



Annual Report
2018-19

BOARD OF DIRECTORS

Mr. Dharendra Kumar
Ms. Shashi Kumar
Ms. Divya Jalan
Mr. Hemant Kumar Agrawal
Mr. Golam Momen - *Independent Director*
Mr. Ghanshyam Das Gupta - *Independent Director*
Mr. Gaurav Gupta - *Independent Director*
Mr. Naveen Bansal - *Independent Director*
Mr. Kartik Narayan Singh - *Whole-time Director*

KEY MANAGERIAL PERSONNEL

Mr. Kartik Narayan Singh - *Whole-time Director & General Manager (Heeleakah Tea Estate)*
Mr. Yugal Keshor Chaudhary - *Chief Financial Officer*
Ms. Sreya Bose - *Company Secretary & Compliance Officer*

BOARD COMMITTEES

AUDIT COMMITTEE

Mr. Ghanshyam Das Gupta - *Chairman*
Mr. Golam Momen
Mr. Naveen Bansal

NOMINATION & REMUNERATION COMMITTEE

Mr. Naveen Bansal - *Chairman*
Mr. Golam Momen
Mr. Ghanshyam Das Gupta

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Mr. Golam Momen - *Chairman*
Mr. Ghanshyam Das Gupta
Mr. Naveen Bansal

AUDITORS

M/s. J K V S & Co.
5-A, Nandalal Jew Road
Kolkata - 700 026, e-mail : kolkata@jkvs.in

TEA ESTATE

Heeleakah Tea Estate
P.O. Kharikatia
Dist : Jorhat (Assam)

ESTATE GENERAL MANAGER

Mr. Kartik Narayan Singh

BANKERS

UNITED BANK OF INDIA

COMPLIANCE COMMITTEE

Mr. Kartik Narayan Singh
Mr. Sunil Singhi
Ms. Sreya Bose
Mr. Jugal Kishore Bagri

42nd ANNUAL GENERAL MEETING

Date : **30th August, 2019**
Day : **FRIDAY**
Time : **11:30 A.M.**
Place : **GYAN MANCH**
11, Pretoria Street
Kolkata-700071
Book Closure : 24th August, 2019
to 30th August, 2019
(Both days inclusive)

REGISTERED OFFICE

1, CROOKED LANE, KOLKATA - 700 069
(CIN): L01132WB1977PLC031175
Phone: (033) 2248 7062
Email: scotishassam@gmail.com | Website: www.scotishassam.com

REGISTRAR

M/s. ABS CONSULTANT PVT. LTD.
"STEPHEN HOUSE", Room No. 99, 6TH FLOOR
4 B.B.D. BAG (EAST), KOLKATA - 700 001
Tel: (033) 2230 1043, Fax: (033) 2243 0153
Email: absconsultant1999@gmail.com

STOCK EXCHANGE WHERE SHARES ARE LISTED

The Calcutta Stock Exchange Ltd.

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NOTICE

NOTICE is hereby given that the **42nd Annual General Meeting** of the Members of **THE SCOTTISH ASSAM (INDIA) LIMITED** will be held on Friday, 30th day of August, 2019 at 11.30 a.m. at Gyan Manch, **11 Pretoria Street, Kolkata - 700071, West Bengal, India** to transact the following businesses:-

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended as on 31st March, 2019 together with the Reports of the Board of Directors and Auditors thereon.
2. To declare Dividend on equity shares.
3. To appoint a Director in place of Mrs Divya Jalan (DIN 00016102), who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS :

4. **To Consider and if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, and any other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, including any statutory modification or re-enactment thereof for the time being in force, consent of members of the Company be and is hereby accorded for continuation of Directorship of Mr. Golam Momen (DIN: 00404662) who was appointed as an Independent Director of the Company for the period of 5 years at the 38th Annual General Meeting of the Company held on 27th July 2015, till the conclusion of 43rd Annual General Meeting by way of special resolutions and who has attained the age of 75 years for the remaining period of his existing term of Directorship as an Independent Director of the Company.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be deemed proper and expedient to give effect to this resolution."

5. **To Consider and if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution :**

"RESOLVED THAT pursuant to the provisions of Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable provisions, if any, of the Companies Act, 2013 and any rules made thereunder, including any statutory modification or re-enactment thereof for the time being in force, consent of the Members of the Company be and is hereby accorded for continuation of Directorship of Mr. Dharendra Kumar (DIN: 00153773) as a Non-Executive Director liable to retire by rotation, who has attained the age of 75 years."



“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts deeds and things as may be deemed proper and expedient to give effect to this resolution.”

6. To Consider and if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable provisions, if any, of the Companies Act, 2013 and any rules made thereunder, including any statutory modification or re-enactment thereof for the time being in force, consent of the Members of the Company be and is hereby accorded for continuation of Directorship of Mrs. Shashi Kumar (DIN: 00199961) as a non-executive Director liable to retire by rotation, who has attained the age of 75 years.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be deemed proper and expedient to give effect to this resolution.”

7. To Consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of sections 149, 150, 152, 160 and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and rules made thereunder and pursuant to the provisions of Regulation 17 of SEBI (Listing Obligations and disclosure Requirements) Regulation, 2015 Mr. Gaurav Gupta (DIN:00015692) who was appointed as an Additional Director on the Board of the Company on 28th August, 2018 and who holds office up to the conclusion of the this Annual General Meeting be and is hereby appointed as a Non-Executive Independent Director not liable to retire by rotation for a tenure of five years from the conclusion of this meeting to the conclusion of 47th Annual General Meeting, as per the applicable provisions of the Companies Act, 2013 on the recommendation of the Nomination and Remuneration Committee.”

Registered Office:
1, Crooked Lane,
Kolkata - 700 069
The 20th day of May, 2019

By order of the Board

(Dhirendra Kumar)
Director
Din : 00153773



NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. As per Section 105 of the Companies Act, 2013 and rules thereunder, a person can act as proxy on behalf of members not exceeding 50 (Fifty) and holding in the aggregate not more than 10% (ten percent) of total share capital of the Company carrying voting rights. A Member holding more than ten percent of total share capital of the Company carrying voting rights may appoint a single person as proxy and such proxy shall not act as a proxy for any other person or shareholder.
3. The instrument of proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the AGM.
4. Proxies shall be made available for inspection during 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting.
5. Corporate Members intending to send their authorised representatives to attend and vote at the meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send a certified true copy of the board resolution authorising their representative to attend and vote on their behalf at the meeting.
6. The related Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of the business under item no 4 to 7 is attached hereto as Annexure-I.
7. Pursuant to the provision of Section 91 of the Companies Act, 2013 the Register of Members and share transfer books of the Company shall remain closed from Saturday 24th August, 2019 to Friday 30th August, 2019 (both days inclusive) for the purpose of this Annual General Meeting.
8. Dividend, if approved by the Members at the ensuing Annual General Meeting will be paid to those Members whose name stand registered.
 - a. As beneficial owners as at the end of business hours on the record date i.e. 23rd of August, 2019 as per list to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) in respect of shares held in electronic form; and
 - b. As Members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company's Registrar and Share Transfer Agents (RTA) M/s. ABS Consultant Pvt Ltd having their Office at "Stephen House", Room No. 99, 6TH FLOOR, 4 B.B.D. BAG (EAST), Kolkata - 700 001 on or before the record date 23rd of August, 2019. The instruments of shares transfers complete in all respects should reach the said Register and share Transfer Agents well before the above date.
9. Members holding shares in electronic form may note that bank particulars registered against their respective depository account/accounts will be used by the Company for payment of dividend. The Company or its Registrars and Share Transfer Agent, M/s. ABS Consultant Pvt Ltd cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participants of the Members. Further, in case the shares are held in physical mode, Members are requested to furnish Bank account particulars (i.e. Account no, Name and Branch of the Bank, MICR and IFSC Code) to the Registrars and Share Transfer Agent to ensure that there is no fraudulent encashment of the Dividend warrants.
10. Members are requested to send all communications relating to shares, unclaimed dividends and change of address etc. to the Registrar and Share Transfer Agent M/s. ABS Consultant Pvt Ltd, having office at "Stephen House", Room No. 99, 6TH FLOOR, 4 B.B.D. BAG (EAST), Kolkata - 700 001.
11. Pursuant to sections 101 and 136 of the Companies Act, 2013 read with the rules framed thereunder, the notice calling the Annual General Meeting along with the Annual Report 2018-2019 will/can be sent by electronic mode to those Members whose e-mail addresses are registered with the Depository Participants or with Share Transfer Agent i.e. M/s. ABS Consultant Pvt Ltd, unless the Members have requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies would be sent by the permitted mode. Members are requested to support



the green initiative by registering/Updating their e-mail addresses with the Depository Participant (in case the shares held in dematerialized form) or with the Share Transfer Agent i.e. M/s. ABS Consultant Pvt Ltd. Members are also informed that the full text of Notice, all Reports etc, sent by e-mail to them will also be made available on Company's website www.scottishassam.com/investors-Relation/Annual Report.

12. Pursuant to the provisions of Section 124 of the Companies Act, 2013 read with the rules made thereunder, dividends that are unclaimed/unpaid for a period of 7 years from the date of transferring the same into unpaid dividend account of the bank are required to be transferred to the Investors Education and Protection Fund (IEPF) established by Central Government.

An amount of Rupees 79,329/- (Rupees Seventy Nine Thousand Three Hundred and Twenty Nine Only) being unclaimed/unpaid dividend of the Company for the financial year ended on 31st March, 2011 were transferred in November, 2018 to IEPF.

Last dates for claiming of unclaimed/unpaid dividends declared by the Company for the following financial years are as under:

Dividends for the Financial Year	Date of declaration of Dividend	Due date for transfer to IEPF
2011-2012	07.09.2012	14.10.2019
2012-2013	31.07.2013	07.09.2020
2013-2014	29.08.2014	06.10.2021
2014-2015	27.07.2015	03.09.2022
2015-2016	22.07.2016	29.08.2023
2016-2017	04.09.2017	11.10.2024
2017-2018	28.08.2019	04.09.2025

Members who have so far not encashed the Dividend Warrants for the above years are requested to submit their claim at the earliest to the Registrar and Share Transfer Agent M/s. ABS Consultant Pvt Ltd at either of the aforesaid addresses immediately quoting their Folio No/ DP ID and Client ID.

Members are requested to note that no claim shall lie against the Company in respect of any amount of dividend remaining unclaimed/unpaid after expiry of 7 years from the dates which they became first due for payment.

Further, in compliance with the rules, the Company has sent notices to the concerned shareholders who's Shares/Dividends are liable to be transferred/credited to the Demat/Dividend Account of the IEPF Authority of Central Government. The Company has uploaded on its website: www.scottishassam.com the detail of such shareholders whose shares has been transferred/credited to the Demat Account of the IEPF Authority under Investors Relation window.

The Company has already transferred all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more to designated Demat Account of IEPF maintained with CDSL. Members who have so far not claimed or collected their dividends up to the financial year 2010-2011 may claim their dividend and shares from the Investor Education and Protection Fund, by submitting an application in the prescribed format. The Company has already transferred 11,415 number of equity shares for the year 2009-2010 and 3,051 number of equity shares for the year 2010-2011 to IEPF account.

13. Copies of Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies at the meeting.
14. Members/Proxies/Representatives should bring their attendance slips sent herewith, duly filled in for attending the Meeting along with their identity proof.



15. Disclosure pursuant to Section 196(4) of the Companies Act, 2013 Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 of ICSI, with respect to Directors seeking appointment/re-appointment in the forthcoming Annual General Meeting is attached hereto as Annexure-II.
16. All documents referred to in the accompanying notice and the explanatory statement shall be open for inspection at the Registered Office of the Company during the business hours from 11 a.m to 5 p.m. on all working days excepts Saturdays till the date of the Annual General Meeting.
17. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts and agreements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 shall be made available at the commencement of the meeting and shall remain open and accessible to the Members during the continuance of the meeting.
18. Members can avail of the facility of Nomination in respect of shares held by them in physical form pursuant to provisions of Section 72 of the Companies Act, 2013. Members desiring to avail of this facility may send their nomination in the prescribed form No. SH-13 duly filled in with the Registrar and Share Transfer Agent M/s. ABS Consultant Pvt Ltd. Members holding shares in electronic form may contact their respective Depository Participants for availing this facility.

19. Voting through electronic means

- i. In Compliance with the provisions of Section 108 and other applicable provisions, if any of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, and the provisions of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 and Secretarial Standards on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India, the Company is pleased to provide to its Members a facility to exercise their right to vote on resolutions proposed to be passed at the 42nd Annual General Meeting (AGM) by electronic means ("e-voting") and the business may be transacted through e-voting services provided by CDSL.
- ii. The facility for voting by way of ballot paper shall also be made available at the AGM and the Members attending the AGM shall be able to exercise their right to vote at the AGM in case they have not cast their votes by remote e-voting.
- iii. The Members who have cast their vote(s) by remote e-voting may also attend the meeting but shall not be entitled to cast their vote(s) again.
- iv. A Member can opt for only single mode of voting, i.e. through remote e-voting or voting at the meeting. If a member casts vote(s) by both modes, then voting done through remote e-voting shall prevail and vote(s) cast at the Meeting shall be treated as "INVALID".
- v. The Board of Directors of the Company have appointed Mr. Pravin Drolia of M/s. Drolia & Co Practicing Company Secretary (Membership No.2366) as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- vi. The results shall be declared not later than 48 hours from conclusion of the meeting. The results declared along with the Scrutinizer's Report will be placed on the website of the Company at www.scottishassam.com immediately after the results are declared and will simultaneously be forwarded to The Calcutta Stock Exchange, where Equity Shares of the Company are listed.



The Instructions for Members voting electronically are as under :

- a) Log on to the e-voting website: www.evotingindia.com during the voting period.
- b) Click on "**Shareholders**" tab
- c) Now, select Electronic Voting Sequence No. as mentioned in the Attendance Slip along with "**THE SCOTTISH ASSAM (INDIA) LIMITED**" from the drop down menu and click on "**SUBMIT**".
- d) Now Enter your User ID (as mentioned in the Attendance Slip) :
 - i. For CDSL: 16 digits beneficiary ID,
 - ii. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - iii. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- e) Next enter the Image Verification as displayed and Click on Login.
- f) If you are holding shares in Demat form and had logged on to **www.evotingindia.com** and voted on an earlier voting of any company, then your existing password is to be used.
- g) However, if you are a first time user, please use the e-Voting particular provided in the Attendance Slip and fill up the same in the appropriate boxes:

After entering these details appropriately, click on "**SUBMIT**" tab.
- h) Members holding shares in physical form will then reach directly to the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. If Demat account holder has forgotten the changed password then enter the User ID and image verification code click on Forgot Password & enter the details as prompted by the system.
- i) Kindly note that this password is also to be used by the demat holders for voting in favour/against resolutions for other company also on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- j) For Members holding shares in physical form, the **details in Attendance Slip** can be used only for e-voting on the resolutions contained in this Notice.
- k) Click on the relevant EVSN "**THE SCOTTISH ASSAM (INDIA) LIMITED**" for which you choose to vote.
- l) On the voting page, you will see "**Resolution Description**" and against the same the option "**YES/NO**" for voting. Select the option **YES** or **NO** as desired. The option **YES** implies that you assent to the Resolution and option **NO** implies that you dissent to the Resolution.
- m) Click on the "**Resolutions File Link**" if you wish to view the entire Resolutions.
- n) After selecting the resolution you have decided to vote on, click on "**SUBMIT**". A confirmation box will be displayed. If you wish to confirm your vote, click on "**OK**", else to change your vote, click on "**CANCEL**" and accordingly modify your vote.
- o) Once you "**CONFIRM**" your vote on the resolution, you will not be allowed to modify your vote.
- p) You can also take out print of the voting done by you by clicking on "**Click here to print**" option on the Voting page.
- q) **For Non - Individual Shareholders and Custodians:**
 - Non Individual shareholders (i.e. other than Individuals, HUF and NRI etc.) and Custodians are required to log on to <https://www.evotingindia.com> and register themselves as Corporate.



- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be e-mailed to **helpdesk.evoting@cdslindia.com**
- After receiving the login details a Compliance user should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to **helpdesk.evoting@cdslindia.com** and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

OTHER INSTRUCTIONS :

- I. In case any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at **www.evotingindia.com** under help section or write an email to **helpdesk.evoting@cdslindia.com**
- II. You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending future communication(s).
- III. The remote e-voting period commences on **Tuesday, 27th August, 2019 (9:00 a.m. IST) and ends on Thursday, 29th August, 2019 (5:00 p.m. IST)**. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date **Friday, 23rd August, 2019** may cast their votes electronically. A person who is not a member as on the cut-off date should treat this notice for information purposes only. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.
- IV. Members also have the option to vote through Ballot Form. However, the duly completed Ballot Form should reach the Scrutinizer at 9, Crooked Lane, 3rd Floor, Room No. 19, Kolkata-700069, not later than **Thursday, 29th August, 2019 (5:00 p.m.)** (i.e. closing date of e-voting) Ballot form received after this date will be treated as invalid. If member casts votes by both modes, then voting done through e-voting shall prevail and Ballot Form shall be treated as invalid.
- V. Once the vote on a resolution is cast by the shareholder by electronic means, the shareholder shall not be allowed to change it subsequently or cast his vote by any other means.
- VI. Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cutoff date of i.e. **Friday, 26th July, 2019** may contact the company for Login ID and other e-voting related details.
- VII. The voting rights of shareholders shall be in proportion of their shares of the paid up equity share capital of the Company as on the **cut-off/entitlement date of Friday, 23rd July, 2019**.
- VIII. The Scrutinizer shall within a period not exceeding two working days from the conclusion of e-voting unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- IX. The Results shall be declared after the **42nd Annual General Meeting (AGM)** of the Company. This Notice as well as the Results declared along with the Scrutinizer's Report shall be communicated to "CDSL" and "The Calcutta Stock Exchange Limited" within **02/09/2019**.
- X. The dividend, as recommended by the Board, if sanctioned at the meeting, will be paid on or after **2nd September, 2019** to those members of the Company holding shares in physical form whose name appear on the Register of Members as at the end of **Friday, 23rd August, 2019** in respect of shares held in electronic form, the dividend will be paid to the beneficial owners of the shares as at the end of **Friday, 23rd August, 2019** as per details provided by the Depositors for this purpose.



20. Members desirous of getting any information on account of operations of the Company are requested to forward his queries to the Company's Registered Office **at least seven days** prior to the Meeting so that the required information can be made available at the Meeting.
21. Members who are holding shares in physical form are hereby informed that SEBI has amended Regulation 40 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 vide Notification dated 8th June 2018 and in terms of the said notification except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository after 31st March 2019.
22. A route map and prominent land mark for easy location of the venue of the meeting is enclosed with this notice is attached hereto as Annexure-III.

By order of the Board

Registered Office:

**1, Crooked Lane,
Kolkata - 700 069
The 20th day of May, 2019**

**(Dhirendra Kumar)
Director
Din : 00153773**

ANNEXURE I TO THE NOTICE

Explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of resolutions at items no 4, 5, 6 and 7.

Item no 4 :

Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 prescribed that no listed entity shall appoint a person or continue the Directorship of any person as a Non-Executive Independent Director who has attained the age of 75 years unless a special resolution is passed to that effect.

Mr. Golam Momen (DIN : 00402662) was appointed as an Independent Director of the Company at the 38th Annual General Meeting held on 27th July, 2015 for a period of 5 years by way of special resolution has attained the age of 75 years.

The above-mentioned Independent Director is expert in his field and his experience and valuable guidance is beneficial to the Company. In the view of the said provision of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and based on the recommendation of Nomination and Remuneration Committee and considering benefits of the expertise of the aforesaid Independent Director, Board has recommended the resolution for approval of the shareholders by way of special resolution.

Except the above mentioned Director, none of the other Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution.

Item no 5 :

Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 prescribed that no listed entity shall appoint a person or continue the Directorship of any person as a Non-Executive Director who has attained the age of seventy five years unless a special resolution is passed to that effect.

Mr. Dhirendra Kumar (DIN : 00153773) was appointed as a Non-Executive Director in the year 1999. Now he has attained the age of 75 years.

The above-mentioned Director is expert in the field of tea plantation and marketing of tea and his experience and valuable guidance is beneficial to the Company. In the view of the said provision of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and based on the recommendation of Nomination and Remuneration Committee and considering benefits of the expertise of the aforesaid



Director, Board has recommended the resolution for approval of the shareholders by way of special resolution.

Except the above mentioned Director, none of the other Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution.

Item no 6 :

Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 prescribed that no listed entity shall appoint a person or continue the Directorship of any person as a Non-Executive Director who has attained the age of 75 years unless a special resolution is passed to that effect.

Mrs. Shashi Kumar (DIN : 00199961) was appointed as a Non-Executive Director in the year 2017. The above-mentioned Director is expert in the field of tea plantation and marketing of tea and her experience and valuable guidance is beneficial to the Company. In the view of the said provision of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and based on the recommendation of Nomination and Remuneration Committee and considering benefits of the expertise of the aforesaid Director, Board has recommended the resolution for approval of the shareholders by way of special resolution.

Except the above mentioned Director, none of the other Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution.

Item no 7 :

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on 28th of August, 2018 had appointed Mr. Gaurav Gupta (DIN : 00015692) as an Additional Independent Director of the Company not liable to retire by rotation, who hold office up to conclusion of the ensuing Annual General Meeting .

The Company has received a declaration from Mr. Gaurav Gupta confirming that he meets the criteria of Independence as prescribed under the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulation"). Mr. Gaurav Gupta is also not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Independent Director of the Company.

In the opinion of the Board, Mr. Gaurav Gupta fulfils the conditions for his appointment as an Independent Director as specified in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and he is Independent of the management.

Mr. Gaurav Gupta has vast experience in tea industry and he is also on the Board of other reputed Companies. The Board is of the opinion that it will be beneficial to the Company to avail of his services as an Independent Director of the Company. So the Board of the Company hereby recommends his appointment as an Independent Director for a term of five years by way of special resolution.



ANNEXURE-II TO THE NOTICE

Disclosure required under Section 196 (4) of the Companies Act 2013, Regulation 36 (3) of SEBI (LODR) Regulation, 2015 and Secretarial Standard-2 of ICSI

Name	Mr. Dharendra Kumar	Mr. Golam Momen	Mrs. Shashi Kumar	Mrs. Divya Jalan	Mr. Gaurav Gupta
DIN	00153773	00402662	00199961	00016102	00015692
Date of Birth	27.11.1942	06.06.1933	10.03.1935	16.10.1966	29.10.1969
Date of Appointment	10.09.1999	27.09.1977	11.02.2017	09.11.2013	28.08.2018
Experience in specific area	Extensive Knowledge & Experience as a director for many years.	Extensive Knowledge & Experience as a director for many years.	Extensive Knowledge & Experience as a director for many years.	Extensive Knowledge & Experience as a director for many years.	Extensive Knowledge & Experience as a director for many years.
Qualification	B.E. New York Univ. (USA)	Graduation	Graduation	Graduation	Graduation
Terms and condition of appointment/Reappointment	Reappointment as an Non-Executive Director above 75 years of age	Reappointment as an Independent Director above 75 years of age	Reappointment as an Non-Executive Director above 75 years of age	Reappointment of Retiring by rotation	Approve the appointment of Independent Director for 5 years.
Details of Remuneration sought to be paid	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Last Drawn Remuneration	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Relationship with other director and key managerial personnel	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Directorship in companies	J K Paper Ltd RD Tea Ltd Swetambara Investments & Trading Pvt. Ltd. SPBP Tea Plantation Ltd Rosebud Commercial Co. Pvt Ltd Rukong Tea estate Pvt Ltd Park towers Investment & Services Pvt. Ltd.	White Cliff Tea Pvt Ltd White Cliff Properties Pvt Ltd White Cliff Holdings Pvt Ltd White Cliff Infrastructure Pvt Ltd White Cliff Construction Co. Pvt. Ltd Dover Tea Pvt Ltd Apeejay Tea Ltd	Poters Creation Pvt Ltd Purushottam Investments Pvt Ltd	Just Desserts Ltd Maryada Advisory Services Pvt Ltd Nirvan Commercial Co Ltd Shree Durga Agencies Ltd Hopworkz Restaurants Pvt Ltd Supriya Finance Ltd	Kolony Tea Estate Pvt Ltd Akshiti Nirman Pvt Ltd Pranav Commercial Pvt Ltd Gomti Products Ltd Fresco Earth Products Pvt Ltd Harit Properties Pvt Ltd



	Contemporary Polysacks Ltd Bengal Tea & Fabrics Ltd	Kanco Tea & Industries Ltd Williamson Magor & Co Ltd Baghmari Tea Company Ltd Harrison Malayalam Ltd Bengal Tea & Fabrics Ltd Apeejay Surendra Corporate Services		Saket Fiscal Services Pvt Ltd Sandeep Investments Ltd Kilburn Software Technologies India Ltd Ana Vincom Pvt Ltd Kilburn Office Automation Ltd Mahavir Holding & Finance Pvt Ltd	Ashray Real Estates Pvt Ltd SPMK Estates Pvt Ltd Nilaya Properties Pvt Ltd Pratikshit Estates Pvt Ltd
Chairman/ Member in the Committees of the Boards of Companies	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
No of shares held in the Company	0	800	13288	10802	0
No. of meetings of the Board attended during the year.	5	4	5	5	2

ANNEXURE-III TO THE NOTICE





REPORT OF THE DIRECTORS

For the financial year ended 31st March, 2019

Dear Shareholders,

We present the 42nd Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2019.

REVIEW OF PERFORMANCE

(Rs. in Lacs)

Particulars	For the Year ended 31.03.2019	For the Year ended 31.03.2018
Net Sales Income From Operations	2990.20	2766.04
Operating Profit before interest, Depreciation and Tax and other amortisations (EBIDTA)	693.29	594.06
Less : Depreciation & Amortisation Expenses	46.14	41.31
Less : Finance Cost	29.48	27.64
Tax Expense (Net)	127.59	102.01
Profit For the Year	490.08	423.92
Other Comprehensive Income (Net of Tax)	(55.50)	(34.30)
Total Comprehensive Income (After Tax)	434.58	389.62

EQUITY DIVIDEND

The Board is pleased to recommend the distribution of dividend of ₹ 4/- per share for the year ended 31st March, 2019.

PERFORMANCE

It is gratifying to report that our own production for the financial year was 13.34 Lacs kgs being 0.96 Lacs kgs higher than the previous year's production of 12.38 Lacs kgs showing an increase of 7.75% over the last year in spite of lower rainfall during the year. Production from bought leaf was 2.12 Lac kgs showing a total production of 15.46 Lacs kgs for the FY 2018-2019.

Your Company's focus has always been to produce quality teas which command a premium.

The Company continued with its development programme in the field and factory to improve productivity and quality of teas. The uprooting and replanting of old Teas areas also continues as per programme to ensure better yields and crops.

The average price realisation for the year was higher than the previous year, this is reflected in the increased profitability of the estate.

Tea Prices which opened with poor demand during the current season & at present the prices are lower than the last year.

PROSPECTS

The coming year appears reasonable for your company and crop till date is slightly higher than of last year. As a result of the Industry wise revision of labour wages from March, 2018 there has been substantial increase in the labour cost. Revision of staff salaries is pending and all these will result in substantial increase in cost of production. Depending upon weather and Tea market condition during the season your Directors expect reasonable prospects.

LABOUR & STAFF WELFARE

Considerable sums were spent on labour quarters, hospital of the workers and for maintenance of water supply and other facilities for workers welfare.



PERSONNEL

The Directors would like to record their appreciation for the sincere efforts put in by the Company's workers, staff and Management at all levels which has ensured regular production.

TRANSFER TO GENERAL RESERVE

Your directors decided to transfer Rs.1.00 Crore to General Reserve from retained earnings of the Company and after such transfer Rs 22.15 crore will remain in the retained earnings of the company.

CORPORATE GOVERNANCE

As per the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirement) Regulations, 2015 (previously Listing Agreement) introduced a uniform code of corporate governance by executing uniform agreement for all types of securities listed on stock exchange. This becomes operational within the financial year ending March 31, 2018. Your Company has executed the new uniform agreement with The Calcutta Stock Exchange (CSE) as shares of your Company are listed on CSE.Regulation 17(7), 17(8) and Regulation 27 of new SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 (relates to Clause 49 of old Listing Agreement) is of Corporate Governance which is applicable on companies whose paid up share capital is ₹ 3 crore or above and Net worth is ₹ 25 crore or above. Since your Company is having paid up share capital of ₹ 80 Lakhs, implementation and compliance of requirements as per SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 (Clause 49 of old Listing Agreement) with The Calcutta Stock Exchange, is not mandatory.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

As per section 135 of Companies Act, 2013 a Company whose Net Worth is ₹ 500 crore or more or Turnover ₹ 1000 crore or more or Net profit of ₹ 5 crore or more during any financial year shall have to abide by the rules of Corporate Social Responsibility. Since your company does not fall in the above mentioned category, hence your Company does not have to follow the rules of CSR.

DIRECTOR'S RESPONSIBILITY STATEMENT

Your Directors would like to inform members that the audited accounts containing the financial statements for the year 2018-2019 are in conformity with the requirements of the IND AS and Companies Act, 2013 and they believe that the financial statements reflect fairly the form and substance of transactions carried out during the year and reasonably present the Company's financial condition and results of operations. The Statutory Auditors, M/s. JKVS & Co , Chartered Accountants, Kolkata have audited these financial statements.

Based on the same, your Directors further confirm that according to their information:

- i. In the preparation of the annual accounts, applicable accounting standards have been followed and there are no material departures.
- ii. The accounting policies selected by directors are consistently followed and applied and judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company.
- iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies 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. That there is adequate proper internal financial controls with reference to the financial statement have been laid down for the Company and such internal financial controls are adequate and were operating effectively.
- vi. That proper system has been devised to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.



PARTICULARS OF EMPLOYEES

The prescribed particulars of employees required under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as Annexure-1 to this report. The Information as required under Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in the **Annexure – 1** forming part of the Report.

PUBLIC DEPOSITS

The Company has no public deposit during the year under review.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

During the year Company invested some of its surplus earnings in Mutual Funds and is getting reasonable returns on its investments.

GOING CONCERN STATUS

No significant and material orders have been passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its operation in the future.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

The Related party transaction entered into by the Company during the year were on arm's length basis in the ordinary course of the business for Companies benefit. There was no Contract, arrangements with the related parties which could be considered as material and which may have potential conflict with the interest of the Company.

CEO AND CFO CERTIFICATION

In terms of Part B of the Listing Regulations, the CEO and the CFO of the Company certify to the Board regarding review of the financial statements, compliance with the accounting standards, maintenance of internal control systems for financial reporting and accounting policies.

RISK MANAGEMENT

In today's economic environment, Risk Management is a very important part of business. The main aim of risk management is to identify, monitor and take precautionary measures in respect of the events that may pose risks for the business. The Company has laid down the procedures to inform to the Board about the risk assessment and minimization procedures, which shall be responsible for framing, implementing and monitoring the risk management plan of the Company.

The company has adopted and implemented a Risk Management Policy after identifying various risk which the Company encounters on its day to day business none of which in the opinion of the Board poses a threat to the existence of the Company. The Company has taken adequate measures and there is a continuous process for identifying, evaluating and managing significant risks faced through risk analysis process designed to identify the key risk factors. The role of insurance and other measures used in managing risks is also reviewed. The Audit Committee has continued its monitoring role. During the year no major risks were noticed. Although the requirement of Risk Management Committee is not mandatory for your Company. The management has to constantly monitor the risks and functions and systematically address them through mitigating actions on a continuous basis. The audit committee has additional oversight in the area of financial risks and controls.

DISCLOSURE OF PARTICULARS WITH REGARD TO CONSERVATION OF ENERGY ETC.

Necessary information pursuant to sub-section (3) of section 134 of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is presented in **Annexure-2** to this Report.

ENVIRONMENT AND SAFETY

The Company is conscious of clean environment and safe operations. It ensures safety of all concerned, compliance with environmental regulations and preservation of natural resources.



As required by the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 the Company has an internal policy on prevention of sexual harassment at workplace with a mechanism of lodging complaints. During the year under review, no complaints were reported to the Board.

COST AUDIT

The provisions of Section 148 of Companies Act, 2013 read with (Cost Records and Audit) Rules, 2014 are not applicable on the Company as your company does not fall in the eligibility criterion of the same.

INTERNAL AUDIT

The Company continued to engage reputed firms of Chartered Accountants as its internal auditors at its Head Office and Tea Estate. Their scope of work and the plan for audit is approved by the Audit Committee. The report submitted by them is regularly reviewed and their findings are discussed with the process owners and suitable corrective action taken on an ongoing basis to improve efficiency in operations.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Pravin Kumar Drolia of M/s. Drolia & Co. Practicing Company Secretaries to undertake the Secretarial Audit of the Company. The report of the Secretarial Audit is annexed herewith as **Annexure-3** and forms part of the Director's Report. There is no qualification or reservation or adverse remark or disclaimer made by the Secretarial Auditor in the Report.

