

KANCO TEA & INDUSTRIES LIMITED

ANNUAL REPORT 2021-22





KANCO TEA & INDUSTRIES LIMITED

CIN: L15491WB1983PLC035793

Annual Report & Accounts 2021-2022

BETWEEN THE COVERS

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BOARD OF DIRECTORS

Mr. Umang Kanoria

Chairman & Director

Mrs. Anuradha Kanoria

Whole-time Director

Mr. Golam Momen

Mr. Navin Nayar

Mr. Govind Ram Banka

Mr. Om Kaul (upto 9th February, 2022)

Ms. Shruti Swaika (w.e.f. 6th May, 2022)

COMPANY SECRETARY

Ms. Charulata Kabra

CHIEF FINANCIAL OFFICER

Mr. Subhra Kanta Parhi

AUDITORS

M/s. NKSJ & Associates

Chartered Accountants

BANKERS

Punjab National Bank

REGISTERED OFFICE

Jasmine Tower, 3rd Floor

31, Shakespeare Sarani, Kolkata 700 017

Telefax : +91 33 2281 5217

Email : contact@kancotea.in

Website : www.kancotea.in

TEA ESTATES

Mackeypore Tea Estate

Lakmijan Tea Estate

Bamonpookrie Tea Estate

P.O. Nazira 785 685

Dist. Sivasagar (Assam)

SHARE REGISTRARS

C B Management Services (P) Ltd.

P-22, Bondel Road, Kolkata 700 019

Phone : +91 33 2280 6692/93/94

Email : rta@cbmsl.com

Notice

Notice is hereby given that the Thirty-Ninth (39th) Annual General Meeting (AGM) of Kanco Tea & Industries Limited will be held on Friday, 5th August, 2022 at 2:00 p.m. IST through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements (Standalone and Consolidated) of the Company for the financial year ended 31st March, 2022, together with the reports of the Board of Directors and Auditors thereon;
2. To declare dividend of Rs. 7 per 7% Non-Cumulative Redeemable Preference Share (being 7% on Face Value of Rs. 100 per share) for the financial year ended 31st March, 2022.
3. To declare dividend of Re. 1 per Equity Share (being 10% on Face Value of Rs. 10 per share) for the financial year ended 31st March, 2022.
4. To appoint a director in place of Mr. Govind Ram Banka (DIN: 00207395), who retires by rotation and being eligible, offers himself for re-appointment.

To consider and, if thought fit, to pass the following resolution as a Special Resolution.

"RESOLVED THAT Mr. Govind Ram Banka (DIN: 00207385), who retires by rotation, be and is hereby re-appointed as the Director of the company whose term of office shall be determined by retirement of directors by rotation and further considering the fact that Mr. Govind Ram Banka's age being above 75 years, pursuant to the provisions of Regulation 17 (1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the shareholders be and is hereby provided for Mr. Govind Ram Banka (DIN: 00207385) to continue as Director upon appointment, as per the provisions of Section 152(6) of the Companies Act, 2013."

Special Business:

5. Alteration of Articles of Association of the Company

To consider and if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013, read with Companies (Incorporation) Rules,

2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and subject to such other requisite approvals, if any, in this regard from appropriate authorities and term(s), condition(s), amendment(s), modification(s), as may be required or suggested by any such appropriate authorities, and agreed to by the Board of Directors of the Company (hereinafter referred to as "Board" which term shall include any Committee), the consent of the members of the Company be and is hereby accorded to adopt new set of Articles of Association in place of existing Articles of Association of the Company in substitution, and to the entire exclusion of the Articles contained in the existing Articles of Association of the Company."

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

6. Appointment and Remuneration Payable to Mr. Umang Kanoria as the Managing Director of the Company

To consider and if thought fit, to pass the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the rules made there under read with Schedule V of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force) and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) or any other applicable laws for the time being in force and in accordance with the provisions of the Articles of Association of the Company, pursuant to recommendation of the Nomination & Remuneration Committee and approval of the Board of Directors of the Company, approval of the Members of the Company, be and is hereby accorded for the appointment of Mr. Umang Kanoria (DIN: 00081108) as the Managing Director of the Company for a term of 3 years with effect from 1st August, 2022 to 31st July, 2025 whose office shall be liable to retire by rotation, on such terms and conditions including remuneration as set out in the explanatory statement attached hereto.

"RESOLVED FURTHER THAT the Board be and is hereby authorized to alter and vary the terms and conditions of the appointment in such manner as may be agreed to by the Board and Mr. Umang Kanoria but so as not

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to exceed the limits specified in Schedule V of the Companies Act, 2013 or any amendments thereto or enactments thereof, with effect from such date as may be decided by it."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to take all steps and perform such acts, deeds, matters and things, as may be considered necessary, desirable or expedient to give effect to this resolution."

7. Confirmation for continuation in payment of remuneration to Mrs. Anuradha Kanoria, Whole-time Director of the Company

To consider and if thought fit, to pass the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196,197,198 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with Schedule V to the Act, including any statutory modification(s) or re-enactment thereof and approval of the Board of Directors, the approval of the Members of the Company, be and is hereby accorded for continuation in payment of remuneration on existing terms and conditions as approved by the shareholders through ordinary resolution in the 36th Annual General Meeting of the Company held on 13th August, 2019 and upto the completion of the tenure on 30th November, 2024 to Mrs. Anuradha Kanoria (DIN: 00081172), Whole-time Director of the Company, beyond the limits prescribed under Section 197 of the Companies Act, 2013 but so as not to exceed the limits specified in Schedule V to the Companies Act, 2013."

"RESOLVED FURTHER THAT save and except as aforesaid, the ordinary resolution approved and passed by the Members in the 36th Annual General Meeting held on 13th August, 2019 with respect to the re-appointment of Mrs. Anuradha Kanoria as Whole-time Director shall continue to remain in full force and effect."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all the acts, deeds, matters and things as necessary in this regard."

8. Appointment of Ms. Shruti Swaika as Independent Director

To consider and if thought fit, to pass the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of

Sections 149,152 and any other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) read with Schedule IV to the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, Ms. Shruti Swaika (DIN: 07659238), who was appointed as an Additional Director in the capacity of an Independent Director of the Company by the Board of Directors, with effect from 6th August 2022 as per the provisions of the Act and the Articles of Association of the Company subject to the approval of the shareholders and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a member proposing her candidature for the office of director of the Company, be and is hereby appointed as an Independent Director of the Company for a period of 5 consecutive years with effect from 6th May, 2022 to 5th May, 2027 and she shall not be liable to retire by rotation."

9. Ratification of remuneration payable to Cost Auditors

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 (as amended) and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration of M/s A.C.Dutta & Co (Registration No.000125), Cost Accountants, appointed by the Board of Directors, on the recommendation of the Audit Committee, as the Cost Auditors of the Company, to conduct the audit of the cost records maintained by the Company for the financial year ending 31st March, 2023 at a remuneration of Rs. 50,000 plus applicable taxes and reimbursement of out-of-pocket expenses, be and is hereby ratified."

Registered Office:

Jasmine Tower, 3rd Floor

By Order of the Board

For: **Kanco Tea & Industries Limited**

31, Shakespeare Sarani, Kolkata – 700017

CIN: L15491WB1983PLC035793

Telefax: (033) 22815217

Email: contact@kancotea.in

Website: www.kancotea.in

Dated: 26th May, 2022

Charulata Kabra

Company Secretary

Membership No. F9417

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NOTES:

- I. In view of the ongoing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated Circular No. 2/2022 dated May 5, 2022 read together with circulars dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021 and December 8, 2021 (collectively referred to as "MCA Circulars"), Securities and Exchange Board of India ("SEBI") vide its circular no. SEBI/HO/CFD/ CMD1/ CIR/P/2020/79 dated May 12, 2020 in relation to "Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Covid-19 pandemic" and circular no. SEBI/HO/CFD/ CMD2/CIR/P/2021/11 dated January 15, 2021 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 in relation to "Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 due to the COVID -19 pandemic" (collectively referred to as "SEBI Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars and SEBI Circulars, the AGM of the members of the Company is being held through VC / OAVM. The deemed venue for the 39th AGM shall be the registered office of the Company at Jasmine Tower, 3rd Floor, 31, Shakespeare Sarani, Kolkata – 700017.
- II. The AGM being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. Since the AGM will be held through VC / OAVM, the Route map is not annexed to this Notice.
- III. Corporate Members authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting or e-voting during the AGM, are requested to send scanned copy (PDF/JPG) of its Board or governing body Resolution / authority letter, together with attested specimen signature of the duly authorized signatory through email to the Scrutinizer or the Company at aklabhcs@gmail.com with copies marked to the Company at compliance@kancotea.in and to its RTA at rta@cbmsl.com.
- IV. The Explanatory Statement setting out material facts, pursuant to Section 102 of the Companies Act, 2013, in respect to Ordinary Business at item No. 4 and Special Business at Item Nos. 5 to 9 of the accompanying Notice is annexed hereto.
- V. A brief resume of the directors proposed to be appointed/reappointed, nature of his expertise in specific functional areas, names of companies in which he holds directorship and memberships/ chairmanships of Board Committees, shareholding and relationships between directors inter se as stipulated under Regulation 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of Secretarial Standard on General Meeting (SS-2) as amended, are provided in Details of Director seeking reappointment at the Annual General Meeting annexed hereto.
- VI. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from 30th July, 2022 to 5th August, 2022 (both days inclusive) for the purpose of payment of the dividend for the financial year ended 31st March, 2022 and the 39th Annual General Meeting.
- VII. Dividend, as recommended by the Board, if approved at the Annual General Meeting by the Members, will be paid latest within a period of 30 days from the date of declaration, to those persons whose names stand registered in the Company's Register of Members or their mandates:
 - (a) as Beneficial Owners at the end of business hours on 29th July, 2022 as per names and address to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form, and
 - (b) as Members of the Company after giving effect to the valid share transfers in physical form lodged with the Company on or before commencement of book closure i.e. 29th July, 2022
- VIII. Regulation 12 and Schedule I of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 require all companies to use the facilities of electronic clearing services for payment of dividend. Incompliance with these regulations, payment of dividend will be made only by electronic mode directly into bank account of Members and no

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dividend warrants or demand drafts will be issued without bank particulars.

Pursuant to the Income-tax Act, 1961, as amended, dividend income is taxable in the hands of the Members with effect from 1st April, 2020 and the Company is required to deduct tax at source from such dividend at the prescribed rates. Shareholders are requested to refer to the communication regarding TDS on dividend available on <http://www.kancotea.in/pdf/2021-2022/Communication%20Regarding%20TDS%20on%20Dividend.pdf>.

YOU ARE REQUESTED TO SUBMIT YOUR BANK DETAILS ALONG WITH AN ORIGINAL CANCELLED CHEQUE OR A XEROX COPY OF THE CHEQUE to our Registrars C.B. Management Services (P) Ltd. to enable them to update our records, in case you hold shares in physical form and to your Depository Participants in respect of shares held by you in dematerialized form.

- IX. Members holding shares in physical form may intimate the Company necessary particulars for ECS credit of the dividend directly to their bank accounts wherever ECS facility is available, or, for printing of their bank account details on the dividend warrants to prevent possibilities of fraud in encashing the warrants.
- X. Members holding shares in electronic form are requested to notify the changes in the above particulars, if any, directly to their Depository Participants (DP). Members are encouraged to utilize the Electronic Clearing System (ECS) for receiving dividends.
- XI. At the thirty-sixth AGM held on 13th August, 2019, the Members approved appointment M/s NKSJ & Associates, Chartered Accountants (Registration No. 329563E) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of 36th AGM till the conclusion of the 41st AGM. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from 7th May, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the 39th AGM.
- XII. Members who have neither received or encashed their dividend warrant(s) for the financial years 2014-2015 to 2017-2018 and 2020-2021, are requested

to write to the Company or its Registrar and Share Transfer Agent, mentioning the relevant Folio Number or DP ID and Client ID, for issuance of duplicate/revalidated dividend warrant(s). Members are requested to note that the dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 124 of the Companies Act, 2013, be transferred to the Investor Education and Protection Fund.

- XIII. Copies of the Notice of the 39th AGM along with the Annual Report for the year 1st April 2021 to 31st March, 2022, instructions for e-voting and instructions for attending AGM through VC/OAVM, is being sent through electronic mode only to the members whose email addresses are registered with the Company/Depository Participant(s). Members may note that the aforesaid documents will also be available on the Company's website www.kancotea.in, websites of the Stock Exchanges i.e. Calcutta Stock Exchange Limited and BSE Limited at www.cse-india.com and www.bseindia.com respectively and on the website of CDSL i.e. www.evotingindia.com.
- XIV. All the documents referred to in the accompanying Notice and the Explanatory Statement shall be available for inspection. Scanned copies of the Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act and the Register of Contracts or Agreements in which the Directors are interested maintained under Section 189 of the Act will be available for inspection by the Members in electronic mode during the AGM.
- XV. Members having queries may send their queries in advance seven (7) days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
- XVI. SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated 8th June, 2018 and further amendment vide Notification No. SEBI/ LAD-NRO/GN/2018/49 dated 30th November, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from 1st April, 2019 unless the securities are held in the dematerialised form with the depositories. Therefore, Shareholders are requested to take action to dematerialise the Equity Shares of the Company,

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promptly.

XVII. Members are requested to furnish or update their e-mail IDs with the Registrar for sending the soft copies of the Annual Report of the Company as required vide circular no.17/2011 dated 21st April, 2011 and circular no.18/2011 dated 29th April, 2011 issued by the Ministry of Corporate Affairs.

XVIII. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to the Company in case the shares are held by them in physical form.

XIX. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form can be downloaded from the Company's website.

XX. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or its Registrar-CBMSL, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.

XXI. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

XXII. Voting through electronic means: **Remote e-voting and e-voting during AGM**

a. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI Listing Regulations and in terms of SEBI vide circular nos. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 and CDS in relation to e-Voting Facility Provided by Listed Entities, the Company is pleased to provide its members, the facility of remote e-voting and e-voting during AGM in respect of the business to be transacted at the 39th AGM.

b. The Members can join the AGM in the VC/ OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/ OAVM will be made available to atleast 1000 members on first come first served basis.

This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, Scrutinizer, etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

c. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

d. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

e. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. Friday, 29th July, 2022 may obtain the login ID and password by sending a request at compliance@kancotea.in / rta@cbmsl.com.

f. Mr. A.K.Labh, Practising Company Secretary (FCS – 4848 / CP-3238) (Address: A.K.Labh & Co, 40, Weston Street, 3rd Floor, Kolkata - 700013) has been appointed as the Scrutinizer for conducting the remote e-voting and e-voting process at the AGM in a fair and transparent manner.

g. **The e-Voting procedure to be followed by the shareholders to cast their votes:**

(i) The remote e-voting period begins on Tuesday, 2nd August, 2022 (9:00 a.m. IST) and ends on Thursday, 4th August, 2022 (5:00 P.M) During this period members

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of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 29th July, 2022 may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242** dated

December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method

for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/ NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers.

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Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

(iv) **Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(v) Login method for e-Voting and joining virtual meeting for **shareholders other than individual shareholders holding in Demat form & physical shareholders.**

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- The shareholders should log on to the e-voting website www.evotingindia.com.
 - Click on "Shareholders" module.
 - Now enter your User ID
 - For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- OR

Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from **Login - Myeasi** using your login credentials. Once you successfully log-in to CDSL's **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.

- Next enter the Image Verification as displayed and Click on Login.
 - If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- f. If you are a first time user follow the steps given below:

For Shareholders holding shares in Demat Form other than individual and Physical Form

PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number indicated in the PAN field of the email sent to them. Members who have not registered their email address may obtain the sequence number from the Company after registering their email address as per process defined in point no. h
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

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

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The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- l. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- m. 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.
- n. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- o. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- p. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- q. Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.
- r. Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password.

The Compliance User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; aklabhcs@gmail.com/ compliance@kancotea.in, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
- s. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

(vii) **Process for those shareholders whose email addresses are not registered with the Depositories/Company for obtaining login credentials for e-voting for the resolutions proposed in this notice:**

- (i) For Physical shareholders-please provide necessary details in Form ISR1 by email to compliance@kancotea.in/ rta@cbmsl.com. Member may download the

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prescribed Form from the Company's website **www.kancotea.in**.

- (ii) For Demat shareholders - Please update your email id & mobile no. etc. with your respective Depository Participant (DP).
- (ii) For Individual Demat shareholders – Please update your email id & mobile no. etc. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

(viii) **Instructions for Members attending the Annual General Meeting (AGM) through VC/OAVM and e-voting during the Annual General Meeting (AGM) are as under:**

1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Only those members, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
4. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
5. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM. 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"

6. Members are encouraged to join the Meeting through Laptops / iPads for better experience.
7. Further members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
8. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
9. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at compliance@kancotea.in from Monday, 18th July, 2022 (9:00 a.m. IST) to Saturday, 23rd July, 2022 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
10. If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022- 23058542/43

(viii) **General Information**

1. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first scrutinize the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the

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- total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
2. The Resolutions will be deemed to be passed on the AGM date, subject to receipt of the requisite number of votes in favour of the Resolution(s).
 3. The result declared along with the Scrutinizer's Report shall be placed on the Company's website- www.kancotea.in and on the website of CDSL immediately. The Company shall simultaneously forward the results to The Calcutta Stock Exchange Limited and BSE Limited, where the shares of the Company are listed.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No-4

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Govind Ram Banka (DIN: 00207385), Non-Executive Non-Independent Director retires by rotation at the ensuing Annual General Meeting and being eligible has offered himself for reappointment.

Mr. Govind Ram Banka, born on 10th July, 1935, aged about 87 years is I.Com by qualification and has experience of more than 42 years in the field of Tea Industry. Mr. Banka does not hold by himself or for any other person on a beneficial basis, any shares in the Company. Mr. Govind Ram Banka has ample experience in Tea industry and will be able to guide the Company to reach its goal. Mr. Govind Ram Banka is a Non-Executive Director of the Company since 25th March, 2010.

As per Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with effect from April 1, 2019, no listed company shall appoint or continue the directorship of a non-executive director who has attained the age of 75 years, unless a special resolution is passed to that effect and justification thereof is indicated in the explanatory statement annexed to the notice for such appointment. Considering the fact that Mr. Govind Ram Banka is of more than 75 years of age, it is necessary to approve continuation of his directorship on the Board of Directors of the Company by way of a special resolution.

Mr. Banka is concerned or interested in the resolution set out at item No. 4, which pertains to his appointment. The relatives of Mr. Banka may be deemed interested in the resolution set out at item No. 4 of the Notice, to the extent of their shareholding interest, if any, in the Company.

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

in the resolution set out at item No.4 of the Notice.

The Board recommends the Resolution to be passed as Special Resolution by the Members.

Item No-5

The Articles of Association of the Company as currently in force was adopted when the Company was incorporated under the Companies Act, 1956.

Considering that substantive sections of the Companies Act, 2013 which deal with the general working of the Companies stand notified, it is proposed to adopt new set of Articles of Association in substitution, and to the entire exclusion of the Articles contained in the existing Articles of Association of the Company in line with the provisions of the Companies Act, 2013 including the Rules framed thereunder and to make certain other changes thereto.

None of the Directors or Key Managerial Personnel of the Company or their relatives are in anyway concerned or interested in this Resolution except to the extent of the rights or powers provided if any under the revised Articles of Association to them or their relatives.

Your Directors recommend the passing of the Resolution in Item No.5 of the Notice as a Special Resolution.

Item No-6

Mr. Umang Kanoria (DIN:00081108), born on 2nd November, 1959, aged about 63 years is a Commerce Graduate with Honours from St. Xavier's College, Kolkata and an Associate Member of the Institute of Cost Accountants of India. He also holds a Masters in Business Administration from International Institute for Management Development, Switzerland. He has vast experience in Tea Industry and has served as past president of Indian Chamber of Commerce and Tea Associations of India. He is at present member of the Committees in Indian Tea Association and Tea Association

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of India. He is the Non-Executive Director of the Company since 23rd September, 2013. He is the Chairman of the Share Transfer Committee and Stakeholders Relationship Committee of the Company.

The Board of Directors of the Company at their meeting held on 26th May, 2022 has, on the recommendation of the Nomination and Remuneration Committee appointed Mr. Umang Kanoria as the Managing Director of the Company for a period of three years w.e.f. 1st August, 2022 on such terms and conditions as mentioned in the draft agreement, to be entered into between the Company and Mr. Umang Kanoria subject to the approval of the members. In accordance with the requirements of Schedule V to the Companies Act, 2013 the Company has not committed any default in payment of dues to any bank or public financial institution or non-convertible debenture holders or any other secured creditor. A statement containing the requisite information in accordance with the requirement

of Section II of Part II to Schedule V to the Companies Act, 2013 is also attached to this notice.

The Board considers that his financial and management skills and robust knowledge in Tea Industry, alongwith better understanding of Company's structure and policies shall continue to play a pivotal role in the Company's growth.

Mr. U. Kanoria holds directorship/committee membership in the following Public Companies in addition to his directorship in Kanco Tea & Industries Limited: -

1. Kanco Enterprises Limited
2. STEL Holdings Limited
3. Saregama India Limited
4. Spencer and Company Limited
5. Woodlands Multispeciality Hospital Limited
6. Winnow Investments and Securities Private Limited

Committee Positions

Sl. No.	Name of Company	Nature of Office
	Kanco Enterprises Limited	Chairman- Share Transfer Committee Member- Stakeholders Relationship Committee Member- Finance and Investment Committee
	Kanco Tea & Industries Limited	Chairman- Share Transfer Committee Chairman- Stakeholders Relationship Committee Chairman- CSR Committee Member- Finance and Investment Committee
	Stel Holdings Limited	Chairman- Audit Committee Member- Stakeholders Relationship Committee Chairman- Nomination and Remuneration Committee
	Saregama India Limited	Chairman- Audit Committee Member- Nomination and Remuneration Committee Member- Stakeholders Relationship Committee Member- CSR Committee Member-Independent Directors' Committee

The abstract of terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee and approved by the Audit Committee and Board of Directors, governing the appointment of Mr. Umang Kanoria as the Managing Director of the Company is as under:

1. Salary (Basic) per month: Rs.2,00,000/- Rs.2,25,000/- Rs.2,50,000/-

2. Commission- 5% of the net profits subject to 100% of Salary
3. Allowances/Perquisites:

Gas/Electricity/ Water and Furniture/fixtures:-

Expenditure incurred to be valued as per Income Tax Rules, 1962

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Medical Reimbursement

Expenditure incurred by the Managing Director and his family, subject to a ceiling of one month's salary (basic) in a year or three months' salary (basic) over a period of three years.

Club Fees

Actual Fees for a maximum of two clubs. Admission fee and life membership fee shall not be paid by the Company.

4. The following shall not be included in the computation of ceiling on remuneration specified above:
 - (a) One and a Half month's leave with full pay and perquisites, subject to a maximum accumulation of leave for 90 days.
 - (b) Encashment of un-availed leave at the end of the tenure or at specified intervals will be as per Scheme of the Company
 - (c) Provision of car for use in relation to Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Managing Director.

5. Minimum Remuneration:

In the event of loss or inadequacy of profit in any financial year, the Managing Director shall be paid monthly remuneration not exceeding the applicable ceiling laid down in Section ii of Part II of Schedule V to the Companies Act, 2013.

6. General:

- That the Managing Director shall not be entitled for any sitting fees for attending the meeting of the Board of Directors of the Company or any Committees thereof, as long as he functions as the Managing Director.
- That the Managing Director shall be liable to retire by rotation in accordance with the provisions of Section 152 of the Companies Act, 2013.
- That the Managing Director as well as the Company shall have the rights to terminate this agreement by giving the other six months' notice in writing, subject to the discretion of the Board of Directors of the Company, to agree at a shorter notice.
- That the terms and conditions of this agreement

of service may be varied from time to time by the Board of Directors of the Company, within the maximum amount payable to the Managing Director in accordance with the applicable provisions of the Companies Act, 2013.

Mr. Kanoria satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out in sub-section (3) of Section 196 of the Act for being eligible for his re-appointment. He is not disqualified from being appointed as a Director under Section 164(2) of the Companies Act, 2013 read with Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014. He holds 466605 equity shares in the Company, on beneficial basis.

Approval of shareholders by Special Resolution is also required under Regulation 17(6) (e) of SEBI (LODR) Regulations, 2015.

Mr. Umang Kanoria is interested in the resolution set out at item No. 6 which pertains to his appointment and remuneration payable to him as a Managing Director. Mrs. Anuradha Kanoria, who is the spouse of Mr. Umang Kanoria and also the Whole time Director of the Company and their other relatives, to the extent of their shareholding interest in the Company, may be deemed to be concerned or interested in the appointment and remuneration payable to Mr. Kanoria.

Save and except the above, none of the other Directors or Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at item No.6 of the Notice.

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

Item No-7

Mrs. Anuradha Kanoria, born on 16th August, 1962, aged about 60 years, is an Arts Graduate with honours from Lady Shri Ram College under Delhi University was appointed by the shareholders vide the ordinary resolution passed in the 36th Annual General Meeting as Whole time Director of the Company for a period 5 years with effect from 1st December, 2019 to 30th November, 2024 on the remuneration recommended by the Nomination and Remuneration Committee and approved by the Audit Committee and Board of Directors.

In the changing financial performance of the Company, It is proposed to seek member's approval in the form of special resolution for the continuation in payment of

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remuneration to Mrs. Kanoria, Whole time Director of the Company, on existing terms and conditions as approved by the shareholders in the 36th Annual General Meeting of the Company and upto the completion of her tenure on 30th November, 2024, beyond the limits prescribed under Section 197 of the Companies Act, 2013 and within the limits specified in Schedule V to the Companies Act, 2013. Approval of shareholders by Special Resolution is also required under Regulation 17(6)(e) of SEBI (LODR) Regulations, 2015.

A statement containing the requisite information in accordance with the requirement of Section II of Part II of Schedule V to the Companies Act, 2013 is also attached to this notice.

Mrs. Kanoria is interested in the resolution set out at item No. 7 which pertains to the remuneration payable to her as a Whole time Director. Mr. Umang Kanoria, who is the spouse of Mrs. Anuradha Kanoria and also the Managing Director of the Company and their other relatives, to the extent of their shareholding interest in the Company, may be deemed to be concerned or interested in the remuneration payable to Mrs. Kanoria.

Save and except the above, none of the other Directors or Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at item No.7 of the Notice.

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

Item No-8

Pursuant to the Articles of Association of the Company and in terms of Sections 149, 150, 152, 161(1) and any other applicable provisions, if any, of the Companies Act, 2013 (the "Act") as amended and on the recommendation of the Nomination and Remuneration Committee of the Company Ms. Shruti Swaika holding DIN: 07659238 was appointed as an Additional Director of the Company in the Independent category with effect from 6th May, 2022 to hold office for a term of five consecutive years subject to the approval of the Members in the General Meeting. The Company has received a notice under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for appointment as director of the Company.

