.53	10,076.97
Other Income	29	93.73	687.73
Total Income		**9,306.26**	**10,764.70**
EXPENSES			
Cost of Materials Consumed	30	1,661.42	1,863.85
Purchases of Stock -in- Trade		2.57	-
Changes in Inventories of Finished Goods, Traded Goods and Work-in-Progress	31	(62.89)	634.35
Employee Benefits Expense	32	6,140.99	5,731.62
Finance Costs	33	725.09	680.08
Depreciation and Amortisation Expense	34	743.19	752.47
Other Expenses	35	2,654.13	2,809.07
Total Expenses		**11,864.50**	**12,471.44**
Profit / (Loss) before share of net profit / (loss) of associate and Tax		**(2,558.24)**	**(1,706.74)**
Add : Share of Loss in associate for the year		-	-
Profit/(Loss) before Tax		**(2,558.24)**	**(1,706.74)**
Tax Expense:	36		
Current Tax		-	14.75
Income Tax for Earlier Years		-	27.72
Deferred Tax		(130.53)	(159.29)
Profit/(Loss) for the year		**(2,427.71)**	**(1,589.92)**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss	37		
Remeasurement of the defined benefit plans		(271.60)	(78.56)
Fair value of Equity Instruments through OCI		33.56	42.12
Less: Income tax relating to these items		(67.27)	(16.21)
Other Comprehensive Income for the Year (Net of Tax)		**(170.77)**	**(20.23)**
Total Comprehensive Income for the period		**(2,598.48)**	**(1,610.15)**
Profit / (loss) for the period attributable to:			
Owners of the Company		(2,427.71)	(1,612.73)
Non-controlling interest		-	22.81
		(2,427.71)	**(1,589.92)**
Other comprehensive income for the period attributable to:			
Owners of the Company		(170.77)	(20.23)
Non-controlling interest		-	-
		(170.77)	**(20.23)**
Total comprehensive income for the period attributable to:			
Owners of the Company		(2,598.48)	(1,632.96)
Non-controlling interest		-	22.81
		(2,598.48)	**(1,610.15)**
Earnings Per Share of ₹ 10/- each			
Basic & Dilluted	38	(58.61)	(38.38)

Basis of preparation and presentation of Financial Statement	2
Significant Accounting Policies	3
Significant Judgements & Key Estimates	4

The Notes are an integral part of the Financial Statements

As per our report of even date annexed.
For and on behalf of
J K V S & CO
Chartered Accountants
Firm Registration No. 318086E

Utsav Saraf
(Partner)
Membership No. 306932
Place: Kolkata
Dated: 14th July, 2020

For and on behalf of Board of Directors

Hemant Bangur
Chairman
(DIN 00040903)

Manoj Kumar Daga
Director
(DIN 00123386)

Sayansiddha Das
Chief Financial Officer

Sharad Bagree
Manager (Finance) & Company Secretary

Statement of Consolidated Changes in Equity

for the year ended 31st March, 2020

(₹ in lakhs)

a)	Equity Share Capital	
	Balance as at 31st March 2018	41,422,010
	Add/(Less): Changes in Equity Share Capital during the year	-
	Balance as at 31st March 2019	41,422,010
	Add/(Less): Changes in Equity Share Capital during the year	-
	Balance as at 31st March 2020	**41,422,010**

b) Other Equity

Particulars	Other Equity Attributable to owner of the Company					Other Comprehensive Income		Total equity attributable to owners of the Company
	Capital Reserve	Capital Redemption Reserve	Securities Premium	General Reserve	Retained Earnings	Remeasurement of defined benefit obligation through Other Comprehensive Income	Fair value of Equity Instruments through Other Comprehensive Income	
Balance as at 31st March, 2018	7,888.07	0.42	247.01	3,102.69	4,036.39	-	-	15,274.58
Profit/ (Loss) for the year	-	-	-	-	(1,589.92)	-	-	(1,589.92)
Other Comprehensive Income	-	-	-	-	-	(58.14)	37.91	(20.23)
Share of Non controlling interest	-	-	-	-	(22.81)	-	-	(22.81)
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**(1,612.73)**	**(58.14)**	**37.91**	**(1,632.96)**
Dividends Paid	-	-	-	-	(20.71)	-	-	(20.71)
Dividend Distribution Tax	-	-	-	-	(4.27)	-	-	(4.27)
Transfer of Remeasurement of defined benefit obligation	-	-	-	-	(58.14)	58.14	-	-
	-	-	-	-	(83.12)	58.14	-	(24.98)
Balance as at 31st March, 2019	**7,888.07**	**0.42**	**247.01**	**3,102.69**	**2,340.54**	**-**	**37.91**	**13,616.64**
Profit/ (Loss) for the year	-	-	-	-	(2,427.71)	-	-	(2,427.71)
Other Comprehensive Income	-	-	-	-	-	(200.97)	30.19	(170.78)
Share of Non controlling interest	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	(2,427.71)	(200.97)	30.19	(2,598.49)
Transfer of Remeasurement of defined benefit obligation	-	-	-	-	(200.97)	200.97	-	-
	-	-	-	-	(200.97)	200.97	-	-
Balance as at 31st March, 2020	**7,888.07**	**0.42**	**247.01**	**3,102.69**	**(288.14)**	**-**	**68.10**	**11,018.15**

Basis of preparation and presentation of Financial Statement 2
Significant Accounting Policies 3
Significant Judgements & Key Estimates 4
The Notes are an integral part of the Financial Statements

As per our report of even date annexed.
For and on behalf of
J K V S & CO
Chartered Accountants
Firm Registration No. 318086E

Utsav Saraf
(Partner)
Membership No. 306932
Place: Kolkata
Dated: 14th July, 2020

For and on behalf of Board of Directors

Hemant Bangur
Chairman
(DIN 00040903)

Manoj Kumar Daga
Director
(DIN 00123386)

Sayansiddha Das
Chief Financial Officer

Sharad Bagree
Manager (Finance) & Company Secretary

Consolidated Cash Flow Statement

for the year ended 31st March, 2020

(₹ in lakhs)

	Particulars	2019-2020		2018-2019	
A)	CASH FLOW FROM OPERATING ACTIVITIES				
	Net Profit/(Loss) before Tax		**(2,558.24)**		**(1,706.74)**
	Adjusted for :				
	Depreciation & Amortisation	743.19		752.47	
	Loss / (Profit) on Sale/discard of Property, Plant & Equipment (net)	10.40		0.34	
	Loss / (Profit) on Sale of Non Current Investment	-		(513.86)	
	Interest Income	(14.72)		(65.55)	
	Finance Cost	725.09		680.07	
	Fair Valuation for Biological Assets other than bearer plants	67.79		17.70	
	Sundry Credit bal. no longer required written back	(11.21)		(8.08)	
	Provision for doubtful debts/Advances and Advances written off(Net)	0.42	1,520.96	0.38	863.47
	Operating Profit / (Loss) before working capital changes		**(1,037.28)**		**(843.27)**
	Adjustments for :				
	(Increase)/Decrease in Trade Receivables	2.49		610.12	
	(Increase)/Decrease in Inventories	(60.42)		657.96	
	(Increase)/Decrease in Loans, Other Financial Assets & Other Assets	(157.55)		(35.64)	
	Increase/(Decrease) in Trade Payables & Other Liability	(17.01)		164.30	
	Increase/(Decrease) in Provisions	185.49	(47.00)	119.09	1,515.83
	Cash Generated from Operations		(1,084.28)		672.56
	Direct Taxes (Paid)		(58.68)		(14.28)
	Net Cash from /(used in) operating activities		**(1,142.96)**		**658.28**
B)	CASH FLOW FROM INVESTING ACTIVITIES				
	Purchase of Property,Plant and Equipment & Intangible Assets including CWIP / Capital Advances	(652.06)		(373.03)	
	Sale of Property,Plant and Equipment Assets	5.34		6.66	
	Sale of Non Current Investments carried at Cost in a Subsidiary	-		1,632.77	
	(Placement)/ Redemption Fixed deposits (net)	-		1.40	
	Interest Income received	14.72		90.72	
	Net cash from / (used in) Investing Activities		(632.00)		1,358.52
			(1,774.96)		**2,016.80**

Consolidated Cash Flow Statement

for the year ended 31st March, 2020

(₹ in lakhs)

	Particulars	2019-2020		2018-2019	
C)	CASH FLOW FROM FINANCING ACTIVITIES				
	Proceeds from Non Current Borrowings	29.34		400.00	
	Repayments of Non Current Borrowings	(508.80)		(1,000.00)	
	Repayments of Lease Liability	(12.44)		-	
	(Repayments)/Proceeds from Current Borrowings	2,974.79		(895.66)	
	Finance Cost paid	(699.42)		(745.70)	
	Dividend and Corporate Dividend tax paid	-		(24.97)	
	Net Cash from/(used in) Financing Activities		**1,783.47**		**(2,266.33)**
	Net Change in Cash and Cash Equivalents		**8.51**		**(249.53)**
D)	Cash and Cash Equivalents balances				
	Balances at the beginning of the year		34.49		284.02
	Balances at the end of the year		**43.00**		**34.49**

Notes :

1 Cash and cash equivalents consists of Cash in Hand and balances with banks in Current / Cash Credit accounts as per note 16

2 Previous year's figures have been regrouped/rearranged wherever necessary

3 Cash and cash equivalents consists of:

	Particulars	2019-2020	2018-2019
	Cash in hand	11.88	4.52
	Bank Balance	31.12	29.97
	Total	43.00	34.49

Basis of preparation and presentation of Financial Statement 2

Significant Accounting Policies 3

Significant Judgements & Key Estimates 4

As per our report of even date annexed.
For and on behalf of
J K V S & CO
Chartered Accountants
Firm Registration No. 318086E

Utsav Saraf
(Partner)
Membership No. 306932
Place: Kolkata
Dated: 14th July, 2020

For and on behalf of Board of Directors

Hemant Bangur
Chairman
(DIN 00040903)

Manoj Kumar Daga
Director
(DIN 00123386)

Sayansiddha Das
Chief Financial Officer

Sharad Bagree
Manager (Finance) & Company Secretary

Notes to Consolidated Financial Statements

as at and for the year ended 31st March, 2020

1. CORPORATE AND GENERAL INFORMATION

The Consolidated financial statements comprise financial statements of Joonktollee Tea & Industries Limited ('the Company'), its subsidiaries (collectively the "Group") and its Associate Company for the year ended 31st March, 2020. The Company was incorporated as a Limited Company in India under the Companies Act 1956 and has its listing on the BSE Limited and CSE Limited. The registered office of the Company is at 21, Strand Road, Kolkata - 700 001.The Group's principal business is manufacturing of Tea, Coffee and Rubber.

2. BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENT

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 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 14th July, 2020.

2.2. Basis of Measurement

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

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

2.3. Functional and Presentation Currency

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

2.4. Use of Estimates and Judgements

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

2.5. Presentation of Financial Statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss,

Notes to Consolidated Financial Statements

as at and for the year ended 31st March, 2020

as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (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 Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1. The Group has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

An asset is classified as current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- 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.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- 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.