INSURANCE

Adequate insurance cover has been taken for properties of the Company including buildings, plant and machineries and stocks against fire, earthquake and other risks as considered necessary.

DIRECTORS & KEY MANAGERIAL PERSONNEL

The Board appointed Mr. Gaurav Gupta (DIN 00015692) as an Additional Independent Director who shall hold the office till the conclusion of the ensuing Annual General Meeting. Based on the recommendation of Nomination and Remuneration Committee, the board desired that Mr. Gaurav Gupta having all round experience in various fields be appointed as an Additional Independent Director. Mr. Alok Krishna Agarwal (DIN 00127273) resigned from the post of Independent directorship with effect from 7th of June, 2018.

Mr. Sandeep Kumar Jalan (DIN 00015836) resigned from the post of director with effect from 2nd of November, 2018.

The Company has received declarations from the Independent Director's of the Company confirming that he meet the criteria of Independence as prescribed under the Companies Act, 2013.

On the recommendation of the Nomination and Remuneration Committee the board has framed the policy for selection and appointment of Directors, Senior Management Personnel and their remuneration. The Committee has also framed the criteria for performance evaluation of every Director and accordingly carried out the performance evaluation.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

There is a Vigil Mechanism or Whistle Blower policy as per section 177(9) of Companies Act, 2013 prevails as per the size and operations of the Company. Protected disclosures can be made by a whistle blower to the management of the Company.

OTHER DISCLOSURES

EXTRACT OF ANNUAL RETURN

The details for the financial year ended 31st March, 2019 forming part of the extract of the annual return is enclosed as **Annexure - 4**.



NUMBER OF BOARD MEETINGS

The Board of Directors met five times during the year ended 31st March, 2019. The details of the Board meetings and the attendance of Directors are provided in Annexure-4 (VIII).

CHANGES IN SHARE CAPITAL

During the year ended 31st March, 2019 there is no change in the issued and subscribed capital of your Company. The outstanding capital as on 31st March, 2019 is ₹ 80,00,000/- comprising of 8,00,000 equity shares of ₹ 10/- each.

SEPARATE MEETING OF INDEPENDENT DIRECTORS

As stipulated by the Code of Independent Directors under Companies Act, 2013 and the Listing Agreement, a separate meeting of the Independent Directors of the Company was held on 13th February, 2019 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.

COMPOSITION OF COMMITTEE OF DIRECTORS

The Board has constituted the following Committees of Directors:

(a) Audit Committee

The Audit Committee comprises Independent Directors namely Mr. Ghanshyam Das Gupta (Chairman), Mr. Golam Momen and Mr. Naveen Bansal as other members. All the recommendations made by the Audit Committee were accepted by the Board.

(b) Nomination & Remuneration Committee

The Nomination and Remuneration Committee comprises Independent Directors namely Mr. Naveen Bansal (Chairman), Mr. Ghanshyam Das Gupta and Mr. Golam Momen as other members.

(c) Stakeholders Relationship Committee

The Stakeholders Relationship Committee comprises Independent Directors namely Mr. Golam Momen (Chairman), Mr. Ghanshyam Das Gupta and Mr. Naveen Bansal as other members.

COMPLIANCE COMMITTEE

The Compliance Committee comprises Members namely Mr. Kartik Narayan Singh, Mr. Sankar Kumar Basu Sarbadhikary, Mr. Sunil Singhi and Ms. Sreya Bose.

Mr. Sankar Kumar Basu Sarbadhikary resigned from the committee with effect from 13th February, 2019 and Mr. Jugal Kishore Bagri joined in the committee.

EVALUATION OF BOARD'S PERFORMANCE

The Company has a system of Formal Annual Evaluation of performance of Board, its Committees & Individual Directors as per the size and operations of the Company.

During the year, the Board formulated and adopted a Board Evaluation Framework for evaluating the performance of the Board as a whole, Committees of the Board and the Individual Directors on the Board.

Pursuant to the said Evaluation Framework, the Nomination and Remuneration Committee evaluated the performance of the Board, its Committees and the Individual Directors for the financial year 2018-2019.



The Board was of the view that the performance of the Board as a whole was adequate and fulfilled the parameters stipulated in the evaluation framework in its pro growth activity and facing challenging operational, climatic and economic adversities during the year. The Board also ensured that the Committees functioned adequately and independently in terms of the requirements of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and at the same time supported as well as coordinated with the Board to help in its decision making. The individual Directors' performance was also evaluated and the Board was of the view that the Directors fulfilled their applicable responsibilities and duties as laid down by the listing agreement and the Companies Act, 2013 and at the same time contributed with their valuable knowledge, experience and expertise to grab the opportunity and counter the adverse challenges faced by the Company during the year.

AUDITOR'S REPORT & ACCOUNTS

In the last AGM held on 28th August, 2018 M/s. Jitendra K Agarwal & Associates, Chartered Accountants (Firm Registration No 318086E), have been appointed as Statutory Auditors of the Company for the period of 5 years. The auditors name has been changed to M/s. JKVS &Co with effect from 29th August, 2019.

The Statutory Auditor has confirmed his eligibility under Section 141 of Companies Act, 2013 and the Rules framed thereunder.

Further, the report of the Statutory Auditors alongwith notes to schedules is enclosed to this report. The directors are of the view that notes to the Accounts adequately provide the necessary information and answer to the observation of the Auditors in their report.

Annexure 1 to the Directors' Report

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2018-2019, ratio of the remuneration of each Director and the employees of the Company for the financial year 2018-2019 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under :

(i) Remuneration to the Director/Key Managerial Personnel of the Company:

Name of Director / KMP and Designation	Remuneration for the financial year 2018-2019 (₹)	Remuneration for the financial year 2017-2018 (₹)	% Change
Mr Karthik Narayan Singh	1549200	1549200	-
Mr. Yugal Keshor Chaudhary	791113	462878*	9.8
Ms. Sreya Bose	451934	279590*	12.25

* For part of the year August, 2017 to March, 2018

Annexure 2 to the Directors' Report

THE INFORMATION UNDER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014 FOR THE YEAR ENDED 31st MARCH, 2019 IS GIVEN HERE BELOW AND FORMS PART OF THE DIRECTOR'S REPORT.



Statement of particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo forming part of Director's Report for the year ended 31st March, 2019. Necessary information required by Companies (Disclosure of particulars in Report of Board of Directors) Rules, 1988 for conservation of energy, technology absorption and foreign exchange earnings and outgo enumerated below :

FORM A

Form of Disclosure of particulars with respect to conservation of energy :

A) POWER AND FUEL CONSUMPTION

<u>Particulars</u>	<u>Current Year</u> <u>2018-2019 (₹)</u>	<u>Previous Year</u> <u>2017-2018 (₹)</u>
1. Electricity		
a) Purchased (Unit)	1094800	1106454
Total Amount (Rs.)	9277314	9888396
Rate/Unit (Rs.)	8.47	8.94
b) Own Generation		
i) Through Diesel (Unit)	131641	172324
Units per ltrs. of Diesel	2.35	2.39
Cost/Unit (Rs.)	30.49	28.71
2 Gas		
Quantity (Scum)	699443	760029
Total Amount (Rs.)	9460238	8793941
Rate per 1000Scum	13525	11571
B) CONSUMPTION PER UNIT OF PRODUCTION		
STANDARDS (if any)		
Products – Made Tea (Kgs)	1545898	1477630
Electricity (in units) / per Kg	0.79	0.87
Gas (in Scum) / per Kg	0.45	0.51

FORM-B

Form of disclosure of particulars with respect to Absorption, Research and Development (R & D)

1. Specified area in which R & D carried out by the Company	}	The Company subscribes to Tea Research Association which is registered under Section 35(i)(ii) of the Income Tax Act, 1961
2. Benefits derived as a result of above R & D		
3. Future Plan of action		
4. Expenditure on R & D		
a) Capital R & D		
b) Recurring		
c) Total		
d) Total R & D expenditure as a percentage of total turnover		



Technology absorption, adaptation and innovation

- | | |
|--|---|
| 1. Efforts in brief, made towards technology absorption, adaptation and innovation | Continuous efforts are being made towards absorption, adaptation and innovation of technology absorption maintaining close liaison with advisory officer of Tocklai Experimental Station. |
| 2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, import substitution etc. | Increase in Productivity and cost reduction by optimization of inputs. |

Foreign Exchange Earning and outgo

- | | |
|--------------------------------------|-----|
| 1. Foreign Exchanged Earned (F.O.B.) | Nil |
| 2. Foreign Exchanged used | Nil |

Registered Office:
1, Crooked Lane
Kolkata – 700069

Mr. DHIRENDRA KUMAR (DIN : 00153773)
Ms. DIVYA JALAN (DIN : 00016102)
Mr. GOLAM MOMEN (DIN : 00402662)
Ms. SHASHI KUMAR (DIN : 00199961)
Mr. GHANSHYAM DAS GUPTA (DIN : 00174114)
Mr. NAVEEN BANSAL (DIN : 00720211)
Mr. GAURAV GUPTA (DIN : 00015692)
Mr. KARTIK NARAYAN SINGH (DIN : 07779482)

Director

Wholetime Director



ANNEXURE-3

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

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

To
The Members,
The Scottish Assam (India) Ltd,
1, Crooked Lane,
Kolkata - 700 069

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by The Scottish Assam (India) Limited (**L01132WB1977PLC031175**) (hereinafter called "the Company"). The Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of 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 and authorised representatives during the conduct of **Secretarial Audit**, whereby report that in our opinion the Company has, during the audit period covering the financial year ended 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2019 according to the provisions of :

- I. The Companies Act, 2013 (the Act) and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye- laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing;
- V. The following Regulations (as amended from time to time) and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
 - d) The SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015;

[The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable to the Company for the financial year ended 31-03-2019, as the Company did not undertake any activities under the said Regulations :-

- (a) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, as amended till date;



- (d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;]
- (e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

VI. The following **Industry Specific** laws:

- a) Tea Act, 1953
- b) The Tea Waste (Control) Order, 1959
- c) The Tea Warehouse (Licensing) Order, 1989
- d) The Tea (Marketing) Control Order, 1984
- e) Tea (Distribution and Export) Control Order, 2005
- f) FSSAI (Food Safety and Standards Authority of India) Act, 2006

We have also examined compliance with the applicable clauses of the following:

- (i) SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (LODR) entered into by the Company with The Calcutta Stock Exchange Limited.
- (ii) Secretarial Standards (SS-1 & SS-2) issued by the Institute of Company Secretaries of India in respect of holding of Board Meetings and Shareholder's Meetings.

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

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Woman Director. 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 LODR.

Adequate Notice is given to all Directors to schedule the Board Meetings. Agenda and detailed Notes on agenda were sent atleast 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.

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 as also represented by the management. All decisions of the Board were unanimous and the same was captured and recorded as part of the Minutes.

We further report that during the audit period, the Company has not made any:

- (i) Public/Right/ Preferential issue of Shares/Debentures/Sweat Equity or any other Security.
- (ii) Redemption / buy-back of securities.
- (iii) Major decisions taken by the Members in pursuance to section 180 of the Companies Act, 2013.
- (iv) Merger/ Amalgamation/ Reconstruction etc.
- (v) Foreign technical collaborations.

For DROLIA & COMPANY
(Company Secretaries)

Place : 9, Crooked Lane
Kolkata – 700 069

Date : 20th day of May, 2019

Pravin Kumar Drolia
Proprietor
FCS : 2366
CP No. 1362



ANNEXURE 3 TO THE DIRECTORS' REPORT (CONT.)

To,
The Members,
The Scottish Assam (India) Limited,
1, Crooked Lane, Kolkata 700069

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

- 1) Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express as opinion on these secretarial records based on our audit.
- 2) We have followed the audit practices and processes 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 processes 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) Where ever required we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
- 5) The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to verification of procedures on test basis.
- 6) 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.

For DROLIA & COMPANY
(Company Secretaries)

Place : 9, Crooked Lane
Kolkata – 700 069

Date : 20th day of May, 2019

Pravin Kumar Drolia
Proprietor
FCS : 2366
CP No. 1362



ANNEXURE 4 TO THE DIRECTOR'S REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

AS ON THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule No. 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

(i)	CIN	L01132WB1977PLC031175
(ii)	Registration Date	27th September, 1977
(iii)	Name of the Company	THE SCOTTISH ASSAM (INDIA) LTD
(iv)	Category/Sub-Category of the Company	TEA
(v)	Address of the Registered Office	1, Crooked Lane, Kolkata – 700 069
(vi)	Whether Listed Company	Listed
(vii)	Name, Address and contact details of Registrar	M/s. ABS Consultant Pvt. Ltd. "Stephen House" Room No-99, 6th Floor 4, B.B.D. Bag (East) Kolkata – 700 001 Ph.: (033) 2230-1043

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

The principal business activity of the Company is of manufacturing and sale of TEA. It comprises 100% of total turnover of the Company

III. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

N.A.

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

(i) **Table I - Category-wise Share Holding**

Category of Shareholding	No. of Share held as on 31.03.2019				No. of Share held as on 31.03.2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A Promoters & Promoter Group	600000	--	600000	75%	600000	--	600000	75%	--
B Public	123962	76038	200000	25%	96969	103031	200000	25%	--
C Non Promoter - Non Public									
i) Shares Underlying DRs	--	--	--	--	--	--	--	--	--
ii) Shares held by Employee Trusts	--	--	--	--	--	--	--	--	--
Total	723962	76038	800000	100%	696969	103031	800000	100%	--



(ii) Table II - Statement showing shareholding pattern of the Promoter and Promoter Group and changes during the period 2018-2019

Name	No. of Shares held as on 31.03.2019		No. of Shares held as on 31.03.2018		% Change during the year	Shares held in physical	Shares held in Demat
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares			
1) INDIAN							
a) Individual/HUF							
Hemant Kumar Agrawal	300	0.04	300	0.04	-	-	300
Smita Agarwal	500	0.06	500	0.06	-	-	500
Alaka Jalan	500	0.06	500	0.06	-	-	500
Sandhya Agarwal	800	0.10	800	0.10	-	-	800
Smita Saraf	800	0.10	800	0.10	-	-	800
Manish Kumar	-	-	1525	0.19	(0.19)	-	-
Pramod Rani	800	0.10	800	0.10	-	-	800
Ila Rani Agrawal	1951	0.24	800	0.10	0.14	-	1951
Prabha Rani Agrawal	819	0.10	819	0.10	-	-	819
Arvind Kumar Agrawal	900	0.11	900	0.11	-	-	900
Mudit Kumar	1000	0.13	1000	0.13	-	-	1000
Rajendra Kumar Agrawal	-	-	1151	0.14	(0.14)	-	-
Ritika Kumar	-	-	7950	0.99	(0.99)	-	-
Divya Jalan	10802	1.35	10802	1.35	-	-	10802
Sandeep Kumar Jalan	11925	1.49	11925	1.49	-	-	11925
Divyaa Kumar	6350	0.79	6350	0.79	-	-	6350
Devang Kumar	9475	1.18	-	-	1.18	-	9475
Shashi Kumar	13288	1.66	13288	1.66	-	-	13288
Pradip Kumar Khaitan (In the capacity of trustee of Tea Trust created by existing promoters)	120000	15.00	120000	15.00	-	-	120000
Total	180210	22.53	180210	22.53	-	-	180210
b) Central Govt./State Govt	-	-	-	-	-	-	-
c) Financial Institution/ Banks	-	-	-	-	-	-	-
d) Any other (specify) Bodies Corporate							
Supriya Finance Ltd	300	0.04	300	0.04	-	-	300
Sandeep Investments Ltd	400	0.05	400	0.05	-	-	400
Purushottam Inv Pvt Ltd	22447	2.81	22447	2.81	-	-	22447
Arohi Holdings Pvt Ltd	15800	1.98	15800	1.98	-	-	15800
Shree Durga Agencies Ltd	83020	10.38	83020	10.38	-	-	83020
Innovation Handicrafts (India) Pvt Ltd	22765	2.85	22765	2.85	-	-	22765
SPBP Inv Pvt Ltd	45000	5.63	45000	5.63	-	-	45000
Nirvan Commercial Co Ltd	86963	10.87	86963	10.87	-	-	86963
SIVPL Products Pvt Ltd	13130	1.64	13130	1.64	-	-	13130
Aryavrat Trading Pvt Ltd	10075	1.26	10075	1.26	-	-	10075
SPBP Tea Plantation Ltd	34600	4.33	34600	4.33	-	-	34600
Maryada Advisory Services Pvt Ltd	45290	5.66	45290	5.66	-	-	45290
Aarvee Trading Co Pvt Ltd	40000	5.00	40000	5.00	-	-	40000
Total	419790	52.47	419790	52.47	-	-	419790