Ms. Swaika, born on 9th July, 1986, aged about 36 years and is graduate with distinction from Symbiosis Law School, Pune. She is enrolled with the West Bengal Bar Council and is a

member of the Incorporated Law Society of the High Court at Calcutta. At present she is on Board of Keventer Agro Ltd and Bengal NRI Complex Ltd. She is a partner at Fox & Mandal LLP. Her practice areas include corporate and commercial law, dispute resolution, and private client practice. She has appeared in various Courts in India including in District Courts, Company Law Tribunals, the High Court at Calcutta and Delhi and the Supreme Court of India and gained rich litigation experience. In the non-litigation space, she is involved in a wide range of assignments from private equity deals, government infrastructure projects, corporate restructuring and family succession planning and inter-generational wealth transfer. She is a member of the ICC National Expert Committee on "Corporate and Legal Affairs" and she is also a member of Young Indian's, the youth wing of the CII and of Young FICCI ladies Organisation, a wing of federation ICC. Her appointment in the Company will help in-depth understanding of the laws and regulations governing the affairs of the Company.

Ms. Swaika is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 as amended. The Company has received declaration from her confirming that she meets the criteria of independence as prescribed both under Section 149(6) of the Companies Act, 2013 read with rules as amended and Regulation 16(b), 25(8) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015. Ms. Swaika does not hold by herself or for any other person on a beneficial basis, any shares in the Company.

It is proposed to appoint Ms. Swaika as an Independent Director of the Company, to hold office for five consecutive years with effect from 6th May, 2022 not liable to retire by rotation.

Ms. Swaika is concerned or interested in the resolution set out at item No. 8, which pertains to her appointment. The relatives of Ms. Swaika may be deemed interested in the resolution set out at item No. 8 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item No.8 of the Notice.

The Board recommends the Resolution to be passed as Special Resolution by the Members.

Item No-9

The Board, on the recommendation of the Audit Committee, in its meeting held on 26th May, 2022, has approved the

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appointment and remuneration of M/s A. C. Dutta & Co., as the Cost Auditors of the Company to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2023.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with rules made thereunder, the remuneration payable of Rs. 50,000/- (Rupees Fifty Thousand Only) plus taxes as applicable and reimbursement of out-of-pocket expenses payable to the Cost Auditors has to be ratified by the members of the Company. Accordingly, the

consent of the members is sought for passing an Ordinary Resolution as set at item No.9 of the Notice for ratification of remuneration payable to the Cost Auditors for the financial year ending 31st March, 2023.

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

The Board recommends the Resolution to be passed as Ordinary Resolution by the Members.

STATEMENT CONTAINING INFORMATION AS REQUIRED UNDER SECTION II (B) (iv) OF PART II OF SCHEDULE V OF THE COMPANIES ACT, 2013 AND FORMING PART OF THE NOTICE OF 39TH ANNUAL GENERAL MEETING

I. GENERAL INFORMATION:

(1) Nature of Industry

Manufacturer of Black Tea

(2) Date or expected date of commencement of commercial production

The Company took over the Tea Gardens at Assam in the year 2010 under a Scheme of

Arrangement from Kanco Enterprises Limited. After the demerger, the Company changed its name from Dhanvaridhi Concerns Limited (being operational since 1983) to Kanco Tea & Industries Limited with effect from 21st April, 2010.

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable

(4) Financial performance based on given indicators

Amount (Rs.) in Lakhs

Financial Year ended	31.03.2022	31.03.2021
Gross Sales & Other Income	9,433.43	8,209.16
Profit before Tax	1,276.31	920.95
Profit After Tax	1,229.73	996.52
Equity Share Capital	512.28	512.28
Reserves & Surplus (excluding revaluation reserve)	4,360.94	2,697.45
Net Worth	4,873.22	3209.40

(5) Export performance and net foreign exchange collaborations:

Amount (Rs.) in Lakhs

Financial Year ended	31.03.2022	31.03.2021
Foreign Exchange Earnings	-	-
Foreign Exchange Outgo	43.93	11.95

(6) Foreign Investments or collaborators, if any: Not Applicable.

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II. INFORMATION ABOUT THE APPOINTEES:

a) Mr. Umang Kanoria

1) Background details:

Mr. Umang Kanoria(DIN:00081108), an Associate Member of the Institute of Cost Accountants of India (now known as ACMA) has vast experience in Tea and Textile Industry and has served as past Joint Managing Director of Bengal Tea & Fabrics Limited and past President of Indian Chamber of Commerce and former Chairman of Tea Association of India. Under his leadership the tea business of Bengal Tea & Fabrics Limited and Kanco Tea & Industries Ltd. reached new heights. He has completed his B. Com (Hons.) from St. Xavier's College, Kolkata, ACMA (formerly AICWA) and MBA from International Institute for Management Development, Switzerland. He is pivotal for enhancing the performance, efficient management and future growth of the Company. He has over 33 years of experience in Tea and Textile business.

2) Past remuneration

Mr. Umang Kanoria was associated with the Company as Non-Executive Director since 23rd September, 2013 and has received sitting fees of Rs. 15000/- for every Board Meeting attended by him.

3) Recognition

Mr. Umang Kanoria is an imminent industrialist. He was past President of Indian Chamber of Commerce and former Chairman of Tea Association of India.

4) Job Profile and his suitability

Mr. Kanoria as a Director of the Company has contributed to the strategy and areas impacting company performance. His financial and management skills and robust knowledge in Tea Industry alongwith better understanding of Company's structure and policies has played a pivotal role in the Company's growth.

5) Remuneration proposed

As referred in the Explanatory Statement (item no. 6) of the Notice.

6) Comparative remuneration Profile with respect to industry, size of the company, profile of the position and person

It is not possible to find out comparative remuneration with respect to the profile of the position for similar size of Company in the industry. Rossel India Limited is paying Rs.227.28 Lakhs to it's managing director and Diana Tea Company Limited is paying Rs.47.04 Lakhs to it's Managing Director. The remuneration of Mr. Umang Kanoria is purely based on merits.

7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any

Mr. Umang Kanoria has no pecuniary relationship with the Company other than his remuneration as Managing Director and member/promoter of the Company. Relationships by way of Indian Accounting Standard (Ind AS-24) are disclosed in the Annual Report. He is related to Mrs. Anuradha Kanoria, Whole time Director as spouse.

b) Mrs. Anuradha Kanoria

1) Background details:

Mrs. Anuradha Kanoria (DIN: 00081172) aged about 60 years is an Arts Graduate with honours from Lady Shri Ram College under Delhi University. She has vast experience in Tea Industry and has served as a past president of Ladies Study Group (Wing of Indian Chamber of Commerce) and at present she is a member of its advisory committee. She is associated as Whole-time director of the Company since 23/09/2009. She has over 23 years of experience in Tea business.

b) Past remuneration

1. (a) Salary (Basic) per month: Rs. 2,00,000/-in the scale of Rs.. 2,00,000-2,25,000-2,50,000-2,75,000-3,00,000
- (b) Commission: 5% of the net profits, subject to 100% of annual salary

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2. Allowances/Perquisites

Housing: -

Expenditure incurred by the Company on hiring furnished accommodation for the Whole time Director subject to a maximum of 15% of the basic salary relevant for the concerned period shall be deducted by the Company.

OR

In case Company owned and furnished accommodation is provided no allowance shall be paid.

OR

In case no accommodation-owned or hired is provided by the Company, the Whole time Director shall be entitled to 30% of the basic salary relevant for the concerned period as and by way of House rent allowance.

Gas/Electricity/ Water and Furniture/fixtures: -

Expenditure incurred to be valued as per Income Tax Rules, 1962

Medical Reimbursement

Expenditure incurred by the Whole time Director and her family, subject to a ceiling of one month's salary (basic) in a year or three months salary (basic) over a period of three years.

Leave Travel Concession

For Self and family in accordance with the Rules of the Company.

Group Term Insurance

As per the scheme of the Company provided the Annual Premium does not exceed Rs. 10,000/-.

Club Fees

Actual Fees for a maximum of two clubs. Admission fee and

life membership fee shall not be paid by the Company.

3. The following shall not be included in the computation of ceiling on remuneration specified above:

- a) Contribution to Provident Fund and Superannuation / Annuity Fund will be as per Scheme of the Company but restricted to the amount not taxable under the Income Tax Act, 1961.
- b) Gratuity payable shall be at a rate not exceeding 15 days salary for each completed year of service or part thereof in excess of six months as per Scheme of the Company.
- c) One and a Half month's leave with full pay and perquisites, subject to a maximum accumulation of leave for 180 days. Leave encashment at the end of the service shall not be taken into computation.
- d) Encashment of un-availed leave at the end of the tenure or at specified intervals will be as per Scheme of the Company.
- e) Provision of car for use in relation to Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Whole-time Director.

Further there was a provision of payment of monthly remuneration not exceeding the applicable ceiling laid down in Part II to Schedule V of the Companies Act, 2013 in the event of loss or inadequacy of profit.

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c) Recognition

She has served as past president of Ladies Study Group (A wing of Indian Chamber of Commerce) and at present she is a member of its advisory committee.

d) Job Profile and his suitability

Mrs. Anuradha Kanoria has been successfully managing the overall affairs of the Company, as a whole-time Director since 23rd September, 2009. She has over 23 years of experience in Tea business. Under her able guidance and leadership the Company has performed satisfactorily. With sufficient past experience in successfully managing the affairs of the Company, Mrs. Anuradha Kanoria is best suited for the position.

e) Remuneration proposed

On existing terms and conditions as approved by the shareholders in the 36th Annual General Meeting of the Company and upto the completion of her tenure on 30th November, 2024, beyond the limits prescribed under Section 197 of the Companies Act, 2013 and within the limits specified in Schedule V to the Companies Act, 2013.

f) Comparative remuneration Profile with respect to industry, size of the company, profile of the position and person

It is not possible to find out comparative remuneration with respect to the profile of the position for similar size of Company in the industry. Rossel India Limited is paying Rs.103.97 Lakhs to its whole-time director. The remuneration of Mrs. Anuradha Kanoria is purely based on merits.

g) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any

Mrs. Anuradha Kanoria has no pecuniary relationship with the Company other than her remuneration as Whole-time Director and member/promoter of the Company. Relationships by way of Indian Accounting Standard (Ind AS-24) are disclosed in the Annual Report. She is related to Mr. Umang Kanoria, Managing Director as spouse.

III. Other information:

(1) Reasons of loss or inadequate profits

The Cost of Production is increasing every year due to higher wages and increase in other inputs, whereas the increase in average price realization is not in tandem with the increase in cost of production. It's anticipated that with appointment of Mr. Umang Kanoria as Managing Director, the profits may be inadequate for payment of salary to Managing Director and Whole-time Director.

(2) Steps taken or proposed to be taken for improvement

The Company has focused on improving the field practices and over the years have uprooted sections which are above 50 years age. The Company has also increased the manufacturing capacity at its tea estates.

(3) Expected increase in productivity and profits in measurable terms

Continuous focus on improving field practices, system of uprooting old tea bushes and re-planting every year and thrust on producing superior quality teas will improve the bottom line of the company in coming years.

The above remuneration is to be paid as minimum remuneration in the absence or inadequacy of profits, subject to the provisions of Schedule V of the Companies Act, 2013.

Details of Director seeking appointment/reappointment at the Annual General Meeting pursuant to Regulation 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of Secretarial Standard on General Meeting (SS-2) as amended.

Notice (Contd.)

Particulars	Mr. Govind Ram Banka	Mr. Umang Kanoria	Ms. Shruti Swaika
DIN	00207385	00081108	07659238
Date of Birth and Age	10 th July, 1935, 87 years	2 nd November, 1959, 63 years	9 th July, 1986, 36 years
Date of first Appointment on the Board	25 th March, 2010	23 rd September, 2013	6 th May, 2022
Qualifications	I.Com.	B.Com (Hons.), ACMA, M.B.A.	L.L.B
Nature of Expertise in functional areas	He has rich experience of more than 42 years in Tea Industry.	Has rich experience in Tea industry and has served as past president of Indian Chamber of Commerce and Tea Association of India. He is at present member of the Committees in Indian Tea Association and Tea Association of India.	Has thorough understanding of corporate and commercial law and has gained rich litigation experience also involved in a wide range of assignments from private equity deals, government infrastructure projects, corporate restructuring and family succession planning and inter-generational wealth transfer.
Number of Meetings of the Board attended during the year	4 (four)	5 (five)	--
List of Directorships of other Board	Public Company: 1. Shraddha investments Limited Private Company: 1. Innova Properties Private Limited 2. Milan Agencies Private Limited 3. Suryasakti Commodities Private Limited	Public Companies: 1. Kanco Enterprises Limited 2. Stel Holdings Limited 3. Saregama India Limited 4. Spencer & Company Limited 5. The Bengal Rowing Club 6. Winnow Investments and Securities Private Limited 7. Woodlands Multispeciality Hospital Limited Private Companies: 1. E.T. Resources Private Limited 2. Cosmos Resources Private Limited	Public Companies: 1. Keventer Agro Ltd 2. Bengal NRI Complex Ltd
Names of other listed entities in which the person holds the directorship	Nil	1. Kanco Enterprises Limited 2. Stel Holdings Limited 3. Saregama India Limited	Nil

Notice (Contd.)

Particulars	Mr. Govind Ram Banka	Mr. Umang Kanoria	Ms. Shruti Swaika
Names of other listed entities from which the person has resigned in the past three years	Nil	Nil	Nil
List of Membership/ Chairmanship of Committees of other Board	Nil	Kanco Enterprises Limited Chairman- Share Transfer Committee Member- Stakeholders Relationship Committee Member- Finance and Investment Committee Stel Holdings Limited Chairman- Audit Committee Member- Stakeholders Relationship Committee Chairman- Nomination and Remuneration Committee Saregama India Limited Chairman- Audit Committee Member- Nomination and Remuneration Committee Member- Stakeholders Relationship Committee Member- CSR Committee Member-Independent Directors' Committee	Keventer Agro Ltd Member-IPO Committee Member- Stakeholders Relationship Committee Member- Nomination and Remuneration Committee Member- CSR Committee Bengal NRI Complex Ltd Member- Nomination and Remuneration Committee Member- CSR Committee Member-Audit Committee
Number of shares held by him in Kanco Tea & Industries Limited:			
Equity			
a) Own	Nil	Nil	Nil
b) Beneficial basis	Nil	466605	Nil
Preference	Nil	Nil	Nil
Relationship with any Director(s) and KMPs of the Company	Nil	Mrs. Anuradha Kanoria and Mr. Umang Kanoria are related as Spouse.	Nil

KANCO TEA & INDUSTRIES LIMITED	STATUTORY REPORTS	STANDALONE FINANCIALS	CONSOLIDATED FINANCIALS

Notice (Contd.)

Particulars	Mr. Govind Ram Banka	Mr. Umang Kanoria	Ms. Shruti Swaika
Skills and capabilities for the role of Independent Director and how he/she meets such requirements	N.A.	N.A.	She is well conversant with provisions of corporate and commercial law and has rich litigation experience. She has also knowledge of private equity deals and corporate restructuring.

Registered Office:

Jasmine Tower, 3rd Floor
31, Shakespeare Sarani, Kolkata – 700017
CIN: L15491WB1983PLC035793
Telefax: (033) 22815217
Email: contact@kancotea.in
Website: www.kancotea.in
Dated: 26th May, 2022

By Order of the Board
For: **Kanco Tea & Industries Limited**

Charulata Kabra
Company Secretary
Membership No. F9417



Directors' Report

Dear Members,

Your Directors are pleased to present their Thirty Ninth Annual Report and the Company's audited financial statement for the financial year ended 31st March, 2022.

Financial Results

The Company's financial performance, for the year ended 31st March, 2022 is summarized below:

₹ in Lakhs

Particulars	Standalone		Consolidated	
	2022	2021	2022	2021
Profit Before Finance Cost, Depreciation, Exceptional Items and Tax	1848.55	1743.96	1884.80	1820.40
Less: Finance Cost	327.07	426.35	327.07	426.35
Profit Before Depreciation, Exceptional Items and Tax	1521.48	1317.61	1557.73	1394.05
Less: Depreciation and Amortisation Expense	245.16	229.42	245.16	229.43
Profit / (Loss) Before Exceptional Items and Tax	1276.32	1088.19	1312.57	1164.62
Less: Exceptional Items	-	167.24	885.75	167.24
Profit / (Loss) Before Tax	1276.32	920.95	426.82	997.38
Less: Provision For-				
Net Current Tax	10.27	54.28	19.68	67.46
Provision for MAT Credit Entitlement	(10.27)	(124.97)	(19.68)	(123.86)
Deferred Tax	46.59	(4.88)	46.59	(4.88)
Profit / (Loss) After Taxation	1229.73	996.52	380.23	1058.66
Other Comprehensive Income for the year, net of tax	485.32	(80.34)	485.32	(80.34)
Total Comprehensive Income / (Loss) for the year	1715.05	916.18	865.55	978.32

Results of Operations and the State of the Company's Affairs

The year under review was a challenging year for tea industry. Tea is a fixed cost intensive industry with cost of labour accounting for 60% of the cost of manufacture of tea.

Labour costs increased, production volumes have risen but per capita domestic consumption remains almost stagnant. The annual production of teas in North India for the f.y. 2021-2022 was 1097.91 million Kgs compared to 1050.80 million Kgs in f.y. 2020-2021. The average realisation of teas

Directors' Report (Contd.)

for North India went down from Rs.216.36 in f.y. 2020-2021 to Rs.190.36 in f.y. 2021-2022.

The average realisation of teas of your Company for the f.y. 2021-2022 was Rs.243.09 compared to Rs.274.89 in f.y. 2020-2021 as a result of which the Company's working results were lower during the year as compared to the previous year. The lock down measures announced by the Government of India due to Covid-19 Pandemic in Calendar Year 2020 resulted in sharp decline in production of tea and as a result of which average realisation prices of teas increased sharply. The average realisation of teas in f.y. 2020-2021 therefore can't be taken as a base for comparison with f.y. 2021-2022.

The production of teas in the current season are higher than last year due to favourable weather. The North India Production figure for April, 2022 was 71.16 million Kgs compared to 52.43 million Kgs in the corresponding period of 2021. Our Own Tea Productions are also higher. The average realisation price of our teas from 01/04/2022 to 25/05/2022 higher as compared to the corresponding period of the previous year.

Export scenario for CTC Teas appears bleak with Kenyan teas being sold at very low levels. However, exports scenario of Orthodox Teas is bright due to the prevailing economic crisis in Srilanka. Domestic demand is expected to increase. The premium received by superior quality teas are much higher than the quality teas and therefore the Company this year is focusing on further upgradation in it's quality to move to better quality segment, which will result in substantially increase in average price realisation.

In the financial year 2021-2022, 24.76 hectares, 30.71 hectares and 29.13 hectares of the plantation area were replanted, rehabilitated and uprooted respectively. Investment in factory machinery has also been made to upgrade the machineries and also to enhance quality of teas.

The Company is registered as a medium enterprise under Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 bearing Udyam Registration Number UDYAM-WB-10-0003498. This has resulted in lower interest rate charged by Bank and the Company will also avail other benefits as and when announced for MSME.

Certifications

The quality management system of Mackeypore Tea Estate, Kanco Tea & Industries Limited bearing ANZSIC Code: 2180 has been assessed and found to meet the requirements of ISO 9001:2015. The certificate no. IN/QMS/00270/0386 is

valid for manufacturing of black tea from green tea leaves till 20/05/2025.

The food safety systems of Mackeypore Tea Estate, Kanco Tea & Industries Limited has been assessed and found to meet the requirements of ISO 22000:2018 (Food Safety Management System). The certificate no.IN/FSMS/00065/0387 is valid for manufacturing of black tea from green tea leaves till 20/05/2025.

Mackeypore Tea Estate & Lakmijan Tea Estate has been issued verification certificate bearing no. TS-VC/CUC/03/834385/14 under trustea code for sustainable tea in India by Control Union. Bamonpookrie Tea Estate has also been issued verification certificate bearing no. TS-VC/CB/00000471/2021 under trustea code for sustainable tea in India by Control Union. The trustea code covers social, agronomic, food safety, occupational health & safety and environmental criteria.

Dividend

The Directors of your Company has recommended a dividend of Rs. 7/- and Re. 1/- per Preference Share of Face Value of Rs. 100/- and Equity Share of Face Value of Rs. 10/- respectively for the year under review.

Share Capital

As on 31st March, 2022, the issued, subscribed and paid up share capital of your Company stood at Rs. 5,12,22,870. During the year under review, the Company has not issued any shares.

Annual Return

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2022 is available on the Company's website on <http://kancotea.in/pdf/2021-2022/Annual%20Return%20for%20the%20year%20ended%2031st%20March,%202022.pdf>

Directors

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Govind Ram Banka (DIN:00207385), Non-Executive Non-Independent Director retires by rotation at the ensuing Annual General Meeting and being eligible has offered himself for reappointment.

During the year under review, Mr. Umang Kanoria (DIN: 00081108) was reappointed as Non-Executive Non-Independent Director, liable to retire by rotation. Mr. Om Kaul (DIN: 00020821) tendered his resignation as an Independent Director of the Company due to advanced age and related health issues with effect from 10th February, 2022.

Directors' Report (Contd.)

Further the Board of Directors on recommendation of the Nomination and Remuneration Committee in their meeting held on 6th May, 2022 has appointed Ms. Shruti Swaika as an Additional Non-Executive Independent Director of the Company for a tenure of 5 years subject to the approval of the shareholders. The Board of Directors on the recommendation of the nomination and remuneration committee in their meeting held on 26th May, 2022 has appointed Mr. Umang Kanoria as Managing Director of the Company for 3 years effective from 1st August, 2022.

The approval of the shareholders is sought for continuation in payment of remuneration to Mrs. Kanoria, Whole time Director of the Company, on existing terms and conditions as approved by the shareholders in the 36th Annual General Meeting of the Company and upto the completion of her tenure on 30th November, 2024, beyond the limits prescribed under Section 197 of the Companies Act, 2013 and within the limits specified in Schedule V to the Companies Act, 2013.

The Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulations 16(1)(b) and 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Directors of the Company have confirmed that they have complied with the Company's Code of Conduct. In the opinion of the Board, the Independent Directors, fulfill the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Regulations 16(1)(b) and 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Guidance note on Board Evaluation issued by SEBI on 5th January, 2017, and on the recommendation of the Nomination and Remuneration Committee of the Company a structured questionnaire was prepared after taking into consideration the various aspects of the Boards' functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance.

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Act and SEBI Listing Regulations. The performance of the committees was evaluated by the Board after seeking inputs from the

committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings wherein adequate opportunity is given to the members to share their views, effective contribution in Board's decision by recommendations made by Committee etc.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, Communication and contribution in the discussions in a positive and constructive manner impacting company performance, etc.

At the board meeting, the performance of the Board, its Committees, and individual directors was also discussed. Performance evaluation of independent directors was done by the entire Board, excluding the independent director being evaluated.

The Nomination and Remuneration Committee also reviewed its implementation of the said policy and its compliance. The Board of Directors expressed their satisfaction with the evaluation process.

Policy on Directors' Appointment, Remuneration etc

Pursuant to Section 178(3) of the Companies Act, 2013 Nomination and Remuneration Committee formulated the criteria for identification and selection of the suitable candidates for various positions in senior management and also candidates who are qualified to be appointed as Director on the Board of the Company. The Committee also recommended a policy relating to the remuneration for the directors, key managerial personnel and other senior management personnel and a process by which the performance of the directors could be evaluated and the details of this policy are given in the Corporate Governance Report. The policy can be viewed at <http://kancotea.in/pdf/2017-2018/NOMINATION%20AND%20REMUNERATION%20POLICY.pdf>.

Key Managerial Personnel

The following persons are the Key Managerial Personnel (KMP) of the Company in compliance with the provisions of Section 203 of the Companies Act, 2013:

- Mrs. A. Kanoria (DIN:00081172), Whole-time Director
- Ms. Charulata Kabra, Company Secretary
- Mr. S. K. Parhi, Chief Financial Officer

Directors' Report (Contd.)

Number of Meetings of the Board

5(five) meetings of the Board of Directors were held during the year.

Audit Committee

The Audit Committee comprises of Independent Directors namely Mr. Navin Nayar (Chairman) and Mr. Golam Momen and Mr. Govind Ram Banka, Non-Executive Director. All the recommendations made by the Audit Committee were accepted by the Board.

Directors' Responsibility Statement

The Directors hereby confirms that

- in the preparation of the annual accounts, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- they had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2022 and of the profit of the Company for the year ended on that date;
- they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- they had prepared the annual accounts on a going concern basis;
- they had laid down internal financial control to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Statutory Auditors

The members at the 36th Annual General Meeting of the Company had approved appointment of M/s NKSJ & Associates, Chartered Accountants (Registration No. 329563E) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of 36th AGM till the conclusion of the 41st AGM. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away

by the Companies (Amendment) Act, 2017 with effect from 7th May, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the 39th AGM.

The Company has received the consent and eligibility certificate from M/s NKSJ & Associates, Chartered Accountants to the effect that their appointment is within the limits prescribed under Section 141 of the Companies Act, 2013 read with rules and that they are not disqualified within the meaning of Section 141 of the Companies Act 2013. They have also confirmed that they hold a valid peer review certificate as prescribed under regulation 33(1) (d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Statutory Auditor's Report

The report by the Statutory Auditors is self-explanatory and has no qualification, reservation, adverse remark or disclaimer; hence no explanation or comments by the Board were required. No cases of fraud were reported by Statutory Auditors during the financial year under review.

Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Asit Kumar Labh, Practicing Company Secretary (C.P No.14664) to undertake the Secretarial Audit of the Company. The Report of the Secretarial Auditor is annexed herewith marked as Annexure A to this report.

Pursuant to Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the report of the Secretarial Auditor of Winnow Investments and Securities Private Limited, material subsidiary of the Company is annexed herewith marked as Annexure B to this report.

Cost Audit

In accordance with the provisions of Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a Cost Auditor to audit the cost records. The Company has reappointed M/s A. C. Dutta & Co, Cost Accountants (Registration No.000125) 10 K S Roy Road, 2nd Floor, Kolkata-700001 as Cost Auditors for the financial year ended 31st March, 2023 and their remuneration is to be ratified at the ensuing Annual General Meeting.

Directors' Report (Contd.)

The Cost Audit Report for the year 2020-2021 was filed with the Ministry of Corporate Affairs. The Company has maintained the cost accounts and records in accordance with Section 148 of the Companies Act, 2013 and Rule 8 of the Companies (Accounts) Rules, 2014.

Secretarial Standards

The Company has adhered to applicable Secretarial Standards i.e. SS-1 and SS-2, relating to 'Meeting of the Board of Directors' and 'General Meetings'.

Particulars of Loans, Guarantees or Investments by Company

The particulars of investments made and loan given by the Company under Section 186 of the Companies Act, 2013 are provided in note nos. 8 and 10 to the financial statements.

Contracts and Arrangements with Related Parties

During the year under review the Company has not entered into any material related party transactions with promoters, the directors, relatives or the management, etc. that may have a potential conflict with the interests of the Company in accordance with the policy on Related Party Transactions. The policy can be viewed at <http://kancotea.in/pdf/2021-2022/POLICY%20ON%20DEALING%20WITH%20RELATED%20PARTY%20TRANSACTIONS%20AND%20MATERIALITY%20OF%20RELATED%20PARTY%20TRANSACTIONS.pdf>.

Material Changes and commitments occurred between the end of the Financial Year under Review and the date of this report.

No material changes and commitments have occurred between the end of the financial year under review and the date of this report.