2.7. Measurement of Fair Values

Some of the accounting policies and disclosures of the group require Fair Value measurement for both financial and non-financial assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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 economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Notes to Consolidated Financial Statements

as at and for the year ended 31st March, 2020

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

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

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

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

2.8 Recent Accounting Pronouncement- 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.

3. SIGNIFICANTACCOUNTING 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

Raw materials (including purchased tea leaves), Stores & Spare parts, Finished Goods and Stock in trade are stated at the lower of cost and estimated net realisable value. Cost comprises of expenditure incurred in the normal course of business in bringing such inventories to their present location and condition and includes appropriate overheads (in case of Finished Goods). Cost is determined on weighted average basis. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold are at or above cost.

- **Raw material:-** In nature of harvested tea leaves, picked cherries, latex and other minor agricultural produce raised from own gardens are measured at fair value less cost of sale at point of harvest. The same cost is used for measuring cost for the purpose of valuation of finished goods.
- **Stores and Spare Parts:** Stores and Spare Parts are measured at cost (measured at weighted average basis) or net realizable value whichever is lower.
- **Stock in Process:** Is valued with material at lower of weighted average cost and market rate and estimated conversion cost.
- **Finished Goods:** Finished goods produced from agricultural produce are valued at lower of cost and the net realizable value. Cost is arrived at by adding the cost of conversion to the fair value of

Notes to Consolidated Financial Statements
as at and for the year ended 31st March, 2020

agricultural produce. Other finished goods are measured at cost or NRV whichever is lower.

- **Waste/ Scrap:** Waste and Scrap (including tea waste) are valued at estimated realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

3.2. CASH AND CASH EQUIVALENTS

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

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

3.3. INCOME TAX

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate as per taxation laws under Income tax act, 1961 and under respective state Agriculture Income tax act and adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Current and deferred tax is recognised in the statement of profit & loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

3.3.1. Current Tax:

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

3.3.2. Deferred Tax

- Deferred Tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.
- Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes (i.e., tax base). Deferred tax is also recognized for carry forward of unused tax losses and unused tax credits.
- Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.
- The carrying amount of deferred tax assets is reviewed at the end of each reporting period. The Group reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred

Notes to Consolidated Financial Statements

as at and for the year ended 31st March, 2020

tax asset to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

- Deferred tax relating to items recognized outside the Statement of Profit and Loss is recognized either in other comprehensive income or in equity. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.
- Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

3.4. PROPERTY, PLANT AND EQUIPMENT

3.4.1. Tangible Assets (Other than Bearer Plants)

3.4.1.1. Recognition and Measurement:

- Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost, less any accumulated depreciation and accumulated impairment losses (if any).
- Cost of an item of property, plant and equipment acquired comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting any trade discounts and rebates, any directly attributable costs of bringing the assets to its working condition and location for its intended use and present value of any estimated cost of dismantling and removing the item and restoring the site on which it is located.
- If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.
- Profit or loss arising on the disposal of property, plant and equipment are recognized in the Statement of Profit and Loss.

3.4.1.2. Subsequent Measurement:

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

3.4.1.3. Depreciation and Amortization:

- Depreciation on Property, Plant & Equipment is provided under Written Down Method at rates determined based on the useful life of the respective assets and the residual values in accordance with Schedule II of the Companies Act, 2013 or as reassessed by the Group based on the technical evaluation.
- In case of asset "Fences, wells, tube wells" & "Carpeted Roads – Other than RCC", depreciation has

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been provided on written down value method at the rates determined considering the useful lives of 15 years which is based on assessment carried out by external valuers and the management believes that the useful lives as considered above best represent the period over which the respective assets shall be expected in use.

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

3.4.1.4. Disposal of Assets

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

3.4.1.5. Capital Work in Progress

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

3.4.2. Bearer Plants

3.4.2.1. Recognition and Measurement:

Bearer Plants which are used in the production or supply of agricultural produce and expected to bear produce for more than a period of twelve months are capitalized as part of Property,Plant and Equipments and are stated in the balance sheet at cost, less any accumulated depreciation and accumulated impairment losses (if any).The cost of Bearer Plant includes all cost incurred till the plants are ready for commercial harvest.

3.4.2.2. Depreciation:

- Depreciation on bearer plants is recognised so as to write off its cost over useful lives, using the straight-line method.
- The residual value in case of Bearer Plants has been considered as NIL.Estimated useful life of the bearer plants has been determined as the following:

Tea Bushes	50 years to 60 years
Coffee Bushes	30 years to 80 years
Rubber plants	30 years
Minor produce	30 years

3.4.2.3. Capital Work in Progress

Young tea bushes & shade trees, including the cost incurred for procurement of new seeds and

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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.

3.5. 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.

3.5.1. Group as lessor

➢ Finance Lease

Leases which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item are classified and accounted for as finance lease. Lease rental receipts are apportioned between the finance income and capital repayment based on the implicit rate of return. Contingent rents are recognized as revenue in the period in which they are earned.

➢ Operating Lease

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease except where scheduled increase in rent compensates the Group with expected inflationary costs.

3.5.2. Group as lessee

➢ Finance Lease

Finance Leases, which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease Payments under such leases are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly to the statement of profit and loss. Lease management fees, legal charges and other initial direct costs are capitalized.

If there is no reasonable certainty that the Group will obtain the ownership by the end of lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

➢ Operating Lease

Assets acquired on leases where a significant portion of risk and reward is retained by the lessor are classified as operating leases. Lease rental are charged to statement of profit and loss on a straight-line basis over the lease term, except where scheduled increase in rent compensates the Group with expected inflationary costs.

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

The Group recognizes 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

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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 recognized, 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.

ii) Lease Liabilities

At the commencement date of the lease, the Group recognizes 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 recognized 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.

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 that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

3.6. REVENUE FROM CONTRACT WITH CUSTOMERS

Revenue from contract with customers is recognized when the Group satisfies performance obligations by transferring promised goods and services to the customer. Performance obligations are satisfied at a point of time or over a period of time. Performance obligations satisfied over a period of time are recognized as per the terms of relevant contractual agreements/arrangements. Performance obligations are said to be satisfied at a point of time when the customer obtain controls of the asset.

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Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added tax. Transaction price is recognized based on the price specified in the contract, net of the estimated sales incentives/discounts. Accumulated experience is used to estimate and provide for the discounts/right of return, using the expected value method.

3.6.1. Sales 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.

3.6.2 Rental Income

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

3.6.3 Other Income:

i) 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.

ii) Dividend Income:

It is accounted for in the period in which the right to receive the same is established.

iii) 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 group and the amount of income can be measured reliably.

3.7. EMPLOYEE BENEFITS

3.7.1. 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.

3.7.2. Other Long Term Employee Benefits

The liabilities for 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

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employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation. Remeasurements as the result of experience adjustment and changes in actuarial assumptions are recognized in statement of profit and loss.

3.7.3. 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.

- **Defined Benefit Plans**

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

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

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

3.8. GOVERNMENT GRANTS

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

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

3.9. FOREIGN CURRENCY TRANSACTIONS

- Foreign currency (other than the functional currency) transactions are translated into the functional currency using the spot rates of exchanges at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchanges at the reporting date.

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

3.10. 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 that 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.

3.11. PRINCIPLES OF CONSOLIDATION AND EQUITY ACCOUNTING

Subsidiaries

The Subsidiaries are the entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are consolidated from the date on which control is transferred to the group and are deconsolidated from the date on which control ceases. The acquisition method of accounting is used to account for business combinations by the group. The group combines the financial statements of the parents and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Inter-group 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. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the polices adopted by the group. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

Associate

Associate is an entity over which the group has significant influence but not control or joint control. Investment in associate are accounted for using the equity method of accounting, after initially being recognised at cost.

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Equity Method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profit or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associate are recognised as a reduction in the carrying amount of the investment. When the group's share of losses in an equity accounted investment equals or exceeds its interest in the entity, including any other unsecured long term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

3.12. FINANCIAL INSTRUMENTS

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

3.12.1. Financial Assets

➢ **Recognition and Initial Measurement:**

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

➢ **Classification and Subsequent Measurement:**

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

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

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

- Measured at Amortized Cost: A debt instrument is measured at the amortized cost if both the following conditions are met:
  - The asset is held within a business model whose objective is achieved by both collecting contractual cash flows; and
  - The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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- o 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.

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

➢ **Derecognition**:

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

➢ **Impairment of Financial Assets:**

The Group assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS – 109 requires expected credit losses to be measured through a loss allowance. The group recognizes impairment loss for trade receivables that do not constitute a financing transaction using expected credit loss model, which involves use of a provision matrix constructed on the basis of historical credit loss experience. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

3.12.2. Financial Liabilities

➢ **Recognition and Initial Measurement:**

Financial liabilities are classified, at initial recognition, as at fair value through profit or loss, loans and

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

- **Subsequent Measurement:**

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

- **Derecognition:**

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

3.12.3. Offsetting financial instruments

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

3.13. Earnings Per Share

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

3.14. 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 inflows which are largely independent of the cash inflows from other assets or group of assets (Cash Generating Units – CGU).

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

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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 possible that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations cannot be made. The Group discloses the existence of contingent liabilities in Other Notes to Financial Statements.

3.15.3. Contingent Assets

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

3.16. Non-Current Assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets are not depreciated or amortised.

3.17. Intangible Assets

3.17.1. Recognition and Measurement

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

3.17.2. 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 & Loss.

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3.17.3. Amortization

- Softwares 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.

3.18. Biological Assets and Agricultural Produce

3.18.1. Biological Assets

Biological assets of the group comprises of un-harvested green tea leaves, unpicked cherries, latex on tree, timber and other minor produce are measured at fair value less cost of sales. 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.

3.18.2. Agricultural Produce

Agricultural produce harvested from the Group's biological assets are valued at fair value less cost to sell at the point of harvest. A gain or loss arising on initial recognition of agricultural produce at fair value less cost to sell shall be included in Statement of Profit & Loss for the period in which it arises.

3.19. Operating Segment

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker of the Group is responsible for allocating resources and assessing performance of the operating segments andaccordingly is identified as the chief operating decision maker.

The Group has identified three reportable segment "Tea", "Coffee" and "Rubber" based on the information reviewed by the CODM.

3.20. Business Combination

Business combinations are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Group. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at fair values on their acquisition date. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are recognised in the Statement of Profit and Loss. Transaction costs are expensed as incurred, other than those incurred in relation to the issue of debt or equity securities. Any contingent consideration payable is measured at fair value at the acquisition date. Subsequent changes in the fair value of contingent consideration are recognised in the Statement of Profit and Loss.