Name	No. of Shares held as on 31.03.2019		No. of Shares held as on 31.03.2018		% Change during the year	Shares held in physical	Shares held in Demat
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares			
Mutual Fund	--	--	--	--	--	--	--
Trust	--	--	--	--	--	--	--
Others	--	--	--	--	--	--	--
Sub Total (A)(1)	600000	75%	600000	75%	--	--	600000
2) FOREIGN							
a) NRI/ Foreign Individuals	--	--	--	--	--	--	--
b) Foreign. Govt. Promoter	--	--	--	--	--	--	--
c) Foreign Inst. Invst. (FIIs)	--	--	--	--	--	--	--
d) Foreign Portfolio Investor	--	--	--	--	--	--	--
e) Any Other (specify) Foreign	--	--	--	--	--	--	--
Company Overseas Corporate Bodies	--	--	--	--	--	--	--
Foreign Bank	--	--	--	--	--	--	--
Sub Total (A)(2)	--	--	--	--	--	--	--
Total Shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2)	600000	75%	600000	75%	--	--	600000

(iii) Table III - Statement showing shareholding pattern of the Public Shareholder

Name	No. of Share held as on 31.03.2019				No. of Share held as on 31.03.2018			
	Physical	Demat	No. of Total Shares	% of Total Shares	Physical	Demat	No. of Total Shares	% of Shares
1) Institutions								
A) Mutual Funds / UTI	--	--	--	--	--	--	--	--
b) Venture Capital Funds	--	--	--	--	--	--	--	--
c) Alternate Invest Fund	--	--	--	--	--	--	--	--
d) Foreign Venture Capital Investor	--	--	--	--	--	--	--	--
e) Foreign Portfolio Investor	--	--	--	--	--	--	--	--
f) Financial Institution/ Banks	--	--	--	--	--	--	--	--
g) Insurance Companies	--	--	--	--	--	--	--	--
h) Provident Fund/ Pension Funds	--	--	--	--	--	--	--	--
i) Any other (specify) Foreign Inst. Invst. (FIIs)	--	--	--	--	--	--	--	--
Sub Total (B)(1)	--	--	--	--	--	--	--	--
2) Central Govt./ State Govt./ President of India	--	11415	11415	1.43	--	--	--	--
Sub Total (B)(2)	--	--	--	--	--	--	--	--
3) Non-Institutions:								
a) Individuals-								
i) Indv. Shareholders holding nominal share capital upto ₹ 2 lakh	73188	66300	139488	17.44	100304	53548	153852	19.25



THE SCOTTISH ASSAM (INDIA) LIMITED

Name	No. of Share held as on 31.03.2019				No. of Share held as on 31.03.2018			
	Physical	Demat	No. of Total Shares	% of Total Shares	Physical	Demat	No. of Total Shares	% of Shares
ii) Indv. Shareholders holding nominal share capital in excess of ₹ 2 lakh	--	--	--	--	--	--	--	--
b) NBFC registered with RBI	--	--	--	--	--	--	--	--
c) Employees Trust	--	--	--	--	--	--	--	--
d) Overseas Depositories (holding DRs) (balancing figure)	--	--	--	--	--	--	--	--
e) Any Other (specify)								
Bodies Corporate								
i) Holding 1% and above :								
1) Octal Credit Capital Limited	--	21398	21398	2.67	--	21398	21398	2.67
2) Mittal Sales Private Limited	--	21399	21399	2.67	--	21399	21399	2.67
ii) Holding less than 1%	2850	2680	5530	0.70	--	2581	2581	0.32
Non Resident Indian								
i) Holding 1% and above	--	--	--	--	--	--	--	--
ii) Holding less than 1%	--	670	670	0.08	--	670	670	0.08
Foreign National	--	--	--	--	--	--	--	--
Overseas Corporate Bodies	--	--	--	--	--	--	--	--
Foreign Banks	--	--	--	--	--	--	--	--
Trust								
Custodian A/c								
1. Jagdish P Gandhi	--	100	100	0.01	100	100	0.01	0.01
Total	76038	123962	200000	25%	100304	99696	200000	25%

IV Shareholding of Directors and Key Managerial Personnel :

Name	No. of Shares held as on 31.03.2019		No. of Shares held as on 31.03.2018		% Change during the year
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
Mr. Sandeep Kumar Jalan	11925	1.49	11925	1.49	--
Mrs. Divya Jalan	10802	1.35	10802	1.35	--
Mr. Hemant Kumar Agrawal	300	0.04	300	0.04	--
Mr. Ghanshyam Das Gupta	100	0.01	100	0.01	--
Mr. Golam Momen	800	0.10	800	0.10	--
Mrs. Shashi Kumar	13288	1.66	13288	1.66	--
Total	37215	4.65	37215	4.65	--

V Indebtedness of the Company including interest outstanding / accrued but not due for payment : N.A.



VI Shareholding pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) :

Name	No. of Shares held as on 31.03.2019		No. of Shares held as on 31.03.2018		% Change during the year
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
Mittal Sales Pvt Ltd	21399	2.67	21399	2.67	–
Octal Credit Capital Ltd	21398	2.67	21398	2.67	–
Mahendra Girdharilal	2100	0.26	2100	0.26	–
Prahlad Rai Jain	1900	0.24	1900	0.24	–
Bimla Rani Jain	1100	0.14	1100	0.14	–
Natarajn Ravi Shankar	1200	0.15	1200	0.15	–
Renu Gupta	1200	0.15	1200	0.15	–
Bhavesh Dhiralal Tanna	1125	0.14	1125	0.14	–
Pinaken Chimanlal Shah	2200	0.28	1000	0.12	–
Plutus Capital Management LLP	1400	0.18	1400	0.18	–
Prabir Kumar Dutta	1300	0.16	–	–	0.16

VII Remuneration of directors and Key Managerial Personnel

Name	Designation	Details of Remuneration	Current Financial Year (₹)
Mr. Kartik Narayan Singh	Whole-time Director	Salary as per Income Tax	15,49,200
Mr. Yugal Keshor Chaudhary	Chief Financial Officer		7,91,113
Ms. Sreya Bose	Company Secretary		4,51,934



VIII Meetings of the Board & Remuneration to the Directors :

Name of the Directors	No. of Board Meetings		Attended Last AGM held on 28.08.2018	Remuneration paid as sitting fees (₹)
	Held	Attended		
Mr. Dharendra Kumar	5	5	YES	25,000
Mr. Sandeep Kumar Jalan	5	4	YES	20,000
Mrs. Divya Jalan	5	5	YES	25,000
Mr. Golam Momen	5	4	NO	20,000
Mr. Ghanshyam Das Gupta	5	5	YES	25,000
Mr. Naveen Bansal	5	5	YES	25,000
Mr. Hemant Kumar Agrawal	5	1	NO	5,000
Mrs. Shashi Kumar	5	5	NO	25,000
Mr Gaurav Gupta	5	2	N.A	10,000
Mr. Kartik Narayan Singh	5	2	YES	N.A

IX Meetings of the Committees

Name of the Directors	No. of Audit Committee Meetings		No. of Stakeholders Relationship Committee Meetings		No. of Nomination & Remuneration Committee Meetings		Remuneration paid as sitting fees (₹)
	Held	Attended	Held	Attended	Held	Attended	
Mr. Golam Momen	4	4	4	4	3	3	55,000
Mr. Ghanshyam Das Gupta	4	4	4	4	3	3	55,000
Mr. Naveen Bansal	4	4	4	4	3	3	55,000

X Remuneration to other Directors:

I. Independent Directors :

The Independent Directors of your Company are not entitled to any other kind or type of remuneration except sitting fees.

XI Penalties / Punishment / Compounding of Offences : None



INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

TO THE MEMBERS OF THE SCOTTISH ASSAM (INDIA) LIMITED

OPINION

We have audited the accompanying Financial Statements of The Scottish Assam (India) Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit, 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 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 Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules 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 Financial Statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the 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.

Key audit matters	How our audit addressed the key audit matter
<p>Recognition of deferred tax assets on Minimum Alternate tax</p> <p>As indicated in note "7 - Deferred Tax Assets" to the financial statements, the deferred tax assets consists of Minimum Alternate Tax ("MAT") Credit Entitlement amounting to Rs 200.58 lacs as at March 31, 2019. Out of which Rs. 107.87 lacs relate to MAT Credit Entitlement recognized for the first time during the financial year ended March 31, 2019.</p> <p>MAT Credit Entitlement is only recognized if it is likely that the company will have taxable future profits over the next 15 years on which this asset may</p>	<p>We have reviewed the evaluation process of deferred tax assets on MAT Credit Entitlement implemented by Company's Management. We assessed the permanence of methods used, the relevance and consistency of underlying assumptions (budget including earnings growth and applicable tax rates) and tested the arithmetic accuracy. We assessed the probability that the company may use in the future its deferred tax assets, particularly with regard to:</p>



Key audit matters	How our audit addressed the key audit matter
be used. The company's ability to recover deferred tax assets is assessed by management at the close of each financial year taking into account forecasts of future taxable results. The management estimates that on sale of its investments in future year the management shall be able to utilize the MAT Credit Entitlement. We have considered the recoverability of such deferred tax assets on unutilized tax credits carried forward as a key audit matter due to the importance of management's estimation and judgment and the materiality of amounts at stake.	<ul style="list-style-type: none">● the review of deferred tax liabilities existing in the same tax jurisdiction, that may be charged against existing tax losses carried forward before they expire;● the ability of company to generate sufficient future taxable profits in a foreseeable future allowing the use of existing MAT Credit Entitlement carried forward.

INFORMATION OTHER THAN THE 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 the Financial Statements and our auditor's report thereon.

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

MANAGEMENT'S RESPONSIBILITY FOR THE 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 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 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 Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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



AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 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 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 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 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 Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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



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

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

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 account as 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 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 as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Financial Statements and 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 Financial Statements - Refer Note 35.1 to the Financial Statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Place : Kolkata
Date : 20th day of May, 2019

(Utsav Saraf)
Partner
Membership No. 306932



ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 8 with the heading 'Report on Other Legal and Regulatory Requirements' section of our report of even date in respect to statutory audit of The Scottish Assam (India) Limited for the year ended 31st March, 2019)

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.
- ii. According to information and explanation given to us, inventories (excluding stocks with third parties) were physically verified during the year by the management at reasonable intervals. In respect of inventory lying with third parties, these have been substantially confirmed by them. The discrepancies noticed on verification between the physical stock and the book stocks, wherever ascertained were not significant and have been properly dealt in the books of accounts.
- 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 not given any loans, issued any guarantee or 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 maintenance of cost records prescribed under sub-section (1) of Section 148 of the Act is not applicable to the Company during the year.
- 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, income tax, duty of customs, goods and 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, income 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, 2019 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, there are no dues of sales tax, income tax, duty of customs, duty of excise, service tax and value added tax as at 31st March, 2019 which have not been deposited on account of any dispute.



- 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 Banks during the year. The company does not have any outstanding dues to debenture holders or financial institutions during the year.
- ix. Based on information and explanations given to us and records of the Company examined by us, the company did not raise any money by way of initial public offer or further public offer (including debt instruments) and the term loans during the year hence the clause (ix) of the Order is not applicable.
- 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 during the financial year 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.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- 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

Place : Kolkata
Date : 20th day of May, 2019

(Utsav Saraf)
Partner
Membership No. 306932



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 The Scottish Assam (India) Limited of even date)

We have audited the internal financial controls over financial reporting of The Scottish Assam (India) Limited ("the Company") as of 31st March, 2019 in conjunction with our audit of the 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.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by 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 judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 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, 2019 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

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

Place : Kolkata
Date : 20th day of May, 2019

(Utsav Saraf)
Partner
Membership No. 306932



THE SCOTTISH ASSAM (INDIA) LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2019

	Note No.	As at 31st March, 2019		As at 1st April, 2018	
		₹	₹	₹	₹
ASSETS					
1 NON-CURRENT ASSETS					
a Property, Plant and Equipment	4	2,39,80,249		2,16,93,969	
b Capital Work-In-Progress	4	1,30,66,201		94,40,439	
c Other Intangible Assets	4	650	3,70,47,100	1,413	3,11,35,821
d Financial Assets					
i Investments	5	44,49,32,068		40,24,47,872	
ii Loans	6	10,50,000		14,78,437	
e Deferred Tax Assets (Net)	7	1,13,33,549		48,98,763	
f Non-Current Tax Assets	8	39,97,969	46,13,13,586	38,86,854	41,27,11,926
2 CURRENT ASSETS					
a Inventories	9	2,08,99,890		1,90,56,200	
b Biological Asset other than Bearer Plants	10	11,05,272		6,69,521	
c Financial Assets					
i Trade Receivables	11	51,25,978		78,00,300	
ii Cash and Cash Equivalents	12	12,41,213		6,47,555	
iii Bank balances other than Note ii above	13	7,87,550		7,55,227	
iv Loans	6	31,59,541		31,97,151	
v Other Financial Assets	14	1,23,156		14,15,495	
d Other Current Assets	15	42,38,496	3,66,81,096	20,35,570	3,55,77,019
Total Assets			53,50,41,782		47,94,24,766
EQUITY AND LIABILITIES					
1 EQUITY					
a Equity Share Capital	16	80,00,000		80,00,000	
b Other Equity	17	44,09,75,564	44,89,75,564	40,13,75,915	40,93,75,915
LIABILITIES					
2 CURRENT LIABILITIES					
a Financial Liabilities					
i Borrowings	18	2,89,24,350		2,97,76,590	
ii Trade Payables	19				
Total outstanding dues of creditors to micro enterprises & small enterprises		2,02,045		17,16,033	
Total outstanding dues of creditors to other than micro enterprises & small enterprises		1,32,83,059		1,57,38,483	
iii Other Financial Liabilities	20	2,61,84,702		1,71,56,076	
b Provisions	21	1,07,00,852		24,91,105	
c Other Current Liabilities	22	40,38,159		29,41,874	
d Current Tax Liabilities	23	27,33,051	8,60,66,218	2,28,690	7,00,48,851
Total Equity and Liabilities			53,50,41,782		47,94,24,766
Significant Accounting Policies	3				

The accompanying notes 2 to 52 are an integral part of the Financial Statements

For and on behalf of the Board of Directors

As per our report of even date annexed

For **J K V S & CO.**

(Formerly Jitendra K Agarwal & Associates)

Chartered Accountants

Firm Registration No. 318086E

UTSAV SARAF

Partner

Membership No. : 306932

Place : Kolkata

Date : The 20th day of May, 2019

Mr. DHIRENDRA KUMAR (DIN : 00153773)

Ms. DIVYA JALAN (DIN : 00016102)

Mr. GOLAM MOMEN (DIN : 00402662)

Ms. SHASHI KUMAR (DIN : 00199961)

Mr. GHANSHYAM DAS GUPTA (DIN : 00174114)

Mr. NAVEEN BANSAL (DIN : 00720211)

Mr. GAURAV GUPTA (DIN : 00015692)

Mr. KARTIK NARAYAN SINGH (DIN : 07779482)

Ms. SREYA BOSE -

Mr. YUGAL KESHOR CHAUDHARY -

Director

Wholtime Director

Company Secretary

Chief Financial Officer



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

	Note No.	For the Year ended 31st March, 2019 ₹	For the Year ended 31st March, 2018 ₹
INCOME			
Revenue from Operations	24	29,90,19,969	27,66,04,279
Other Income	25	2,76,21,995	2,68,80,922
Total Income		32,66,41,964	30,34,85,201
EXPENSES			
Cost of Materials Consumed	26	1,98,00,165	2,22,36,185
Changes in Inventories of Finished Goods	27	(14,92,002)	(16,35,138)
Employee Benefits Expenses	28	14,25,18,520	12,29,90,743
Finance Costs	29	29,47,723	27,63,567
Depreciation and Amortisation Expenses	30	46,14,466	41,31,362
Other Expenses	31	9,64,86,266	10,04,05,190
Total Expenses		26,48,75,138	25,08,91,909
Profit before Exceptional Items and Tax		6,17,66,826	5,25,93,292
Exceptional Items		-	-
Profit before Tax		6,17,66,826	5,25,93,292
Tax Expense :	32		
Current Tax		1,91,93,887	1,74,33,139
Provision for Earlier Year		-	17,81,494
Deferred Tax		(64,34,786)	(90,13,341)
Profit for the year		4,90,07,725	4,23,92,000
Other Comprehensive Income			
Items that will not be reclassified to profit or loss	33	(76,61,142)	(47,34,414)
Income tax relating to these items		21,10,836	13,04,449
Other Comprehensive Income for the Year (Net of Tax)		(55,50,306)	(34,29,965)
Total Comprehensive Income for the period		4,34,57,419	3,89,62,035
Earnings Per Share of Rs. 10/- each			
Basic & Diluted	34	61.26	52.99