One-time settlement with Banks or lending institutions, if any

During the year under review, the Company has not entered into any one-time settlement with Banks or lending institutions.

Cases registered with NCLT under the provisions of insolvency and Bankruptcy Code, 2016, either by the Company or against the Company

During the year under review, no cases have been registered with NCLT under the provisions of Insolvency and Bankruptcy Code, 2016, either by the Company or against the Company.

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

A statement pursuant to Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 on conservation of energy, technology absorption, foreign exchange earnings and outgo is annexed herewith marked as Annexure C to this report.

Risk Management

As per requirement of Section 134(3) (n) of the Companies Act, 2013 the Board of Directors in its meeting held on 9th May, 2014 has approved the Risk Management Policy. The Board envisaged the following elements of risks which may threaten the existence of the Company:

Nature Related Risk

Tea being an agricultural produce is affected by the vagaries of weather. Weather plays a major role in determining the final output of produce. Both excess and scarcity of rainfall play havoc with the final output of produce. KTIL has carried out extensive drainage network to deal with the problem arising out of excess rainfall. KTIL has a detailed plan of action for bringing its plantation areas under irrigation and more than 70% of its plantation areas are under irrigation now.

Pest Management

Tea bushes are prone to attack by various pests like cater pillars, Loppers, Red Slug, Red Spider, Helopeltis, Thrips, Green Fly, etc. KTIL has experienced competent senior personnel in the garden, who controls pest by way of timely detection and spray of agro-chemicals. KTIL has also a policy of keeping adequate agro chemicals in stock in anticipation of pest attack during a particular month based on past behavior of pests. KTIL is working out on a plan on integrated pest management, which will promote the use of physical, biological and mechanical control methods, and the least possible use of agrochemicals.

Labour

Tea being a labour intensive industry is prone to loss of output due to labour unrest. KTIL provides its entire workforce employed in the estate along with their families access to drinking water, food, housing and basic medical care as per the guideline of Plantation Labour Act, 1951 and Assam Plantation Labour Rules. Workers are paid the official agreed wage as per the agreement entered into between the recognised trade union and KTIL. KTIL follows a strict 'Non-Discrimination Policy on the basis of race, creed,

Directors' Report (Contd.)

gender, political opinion and membership of trade union. KTIL always aim to maintain cordial relationship with its workforce.

Market Risk

The tea prices are volatile and affected by the conditions prevailing in the market. The inferior quality teas are affected more by volatility in prices in comparison to top quality teas. KTIL's thrust on making top quality teas minimized the risk due to volatility in prices.

Bought Leaf Operation

KTIL purchases green leaves from outside suppliers and produces it under a different mark called Lakmijan to protect its own mark Mackeypore. KTIL processes the bought leaves separately from its own leaves. The physical segregation of own tea leaves and bought leaves manufacturing process is clearly visible. The Company is vulnerable to volatility in selling price of tea made from bought leaves.

Risks due to Fire, Accident, Theft, Etc.

KTIL has taken appropriate insurance policy to safeguard itself against loss that may arise from risks associated with fire, earthquake etc.

Risk due to Fraud

KTIL has installed adequate internal control measures to minimise the occurrence of fraud and internal audit is also conducted at regular intervals by an external agency.

Risk of Doubtful and Bad Debt

The credit worthiness of sundry debtors is checked by the senior management to fix the credit period, if any to be given. The background check of new party is also carried out before deciding on the credit period.

Corporate Social Responsibility

The Corporate Social Responsibility Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board and the same can be viewed at <http://kancotea.in/pdf/2021-2022/CSR%20Policy.pdf>. The details on the CSR Committee are provided in the Report on Corporate Governance.

The Company's CSR activities shall primarily include one or more of the items covered under Schedule VII to the Act as detailed below: -

- (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health

care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;

- (ii) promotion of education including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- (iii) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- (iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund setup by the Central Government for rejuvenation of river Ganga;
- (v) protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- (vi) measures for the benefit of armed forces veterans, war widows and their dependents Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
- (vii) training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
- (viii) contribution to the prime minister's national relief fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the Central Government for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- (ix) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of

Directors' Report (Contd.)

Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).

(x) Rural development projects

(xi) Slum area development

For the purposes of this item, the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

and

(xii) Disaster management, including Relief, rehabilitation and reconstruction activities.

The average net profit for last three years to current financial year 2021-2022 was negative. Accordingly, there was no CSR expenditure for the financial year under review.

Subsidiaries, Joint Ventures and Associate Companies

As on 31st March, 2022, we have one wholly owned material subsidiary namely Winnow Investments and Securities Private Limited. During the year, the Board of Directors reviewed the affairs of the subsidiary. In accordance with Section 129(3) of the Companies Act, 2013, we have prepared the consolidated financial statement of the company and its subsidiary, which forms part of the Annual Report. The revenue and total comprehensive income of the subsidiary for the financial year ended 31st March, 2022 was Rs.55.55 Lakhs (P.Y Rs. 112 Lakhs) and Rs. (849.50) Lakhs (P.Y. Rs. 62.14 Lakhs) respectively. The total asset of the subsidiary as on 31st March, 2021 was Rs.2225.07 Lakhs (P.Y Rs. 3073.76 Lakhs). Further, a statement containing the salient features of the financial statement of our subsidiary in the prescribed format AOC-1 is annexed to the financial statements.

Deposits

During the year under review, the Company has not accepted any deposits, within the meaning of Section

73 of the Companies Act, 2013, read with the Companies (Acceptance of Deposits) Rules, 2014. Pursuant to Rule 2(c) (viii) of the Companies (Acceptance of Deposits) Rules, 2014, the Company has received money from its Directors, the details of which are provided in the Financial Statement.

Material Orders Passed by the Regulators /Courts/ Tribunal

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

Changes in the nature of business

During the year under review, there was no change in the nature of the business of the Company.

Internal Controls

The Company has an effective Internal Control system with reference to Financial Statements. The Audit Committee of the Board of Directors reviews the adequacy and effectiveness of the Internal Control System. The Company's internal Control System is commensurate with its size, scale and complexities of its operations.

Vigil Mechanism/ Whistle Blower policy

The Company has a Vigil Mechanism / Whistle Blower policy to report genuine concerns and grievances. Protected disclosures can be made by a whistle blower through an email or dedicated telephone line or a letter to the Chairman of the Audit Committee. The policy can be viewed at http://kancotea.in/pdf/Code%20of%20Conduct/VIGIL%20MECHANISM_WHISTLE%20BLOWER%20POLICY.PDF. During the year under review no cases were reported under Vigil Mechanism / Whistle Blower.

Stock Exchange

At present, the Company's equity shares are listed at BSE Limited (Scrip Code- 541005) and the Calcutta Stock Exchange Limited (Scrip Code-10014107) and Listing Fees for the financial year 2022-2023 has been paid.

Management Discussion and Analysis

Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34(3) read with Schedule V to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed herewith marked as Annexure D to this report.

Corporate Governance

The Report on Corporate Governance provisions in

Directors' Report (Contd.)

accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed herewith marked as Annexure E to this report.

Transfer to Investor Education and Protection Fund

During the year under review, the declared dividend (2013-2014) which remained unpaid or unclaimed for a period of seven years has been duly transferred by the Company to the Investor Education and Protection Fund (IEPF). Further, all shares in respect of which dividend remained unpaid or unclaimed for seven consecutive years, the corresponding shares were also transferred to the Demat Account of IEPF Authority.

Dividend which has remained unpaid or unclaimed out of the dividend declared by the Company for the year ended 31st March, 2015 will be transferred to the Investor Education and Protection Fund ("IEPF"), pursuant to Sections 124 and 125 of the Companies Act, 2013. Pursuant to Section 124(6) of the Companies Act, 2013 read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (the "IEPF Rules") as amended, the equity shares corresponding to the dividend for the financial year ended 31st March, 2015 onwards has remained unpaid or unclaimed for seven consecutive years will also be transferred to the demat account of the IEPF Authority. Thereafter no claim shall lie on the Company for the said unpaid or unclaimed dividend and equity shares. Shareholders will have to make their claims with the IEPF Authority following the appropriate rules in this regard.

In compliance with the said IEPF Rules, the Company had sent notices to all members who have not claimed dividend for seven consecutive years, published the requisite advertisements in the newspapers and had also informed Stock Exchanges where shares of the Company are listed.

List of shareholders whose dividend remains unclaimed as on the date of closure of financial year i.e 31st March, 2021 is available on the Company's website "www.kancotea.in". Further the list of shareholders whose shares are liable to be transferred to IEPF in FY 2022-2023 is available on the Company's website "www.kancotea.in".

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

As per the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and rules made thereunder, your Company has constituted Internal Complaints Committee (ICC) which is responsible for redressal of complaints related to sexual harassment.

The following is the summary of Sexual Harassment complaints received and disposed off during the year 2021-2022 by the respective Internal Complaints Committee:

No. of Complaints pending as on 1st April, 2021: Nil

No. of Complaints received: Nil

No. of Complaints Disposed off: Nil

No. of cases pending as on 31st March, 2022: Nil

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, as amended

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2021-2022 and the ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2021-2022 are as under:

Sl. No.	Name of Director/ KMP and Designation	Remuneration of Director/ KMP for financial year 2021-2022 (Rs. in Thousands)	% increase in Remuneration in the F.Y. 2021-2022	Ratio of remuneration of each Director to median remuneration of employees
1.	Mrs. Anuradha Kanoria, Whole-time Director	5932.64	4.50%	13.06
2.	Ms. Charulata Kabra, Company Secretary	1675.96	9.85%	5.04
3.	Mr. S.K.Parhi, Chief Financial Officer	2659.35	5.27%	8.15
4.	Mr. Umang Kanoria, Non-Executive Director	75.00	25.00%	0.17

Directors' Report (Contd.)

Sl. No.	Name of Director/ KMP and Designation	Remuneration of Director/ KMP for financial year 2021-2022 (Rs. in Thousands)	% increase in Remuneration in the F.Y. 2021-2022	Ratio of remuneration of each Director to median remuneration of employees
5.	Mr. Golam Momen, Independent Director	60.00	-	0.13
6.	Mr. Navin Nayar, Independent Director	60.00	-	0.13
7.	Mr .G.R.Banka, Non-Executive Director	60.00	-	0.13
8.	Mr. Om Kaul, Independent Director	45.00	-	0.10

- ii) the percentage increase in median remuneration of the employees of the Company- 50.07%
- iii) Number of permanent employees on the rolls of the Company- 2426
- iv) Average percentile increase already made in the last financial year
 - a) In the salaries of employees other than the managerial personnel-18.13%
 - b) Percentile increase in the managerial remuneration-6.32%
 - c) Justification for such increase in remuneration & exceptional circumstances for increase in the managerial remuneration –The fixed part of salary paid to Whole-time Director is as per the agreement signed pursuant to passing of resolution by the members at the general meeting. The increase in salary of KMP other than Whole-time Director is as per experience, qualification, market trends and industry bench mark.
- v) Ratio of remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year- Not applicable as there are no employees receiving higher remuneration than the highest paid director.
- vi) It is hereby affirmed that the remuneration paid to the directors, key managerial personnel and other employees is as per the remuneration policy of the company.

Note- Liability for gratuity and leave encashment as required by Indian Accounting Standard 19 (Ind AS-19) is provided on actuarial valuation report for the Company as a whole. The amount pertaining to individual employee is not ascertainable and therefore not included in the above calculation.

Particulars of Employees

The Company has no employee, who were in receipt of remuneration of more than Rs.1.02 Crores per annum during the year ended 31st March, 2022 or of more than Rs. 8.50 Lakhs per month during any part thereof. The disclosures pertaining to remuneration and other particulars as prescribed under the provisions of Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 are annexed herewith marked as Annexure F to this report.

Acknowledgement

Your Directors place on record their appreciation for the cooperation and support extended by the Employees, Banks/ Financial Institutions and all other business partners.

For and on behalf of the Board of Directors

Place: Kolkata
Dated: 26th May, 2022

U.Kanoria
Chairman & Director
DIN: 00081108

Directors' Report (Contd.)

Annexure A

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2022

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

To
The Members,
Kanco Tea & Industries Limited
Jasmine Tower
31, Shakespeare Sarani, 3rd Floor
Kolkata - 700 017

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Kanco Tea & Industries Limited** having its Registered Office at Jasmine Tower, 31, Shakespeare Sarani, 3rd Floor, Kolkata – 700017, West Bengal (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31.03.2022 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.

Auditors' Responsibility

Maintenance of Secretarial Records is the responsibility of the management of the Company. My responsibility is to express an opinion on existence of adequate Board process and compliance management system, commensurate to the size of the Company, based on these secretarial records as shown to me during the said audit and also based on the information furnished to me by the officers' and the agents of the Company during the said audit.

I have followed the audit practices and processes as were appropriate to the best of my understanding 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. I believe that the processes and practices, I followed, provide a reasonable basis for my opinion.

I have not verified the correctness, appropriateness and bases of financial records, books of accounts and decisions taken by the Board and by various committees of the Company during the period under scrutiny. I have checked the Board process and compliance management system to understand and to form an opinion as to whether there is an adequate system of seeking approval of respective committees of the Board, of the Board, of the members of the Company and of other authorities as per the provisions of various statutes as mentioned hereinafter.

Wherever required I have obtained the management representation about the compliance of the laws, rules and regulations and happening of events, etc.

The Compliance of the provisions of Corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. My examination was limited to the verification of compliance procedures on test basis.

My report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness or accuracy with which the management has conducted the affairs of the Company.

I report that, I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31.03.2022 according to the provisions of (as amended) :

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) Secretarial Standards as issued by The Institute of Company Secretaries of India;
- (iii) The Securities Contracts (Regulation) Act, 1956 and the rules made there under;
- (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (v) Foreign Exchange Management Act, 1999 and the rules and regulation made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:

Directors' Report (Contd.)

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 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 regarding the Companies Act and dealing with client;
- (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has specifically complied with the provisions of the following Act:

1. Food Safety and Standards Act, 2006
2. Tea Act, 1953
3. Tea Waste Control Order, 1959
4. Tea (Marketing) Control Order, 2003
5. Tea (Distribution & Export) Control Order, 2005
6. Plant Protection Code (Formulated by Tea Board of India)
7. Plantations Labour Act, 1951 and Rules framed thereunder to the extent of its applicability to the Company during the financial year ended 31.03.2022 and my examination and reporting is based on the documents, records and files as produced and shown to and the information and explanations as provided to me by the Company and its management and to the best of my judgment and understanding of the applicability of the different enactments upon the Company. Further, to the best of my knowledge and understanding there are adequate systems and processes in the Company commensurate with its size and operation to monitor and ensure compliances with applicable laws.

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

During the period under review, provisions of the following regulations/guidelines/standards were not applicable to the Company:

- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (ii) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (iii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (iv) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2018;
- (v) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021.

I further report that:

- (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- (b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (c) Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.
- (d) 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.

I further report that:

- (a) Post cessation of Mr. Om Kaul, Independent Director, w.e.f. 10.02.2022, the Board had less number of Independent Directors than required as on 31.03.2022; however, another Independent Director has been appointed w.e.f. 6th May, 2022, i.e. within 3 months of the aforesaid cessation in compliance with the provisions of the Act and the Listing Regulations.

(Asit Kumar Labh)

Practicing Company Secretary
ACS – 32891 / C.P. No. – 14664
UDIN: A032891D000400742

Place: Kolkata
Date: 26.05.2022

Directors' Report (Contd.)

Annexure B

Form No. MR-3 -SECRETARIAL AUDIT REPORT

For The Financial Year Ended on 31st March, 2022

[Pursuant to Regulation 24A of the Securities and Exchange Board of India
(Listing Obligations and Disclosure Requirements) Regulations, 2015(as amended)]

To,
The Members,
WINNOWN INVESTMENTS AND SECURITIES PRIVATE LIMITED

Jasmine Tower, 3rd Floor,
31, Shakespeare Sarani,
Kolkata – 700017

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **WINNOWN INVESTMENTS AND SECURITIES PRIVATE LIMITED (CIN: U65910WB2015PTC205912)** (hereinafter called the **"Company"**) for the financial year ended **31st March, 2022** (the "Audit Period"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the company's corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to me and the representations made by the Management, I hereby report that in my opinion, the Company has, during the Audit Period, 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:-

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Audit Period according to the provisions of:

- (i) The Companies Act, 2013 (the **"Act"**) and the Rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 (**"SCRA"**) and the Rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

During the Audit Period, provisions of the following acts, rules, regulations and guidelines were not applicable to the Company:

- i) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- ii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:-
 - a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations")
 - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
 - i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.*

*The Company being a 'material subsidiary' of Kanco Tea & Industries Limited (KTIL) in terms of Regulation 16(1) (c) of the Listing Regulations is covered by KTIL's Code of Conduct framed under the Securities and Exchange Board

Directors' Report (Contd.)

of India (Prohibition of Insider Trading) Regulations, 2015.

I have also examined compliance by the Company with the applicable clauses of the Secretarial Standard on Meetings of Board of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

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

I further report that:

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and the Listing Regulations.
- b) Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

- c) All decisions of the Board were unanimous and the same was captured and recorded as part of the minutes.
- d) 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.
- e) As per the Audited Financial Statements of the Company as on 31st March, 2022, the Financial Assets are less than 50% of the Total Assets. Hence, the Company has ceased to fulfill the Principal Business Criteria (asset-income pattern) of an NBFC.
- f) The Company is a material subsidiary of Kanco Tea & Industries Limited in terms of Regulation 16(1)(c) of the Listing Regulations.

This Report is to be read with my letter of even date which is annexed as **"ANNEXURE – A"** and forms an integral part of this Report.

For **AMBER AHMAD & ASSOCIATES**

Company Secretaries

CS AMBER AHMAD

Proprietor

Place: Kolkata

Date: 16th May, 2022

UDIN: F009312D000330193

Membership No.: FCS 9312

C.P. No.: 8581

PR No.: 1339/2021

Directors' Report (Contd.)

ANNEXURE – A

To,

The Members,

WINNOW INVESTMENTS AND SECURITIES PRIVATE LIMITED

Jasmine Tower, 3rd Floor,
31, Shakespeare Sarani,
Kolkata – 700017

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

MANAGEMENT'S RESPONSIBILITY

1. It is the responsibility of management of the Company to maintain secretarial records and to ensure compliance of the provisions of corporate and other applicable laws, rules, regulations, standards.

AUDITOR'S RESPONSIBILITY

2. My responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances and my examination was limited to the verification of procedures on test-check basis.
3. I have followed the audit practices and processes as were appropriate to the best of my understanding 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. I believe that the processes and practices I followed, provide a reasonable basis for my opinion.

4. Wherever required, I have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

DISCLAIMER

5. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted affairs of the Company.
6. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

For **AMBER AHMAD & ASSOCIATES**
Company Secretaries

CS AMBER AHMAD
Proprietor

Place: Kolkata
Date: 16th May, 2022
UDIN: F009312D000330193

Membership No.: FCS 9312
C.P. No.: 8581
PR No.: 1339/2021

Directors' Report (Contd.)

Annexure C

A statement pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 on conservation of energy, technology absorption, foreign exchange earning & outgoings

a. Conservation of energy-

(i) the steps taken for conservation of energy: -

The Company is aware of the importance of energy conservation in decreasing the inimical effects of global warming and climate change. The Company has undertaken various energy conservation measures for reducing the carbon foot print.

Major energy conservation initiatives taken during the year under review are: -

- The Company had installed 11 nos. Automatic Gas Modulating Burners in Driers, which will result in saving of natural gas.
- The Company has replaced CFL Bulbs with LED Bulbs in Factory and Bungalows.

(ii) the steps taken by the company for utilising alternate sources of energy: -

The Company is exploring the option of installation of solar power project at its tea estates.

(iii) the capital investment on energy conservation equipment: - Rs.38.49 Lakhs

b. Technology absorption-

(i) the efforts made towards technology absorption

The Company has three tea estates in state of Assam and manufactures tea at its factory. The cultivation of tea is basically an agricultural operation. The Company is improving the field practices at field and the manufacturing process at factory indigenously.

The Company has adopted the following to mitigate the shortage of workers and reduce the cost of production: -

- JCB is used for uprooting of old tea bushes

- Tractor Mounted Pit Digger and Augor is used for digging holes for planting of teas in uprooted areas.

- Tea Pruners and Power Sprayers are used for pruning, spraying of pesticides and foliar application.

The Company processes vermicomposting at its tea estates to reduce the use of chemical fertilizers.

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution

The Company has derived benefit in terms of reducing cost of production, mitigating shortage of labour to some extent and improvement in quality of work.

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) - Not Applicable

(iv) the expenditure incurred on Research and Development

The Company subscribes to Tea Research Association which is registered under Section 35(1) (ii) of the Income Tax Act, 1961, to carry out R&D work for Tea industry and their expert advice is also taken through visits by their Advisory Officers to the estates from time to time.

The Company has given a subscription of Rs. 8,19,356/- to Tea Research Association during the year under review.

c. Foreign exchange earnings and Outgo

The Company has not made any direct export but its teas are sold to merchant exporters. The Company continues its efforts to find a suitable market for direct export of its teas.

Particulars	Rs. in Thousands
1. Foreign Exchange earned in terms of Actual Inflows	Nil
2. Foreign Exchange Outgo	4395.56

For and on behalf of the Board of Directors

U.Kanoria

Chairman & Director

DIN: 00081108

Place: Kolkata

Dated: 26th May, 2022



Management Discussion and analysis Report

Overview

The Company's business is Plantation, Manufacture and Sale of Black Teas. Tea Industry is seasonal in nature and the production is carried out from March to December. The Company has been improvising field practices on a consistent manner for better output. The Company being a producer of premium quality teas has been able to cater to the needs of its valued customers. The Company being in quality segment will gain from increase in average realisation of quality teas.

a) Industry structure and developments: India being the largest producer of black tea, produced 1344.40 million kgs of tea as against 1283.03 million kgs of tea during the year ended 31st March, 2022. The all India auction average price was Rs.171.08 for the F.Y. 2021-2022 as against Rs.196.97 for the F.Y. 2020-2021. (Source: Tea Board of India).

The Tea Industry is divided into two segments viz, top

quality segment and medium & low segment. The increase in availability of cheap teas has a negative impact on prices of all category of teas.

b) Opportunities & Threats: India is the world's second largest tea consumer and the per capita consumption of teas in India is increasing every year. The customers nowadays prefer quality tea and willing to pay more for the same. Increasing consumer awareness for quality, branding and promotion will have positive impact on prices in domestic market.

The share of the unorganised sector is near about 51% at present. The cost of production of unorganized sector is significantly lower because they don't provide various social security benefits as mentioned in Plantation Labour Act, which the organized sector provides. The lower cost of production of teas produced by small growers, climate change, stiff competition from Kenya, Srilanka, China over pricing in export market and shortage of labour poses a threat to the Industry.

c) Segment analysis and review:

Particulars	Units	2021-2022	Units	2020-2021
Production of Black Tea	Kgs	35,08,710	Kgs	29,72,266
Sale of Black Tea	Kgs	34,33,257	Kgs	29,73,321
Average Realisation	Rs./Kg.	243.07	Rs./Kg.	274.89
Profit before Interest but after Depreciation	Rs. in Lakhs	1603.39	Rs. in Lakhs	1347.30

d) Outlook: Kenya is dominating the international market with low selling prices. India has lost market share of CTC Teas to Kenya. The exports scenario of Orthodox Teas is bright due to the prevailing economic crisis in Srilanka and it's a ray of opportunity for the tea industry. The production in the current season is higher due to favourable weather conditions and the same will exert downward pressure on prices. The Company's thrust in the current season is to further upgrade it's quality to move to better quality segment, which if succeeded, should pay better dividend.

e) Risks & Concerns: The tea Industry is largely dependent on vagaries of weather and weather plays a major role in determining the final output of produce. Both excess and scarcity of rainfall play havoc with the

final output of produce.

The Tea Industry is highly labour intensive and is subject to stringent labour laws. The cost of production is substantially higher compared to other tea producing countries and as compared to Small Tea Growers sector due to high labour wage and social cost. Any further increase in wage will substantially hit the bottom line.

The share of unorganized section in Indian Tea Industry is increasing year to year basis and their cost of production is significantly lower than organised section because they operate in a totally different cost structure. To mitigate various type of risks that the Company has to face, the Board of Directors of the Company has adopted a Risk Management Policy and

Management Discussion and Analysis (Contd.)

implemented the same.

f) Internal control systems and their adequacy:

The Company has adequate system of internal controls and necessary checks and balances are introduced/strengthened so as to ensure:-

- that its assets are safeguarded and protected against losses.
- that all transactions are authorised, recorded and reported properly.
- that accounting records are properly maintained and its financial statements are reliable.

The significant findings, if any, are placed before the Audit Committee of the Board and corrective measures are recommended for implementation. The internal audit reports are reviewed by the management and the Audit Committee.

There is no variation than that of as prescribed under

the various Accounting Standards as applicable to the Company in preparation of financial statements of the Company during the year under report

g) Discussion on financial performance with respect to operational performance:

The operational results declined due to lower average realisation price of teas as compared to previous year.

h) Information regarding Human Resources/ Industrial Relations:

The Company is an ISO 9001:2015 certified Company. The Company has a favourable working environment that motivates performance, customer focus and innovation and adheres to the highest degree of quality and integrity amongst employees. Industrial relations at the Company remain cordial. Manpower employed with the Company as at 31st March, 2022 was 2426 compared to 2455 as on 31st March, 2021.

i) Details of Significant Changes in Key Financial Ratios

Sl.	Key Financial Ratios	2021-22	2020-21	Difference
1.	Debtors Turnover	61.65	61.92	(0.43)%
2.	Inventory Turnover	14.38	16.06	(10.46)%
3.	Interest Coverage Ratio	5.65	7.20	(22.00)%
4.	Current Ratio	0.51	0.54	(6.00)%
5.	Debt Equity Ratio	0.58	1.23	(53.00)%
6.	Operating Profit Margin	0.22	0.20	10.00%
7.	Net Profit Margin	0.15	0.12	20.85%

Notes on significant changes in financial ratios, where change is more than 25%:

The main difference is on account of increase in profit by the Company in the year under review.

k) Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof:

Key Financial Ratios*	2021-22	2020-21	Difference
Return on Net Worth	0.38	0.51	(26.32)%

Notes on significant changes in financial ratios, where change is more than 25%:

Though the profit after tax in f.y. 21-22 is higher than that in f.y. 20-21, the return on Net Worth declined mainly on account of increase in value of net worth in f.y.21-22 & 20-21 due to higher profit registered by the company.

Cautionary Statement

The statements in this report describing the company's policy, strategy, projections, estimation and expectations may appear forward looking statements within the meaning of applicable securities laws or regulations. These statements are based on certain assumptions and expectations of future events and the actual results could materially differ from those expressly mentioned in this Report or implied for various factors including those mentioned in the paragraph "Risks and Concerns" herein above and subsequent developments, information or events.