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

Estimates and judgements are continually evaluated. They are based on historical experience and other

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

- **Recognition of Deferred Tax Assets:** The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits.
- **Useful lives of depreciable/ amortisable assets (tangible and intangible):** Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to actual normal wear and tear that may change the utility of plant and equipment.
- **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 recognising provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgement by management regarding the probability of exposure to potential loss.
- **Impairment of Financial Assets:** The 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

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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 and Agricultural Produce:** The fair value of Biological Assets and Agricultural Produce is determined based on recent transactions entered into with third parties or available market price. Fair valuation of Biological Asset and Agriculture Produce are based on the market rates published by the industrial body for various grades from which the fair value of Biological asset and Agriculture Produce are derived.

- **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 Group 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 financial statements may differ from that estimated as at the date of approval of these financial statements.

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(₹ in lakhs)

5) PROPERTY, PLANT AND EQUIPMENT

Particulars	Year Ended 31st March 2020									
	Gross Carrying Amount				Accumulated Depreciation					
	As at 31st March 2019	Additions	Disposals	As at 31st March 2020	As at 31st March 2019	Depreciation charged during the year	Deductions	Disposals	As at 31st March 2020	Net Carrying Amount
Leasehold Land and Development	4,234.44	-	-	4,234.44	-	-	-	-	-	4,234.44
Freehold Land and Development	2,532.92	-	-	2,532.92	-	-	-	-	-	2,532.92
Buildings	3,282.05	117.16	7.14	3,392.07	1,783.17	130.02	2.81	-	1,910.38	1,481.69
Plant and Machinery	4,087.58	148.82	38.30	4,198.10	3,071.10	209.27	29.94	-	3,250.43	947.67
Furniture and Fittings	204.16	55.25	0.26	259.15	176.30	12.17	0.24	-	188.23	70.92
Vehicles	585.68	64.56	36.72	613.52	475.59	41.23	33.66	-	483.16	130.36
Office Equipments	95.86	4.14	0.09	99.91	74.50	10.97	0.09	-	85.38	14.53
Bearer Plant	6,481.02	171.75	-	6,652.77	884.60	316.43	-	-	1,201.03	5,451.74
Total	**21,503.71**	**561.68**	**82.51**	**21,982.88**	**6,465.26**	**720.09**	**66.74**	**-**	**7,118.61**	**14,864.27**

Particulars	Year Ended 31st March 2019									
	Gross Carrying Amount				Accumulated Depreciation					
	As at 31st March 2018	Additions	Disposals	As at 31st March 2019	As at 31st March 2018	Depreciation charged during the year	Deductions	Disposals/ adjustment	As at 31st March 2019	Net Carrying Amount
Leasehold Land and Development	4,234.44	-	-	4,234.44	-	-	-	-	-	4,234.44
Freehold Land and Development	2,532.92	-	-	2,532.92	-	-	-	-	-	2,532.92
Buildings	3,259.82	22.23	-	3,282.05	1,639.49	143.68	-	-	1,783.17	1,498.88
Plant and Machinery	3,970.49	132.08	14.99	4,087.58	2,847.39	235.36	11.65	-	3,071.10	1,016.48
Furniture and Fittings	196.07	8.54	0.45	204.16	171.94	4.74	0.38	-	176.30	27.86
Vehicles	608.84	25.14	48.30	585.68	484.39	36.38	45.18	-	475.59	110.09
Office Equipments	80.78	16.18	1.10	95.86	68.43	7.07	1.00	-	74.50	21.36
Bearer Plant	6,347.29	133.73	-	6,481.02	571.09	313.51	-	-	884.60	5,596.42
Total	**21,230.65**	**337.90**	**64.84**	**21,503.71**	**5,782.73**	**740.74**	**58.21**	**-**	**6,465.26**	**15,038.45**

Refer note no. 41 for information on the carrying amounts of financial and non-financial assets pledged as security for the non-current borrowings.

6) INTANGIBLE ASSETS

Particulars	Year Ended 31st March 2020								
	Gross Carrying Amount				Accumulated Depreciation/Amortisation				
	As at 31st March 2019	Additions	Disposals	As at 31st March 2020	As at 31st March 2019	Charged during the year	Deductions	As at 31st March 2020	Net Carrying Amount
Computer Software	17.21	-	-	17.21	10.38	3.51	-	13.89	3.32
Total	**17.21**	**-**	**-**	**17.21**	**10.38**	**3.51**	**-**	**13.89**	**3.32**

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(₹ in lakhs)

Particulars	Year Ended 31st March 2019								
	Gross Carrying Amount				Accumulated Depreciation/Amortisation				
	As at 31st March 2018	Additions	Disposals	As at 31st March 2019	As at 31st March 2018	Charged during the year	Deductions	As at 31st March 2019	Net Carrying Amount
Computer Software	15.06	2.15	-	17.21	6.73	3.65	-	10.38	6.83
Total	**15.06**	**2.15**	**-**	**17.21**	**6.73**	**3.65**	**-**	**10.38**	**6.83**

7) RIGHT TO USE

Particulars	Year Ended 31st March 2020								
	Gross Carrying Amount				Accumulated Depreciation/Amortisation				
	As at 31st March 2019	Additions	Disposals	As at 31st March 2020	As at 31st March 2019	Charged during the year	Deductions	As at 31st March 2020	Net Carrying Amount
Buildings	-	78.37	-	78.37	-	19.59	-	19.59	58.78
Total	**-**	**78.37**	**-**	**78.37**	**-**	**19.59**	**-**	**19.59**	**58.78**

7) INVESTMENT ACCOUNTED FOR USING EQUITY METHOD

Particulars	Face Value (Rs.)	As at 31st March 2020		As at 31st March 2019	
		Qty	Amount	Qty	Amount
(Fully Paid-up unless otherwise stated)					
Equity investments valued at cost					
Quoted - In trade					
Investment in Associate					
The Cochin Malabar Estates & Ind. Ltd.	10	437,294	-	437,294	-
Total			-		-
Aggregate amount of quoted investments			-		-

8) NON - CURRENT INVESTMENTS

Particulars	Face Value (Rs.)	As at 31st March 2020		As at 31st March 2019	
		Qty	Amount	Qty	Amount
INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME/ PROFIT & LOSS					
Investments in Equity Instruments					
Quoted					
The Phosphate Co. Ltd.	10	138,680	114.27	138,680	80.71
			114.27		**80.71**
Aggregate amount of quoted investments (At book value)			38.60		38.60

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(₹ in lakhs)

9)	LOANS					
	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
	Security Deposit					
	Unsecured, considered good		198.71	211.01	-	-
			198.71	**211.01**	**-**	**-**
	Other Loans and Advances, unsecured, considered good unless otherwise mentioned					
	Loan to Employees	9.1	28.71	21.78	46.60	65.82
			28.71	**21.78**	**46.60**	**65.82**
			227.42	**232.79**	**46.60**	**65.82**

9.2 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 other than disclosed in Note no. 46.2

10)	OTHERS FINANCIAL ASSETS					
	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
	Deposit with Nabard		-	-	1.07	1.07
	Deposit with Assam Financial Corporation		-	-	1.04	2.24
	Interest accrued on Fixed deposit / Loan		-	-	-	-
	Others Receivable		-	-	6.30	2.45
			-	**-**	**8.41**	**5.76**

11)	NON CURRENT TAX ASSETS (NET)			
		Refer Note No.	As at 31st March 2020	As at 31st March 2019
	Advance Income Tax & TDS		356.27	313.25
	Income Tax Refundable		28.00	12.33
			384.27	**325.58**

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as at and for the year ended 31st March, 2020

(₹ in lakhs)

12) OTHER ASSETS

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		41.03	12.62	-	3.70
Advances other than Capital Advances					
Advances to Suppliers & Service Providers		24.18	26.18	107.78	31.54
Balances with Government & Statutory Authorities		13.27	-	126.51	59.13
Prepaid Expenses		1.68	-	26.39	27.93
Subsidy Receivable				85.22	80.43
Other Assets	12.1	237.89	237.89	5.65	5.63
		318.05	276.69	351.55	208.36
Less : Provision for Doubtful Advances		24.18	26.18	-	-
		293.87	**250.51**	**351.55**	**208.36**

12.1 Represents payment under protest in respect of lease rent and Seigniorage Charges Rs. 237.89 lakhs (Previous Year 2019- Rs. 237.89 lakhs)

13) INVENTORIES

Particulars	Refer Note No.	As at 31st March 2020	As at 31st March 2019
(As valued and certified by the Management)			
Finished Goods		883.73	914.67
Semi Finished Goods		93.83	-
Stores and Spares (net of Obsolescence)		353.76	356.23
		1,331.32	**1,270.90**

13.1 Details of Inventories - Finished Goods :

Particulars	Refer Note No.	As at 31st March 2020	As at 31st March 2019
Tea		251.29	571.57
Coffee		263.41	262.03
Rubber - Semi-Finished		93.83	-
Rubber - Finished		302.31	51.15
Minor Produce		66.72	29.92
		977.56	**914.67**

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as at and for the year ended 31st March, 2020

(₹ in lakhs)

14)	BIOLOGICAL ASSET OTHER THAN BEARER PLANT					
	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
	As at Opening date		3,276.99	3,296.70	26.99	31.02
	Increase due to purchases / physical changes/Net change in fair value less estimated costs to sell		4.95	20.39	6.64	33.04
	Decreases due to harvest / physical changes / Sales		46.34	40.10	26.99	31.02
	As at Closing date		**3,235.60**	**3,276.99**	**6.64**	**33.04**

15)	TRADE RECEIVABLES			
	Particulars	Refer Note No.	As at 31st March 2020	As at 31st March 2019
	Trade Receivables		186.03	188.52
	Less: Allowance for expected Credit loss		3.63	3.63
	Total Trade Receivables		**182.40**	**184.89**
	Break Up of Security Details			
	Trade Receivables considered good-Secured		-	-
	Trade Receivables considered good-Unsecured		182.40	184.89
	Trade Receivables which have been significant increase in Credit Risk: and		-	-
	Trade Receivables -credit impaired		3.63	3.63
			186.03	**188.52**
	Less: Allowance for expected Credit loss		3.63	3.63
	Total Trade Receivables		**182.40**	**184.89**

16)	CASH AND CASH EQUVALENTS			
	Particulars	Refer Note No.	As at 31st March 2020	As at 31st March 2019
	Balances With Banks :			
	In Current Account		31.12	29.97
	In Cash Credit Account		-	-
	Cash in Hand		11.88	4.52
			43.00	**34.49**

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as at and for the year ended 31st March, 2020

(₹ in lakhs)

17)	BANK BALANCES (OTHER THAN NOTE: 16)			
	Particulars	Refer Note No.	As at 31st March 2020	As at 31st March 2019
	Balance in Unpaid Dividend Account		14.52	17.05
	Fixed Deposit with Banks	17.1	0.58	0.58
			15.10	**17.63**
17.1	Includes deposits marked lien in favour of Govt. Authorities, deposits having maturity of more than three month but less than twelve months.		0.58	0.58