Significant Accounting Policies

3

The accompanying notes 2 to 52 are an integral part of the Financial Statements

For and on behalf of the Board of Directors

As per our report of even date annexed

For **J K V S & CO.**

(Formerly Jitendra K Agarwal & Associates)

Chartered Accountants

Firm Registration No. 318086E

UTSAV SARAF

Partner

Membership No. : 306932

Place : Kolkata

Date : The 20th day of May, 2019

Mr. DHIRENDRA KUMAR (DIN : 00153773)

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Mr. NAVEEN BANSAL (DIN : 00720211)

Mr. GAURAV GUPTA (DIN : 00015692)

Mr. KARTIK NARAYAN SINGH (DIN : 07779482)

Ms. SREYA BOSE

Mr. YUGAL KESHOR CHAUDHARY

Director

Wholtime Director

Company Secretary

Chief Financial Officer

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31ST MARCH, 2019

STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019

(Amount in ₹)

a Equity Share Capital

Balance as at 1st April, 2017	80,00,000
Add/(Less): Changes in Equity Share Capital during the year	-
Balance as at 31st March, 2018	80,00,000
Add/(Less): Changes in Equity Share Capital during the year	-
Balance as at 31st March, 2019	<u>80,00,000</u>

b Other Equity

	Capital Reserve	General Reserve	Retained Earnings	Total
Balance as at 31st March, 2018	30,62,321	20,64,29,038	19,18,84,556	40,13,75,915
Profit for the Year	-	-	4,90,07,725	4,90,07,725
Remeasurement Gain/(Loss)	-	-	(55,50,306)	(55,50,306)
Total Comprehensive Income	30,62,321	20,64,29,038	23,53,41,975	44,48,33,334
Final Dividend Paid	-	-	(32,00,000)	(32,00,000)
Dividend Distribution Tax on Final Dividend	-	-	(6,57,770)	(6,57,770)
Transfer to General Reserve	-	1,00,00,000	(1,00,00,000)	-
Balance as at 31st March, 2019	30,62,321	21,64,29,038	22,14,84,205	44,09,75,564

	Capital Reserve	General Reserve	Retained Earnings	Total
Balance as at 31st March, 2017	30,62,321	19,64,29,038	16,66,34,439	36,61,25,798
Profit for the Year	-	-	4,23,92,000	4,23,92,000
Remeasurement Gain/(Loss)	-	-	(34,29,965)	(34,29,965)
Total Comprehensive Income	30,62,321	19,64,29,038	20,55,96,474	40,50,87,833
Final Dividend Paid	-	-	(28,00,000)	(28,00,000)
Dividend Distribution Tax on Final Dividend (including for earlier year)	-	-	(9,11,918)	(9,11,918)
Transfer to General Reserve	-	1,00,00,000	(1,00,00,000)	-
Balance as at 31st March, 2018	30,62,321	20,64,29,038	19,18,84,556	40,13,75,915

Significant Accounting Policies - 3

The accompanying notes 2 to 52 are an integral part of the Financial Statements

For and on behalf of the Board of Directors

As per our report of even date annexed

For **J K V S & CO.**

(Formerly Jitendra K Agarwal & Associates)

Chartered Accountants

Firm Registration No. 318086E

UTSAV SARAF

Partner

Membership No. : 306932

Place : Kolkata

Date : The 20th day of May, 2019

Mr. DHIRENDRA KUMAR (DIN : 00153773)

Ms. DIVYA JALAN (DIN : 00016102)

Mr. GOLAM MOMEN (DIN : 00402662)

Ms. SHASHI KUMAR (DIN : 00199961)

Mr. GHANSHYAM DAS GUPTA (DIN : 00174114)

Mr. NAVEEN BANSAL (DIN : 00720211)

Mr. GAURAV GUPTA (DIN : 00015692)

Mr. KARTIK NARAYAN SINGH (DIN : 07779482)

Ms. SREYA BOSE

Mr. YUGAL KESHOR CHAUDHARY

Director

Wholetime Director

Company Secretary

Chief Financial Officer

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019**

	For the year ended 2018-2019		For the year ended 2017-2018	
	(₹)	(₹)	(₹)	(₹)
A. Cash flow from operating activities :				
Net Profit before tax and extraordinary items		6,17,66,826		5,25,93,292
Adjustments for -				
Depreciation	46,14,466		41,31,362	
Finance Cost	29,47,723		27,63,567	
Interest Received	(55,970)		(47,951)	
Unclaimed balances written back	(5,82,796)		(87,503)	
(Profit)/ Loss on Sale of Fixed Asset	1,268		(45,593)	
Net gain arising on Employee Benefit Obligations mandatorily measured at OCI	(76,61,142)		(47,34,414)	
Change in fair value of biological assets - Non Current	(4,35,753)		(1,62,804)	
Net Gain arising on financial assets mandatorily measured at FVTPL	(2,69,84,196)		(78,19,671)	
Gain on disposal of investments carried at fair value through profit or loss	-		(1,88,76,579)	
Operating profit before working capital changes		3,36,10,426		2,77,13,706
Adjustments for -				
Trade Receivables, Loans & Other Receivables	21,97,459		(1,07,70,294)	
Trade Payables, Provisions & Other Payables	1,49,48,042		1,02,54,521	
Inventories	(18,43,689)		16,88,278	
Cash generated from / (used in) operations		4,89,12,238		2,88,86,211
Direct taxes (paid) / refund		(1,46,89,805)		(15,9,43,691)
Net cash from / (used in) operating activities		3,42,22,433		1,29,42,520
B. Cash flow from investing activities :				
Purchase for Fixed Assets/ Capital work in Progress	(1,05,27,012)		(78,12,546)	
Sale of Fixed Assets	-		65,000	
(Purchase) / sale of Non Current investments (net)	(1,55,00,000)		(47,22,160)	
Interest Received	55,970		47,951	
Net cash from / (used in) investing activities		(2,59,71,042)		(1,24,21,755)



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

	For the year ended 2018-2019		For the year ended 2018-2017	
	(₹)	(₹)	(₹)	(₹)
C. Cash Flow from Financing activities :				
Proceeds from Working capital borrowings (net)	(8,52,240)		38,87,847	
Dividend including dividend tax paid	(38,57,770)		(37,11,917)	
Finance Cost paid	(29,47,723)		(27,63,567)	
Net cash from / (used in) financing activities		(76,57,733)		(25,87,637)
Net increase / (decrease) in cash and cash equivalent (A+B+C)		5,93,658		(20,66,872)
Cash and cash equivalents as at 01.04.2018*		6,47,555		27,14,427
Cash and cash equivalents as at 31.03.2019*		12,41,213		6,47,555
		5,93,658		(20,66,872)
		As at		As at
		31.03.2019		31.03.2018
*Cash and cash equivalent consist of :-				
Cash, Cheques, Drafts in hand etc.		10,48,098		56,097
Balance and Fixed deposits with Banks		1,93,115		5,91,458
Cash and Cash equivalent		12,41,213		6,47,555

The aforesaid statement is prepared on indirect method.

The figures of the previous year have been reclassified to conform to current year classification.

Significant Accounting Policies - 3

The accompanying notes 2 to 52 are an integral part of the Financial Statements

As per our report of even date annexed

For **J K V S & CO.**

(Formerly Jitendra K Agarwal & Associates)

Chartered Accountants

Firm Registration No. 318086E

UTSAV SARAF

Partner

Membership No. : 306932

Place : Kolkata

Date : The 20th day of May, 2019

For and on behalf of the Board of Directors

Mr. DHIRENDRA KUMAR (DIN : 00153773)

Ms. DIVYA JALAN (DIN : 00016102)

Mr. GOLAM MOMEN (DIN : 00402662)

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Ms. SREYA BOSE -

Mr. YUGAL KESHOR CHAUDHARY -

Director

Wholetime Director

Company Secretary

Chief Financial Officer



NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31ST MARCH, 2019

1. CORPORATE AND GENERAL INFORMATION

The Scottish Assam (India) Limited was incorporated as a Limited Company in India under the Companies Act, 1956 and has its listing on the CSE Limited. The Company's principal business is manufacturing of Tea.

2. BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENT

2.1. Statement of Compliance

These financial statements have been prepared and approved on **20th day of May, 2019** 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.

2.2. Basis of Measurement

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

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

2.3. Functional and Presentation Currency

The Financial Statements are presented in Indian Rupee (INR), which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates. All financial information presented in INR has been rounded off to the nearest rupees 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).

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 be 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

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

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

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

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

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

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

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



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

3. ACCOUNTING POLICIES

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

3.1. INVENTORIES

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

- **Raw Materials** : At Cost or Net Realizable Value whichever is lower. Cost of harvested tea leaves, produced from own garden, is measured at fair value less cost to sell at the point of harvest of tea leaves. Cost of other raw materials is measured on weighted average basis.
- **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.

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

3.4. PROPERTY, PLANT AND EQUIPMENT

3.4.1. Tangible Assets (Other than Bearer Plants)

3.4.1.1. Recognition and Measurement

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



3.4.1.2. Subsequent Measurement

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

3.4.1.3. Depreciation and Amortization

- Depreciation on 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 respect of spares for specific machinery, cost is amortized over the useful life of the related machinery as estimated by the management.
- Depreciation on additions (disposals) during the year is provided on a pro-rata basis i.e., from (up to) the date on which asset is ready for use (disposed off).
- Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3.4.1.4. Disposal of Assets

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

3.4.1.5. Capital Work in Progress

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

3.4.2. Bearer Plants

3.4.2.1. Recognition and Measurement

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

3.4.2.2. Subsequent Measurement

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



3.4.2.3. Depreciation

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

3.4.2.4. Capital Work in Progress

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

3.5. LEASES

3.5.1. Determining whether an arrangement contains a lease

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

3.5.2. 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

Leases in which the Company 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 Company with expected inflationary costs.

3.5.3. 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**

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 Company with expected inflationary costs.

3.6. REVENUE FROM CONTRACTS FROM CUSTOMERS

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services.

Revenue from sale of products and services are recognised at a time on which the performance obligation is satisfied. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment, and excludes taxes & duties collected on behalf of the Government and is reduced for estimated customer returns, rebates and other similar allowances.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

3.6.2. Other Income:

3.6.2.1. Interest Income : Interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset.

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

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

3.7. 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. Re-measurements 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 Company operates the following post employment schemes:

➤ Defined Contribution Plan

Defined contribution plans such as Provident Fund 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 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:

- 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 Company changes its business model for managing financial assets.

- **Measured at Amortized Cost** : A debt instrument is measured at the amortized cost if both the following conditions are met:
 - The asset is held within a business model whose objective is achieved by both collecting contractual cash flows; and
 - The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.



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

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

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

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

➤ **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 is 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 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.

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 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

- Intangible assets are amortized over a period of three 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 development of Intangible Assets in so far as such expenses relate to the period prior to the getting the assets ready for use.

3.18. Biological Assets and Agricultural Produce

3.18.1. Biological Assets

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

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



3.18.2. Agricultural Produce

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

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

3.19. 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.

The Company has identified single reportable segment "Tea".

3.20. Recent Accounting Pronouncement

New Standards / Amendments to Existing Standard issued but not yet effective upto the date of issuance of the Company's Financial Statement are disclosed below :

- a) Changes in Accounting Standard and recent accounting pronouncements on March 31st, 2019 the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2019, notifying Ind AS 116 on Leases. Ind AS 116 would replace the existing leases standard Ind AS 17. The standard sets out the principles for the recognition, measurement, presentation and disclosures for both parties to a contract, i.e. the lessee and the lessor. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently for operating lease rentals are charged to the statement of profit and loss. The Company is currently evaluating the implications of Ind AS 116 on the financial statements.

The Companies (Indian Accounting Standards) Amendment Rules, 2019 also notified amendments to the following accounting standards. The amendments would be effective from April 1, 2019.

- o Ind AS 12, Income taxes - Appendix C on uncertainty over income tax treatments.
- o Ind AS 12, Income Taxes - Accounting for Dividend Distribution Taxes.
- o Ind AS 23, Borrowing costs.
- o Ind AS 109 - Financial instruments
- o Ind AS 19 - Employee benefits

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

3A. 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 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.

NOTES TO FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31ST MARCH, 2019

4 PROPERTY, PLANT & EQUIPMENT, INTANGIBLE ASSETS AND CAPITAL WORK IN PROGRESS

Amount in (₹)

	GROSS AMOUNT				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT As at 31-3-2019
	Cost as on 31-03-2018	Additions	Sold/ Adjusted	Total As at 31-3-2019	Upto 31-03-2018	For the Year	On Assets Sold/ Adjusted	Total As at 31/03/2019	
A). PROPERTY, PLANT & EQUIPMENT									
Bearer Plant	3,15,017	56,604	-	3,71,621	25,705	13,175	-	38,880	3,32,741
Garden Building & Machinery	2,09,607	-	-	2,09,607	-	-	-	-	2,09,607
Buildings	85,46,418	5,60,217	-	91,06,635	11,78,773	6,22,717	-	18,01,490	73,05,145
Plant and Machinery	1,58,46,166	59,33,284	(80)	2,17,79,370	57,63,159	27,50,221	-	85,13,380	1,32,65,990
Vehicles (includes cars, trailers, tractors etc.)	49,73,101	7,143	-	49,80,244	15,23,471	10,20,783	-	25,44,254	24,35,990
Furniture & Fitting	1,21,365	36,280	-	1,57,645	42,576	23,821	-	66,397	91,248
Office Equipment	3,71,807	3,07,723	(1,188)	6,78,342	1,55,828	1,82,986	-	3,38,814	3,39,528
Total Tangible	3,03,83,481	69,01,251	(1,268)	3,72,83,464	86,89,512	46,13,703	-	1,33,03,215	2,39,80,249
B). INTANGIBLE									
Intangible Assets	10,413	-	-	10,413	9,000	763	-	9,763	650
Total Intangible	10,413	-	-	10,413	9,000	763	-	9,763	650
Total	3,03,93,894	69,01,251	(1,268)	3,72,93,877	86,98,512	46,14,466	-	1,33,12,978	2,39,80,899
C). CAPITAL WORK IN PROGRESS	94,40,439	55,69,080	19,43,318	1,30,66,201	-	-	-	-	1,30,66,201
	GROSS AMOUNT				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT As at 31-3-2018
	Cost as on 31-03-2017	Additions	Sold/ Adjusted	Total As at 31-3-2018	Upto 31-03-2017	For the Year	On Assets Sold/ Adjusted	Total As at 31/03/2018	
A). PROPERTY, PLANT & EQUIPMENT									
Bearer Plant	3,15,017	-	-	3,15,017	12,813	12,892	-	25,705	2,89,312
Garden Building & Machinery	2,09,607	-	-	2,09,607	-	-	-	-	2,09,607
Buildings	85,46,418	-	-	85,46,418	6,28,789	5,49,984	-	11,78,773	73,67,645
Plant and Machinery	1,53,77,215	4,78,840	(9,889)	1,58,46,166	31,34,860	26,28,299	-	57,63,159	1,00,83,007
Vehicles (includes cars, trailers, tractors etc.)	33,00,718	16,81,901	(9,518)	49,73,101	6,92,167	8,31,304	-	15,23,471	34,49,630
Furniture & Fitting	96,116	25,249	-	1,21,365	23,869	18,707	-	42,576	78,789
Office Equipment	1,86,399	1,85,408	-	3,71,807	68,075	87,753	-	1,55,828	2,15,979
Total Tangible	2,80,31,490	23,71,398	(19,407)	3,03,83,481	45,60,573	41,28,939	-	86,89,512	2,16,93,969
B). INTANGIBLE									
Intangible Assets	10,413	-	-	10,413	6,577	2,423	-	9,000	1,413
Total Intangible	10,413	-	-	10,413	6,577	2,423	-	9,000	1,413
Total	2,80,41,903	23,71,398	(19,407)	3,03,93,894	45,67,150	41,31,362	-	86,98,512	2,16,95,382
C). CAPITAL WORK IN PROGRESS	39,99,291	54,41,148	-	94,40,439	-	-	-	-	9,440,439

Note : 1) The Assam Government acquired approximately 412 Hectares of land of Tea Estate under Assam Fixation of Ceiling of Land Holding Act, 1956 in earlier years. As the amount of compensation has not been finalised, it will be accounted for as and when received.