For and on behalf of the Board of Directors

U.Kanoria

Chairman & Director
DIN:00081108

Place: Kolkata
Dated: 26th May, 2022



Corporate Governance Report

Annexure E

In compliance with Regulation 34(3) and Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance for the financial year 2021-2022 is as below:

1. Company's Corporate Governance Philosophy

The Company's corporate culture vests in the strictest standards of integrity and transparency by adhering to the policies laid down by the Board of Directors comprising of Industrialists and Professionals. The corporate governance is based on the two most important principles of team-work and professionalism where the Shareholders, Customers, Financial Institutions/Banks, Employees and other Stakeholders are the main constituents of the 'team'. The Company has adopted a Code of Conduct for the Independent Directors, Senior Management and other Employees of the Company and a Vigil Mechanism/Whistle Blower Policy is in place for the employees of the Company under the Chairmanship of the Audit Committee Chairman.

The Company places great emphasis on values such as empowerment and integrity of its employees. The Company is committed to transparency in decision making process, fair and ethical dealings with all its business associates and last but not the least, accountability to all the stakeholders. The Company's business objective is to manufacture and market the products where quality deservingly receives all the attention on a consistent basis with the ultimate aim of bringing full satisfaction to all concerned.

2. Board of Directors

Composition, Attendance at the Board Meetings and the last Annual General Meeting ('AGM'), Outside Directorships and other Board Committees:

Name of Directors	Category of Director	Other Listed Entities where the person is director	Category of Directorship in the Listed Entities	No. of other directorships ^a	No. of other Board Committees ^b in which he /she is		Attendance at previous AGM on 07/09/2021	No. of Board Meetings attended
					Member	Chairman		
Mr. Umang Kanoria ^c DIN:00081108	Promoter-Chairman and Non-Executive Director	Stel Holdings Limited Saregama India Limited Kanco Enterprises Limited	Independent Non-Executive Director Independent Non-Executive Director Promoter-Chairman and Managing Director	6	3	2	Present	5
Mrs. Anuradha Kanoria ^c DIN:00081172	Promoter & Executive Director	Dhunseri Ventures Limited	Independent Non-Executive Director	2	1	--	Present	5
Mr. Golam Momen DIN: 00402662	Independent Non-Executive Director	Harrisons Malayalam Ltd Baghmari Tea Co. Ltd The Scottish Assam (India) Ltd Bengal Tea & Fabrics Ltd	Independent Non-Executive Director Independent Non-Executive Director Independent Non-Executive Director Independent Non-Executive Director	5	5	4	Present	4

Corporate Governance Report (Contd.)

Name of Directors	Category of Director	Other Listed Entities where the person is director	Category of Directorship in the Listed Entities	No. of other directorships ^a	No. of other Board Committees ^b in which he /she is		Attendance at previous AGM on 07/09/2021	No. of Board Meetings attended
					Member	Chairman		
Mr. Navin Nayar DIN: 00136057	Independent Non-Executive Director	Bengal Tea & Fabrics Ltd Cheviot Co. Ltd Amar Vanijya Limited Kilburn Engineering Limited	Independent Non-Executive Director Independent Non-Executive Director Independent Non-Executive Director Non-Independent Non-Executive Director	10	1	3	Present	4
Mr. Govind Ram Banka DIN: 00207385	Non-Executive Director	–	–	1	–	–	Present	4
Ms. Shruti Swaika DIN: 07659238	Independent Non-Executive Director	–	–	2	2	–	–	–
Mr. Om Kaul ^p DIN: 00020821	Independent Non-Executive Director	–	–	–	–	–	Present	3

- Directorship of Public Limited Companies and deemed Public Companies only.
- Chairmanship/Membership of Audit Committee & Stakeholders Relationship Committee only
- Mr. Umang Kanoria and Mrs. Anuradha Kanoria are related as spouse.
- Mr. Om Kaul resigned w.e.f 10th February, 2022

None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees as specified in Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Independent Directors do not serve in more than 7 listed companies.

The details of Familiarisation Programme imparted to Independent Directors can be viewed at http://kancotea.in/pdf/Code%20of%20Conduct/Disclosure%20pursuant%20to%20Regulation%2046%20of%20SEBI_LODR_Regulations%202015-Familiarisation%20Programme.pdf.

Meetings of the Board

During the year 2021-2022, the Board of Directors met 5(five) times on the following dates: 10th June, 2021,

28th June, 2021, 13th August, 2021, 13th November, 2021 and 14th February, 2022.

Information about the Directors seeking appointment/reappointment

Mr. Govind Ram Banka (DIN: 00207385) is retiring by rotation and being eligible offers himself for reappointment. The Board of Directors in their meeting held on 6th May, 2022 approved the appointment of Ms. Shruti Swaika (DIN: 07659238) as Independent Director for a period of (5)five years with effect from 6th May, 2022, subject to approval of the shareholders. The Board of Directors in their meeting held on 26th May, 2022 also approved the appointment of Mr. Umang Kanoria (DIN: 000811108) as the Managing Director of the Company for 3(three) years, subject to approval of the shareholders. Details of the Directors to be appointed / reappointed have been provided in the Notice of the 39th AGM of the Company.

Matrix highlighting core skills/expertise/competencies of the Board of Directors:

The Board of Directors have identified the following skills required for the Company and the availability of such skills with the Board:

Corporate Governance Report (Contd.)

Skills and its description

	Mr. Umang Kanoria	Mrs. Anuradha Kanoria	Mr. Golam Momen	Mr. Navin Nayar	Mr. Govind Ram Banka	Ms. Shruti Swaika
Understand Company's structure, policies and culture (including its mission, vision, values, goals, current strategic plan, governance structure, role of staff)	√	√	√	√		√
Understand the Industry in which the Company operates and threats/challenges & emerging opportunities.	√	√	√	√		√
Ability to inspire and empower others, including the recruitment and monitoring of new leaders	√	√				
Financial and Management Skills, Understanding the financial statements, financial control and risk management.	√	√	√	√	√	√
Professional skills and specialized knowledge in relation to Tea industry	√	√	√			
Corporate Governance and Administration: Formulating guideline to develop Board and management accountability	√	√		√		√
Use resources effectively to achieve set goals, including organizing tasks, delegating responsibilities that use people's skills efficiently and directing other resources.	√	√				

The Company has received declarations on the criteria of Independence as prescribed in Section 149(6) of the Companies Act, 2013 and Regulation 16 (1) (b) from all the Independent Directors of the Company as on 31st March, 2022. They have also registered themselves in the databank with the Institute of Corporate Affairs of India as an Independent Director as per Rule 6(1) of the Companies (Appointment and Qualifications of Directors) Rules, 2014.

Based on the declarations received from the Independent Directors, the Board confirms that the Independent Directors fulfil the conditions specified in Section 149 of the Companies Act, 2013 and as mentioned under Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015 and that they are Independent of the Management

The Independent Directors of the Company have held a separate meeting on 14th March, 2022, without presence of Non-Independent Directors and the Management. The Meeting was attended by all the Independent Directors.

Mr. Om Kaul (DIN: 00020821) has tendered his resignation as Independent Director of the Company

due to his advanced age and related health issues. Mr. Kaul in his resignation letter has confirmed that that there were no other material reasons other than that cited, for his resignation from the Board of the Company.

3. Audit Committee

Audit Committee of the Board of Directors consists of 3 (three) Directors namely, Mr. Navin Nayar, Non-Executive Independent Director, Mr. Golam Momen, Non-Executive Independent Director and Mr. Govind Ram Banka, Non-Executive Director. All the members of the Audit Committee possess financial/accounting expertise/exposure. The composition, quorum, powers, role and scope are in accordance with Section 177 of the Companies Act, 2013 read with rules made thereunder and the provisions of Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Audit Committee acts as a link between the Internal and Statutory Auditors and the Board of Directors. Mr. Navin Nayar, Non-Executive Independent Director is the Chairperson of the Audit Committee. The Company Secretary of the Company acts as the Secretary of the

Corporate Governance Report (Contd.)

Committee. The Chairperson of the Committee was present at the last AGM of the Company.

Terms of Reference-

- oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - (a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - (b) changes, if any, in accounting policies and practices and reasons for the same;
 - (c) major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) significant adjustments made in the financial statements arising out of audit findings;
 - (e) compliance with listing and other legal requirements relating to financial statements;
 - (f) disclosure of any related party transactions;
 - (g) modified opinion(s) in the draft audit report;
- reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- approval or any subsequent modification of transactions of the listed entity with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the listed entity, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- discussion with internal auditors of any significant findings and follow up there on;
- reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern;
- to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- to review the functioning of the whistle blower mechanism;
- approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the audit committee.
- reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees

Corporate Governance Report (Contd.)

100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

- Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
- Reviewing the following information:
 - (1) management discussion and analysis of financial condition and results of operations;
 - (2) statement of significant related party transactions (as defined by the audit committee), submitted by management;
 - (3) management letters / letters of internal

control weaknesses issued by the statutory auditors;

- (4) internal audit reports relating to internal control weaknesses; and
- (5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- (6) statement of deviations:
 - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus /notice in terms of Regulation 32(7).

Attendance at and dates of Audit Committee meetings held are as follows:

Name of Directors	Attendance at the Meeting				
	12.05.2021	28.06.2021	13.08.2021	13.11.2021	14.02.2022
Mr. Navin Nayar	Present	Present	Present	Present	Present
Mr. Golam Momen	Present	Present	Present	Present	Present
Mr. Govind Ram Banka	Present	Present	Present	Present	Present

4. Nomination and Remuneration Committee

Nomination and Remuneration Committee of the Board of Directors consists of the Directors namely, Mr. Golam Momen, Non-Executive Independent Director, Mr. Govind Ram Banka, Non-Executive Director and Mr. Navin Nayar, Non-Executive Independent Director. Mr. Golam Momen, Non-Executive Independent Director is the Chairman of the Nomination and Remuneration Committee. The Committee's constitution and terms of reference are in compliance with Section 178 of the Companies Act, 2013 read with rules made thereunder and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Chairperson of the Committee was present at the last AGM of the Company.

Terms of Reference-

- formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the

remuneration of the directors, key managerial personnel and other employees;

- formulation of criteria for evaluation of performance of independent director and the board of directors;
- devising a policy on diversity of board of directors;
- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- recommend to the board all remuneration, in whatever form, payable to senior management

Attendance at and date of Nomination and Remuneration Committee meeting held is as follows:

Corporate Governance Report (Contd.)

Name of Directors	Attendance at the Meeting	
	12.05.2021	24.09.2021
Mr. Golam Momen	Present	Present
Mr. Govind Ram Banka	Present	Present
Mr. Navin Nayar	Present	Present

Remuneration policy of the Company is based on the need to attract the best available talent and is in line with the Industry. The Company pays sitting fees at the rate of Rs. 15,000/- (Rupees Fifteen Thousand only) per meeting to the Non-Executive Directors for attending Meeting of the Board. No remuneration is paid to the Non-Executive Directors for attending Committee Meetings and any other Meetings.

The total remuneration paid to the Directors during the period is within the threshold as prescribed under Regulation 17 of the SEBI (LODR) Regulations, 2015, as amended.

Remuneration of Directors for the financial year ended 31st March, 2022 and their shareholding in the Company:

Name of Directors	Sitting Fees	Salaries and Perquisites	Total	Service Contract / Notice Period	No. of Shares held
Mr. Umang Kanoria	75,000	–	75,000	–	–
Mrs. Anuradha Kanoria	Nil	59,26,882/-	59,26,882/-	1.12.2019 to 30.11.2024 / 6 months	549441
Mr. Golam Momen	60,000	–	60,000	–	195
Mr. Govind Ram Banka	60,000	–	60,000	–	–
Mr. Navin Nayar	60,000	–	60,000	–	–
Mr. Om Kaul	45,000	–	45,000	–	–

Currently, the Company does not have any stock option scheme.

No Non-Executive Director has been paid in excess of fifty percent of the total amount paid to all the Non-Executive Directors of the Company.

The Policy on Nomination, Remuneration and Performance Evaluation of Directors as framed by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company is as follows:

I. Criteria for selection of members on the board of directors and senior management

The Committee has adopted the following criteria for selection of members on the Board of the Company and also candidates eligible to be appointed in the senior management of the Company.

A) Criteria for Selection of Directors

Before making any recommendation to the Board for appointment of any director, the Committee shall ensure that the candidate:

- possess positive attributes/qualities such as leadership, accumenship, and experience in running industrial units, entrepreneurship or such other attributes which in the opinion of the Committee the candidate possess, and are in the interest of the Company.
- is not disqualified under Sections 164 and 167 of the Companies Act, 2013
- complies with the conditions of being independent as stipulated under the Companies Act, 2013 and Listing Agreement entered into with Stock Exchanges in case of appointment as an independent director.

Corporate Governance Report (Contd.)

- d) possesses appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, corporate governance, technical operations, infrastructure or such other areas or disciplines which are relevant for the Company's business.

B) Criteria for selection of Senior Management Personnel

The term Senior Management shall have the same meaning as provided under the explanation to Section 178 of the Companies Act, 2013. The Committee shall, before making any recommendation to the Board for appointment should ensure that the candidate has the following attributes:

- rich experience in any of the areas viz. banking, financial management, legal, sales, marketing, administration, corporate governance, technical operations, or such other areas or disciplines which in the opinion of the management and committee are relevant for the Company's business.
- possesses qualities that demonstrate leadership skills, decision making skills, effective communication, hard work, commitment and such other attributes which in the opinion of the Committee the candidate possess and are in the interest of the Company.

If the Committee after due deliberation finds that the candidate meets the above criteria for appointment (as director on the Board or in senior management), then it shall make its recommendation to the Board.

Any amendment to the above criteria for directors and senior management shall be subject to the prior approval of the Committee and any such amendment shall be informed to the Board of Directors.

II. Remuneration policy for directors, senior management and Key managerial Personnel

A) Remuneration of Managing Director, Whole Time Director and Manager:

The Committee while considering the remuneration of the Managing Director, the Whole-time Director and Manager (wherein

there is no Managing Director), may take into consideration the performance, the experience of the person, his/her background, job-profile and suitability, his/her past remuneration, the comparative remuneration profile in the industry, size of the company, responsibilities shouldered by the Managing Director / Whole-time Director etc., provided that any remuneration considered by the Committee shall be in accordance and within the limits stipulated under the Companies Act, 2013.

B) Remuneration of Non – Executive Director (NED)

- The remuneration to the NEDs may be restricted to the sitting fees being paid for attendance of the meeting of the Board of the Directors
- The Independent Directors of the Company shall be entitled to remuneration restricted to the sitting fees being paid for attendance of the meeting of the Board of the Directors provided that any sitting fees paid to the Independent Director shall not be less than the sitting fees paid to non-executive directors.
- Independent Directors shall not be eligible for stock options of the Company, if any.

C) Remuneration of Senior Management Personnel and KMPs

The Remuneration of the Senior Management Personnel and KMPs shall be in accordance with the policy of the Company which is applicable to the employees. The Committee may consider the remuneration of a Senior Management Personnel keeping in view of the achieving yearly targets, Performance of Business/Functions under his control, contribution for long term & strategic growth of the Company.

III. Evaluation of performance of Directors

A) Evaluation of the performance of Managing Director / Whole Time Director

The performance of the Managing Director/Whole-time Director of the Company may be carried out taking into consideration the performance of the Company vis-à-vis the budgets as well as performance of its competitors, emphasis on achieving top line and bottom line targets, influencing the executives to achieve specific and

Corporate Governance Report (Contd.)

predetermined goals during the financial year, looking after the interest of Shareholders and ensuring sustained long-term goals.

B) Evaluation of the performance of Non-Executive Directors and Independent Directors (NEDs and IDs)

The Committee while evaluating the performance of the NEDs and IDs may take into consideration various factors as mentioned below:

- Attendance at Meetings – attendance at Board Meetings, AGMs, Committee Meetings
- Other Directorships held by the NED – in listed or unlisted companies
- Other companies in which NED is a Chairperson
- Participation at Board/Committee Meetings
- Input in strategy decisions
- Review of Financial Statements, risks and business performance
- Time devoted towards discussion with Management
- Review of Minutes – Board Minutes, Committee Meeting Minutes and AGM Minutes

The policy can be viewed at <http://www.kancotea.in/pdf/2017-2018/NOMINATION%20AND%20REMUNERATION%20POLICY.pdf>

5. Stakeholders Relationship Committee

Stakeholders Relationship Committee of the Board

consists of the Directors Mr. Umang Kanoria, Non-Executive Director, Mrs. Anuradha Kanoria, Executive Director, Mr. Navin Nayar, Non-Executive Independent Director and Mr. Govind Ram Banka, Non-Executive Director. Mr. Umang Kanoria, Non-Executive Director is the Chairman of the Stakeholders Relationship Committee. The Committee's constitution and terms of reference are in compliance with Section 178 of the Companies Act, 2013 read with rules made thereunder and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Chairperson of the Committee was present at the last AGM of the Company.

Terms of Reference-

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

Attendance at and date of Stakeholders Relationship Committee meeting held is as follows:

Name of Directors	Attendance at the Meeting			
	12.05.2021	30.09.2021	28.10.2021	07.02.2022
Mr. Umang Kanoria	Present	Present	Present	Present
Mrs. Anuradha Kanoria	Present	Present	Present	Present
Mr. Govind Ram Banka	Present	Present	Present	Present
Mr. Navin Nayar	Present	Present	Present	Present

Corporate Governance Report (Contd.)

During the year 2021-2022, the Company has received NIL complaints from the Shareholders. The status of Investor Complaints with the regulatory authorities is as follows:

Sl No.	Investor Complaints	Number
1.	Investor Complaints received during the year	Nil
2.	Investor Complaints resolved till 31 st March 2022	Nil
3.	Investor Complaints not solved to the satisfaction of the members	Nil
4.	Complaints pending as at 31 st March, 2022	Nil

6. Share Transfer Committee

Board of Directors has delegated power of approving transfer/transmission/ Remat/Demat of shares, to a Share Transfer Committee. The Share Transfer Committee of the Board of Directors consists of the Directors namely, Mr. Umang Kanoria, Non-Executive Director, Mrs. Anuradha Kanoria, Executive Director and Mr. Govind Ram Banka, Non-Executive Director. Mr. Umang Kanoria is the Chairman of the Share Transfer Committee.

Attendance at and date of Share Transfer Committee meeting held are as follows:

Name of Directors	Attendance at the Meeting	
	12.05.2021	13.08.2021
Mr. Umang Kanoria	Present	Present
Mrs. Anuradha Kanoria	Present	Present
Mr. Govind Ram Banka	Present	Present

Ms. Charulata Kabra, Company Secretary is the Compliance Officer of the Company.

No request for transmission / transposition /rematerialisation were received during the financial year ended 31st March, 2022.

7. Finance and Investment Committee

The Board of Directors has delegated powers specified under Section 179(3)(d), Section 179(3)(e) and Section 179(3)(f) of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 with regard to borrowing, investing the fund and granting loans or giving guarantee or providing security in respect of loans. The Committee comprises of the following Directors viz, Mr. Umang Kanoria, Non-Executive Director, Mrs. Anuradha Kanoria, Executive Director and Mr. Govind Ram Banka, Non-Executive Director.

Attendance at and date of Finance and Investment Committee meetings held are as follows:

Name of Directors	Attendance at the Meeting		
	05.04.2021	01.10.2021	13.11.2021
Mr. Umang Kanoria	Present	Present	Present
Mrs. Anuradha Kanoria	Present	Present	Present
Mr. Govind Ram Banka	Present	Present	Present

Corporate Governance Report (Contd.)

8. Corporate Social Responsibility Committee

In accordance with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has constituted a Corporate Social Responsibility (CSR) Committee. The Committee comprises of the following Directors viz, Mr. Umang Kanoria, Non-Executive Director, Mr. Govind Ram Banka, Non-Executive Director and Mr. Navin Nayar, Non-Executive Independent Director. Mr. Umang Kanoria, Non-Executive Director is the Chairman of the CSR Committee.

Attendance at and date of Corporate Social Responsibility Committee meetings held is as follows:

Name of Directors	Attendance at the Meeting
	12.05.2021
Mr. Umang Kanoria	Present
Mr. Govind Ram Banka	Present
Mr. Navin Nayar	Present

9. General Body Meetings

a) Location, Venue, Dates and time of last three Annual General Meetings(AGM) held:-

Year	Kind of Meeting	Venue	Date	Time	No. of special resolution passed
April 2020, March 2021	38 th Annual General Meeting	Kanco Tea & Industries Limited, Jasmine Tower, 3 rd Floor, 31, Shakespeare Sarani, Kolkata – 700017	7 th September, 2021	2:00 p.m.	--
April 2019, March 2020	37 th Annual General Meeting	Kanco Tea & Industries Limited, Jasmine Tower, 3 rd Floor, 31, Shakespeare Sarani, Kolkata – 700017	15 th September, 2020	2:00 p.m.	1*
April 2018, March 2019	36 th Annual General Meeting	Bharatiya Bhasha Parishad, Fourth Floor, 36A Shakespeare Sarani, Kolkata-700017	13 th August, 2019	2:00 p.m.	2 [#]

* To appoint a director in place of Mr. Govind Ram Banka (DIN: 00207385), who retires by rotation and being eligible, offers himself for re-appointment.

To re-appoint Mr. Golam Momen as an Independent Director of the Company

To re-appoint Mr. Navin Nayar as an Independent Director of the Company

b) No Extra-Ordinary General Meeting of the shareholders was held during the year.

c) No Postal ballot was conducted during the Year. None of the resolutions proposed at the ensuing Annual General Meeting need to be passed by Postal Ballot.

10. Means of Communication

Half-yearly report to shareholders, Quarterly Results, Newspaper in which published, Website etc.

The Quarterly, Half-yearly and Annual Results are generally published by the Company in English (Financial Express/ Business Standard) and Vernacular (Sukhabar/Arthik Lipi) dailies. Official news releases/ notices etc, the Quarterly and Annual Results are sent to the Calcutta Stock Exchange Limited and BSE Limited, where shares of the Company are listed, immediately on approval from the Board of Directors and are also posted on the Company's web site i.e www.kancotea.in. Annual Report containing Notice of the Annual General Meeting, Annual Audited Financial Statement, Directors' Report, Auditors' Report alongwith the disclosures and reports required to form part of the Annual Report is circulated to the Members and those entitled thereto. The Annual Report is displayed on the Company's Website www.kancotea.in.

Corporate Governance Report (Contd.)

11. General Shareholder Information

Annual General Meeting

Date and Time	Friday, 5 th August, 2022 at 2:00 p.m.
Deemed Venue	Kanco Tea & Industries Limited, Jasmine Tower, 3 rd Floor, 31 Shakespeare Sarani, Kolkata-700017

Financial Year : 1st April, 2022 to 31st March, 2023

Adoption of Quarterly / Annual Result	Adoption on or before (Tentative)
Unaudited Results for 1 st quarter ending 30 th June, 2022	14 th August, 2022
Unaudited Results for 2 nd quarter ending 30 th September, 2022	14 th November, 2022
Unaudited Results for 3 rd quarter ending 31 st December, 2022	14 th February, 2023
Audited Results for the Year ending 31 st March, 2023	30 th May, 2023
Annual General Meeting for the year ending 31 st March, 2023	August / September, 2023

Dates of Book Closure : Saturday, 30th July, 2022 to Friday, 5th August, 2022
(both days inclusive)

Listing on Stock Exchanges and Scrip Code

Equity Shares of the Company are listed at

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai – 400 001
(Scrip Code/ID- 541005 / KANCOTEA)

The Calcutta Stock Exchange Ltd
7, Lyons Range,
Kolkata – 700001
(Scrip Codes- 10014107 & 14107)

The Company has paid the listing fees to the Stock Exchanges for the financial year 2022-2023.

ISIN for Dematerialisation: INE398L01017

Market Price Data: High/Low in each month of Financial Year ended 31st March, 2022

Month	April'21	May'21	June'21	July'21	Aug'21	Sept'21	Oct'21	Nov'21	Dec'21	Jan'22	Feb'22	March'22
High (Rs.)	49.00	83.00	78.00	81.30	82.75	69.65	92.00	83.90	84.20	103.25	91.80	89.85
Low (Rs.)	37.55	43.40	66.15	65.50	59.20	60.10	66.50	69.05	71.50	75.05	70.00	72.90
Volume	30,863	1,30,070	1,12,824	81,009	61,118	42,353	98,388	44,670	72,157	1,52,802	62,888	37,071

Performance in comparison to broad based indices:

Particulars	31.03.2022	31.03.2021	Change (%)
Share Price of KTIL (Rs.)	81.50	47.00	73.40%
V/s BSE Sensex	58568.51	50136.58	16.82%

Corporate Governance Report (Contd.)

Registrar and Transfer Agent ('RTA'): Share Transfer System

M/s C.B. Management Services (P) Limited, P-22 Bondel Road, Kolkata – 700019 is the Registrar and Share Transfer Agent (RTA).

All transfers, transmissions or transpositions of the shares of the Company are completed in compliance with the requirement of Regulation 40 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Share transfer requests, valid and complete in all respects are normally processed within a maximum period of 15 days. As per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from 1st April, 2019 unless the securities are held in the dematerialised form with the depositories. According to the Listing Regulations, no shares can be transferred unless they are held in dematerialised mode. Therefore, for effecting any transfer, the securities shall mandatorily be required to be in demat form. Hence, Members holding shares in physical form are requested to dematerialize their holdings.

Further, SEBI vide its Circular no. SEBI/HO/ MIRSD/ RTAMB/CIR/P/2020/166 dated 7th September, 2020 has fixed 31st March, 2021 as the cutoff date for re-lodgement of physical share transfer requests and has

provided that such transferred shares shall be issued only in demat mode. The Company has received no such request for transfer of securities held in physical mode during the financial year 2021-22.

The Securities and Exchange Board of India vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/ CIR/2021/655 dated 3 November, 2021 read with SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/ CIR/2021/687 dated 14th December, 2021 (the "SEBI Circulars") has mandated furnishing of PAN, Nomination details, Contact details (postal address with PIN, Mobile Number and E-mail address), Bank Account details (Bank name and branch, bank account number, MICR, IFSC Code) and Specimen Signature through Forms ISR-1, ISR-2, ISR-3, SH-13 and SH-14. The requisite forms were sent to all the physical shareholders and are also made available for download in the company's website.

Further, in pursuance of the SEBI Circular dated 25/1/2022 no further physical share certificates will be issued, instead a "Letter of Confirmation" will be sent to the shareholders on their request through ISR – 4 (Service Request) at their registered address with the Company for the purpose of dematerialization of shares through DP within 120 days of the date of letter.

Compliance Officer

Name: Ms. Charulata Kabra

Designation: Company Secretary and Compliance Officer

Telefax – (033) 2281 5217

E-mail: compliance@kancotea.in

Categories of Shareholding as on 31st March, 2022

Category	Number of Shares held	% of Total Shares
Promoters including Persons deemed to be Acting in Concert	3603882	70.35
Mutual Funds/ UTI	15804	0.31
Financial Institutions/Banks	75	0.00
State Government	4491	0.09
Others (including Corporate Bodies)	1498575	29.25
Total	5122827	100.00

Dematerialisation of Shares and Liquidity:

As on 31st March, 2022, 47,76,931 Equity Shares of the Company of Rs. 10/ each, representing 93.25% of the total paid up Equity Capital of the Company stands dematerialised.

The Company has entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) whereby shareholders have an option to dematerialise their shares with either of the Depositories.

Corporate Governance Report (Contd.)