18)	EQUITY SHARE CAPITAL					
	Particulars	Face Value (Rs.)	As at 31st March 2020		As at 31st March 2019	
			No. of Shares	Amount	No. of Shares	Amount
18.1	**Authorised Share Capital**					
	Equity Shares:					
	Equity Shares of Rs. 10/- each		11,249,000	1,124.90	11,249,000	1,124.90
	Equity Shares of Rs. 100/- each		35,000	35.00	35,000	35.00
	Preference Shares:					
	Redeemable Cumulative Shares of Rs.10/- each		50,000	5.00	50,000	5.00
	13.5% Redeemable Cumulative Shares of Rs.100/- each		100	0.10	100	0.10
				1,165.00		**1,165.00**
18.2	**Issued Share Capital**					
	Equity Shares of Rs. 10/- each		4,142,201	414.22	4,142,201	414.22
			4,142,201	**414.22**	**4,142,201**	**414.22**
18.3	**Subscribed and Paid-up Share Capital**					
	Equity Shares of Rs.10/- each fully paid-up		4,142,201	414.22	4,142,201	414.22
			4,142,201	**414.22**	**4,142,201**	**414.22**

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 issued shares i.e. Equity Shares having par value of Rs.10/- per share. Each holder of Equity Shares is entitled to one vote per share and equal right for dividend. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders

Notes to Consolidated Financial Statements

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(₹ in lakhs)

are eligible to receive the remaining assets of the Company after payment of all preferential amounts, in proportion to 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

Particulars	As at 31st March 2020		As at 31st March 2019	
	No. of Shares	% Holding	No. of Shares	% Holding
Equity Shares of Rs. 10/- each fully paid				
Pushpa Devi Bangur	642,928	15.52%	642,928	15.52%
The Oriental Company Limited	593,643	14.33%	593,643	14.33%
Gloster Ltd	538,838	13.01%	538,838	13.01%
Hemant Bangur	426,729	10.30%	426,729	10.30%
Madhav Trading Corporation Limited	424,130	10.24%	424,130	10.24%
Life Insurance Corporation of India	239,179	5.77%	246,493	5.95%

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 No Ordinary Shares have been bought back by the Company during the period of 5 years preceding the date as 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.

19)	OTHER EQUITY			
	Particulars	Refer Note No.	As at 31st March 2020	As at 31st March 2019
	Capital Reserve	19.1	7,888.07	7,888.07
	Capital Redemption Reserve	19.2	0.42	0.42
	Securities Premium	19.3	247.01	247.01
	General Reserve	19.4	3,102.69	3,102.69
	Retained Earnings	19.5	(288.14)	2,340.54
	Other Comprehensive Income	19.6	68.10	37.91
			11,018.15	**13,616.64**

Notes to Consolidated Financial Statements

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(₹ in lakhs)

a) Capital Reserve & Capital Reserve in the nature of Security Premium: During amalgamation / merger / acquisition, the excess of net assets taken, over the consideration paid, if any, is treated as capital reserve.

b) Capital Redemption Reserve: The Company has recognised Capital Redemption Reserve on redemption of preference shares from its retained earnings. The amount in Capital Redemption Reserve is equal to nominal amount of the preference shares redeemed.

c) Securities Premium: The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. This reserve is utilised in accordance with the provisions of the Companies Act 2013.

d) General Reserve: The reserve arises on transfer portion of the net profit pursuant to the earlier provisions of Companies Act 1956.

e) Retained Earnings: Retained earnings represent accumulated profits earned by the Companies and remaining undistributed as on date.

f) Other Comprehensive Income (OCI) : Other Comprehensive Income (OCI) represent the balance in equity for items to be accounted under OCI and comprises of the following:

i) Equity Instruments through OCI: The Company has elected to recognise changes in the fair value of certain investment in equity instrument in other comprehensive income.

ii) Remeasurement of defined benefit obligations: The actuarial gains and losses arising on defined benefit obligations have been recognised in OCI

	Particulars	As at 31st March 2020	As at 31st March 2019
19.1	**Capital Reserve**		
	Balance at the beginning and at the end of the year	7,888.07	7,888.07
19.2	**Capital Redemption Reserve**		
	Balance at the beginning and at the end of the year	0.42	0.42
19.3	**Securities Premium**		
	Balance at the beginning and at the end of the year	247.01	247.01
19.4	**General Reserve**		
	Balance at the beginning and at the end of the year	3,102.69	3,102.69

Notes to Consolidated Financial Statements

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(₹ in lakhs)

	Particulars	Refer Note No.	As at 31st March 2020	As at 31st March 2019
19.5	**Retained Earnings**			
	Balance at the beginning of the year		2,340.54	4,036.39
	Add: Profit / (Loss) for the year		(2,427.71)	(1,612.73)
	Add: Other Comprehensive Income arising from remeasurement of defined benefit obligation and Financial Instruments (net of tax)		(200.97)	(58.14)
			(288.14)	**2,365.52**
	Less: Appropriation			
	Final Dividend		-	20.71
	Dividend Distribution Tax on Final Dividend		-	4.27
			-	**24.98**
	Balance at the end of the year		**(288.14)**	**2,340.54**
	Total Reserve & Surplus		**10,950.05**	**13,578.73**

19.6	**Other Comprehensive Income**			
	Remeasurement of Defined Benefit Obligations			
	Balance at the beginning of the year		-	-
	Add/(Less): Changes during the year (net of tax)		(200.97)	(58.14)
	Add/(Less): Transferred to Retained Earnings		200.97	58.14
	Balance at the end of the year		-	-
	Fair value of Equity Instruments			
	Balance at the beginning of the year		37.91	-
	Add/(Less): Changes during the year (net of tax)		30.19	37.91
	Balance at the end of the year		68.10	37.91
	Total Reserve & Surplus		**11,018.15**	**13,616.64**

20)	NON CONTROLLING INTEREST			
	Particulars	Refer Note No.	As at 31st March 2020	As at 31st March 2019
	For Cowcoody Builders Pvt. Ltd.			
	Balance at the beginning of the year		-	740.52
	In lieu of sale of Investment		-	717.71
	Profit for the period attributable to Non Contolling Interest		-	22.81
			-	-

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(₹ in lakhs)

21)	BORROWINGS			
	Particulars	Refer Note No.	Non-Current	
			As at 31st March 2020	As at 31st March 2019
	Secured			
	Term Loan from banks		1,293.48	1,800.00
	Term Loan from other financial institutions		27.06	-
	Less: Current Maturities of Long term Borrowings		699.98	600.00
	Total Secured Borrowings		**620.56**	**1,200.00**
	Amount disclosed under the head "Other Financial Liability"		699.98	600.00
	Break Up of Security Details			
	Secured		1,293.48	1,800.00
	Unsecured		-	-
			1,293.48	**1,800.00**

21.1 Details of Security Given for Loan

a. Term Loan from a Bank amounting to Rs. 793.48 lakhs together with working capital facility from the same Bank is secured by exclusive charge on the title deeds of Jamirah Tea Estate . Loan is repayable Rs. 93.47 lakhs and balance in 7 quarterly installments of Rs. 100.00 lakhs . Interest is payable on quarterly basis at 9.85%

b. Term Loan from a Bank amounting to Rs. 500.00 lakhs together with working capital facility from the same Bank is secured by exclusive charge on the title deeds of Nilmoni Tea Estate and the current assets of Karnataka division both, present and future . Loan is repayable in 10 quarterly installments of Rs. 50.00 lakhs. Interest is payable on monthly basis at 11.45%.

c. Vehicle Loan from Mahindra and Mahindra Financial Services Limited payable in ramaining 40 instalments of Rs.0.23 lakhs including interest @ 6.50% p.a

d. Vehicle Loan from Bank amounting to Rs.12.34 lakhs payable in remaining 38 instalments of Rs.0.32 lakhs including interest @ 10% p.a

e. Vehicle Loan from Mahindra and Mahindra Financial Services Limited payable in ramaining 41 instalments of Rs.0.22 lakhs including interest @ 7.60% p.a. of wholly owned subsidiary.

21.2 Refer note no. 40 for information on the carrying amounts of financial and non-financial assets pledged as security for the non-current borrowings.

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(₹ in lakhs)

22) PROVISIONS

Particulars	Refer Note No.	Non-Current As at 31st March 2020	Non-Current As at 31st March 2019	Current As at 31st March 2020	Current As at 31st March 2019
Provision for Employee Benefits					
Gratuity		1,019.70	586.97	-	-
Bonus		-	-	249.04	220.83
Leave		-	-	26.27	30.11
		1,019.70	**586.97**	**275.31**	**250.94**

23) DEFERRED TAX LIABILITIES (NET)

Particulars	Refer Note No.	As at 31st March 2020	As at 31st March 2019
Deferred Tax Liabilities			
Arising on account of :			
Property, Plant & Equipments & Intangible Assets		1,550.15	1,609.71
Other temporary differences		97.13	117.00
Remeasurment of Financial Instruments		3.36	4.21
		1,650.64	**1,730.92**
Less: Deferred Tax Assets			
Arising on account of :			
Unused tax credit		18.00	18.34
Section 43B of Income-tax Act		290.84	175.57
Unabsorbed Depreciation/ Carried Forward Losses	23.1	153.67	151.09
		462.51	**345.00**
Deferred Tax Liabilities (Net)		**1,188.13**	**1,385.92**

23.1 The recognition of deferred tax asset on unabsorbed depreciation/business losses has been restricted to the extent of reversal of deferred tax liability on account of temporary differences in respect of depreciation.