NOTES TO FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31ST MARCH, 2019

5. INVESTMENTS

	Face Value	As at 31st March, 2019		As at 31st March, 2018	
		No. of Shares	Amount in ₹	No. of Shares	Amount in ₹
INVESTMENTS AT FAIR VALUE THROUGH PROFIT & LOSS					
Investments in unquoted Equity Instruments					
Woodlands Multispeciality Hospital Limited.	10	200	2,000	200	2,000
ABC Tea Workers Welfare Service	10	100	1,000	100	1,000
Total			3,000		3,000

	No. of Units	Amount in ₹	No. of Units	Amount in ₹
Investment in UnQuoted Mutual Fund				
ABSL Dynamic Bond Fund - Growth	6,79,329	2,14,73,733	6,79,329	2,03,58,886
ABSL Equity Saving Fund - Gr. Regular	7,53,580	1,00,30,143	7,53,580	97,43,783
ABSL Frontline Equity Fund - Growth	49,200	1,11,54,570	49,200	1,02,94,066
ABSL Liquid Fund - Growth Regular Plan	52,556	1,57,14,611	-	-
ABSL '95 Fund - Growth	19,897	1,51,30,562	19,897	1,46,64,566
DSP Blackrock India T.I.G.E.R. Fund Growth	33,896	31,27,890	33,896	32,00,902
DSP Blackrock Income Opportunities Fund - RPG	3,54,762	99,56,719	3,54,762	1,01,44,459
Franklin India Prima plus Growth	17,816	1,07,36,696	17,816	1,00,38,310
Franklin India Short Term Income Plan - RPG	2,777	1,11,01,084	2,777	1,01,92,924
HDFC Hybrid Equity Fund-Growth (HDFC Balance Fund Growth)	7,87,059	4,28,50,639	2,74,250	3,99,86,699
HDFC Equity Saving Fund Growth	2,83,110	1,04,17,021	2,83,110	97,82,006
HDFC Midcap Opportunities Fund Growth	87,933	49,49,215	87,933	48,76,495
HDFC Balance Advantage Fund - Growth (HDFC Prudence Fund-Growth)	2,01,913	4,05,97,187	75,010	3,63,85,829
HDFC Credit Risk Debt Fund - Reg - Growth (HDFC Short Term Plan Regular Plan Growth)	6,08,116	92,76,868	2,53,337	87,23,368
HDFC Top 100 Fund Growth (HDFC Top 200 Fund Growth)	21,085	1,05,99,287	21,085	90,47,082



NOTES TO FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31ST MARCH, 2019

5. INVESTMENTS contd...

	As at 31st March, 2019		As at 31st March, 2018	
	No. of units	Amount in ₹	No. of units	Amount in ₹
ICICI Prudential Balance Advantage Fund Regular (G)	7,98,293	2,82,11,674	7,98,293	2,64,31,480
ICICI Prudential Flexible Income Plan Growth	20,297	72,81,301	20,297	67,61,796
ICICI Prudential Regular Saving Fund Growth	5,48,300	1,08,93,893	5,48,300	1,01,78,910
ICICI Prudential value Discovery Fund Growth	67,956	99,41,323	67,956	94,47,960
IDFC Dynamic Bond Fund	9,06,490	2,02,50,251	9,06,490	1,87,05,230
Kotak Bond Fund	2,43,208	1,23,60,592	2,43,208	1,15,62,871
L & T Prudence Fund Growth	4,82,238	1,25,95,081	4,82,238	1,23,32,262
Reliance Equity Opportunities Growth	92,860	92,53,292	92,860	83,29,701
Reliance Income Fund Growth Plan	2,67,758	1,58,74,041	2,67,758	1,46,87,446
Reliance Regular Savings Balance Fund	6,94,541	3,82,77,816	6,94,541	3,70,43,339
Reliance Regular Savings Fund Debt Plan Growth	3,97,845	1,02,55,717	3,97,845	96,25,929
TATA Balance Fund Growth	56,926	1,20,24,842	56,926	1,14,61,452
SBI Blue Chip Fund	2,46,242	96,54,152	2,46,242	91,65,756
UTI Equity Fund Growth	70,953	1,02,21,360	70,953	91,17,394
UTI Income Opportunities Fund - Growth Plan	6,40,746	1,07,17,508	6,40,746	1,01,53,971
Total		44,49,29,068		40,24,44,872
Grand Total		44,49,32,068		40,24,47,872
Aggregate Amount of Unquoted Investments		3,000		3,000
Aggregate Amount & Book Value of Unquoted Investments		44,49,29,068		40,24,44,872





NOTES TO FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31ST MARCH, 2019

	Non Current		Current	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
6 LOANS				
Security Deposit				
Secured, considered good	-	-	28,47,541	28,47,151
	-	-	28,47,541	28,47,151
Other Loans and Advances, unsecured, considered good unless otherwise mentioned				
Loan to Employees	10,50,000	14,78,437	3,12,000	3,50,000
	10,50,000	14,78,437	3,12,000	3,50,000
Total Loans	10,50,000	14,78,437	31,59,541	31,97,151

6.1 No Loans and advances were given to any Directors and other officer's of the Company except Rs. 13,50,000/- (Previous Year 16,50,000/-) to Mr. Kartick Narayan Singh - Whole time Director which was approved by the Board under a policy for loan / advances for every permanent employees on 27/05/2017.

6.2 No Loans was given to related parties as specified in Section 188 of the Companies Act, 2013

	As at 31st March, 2019	As at 31st March, 2018
7 DEFERRED TAX ASSETS (NET)		
Deferred Tax Assets		
Arising on account of :		
MAT Credit Entitlement	2,00,57,908	92,70,516
Others	-	35,538
	2,00,57,908	93,06,054
Deferred Tax Liabilities		
Arising on account of :		
Carrying value of Investments	39,20,169	27,91,474
Inventory & Biological Assets	9,74,990	(1,78,174)
Property, Plant & Equipments	38,29,200	17,93,991
	87,24,359	44,07,291
Deferred Tax Assets (Net)	1,13,33,549	48,98,763

7.1 Movement in Deferred Tax Asset and Deferred Tax Liabilities.

Particulars	As at 1st April, 2017	Recognized in Statement of Profit & Loss	As at 31st March,18	Recognized in Statement of Profit & Loss	As at 31st March,19
Deferred Tax Assets					
MAT Credit Entitlement	-	92,70,516	92,70,516	1,07,87,392	2,00,57,908
Others	35,538	-	35,538	(35,538)	-
	35,538	92,70,516	93,06,054	1,07,51,854	2,00,57,908



NOTES TO FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31ST MARCH, 2019

Particulars	As at 1st April, 2017	Recognized in Statement of Profit & Loss	As at 31st March, 18	Recognized in Statement of Profit & Loss	As at 31st March, 19
Deferred Tax Liabilities					
Carrying value of Investments	27,43,714	47,760	27,91,474	11,28,695	39,20,169
Inventory & Biological Assets	9,35,085	(11,13,259)	(1,78,174)	11,53,164	9,74,990
Property, Plant & Equipments	4,71,316	13,22,675	17,93,991	20,35,209	38,29,200
	41,50,115	2,57,176	44,07,291	43,17,068	87,24,359

7.2 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 Liabilities relate to income tax levied by the same taxation authority.

	As at 31st March, 2019	As at 31st March, 2018
8 NON -CURRENT TAX ASSETS		
Advance Income Tax & TDS	39,97,969	38,86,854
	39,97,969	38,86,854

	As at 31st March, 2019	As at 31st March, 2018
9 INVENTORIES		
(At lower of cost or net realisable value)		
Finished Goods	1,22,49,467	1,19,75,467
Stock in Transit	12,18,002	11,94,338
Stock of green leaf in hand - Raw Material	-	4,21,025
Stores and Spares (net of obsolesce)	74,32,421	54,65,370
	2,08,99,890	1,90,56,200

9.1 Details of Inventories - Finished Goods :		
Tea	1,34,67,469	1,19,75,467
	1,34,67,469	1,19,75,467

9.2 The above includes goods-in-transit as under :		
Finished goods / Machinery / Stores and Spares etc	12,18,002	11,94,338
	12,18,002	11,94,338

9.3 Refer note no. 36 for information on inventories pledged as securities by the Company.

10 BIOLOGICAL ASSET OTHER THAN BEARER PLANT		
At the Opening Date	6,69,521	5,06,716
Increase due to purchase / physical changes	11,05,272	6,69,521
Decrease due to harvest / physical changes	6,69,521	5,06,716
Decrease due to sales / write off	-	-
Net change in fair value less estimated costs to sell	-	-
	11,05,272	6,69,521

11 TRADE RECEIVABLES		
Trade Receivables considered good-Secured	-	-
Trade Receivables considered good-Unsecured	51,25,978	78,00,300
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - Credit impaired	-	-
Total Trade receivables	51,25,978	78,00,300



NOTES TO FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31ST MARCH, 2019

	As at 31st March, 2019	As at 31st March, 2018
11.1 No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.		
12 CASH AND CASH EQUIVALENTS		
Balances With Banks :		
In Current Account	1,93,115	5,91,458
Cash in Hand	10,48,098	56,097
	12,41,213	6,47,555
13 BANK BALANCES (OTHER THAN NOTE: 12)		
Balance in Unpaid Dividend Account	7,87,550	7,55,227
	7,87,550	7,55,227
14 OTHERS FINANCIAL ASSETS		
Deposit with NABARD	1,000	1,000
Other Advance - The Scottish Assam Gratuity Fund	1,22,156	14,14,495
	1,23,156	14,15,495
15 OTHER CURRENT ASSETS		
Advances other than Capital Advances		
Advances to Suppliers & Service Providers	65,584	1,58,646
Balances with Government & Statutory Authorities	36,57,842	13,27,394
Prepaid Expenses	5,15,070	5,49,530
Total Other Assets	42,38,496	20,35,570

	As at 31st March 2019		As at 31st March 2018	
	No. of Shares	Amount	No. of Shares	Amount
16 EQUITY SHARE CAPITAL				
16.1 Authorised Share Capital				
Equity Shares :				
Ordinary Shares of Rs. 10/- each	20,00,000	2,00,00,000	20,00,000	2,00,00,000
	20,00,000	2,00,00,000	20,00,000	2,00,00,000
16.2 Issued Share Capital				
Ordinary Shares of Rs.10/- each	8,00,000	80,00,000	8,00,000	80,00,000
	8,00,000	80,00,000	8,00,000	80,00,000
16.3 Subscribed and Paid-up Share Capital				
Ordinary Shares of Rs.10/- each fully paid-up	8,00,000	80,00,000	8,00,000	80,00,000
	8,00,000	80,00,000	8,00,000	80,00,000

16.4 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.

16.5 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



NOTES TO FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31ST MARCH, 2019

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.

16.6 Shareholding Pattern with respect of Holding or Ultimate Holding Company

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

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

As at 31st March 2019		As at 31st March 2018	
No. of Shares	Holding	No. of Shares	Holding

Ordinary Shares of Rs. 10/- each fully paid

Pradip Kumar Khaitan (in the capacity of Trustee of Tea Trust)	1,20,000	15.00%	1,20,000	15.00%
Nirvan Commercial Company Ltd.	86,963	10.87%	86,963	10.87%
Shree Durga Agencies Ltd.	83,020	10.38%	83,020	10.38%
Maryada Advisory Services Pvt. Ltd.	45,290	5.66%	45,290	5.66%
SPBP Investments Ltd.	45,000	5.63%	45,000	5.63%
Aarvee Trading Co Pvt Ltd	40,000	5.00%	40,000	5.00%

16.8 Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash for the period of five years immediately preceding the date as at which the Balance Sheet is prepared - Nil.

16.9 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.

16.10 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.

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

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

		As at 31st March, 2019	As at 31st March, 2018
17 OTHER EQUITY			
Capital Reserve	17.1	30,62,321	30,62,321
General Reserve	17.2	21,64,29,038	20,64,29,038
Retained Earnings	17.3	22,14,84,205	19,18,84,556
		44,09,75,564	40,13,75,915

17.1 Capital Reserve

Balance at the beginning and at the end of the year		30,62,321	30,62,321
		30,62,321	30,62,321



NOTES TO FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31ST MARCH, 2019

	As at 31st March, 2019	As at 31st March, 2018
17.2 General Reserve		
Balance at the beginning of the year	20,64,29,038	19,64,29,038
Transfer from Retained Earnings	1,00,00,000	1,00,00,000
Balance at the at the end of the year	21,64,29,038	20,64,29,038
17.3 Retained Earnings		
Balance at the beginning of the year	19,18,84,556	16,66,34,439
Add: Profit for the year	4,90,07,725	4,23,92,000
Less: Transfer from Other Comprehensive Income	55,50,306	34,29,965
Less: Dividend	32,00,000	28,00,000
Less: Dividend Distribution Tax	6,57,770	9,11,918
Less: Transfer to General Reserve	1,00,00,000	1,00,00,000
Balance at the end of the year	22,14,84,205	19,18,84,556
Total Reserve & Surplus	44,09,75,564	40,13,75,915
18 BORROWINGS		
Secured		
Loan from Banks		
Working Capital loans repayable on demand	2,89,24,350	2,97,76,590
	2,89,24,350	2,97,76,590
18.1 Details of Security Given for Loan		
a. i) Working Capital Loan is Secured by way of hypothecation of current assets including stock of finished goods, green leaves related to Heeleakah Tea Estate and also by way of hypothecation of all movable plant & machinery & other movable fixed assets, all present and future. The loan is further secured by way of deposit of title deeds of Heeleakah Tea Estate. Interest is payable on quarterly basis at 9.25%.		
19 TRADE PAYABLES		
Trade Payables for goods & services		
Total outstanding dues of creditors to micro enterprises and small enterprises	2,02,045	17,16,033
Total outstanding dues of creditors to other than micro enterprises and small enterprises	1,32,83,059	1,57,38,483
	1,34,85,104	1,74,54,516
19.1 Refer Note No. 37 for information on micro, small & medium enterprises development Act, 2006.		
20 OTHER FINANCIAL LIABILITIES		
Employee Related Liability	2,49,58,220	1,53,91,427
Other Misc. Liability	4,38,932	10,09,422
Unpaid and unclaimed dividends 20.1	7,87,550	7,55,227
	2,61,84,702	1,71,56,076
20.1 There are no amounts due for payment to the Investor Education and Protection Fund at the end of the year.		
21 PROVISIONS		
Provision for Employee Benefits		
Gratuity	1,07,00,852	24,91,105
	1,07,00,852	24,91,105



NOTES TO FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31ST MARCH, 2019

	As at 31st March, 2019	As at 31st March, 2018
22 OTHER CURRENT LIABILITIES		
Statutory Dues Payable	38,54,829	27,59,952
Advances Received from Customers	1,83,330	1,81,922
	40,38,159	29,41,874
23 CURRENT TAX LIABILITY		
Provision for tax (Net of Advance Tax)	27,33,051	2,28,690
	27,33,051	2,28,690
	For the Year ended 31st March, 2019 ₹	For the Year ended 31st March, 2018 ₹
24 REVENUE FROM OPERATIONS		
Sale of Finished Goods		
Made Tea	29,85,58,856	27,64,41,475
	29,85,58,856	27,64,41,475
Other Operating Revenues		
Change in fair Value of biological assets	4,35,753	1,62,804
Insurance and Other Claims (Net)	25,360	-
	4,61,113	1,62,804
	29,90,19,969	27,66,04,279
<i>Note : Effective April 1, 2018, the Company has adopted Ind AS 115 - Revenue from Contracts with Customers, using the cumulative effect method and the comparative information is not restated. The adoption of the standard did not have any material impact on the financial statements of the Company. Further there are no revenue from operations except domestic Sales.</i>		
25 OTHER INCOME		
Interest Income at amortised cost		
On Others	55,970	47,951
Other Non Operating Income		
Profit on MTM Gain on Investments (Net)	2,69,84,196	1,88,76,579
Profit on Sale of Investments (Net)	-	78,19,671
Profit / (Loss) on Sale of Fixed Assets	(1,268)	49,218
Excess Liabilities and Unclaimed Balances written back	5,82,796	87,503
Miscellaneous Income	301	-
	2,76,21,995	2,68,80,922
26 COST OF MATERIALS CONSUMED		
Purchase of Green Leaf	1,93,79,140	2,21,58,505
Consumption of green leaf in hand - raw material	4,21,025	77,680
	1,98,00,165	2,22,36,185
27 (INCREASE)/DECREASE IN INVENTORIES OF FINISHED GOODS		
Inventories at the beginning of the year – Tea	1,19,75,467	1,03,40,329
	1,19,75,467	1,03,40,329
Inventories at the end of the year – Tea	1,34,67,469	1,19,75,467
	1,34,67,469	1,19,75,467