Dematerialisation of Shares – Process

Shareholders who continue to hold shares in physical form are requested to dematerialize their Shares at the earliest and avail the benefits of dealing in shares in demat form. For convenience of shareholders, the process of getting the shares dematerialized is given hereunder:

- Demat account should be opened with a Depository Participant (DP).
- Shareholders should submit the Dematerialization Request Form (DRF) along with share certificates in original, to their DP.

- DP will process the DRF and will generate a Dematerialization Request Number (DRN).
- DP will submit the DRF and original share certificates to the Registrar and Transfer Agents (RTA).
- RTA will process the DRF and confirm or reject the request to DP/ depositories.
- Upon confirmation of request, the shareholder will get credit of the equivalent number of shares in his demat account maintained with the DP.

Outstanding ADRs/GDRs/Warrants or any convertible instruments, conversion date and likely impact on equity: - Not Applicable.

Distribution of Shareholding as on 31st March, 2022

Category	Shares		Shareholders	
	Numbers	% to Shares	Number	% of Shareholders
1-500	346873	6.78	9509	97.06
501-1000	103125	2.01	141	1.44
1001-2000	81553	1.60	56	0.57
2001-3000	68322	1.33	27	0.28
3001-4000	34700	0.68	10	0.10
4001-5000	88114	1.72	19	0.19
5001-10000	79644	1.55	11	0.11
10001-50000	278416	5.43	12	0.12
50001-100000	253500	4.95	3	0.03
AND ABOVE	3788580	73.95	9	0.10
TOTAL	5122827	100.00	9797	100.00

Plant Location: The Company's plant is located at:

Mackeypore Tea Estate
Bamonpookrie Tea Estate
P.O Nazira 785 685
Dist. Sivasagar (Assam)
Telephone: (03772)215317/18

Address for correspondence:

Kanco Tea & Industries Limited
Jasmine Tower, 3rd Floor
31 Shakespeare Sarani,
Kolkata-700017
Telefax (033) 2281 5217
Email for investors: compliance@kancotea.in

C.B. Management Services (P) Limited
P-22 Bondel Road, Kolkata – 700 019
Phone: 033-40116700, 22806692/93/94/2486
email: rta@cbmsl.com

12. Disclosures

a. Compliances with Governance Framework

The Company is in compliance with all mandatory requirements under the Listing Regulations.

b. Related party transactions

There were no materially significant Related Party Transactions made by the Company with its Promoters, Directors or their relatives, or the management etc. that may have potential conflict with the interests of the Company at large during

Corporate Governance Report (Contd.)

the financial year. Related party transactions have been disclosed under significant accounting policies and notes forming part of the Financial Statements in accordance with "IND AS". As required under Regulation 23(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has formulated a policy on dealing with Related Party Transactions. The Policy is available on the website of the Company viz. www.kancotea.in. The policy can be viewed at <http://kancotea.in/pdf/2021-2022/POLICY%20ON%20DEALING%20WITH%20RELATED%20PARTY%20TRANSACTIONS%20AND%20MATERIALITY%20OF%20RELATED%20PARTY%20TRANSACTIONS.pdf>.

As per disclosures received from Senior Management Personnel, they have not entered into any material, financial or commercial transactions, which may have a potential conflict with the interest of the Company at large.

c. Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during last three Financial Years.

The Company has complied with all requirements specified under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as other regulations and guidelines of SEBI. Consequently, there were no strictures or penalties imposed by either SEBI or Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets during the last three Financial years.

d. Vigil Mechanism / Whistle Blower Policy

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairman of the Audit

Committee in exceptional cases. None of the personnel of the Company have been denied access to the Audit Committee. The Whistle Blower Policy is displayed on the Company's website viz. www.kancotea.in. The Vigil Mechanism/Whistle Blower policy can be viewed at http://kancotea.in/pdf/Code%20of%20Conduct/VIGIL%20MECHANISM_WHISTLE%20BLOWER%20POLICY.PDF

e. Disclosure of Accounting Treatment

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

f. List of all credit Ratings

The ratings assigned by ICRA for Short-term Borrowings and Long-term Borrowings of the Company during the relevant financial year are BBB- and A3.

g. Commodity price risk and Commodity hedging activities

The Company does not have material exposure of any commodity and accordingly, no hedging activities for the same are carried out. Therefore, there is no disclosure to offer in terms of SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated November 15, 2018.

h. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A). Not Applicable

i. A certificate from a Company Secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

The Certificate of Company Secretary in practice is annexed herewith as a part of the report.

j. Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year. Not Applicable.

Corporate Governance Report (Contd.)

k. Total fees for all services paid by the listed entity to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

Details relating to fees paid to the Statutory Auditors are given in Note 34.1 to the Financial Statements.

l. Subsidiary Company

The Company has one wholly owned Material subsidiary as on date- Winnow Investments and Securities Private Limited. The Board of Directors of the Company has approved a Policy for determining Material Subsidiaries which is in line with the Listing Regulations. The said policy can be viewed at <http://kancotea.in/pdf/2019-2020/POLICY%20ON%20DETERMINING%20%E2%80%98MATERIAL%E2%80%99%20SUBSIDIARY.pdf>

m. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The details of number of complaints filed and disposed of during the year and pending as on March 31, 2022 is given in the Directors' report.

n. The Company and its subsidiary- Winnow Investments and Securities Private Limited has not given any loans/advances to firms/Companies in which Directors are interested.

o. In compliance to Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the affirmation of compliance of Code of Conduct for the year 2021-2022 has been received from all the Board Members and Senior Management Personnel.

p. There are no pecuniary relationships or transactions with Non-Executive Independent Directors, other than those disclosed in this report.

q. The Company has transferred Rs. 323475 unclaimed dividend and 4205 Equity Shares to Investor Education & Protection Fund (IEPF) during the year.

r. Pursuant to Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company and its material subsidiary- Winnow Investments and Securities Private Limited

undertook secretarial audit and the secretarial audit reports given by the respective company secretaries in practice forms part of 39th Annual Report of the Company.

s. The Company has complied with all the mandatory requirements specified in Regulation 17 to 27 and clauses (b) to (i) and (t) of sub-regulation (2) of regulation 46 of the SEBI (LODR) Regulations, 2015 and examining the implementation of some of the non-mandatory requirements. The status of the non-mandatory requirements is as follows:

Non-mandatory requirements

- The Company has not adopted the practice of sending out half-yearly declaration of financial performance to shareholders. Quarterly results as approved by the Board are disseminated to Stock Exchanges and updated on the website of the Company.
- In accordance with the provisions of Section 138 of the Companies Act, 2013, the Company has appointed an Internal Auditor who reports to the Audit Committee. Internal audit reports are submitted to the Audit Committee which reviews the audit reports and suggests necessary action.

CEO and CFO Certification

As per Part B of Schedule II of SEBI (LODR) Regulations, 2015, the Chairman and the CFO of the Company certifies to the Board regarding the review of the Financial Statement, Compliance with the Accounting Standard, Maintenance of the Internal Control Systems for Financial Reporting and Accounting Policies etc.

Corporate Governance Compliance Certificate

As required by Schedule V of SEBI (LODR) Regulations, 2015, a Compliance Certificate from CS Asit Kumar Labh, Practicing Company Secretary, confirming compliance with the conditions of Corporate Governance and the same is attached to this Report forming part of the Annual Report.

For and on behalf of the Board of Directors

U.Kanoria

Chairman & Director
DIN: 00081108

Place: Kolkata
Dated: 26th May, 2022

Corporate Governance Report (Contd.)

Compliance with the Code of Conduct

As provided under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31st March, 2022.

Place: Kolkata
Dated: 26th May, 2022

A.Kanoria
Whole-time Director
DIN: 00081172

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members of
Kanco Tea & Industries Limited
Jasmine Tower
31, Shakespeare Sarani
3rd Floor
Kolkata - 700 017

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Kanco Tea & Industries Limited having CIN:L15491WB1983PLC035793 and having registered office at Jasmine Tower, 31, Shakespeare Sarani, 3rd Floor, Kolkata – 700017, West Bengal (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Umang Kanoria	00081108	23.09.2013
2.	Anuradha Kanoria	00081172	23.07.2009
3.	Golam Momen	00402662	29.04.2010
4.	Govind Ram Banka	00207385	25.03.2010
5.	Navin Nayar	00136057	29.04.2010

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This Certificate has been issued relying on the documents and information as mentioned herein above and as were made available to us or as came to our knowledge for verification without taking any cognizance of any legal dispute(s) or sub-judice matters which may have effect otherwise, if ordered so, by any concerned authority(ies). This certificate is also neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Kolkata
Date : 26.05.2022

CS Asit Kumar Labh
Membership No.: ACS 32891
CP No. : 14664
UDIN : A032891D000400753

Corporate Governance Report (Contd.)

Certificate on Corporate Governance to the Members of Kanco Tea & Industries Limited

To the Members of

Kanco Tea & Industries Limited

I have examined the compliance of conditions of Corporate Governance by Kanco Tea & Industries Limited ("the Company") in terms of Regulation 15(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, ("Listing Regulations") for the year ended 31.03.2022.

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

I further state such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

CS Asit Kumar Labh

Membership No.: ACS 32891

CP No. : 14664

UDIN : A032891D000400775

Place : Kolkata

Date : 26.05.2022

CEO/CFO Certification

We the undersigned in our respective capacities as Whole-time Director and Chief Financial Officer of Kanco Tea & Industries Limited ("the Company") to the best of our knowledge and belief certify that:

1. We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2022 and that to the best of our knowledge and belief we state that:-
 - these statements do not contain any materially untrue statement or omit any material fact nor contain statements that might be misleading;
 - these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. We further state that to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
4. We have indicated to the Auditors and the Audit Committee:
 - I. that there are no significant changes in internal control over reporting period during the year;
 - II. significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - III. that there are no instances of significant fraud of which we have become aware.

A. Kanoria

Whole-time Director
(DIN: 00081172)

S. K Parhi

Chief Financial Officer

Kolkata, 26th May, 2022

Information required under Regulation 39(4) read with Schedule VI to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to Shares issued under the Scheme of De-merger, remaining unclaimed and lying in the Escrow Account: -

Aggregate No. of Share Holders whose shares are lying in the Suspense Account as on 1/04/2021	338
Aggregate No. of Shares lying in the Suspense Account as on 1/04/2021	8472
Number of shareholders who approached issuer for transfer of shares from Suspense Account during the year	Nil
Number of shareholders to whom shares were transferred from Suspense Account during the year (** see note below)	29
Aggregate No. of Share Holders whose shares are lying in the Suspense Account as on 31/03/2022	309
Aggregate No. of Shares lying in the Suspense Account as on 31/03/2022	7803

**669 shares for 29 holders from Suspense account transferred to IEPF during the year

- 1) The voting rights on these shares (as on 31/03/2022) shall remain frozen till the rightful owner of such shares claims the shares.
- 2) In terms of the circulars issued by the Ministry of Corporate Affairs for transfer of shares to Investor Education and Protection Fund (IEPF) relevant to section 124(6) and 125 of the Companies Act 2013 read with IEPF(Accounting, Audit, Transfer and Refund)Rules 2016 and SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, all shares corresponding to shares in respect of which dividend has/have remained unpaid or unclaimed for consecutive 7 years shall be transferred to IEPF Authority. In accordance to the same relevant shares have been transferred to IEPF during the year and the balance 8472 shares remain in the Escrow Account as of 31st March, 2022.

KANCO TEA & INDUSTRIES LIMITED	STATUTORY REPORTS	STANDALONE FINANCIALS	CONSOLIDATED FINANCIALS

Annexure - F

Disclosure in Directors' Report Pursuant to Section 197(12) of the Companies Act, 2013 Read with Companies (Appointment And Remuneration of Managerial Personnel), Rules, 2014, as amended

Sl. No.	Employee Name	Designation	Remuneration Received	Qualification	Total Experience	Date of Commencement of Employment	Age	Particulars of Previous Employment		% of Shareholding
								Organisation	Designation	
1	Mrs. Anuradha Kanoria	Whole-time Director	59,26,882	B.A. (Hons.)	24	01/02/2010	60	Kanco Enterprises Limited	Executive	10.73
2	Mr. Subhra Kanta Parhi	Chief Financial Officer	26,59,336	ACA, CPA(Aust.) B.Com (Hons.)	21	01/04/2009	46	Kanco Enterprises Limited	Executive	
3	Mr. Satvik Kanoria	Vice President-Operations	18,00,000	BBA	3	01/06/2019	25	-	-	5.60
4	Ms. Charulata Kabra	Company Secretary	16,75,960	FCS, LLB, M.Com, B.Com (Hons.)	14	17/11/2015	38	Kanco Enterprises Limited	Company Secretary	
5	Mr. Umesh Kumar Singh	General Manager-(Estates)	16,69,740	B.E.(Mech.)	30	01/04/2009	55	Appejay Tea Limited	Factory Assistant Manager	
6	Mr. Ajay Kumar Tripathi	Group Commercial Manager	12,34,969	M.Com.	25	12/04/2011	51	Goenka Group of Companies	Commercial Executive	
7	Mr. C J Jose	Manager-Factory	11,68,164	B.Com	25	01/04/2009	56	Ghorajan Tea Co. Pvt. Ltd.	Factory Assistant Manager	
8	Mr. Sujeet Kumar Singh	Manager	11,38,228	B.Sc.(PCM)	22	02/01/2011	41	Sonabheel Tea Limited	Garden In Charge	
9	Mr.P.Dey	Manager (Accounts)	10,51,480	B.Com(Hons.)	28	01/04/2009	53	Sunrise Products Ltd	Accounts Assistant	
10	Mrs.Nilu Singh	Executive	10,41,800	B.A.	11	01/04/2011	53	First Employment	Executive	

Notes: -

1. Remuneration received includes salary, commission and allowances, medial and leave travel expenses, leave encashment paid, monetary value of perquisites as per Income Tax Rules and Company's contributions to Provident and Superannuation Funds.
2. Nature of employment is contractual in case of Wholetime Director.
3. In respect of all other employees, the nature of employment is non-contractual, terminable by notice on either side.
4. Mrs. Anuradha Kanoria is relative of Mr. Umang Kanoria, Director of the Company. Other employees mentioned above are not relative of any Director of the Company.

Independent Auditor's Report

TO THE MEMBERS OF

KANCO TEA & INDUSTRIES LIMITED

REPORT ON THE STANDALONE Ind AS FINANCIAL STATEMENTS

OPINION

We have audited the accompanying standalone financial statements of **KANCO TEA & INDUSTRIES LIMITED**, (hereinafter referred to as "the Company") which comprises the Balance Sheet as at 31st March, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information for the year ended on that date (hereinafter referred to as "Standalone Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid IndAS 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 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2022, its profit including other comprehensive income, its cash flow and the changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence, we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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 for the financial year ended 31st March, 2022. These matters were addressed in the context of our audit of financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in Auditor's responsibilities for the audit of the financial statements section of our report procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for audit opinion on the accompanying financial statements.

KEY AUDIT MATTERS	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTERS
Estimation of Useful life of Bearer Plants	
<p>The carrying value of Bearer Plants as on March 31, 2022 is Rs. 1250.36 lakhs</p> <p>Estimation of useful life of Bearer Plants requires the management to exercise significant judgement. The changes in natural factors may affect the useful life expectancy of such assets and consequently have an impact on the carrying value of these assets and depreciation expense.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> ➤ Assessed the management's estimate of useful life of Bearer Plants, for which we (1) evaluated the consistency of estimates with the Company's pattern of economic benefits embodied in such assets and future operating plans including acquisitions and retirements of the Bearer Plants; (2) compared the useful life estimates with those adopted by comparable tea producers, as per available external information; and (3) considered the Company's historical experience.

Independent Auditor's Report (Contd.)

KEY AUDIT MATTERS	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTERS
Estimation of Useful life of Bearer Plants	
<p>As per Ind AS 16 'Property, Plant and Equipment', the management reviews estimated useful life and residual value of Bearer Plants annually and account for changes, where appropriate.</p> <p>This matter is identified as a key audit matter due to significant estimates / judgment involved in estimating useful life for these assets.</p>	<ul style="list-style-type: none"> ➤ Evaluated the assumptions and critical judgements used by the management and tested the underlying supporting documents / details. ➤ Assessed the adequacy of related disclosures in the standalone financial statements.
Valuation of biological assets and agriculture produce	
<p>As required by Ind AS 41 "Agriculture", management estimates the fair value of unplucked tea leaves (biological assets) and plucked tea leaves (agriculture produce) as at the balance sheet date through the use of valuation model and recent transaction prices. As at March 31, 2022, the carrying value of biological assets included under current assets is Rs. 72.14 lakhs.</p> <p>Finished goods produced from agricultural produce are valued at lower of cost (arrived at by adding the cost of conversion to the fair value of agricultural produce) and the net realisable value.</p> <p>The biological assets are stated at fair value less costs to sell.</p> <p>Since there is no active market for harvested or unharvested tea leaves, significant judgement is involved in considering key assumptions used in determining average prevalent selling prices of tea leaves, average quality of tea leaves and quantity of unplucked leaves. Accordingly, this matter is identified as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> ➤ Understood, evaluated the design and tested the operating effectiveness of internal controls over valuation of biological assets and agriculture produce inventory. ➤ Assessed the significant assumptions used in the valuation model with reference to available market information, on measurement of such estimates. ➤ Tested the data inputs used in the fair valuation and compared them with underlying supporting documents. ➤ Assessed the adequacy of related disclosures in the standalone financial statements for compliance with disclosure requirements

OTHER INFORMATION

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report but does not include financial statements and our auditors' report thereon.

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

Independent Auditor's Report (Contd.)

RESPONSIBILITY OF MANAGEMENT FOR THE Ind AS FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these IndAS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement 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 RESPONSIBILITY 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 auditors' 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:

- a) 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;
- b) 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;
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- d) 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. 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

Independent Auditor's Report (Contd.)

concern; and

- e) 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 standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the 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 31st March, 2022 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, 2020 ("the Order") issued by the Government of India, Ministry of Corporate Affairs dated 25th February, 2020 in terms of sub-section 11 of section 143 of the Act, we give in the Annexure a statement on the matters specified therein, refer to Annexure "A"-a statement on the matters specified in the Paragraph 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 purpose 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, 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 Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015.
 - e) On the basis of written representations received from the directors as on 31st March, 2022 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) In our opinion, there exists adequacy of internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure "B" and

Independent Auditor's Report (Contd.)

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

In our opinion and to the best of our information & according to the explanation given to us, the remuneration paid to the directors by the company is in accordance with the said provision of Section 197 of the Act.

- h) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 37 of 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

- iv) a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities with the understanding, whether recorded in writing or otherwise, that the intermediary shall, :

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

- b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any other persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall :

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

- c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (iv)(a) and (iv)(b) contain any material mis-statement.

- v) The Company has declared dividend during the year under section 123 of the Companies Act 2013.

Flat No. 1B, 1st Floor, Embassy Building,
4, Shakespeare Sarani,
Kolkata – 700 071

For **NKSJ & Associates**
Chartered Accountants
Firm Registration No- 329563E
UDIN : 22234454AJPYRG7492

(CA Sneha Jain)

Partner

Membership No. 234454

Dated the 26th day of May, 2022

Annexure “A” to the Independent Auditor’s Report

REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE:

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. a) The Company has maintained proper records showing full particulars including, quantitative details and situation of Property, Plant and Equipment.
- b) The Company has maintained proper records showing full particulars of intangible assets.
- c) Property, Plant and Equipment have been physically verified by the management at reasonable intervals. We have been informed that no material discrepancies were noticed on such verification. The title deeds of immovable properties are held in the name of the Company except following :-

Description of the Property	Gross Carrying Value (Rs.in Lacs)	Held in the name of	Whether promoter, director or their relative of employee	Period held indicative range, where appropriate	Reason for not being held in the name of the Company also indicate if dispute
Land at Bamonpookrie Tea Estate	2440.27	Ryam Commerce & Plantations Limited	No	The Company is the beneficial owner since 01/03/2017 as per the Business Transfer Agreement executed with Ryam Commerce & Plantations Limited	The Company has applied for NOC for execution of conveyance deed on 05/06/2017 and the file is now with Deputy Secretary, Revenue & Disaster Management(s) Department, The Government of Assam, Assam Secretariat, Dispur
Bearer Plants at Bamonpookrie Tea Estate	377.08				
Building & Water Supply Installation	348.21				

- e) The Company has not revalued its Property, Plant and Equipment during the year ended 31st March, 2022. Hence the clause 3(i)(d) is not applicable during the year to the Company.
- f) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
2. a) As explained to us, inventory has been physically verified during the year by the management at reasonable intervals. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- b) Inventory lying with third parties has been confirmed by them as at 31st March, 2022 and no material discrepancies were noticed in respect of such confirmations. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
- c) The Company has been sanctioned working capital limits in excess of Rs. Five Crores in aggregate from banks and financial Institution during the year and the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company;
3. The Company has not granted any loan to a body corporate covered in the register maintained under Section 189 of the Companies Act, 2013.
 - 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 has not provided any guarantee to other entity on behalf of a company.
 - b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee to others.
 - c) The Company has not granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(c) to 3(iii)(f) of the Order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the

Annexure “A” to the Independent Auditor’s Report (Contd.)

provisions of Section 185 and 186 of the Act, with respect to loans and investments made.

5. The Company has not accepted deposits from the public covered within the meaning of directives issued by the Reserve Bank of India and provisions of Sections 73 to Section 76 or any other relevant provisions of the Act and rules framed there under are not applicable;
6. As per information & explanation given by the management, maintenance of cost records has been specified by the Central Government under sub section (1) of Section 148 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
7. a) According to the records of the company, undisputed statutory dues including Provident Fund, Employees State Insurance, Income-tax, Cess and Goods & Service Tax to the extent applicable and any other statutory dues have been regularly deposited with the appropriate authorities. According to the information and explanations given to us, there were no outstanding statutory dues as on 31st of March, 2022 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us and on the basis of the documents and records the disputed statutory dues which have not been deposited with the appropriate authorities are as under:

Serial No	Name of Statute	Nature of Dues	Financial Year to which the matter pertains	Amount in Rs.	Forum where dispute is pending
1.	West Bengal Value Added Tax Act, 2013	Sales Tax	2009-2010	7,94,960/-	West Bengal Commercial Taxes Appellate & Revision Board, West Bengal
2.	Income Tax Act, 1961	Income Tax Demand	2009-10	1,24,257/-	D.C.I.T. Circle 4(1)
3.			2016-17	40,41,850/-	D.C.I.T. Circle 4(1)
4.			2018-19	1,98,10,390/-	D.C.I.T. Circle 4(1)

8. Based on the audit procedures performed and the information and explanations given to us, we report that during the year, as reported by the management there were no transactions which were not recorded in the books of account and were liable to be surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
9. a) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of loans or borrowings to any bank during the year. Further, the Company does not have any debentures and loan from financial institution or government.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank or financial institution or government or government authority.
- c) In our opinion and according to the information and explanations given to us by the management, no term loans were obtained during the year.
- d) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.
- e) The Company has invested in a wholly owned subsidiary company. The Company does not have any associate or joint venture (as defined under Companies Act, 2013) during the year ended 31 March 2022.
- f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).
10. a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year;
- b) 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.

Annexure “A” to the Independent Auditor’s Report (Contd.)

11. a) Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.
- b) According to the information and explanations given to us and based on our examination of the records of the Company, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) According to the information and explanations given to us and based on our examination of the records of the Company, no whistleblower complaints have been received by the company during the year.
12. 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.
13. 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.
14. a) The company has an internal audit system commensurate with the size and nature of its business.
- b) The reports of the internal auditors for the period under audit of the company was considered by us at the time of conducting statutory audit.
15. 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.
16. a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- d) According to the information and explanation given to us by the management, the Group has no CIC, which is required to be registered with the Reserve Bank of India.
17. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not incurred cash losses in the Financial Year and in the immediately preceding financial year.
18. There has been no resignation of the statutory auditors during the year.
19. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and as informed by the Board of Directors, in our opinion, material uncertainty does not exist as on the date of the audit report and that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
20. According to the information and explanations given to us and based on our examination of the records of the Company, the company is not required to transfer unspent amount to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act, in view of there being no ongoing projects during the year.
21. This being the Standalone Auditors Report, the clause no. 3 (xxi) of the order relating to reporting on Consolidated Financial Statements for any qualifications or adverse remarks by the respective auditors in the Companies (Auditor’s Report) Order (CARO) is not applicable to these financial statements of the company.

Flat No. 1B, 1st Floor, Embassy Building,
4, Shakespeare Sarani,
Kolkata – 700 071

For **NKSJ & Associates**
Chartered Accountants
Firm Registration No- 329563E
UDIN : 22234454AJPYRG7492

(CA Sneha Jain)

Partner

Membership No. 234454

Dated the 26th day of May, 2022

Annexure “B” to the Independent Auditor’s Report

(REFERRED TO IN PARAGRAPH (h) UNDER “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE.)

REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (i) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 (“THE ACT”)

We have audited the internal financial controls over financial reporting of **KANCO TEA & INDUSTRIES LIMITED (“the Company”)** as of 31 March 2022 in conjunction with our audit of the standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

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”) issued by the institute of chartered accountants of India and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, 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 standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the standalone financial statements.

Annexure “B” to the Independent Auditor’s Report (Contd.)

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2022, 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.