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(₹ in lakhs)

23.2 Movement in deferred tax liabilities/ (asset) during the year ended 31st March, 2019 and 31st March, 2020

Particulars	Face Value (Rs.)	As at 31st March, 2018	Charge/(Credit) in Statement of Profit & Loss	Charge/ (Credit) in Other Comprehensive Income	As at 31st March, 2019
Deferred Income Tax Liabilities/ (Assets)					
Property, Plant & Equipments & Intangible Assets		1,639.56	(29.85)	-	1,609.71
Other temporary differences		161.18	(44.18)	-	117.00
Remeasurment of Financial Instruments		-	-	4.21	4.21
Unused tax credit		(18.34)	-	-	(18.34)
Items u/s 43B of the Income Tax Act, 1961		(118.69)	(36.45)	(20.43)	(175.57)
Unabsorbed Depreciation/ Carried Forward Business Losses		(102.58)	(48.51)	-	(151.09)
Deferred Tax Liabilities/(Assets)		**1,561.13**	**(158.99)**	**(16.22)**	**1,385.92**

Particulars	Face Value (Rs.)	As at 31st March, 2019	Charge/(Credit) in Statement of Profit & Loss	Charge/ (Credit) in Other Comprehensive Income	As at 31st March, 2020
Deferred Income Tax Liabilities/ (Assets)					
Property, Plant & Equipments & Intangible Assets		1,609.71	(59.56)	-	1,550.15
Other temporary differences		117.00	(19.87)	-	97.13
Remeasurment of Financial Instruments		4.21	-	(0.85)	3.36
Unused tax credit		(18.34)	0.34	-	(18.00)
Items u/s 43B of the Income Tax Act, 1961		(175.57)	(44.65)	(70.62)	(290.84)
Unabsorbed Depreciation/ Carried Forward Business Losses		(151.09)	(2.58)	-	(153.67)
Deferred Tax Liabilities/(Assets)		**1,385.92**	**(126.32)**	**(71.47)**	**1,188.13**

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(₹ in lakhs)

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

24)	CURRENT BORROWINGS			
	Particulars	Refer Note No.	As at 31st March 2020	As at 31st March 2019
	Secured			
	Working Capital loans from bank repayable on demand		2,388.43	1,290.74
	Short Term Loan from Bank		500.00	700.00
	Unsecured			
	Short Term Loan from Bank		1,062.11	1,210.02
	Short Term Loan from Body Corporate repayable on demand		2,225.00	-
			6,175.54	**3,200.76**

24.1 Details of Security Given for Loan

a. Working Capital Loan and Short Term Loan from a bank amounting to Rs.355.84 lakhs & Rs. 700.00 lakhs respectively is secured by way of exclusive charge on the title deeds of Nilmoni Tea Estate and the Current Assets of the Karnataka Division, both present and future.

b. Working Capital Loan from a Bank of Rs. 670.88 lakhs is secured by equitable mortgage of Jamirah Tea Estate and Pullikanam Tea Estate and also by way of hypothecation of current assets of Kerala Division.

c. Working Capital Loan from a Bank of Rs. 1028.22 lakhs is secured by equitable mortgage of Joonktollee Tea Estate and hypothecation of current assets of Joonktollee Tea Estate and Nilmoni Tea Estate.

d. Working capital loan from Bank is secured by equitable mortgage of Azizbagh Tea Estate and also by way of hypothecation of standing tea crop, tea in process, finished tea in factory etc. and book debts of the company. The same carries interest @ 9.60% p.a.

e. Secured by second charge by way of mortgage of Azizbagh Tea Estate Estate alongwith standing tea crop, buildings and plant and machinery.The same carrying interest @ 12% p.a.

24.2 Refer note no. 40 for information on the carrying amounts of financial and non-financial assets pledged as security for current borrowings.

25)	TRADE PAYABLES			
	Particulars	Refer Note No.	As at 31st March 2020	As at 31st March 2019
	Trade Payables for goods and services			
	Total outstanding dues of micro enterprises and small enterprises		-	-
	Total outstanding dues of creditor other than micro enterprises and small enterprises		559.42	531.22
			559.42	**531.22**

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(₹ in lakhs)

26) OTHER CURRENT FINANCIAL LIABILITIES

Particulars	Refer Note No.	As at 31st March 2020	As at 31st March 2019
Current maturities of Non Current Debt		699.98	600.00
Employee Related Liability		178.93	292.90
Interest accrued but not due on Borrowings		6.80	23.50
Interest accrued and due on Borrowings		63.66	21.29
Unpaid and unclaimed dividends	26.1	14.52	17.05
Security deposit		3.44	5.22
Amount payable for Capital Goods		65.23	46.21
Others		4.57	-
		1,037.13	**1,006.17**

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

27) OTHER CURRENT LIABILITIES

Particulars	Refer Note No.	As at 31st March 2020	As at 31st March 2019
Statutory Dues Payable		202.02	153.48
Advances Received from Customers		36.07	27.32
		238.09	**180.80**

28) REVENUE FROM OPERATIONS

Particulars	Refer Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
Sale of Finished Goods		9,053.52	9,909.14
Sale of Green Leaf		46.32	-
		9,099.84	**9,909.14**
Other Operating Revenues			
Sale of Minor Produce / Timber		87.92	133.90
Incentives & Subsidies		24.36	31.72
Insurance and Other Claims (Net)		0.41	2.21
		112.69	**167.83**
		9,212.53	**10,076.97**

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(₹ in lakhs)

28) REVENUE FROM OPERATIONS

Particulars	Refer Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
Details of Sale of Finished Goods :			
Tea		7,998.86	8,369.38
Rubber		627.34	1,070.30
Coffee		427.32	469.46
		9,053.52	**9,909.14**
Geographical Sales			
In India		9,053.52	9,909.14
Outside India		-	-
		9,053.52	**9,909.14**

29) OTHER INCOME

Particulars	Refer Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
Interest Income at amortised cost			
On Bank Deposits		-	0.11
On Inter Corporate Deposits		-	13.75
From Others		14.72	51.70
Other Non Operating Income			
Rent		1.06	82.16
Excess Liabilities and Unclaimed Balances written back		11.21	8.08
Miscellaneous Income		64.74	18.07
Provision for Doubtful Debts for earlier years written back		2.00	-
Profit on Sale of Non Current Investment		-	513.86
		93.73	**687.73**

30) COST OF MATERIALS CONSUMED

Particulars	Refer Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
Purchase of Green Leaf		1,661.42	1,863.85
		1,661.42	**1,863.85**

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(₹ in lakhs)

31)	CHANGES IN INVENTORIES OF FINISHED GOODS, TRADED GOODS AND WORK-IN-PROGRESS			
	Particulars	Refer Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
	Inventories at the end of the year			
	Tea		251.29	571.57
	Rubber		396.14	51.15
	Coffee		263.41	262.03
	Minor Produce		66.72	29.92
			977.56	**914.67**
	Inventories at the beginning of the year			
	Tea		571.57	842.13
	Rubber		51.15	290.26
	Coffee		262.03	307.95
	Minor Produce		29.92	108.68
			914.67	1,549.02
			(62.89)	**634.35**

32)	EMPLOYEE BENEFITS EXPENSE			
	Particulars	Refer Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
	Salaries & Wages		5,146.01	4,765.96
	Contribution to Provident Funds and Others		505.69	467.86
	Contribution to Gratuity Fund		174.63	144.38
	Contribution to Superannuation Fund		-	11.77
	Staff Welfare Expenses		410.23	416.78
			6,236.56	5,806.75
	Less: Amount Capitalised		95.57	75.13
			6,140.99	**5,731.62**

Notes to Consolidated Financial Statements

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(₹ in lakhs)

33) FINANCE COST

Particulars	Refer Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
Interest Expenses			
To Banks on Term Loans		163.76	216.06
To Banks On Working Capital Loans		489.49	437.25
To Inter Corporate Deposits		-	2.70
To Others		52.02	6.36
Other Borrowing Costs			
Other Financial Charges		27.36	25.08
		732.63	**687.45**
Less: Amount Capitalised	33.1	7.54	7.37
		725.09	**680.08**

33.1 The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the entity's general borrowings during the year, in this case 10.44% - 11.52% (31 March 2019 – 10.44% - 12.06%).

34) DEPRECIATION AND AMORTIZATION EXPENSES

Particulars	Refer Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
On Property, Plant and Equipment	34.1	739.68	748.82
On Intangible Assets		3.51	3.65
		743.19	**752.47**

34.1 For the Financial year ended 31.03.2020 depreciation includes NIL/- (P.Y.Rs.8.09 lakhs) in respect of Cowcoody Builders Pvt.Ltd & Depreciation on Right to Use is Rs. 19.59 lakhs included under PPE.

35) OTHER EXPENSE

Particulars	Refer Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
Manufacturing Expenses			
Stores, Spare Parts & Packing Materials Consumed		183.01	182.69
Power & Fuel		915.57	958.65
Cultivations		674.83	721.68
Repairs to Buildings		93.05	84.52

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(₹ in lakhs)

35)	OTHER EXPENSE			
	Particulars	Refer Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
	Repairs to Machinery		113.04	101.69
	Repairs to Other Assets		3.62	3.20
			1,983.12	**2,052.43**
	Less: Amount Capitalised		34.41	38.77
			1,948.71	**2,013.66**
	Selling and Administration Expenses			
	Freight & Cartage		85.86	118.31
	Commission & Brokerage		53.98	74.93
	Land Revenue		7.39	7.48
	Rent		-	22.93
	Rates & Taxes		23.72	79.82
	Insurance		61.39	56.16
	Vehicle Running & Maintenance Expense		146.75	132.84
	Charity & Donation		-	0.15
	Corporate Social Responsibility Expenses		-	0.62
	Auditors' Remuneration -			
	Statutory Auditors -			
	Audit Fees		13.70	12.55
	Issue of Certificates		10.40	10.50
	Reimbursement of Expenses		0.25	0.32
	Cost Auditors' Remuneration -			
	Audit Fees		1.50	1.50
	Legal & Professional Fees		41.83	31.30
	Advances written off		0.42	0.37
	Profit/(Loss) on Sale/discard of Property, Plant and Equipment		10.40	0.34
	Changes in Fair value of Biological assets		67.79	17.70
	Travelling Expenses		22.09	21.96
	Director Sitting Fees		2.90	6.28
	Other Miscellaneous Expenses		155.05	199.35
			705.42	**795.41**
			2,654.13	**2,809.07**

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(₹ in lakhs)

36)	TAX EXPENSE			
	Particulars	Refer Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
	Current Tax		-	14.75
	Income Tax for Earlier Years		-	27.72
	Deferred Tax		(130.53)	(159.29)
			(130.53)	**(116.82)**

36.1 Reconciliation of estimated Income tax expense at Indian statutory Income tax rate to income tax expense reported in statement of Profit & Loss.

	Particulars	Refer Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
	Profit from before income tax expense		(2,558.24)	(1,706.74)
	Indian Statutory Income Tax rate*		0.26	0.26
	Estimated Income Tax Expense		(665.14)	(443.75)
	Tax effect of adjustments to reconcile expected Income tax expense to reported Income tax expense			
	Exempt Income		(120.04)	3.78
	Non Deductible expenses under Income tax Act		-	0.16
	Adjustments due to change in tax rates		0.08	134.38
	Unrecognized tax credit on losses		(417.02)	(249.23)
	Others		2.37	(188.30)
			(534.61)	**(299.21)**
	Income tax expense in Statement of Profit & Loss		**(130.53)**	**(144.54)**

* Applicable Income Tax rate for Financial Year 2020 & 2019 is 26 % & 26 % respectively except CY Pranav Infradey Co. Pvt. Ltd is 22.88% .

37)	OTHER COMPREHENSIVE INCOME			
	Particulars	Refer Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
	Items that will not be reclassified to profit or loss			
	Remeasurement of the defined benefit plans		(271.60)	(78.56)
	Remeasurement of Financial Instruments		33.56	42.12
	Less: Tax expense on defined benefit obligation		(70.63)	(20.42)
	Less: Tax expense on Financial Instruments		3.36	4.21
			(170.77)	**(20.23)**

Notes to Consolidated Financial Statements

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(₹ in lakhs)

38)	EARNING PER SHARE			
	Particulars	Refer Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
	Nominal Value of Equity Shares (Rs.)		10.00	10.00
	Profit attributed to the Equity shareholders of the Company		(2,428)	(1,589.92)
	Weighted average number of equity shares		41.42	41.42
	Basis and diluted earning per shares (Rs.)		(58.61)	(38.38)

There are no dilutive equity shares in the Company.