**NOTES TO FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31ST MARCH, 2019**

	For the Year ended 31st March, 2019 ₹	For the Year ended 31st March, 2018 ₹
Total changes in inventories of finished goods	(1,492,002)	(1,635,138)
28 EMPLOYEE BENEFITS EXPENSE		
Salaries & Wages	12,09,26,267	10,36,12,479
Contribution to Provident & Gratuity Funds	1,44,76,270	1,18,85,418
Staff Welfare Expenses	1,18,98,051	1,08,37,499
	14,73,00,588	12,63,35,396
Transferred to CWIP	(47,82,068)	(33,44,653)
	14,25,18,520	12,29,90,743
29 FINANCE COST		
Interest Expenses		
To Banks On Working Capital Loans	20,07,552	23,37,157
On Other		
Interest Paid - Others	5,21,988	4,596
Other Borrowing Costs		
Other Financial Charges	4,18,183	4,21,814
	29,47,723	27,63,567
30 DEPRECIATION AND AMORTIZATION EXPENSES		
On Tangible Assets	46,13,703	41,28,939
On Intangible Assets	763	2,423
	46,14,466	41,31,362
31 OTHER EXPENSES		
A. Manufacturing Expenses		
Stores, Spare Parts & Packing Materials Consumed	2,52,47,454	2,80,75,511
Power & Fuel	2,36,31,349	2,42,81,981
Repairs to Buildings	57,10,774	61,68,136
Repairs to Machinery	63,31,892	43,90,825
	6,09,21,469	6,29,16,453
Transferred to CWIP	(7,87,012)	(3,56,001)
TOTAL - A	6,01,34,457	6,25,60,452

**NOTES TO FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31ST MARCH, 2019**

	For the Year ended 31st March, 2019 ₹	For the Year ended 31st March, 2018 ₹
B. Selling and Administration Expenses		
Running & Maintenance Expenses to Vehicles	46,93,808	41,45,672
Repairs to Other Assets	13,50,805	10,41,196
Freight & Cartage	23,10,240	26,79,328
Commission , Brokerage & Discount	29,89,275	30,54,871
Warehousing & Other Selling Expenses	22,57,456	27,54,079
Rates & Taxes	29,87,420	31,67,197
Insurance	5,33,316	4,84,468
Auditors' Remuneration -		
Statutory Auditors -		
Audit Fees	1,50,000	1,50,000
Certificate & Tax Audit Fees	1,60,000	1,60,000
Professional Fees	51,62,955	68,48,032
Rent	32,44,092	33,41,408
Service Charges	27,09,075	23,88,000
Travelling Expenses	27,15,545	28,66,723
Director Sitting Fees	3,45,000	2,90,000
Other Miscellaneous Expenses	47,42,822	44,73,764
Total - B	3,63,51,809	3,78,44,738
Total - (A + B)	9,64,86,266	10,04,05,190
32 TAX EXPENSE		
Current Tax	1,91,93,887	1,74,33,139
Provision for Earlier Year	-	17,81,494
Deferred Tax	(64,34,786)	(90,13,341)
	1,27,59,101	1,02,01,292
32.1 Reconciliation of estimated Income Tax expense at Indian statutory Income Tax rate to income Tax expense reported in statement of Total Comprehensive Income.		
Profit before Income Tax expense	6,17,66,826	5,25,93,292
Indian Statutory Income Tax rate	27.82%	27.55%
Estimated Income Tax Expense	1,71,83,531	1,44,90,767
<i>Tax effect of adjustments to reconcile expected Income Tax expense to reported Income Tax expense</i>		
Tax payable at different rates	2,54,465	2,61,966
Tax payable on others	41,69,965	40,27,509
	44,24,430	42,89,475
Income Tax expense in Statement of Profit & Loss	1,27,59,101	1,02,01,292



NOTES TO FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31ST MARCH, 2019

	For the Year ended 31st March, 2019 ₹	For the Year ended 31st March, 2018 ₹
33 OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss		
Remeasurement of the defined benefit plans	76,61,142	47,34,414
Less: Tax expense on the above	21,10,836	13,04,449
	55,50,306	34,29,965
34 Earning per Shares		
Nominal Value of Equity Shares (Rs.)	10.00	10.00
Profit attributed to the Equity shareholders of the Company	4,90,07,725	4,23,92,000
Weighted average number of equity shares	8,00,000	8,00,000
Basis and diluted earning per shares (Rs.)	61.26	52.99

There are no dilutive equity shares in the Company.

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

35.1 Contingent Liabilities

Sl. No	Particulars	As at 31st March 2019 ₹	As at 31st March 2018 ₹
A	Claims/Disputes/Demands not acknowledged as debts -		
i.	Surcharge on Electricity levied by the Assam State Electricity Board	1,67,935	1,67,935

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

35.2 Contingent Assets

There are no contingent assets.

35.3 Commitments

Sl. No	Particulars	As at 31st March 2019 ₹	As at 31st March 2018 ₹
i.	Estimated amount of contracts remaining to be executed on Capital Account (Net of Advance)	-	-

35.4 Trade Receivables

Trade Receivables, Loans & Advances and Deposits 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 ON AND FOR THE YEAR ENDED 31ST MARCH, 2019****36 Assets pledged as security**

The carrying amounts of assets pledged as security for current are:

Particulars	As at 31st March 2019 ₹	As at 31st March 2018 ₹
Current		
Other Current assets	42,38,496	20,35,570
First charge		
Trade Receivables	51,25,978	78,00,300
Floating charge		
Cash and Cash equivalents	12,41,213	6,47,555
Receivables	32,82,697	46,12,646
	1,38,88,384	1,50,96,071
Non-Financial Assets		
First charge		
Inventories	2,08,99,890	1,90,56,200
Biological Assets	11,05,272	6,69,521
	2,20,05,162	1,97,25,721
Total current assets pledged as security	3,58,93,546	3,48,21,792
Non-Current		
First charge		
Buildings	75,14,752	75,77,252
Plant & Machinery	1,32,65,990	1,00,83,007
Vehicles	24,35,990	34,49,630
Furniture & Fitting	91,248	78,789
Office Equipment	3,39,528	2,15,979
Bearer Plant	3,32,741	2,89,312
Capital work in Progress	1,30,66,201	94,40,439
Financial Assets	10,50,000	14,78,437
Total Non-Currents Assets pledged as security	3,80,96,450	3,26,12,845
Total Assets pledged as security	7,39,89,996	6,74,34,637



NOTES TO FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31ST MARCH, 2019

37 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 2019 ₹	As at 31st March 2018 ₹
i	The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each financial year.	2,02,045	17,16,033
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	-	-

The above information has been determined to the extent such parties identified on the basis of information available with the Company.

38 Leases

38.1 Finance Lease

The Company has no assets under finance lease.

38.2 Operating Lease as lessee

The Company's significant leasing arrangements are in respect of operating leases for premises and tea estates. These leasing arrangements include both cancellable and non-cancellable terms range between 11 months and 5 years generally, or longer, and are usually renewable by statute or mutual consent on mutually agreeable terms as applicable. The aggregate lease rentals payable are charged as 'Rent' under Note 31. With respect to non-cancellable operating lease, the future minimum lease payment at the balance sheet date is as under.

38.2.1 Future Minimum Lease Payments

At 31st March, 2019 the future minimum lease payments to be made under non-cancellable operating leases are as follows :

Particulars	As at 31st March 2019 ₹	As at 31st March 2018 ₹
Payables within one year	-	-

38.2.2 Amounts recognized in Profit or Loss

Particulars	For the year ended 31st March 2019 (₹)	For the year ended 31st March 2018 (₹)
Total rental expense relating to operating leases	32,44,092	33,41,408



NOTES TO FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31ST MARCH, 2019

39 Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits' as notified u/s 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014 (As identified & certified by the Management)

39.1 Defined Contribution Plan :

The Company makes contribution towards provident 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 amount recognized as an expense for the Defined Contribution Plans are as under :

Sl. No.	Particulars	For the year ended 31st March 2019 (₹)	For the year ended 31st March 2018 (₹)
a	Provident Fund	1,10,59,028	96,28,728

39.2 Defined Benefit Plan :

The following are the types of defined benefit plans

39.2.1 Gratuity Plan

The Company makes annual contribution of gratuity to gratuity funds duly constituted and administered by independent trustees and funded with M/s Reliance Nippon 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 upto maximum limit of Rs. 20,00,000/-. 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.

39.2.2 Risk Exposure

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

(A) Interest Rate risk :

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

(B) Liquidity Risk :

This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non availability of enough cash / cash equivalent to meet the liabilities or holding of liquid assets not being sold in time.

(C) Salary Escalation Risk :

The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

(D) Demographic Risk :

The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.



NOTES TO FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31ST MARCH, 2019

(E) Regulatory Risk :

Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (e.g. Increase in the maximum limit on gratuity of Rs. 20,00,000/-).

(F) Asset Liability Mismatching or Market Risk :

The duration of the liability is longer compared to duration of assets, exposing the Company to market risk for volatilities/fall in interest rate.

(G) Investment Risk :

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

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

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

Particulars	Gratuity	
	2018-2019 (₹)	2017-2018 (₹)
Balance at the beginning of the year	3,48,23,967	3,33,98,869
Current Service Cost	23,65,418	21,32,292
Interest Cost on Defined Benefit Obligation	27,14,339	25,03,137
Actuarial Gain and Losses arising from		
Changes in demographic assumptions	-	-
Changes in financial assumptions	30,42,511	(6,66,168)
Experience Adjustment	52,64,770	22,83,753
Benefits Paid from the Plan Assets	(42,72,027)	(48,27,916)
Balance at the end of the year	4,39,38,978	3,48,23,967

39.2.4 Reconciliation of the Plan Assets

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

Particulars	Gratuity	
	2018-2019 (₹)	2017-2018 (₹)
Balance at the beginning of the year	2,61,73,046	3,17,39,052
Interest Income on Plan Assets	20,40,047	23,78,739
Remeasurement of Defined Benefit Obligation :		
Return on plan assets greater/ (lesser) than discount rate	6,46,139	(31,16,829)
Employer Contributions to the Plan	1,35,40,663	-
Benefits Paid from the Plan Assets	(42,72,027)	(48,27,916)
Balance at the end of the year	3,81,27,868	2,61,73,046



NOTES TO FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31ST MARCH, 2019

39.2.5 Expenses recognized in profit or loss

Particulars	Gratuity	
	2018-2019 (₹)	2017-2018 (₹)
Current Service Cost	23,65,418	21,32,292
Interest Income on Plan Assets	6,74,292	1,24,398

39.2.6 Remeasurements recognized in other comprehensive income

Particulars	Gratuity	
	2018-2019 (₹)	2017-2018 (₹)
Actuarial (gain)/ Loss on defined benefit obligation	83,07,281	16,17,585
Return on plan assets greater/ (lesser) than discount rate	(6,46,139)	31,16,829

39.2.7 Major Categories of Plan Assets

Particulars	Gratuity	
	2018-2019 (₹)	2017-2018 (₹)
Qualified Insurance Policy	100%	100%

The Gratuity Scheme is invested in a Defined Benefit Gratuity Plan managed by M/s Reliance Nippon Life Insurance Company Ltd and the Independent Administered Gratuity Fund. The information on the allocations of fund managed by M/s Reliance Nippon Life Insurance Company Ltd into major assets classes and expected return on each major classes are not readily available. The expected rate of return on plan assets is based on the assumed rate of return provided by Company's actuary.

39.2.8 Asset-Liability Matching Strategy

The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis & is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the assets).

39.2.9 Actuarial Assumptions

Particulars	Gratuity	
	2018-2019 (₹)	2017-2018 (₹)
Financial Assumptions		
Discount Rate	7.70%	7.80%
Salary Escalation Rate	5% for the first two years and 4.7% thereafter	5% for the first two years and 4% thereafter
Demographic Assumptions		
Mortality Rate	100.00%	100.00%
Withdrawal Rate	1.00%	1.00%



NOTES TO FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31ST MARCH, 2019

39.2.10 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.

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

Particulars	Gratuity	
	2018-2019 (₹)	2017-2018 (₹)
Expected benefits payment (valued on undiscounted basis)		
Within next 12 months (next annual reporting period)	46,86,752	39,80,319
Between 2 and 5 years	1,41,36,909	1,19,23,780
Between 6 and 10 years	1,82,70,623	1,54,69,747
Beyond 10 years	7,55,25,480	5,49,49,839

39.2.12 The Company expects to contribute ₹ 849,57,34/- (previous year 10693930/-) to its gratuity fund in 2019-20.

39.2.13 The following payments are expected contributions to the defined benefit plan in future years:

Particulars	Gratuity	
	2018-2019 (₹)	2017-2018 (₹)
Expected contributions		
Within next 12 months (next annual reporting period)	1,07,00,852	69,91,104

39.2.14 Employee Benefit Expense also includes provident funds in the nature of defined benefit plans contribution amounting to Rs. 11059028/- (Previous year Rs. 9628728/-)

39.2.15 Sensitivity Analysis

The sensitivity analysis 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 occurring at the end of the reporting period. Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below :

Particulars	Gratuity	
	2018-2019 (₹)	2017-2018 (₹)
Effect on DBO due to 1% increase in Discount Rate	4,01,04,929	3,19,40,153
Effect on DBO due to 1% decrease in Discount Rate	4,84,31,317	3,81,85,665
Effect on DBO due to 1% increase in Salary Escalation Rate	4,85,21,087	3,82,76,198
Effect on DBO due to 1% decrease in Salary Escalation Rate	3,99,70,592	3,18,21,455
Effect on DBO due to 1% increase in Attrition Rate	4,45,12,360	3,53,78,106
Effect on DBO due to 1% decrease in Attrition Rate	4,33,30,099	3,42,36,348
Effect on DBO due to 1% increase in Mortality Rate	4,39,79,128	3,48,62,865
Effect on DBO due to 1% decrease in Mortality Rate	4,38,98,663	3,47,84,912

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.



NOTES TO FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31ST MARCH, 2019

40 Related Party Disclosures

40.1 Name of the related parties and description of relationship

A Subsidiaries of the Company - NIL

B Enterprises/Individual having control over the Company - NIL

C Key Management Personnel

- i) Mr. Dharendra Kumar - Director
- ii) Mrs. Divya Jalan - Director
- iii) Mrs. Shashi Kumar - Director
- iv) Mr. Hemant Kumar Agrawal - Director
- v) Mr. Golam Momen - Independent Director
- vi) Mr. Ghanshyam Das Gupta - Independent Director
- vii) Mr. Gaurav Gupta - Independent Director
- viii) Mr. Naveen Bansal - Independent Director
- ix) Mr. Kartik Narayan Singh - Whole-time Director & CEO
- x) Ms. Sreya Bose - Company Secretary
- xi) Mr. Yugal Keshor Chaudhary - Chief Financial Officer

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

01. SPBP TEA PLANTATION LTD.	15. SANDEEP INVESTMENTS LTD.
02. RUKONG TEA ESTATE PVT. LTD.	16. KILBURN SOFTWARE TECHNOLOGIES INDIA LTD.
03. R D TEA LTD.	17. ANA VINCOM PVT. LTD.
04. CONTEMPORARY POLYSACKS LTD.	18. MAHAVIR HOLDING & FINANCE PVT. LTD.
05. ROSEBUD COMMERCIAL CO.PVT. LTD.	19. CASTLETON CAPITAL LTD.
06. SHWETAMBRA INVESTMENT & TRADING PVT. LTD.	20. CASTLETON OUTSOURCE LTD.
07. PARK TOWERS INVESTMENTS AND SERVICES PVT. LTD.	21. VASHULINGA FINANCE PVT. LTD.
08. JUST DESSERTS LTD.	22. RAMAN AND COMPANY LTD.
09. MARYADA ADVISORY SERVICES PVT. LTD.	23. AARVEE TRADING COMPANY PVT. LTD.
10. NIRVAN COMMERCIAL CO LTD.	24. MIRACLE DEALERS PVT. LTD.
11. SHREE DURGA AGENCIES LTD.	25. DEVBHUMI VANIJYA PVT. LTD.
12. HOPWORKZ RESTAURANTS PVT. LTD.	26. RUDRAPRIYA DEALCOM PVT. LTD.
13. SUPRIYA FINANCE LTD.	27. ARVIND AND COMPANY PVT. LTD.
14. SAKET FISCAL SERVICES PVT. LTD.	28. POTERS CREATION PVT. LTD.
	29. PURUSHOTTAM INVESTMENTS PVT. LTD.