Flat No. 1B, 1st Floor, Embassy Building,
4, Shakespeare Sarani,
Kolkata – 700 071

Dated the 26th day of May, 2022

For **NKSJ & Associates**
Chartered Accountants
Firm Registration No- 329563E
UDIN : 22234454AJPYRG7492

(CA Sneha Jain)

Partner

Membership No. 234454

Balance Sheet as at 31st March, 2022

(₹ in thousand)

	Note No.	As at 31st March, 2022	As at 31st March, 2021
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment	5	5,80,221.22	5,48,080.00
Capital Work-In-Progress	5A	7,632.08	1,255.80
Intangible Assets	6	1,737.06	2,004.08
Investments in Subsidiaries	7	9,600.00	9,600.00
Financial Assets			
Investments	8	1,43,160.50	1,01,735.19
Trade Receivables	9	1,594.54	1,616.60
Loans	10	151.50	175.14
Other Financial Assets	11	15,593.44	14,301.95
Other Non-Current Assets	12	2,486.69	2,546.56
Non-Current Tax Asset (Net)	13	6,956.91	4,787.96
CURRENT ASSETS			
Inventories	14	53,556.92	37,267.11
Biological Assets other than bearer plants	15	7,213.74	2,821.93
Financial Assets			
Trade Receivables	9	7,870.21	15,990.20
Cash and Cash Equivalents	16	5,665.35	23,016.59
Bank balances other than Note 16	17	4,245.86	1,937.54
Loans	10	299.63	22,612.42
Other Financial Assets	11	15,007.82	49.08
Other Current Assets	12	36,478.09	37,212.46
Total Assets		8,99,471.56	8,27,010.61
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	18	51,228.27	51,228.27
Other Equity	19	4,36,093.83	2,69,712.11
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	20	1,45,382.69	2,33,748.29
Trade Payables	21	2,546.64	2,941.00
Other Financial Liabilities	22	136.04	90.42
Provisions	23	24,915.86	30,808.82
Deferred Tax Liabilities (Net)	24	(19,388.16)	(23,019.58)
Other Liabilities	25	693.78	1,026.44
CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	26	1,26,358.15	1,43,284.35
Trade Payables	21	38,361.13	31,429.70
Other Financial Liabilities	22	64,027.27	61,535.27
Provisions	23	19,915.04	16,518.96
Other Liabilities	25	9,201.02	7,706.56
Total Equity and Liabilities		8,99,471.56	8,27,010.61
Basis of Accounting	2		
Significant Accounting Policies	3		
Significant Judgements & Estimates	4		

The Notes are an integral part of the Financial Statements
As per our Report annexed of even date

For **NKSJ & ASSOCIATES**

Chartered Accountants

Firm Registration No. 329563E

UDIN: 22234454JPYRG7492

CA. Sneha Jain

Partner

Membership No. 234454

Kolkata

Dated the 26th day of May, 2022

U. KANORIA

Chairman & Director

(DIN: 00081108)

C. KABRA

Company Secretary

S. K. PARHI

Chief Financial Officer

Statement of Profit & Loss for the year ended 31st March, 2022

(₹ in thousand)

	Note No.	For the year ended 31st March, 2022	For the year ended 31st March, 2021
INCOME			
Revenue from Operations	27	8,34,537.10	8,17,247.86
Other Income	28	1,08,805.87	3,667.69
Total Income		9,43,342.97	8,20,915.55
EXPENSES			
Cost of Materials Consumed	29	2,29,016.60	1,89,788.80
Changes in Inventories of Finished Goods, Stock-In-Trade	30	(9,424.04)	(7,408.77)
Employee Benefits Expense	31	3,56,028.05	3,04,452.28
Finance Costs	32	32,707.14	42,634.95
Depreciation and Amortisation Expense	33	24,516.18	22,942.47
Other Expenses	34	1,82,867.67	1,59,686.36
Total Expenses		8,15,711.60	7,12,096.09
(Loss) /Profit before Exceptional Item and Tax		1,27,631.37	1,08,819.46
Less:Exceptional Item		-	16,724.30
(Loss)/Profit before Tax		1,27,631.37	92,095.16
Tax Expense:	35		
Provision for Income Tax		1,027.14	5,427.52
MAT Credit Entitlement		(1,027.14)	(12,496.68)
Deferred Tax		4,658.56	(487.68)
(Loss)/Profit for the year		1,22,972.81	99,652.00
Other Comprehensive Income	36		
i. Items that will not be reclassified to profit or loss	36 A	48,531.74	(8,034.22)
ii. Income tax relating to these items		-	-
		48,531.74	(8,034.22)
Other Comprehensive Income for the Year (Net of Tax)		48,531.74	(8,034.22)
Total Comprehensive Income for the period		1,71,504.55	91,617.78
Earnings Per Share			
Nominal Value of Shares (₹)		10	10
Weighted Average Number of Ordinary Shares outstanding during the year		51,22,827	51,22,827
Basic & Diluted Earnings Per Share		24.00	19.45
Basis of Accounting	2		
Significant Accounting Policies	3		
Significant Judgements & Estimates	4		

The Notes are an integral part of the Financial Statements

As per our Report annexed of even date

For **NKSJ & ASSOCIATES**

Chartered Accountants

Firm Registration No. 329563E

UDIN: 22234454AJPYRG7492

CA. Sneha Jain

Partner

Membership No. 234454

Kolkata

Dated the 26th day of May, 2022

U. KANORIA

Chairman & Director

(DIN: 00081108)

C. KABRA

Company Secretary

S. K. PARHI

Chief Financial Officer

Cash Flow Statement for the year ended 31st March, 2022

(₹ in thousand)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
A CASH FLOW FROM OPERATING ACTIVITIES		
Net (Loss) / Profit Before Tax and after Exceptional items	1,27,631.37	92,095.16
Finance Cost	32,707.14	42,634.95
Depreciation (including amortization & impairment)	24,516.18	22,942.47
Changes in Fair Value of Biological Assets	(4,391.81)	(2,821.92)
Interest Received	(685.86)	(54.43)
Loss /(Profit) on Property, Plant and Equipment sold/discarded (Net)	(43.28)	667.04
Operating Profit/ (Loss) before Working Capital Changes	1,79,733.74	1,55,463.27
ADJUSTMENT FOR :		
Decrease in Trade Receivables	8,142.05	(7,526.86)
Decrease/(Increase) in Non-current & current financial assets	(16,247.88)	8,424.05
Decrease /(Increase) in Non-current & current assets	1,043.85	(257.07)
Decrease /(Increase) in Inventories & Biological Assets other than bearer plants	(16,289.81)	(1,796.53)
(Decrease)/ Increase in Trade Payables	6,537.07	(695.94)
(Decrease)/ Increase in Non-current & current financial liabilities	10,022.74	11,197.73
Increase /(Decrease) in Non-current & current liabilities	1,161.80	5,565.50
Increase /(Decrease) in Non-current & current provisions	4,609.55	74.40
Cash Generated from Operations	1,78,713.11	1,70,448.55
Income Tax (Paid)/ received (Net)	(3,196.10)	(5,888.25)
Net Cash Flow from Operating Activities	1,75,517.01	1,64,560.30
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	(63,123.68)	(45,652.40)
Sale of Property, Plant and Equipment	150.70	591.44
Purchase of Intangible Assets	-	(2,248.60)
Loan Given (Net)	22,336.43	(14,102.80)
Fixed Deposits & other bank balances	(2,308.32)	536.13
Interest Received	683.51	787.58
Net Cash flow from Investing Activities	(42,261.36)	(60,088.65)

Cash Flow Statement for the year ended 31st March, 2022 (Contd.)

(₹ in thousand)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
C CASH FLOW FROM FINANCING ACTIVITIES		
Increase / (Decrease) in Short Term Borrowings from Banks	(16,926.20)	(57,437.93)
Increase / (Decrease) in Long Term Borrowings	(88,365.60)	14,465.07
Finance Cost	(40,192.26)	(49,728.34)
Dividend Paid	(5,122.83)	-
Net Cash flow from Financing Activities	(1,50,606.89)	(92,701.20)
Net Increase / (Decrease) in Cash and Cash Equivalents	(17,351.24)	11,770.45
Cash and Cash Equivalents at the beginning of the year	23,016.59	11,246.14
Cash and Cash Equivalents at the end of the year	5,665.35	23,016.59

Notes:

- (1) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in IND AS -7 "Statement of Cash Flows" referred to in the Companies (Accounts) Rules, 2016.
- (2) Previous year's figures have been re-grouped/re-arranged wherever necessary.

The Notes are an integral part of the Financial Statements

As per our Report annexed of even date

For **NKSJ & ASSOCIATES**

Chartered Accountants

Firm Registration No. 329563E

UDIN: 22234454AJPYRG7492

CA. Sneha Jain

Partner

Membership No. 234454

Kolkata

Dated the 26th day of May, 2022

U. KANORIA

Chairman & Director

(DIN: 00081108)

C. KABRA

Company Secretary

S. K. PARHI

Chief Financial Officer

Statement of Changes in Equity for the year ended March 31, 2022

(₹ in thousand)

a. Equity Share Capital

Balance as at 31st March 2020	51,228.27
Add/(Less): Changes during the year 2020-21	-
Balance as at 31st March 2021	51,228.27
Add/(Less): Changes during the year 2021-22	-
Balance as at 31st March 2022	51,228.27

b. Other Equity

Particulars	General Reserve	Preference Share Redemption Reserve	Retained Earnings	Other Comprehensive Income		Total
				Equity Instrument through Other Comprehensive Income	Remeasurement of Defined Benefit Plans	
Balance as at 31st March, 2020	73,126.87	4,000.00	58,773.34	44,430.23	(2,236.11)	1,78,094.33
Profit for the Year	-	-	99,652.00	-	-	99,652.00
Change in Fair Value	-	-	-	1,739.02	-	1,739.02
Remeasurement Gain/(Loss) (Net of Tax)	-	-	-	-	(9,773.24)	(9,773.24)
Total Comprehensive Income	-	-	99,652.00	1,739.02	(9,773.24)	91,617.78
Balance as at 31st March, 2021	73,126.87	4,000.00	1,58,425.34	46,169.25	(12,009.35)	2,69,712.11
(Loss)/Profit for the Year	-	-	1,22,972.81	-	-	1,22,972.81
Change in Fair Value	-	-	-	41,425.31	-	41,425.31
Remeasurement Gain/(Loss) (Net of Tax)	-	-	-	-	7,106.43	7,106.43
Total Comprehensive Income	-	-	1,22,972.81	41,425.31	7,106.43	1,71,504.55
Final Dividend Paid	-	-	5,122.83	-	-	5,122.83
Total Distribution	-	-	5,122.83	-	-	5,122.83
Balance as at 31st March, 2022	73,126.87	4,000.00	2,76,275.32	87,594.56	(4,902.92)	4,36,093.83

The Notes are an integral part of the Financial Statements

As per our Report annexed of even date

For **NKSJ & ASSOCIATES**

Chartered Accountants

Firm Registration No. 329563E

UDIN: 22234454AJPYRG7492

CA. Sneha Jain

Partner

Membership No. 234454

Kolkata

Dated the 26th day of May, 2022

U. KANORIA

Chairman & Director

(DIN: 00081108)

C. KABRA

Company Secretary

S. K. PARHI

Chief Financial Officer

Notes to the Standalone Financial Statements *for the year ended 31st March, 2022*

1. CORPORATE AND GENERAL INFORMATION

Kanco Tea & Industries Limited (the company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on two stock exchanges in India. The company is engaged in the manufacturing and selling of black tea. The company caters to only the domestic market. The food safety system and the quality management system of Mackeypore Tea Estate has been assessed and found to meet the requirement of ISO 22000:2018 Food Safety Management. The quality management system of Mackeypore Tea Estate has been assessed and found to meet the requirements of ISO 9001:2015.

2. BASIS OF ACCOUNTING

2.1. Statement of Compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended), other relevant provisions of the Act and other accounting principles generally accepted in India. The accounting policies are applied consistently to all the periods presented in the financial statements.

The financial statements of the Company for the year ended 31st March, 2022 has been approved by the Board of Directors in their meeting held on 26th May, 2022.

2.2. Basis of Accounting

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

- Certain Financial Assets and Liabilities is measured at Fair value/ 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 thousands 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.

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

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

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.

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 gardens, is measured at fair value less cost to sell at the point of harvest of tea leaves.
- **Stores and Spare Parts:** Stores and Spare Parts are measured at cost (measured at weighted average basis) or net realizable value whichever is lower.

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

- **Finished Goods:** Finished goods produced from agricultural produce are valued at lower of cost and the net realizable value. Cost is arrived at by adding the cost of conversion to the fair value of agricultural produce.
- **Stock in Trade:** Stock in Trade is measured at cost (i.e., purchase cost) or net realizable value whichever is lower.
- **Waste/ Scrap:** Waste and Scrap (including tea waste) are valued at estimated realizable value.

3.2. CASH AND CASH EQUIVALENTS

Cash and cash equivalent in the balance sheet comprise cash at banks and in 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 in hand, deposits and other short-term highly liquid investments as defined above, 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 profit or 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.

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

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 tangible fixed assets is provided under Straight Line 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 of).
- Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3.4.1.4. Disposal of Assets

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

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

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-line 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.
- Estimated useful life of the bearer plants has been determined to be 50 years. The residual value in case of Bearer Plants has been considered as NIL.

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. REVENUE RECOGNITION

Revenue is recognised based on nature of activity when consideration can be reasonably measured and recovered with reasonable certainty. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment, but excludes amounts collected on behalf of third parties, such as sales tax and value added tax and is reduced for estimated customer returns, rebates and other similar allowances.

3.5.1. Sale of Products:

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and significant risk and reward incidental to sale of products is transferred to the buyer, usually on delivery of the goods.

3.5.2. Other Income:

- 3.5.2.1. Interest Income:** For all debt instruments measured either at amortized cost or at fair value through other comprehensive income (FVTOCI), interest income is recorded using the effective interest rate (EIR). 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.

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

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

3.5.2.3. 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.

3.6. EMPLOYEE BENEFITS

3.6.1. 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.

3.6.2. Other Long Term Employee Benefits

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

3.6.3. Post Employment Benefits

The Company operates the following post employment schemes:

➤ Defined Contribution Plan

Defined contribution plans such as Provident Fund, Superannuation Fund, labour Welfare Fund etc. are charged to the statement of profit and loss as and when incurred. There are no other contribution payable to the respective funds.

➤ 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.

3.7. 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.

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

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.

3.8. 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).

3.9. 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 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. The Company considers a period of twelve months or more as a substantial period of time.
- 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.

3.10. INVESTMENT IN SUBSIDIARIES

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

3.11. 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.

3.11.1. 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:

Notes to the Standalone Financial Statements *for the year ended 31st March, 2022 (Contd.)*

- o Measured at Amortized Cost;
- o Measured at Fair Value Through Other Comprehensive Income (FVTOCI);
- o Measured at Fair Value Through Profit or Loss (FVTPL); and
- o Equity Instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

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

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

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

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

- o Measured at FVTPL: FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL. In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss. Equity instruments which are, held for trading are classified as at FVTPL.
- o Equity Instruments measured at FVTOCI: For all other equity instruments, which has not been classified as FVTPL as above, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. In case the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment.

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

➤ **Derecognition:**

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

➤ **Impairment of Financial Assets:**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS – 109 requires expected credit losses to be measured through a loss allowance. The company recognizes lifetime expected losses for all contract assets and/ or all trade receivables that do not constitute a financing transaction. 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.

3.11.2. Financial Liabilities

➤ **Recognition and Initial Measurement:**

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

➤ **Subsequent Measurement:**

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

➤ **Financial Guarantee Contracts:**

Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirement of Ind AS 109 and the amount recognized less cumulative amortization.

➤ **Derecognition:**

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

3.11.3. Offsetting financial instruments

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

3.12. 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.

Notes to the Standalone Financial Statements *for the year ended 31st March, 2022 (Contd.)*

3.13. 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.

3.14. Provisions, Contingent Liabilities and Contingent Assets

3.14.1. 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.

3.14.2. 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.

3.14.3. 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.

3.15. Intangible Assets

3.15.1. 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.

3.15.2. 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.

3.15.3. Amortization

- Intangible assets are amortized over their estimated useful lives.
- 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.

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

3.15.4. 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.

3.16. Biological Assets and Agricultural Produce

3.16.1. Biological Assets

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

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

3.16.2. 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.

3.17. Operating Segment

Operating Segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors. Segments are organized based on businesses which have similar economic characteristics as well as exhibit similarities in nature of production processes, the type and class of customer and distribution methods. Accordingly, the company has only one segment i.e., Manufacturing of Black Tea.

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

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

- **Recognition of Deferred Tax Assets:** The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits.
- **Useful lives of depreciable/ amortisable assets (tangible and intangible):** Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to actual normal wear and tear that may change the utility of plant and equipment.

Notes to the Standalone Financial Statements *for the year ended 31st March, 2022 (Contd.)*

- **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:** The fair value of Biological Assets is determined based on recent transactions entered into with third parties or available market price.

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

5. PROPERTY, PLANT AND EQUIPMENT

(₹ in thousands)

Particulars	Year Ended 31st March 2022						Net Carrying Amount
	Gross Block			Accumulated Depreciation			
	As at 1st April 2021	Additions	Disposal / Adjustments	As at 31st March 2022	As at 1st April 2021	Deductions / Adjustments For the Year	
Land Freehold	2,44,026.60	-	-	2,44,026.60	-	-	-
Buildings & Water Supply Installation	1,10,561.26	24,935.34	-	1,35,496.60	12,688.99	3,922.10	16,611.09
Plant & Equipments	1,32,040.37	8,929.32	13.05	1,40,956.64	46,495.83	12,899.42	59,395.25
Furniture and Fixtures	6,356.78	462.27	158.28	6,660.77	3,008.55	620.84	3,518.75
Motor Vehicles	34,874.94	7,742.08	115.60	42,501.42	18,679.43	3,940.53	22,551.09
Bearer Plants	1,10,607.61	14,428.78	-	1,25,036.39	9,514.76	2,866.26	12,381.02
Total	6,38,467.56	56,497.79	286.93	6,94,678.42	90,387.56	24,249.15	1,14,457.20
						179.51	5,80,221.22

Particulars	Year Ended 31st March 2021						Net Carrying Amount
	Gross Block			Accumulated Depreciation			
	As at 1st April 2020	Additions	Disposal / Adjustments	As at 31st March 2021	As at 1st April 2020	Deductions / Adjustments	
Land Freehold	2,44,026.60	-	-	2,44,026.60	-	-	2,44,026.60
Buildings & Water Supply Installation	93,690.68	16,870.58	-	1,10,561.26	9,272.51	3,416.48	97,872.27
Plant & Equipments	1,17,205.12	17,128.48	2,293.23	1,32,040.37	35,531.72	12,096.92	85,544.54
Furniture and Fixtures	5,916.86	439.92	-	6,356.78	2,341.00	667.55	3,348.23
Motor Vehicles	32,796.45	2,321.88	243.39	34,874.94	14,661.80	4,162.96	16,195.51
Bearer Plants	1,00,299.57	10,383.53	75.49	1,10,607.61	7,243.57	2,346.68	1,01,092.85
Total	5,93,935.28	47,144.39	2,612.11	6,38,467.56	69,050.60	22,690.59	5,48,080.00
						1,353.63	90,387.56

Notes:

5.1 Refer note no. 39 for information on inventories pledged as securities by the Company.

5.2 Refer note no. 38 for disclosure of contractual commitments for the acquisition of Property, Plant & Equipments.

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

(₹ in thousand)

5A. Capital-Work-In-Progress

Particulars	As at 31st March, 2022	As at 31st March, 2021
CWIP Less than 1 year	7,429.61	1,255.80
CWIP 1-2 Years	202.47	-
	7,632.08	1,255.80

6. INTANGIBLE ASSETS

Particulars	Year Ended 31st March 2022								
	Gross Carrying Amount				Accumulated Amortization				Net Carrying Amount
	As at 1st April 2021	Additions	Disposal / Adjustments	As at 31st March 2022	As at 1st April 2021	For the Year	Disposal / Adjustments	As at 31st March 2022	
Computer Software	2,347.56	-	-	2,347.56	343.48	267.02	-	610.50	1,737.06
Total	2,347.56	-	-	2,347.56	343.48	267.02	-	610.50	1,737.06

Particulars	Year Ended 31st March 2021								
	Gross Carrying Amount				Accumulated Amortization				Net Carrying Amount
	As at 1st April 2020	Additions	Disposal / Adjustments	As at 31st March 2021	As at 1st April 2020	For the Year	Disposal / Adjustments	As at 31st March 2021	
Computer Software	98.96	2,248.60	-	2,347.56	91.60	251.88	-	343.48	2,004.08
Total	98.96	2,248.60	-	2,347.56	91.60	251.88	-	343.48	2,004.08

7. INVESTMENT IN SUBSIDIARIES

Particulars	Face Value	As at 31st March 2022		As at 31st March 2021	
		Qty	Amount	Qty	Amount
Equity Investment valued at Cost (Unquoted)					
Winnow Investments & Securities Pvt. Ltd.	10	9,60,000	9,600.00	9,60,000	9,600.00
			9,600.00		9,600.00

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

(₹ in thousand)

8. NON-CURRENT INVESTMENTS

Particulars	Face Value	As at 31st March 2022		As at 31st March 2021	
		Qty	Amount	Qty	Amount
Investment at Fair Value through Other Comprehensive Income					
Equity Instruments (Quoted)					
Warren Tea Limited	10	10	0.71	10	0.45
Kanco Enterprises Limited	10	33,14,291	1,160.01	33,14,291	1,160.01
The Methoni Tea Co. Limited	10	100	12.69	100	12.69
The Grob Tea Co. Limited	10	150	150.27	150	122.48
Subtotal			1,323.68		1,295.63
Equity Instruments (Unquoted)					
Gujarat Nylons Limited	10	100	3.47	100	3.47
Rydak Syndicate Limited	10	100	12.69	100	12.69
E T Resources Private Limited	10	74,300	42,202.40	74,300	18,872.20
BT Investments Private Limited	10	2,22,558	48,962.76	2,22,558	33,383.70
Cosmos Resources Private Limited	10	75,000	8,550.00	75,000	7,650.00
Nidhi Private Limited	10	1,60,000	9,920.00	1,60,000	8,000.00
Innova Properties Private Limited	10	77,500	11,392.50	77,500	12,322.50
Suryasakti Commodities Private Limited	10	46,000	12,236.00	46,000	11,638.00
Subtotal			1,33,279.82		91,882.56
Total (A)			1,34,603.50		93,178.19
Investments at Fair Value through Profit or Loss					
Investment in 7% Non Cumulative Redeemable Preference shares (Unquoted)					
BT Investments Private Limited	100	85,570	8,557.00	85,570	8,557.00
Subtotal			8,557.00		8,557.00
Total (B)			8,557.00		8,557.00
TOTAL NON- CURRENT INVESTMENTS (A+B)			1,43,160.50		1,01,735.19
Aggregate Book Value of Quoted Investments			1,323.68		1,295.63
Aggregate Fair Value of Quoted Investments			1,323.68		1,295.63
Aggregate amount of Unquoted Investments			1,41,836.82		1,00,439.56

The value of unquoted shares are based on the valuation report of a practising chartered accountant, who is not a registered valuer as defined under Rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

(₹ in thousand)

9. TRADE RECEIVABLES

Particulars	Refer Note No.	Long Term		Short Term	
		As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Trade Receivables	9.1 & 9.2	1,594.54	1,616.60	7,870.21	15,990.20
Less: Provision for doubtful receivables		-	-	-	-
Total Trade Receivables		1,594.54	1,616.60	7,870.21	15,990.20
Break Up of Trade Receivable Details					
Undisputed Trade Receivables - Considered Good		1,594.54	1,616.60	7,870.21	15,990.20
Undisputed Trade Receivables - Which have significant increase in credit risk		-	-	-	-
Undisputed Trade Receivables - Credit impaired		-	-	-	-
Disputed Trade Receivables - Considered Good		-	-	-	-
Disputed Trade Receivables - Which have significant increase in credit risk		-	-	-	-
Disputed Trade Receivables - Credit impaired		-	-	-	-
Total		1,594.54	1,616.60	7,870.21	15,990.20
Less: Provision for doubtful receivables		-	-	-	-
Total Trade Receivables		1,594.54	1,616.60	7,870.21	15,990.20

9.1 Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days.

9.2 No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

10. LOANS

Loans & Advances to Related Parties	10.1				
Unsecured, considered doubtful		-	43,434.76	-	-
Less: Provision for Doubtful Advances		-	43,434.76	-	-
		-	-	-	-
Inter Corporate Loans to Others, unsecured, considered good		-	-	-	22,360.97
Advance to Employees, unsecured, considered good		151.50	175.14	299.63	251.45
Total Loans		151.50	175.14	299.63	22,612.42

10.1 No Loans are due from Promoters, Directors, Key Managerial Personnel (KMPs) and the related parties (as defined under the Companies Act, 2013) either severally or jointly with any other person.

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

(₹ in thousand)

11. OTHERS FINANCIAL ASSETS

Particulars	Refer Note No.	Long Term		Short Term	
		As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Security & Other Deposits		15,585.63	14,294.14	24.00	44.00
Nabard Tea Development Account		-	-	3.40	3.40
Interest Accrued and Due		-	3,518.22	3.07	0.72
Less: Provision for Doubtful receivables		-	(3,518.22)	-	-
Others		7.81	7.81	14,977.35	0.96
		15,593.44	14,301.95	15,007.82	49.08

12. OTHER ASSETS

Capital Advances		-	-	400.75	151.14
Advances other than Capital Advances					
Advance against supply of Goods & Services		1,957.85	2,007.50	23,944.33	14,744.08
Less : Provision for Doubtful Advances		-	-	-	-
Prepaid Expenses		-	-	(2,341.24)	(1,302.30)
Balances with Government & Statutory Authorities		42.61	42.61	8,465.78	5,622.32
Less : Provision for Doubtful Advances		-	-	-	-
Incentive and Subsidy Receivable		2,946.46	2,946.46	1,907.72	13,665.89
Less: Provision for Doubtful Receivables		(2,946.46)	(2,946.46)	-	-
Other Receivables		486.23	496.45	4,100.75	4,331.33
Total Other Assets		2,486.69	2,546.56	36,478.09	37,212.46

13. NON CURRENT TAX ASSETS (NET)

Particulars	Refer Note No.	As at 31st March, 2022	As at 31st March, 2021
Advance Income Tax & TDS		52,497.21	49,301.11
Less: Provision for Taxation		45,540.30	44,513.15
		6,956.91	4,787.96

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

(₹ in thousand)

14. INVENTORIES

Particulars	Refer Note No.	As at 31st March, 2022	As at 31st March, 2021
(As valued and certified by the Management)	3.1		
Raw Materials	14.2	1,975.53	986.00
Stock of Tea Plants	14.2	-	177.73
Finished Goods	14.2	22,858.29	13,434.25
Stores and Spares etc.	14.1 & 14.2	28,723.10	22,669.13
		53,556.92	37,267.11

14.1 The above includes goods-in-transit as under:

Stores and Spares etc.		-	-
		-	-

14.2 Refer note no. 39 for information on inventories pledged as securities by the Company.

14.3 Refer note no. 29 & 34 for information in relation to the amount of inventories recognized as expenses.

15. BIOLOGICAL ASSETS OTHER THAN BEARER PLANTS

Fair Value of Biological Assets Other than Bearer Plants (Unharvested Tea Leaves)	15.1	7,213.74	2,821.93
		7,213.74	2,821.93

15.1 Unharvested tea leaves on bushes as on 31st March 2022 was 1,82,300 kgs (31st March, 2021 - 62,280 kgs)

16. CASH AND CASH EQUIVALENTS

Balances With Banks :			
In Current/Cash Credit Account		5,213.39	22,670.01
Cash in Hand		451.96	346.58
		5,665.35	23,016.59

17. BANK BALANCES (OTHER THAN NOTE: 16)

Unpaid Dividend & Fractional Shares Account		1,118.67	1,338.96
Deposit Accounts with Original Maturity of more than three months but less than 12 months	17.1	3,127.19	598.58
		4,245.86	1,937.54

17.1 Represents deposits marked lien with banks as security for Letter of Credit facility.

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

(₹ in thousand)

18. EQUITY SHARE CAPITAL

Particulars	Refer Note No.	As at 31st March 2022		As at 31st March 2021	
		No. of Shares	Amount	No. of Shares	Amount
18.1 Authorised Share Capital					
Ordinary Shares of ₹ 10/- each		60,00,000	60,000.00	60,00,000	60,000.00
Preference Shares of ₹ 100/- each		1,00,000	10,000.00	1,00,000	10,000.00
			70,000.00		70,000.00
18.2 Issued, Subscribed and Paid-up Share Capital					
Ordinary Shares of ₹ 10/- each fully paid-up		51,22,827	51,228.27	51,22,827	51,228.27
Total Loans		51,22,827	51,228.27	51,22,827	51,228.27

18.3 Reconciliation of the number of shares at the beginning and at the end of the year

Particulars	As at 31st March, 2022	As at 31st March, 2021
No. of Shares outstanding at the beginning of the year	51,22,827	51,22,827
Add: Issued during the year pursuant to the bonus issue	-	-
No. of Shares outstanding at the end of the year	51,22,827	51,22,827

18.4 Terms/ Rights attached to Equity Shares :

The Company has only one class of Ordinary Equity Share having a face value of ₹ 10 per share and each holder of Ordinary Equity Share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors (except interim dividend) is subject to the approval of the shareholders in the Annual General Meeting. The claim of Ordinary Equity Shareholders on earnings and on assets in the event of liquidation, follows all others, in proportion to their shareholding.