39. Contingent Liabilities, Contingent Assets & Commitment to the extent not provided for:

39.1 Contingent Liabilities

Sl. No.	Particulars	As at 31st March 2020	As at 31st March 2019
A	Claims/Disputes/Demands not acknowledged as debts -		
i.	Income Tax under appeal [Note 1]	273.69	273.69
ii.	Karnataka Agriculture Income Tax under Appeal (Advance paid Rs. 16.16 lakhs)	28.45	28.45
iii.	Claims of Creditors & workers	28.54	25.82
iv.	Seigniorage Charges (KERALA Forest Dept.)	177.02	177.02
v.	Provident Fund Damages	51.80	51.80
vi.	Lease Rent [Note 2]	144.86	130.86
vii.	Other claims not acknowledged as debts	84.37	84.37
viii	Plantation Tax	29.44	26.50

Note 1 Rs.191.13 lakhs (2019: Rs. 178.35 lakhs) paid under protest / adjusted for appeal.

Note 2 The Government of Kerala has increased the Lease Rent payable in respect of Chemoni and Pudukad Estates from Rs. 2/- per Acre to Rs. 1300/- per Hectare with effect from 25th November, 2009. The Company filed Writ Petition before the Hon'ble Court of Kerala challenging the increase and the case is subjudice.

In respect of above matters, future cash outflows in respect of contingent liabilities are determinable only on receipt of judgements pending at various forums/ authorities.

39.2 Commitments

Sl. No.	Particulars	As at 31st March 2020	As at 31st March 2019
i.	Estimated amount of contracts remaining to be executed on Capital Account (net of advances)	53.42	46.51

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(₹ in lakhs)

40 **Assets pledged as security**

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

Particulars	As at 31st March 2020	As at 31st March 2019
Current		
Financial assets	**345.44**	**291.76**
Trade Receivables	182.40	205.37
Cash and cash equivalents	26.05	20.51
Other Current Assets	136.99	65.88
Non-financial assets	**1,343.76**	**1,270.90**
Inventories	1,343.76	1,270.90
Total current assets pledged as security	**1,689.20**	**1,562.66**
Non-current		
Land and Development	7,989.03	8,021.17
Freehold buildings	1,280.27	1,279.99
Plant and Machinery	2,010.47	587.73
Vehicle	49.23	15.99
Furniture and Fittings	13.11	6.79
Office Equipments	4.30	5.85
Total non-currents assets pledged as security	**11,346.41**	**9,917.52**
Total assets pledged as security	**13,035.61**	**11,480.18**

41 **Disclosure as required under the Micro, Small and Medium Enterprises Development Act, 2006, to the extent ascertained, and as per notification number GSR 679 (E) dated 4th September, 2015.**

Sl. No.	Particulars	As at 31st March 2020	As at 31st March 2019
i	The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each financial year.		
ii	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.		
iii	The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006		
iv	The amount of interest accrued and remaining unpaid at the end of each accounting year		

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(₹ in lakhs)

Sl. No.	Particulars	As at 31st March 2020	As at 31st March 2019
v	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006		

42 Operating Leases (Other than Land Lease)

Operating Lease 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 Group 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 3.5.2 :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. 78.37 lakhs , and a lease liability of Rs 58.60 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.

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 50.2.1

The Group 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.

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(₹ in lakhs)

43 Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits'

43.1 Defined Contribution Plan:

The Group makes contribution towards provident fund and superannuation fund to a defined contribution retirement plan for qualifying employees. The Provident fund plan is operated by statutory authorities. Under the said scheme the company is required to contribute a specific percentage of pay roll costs in respect of eligible employees to the retirement benefit scheme to fund the benefits.

The Parent Company operates a superannuation scheme for certain employees and contributions by the Parent Company under the scheme, is charged against revenue every year.

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

Sl. No.	Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
a	Provident Fund	501.85	416.17
b	Superannuation Fund	-	11.77

43.2 Defined Benefit Plan:

The following are the types of defined benefit plans

43.2.1 Gratuity Plan

The Group makes annual contribution of gratuity to gratuity funds duly constituted and administered by independent trustees and funded with Birla Sun Life Insurance Company Limited/ independent trust and Life Insurance Corporation for the qualifying employees. The scheme provides for a lump sum payment to vested employees upon retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of 5 years of continuous service. 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 each balance sheet date.

43.2.2 Leave

The employees of the Company are also eligible for encashment of leave upon retirement up to 30 days for each year (maximum 120 days). The benefit obligation related to leave liability are funded with Life Insurance Corporation of India.

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(₹ in lakhs)

43.2.3 Risk Exposure

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

Interest rate risk	The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation with tend to increase.
Salary Inflation risk	Higher than expected increases in salary will increase the defined benefit obligation.
Demographic risk	This is the risk of variability of results due to unsystematic nature of decrements that include 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. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compare to long service employee.

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

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

Particulars	**Gratuity**	
	2019-20	**2018-19**
Net defined benefit asset/(liability) at the beginning of the year	(586.97)	(375.03)
Service Cost	(131.11)	(116.31)
Net interest on net defined benefit (liability)/asset	(43.52)	(28.07)
Amount recognised in OCI	(271.60)	(78.56)
Employer contributions	13.50	11.00
Net defined benefit asset/(liability) at the end of the year	**(1,019.70)**	**(586.97)**

43.2.5 Reconciliation of Defined Benefit Obligations

The following table shows a reconciliation to defined benefits obligations:

Particulars	**Gratuity**	
	2019-20	**2018-19**
Defined Benefit Obligation at the beginning of the year	2,127.56	1,937.27
Current Service Cost	131.11	116.31
Interest Cost on the defined benefit obligation	151.92	140.98
Actuarial (gain)/loss-experience	27.72	80.51
Actuarial (gain)/loss-financial assumptions	147.98	16.82
Benefits paid from plan assets	(203.91)	(164.33)
Defined Benefit Obligation at the end of the year	2,382.38	2,127.56

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(₹ in lakhs)

43.2.6 Reconciliation of the Plan Assets

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

Particulars	Gratuity	
	2019-20	2018-19
Fair Value of Plan Assets at the beginning of the year	1,540.60	1,562.25
Interest Income on Plan Assets	108.40	112.91
Return on plan assets greater/ (lesser) than discount rate	(95.90)	18.77
Employer Contributions	13.50	11.00
Benefits Paid	(203.91)	(164.33)
Fair Value of Plan Assets at the end of the year	**1,362.69**	**1,540.60**

43.2.7 Expenses recognized in profit or loss

Particulars	Gratuity	
	2019-20	2018-19
Current Service Cost	131.11	116.31
Interest Cost	151.92	140.98
Interest Income on Plan Assets	108.40	112.91

43.2.8 Remeasuremets recognzied in other comprehensive income

Particulars	Gratuity	
	2019-20	2018-19
Actuarial (gain)/ Loss on defined benefit obligation	175.70	97.33
Return on plan assets greater/ (lesser) than discount rate	94.04	(15.11)

43.2.9 Major Categories of Plan Assets

The Gratuity Scheme is invested in a Group Unit Linked Gratuity Plan managed by Birla Sun Life Insurance Company Limited / the Independent Administered Gratuity Fund and Life Insurance Corporation. The information on the allocations of fund managed by Birla Sun Life Insurance Company Limited and Life Insurance Corporation into major assets classes and expected return on each major classes are not readily available. In case of company's administered trust, 100% allocation of fund has been made towards government securities. The expected rate of return on plan assets is based on the assumed rate of return provided by Company's actuary.

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43.2.10 Actuarial Assumptions

Particulars	Gratuity	
	2019-20	2018-19
Financial Assumptions		
Discount Rate	6.70	7.50
Salary Escalation Rate- Management	8.00	8.00
Salary Escalation Rate- Non- Management	6.00	6.00
Demographic Assumptions		
Mortality Rate	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult
Withdrawal Rate	Age from 20-40 : 2.00% Age from 40-60 : 1.00%	Age from 20-40 : 2.00% Age from 40-60 : 1.00%

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

43.2.12 At 31st March 2020, the weighted average duration of the defined benefit obligation was 9 years (previous year 9). The distribution of the timing of benefits payment i.e., the maturity analysis of the benefit payments is as follows:

Particulars	Gratuity	
	2019-20	2018-19
Within 1 year	240.03	255.40
1-2 Year	145.36	147.05
2-3 Year	193.34	150.01
3-4 Year	199.29	188.63
4-5 Year	238.40	186.15
5-9 Years	1,396.32	1,378.77

43.2.13 The Group expects to contribute Rs. Nil (previous year Rs. 13,50 Lakhs) to its gratuity fund in 2020-21.

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(₹ in lakhs)

43.2.14 Sensitivity Analysis

The sensitivity analyses below have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occuring 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:

Particulars	Gratuity	
	2019-20	2018-19
Effect on DBO due to 1% increase in Discount Rate	(182.41)	(157.95)
Effect on DBO due to 1% decrease in Discount Rate	211.25	182.49
Effect on DBO due to 1% increase in Salary Escalation Rate	210.21	183.02
Effect on DBO due to 1% decrease in Salary Escalation Rate	(184.87)	(161.15)

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

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

44.1

Particulars	2019-20	2018-19
Gross Amount Required to be spent by the company during the year	-	-
Provision made in relation to CSR expenditure	-	-

44.2

Particulars	2019-20		2018-19	
	In Cash	Yet to be paid in cash	In Cash	Yet to be paid in cash
Amount spent during the year on:				
Construction/ Acquisition of any asset	-	-	-	-
On purpose other than above	-	-	0.62	-
Unspent Amount	-	-	-	-

Notes to Consolidated Financial Statements

as at and for the year ended 31st March, 2020

(₹ in lakhs)

45 Related Party Disclosures

45.1 Name of the related parties and description of relationship

A Key Management Personnel

- Hemant Bangur- Chairman
- Pushpa Devi Bangur- Non Executive Director
- Manoj Kumar Daga-Independent Director
- Mihir Mohan Pyne-Independent Director (till 31.03.2019)
- Jay Kumar Surana-Independent Director
- Mr. K. C. Mohta - Executive Director & C.E.O (till 30.04.2018)
- Mukundan Raman - Chief Operating Officer (w.e.f. 01.11.2018)
- Sayansiddha Das - Chief Financial Officer
- Sharad Bagree - Company Secretary

B Enterprises/Individual having control over the Company

- Credwyn Holdings (I) Private Limited (CHPL)
- The Oriental Company Limited (TOCL)
- Madhav Trading Corporation Limited (MTCL)
- Wind Power Vinimay Private Limited (WPVPL)
- Gopal Das Bangur (HUF)
- PDGD Investment & Trading Private Limited
- Mugneeram Bangur & Company LLP (MB)
- The Cambay Investment Corporation Limited (TCICL)

E Post Employement Benefit Plan

- Bangur Superannuation Fund
- Joonktollee Tea & Industries Limited Gratuity Fund