NOTES TO FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31ST MARCH, 2019

E Post Employment Benefit Plan

THE SCOTTISH ASSAM EMPLOYEES GRATUITY FUND

40.2 Summary of transactions with the related parties

Particulats	Entitles in which Individual/ relatives having control is/are key management personnel or have significant influence	Key Management Personnel	Post Employment Benefit Plan
Loan Repayment	- (-)	3,00,000 (3,50,000)	- (-)
Rent Paid	9,98,592 (9,98,592)	19,80,000 (19,80,000)	- (-)
Sales of Goods	12,500 (11,550)	- (-)	- (-)
Sitting Fees	- (-)	3,45,000 (3,15,000)	- (-)
Salary / Remuneration	7,51,200 (5,47,200)	27,99,447 (22,91,668)	- (-)
Professional Charges	12,60,000 (12,60,000)	- (-)	- (-)
Provision towards post employment benefit plan	- (-)	- (-)	1,07,00,852 (63,53,604)

40.3 Summary of Closing Balance Outstanding with the related parties

Particulats	Entitles in which Individual/ relatives having control is/are key management personnel or have significant influence	Key Management Personnel	Post Employment Benefit Plan
Loan Outstanding	- (-)	13,50,000 (16,50,000)	- (-)
Outstanding for Services	(-) (2,14,394)	- (-)	- (-)



NOTES TO FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31ST MARCH, 2019

40.4 Key Management Personnel compensation

Particulars	For the year ended 31st March 2019 (₹)	For the year ended 31st March 2018 (₹)
Short-term employee benefits	70,580	1,07,548
Post-employment benefits	7,49,746	6,37,500
Total compensation	8,20,326	7,45,048

40.5 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. Loans paid to Director's are at terms as extended to all employees of the company.

41 Segment Reporting

Based on the guiding principles given in the Ind AS 108 on operating segment the Company is a single segment company engaged in the manufacture of tea and the Company does not have any secondary / geographical segments.

42 Fair Value Measurement

Categories of Financial Assets & Financial Liabilities as at 31st March 2019 and 31st March 2018

Particulars	31st March 2019			31st March 2018		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
Financial Assets						
Investment						
- Equity Instruments	44,49,32,068	-	-	40,24,47,872	-	-
Trade Receivables	-	-	51,25,978	-	-	78,00,300
Cash and Cash Equivalents	-	-	12,41,213	-	-	6,47,555
Bank Balance other than above	-	-	7,87,550	-	-	7,55,227
Loans	-	-	42,09,541	-	-	46,75,588
Other Financial Assets	-	-	1,23,156	-	-	14,15,495
Total Financial Assets	44,49,32,068	-	1,14,87,438	40,24,47,872	-	1,52,94,165
Financial Liabilities						
Borrowings	-	-	2,89,24,350	-	-	2,97,76,590
Trade Payables	-	-	1,34,85,104	-	-	1,74,54,516
Other Financial Liabilities	-	-	2,61,84,702	-	-	1,71,56,076
Total Financial Liabilities	-	-	6,85,94,156	-	-	6,43,87,182

43 Fair Values of Financial Assets and Financial Liabilities measured at Amortised Cost



NOTES TO FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31ST MARCH, 2019

- 43.1 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.
- 43.2 For Financial assets and liabilities that are measured at fair value, the carrying amounts are equal to their fair values.
- 43.3 The fair value of the financial assets and financial liabilities is included at the amount at which the instruments could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.
- 43.4 The following methods and assumptions were used to estimate the fair values :
- 43.5 The fair values of non-current borrowing are based on the discounted cash flows using a current borrowing rate. They are classified as Level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including own credit risks, which was assessed as on the balance sheet date to be insignificant.

44 Fair Value Hierarchy

44.1 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 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 2019 and 31st March 2018

Particulars	31st March 2019			31st March 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Investment						
- Equity Instruments	-	-	3,000	-	3,000	-
- Mutual Funds	44,49,29,068	-	-	40,24,44,872	-	-
Total Financial Assets	44,49,29,068	-	3,000	40,24,44,872	3,000	-

44.1.1 Valuation Technique

Specific valuation techniques used to value financial instruments include:

- the level 1 Financial assets has been valued by use of quoted market prices or dealer quotes for similar instruments.
- the fair value of level 2 instruments consist of the unquoted equity instruments. They have been carried at carrying value as reliable valuation of these instruments was not possible.

There were no transfer between Level 1 and Level 2 during the year.

The Equity instruments has been consider at their book value due to immaterial of investment and unavailability of sufficient data to value those instruments. Hence, same has been classified as level 3.

44.2 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.



NOTES TO FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31ST MARCH, 2019

Biological Assets measured at Fair Value less cost to sell

As at 31st March 2019 and 31st March 2018

Particulars	31st March 2019			31st March 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Non Financial Assets						
Biological Assets other than Bearer Plant						
- Unharvested Tea Leaf	-	11,05,272	-	-	6,69,521	-
Total Non Financial Assets	-	11,05,272	-	-	6,69,521	-

44.2.1 Valuation Technique

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 fields.

44.3 During the year ended March 31, 2019 and March 31, 2018. There are no transfers between level 1, level 2 and level 3.

44.3.1 Level 1 Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

44.3.2 Level 2 The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

44.3.3 Level 3 If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration included in level 3.

44.4 Explanation to the fair value hierarchy

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

45 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. Various kinds of financial risks and their mitigation plans are as follows:



NOTES TO FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31ST MARCH, 2019

45.1 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. Based on the business model, macro economic environment of the business and past trends, the management has determined nil percentage for any class of financial asset under expected credit loss.

45.2 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 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.

45.2.1 Maturity Analysis for financial liabilities

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

a	Particulars	On Demand	Less than 6 months	6 months to 1 year	1 years to 5 years	More than 5 years	Total
	Borrowings						
	Working Capital loans repayable on demand	2,89,24,350	-	-	-	-	2,89,24,350
	Trade payables	1,34,85,104	-	-	-	-	1,34,85,104
	Other financial liabilities	2,61,84,702	-	-	-	-	2,61,84,702
	Total	6,85,94,156	-	-	-	-	6,85,94,156

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

	Particulars	On Demand	Less than 6 months	6 months to 1 year	1 years to 5 years	More than 5 years	Total
	Borrowings						
	Working Capital loans repayable on demand	2,97,76,590	-	-	-	-	2,97,76,590
	Trade payables	1,74,54,516	-	-	-	-	1,74,54,516
	Other financial liabilities	1,71,56,076	-	-	-	-	1,71,56,076
	Total	6,43,87,182	-	-	-	-	6,43,87,182

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.



NOTES TO FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31ST MARCH, 2019

45.3 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. Market risk comprises three type of risks: Commodity Risk, Interest Rate Risk and Other Price Risk.

45.3.1 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.

45.3.2 Interest Rate Risk

The Company is exposed to risk due to interest rate fluctuation on long term borrowings. Such borrowings are based on fixed as well as floating interest rate. Interest rate risk is determined by current market interest rates, projected debt servicing capability and view on future interest rate. "The Company is also exposed to interest rate risk on surplus funds parked in fixed deposits and loans. To manage such risks, such investments are done mainly for short durations, in line with the expected business requirements for such funds.

a Exposure to interest rate risk

Particulars	31st March 2019	31st March 2018
Fixed Rate Instruments		
Financial Assets	13,50,000	16,50,000
Financial Liabilities	-	-
Variable Rate Instruments		
Financial Assets	-	-
Financial Liabilities	2,89,24,350	2,97,76,590

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 2019			31st March 2018		
	Sensitivity Analysis	Impact on		Sensitivity Analysis	Impact on	
		Profit before tax	Other Equity		Profit before tax	Other Equity
Interest Rate Increase by	1 %	(2,89,244)	(2,08,776)	1 %	(2,97,766)	(2,14,927)
Interest Rate Decrease by	1 %	2,89,244	2,08,776	1 %	2,97,766	2,14,927



NOTES TO FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31ST MARCH, 2019

45.3.2 Other Price Risk

The Company is exposed to equity price risk, which arises from equity instruments measured at fair value through other comprehensive income. The entity's equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. Reports on the equity portfolio are submitted to the entity's senior management on a regular basis. The entity's Board of Directors reviews and approves all equity investment decisions.

a Exposure to other market price risk

Particulars	31st March 2019	31st March 2018
Investment in Mutual Funds	44,49,29,068	40,24,44,872
Investment in Equity Shares	3,000	3,000
	44,49,32,068	40,24,47,872

b Sensitivity Analysis

The table below summarise the impact of increases/decreases of the share/unit price on the Company's equity investment and profit for the period. The analysis is based on the assumption that the share/unit price had increased by 5% or decreased by 5% with all other variables held constant, and that all the company's equity instruments moved in line with the index.

Particulars	31st March 2019			31st March 2018		
	Sensitivity Analysis	Impact on		Sensitivity Analysis	Impact on	
		Profit before tax	Other Equity		Profit before tax	Other Equity
Market rate Increase	5 %	(53,96,839)	-	5 %	(37,75,316)	-
Market rate Decrease	5 %	53,96,839	-	5 %	37,75,316	-

46 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 investments and cash and cash equivalents) to equity ratio is used to monitor capital.

Particulars	31st March 2019	31st March 2018
Net Debt	2,89,24,350	2,97,76,590
Total Equity	44,89,75,564	40,93,75,915
Net Debt to Equity Ratio	0.06	0.07

The financial risk associated to agriculture would include climate change, price fluctuation, currency fluctuation & input cost increase. Being dependent on rainfall, any shortfall would directly impact the production. The sale of tea being largely through the auction system, any price fluctuation would impact profitability. Increase wages also has a direct impact on the cost of production because of labour intensive nature of the business operations.

Management is continuously monitoring all the above factors. Investment in irrigation, a planned replanting programme to ensure higher yields and improving efficiency of labour and modernisation are some of the measures taken by the managements to mitigate the risks.



NOTES TO FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31ST MARCH, 2019

- 47 The Board of Directors at its meeting held on 20th May, 2019 recommended final dividend of Rs.4 per equity share of face value of Rs. 10/- each for the financial year ended 31st March, 2019. The same amounts to Rs. 38.57 lacs (including dividend distribution tax of Rs. 6.57 lacs). The above is subject to approval at ensuing Annual General Meeting of the Company and hence not recognised as a liability.
- 48 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.
- 49 The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshani Limited v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal.
- "The Company is awaiting the outcome of the review petition, and also directions from EPFO, if any, to assess any potential impact on the Company and consequently no adjustments have been made in the books of account.
- 50 The wage agreement with workers in Assam is under negotiation. Interim wage increase has been announced in Assam by which the basic wage has been increased by Rs 30. In absence of final agreement with workers the wages have been accounted for on the basis of interim order.
- 51 Miscellaneous Expenditure includes revenue expenditure on research and development Rs. 4,50,972/- (2018 : Rs. 4,17,620/-) incurred towards subscription to Tea Research Association.
- 52 Previous year's figures have been regrouped / rearranged wherever necessary to confirm to the current period's classification.

As per our report of even date annexed

For **J K V S & CO.**
(Formerly Jitendra K Agarwal & Associates)
Chartered Accountants
Firm Registration No. 318086E

UTSAV SARAF
Partner
Membership No. : 306932
Place : Kolkata
Date : The 20th day of May, 2019

For and on behalf of the Board of Directors

Mr. DHIRENDRA KUMAR (DIN : 00153773)		Director	
Ms. DIVYA JALAN (DIN : 00016102)			
Mr. GOLAM MOMEN (DIN : 00402662)			
Ms. SHASHI KUMAR (DIN : 00199961)			
Mr. GHANSHYAM DAS GUPTA (DIN : 00174114)			
Mr. NAVEEN BANSAL (DIN : 00720211)			
Mr. GAURAV GUPTA (DIN : 00015692)			
Mr. KARTIK NARAYAN SINGH (DIN : 07779482)			Wholetime Director
Ms. SREYA BOSE -			Company Secretary
Mr. YUGAL KESHOR CHAUDHARY -			Chief Financial Officer

FORM NO. MGT - 11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3)(c) of the Companies (Management and Administration) Rules, 2014]



The Scottish Assam (India) Limited

Regd. Off.: 1, Crooked Lane, Kolkata - 700069

CIN: L01132WB1977PLC031175

Website : www.scottishassam.com • E-mail : scottishassam@gmail.com

Name of the member (s) :
 Registered address :
 E-mail Id :
 Folio No / Client Id :
 DP ID :



I/We, being the member (s) of.....Shares of the above named company, hereby appoint

1. Name : _____ Address : _____
 E-mail ID : _____ Signature : _____ or failing him
2. Name : _____ Address : _____
 E-mail ID : _____ Signature : _____ or failing him
3. Name : _____ Address : _____
 E-mail ID : _____ Signature : _____

as my / our proxy to attend and vote (on a poll) for me us and on my/ our behalf at the 42nd Annual General Meeting of the Company, to be held on the 30th August, 2019 at 11.30 a.m. at Gyan Manch 11, Pretoria Street, Kolkata-700071 and at any adjournment thereof in respect of such resolutions as are indicated below :

Ordinary Resolutions	For	Against
1 To receive, consider and adopt the Audited Financial Statements, and Reports of the Board of Directors		
2 Declaration of Dividend for the financial year 2018-2019.		
3 Re-appointment of Ms. Divya Jalan (DIN: 00016102) who retires by rotation		
Special Business		
Special Resolution		
1 Continuation of Mr. Golam Momen (DIN:00402662) as an Independent Director		
2 Continuation of Mr. Dharendra Kumar (DIN:00153773) as a Non Executive Director		
3 Continuation of Ms. Shashi Kumar (DIN:00199961) as a Non Executive Director		
Ordinary Resolutions		
4 Re-appointment of Mr. Gaurav Gupta (DIN:00015692) as an Independent Director		

Signed this.....day of.....2019



(Signature of the shareholder)

Signature of Proxy holder(s)

 Signature of first proxy holder Signature of second proxy holder Signature of third proxy holder

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

FORM NO. MGT - 12
Ballot Paper

[Pursuant to Section 109(5) of the Companies Act, 2013 and Rule 21(1)(c) of the Companies
(Management and Administration) Rules, 2014]



The Scottish Assam (India) Limited

Regd. Off.: 1, Crooked Lane, Kolkata - 700069

CIN: L01132WB1977PLC031175

Website : www.scottishassam.com • E-mail : scottishassam@gmail.com

BALLOT PAPER

S. No.	Particulars	Details
1.	Name of the First Named Shareholders (In block letters)	
2.	Postal address	
3.	Registered folio No./*Client ID No. (*Applicable to investors holding shares in dematerialized form)	
4.	Class of Share	

I hereby exercise my vote in respect of Ordinary / Special resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:

Ordinary Business	No. of shares held by me	I assent to the resolution	I dissent from the resolution
Ordinary Resolutions			
1 To receive, consider and adopt the Audited Financial Statements and Reports of the Board of Directors			
2 Declaration of Dividend for the financial year 2018-19.			
3 Re-appointment of Ms. Divya Jalan (DIN: 00016102) who retires by rotation			

Special Business	No. of shares held by me	I assent to the resolution	I dissent from the resolution
Special Resolutions			
4 Continuation of Mr. Golam Momen (DIN:00402662) as an Independent Director			
5 Continuation of Mr. Dharendra Kumar (DIN:00153773) as a Non Executive Director			
6 Continuation of Ms. Shashi Kumar (DIN:00199961) as a Non Executive Director			
Ordinary Resolutions			
7 Re-appointment of Mr. Gaurav Gupta (DIN:00015692) as an Independent Director			

Place :

Date :

(Signature of the shareholder)



If undelivered, Please return to :

THE SCOTTISH ASSAM (INDIA) LIMITED

1, CROOKED LANE, ROOM NO. : G-9B, KOLKATA - 700 069