18.5 Shareholding Pattern with respect of Holding or Ultimate Holding Company

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

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

Particulars	Refer Note No.	As at 31st March 2022		As at 31st March 2021	
		No. of Shares	% Holding	No. of Shares	% Holding
Ordinary Shares of ₹ 10/- each fully paid					
E. T. Resources Private Limited		8,77,623	17.13%	8,77,623	17.13%
Satvik Welfare Trust		7,47,900	14.60%	7,47,900	14.60%
Mrs. Anuradha Kanoria		5,49,441	10.73%	5,49,441	10.73%
Umang Kanoria (HUF)		4,66,605	9.11%	4,66,605	9.11%
B. T. Investments Private Limited		3,40,968	6.66%	3,40,968	6.66%
Mr. Satvik Kanoria		2,86,623	5.60%	2,86,623	5.60%

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

(₹ in thousand)

18.7 Details of Shareholding of Promoters

Particulars	Refer Note No.	As at 31st March 2022		As at 31st March 2021		% change during the year
		No. of Shares	% Holding	No. of Shares	% Holding	
Ordinary Shares of ₹ 10/- each fully paid						
Mrs. Anuradha Kanoria		5,49,441	10.73%	5,49,441	10.73%	-
Mr. Satvik Kanoria		2,86,623	5.60%	2,86,623	5.60%	-
E. T. Resources Private Limited		8,77,623	17.13%	8,77,623	17.13%	-
B.T.Investments Private Limited		3,40,968	6.66%	3,40,968	6.66%	-
Innova Properties Private Limited		36,000	0.70%	36,000	0.70%	-
Nidhi Private Limited		93,000	1.52%	93,000	1.52%	-

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

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

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

19. OTHER EQUITY

Particulars	Refer Note No.	As at 31st March, 2022	As at 31st March, 2021
General Reserve		73,126.87	73,126.87
Preference Share Redemption Reserve		4,000.00	4,000.00
Retained Earnings		2,76,275.32	1,58,425.34
Other Reserves		82,691.64	34,159.90
		4,36,093.83	2,69,712.11

20. BORROWINGS

Particulars	Refer Note No.	Non-Current Portion		Current Maturities	
		As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
20.1 Non Convertible Redeemable Preference Shares (NCRPS)					
(Face Value ₹ 100 each)					
40,000 (P.Y. - 40,000) 7% NCRPS redeemable on 17th April, 2023		4,000.00	4,000.00	-	-
20.2 Term Loans					
From Banks:					
Rupee Loans	20.3 A	1,01,482.69	1,47,226.60	20,000.00	37,796.67
		1,01,482.69	1,47,226.60	20,000.00	37,796.67

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

(₹ in thousand)

Particulars	Refer Note No.	Non-Current Portion		Current Maturities	
		As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
From Others	20.3 B				
From Directors		9,900.00	9,900.00	-	-
From Others		30,000.00	72,621.69	686.37	686.37
Total		1,45,382.69	2,33,748.29	20,686.37	38,483.04
Amount disclosed under Note no.26 "Short Term Borrowings"		-	-	(20,686.37)	(38,483.04)
	20.4	1,45,382.69	2,33,748.29	-	-
Break Up of Security Details					
Secured		1,01,482.69	1,47,912.97	20,686.37	38,483.04
Unsecured		43,900.00	85,835.32	-	-
Total		1,45,382.69	2,33,748.29	20,686.37	38,483.04

20.3 Terms of Repayment of Term Loan

	Particulars	Refer Note No.	₹ in thousands	Period of Maturity	No. of Instalments due	Instalment Value	Repayment Terms	Rate of Interest p.a.
A	Term Loan - From Banks - in Indian Rupees							
	Punjab National Bank	20.4.a	72,116.31	2025-2026	3	2023-24: 30,150	3 annual installments of varying amount commencing after a period of 12 months from the date of 1st disbursement	7.50%
						2024-25: 32,160		
						2025-26: 9,806.31		
	Punjab National Bank	20.4.a	49,366.38	2023-2024	29	1666.67	29 monthly instalments of Rs.1666.67	7.65%
B	Term Loan - From Others - in Indian Rupees							
I	Tea Board of India	20.4.b	486.39	2022-2023	1	May'22: 486.39	1 remaining annual instalments	8.10%
			199.98	2022-2023	1	May'22: 199.98	1 remaining annual instalments	
II	From Directors		7,400.00	2025-2026	1	2025-26: 7,400	In a single bullet payment	7%
			2,500.00	2025-2026	1	2025-26: 2,500		9%
III	From Others		30,000.00	2025-2026	1	2025-26: 30,000	In a single bullet payment	8%

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

(₹ in thousand)

20.4 Details of Security Given for Loan

- a Term Loan from Punjab National Bank is secured by hypothecation of green tea leaves, before and after plucking, teas in process, finished tea in stock/transit or tea lying with brokers, book debts (present and future) and by way of equitable mortgage of immovable properties and machineries of Mackeypore & Lakmijan Tea Estate as collateral security and further guaranteed by two directors of the Company.
- b Loan from Tea Board of India is secured by hypothecation of tea crops and mortgage of title deeds of Mackeypore & Lakmijan Tea Estate in favour of Tea Board ranking subsequent to charge created in favour of Punjab National Bank.

20.5 Refer note no. 39 for information on the carrying amounts of financial and non-financial assets pledged as security for the non-current borrowings.

20.6 The statements of current assets filed by the Company with the bank are in agreement with the books of accounts.

21. TRADE PAYABLES

Particulars	Refer Note No.	Long Term		Short Term	
		As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Dues to Micro and Small Enterprises	21.2	-	-	4,042.74	1,114.55
Dues to Creditors other than Micro & Small Enterprises		2,546.64	2,941.00	34,318.39	30,315.15
		2,546.64	2,941.00	38,361.13	31,429.70

21.1 The Company has no disputed dues of trade payables to MSMEs and Others.

21.2 The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows: -

Particulars	Refer Note No.	As at 31st March, 2022	As at 31st March, 2021
a) The principal amount remaining unpaid to any supplier at the end of the year		4,042.74	1,114.55
b) Interest due remaining unpaid to any supplier at the end of the year.		-	-
c) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year.		-	-
d) The amount of interest due and payable for the period of delay in making payment (which have been paid beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006		-	-
e) The amount of interest accrued and remaining unpaid at the end of each accounting year.		-	-
f) 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 enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006.		-	-

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

(₹ in thousand)

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company.

22. OTHER FINANCIAL LIABILITIES

Particulars	Refer Note No.	Long Term		Short Term	
		As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Trade & Security Deposits (Unsecured)	22.1	-	-	3,723.97	3,236.07
Interest accrued and due on Borrowings		39.93	-	10,007.01	17,532.06
Unpaid and unclaimed dividends		-	-	1,117.98	1,338.27
Employees related Liabilities		24.66	18.97	49,178.31	39,428.87
Other Payables		71.45	71.45	-	-
		136.04	90.42	64,027.27	61,535.27

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

23. PROVISIONS

Provision for Employee Benefits	23.1	24,915.86	30,808.82	19,915.04	16,518.96
		24,915.86	30,808.82	19,915.04	16,518.96

23.1 All Provisions are valued at their Present value of money.

24. DEFERRED TAX LIABILITIES (NET)

Particulars	Refer Note No.	As at 31st March, 2022	As at 31st March, 2021
Deferred Tax Liabilities			
Arising on account of :			
Property, Plant & Equipment		4,487.90	4,226.69
Financial Assets		9,206.62	5,087.12
Others		250.66	250.66
		13,945.18	9,564.47
Less: Deferred Tax Assets			
Arising on account of :			
Section 43B of Income-tax Act		4,926.38	5,204.23
Provision for doubtful debts		2,744.59	2,744.59
MAT Credit Entitlement		24,925.69	23,898.55
Others		736.68	736.68
		33,333.34	32,584.05
Deferred Tax Liabilities (Net)		(19,388.16)	(23,019.58)

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

(₹ in thousand)

24.1 Movement in deferred tax assets and liabilities during the year ended 31st March, 2021 and 31st March, 2022.

Particulars	As at 1st April, 2020	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	As at 31st March, 2021
Deferred Income Tax Liabilities				
Property, Plant & Equipment	3,714.16	512.53	-	4,226.69
Financial Assets	4,991.48	(87.89)	183.53	5,087.12
Others	250.66	-	-	250.66
	8,956.30	424.64	183.53	9,564.47
Deferred Income Tax Assets				
Section 43B of Income-tax Act	4,108.38	1,095.85	-	5,204.23
Provision for doubtful debts	2,744.59	-	-	2,744.59
MAT Credit Entitlement	11,401.87	12,496.68	-	23,898.55
Others	736.68	-	-	736.68
	18,991.52	13,592.53	-	32,584.05

Particulars	As at 1st April, 2021	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	As at 31st March, 2022
Deferred Income Tax Liabilities				
Property, Plant & Equipment	4,226.69	261.21	-	4,487.90
Financial Assets	5,087.12	(487.19)	4,606.69	9,206.62
Others	250.66	-	-	250.66
	9,564.47	(225.98)	4,606.69	13,945.18
Deferred Income Tax Assets				
Section 43B of Income-tax Act	5,204.23	(277.85)	-	4,926.38
Provision for doubtful debts	2,744.59	-	-	2,744.59
MAT Credit Entitlement	23,898.55	1,027.14	-	24,925.69
Others	736.68	-	-	736.68
	32,584.05	749.29	-	33,333.34

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

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

(₹ in thousand)

25. OTHER LIABILITIES

Particulars	Refer Note No.	Long Term		Short Term	
		As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Deferred Revenue Income	25.1	628.43	897.00	338.91	338.91
Advances Received from Customers		48.45	112.54	0.15	64.28
Statutory Dues		-	-	8,861.96	7,303.37
Others		16.90	16.90	-	-
		693.78	1,026.44	9,201.02	7,706.56

Particulars	Refer Note No.	For the year ended 31st March, 2022	For the year ended 31st March, 2021
25.1 Opening Balance		897.00	1,417.28
Grants received during the year		70.34	-
Less: Released to profit or loss		-	181.37
		967.34	1,235.91
Less: Current Portion of the Deferred Revenue Income		338.91	338.91
Closing Balance		628.43	897.00

26. SHORT TERM BORROWINGS

Particulars	Refer Note No.	As at 31st March, 2022	As at 31st March, 2021
Loans Repayable on Demand			
Working Capital Loan from Banks	26.1	1,05,671.78	1,04,801.31
Current maturities of long-term borrowings	20	20,686.37	38,483.04
		1,26,358.15	1,43,284.35
26.1 The above amount includes			
Secured Borrowings	26.2, 20.3 & 20.4	1,26,358.15	1,43,284.35
Unsecured Borrowings		-	-
		1,26,358.15	1,43,284.35

26.2 Terms and conditions of Short Term Borrowings

- Cash Credit from Punjab National Bank is secured by hypothecation of green tea leaves, before and after plucking, teas in process, finished tea in stock/transit, tea lying with brokers/agents awaiting sale, other tea stocks, book debts (present and future) arising out of sale of teas, first charge over all current assets of the company (both present and future) and equitable mortgage of immovable properties and machineries of tea estates as collateral security and further guaranteed by two directors of the Company.
- Interest on Cash Credit Loan @7.50% p.a. and the same is repayable on demand.

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

(₹ in thousand)

27. REVENUE FROM OPERATIONS

Particulars	Refer Note No.	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Sale of Products- Black Tea		8,34,537.10	8,17,247.86
		8,34,537.10	8,17,247.86

28. OTHER INCOME

Interest Income			
On Banks Deposits		444.74	34.82
On Other Deposits,etc		241.12	19.61
Other Non Operating Income			
Profit on sale/discard of Property, Plant & Equipments (Net)		43.28	(667.04)
Excess Provision/ Liabilities written back		2,945.39	-
Change in fair valuation of biological assets		4,391.81	2,821.92
Other Miscellaneous Income		1,00,739.53	1,458.38
		1,08,805.87	3,667.69

29. COST OF MATERIALS CONSUMED

Opening Stock		986.00	-
Add: Purchases		2,30,006.13	1,90,774.80
Less: Closing Stock		1,975.53	986.00
(Closing Stock includes change in Fair Value of Stock of Own Green Leaf on reporting date)		2,29,016.60	1,89,788.80

30. (INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS

Finished Goods			
Opening Inventories		13,434.25	6,025.48
Closing Inventories		22,858.29	13,434.25
		(9,424.04)	(7,408.77)
Total changes in inventories of finished goods		(9,424.04)	(7,408.77)

31. EMPLOYEE BENEFITS EXPENSE

Salaries & Wages		2,86,405.61	2,42,557.10
Contribution to Provident and Other Funds		38,847.39	33,727.52
Staff Welfare Expenses		30,775.05	28,167.66
		3,56,028.05	3,04,452.28

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

(₹ in thousand)

32. FINANCE COST

Particulars	Refer Note No.	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Interest Expenses		27,260.53	40,841.54
Interest on Late Payment of GST		300.60	221.52
Other Financial Charges		5,146.01	1,571.89
		32,707.14	42,634.95

33. DEPRECIATION AND AMORTIZATION EXPENSES

On Tangible Assets		24,249.16	22,690.59
On Intangible Assets		267.02	251.88
		24,516.18	22,942.47

34. OTHER EXPENSES

Stores, Spare Parts & Packing Materials Consumed		44,108.96	52,076.50
Power & Fuel		61,185.71	44,199.45
Repairs to Buildings		2,792.40	3,886.18
Repairs to Machinery		6,254.22	4,252.84
Repairs to Other Assets		234.03	198.70
Selling & Distribution Expenses		25,479.65	22,990.60
Auditors' Remuneration	34.1	326.13	320.77
Rent, Rates & Taxes		5,015.33	4,467.16
Insurance		2,963.72	3,014.08
Vehicle Running & Maintenance Charges		10,801.24	9,116.24
Directors' Fees & Commission		300.00	300.00
Legal and Professional Charges		2,195.50	968.97
Travelling & Conveyance Expenses		7,284.31	1,769.69
Other Expenses		13,926.47	12,125.18
		1,82,867.67	1,59,686.36

34.1 Auditors' Remuneration

Statutory Auditors			
Audit Fees		150.00	150.00
Tax Audit Fees		30.00	30.00
Issue of Certificates		142.00	137.50
Reimbursement of Expenses		4.13	3.27
		326.13	320.77

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

(₹ in thousand)

35. TAX EXPENSE

Particulars	Refer Note No.	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Current Tax		1,027.14	5,427.52
Less: MAT Credit Entitlement		1,027.14	12,496.68
		-	(7,069.16)
Deferred Tax		4,658.56	(487.68)
		4,658.56	(7,556.84)

35.1 Reconciliation of estimated Income tax expense at Indian statutory Income tax rate to income tax expense reported in statement of profit & loss

Income before Income Taxes		1,27,631.37	92,095.16
Indian Statutory Income Tax Rate		27.820%	27.820%
Estimated income Tax Expenses		35,507.05	25,620.87
Tax effect of adjustments to reconcile expected Income tax expense to reported Income Tax Expenses			
Deferred Tax on Property, Plant & Equipments		261.21	512.53
Deferred Tax on Financial Assets & Other items		3,841.65	1,191.49
Exempted income		(1,11,682.92)	(29,962.59)
Other Items		76,731.57	(4,919.14)
		(30,848.49)	(33,177.71)
Income Tax Expenses as per Statment of Profit & Loss		4,658.56	(7,556.84)

35.2 Applicable Indian Statutory Income Tax rate for Fiscal Year 2022 & 2021 is 27.82% & 27.82% respectively.

36. OTHER COMPREHENSIVE INCOME

36A. Items that will not be reclassified to profit or loss			
Changes in revaluation surplus			
Remeasurement of the defined benefit plans		7,106.43	(9,773.24)
Less: Tax expense on the above		-	-
		7,106.43	(9,773.24)
Equity Instruments through Other Comprehensive Income		41,425.31	1,739.02
Less: Tax expense on the above		-	-
		41,425.31	1,739.02
		48,531.74	(8,034.22)

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

(₹ in thousand)

37. Contingent Liabilities and Contingent Assets:

37.1 Claims/Disputes/Demands not acknowledged as debts -

Sl. No.	Particulars	Refer Note No.	As at 31st March 2022	As at 31st March 2021
a.	Sales Tax		794.96	794.96
b.	Income Tax		23,976.48	23,976.48
c.	Debit note raised by GAIL (India) Limited for supply of Natural Gas		6,880.82	6,880.82
d.	Letter of Credit issued by Bank		(349.19)	4,483.42

37.2 The amounts shown in Note 37.1 represent the best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be predicted accurately. The company engages reputed professional advisors to protect its interests and has been advised that it has strong legal position against such disputes.

37.3 In respect of the matters in note no. 37.1 (a to d), future cash outflows are determinable only on receipt of judgements/decisions pending at various forums/ authorities. Furthermore, there is no possibilities of any reimbursements to be made to the company from any third party.

38. Commitments

Estimated amount of contracts remaining to be executed on Capital Account and not provided for

Estimated amount of contracts remaining to be executed on Capital Account		800.33	-
Less: Advance		400.75	-
Net		399.58	-

39. Assets pledged as security

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

Non-current Assets			
Property, Plant and Equipment	5	2,39,458.43	2,20,760.92
Capital Work-in-Progress	5A	5,620.30	202.47
Trade Receivables	9	1,594.54	1,616.60
Total non-currents assets pledged as security		2,46,673.27	2,22,579.99

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

(₹ in thousand)

Particulars	Refer Note No.	As at 31st March 2022	As at 31st March 2021
Inventories	14	40,713.73	27,109.16
Biological Assets other than bearer plants	15	5,914.66	2,153.34
Trade Receivables	9	7,870.21	15,990.20
Cash and Cash Equivalents	16	5,641.38	22,978.47
Bank balances	17	4,245.86	1,937.54
Loans	10	299.63	22,612.42
Other Financial Assets	11	15,007.82	49.08
Other Current Assets	12	36,478.09	37,212.46
Total currents assets pledged as security		1,16,171.38	1,30,042.67
Total assets pledged as security		3,62,844.65	3,52,622.66

40. 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)

40.1 Defined Contribution Plan:

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

a. Provident Fund		27,382.24	22,723.50
b. Superannuation Fund		698.04	711.83
c. Family Pension Fund		350.85	363.52

40.2 Defined Benefit Plan:

The following are the types of defined benefit plans

40.2.1 Gratuity Plan

The Company's gratuity scheme, a defined benefit plan is as per the Payment of Gratuity Act, 1972, covers the eligible employees and is administered through a gratuity fund trust. Such gratuity fund, whose investments are managed by LIC of India, make payments to vested employees or their nominees upon retirement, death, incapacitation or cessation of employment, of an amount based on the respective employee's salary and tenure of employment. Vesting occurs upon completion of five years of continuous service. The amount of gratuity payable is the proportionate salary for 15 days multiplied for the number of years of service based on the 26 days average salary computed on the basis of last drawn basic salary per month.

40.2.2 Leave Encashment

Leave encashment is payable on death whilst in service, resignation from service or retirement from service as per applicable rules. The present value of defined obligation and related current cost are measured using the Projected Unit Credit Method with actuarial valuation being carried out at Balance Sheet date.

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

(₹ in thousand)

40.2.3 Risk Exposure

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

ASSET VOLATILITY	The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments is in LIC of India. These are subject to interest rate risk. the invetsment in plan assets with LIC of India is in lines with Income Tax Rules, 1962, which reduces the Asset Volatility Risk.
CHANGES IN YIELD	A decrease in yield will increase plan liabilities.
SALARY	The present value of the defined benefit plan liability is calculated by reference to the future salaries of memembs. Any increase in the salary of members morethan the assumed level will increase the plan's liability.

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

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

Particulars	Gratuity	
	2021-22	2020-21
Balance at the beginning of the year	92,633.27	75,631.17
Current Service Cost	7,241.64	7,663.94
Interest Cost on Defined Benefit Obligation	6,391.70	4,991.66
Actuarial Gain and Losses arising from		
Changes in demograohic assumptions	-	-
Changes in financial assumptions	(2,940.77)	(2,289.81)
Experience Adjustments	(4,874.12)	11,871.30
Benfits Paid	(3,358.66)	(5,234.99)
Balance at the end of the year	95,093.06	92,633.27

40.2.5 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:

Balance at the beginning of the year	49,235.11	41,610.55
Interest Income on Plan Assets	3,397.23	2,746.30
Remeasurement of Defined Benefit Obligation:		
Return on plan assets greater/ (lesser) than discount rate	(708.46)	(191.76)
Actual Company contributions	5,502.61	10,305.01
Benefits Paid from the Plan Assets	(3,358.66)	(5,234.99)
Balance at the end of the year	54,067.83	49,235.11

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

(₹ in thousand)

40.2.6 Expenses recognized in profit or loss

Particulars	Gratuity	
	2021-22	2020-21
Current Service Cost	7,241.64	7,663.94
Net Interest (Income) / cost on the Net Defined Benefit Liability (Assets)	2,994.47	2,245.36
Expense Recognised in the Income Statement	10,236.11	9,909.30

40.2.7 Remeasurements recognized in other comprehensive income

Actuarial (gain)/ Loss due to:		
Changes in demographic assumptions	-	-
change in financial assumptions	(2,940.77)	(2,289.81)
experience variance (i.e. Actual experience vs assumptions)	(4,874.12)	11,871.30
Return on plan assets, excluding amount recognised in net interest expense	708.46	191.76
Components of defined benefit costs recognised in other comprehensive income	(7,106.43)	9,773.25

40.2.8 Major Categories of Plan Assets

Funds managed by insurer	100%	100%
--------------------------	------	------

The Gratuity Scheme is invested in a Group Gratuity-cum-Life Assurance Cash accumulation policy offered by Life Insurance Corporation (LIC) of India . The information on the allocation of the fund into major asset classes and expected return on each major class are not readily available. The expected rate of return on plan assets is based on market expectations, at the beginning of the period, for returns over the entire life of the related obligation.

40.2.9 Asset-Liability Matching Strategy

The company ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the employee benefit plans. Within this framework, the company's ALM objective is to match assets to the obligations under Gratuity Scheme by investing the entire fund with LIC of India.

The Company actively monitors how the return on funds invested with LIC of India are matching the expected cash outflows arising from the employee defined benefit obligation. The company has not changed the processes used to manage its risks from previous periods.

40.2.10 Actuarial Assumptions

Financial Assumptions		
Discount Rate	7.30%	6.90%
Salary Escalation Rate	5.00%	5.00%
Demographic Assumptions		
Mortality Rate	100% of IALM 2012-14	100% of IALM 2012-14
Withdrawal Rate	2%	2%

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

(₹ in thousand)

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

40.2.12 At 31st March 2022, the weighted average duration of the defined benefit obligation was 8 years (previous year 8 years). The distribution of the timing of benefits payment i.e., the maturity analysis of the benefit payments is as follows:

Expected benefits payment for the year ending on	Gratuity	
	2021-22	2020-21
1 Year	19,257.96	15,741.57
2 to 5 Years	28,142.86	29,250.47
6 to 10 Years	38,617.95	34,545.14
More than 10 Years	1,09,433.14	1,11,518.62

40.2.13 The Company expects to contribute ₹ 4,93,92,139/- (previous year ₹ 5,21,45,224/-) to its gratuity fund in 2022-23.

40.2.14 Sensitivity Analysis

The sensitivity analysis below have been determined based on a method that extrapolates the impact on defined benefit obligation (DBO) as a result of reasonable changes in key assumptions occurring at the end of the reporting period. Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Effect on DBO due to 1% increase in Discount Rate	88,444.93	85,708.41
Effect on DBO due to 1% decrease in Discount Rate	(1,02,787.00)	(1,00,701.19)
Effect on DBO due to %1 increase in Salary Escalation Rate	1,02,979.40	1,00,851.94
Effect on DBO due to %1 decrease in Salary Escalation Rate	(88,179.52)	(85,472.73)
Effect on DBO due to %1 increase in Attrition Rate	96,364.98	93,749.50
Effect on DBO due to %1 decrease in Attrition Rate	(93,663.25)	(91,368.87)
Effect on DBO due to %1 increase in Mortality Rate	95,358.08	92,859.77
Effect on DBO due to 1% decrease in Mortality Rate	(94,822.19)	(92,401.75)

41. Certain trade receivables, loans & advances and creditors are subject to confirmation. In the opinion of the management, the value of trade receivables and loans & advances on realisation in the ordinary course of business, will not be less than the value at which these are stated in the balance sheet.