45.2 Summary of transactions with the related parties

Particulats	Associate of the Company	Entities over which Key Management Personnels are able to exercise control/joint control	Key Management Personnel	Post Employement Benefit Plan
Loan/ Advances Given(Net)	-	-	14.10	-
Previous Year	-	-	5.20	-
Loan/ Advances Refunded	-	-	1.20	-
Previous Year	-	-	-	-
Loan Received	-	1,325.00	-	-
Previous Year	-	100.00	-	-

Notes to Consolidated Financial Statements

as at and for the year ended 31st March, 2020

(₹ in lakhs)

Particulats	Associate of the Company	Entities over which Key Management Personnels are able to exercise control/joint control	Key Management Personnel	Post Employement Benefit Plan
Loan Repaid		-	-	-
Previous Year	-	100.00		
Interest Income/ (Paid)	-	(53.38)	-	-
Previous Year	-	(4.01)		
Rent Paid	-	18.00	-	-
Previous Year	-	18.00	-	-
Purchase of Goods	-	-	-	-
Previous Year			-	
Dividend Paid	-	-	-	-
Previous Year		9.03	5.35	
Sale of Investment	-	-	-	-
Previous Year	-	452.82	1,243.90	
Sitting Fees	-	-	2.20	-
Previous Year		-	5.55	
Remuneration	-	-	86.27	-
Previous Year			70.14	-
Contribution towards post employement benefit plan	-	-	-	-
Previous Year	-	-	-	11.77

45.3 Summary of Closing Balance Outstanding with the related parties

Particulats	Associate of the Company	Enterprises/ Individual having control over the Company	Key Management Personnel	Post Employement Benefit Plan
Security Deposit Receivable				
2020	-	**75.00**	-	-
2019	-	75.00	-	-
Loan/ Advances Outstanding				
2020	-	-	**16.40**	-
2019	-	-	5.20	-

Notes to Consolidated Financial Statements

as at and for the year ended 31st March, 2020

(₹ in lakhs)

45.4 Key Management Personnel compensation

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Short-term employee benefits	86.27	70.14
*Post-employment benefits	-	-
*Long-term employee benefits	-	-
Sitting Fees	2.20	5.55
Total compensation	**88.47**	**75.69**

* Post-employment benefits and other long-term benefits is being disclosed based on actual payment made on retirement/resignation of services, but does not includes provision made on actuarial basis as the same is available for all the employees together.

45.5 Major terms and conditions of transactions with related parties

Transactions with related parties are carried out in the normal course of business and are made on terms equivalent to those that prevail in arm's length transactions.

46 Segment Reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Based on the management approach as defined in Ind AS 108, the Chief Operating Decision Maker evaluates the Company's performance based on only three segment i.e. Tea, Coffee and Rubber which have been identified taking into account the organizational structure as well as the differing risks and returns of these segments. The segment wise revenue, assets and liabilities relate to the respective amounts directly identifiable with each other of the segments. There is no inter-segment revenue. The company does not have any secondary/geographical segments.

Particulars	2019-20	2018-19
Segment Revenue		
Tea	8,075.45	8,433.62
Coffee	447.41	485.65
Rubber	627.34	1,070.90
Others	62.33	86.80
Total	**9,212.53**	**10,076.97**

Notes to Consolidated Financial Statements

as at and for the year ended 31st March, 2020

(₹ in lakhs)

Particulars	2019-20	2018-19
Segment Results		
Tea	(1,269.63)	(1,075.46)
Coffee	(93.88)	47.56
Rubber	(308.88)	(375.67)
Others	62.65	(26.99)
Total	**(1,609.74)**	**(1,430.56)**
Interest Expenses	725.09	680.08
Interest Income	14.72	65.56
Other Unallocated Income (net of Unallocated Expenses)	238.13	(338.34)
Total Profit before Tax	**(2,558.24)**	**(1,706.74)**
Less : Income Taxes	**(130.54)**	**(116.82)**
Total Profit/(Loss) after Tax	**(2,427.70)**	**(1,589.92)**

Particulars	31-03-2020		31-03-2019	
	Assets	Liabilities	Assets Liabilities	Liabilities
Segment Assets & Segment Liabilities				
Tea	13,046.72	2,086.40	13,205.92	1,645.52
Coffee	3,771.88	47.36	3,788.29	30.58
Rubber	2,103.07	320.16	1,847.83	193.84
Others	66.72	-	29.92	-
Unallocable	3,604.02	1,210.03	3,501.68	1,472.08
Total	**22,592.41**	**3,663.95**	**22,373.64**	**3,342.02**

Particulars	31-03-2020		31-03-2019	
	Capital Expenditure	Depreciation/ Amortisation	Capital Expenditure	Depreciation/ Amortisation
Capital Expenditure & Depreciation/ Amortisation				
Tea	537.34	542.89	296.45	561.76
Coffee	30.29	44.61	19.04	50.69
Rubber	1.53	123.92	19.25	123.48
Unallocable	77.21	31.77	75.49	16.54
Total	**646.37**	**743.19**	**410.23**	**752.47**

No customer individually accounted for more than 10% of the revenues from external customers during the years.

Notes to Consolidated Financial Statements

as at and for the year ended 31st March, 2020

(₹ in lakhs)

47 Fair Value Measurement

Categories of Financial Assets & Financial Liabilities as at 31st March 2020 and 31st March 2019

Particulars	31st March 2020			31st March 2019		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
Financial Assets						
Investment						
- Equity Instruments	-	114.27	-	-	80.71	-
Trade Receivables	-	-	182.40	-	-	184.89
Cash and Cash Equivalents	-	-	43.00	-	-	34.49
Bank Balance other than above	-	-	15.10	-	-	17.63
Loans to Employees	-	-	75.31	-	-	87.60
Loans to Companies/ Firm	-	-	-	-	-	-
Security Deposits	-	-	198.71	-	-	211.01
Other Financial Assets	-	-	8.41	-	-	5.76
Total Financial Assets	**-**	**114.27**	**522.93**	**-**	**80.71**	**541.38**
Financial Liabilities						
Borrowings	-	-	6,796.11	-	-	4,400.76
Trade Payables	-	-	559.42	-	-	531.22
Other Financial Libilities	-	-	1,037.13	-	-	1,006.17
Lease Liability	-	-	46.16	-	-	-
Total Financial Liabilities	**-**	**-**	**8,438.82**	**-**	**-**	**5,938.15**

48 Fair Values of Financial Assets and Financial Liabilities measured at Amortised Cost

48.1 The following is the comparison by class of the carrying amounts and fair value of the Group financial instruments that are measured at amortized cost:

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

48.3 The management considers that the carrying amounts of Financial assets and Financial liabilities recognised at nominal cost/amortised cost in the Financial statements approximate their fair values.

48.4 Non current borrowings has been contracted at floating rates of interest, which are reset at short intervals. Fair value of floating interest rate borrowings approximates their carrying value subject to adjustments made for transaction cost.

Notes to Consolidated Financial Statements

as at and for the year ended 31st March, 2020

(₹ in lakhs)

49 Fair Value Hierarchy

49.1 Financial Instrument

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 Group 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.

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

As at 31st March 2020 and 31st March 2019

Particulars	31st March 2020			31st March 2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Investment						
- Equity Instruments	114.27	-	-	-	-	80.71
Total Financial Assets	**114.27**	**-**	**-**	**-**	**-**	**80.71**

49.2 Biological assets other than bearer plants

This section explains the judgements and estimates made in determining the fair values of the biological assets other than bearer plants that are recognised and measured at fair value in the financial statements. The Group uses a Valuation technique that is appropriate in the circumstances and for which sufficient data are available to measure the fair value, maximising the use of relevant observable inputs.

Biological Assets measured at Fair Value less cost to sell

As at 31st March 2020 and 31st March 2019

Particulars	31st March 2020			31st March 2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Non Financial Assets						
Biological Assets other than Bearer Plant						
- Unharvested Tea Leaf & Other Minor Produce	-	6.64	-	-	33.04	-
- Timber Plantations	-	3,235.60	-	-	3,276.99	-
Total Non Financial Assets	**-**	**3,242.24**	**-**	**-**	**3,310.03**	**-**

Notes to Consolidated Financial Statements

as at and for the year ended 31st March, 2020

(₹ in lakhs)

49.2.1 Valuation Technique

Unharvested Tea Leaf: Fair value is being arrived at based on the observable market prices of made tea adjusted for manufacturing costs. The same is applied on quantity of the tea leaves unharvested using plucking averages of various estates.

Timber Plantation: Fair value is being arrived at based on the observable market prices of timber.

49.3 There were no transfers between level 1, level 2 and level 3.

49.4 Explanation to the fair value hierarchy

The Group measures Financial instruments, such as, equity investments and non financial instruments, such as, unharvested tea leaf and timber plantation, at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The valuation of equity instruments are based on level 1 inputs and valuation of unharvested tea leaf and timber plantation are based on level 2 inputs as per the hierarchy mentioned in the Accounting Policies.

50 Financial Risk Management

Financial management of the Group has been receiving attention of the top management of the Group. The management considers finance as the lifeline of the business and therefore, financial management is carried out meticulously on the basis of detailed management information systems and reports at periodical intervals extending from daily reports to long-term plans. Importance is laid on liquidity and working capital management with a view to reduce over-dependence on borrowings and reduction in interest cost.

50.1 Credit Risk

Credit risk is the risk that counterparty will not meet its obligations leading to financial loss. The Group has an established credit policy and a credit review mechanism. Credit exposure is undertaken only with large reputed business houses and with no history of default against payments. Based on the business model, macro economic enviroment of the business and past trends, the management has determined nil percentage for any class of financial asset under expected credit loss.

50.2 Liquidity Risk

The Group determines its liquidity requirement in the short, medium and long term. This is done by drawings up cash forecast for short term and long term needs.

The Group manage its liquidity risk in a manner so as to meet its normal financial obligations without any significant delay or stress. Such risk is managed through ensuring operational cash flow while at the same time maintaining adequate cash and cash equivalent position. The management has arranged for diversified funding sources and adopted a policy of managing assets with liquidity monitoring future cash flow and liquidity on a regular basis. Surplus funds not immediately required are invested in certain mutual funds and fixed deposit which provide flexibility to liquidate. Besides, it generally has certain undrawn credit facilities which can be assessed as and when required; such credit facilities are reviewed at regular basis.

Notes to Consolidated Financial Statements

as at and for the year ended 31st March, 2020

(₹ in lakhs)

50.2.1 Maturity Analysis for financial liabilities

The following are the remaining contractual maturities of financial liabilities as at 31st March 2020

a	Particulars	On Demand	Less than 6 months	6 months to 1 year	More than 1 year	Total
	Borrowings					
	Term loan from banks	-	393.48	300.00	600.00	1,293.48
	Term loan from Financial Institution	-	3.16	3.35	20.56	27.07
	Working Capital loans repayable on demand	2,388.44	-	-	-	2,388.44
	Short term loan	2,787.11	1,000.00	-	-	3,787.11
	Trade payables	-	559.42	-	-	559.42
	Other financial liabilities	70.46	266.69	-	-	337.15
	Lease Liabilities		6.73	7.09	32.35	46.17
	Total	**5,246.01**	**2,229.48**	**310.44**	**652.91**	**8,438.84**

b The following are the remaining contractual maturities of financial liabilities as at 31st March 2019

Particulars	On Demand	Less than 6 months	6 months to 1 year	More than 1 year	Total
Borrowings					
Term loan from banks	-	300.00	300.00	1,200.00	1,800.00
Working Capital loans repayable on demand	1,290.74	-	-	-	1,290.74
Short term loan	-	1,910.02	-	-	1,910.02
Trade payables	-	531.22	-	-	531.22
Other financial liabilities	22.27	337.69	-	-	359.96
Total	**1,313.01**	**3,078.93**	**300.00**	**1,200.00**	**5,891.94**

c The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements (if any). The interest payments on variable interest rate loans in the tables above reflect market forward interest rates at the respective reporting dates and these amounts may change as market interest rates change. Except for these financial liabilities, it is not expected that cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts. When the amount payable is not fixed, the amount disclosed has been determined with reference to conditions existing at the reporting date.

50.3 Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group business primarily agricultural in nature, exposes it to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of adverse weather conditions and lack of future markets. The Company closely monitors the changes in market conditions and select the sales strategies to mitigate its exposure to risk.Market risk comprises two type of risks: Interest Rate Risk, Commodity Risk and Foreign Currency Risk.

Notes to Consolidated Financial Statements

as at and for the year ended 31st March, 2020 (₹ in lakhs)

50.3.1 Commodity Risk

"Cultivation of tea being an agricultural activity, there are certain specific financial risks. These financial risks arise mainly due to adverse weather conditions, logistic problems inherent to remote areas, and fluctuation of selling price of finished goods viz. tea, coffee and rubber due to increase in supply/availability. The Parent manages the above financial risks in the following manner:

i) Sufficient inventory levels of chemicals, fertilisers and other inputs are maintained so that timely corrective action can be taken in case of adverse weather conditions.

ii) Slightly higher level of consumable stores viz. packing materials, coal and HSD are maintained in order to mitigate financial risk arising from logistics problems.

iii) Sufficient working-capital-facility is obtained from banks in such a way that cultivation, manufacture and sale of tea is not adversely affected even in times of adverse conditions.

50.3.2 Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates. The Parent exposure to the risk of changes in market interest rate relates primarily to Parent borrowing with floating interest rates. The Parent do not have any significant interest rate risk on its current borrowing due to their short tenure. The Parent is also exposed to interest rate risk on surplus funds parked in loans. To manage such risks, such loans are granted for short durations with fixed interest rate in line with the expected business requirements for such funds.

a Exposure to interest rate risk

Particulars	As at 31st March 2020	As at 31st March 2019
Borrowings at floating rate	3,888.42	3,790.74
Borrowings at fixed rate	3,607.64	1,210.02
	7,496.07	**5,000.76**

b Sensitivity Analysis

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

Particulars	31st March 2020			31st March 2019		
	Sensitivity Analysis	Impact on		Sensitivity Analysis	Impact on	
		Profit before tax	Other Equity		Profit before tax	Other Equity
Interest Rate Increase by	0.50%	(18.04)	(13.35)	0.50%	(6.05)	(4.18)
Interest Rate Decrease by	0.50%	18.04	13.35	0.50%	6.05	4.18

Notes to Consolidated Financial Statements

as at and for the year ended 31st March, 2020

(₹ in lakhs)

50.3.3 Foreign Currency Risk

The Group has no exposure to foreign currency during the financial year. There were no foreign exchange derivative contracts dealt by the Group.

51 Capital Management

The Group objective to manage its capital is to ensure continuity of business while at the same time provide reasonable returns to its various stakeholders but keep associated costs under control. In order to achieve this, requirement of capital is reviewed periodically with reference to operating and business plans that take into account capital expenditure and strategic Investments. Sourcing of capital is done through judicious combination of equity/internal accruals and borrowings, both short term and long term. Net debt (total borrowings less investments and cash and cash equivalents) to equity ratio is used to monitor capital.

Particulars	As at 31st March 2020	As at 31st March 2019
Net Debt	7,496.09	5,000.76
Total Equity	11,432.37	14,030.86
Net Debt to Equity Ratio	0.66	0.36

52 Information pursuant to Regulation 34(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015.

Loan to associate company are as under :

Particulars	Balance Outstanding		Maximum Outstanding	
	As at 31st March 2020	As at 31st March 2019	For the year ended 31st March 2020	For the year ended 31st March 2019
The Cochin Malabar Estates and Industries Ltd. (Associate)	-	-	-	-

Note: The loan was given for the general business purpose of the associate.

53 The Parent Company's entitlement of Rs. 175.60 lakhs (2019: Rs. 175.60 lakhs) under section 80-IC of the Income Tax Act, 1961 in respect of income generated from facilities situated in North East states is pending before Hon'ble High Court since assessment year 2004-05 to 2013-14. The management of the Company does not foresee any additional liability of the income tax at this point.

54 Transfer of certain assets/liabilities from/to transferor companies/demerged units under the scheme of arrangement/amalgamations carried out in earlier years are still in the process of completion.

55 Trade Receivables, Loans, Other Financial Assets and Other Assets include certain overdue and unconfirmed balances. However, in the opinion of the management, these current assets would, in the ordinary course of business, realize the value stated in the accounts.

56 Miscellaneous Expenditure includes revenue expenditure on research and development Rs.10.03 lakhs (2019: Rs. 8.78 lakhs) incurred towards subscription to Tea Research Association.

Notes to Consolidated Financial Statements

as at and for the year ended 31st March, 2020

(₹ in lakhs)

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

Particulars	Net Assets, i.e.total assets minus total liabilities			
	As at 31st March 2020		As at 31st March 2019	
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
Parent				
Joonktollee Tea & Industries Limited	105.93%	12,110.60	103.81%	14,565.18
Subsidiaries - Indian				
1. Pranav Infradev Co. Pvt. Ltd.	17.41%	1,990.40	14.21%	1,993.50
2. Keshava Plantations Pvt. Ltd.	11.75%	1,342.85	10.57%	1,483.65
Sub Total	135.09%	15,443.84	128.59%	18,042.33
Inter Company elimination and consolidation adjustment	-35.09%	(4,011.47)	-28.59%	(4,011.47)
Total	**100.00%**	**11,432.38**	**100.00%**	**14,030.86**

Name of Enterprise	Nature of Business	Place of Business	Share in Profit & Loss			
			As at 31st March 2020		As at 31st March 2019	
			As % of consolidated profit & loss	Amount	As % of consolidated profit & loss	Amount
Parent						
Joonktollee Tea & Industries Limited	Cultivation & Manufacturing of Tea,Coffee & Rubber	India	-94.46%	(2,454.58)	-68.91%	(1,125.30)
Subsidiaries - Indian						
1. Cowcoody Builders Pvt.Ltd	Real Estate	India	-	-	2.17%	35.41
2. Pranav Infradev Co.Pvt.Ltd	Real Estate	India	-0.12%	(3.10)	-0.44%	(7.15)
3. Keshava Plantations Pvt.Ltd	Cultivation & Manufacturing of Tea	India	-5.42%	(140.80)	-15.04%	(245.59)

Notes to Consolidated Financial Statements
as at and for the year ended 31st March, 2020

(₹ in lakhs)

Name of Enterprise	Nature of Business	Place of Business	Share in Profit & Loss - As at 31st March 2020 - As % of consolidated profit & loss	Share in Profit & Loss - As at 31st March 2020 - Amount	Share in Profit & Loss - As at 31st March 2019 - As % of consolidated profit & loss	Share in Profit & Loss - As at 31st March 2019 - Amount
Associate (Investment as per equity method)						
The Cochin Malabar Estates And Industries Limited (24.68%)	Rubber	India	-	-	-	-
Sub Total			-100.00%	(2,598.48)	-82.22%	(1,342.63)
Inter Company elimination and consolidation adjustment			-	-	-17.78%	(290.33)
Total			**-100.00%**	**(2,598.48)**	**-100.00%**	**(1,632.96)**

58 The wage agreements with workers in Assam and Kerala are under negotiation. Interim wage increase has been announced in Assam and the basic wage has been increased by Rs 30/-. In absence of final agreement, the wages have been accounted for on the basis of interim order for the period from March,2018 to March,2020.

59 The Group believes that it has taken into consideration all the possible impact of known events till the date of approval of its financial statements arising from COVID-19 pandemic in the preparation of the financial results. Group is of the view that considering the nature of its business operations, existing customer and supplier relationships and its market position, impact on its business operation, if any, arising from COVID-19 pandemic is not expected to be significant in relation to financial statements prepared. The actual outcome of these assumptions and estimates may vary in future due to impact of pandemic.

As per our report of even date annexed.
For and on behalf of
J K V S & CO
Chartered Accountants
Firm Registration No. 318086E

Utsav Saraf
(Partner)
Membership No. 306932
Place: Kolkata
Dated: 14th July, 2020

For and on behalf of Board of Directors

Hemant Bangur
Chairman
(DIN 00040903)

Manoj Kumar Daga
Director
(DIN 00123386)

Sayansiddha Das
Chief Financial Officer

Sharad Bagree
Manager (Finance) & Company Secretary

Form AOC - 1

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014
Statement containing salient features of the
financial statement of subsidiaries/associate companies/joint ventures

Part "A" : Subsidiaries

1	**Sl. No.**	**1**	**2**
2	**Name of the subsidiary**	**Keshava Plantations Pvt. Ltd.**	**Pranav Infradev Co. Pvt. Ltd.**
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	**31st March, 2020**	**31st March, 2020**
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	INDIAN RUPEES	INDIAN RUPEES
5	Share Capital	80.00	21.23
6	Reserves & Surplus	1,262.85	1,969.16
7	Total Assets	2,646.23	2,054.16
8	Total Liabilities	2,646.23	2,054.16
9	Investments	-	-
10	Turnover	1,136.88	17.73
11	Profit / (Loss) before taxation	(157.99)	(2.69)
12	Provision for taxation	(27.30)	0.42
13	Profit after taxation	(130.69)	(3.11)
14	Proposed Dividend	-	-
15	% of shareholding	100%	100%

Part "B" : Associate

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

Name of Associate	The Cochin Malabar Estates And Industries Limited
1. Latest audited Balance Sheet Date	31-03-2020
2. Shares of Associate held by the Company on the year end	
No.	437294
Amount of Investment in Associate	423.66
Extend of Holding %	24.68
3. Description of how there is significant influence	By virtue of holding more than 20% equity shares
4. Reason why the associate is not consolidated	Consolidated
5. Networth attributable to Shareholding as per latest audited Balance Sheet	(37.97)
6. Profit / (Loss) for the year	(11.69)
i. Considered in Consolidation	-
ii. Not Considered in Consolidation	(11.69)

Notes

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