42. Related Party Disclosures

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

Name of the Entity	Place of Incorporation	Ownership Interest held by the Company	
		As at 31st March 2022	As at 31st March 2021
Winnow Investments and Securities Private Limited	Kolkata, India	100%	100%

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

(₹ in thousand)

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

Relationship	Name	Designation
Key Management Personnel of Entity or Parent	Mrs. Anuradha Kanoria	Wholetime Director
Relationship	Name	Designation/Nature of Relationship
Other Related Party	Mr. Umang Kanoria	Non-Executive Director & Spouse of Mrs. Anuradha Kanoria
	Mr. Golam Momen	Independent Director
	Mr. Om Kaul	Independent Director
	Mr. Govind Ram Banka	Non-Executive Director
	Mr. Navin Nayar	Independent Director
	Ms. Stuti Kanoria	Daughter of Mrs. Anuradha Kanoria & Mr. Umang Kanoria
	Mr. Satvik Kanoria	Son of Mrs. Anuradha Kanoria & Mr. Umang Kanoria
	Stuti Welfare Trust	Private Beneficiary Trust for Ms. Stuti Kanoria
	Satvik Welfare Trust	Private Beneficiary Trust for Mr. Satvik Kanoria
	Umang Kanoria H.U.F.	Mr. Umang Kanoria is Karta
	B. T. Investments Private Limited	Private Company in which Director or his Relative is a Member or Director
	Cosmos Resources Private Limited	
	Dhanvardhi Foods Private Limited	
	E. T. Resources Private Limited	
	Innova Properties Private Limited	
	Milan Agencies Private Limited	
	Suryasakti Commodities Private Limited	
	Bengal Tea & Fabrics Limited	
	Cheviot Agro Industries Private Limited	
	Harsh Investments Private Limited	
	Kanco Enterprises Limited	Public Limited Company in which a Director holds more than 2% of its paid up Share Capital
Relationship	Name	
Post-employment Benefit Plan Entities	Kanco Tea & Industries Limited - Employees Gratuity Fund	
	Kanco Tea & Industries Limited - Employees Superannuation Fund	

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

(₹ in thousand)

42.3 Transactions during the year

Particulars	2021-22			2020-21		
	KMP	Other Related Party	Post-employment Benefit Plan Entities	KMP	Other Related Party	Post-employment Benefit Plan Entities
Payment of Rent						
Innova Properties Private Limited	-	252.00	-	-	252.00	-
Maintenance Expenses Reimbursed						
Suryasakti Commodities Private Limited	-	402.54	-		433.00	-
Milan Agencies Private Limited	-	402.54	-	-	433.00	-
Unsecured Loan Given/Taken						
Cheviot Agro Industries Private Limited	-	-	-	-	30,000.00	-
B. T. Investments Private Limited	-	84,894.35	-	-	32,555.00	-
Unsecured Loan Refund						
Mr. Umang Kanoria	-	-	-	-	17,500.00	-
Umang Kanoria H.U.F.	-	-	-	-	3,500.00	-
Harsh Investments Private Limited	-	-	-	-	30,000.00	-
B. T. Investments Private Limited	-	75,320.00	-	-	18,280.00	-
Remuneration Paid						
Mrs. Anuradha Kanoria	5,926.88	-	-	5,677.04	-	-
Mr. Satvik Kanoria	-	1,800.00	-	-	651.60	-
Ms. Stuti Kanoria	-	604.80	-	-	268.80	-
Director Fees Paid						
Mr. Umang Kanoria	-	75.00	-	-	60.00	-
Mr. Golam Momen	-	60.00	-	-	60.00	-
Mr. Om Kaul	-	45.00	-	-	60.00	-
Mr. Navin Nayar	-	60.00	-	-	60.00	-
Mr. Govind Ram Banka	-	60.00	-	-	60.00	-
Interest Paid						
Mrs. Anuradha Kanoria	518.00	-	-	666.00	-	-
Mr. Umang Kanoria	-	-	-	-	1,575.00	-
Mr. Navin Nayar	-	225.00	-	-	225.00	-
Umang Kanoria H.U.F.	-	-	-	-	267.53	-
B. T. Investments Private Limited	-	2,588.37	-	-	3,193.53	-
Harsh Investments Private Limited	-	-	-	-	1,430.14	-
Cheviot Agro Industries Private Limited	-	2,400.00	-	-	966.58	-

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

(₹ in thousand)

Particulars	2021-22			2020-21		
	KMP	Other Related Party	Post-employment Benefit Plan Entities	KMP	Other Related Party	Post-employment Benefit Plan Entities
Equity Dividend Paid						
Mrs. Anuradha Kanoria	549.44	-	-	-	-	-
Umang Kanoria H.U.F.	-	466.61	-	-	-	-
Ms. Stuti Kanoria	-	205.72	-	-	-	-
Mr. Satvik Kanoria	-	286.62	-	-	-	-
Satvik Welfare Trust	-	747.90	-	-	-	-
B. T. Investments Private Limited	-	340.97	-	-	-	-
E. T. Resources Private Limited	-	877.62	-	-	-	-
Innova Properties Private Limited	-	36.00	-	-	-	-
Preference Dividend Paid						
Stuti Welfare Trust	-	28.00	-	-	-	-
B. T. Investments Private Limited	-	182.00	-	-	-	-
Purchase of Tea Seeds						
Bengal Tea & Fabrics Limited	-	645.00	-	-	444.00	-
Contributions Made						
Contribution to Superannuation Fund	-	-	698.04	-	-	711.83
Contribution to Gratuity Fund	-	-	5,659.61	-	-	10,300.00
Outstanding Balances at the end of the Year						
Security Deposit						
Innova Properties Private Limited	-	4,021.11	-	-	4,021.11	-
Milan Agencies Private Limited	-	3,000.00	-	-	3,000.00	-
(Payable)/ Receivable (Net)						
Mrs. Anuradha Kanoria	(7,400.00)	-	-	(7,400.00)	-	-
Mr. Navin Nayar	-	(2,500.00)	-	-	(2,500.00)	-
B. T. Investments Private Limited	-	-	-	-	(9,574.35)	-
Cheviot Agro Industries Private Limited	-	(30,000.00)	-	-	(30,894.08)	-

42.4 Key Management Personnel compensation

Particulars	Financial Year	Mrs. Anuradha Kanoria
Short-term employee benefits *	2021-2022	5,926.88
	2020-2021	5,677.04

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

(₹ in thousand)

* Notes :

- 1) Short term employee benefits includes the perquisites calculated as prescribed under the Income Tax Act, 1961.
- 2) The Company contributes equal amount to the employees Provident Fund within the statutory limits as prescribed under the relevant Act.
- 3) As the future liabilities for gratuity and leave encashment are provided on an actuarial valuation basis for the Company, the amount pertaining to individual is not ascertainable and therefore not included above.

42.5 All related party transactions entered during the year were in ordinary course of business and on arms length basis.

43. Fair value of Financial Assets and Financial Liabilities

Particulars	31st March 2022			31st March 2021		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
Financial Assets						
Investment						
- Equity Instruments	-	1,34,603.50	9,600.00	-	93,178.19	9,600.00
- Preference Shares	8,557.00	-	-	8,557.00	-	-
Trade Receivables	-	-	9,464.75	-	-	17,606.80
Cash and Cash Equivalents	-	-	5,665.35	-	-	23,016.59
Bank balances other than Cash and Cash Equivalents	-	-	4,245.86	-	-	1,937.54
Loans	-	-	451.13	-	-	22,787.56
Other Financial Assets	-	-	30,601.26	-	-	14,351.03
Total Financial Assets	8,557.00	1,34,603.50	60,028.35	8,557.00	93,178.19	89,299.52
Financial Liabilities						
Borrowings	-	-	2,71,740.84	-	-	3,77,032.64
Trade Payables	-	-	40,907.77	-	-	34,370.70
Other Financial Liabilities	-	-	64,163.31	-	-	61,625.69
Total Financial Liabilities	-	-	3,76,811.92	-	-	4,73,029.03

44 Fair Values

44.1 The following is the comparison by class of the carrying amounts and fair value of the Company's financial instruments that are measured at amortized cost:

Particulars	31st March 2022		31st March 2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Investments				
Equity Instruments	9,600.00	9,600.00	9,600.00	9,600.00
Trade Receivables	9,464.75	9,464.75	17,606.80	17,606.80
Loans	451.13	451.13	22,787.56	22,787.56
Cash and Cash Equivalents	5,665.35	5,665.35	23,016.59	23,016.59

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

(₹ in thousand)

Particulars	31st March 2022		31st March 2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Other Bank Balances	4,245.86	4,245.86	1,937.54	1,937.54
Other Financial Assets	30,601.26	30,601.26	14,351.03	14,351.03
Total Financial Assets	60,028.35	60,028.35	89,299.52	89,299.52
Financial Liabilities				
Borrowings	2,71,740.84	2,71,740.84	3,77,032.64	3,77,032.64
Trade Payables	40,907.77	40,907.77	34,370.70	34,370.70
Other Financial Liabilities	64,163.31	64,163.31	61,625.69	61,625.69
Total Financial Liabilities	3,76,811.92	3,76,811.92	4,73,029.03	4,73,029.03

44.2 The management assessed that the fair values of cash and cash equivalents, trade receivables, trade payables, short term borrowings, and other financial liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments.

44.3 For Financial assets and liabilities that are measured at fair value, the carrying amounts are equal to their fair values.

44.4 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.

44.5 The following methods and assumptions were used to estimate the fair values:

The fair values for loans, security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as Level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risks, which has been assessed to be insignificant.

45. Fair Value Hierarchy

The following are the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized cost and for which fair value are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into 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.

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

Particulars	31st March 2022			31st March 2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Investment at FVTPL						
Preference Shares	-	-	8,557.00	-	-	8,557.00
Financial Investment at FVOCI						
Equity Instruments	1,323.68	-	1,33,279.82	1,295.63	-	91,882.56
Total Financial Assets	1,323.68	-	1,41,836.82	1,295.63	-	1,00,439.56

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

(₹ in thousand)

45.2 Financial Assets and Liabilities measured at Amortized Cost for which fair values are disclosed

Particulars	31st March 2022			31st March 2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Investments						
Equity Instruments	-	-	9,600.00	-	-	9,600.00
Trade Receivables	-	-	9,464.75	-	-	17,606.80
Loans	-	-	451.13	-	-	22,787.56
Cash and Cash Equivalents	-	-	5,665.35	-	-	23,016.59
Other Bank Balances	-	-	4,245.86	-	-	1,937.54
Other Financial Assets	-	-	30,601.26	-	-	14,351.03
Total Financial Assets	-	-	60,028.35	-	-	89,299.52
Financial Liabilities						
Borrowings	-	-	2,71,740.84	-	-	3,77,032.64
Trade Payables	-	-	40,907.77	-	-	34,370.70
Other Financial Liabilities	-	-	64,163.31	-	-	61,625.69
Total Financial Liabilities	-	-	3,76,811.92	-	-	4,73,029.03

45.3 During the year ended March 31, 2022 and March 31, 2021, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements.

45.4 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 as described in Note no. 2.7

46. Financial Risk Management

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.

46.1 Credit Risk

Credit risk refers to the risk of financial loss arising from default / failure by the counterparty to meet financial obligations as per the terms of contract. The Company is exposed to credit risk for receivables, Cash & Cash equivalents, financial guarantees and derivative financial instruments. None of the financial instruments of the Company result in material concentration of credit risks.

Credit risk on receivables is minimum since sales through different mode (e.g., auction, consignment, private) are made after judging credit worthiness of the customers or, advance payment. The history of defaults has been minimal and outstanding receivables are regularly monitored. For credit risk on the loans to parties, the Company is not expecting any material risk on account of non-performance by any of the parties.

For financial instruments, the Company manages its credit risks by dealing with reputable banks and financial institutions. Credit risk from balances with banks and financial institutions is managed by the Company's

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

(₹ in thousand)

treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The carrying value of the financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

Trade receivables

As on 31st March, 2022

Ageing schedule	< 6 Months	6 Months - 1 Year	1 Year - 2 Years	2 Year - 3 Years	>3 Years	Total
Gross carrying amount	7,547.09	323.12	295.15	538.40	760.99	9,464.75
Carrying amount of trade receivables (net of impairment)	7,547.09	323.12	295.15	538.40	760.99	9,464.75

As on 31st March, 2021

Ageing schedule	< 6 Months	6 Months - 1 Year	1 Year - 2 Years	2 Year - 3 Years	>3 Years	Total
Gross carrying amount	15,785.82	204.38	839.72	488.08	288.80	17,606.80
Carrying amount of trade receivables (net of impairment)	15,785.82	204.38	839.72	488.08	288.80	17,606.80

46.2 Liquidity Risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting its obligations. The Company monitors rolling forecast of its liquidity position on the basis of expected cash flows. The Company's approach is to ensure that it has sufficient liquidity or borrowing headroom to meet its obligations at all point in time. The Company has sufficient short-term fund based lines, which provides healthy liquidity and these carry highest quality credit rating from reputed credit rating agency.

46.2.1 Fund Management

Management monitors rolling forecasts of the Company's liquidity position (including the undrawn credit facilities extended by banks and financial institutions) and Cash & Cash equivalents on the basis of expected cash flows. In addition, the Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

46.2.2 Maturity Analysis for financial liabilities

- The following are the remaining contractual maturities of financial liabilities as at 31st March 2022. The amounts are gross and undiscounted and include estimated interest payments and exclude the impact of netting agreements.

Particulars	< 1 year	1 - 2 years	2 - 3 years	> 3 years	Total
Non-derivative					
Trade payables	38,361.13	2,546.64	-	-	40,907.77
Borrowings	1,56,358.15	60,050.00	41,526.38	13,806.31	2,71,740.84
Other financial liabilities	10,007.01	54,156.30	-	-	64,163.31
Total	2,04,726.29	1,16,752.94	41,526.38	13,806.31	3,76,811.92

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

(₹ in thousand)

b The following are the remaining contractual maturities of financial liabilities as at 31st March 2021

Particulars	< 1 year	1 - 2 years	2 - 3 years	> 3 years	Total
Non-derivative					
Trade payables	31,429.70	2,941.00	-	-	34,370.70
Borrowings	1,43,284.35	1,12,671.69	30,150.00	90,926.60	3,77,032.64
Other financial liabilities	17,532.06	44,093.63	-	-	61,625.69
Total	1,92,246.11	1,59,706.32	30,150.00	90,926.60	4,73,029.03

46.3 Market Risk

46.3.1 Foreign Exchange Risk

The Company operates in domestic market and it doesn't have any foreign associate, subsidiary etc. The Company is therefore not exposed to foreign exchange risk arising from foreign currency transactions.

a. Exposure to Currency risk- Nil

b. Sensitivity Analysis

Since, the Company doesn't have material foreign currency operations, the analysis is not reported.

46.3.2 Interest Rate Risk

The Company is exposed to risk due to interest rate fluctuation, on the following:

- Interest rate risk arises from the sensitivity of financial assets and liabilities to changes in market rate of interest. However, Company does not have any interest bearing financial asset or liability at the end of the financial year ended 31st March 2022.
- The interest rate risk can also impact the provision for retiral benefits. The Company generally utilizes variable rate borrowings and therefore subject to interest rate risk, as both the carrying amount and the future cash flows will fluctuate because of change in the market interest rates.

The Company is not exposed to significant interest rate risk as at the respective reporting dates.

During 31st March 2022 and 31st March 2021, all the Company's borrowings were at variable rate mainly denominated in INR.

(i) Exposure to interest rate risk

Particulars	31st March, 2022	31st March, 2021
Fixed Rate Instruments		
Financial Assets	451.13	22,787.56
Financial Liabilities	43,900.00	85,835.32
	44,351.13	1,08,622.88
Variable Rate Instruments		
Financial Liabilities	2,27,840.84	2,91,883.68
	2,27,840.84	2,91,883.68

(ii) Sensitivity Analysis

Profit or loss is sensitive to higher/ lower interest expense on 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.

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

(₹ in thousand)

Particulars	Sensitivity Analysis	31st March 2022		31st March 2021	
		Impact on			
		Profit before tax	Other Equity	Profit before tax	Other Equity
Interest Rate increase by	0.50%	(1,139.20)	(1,139.20)	(1,459.42)	(1,459.42)
Interest Rate decrease by	0.50%	1,139.20	1,139.20	1,459.42	1,459.42

46.3.3 Other Price Risk

The price risk is the risk arising from investments held by the Company and classified in the balance sheet either at fair value through Other Comprehensive Income or at fair value through profit or loss.

The Company's equity investments are mainly strategic in nature and are generally held on a long-term basis. Further, the current investments are in units of liquid mutual fund and these are not exposed to significant price risk.

a Exposure to other market price risk

Particulars	31st March, 2022	31st March, 2021
Fair Value of Quoted Investments	1,323.68	1,295.63

b Sensitivity Analysis

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

Particulars	Sensitivity Analysis	31st March 2022		31st March 2021	
		Impact on			
		Profit before tax	Other Equity	Profit before tax	Other Equity
BSE Index	+1000 Basis Point	132.37	132.37	129.56	129.56
BSE Index	-1000 Basis Point	(132.37)	(132.37)	(129.56)	(129.56)

47 In view of losses in earlier years, Nil amount (Previous Year Nil) was required to be spent by the Company on account of Corporate Social Responsibility as required under section 135 of the Companies Act, 2013.

48 The Company has only one segment i.e. manufacturing of Black Tea and as a result the reporting required of Ind AS - 108 on "Operating Segment" is not attracted.

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

(₹ in thousand)

- 49 The details of all the immovable properties, whose title deeds are not held in the name of the company are as follows: -

Relevant line item in the Balance Sheet	Description of the item of property	Gross Carrying Value	Title deeds in the name of	Whether title deed holder Is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the company
As at 31st March, 2022						
Property, Plant and Equipment	Land	2,44,026.60	Ryam Commerce & Plantations Limited	No	01-03-2017 as per the Business Transfer Agreement executed with Ryam Commerce & Plantations Limited	The Company has applied for NOC for execution of conveyance deed on 05/06/2017 and the file is now with Deputy Secretary, Revenue & Disaster Management(s) Department, The Government of Assam, Assam Secretariat, Dispur
	Bearer Plants	37,708.23				
	Building & Water Supply Installation	34,820.51				
As at 31st March, 2021						
Property, Plant and Equipment	Land	2,44,026.60				
	Bearer Plants	33,479.08				
	Building & Water Supply Installation	26,343.42				

50 Capital Management

The Company's objective for capital management is to maximize shareholder wealth, safeguard business continuity and support the growth of the Company. The Company determines the capital management requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through optimum mix of borrowed and own funds.

51 Details of significant key financial ratios

Sl. No.	Particulars	F.Y. 2021-2022	F.Y. 2020-2021	% Change
1	Current Assets	1,30,337.62	1,40,907.33	
	Current Liabilities	2,57,862.61	2,60,474.84	
	Current Ratio	0.51	0.54	-5.56%
2	Total Debt	2,81,787.78	3,94,564.70	
	Total Equity	4,87,322.10	3,20,940.38	
	Debt Equity Ratio	0.58	1.23	-53.00%
3	EBITDA	1,84,854.69	1,65,229.42	
	Debt	30,733.31	56,015.10	
	Debt Service Coverage Ratio	6.01	2.95	104.00%
4	Profit after tax	1,22,972.81	99,652.00	
	Net Worth	4,87,322.10	3,20,940.38	
	Return on Equity	0.25	0.31	-19.00%

Notes to the Standalone Financial Statements for the year ended 31st March, 2022 (Contd.)

(₹ in thousand)

Sl. No.	Particulars	F.Y. 2021-2022	F.Y. 2020-2021	% Change
5	Average Inventory	45,412.02	34,501.76	
	Cost of Goods Sold	6,52,986.67	5,54,072.62	
	Inventory Turnover Ratio	14.38	16.06	-10.46%
6	Turnover	8,34,537.10	8,17,247.86	
	Average Trade Receivables	13,535.78	13,198.60	
	Trade Receivables Turnover Ratio	61.65	61.92	-0.43%
7	Purchase	1,71,922.01	1,37,869.03	
	Average Trade Payables	37,639.24	34,718.67	
	Trade Payables Turnover Raio	4.57	3.97	15.02%
8	Turnover	8,34,537.10	8,17,247.86	
	Net Worth	4,87,322.10	3,20,940.38	
	Net Capitals Turnover Ratio	1.71	2.55	-32.75%
9	Profit after Tax	1,22,972.81	99,652.00	
	Turnover	8,34,537.10	8,17,247.86	
	Net Profit Ratio	0.15	0.12	20.85%
10	EBITDA	1,84,854.69	1,65,229.42	
	Capital Employed	4,87,322.10	3,20,940.38	
	Return on Capital Employed	0.38	0.51	-26.32%
11	Profit after Tax	1,22,972.81	99,652.00	
	Capital Employed	4,87,322.10	3,20,940.38	
	Return on Investment	0.25	0.31	-18.73%

The change in ratio is due to increase in profit in F.Y.21-22 compared to F.Y. 20-21. the increase in profit has resulted in increase in net worth and that has resulted in ratio in 21-22 lower than that in 20-21, wherever networkth has been taken in ratio calculation.

- 52** On the basis of notification dated 18th December, 2020 by Govt of Assam providing 3 year tax holiday on Agricultural Income Tax, no provision on agricultural income tax has been made for the year ended 31st March, 2022.
- 53** Previous year figures have been re-arranged/re-grouped, wherever necessary to make them comparable with the current year figures.

The Notes are an Integral part of the Financial Statements

As per our Report annexed of even date

For **NKSJ & ASSOCIATES**

Chartered Accountants

Firm Registration No. 329563E

UDIN: 22234454AJPYRG7492

CA. Sneha Jain

Partner

Membership No. 234454

Kolkata

Dated the 26th day of May, 2022

U. KANORIA

Chairman & Director

(DIN: 00081108)

C. KABRA

Company Secretary

S. K. PARHI

Chief Financial Officer

Independent Auditor's Report

TO THE MEMBERS OF KANCO TEA & INDUSTRIES LIMITED

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of **KANCO TEA & INDUSTRIES LIMITED**, (hereinafter referred to as "the Holding Company") and Winnow Investments and Securities Private Limited, (hereinafter referred to as "the Subsidiary Company") (the Holding Company and its subsidiary together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31st March, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated 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 notes for the year ended on that date (hereinafter referred to as "the Consolidated Financial Statements")

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including consolidated other comprehensive income, consolidated cash flows and consolidated change in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standard specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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, which have been used for the purpose of preparation of consolidated financial statements by the Directors of the Holding Company, as aforesaid.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence obtained by us and audit evidence obtained by the other auditors is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Independent Auditor's Report (Contd.)

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2022 and their consolidated profit and their consolidated cash flows and their consolidated change in equity for the year ended on that date.

OTHER MATTERS

We did not audit the financial statements/financial information of subsidiary, whose financial statements/financial information reflect total assets of ₹ 2,22,506.93 thousands as at 31st March, 2022, total revenues of ₹ 5,555.42 thousands and net cash flows amounting to ₹ (3,859.44) thousands for the year ended on that date, as considered in the consolidated financial statements. These financial statements/financial information have been audited by other auditor, whose report have been furnished to us by the Management and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub section (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements, and our report on other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor and the financial statements /financial information certified by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1) As required by Section 143(3) of the Act, we report to the extent applicable that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of other auditors;
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, Consolidated Cash Flow Statement and Consolidated Statement of Change in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of the consolidated financial statements;
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read Rule 7 of the Companies (Accounts) Rules, 2015.
- e) On the basis of written representations received from the directors of the Holding Company as on 31st March, 2022 and taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group Companies incorporated in India is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure " and
- g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2015, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group, and its associates in its financial statements - Refer Note No. 36 to the consolidated financial statements.

Independent Auditor's Report (Contd.)

- (ii) The Group and its associates did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) There were no amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies and its associate companies incorporated in India.
- (iv) a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities with the understanding, whether recorded in writing or otherwise, that the intermediary shall, :
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Group or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Group from any other persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall :
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (iv)(a) and (iv)(b) contain any material mis-statement.
- (v) The Group has declared dividend during the year under section 123 of the Companies Act 2013.

Flat No. 1B, 1st Floor, Embassy Building,
4, Shakespeare Sarani,
Kolkata – 700 071

For **NKSJ & Associates**
Chartered Accountants
(Registration No- 329563E)
UDIN : 22234454AJPYTC6702

(CA Sneha Jain)

Partner

(Membership No. 234454)

Dated the 26th day of May, 2022

Annexure to the Independent Auditor's Report

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (i) OF SUB SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2022 we have audited the internal financial controls over financial reporting of Kanco Tea & Industries Limited ("the Holding Company") and its subsidiary company, which is incorporated in India as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company its subsidiary company, which is incorporated in India as of that date, are 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 10(143) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Group 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 2022, 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.

Flat No. 1B, 1st Floor, Embassy Building,
4, Shakespeare Sarani,
Kolkata – 700 071

For **NKSJ & Associates**
Chartered Accountants
(Registration No- 329563E)
UDIN : 22234454AJPYTC6702

(CA Sneha Jain)

Partner

(Membership No. 234454)

Dated the 26th day of May, 2022

Consolidated Balance Sheet as at 31st March, 2022

(₹ in thousand)

Particulars	Note No.	As at 31st March, 2022	As at 31st March, 2021
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment	5	5,80,221.22	5,48,080.00
Capital Work-In-Progress		7,632.08	1,255.80
Intangible Assets	6	1,786.12	2,065.54
Financial Assets			
Investments	7	1,99,660.50	1,58,235.19
Trade Receivables	8	1,594.54	1,616.60
Loans	9	151.50	175.14
Other Financial Assets	10	15,593.44	14,301.95
Other Non-Current Assets	11	2,486.69	2,546.56
Deferred Tax Asset (Net)	12	72,850.81	77,423.70
Non-Current Tax Asset (Net)	13	13,550.40	11,113.62
CURRENT ASSETS			
Inventories	14	53,556.92	37,267.11
Biological Assets other than bearer plants	14A	7,213.74	2,821.93
Financial Assets			
Trade Receivables	8	7,870.21	15,990.20
Cash and Cash Equivalents	15	10,959.51	32,170.19
Bank balances other than Note 16	16	9,785.81	1,937.54
Loans	9	15,299.63	1,87,232.42
Other Financial Assets	10	15,075.44	16,360.54
Other Current Assets	11	1,16,478.09	37,212.46
Total Assets		11,31,766.65	11,47,806.49
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	17	51,228.27	51,228.27
Other Equity	18	6,48,846.86	5,67,414.81
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	19	1,45,382.69	2,33,748.29
Trade Payables	20	2,700.54	2,941.00
Other Financial Liabilities	21	136.04	90.42
Provisions	22	24,915.86	30,808.82
Other Liabilities	23	693.78	1,026.44
CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	24	1,26,358.15	1,43,284.35
Trade Payables	20	38,361.13	31,503.30
Other Financial Liabilities	21	64,027.27	61,535.27
Provisions	22	19,915.04	16,518.96
Other Liabilities	23	9,201.02	7,706.56
Total Equity and Liabilities		11,31,766.65	11,47,806.49
Basis of Accounting	2		
Significant Accounting Policies	3		
Significant Judgements & Estimates	4		

The Notes are an integral part of the Financial Statements

As per our Report annexed of even date

For **NKSJ & ASSOCIATES**

Chartered Accountants

Firm Registration No. 329563E

UDIN: 22234454JPYTC6702

CA. Sneha Jain

Partner

Membership No. 234454

Kolkata

Dated the 26th day of May, 2022

U. KANORIA

Chairman & Director

(DIN: 00081108)

C. KABRA

Company Secretary

S. K. PARHI

Chief Financial Officer

Consolidated Statement of Profit & Loss for the year ended 31st March, 2022

(₹ in thousand)

Particulars	Note No.	For the year ended 31st March, 2022	For the year ended 31st March, 2021
INCOME			
Revenue from Operations	25	8,34,537.10	8,17,247.86
Other Income	26	1,14,361.29	14,867.58
Total Income		9,48,898.39	8,32,115.44
EXPENSES			
Cost of Materials Consumed	27	2,29,016.60	1,89,788.80
Changes in Inventories of Finished Goods, Stock-In-Trade	28	(9,424.04)	(7,408.77)
Employee Benefits Expense	29	3,56,028.05	3,04,452.28
Finance Costs	30	32,707.14	42,634.95
Depreciation and Amortisation Expense	31	24,528.58	22,943.01
Other Expenses	32	1,84,785.56	1,63,242.71
Total Expenses		8,17,641.89	7,15,652.98
(Loss)/Profit before Exceptional Item and Tax		1,31,256.50	1,16,462.46
Less: Exceptional Item	33	88,574.80	16,724.30
(Loss)/Profit before Tax		42,681.70	99,738.16
Tax Expense:	34		
Current Tax		1968.63	6745.70
MAT Credit Entitlement		(1,968.63)	(12,385.87)
Deferred Tax		4,658.56	(487.68)
(Loss)/Profit for the year		38,023.14	1,05,866.01
Other Comprehensive Income	35		
i. Items that will not be reclassified to profit or loss	35 A	48,531.74	(8,034.22)
ii. Income tax relating to these items		-	-
		48,531.74	(8,034.22)
Other Comprehensive Income for the Year (Net of Tax)		48,531.74	(8,034.22)
Total Comprehensive Income for the period		86,554.88	97,831.79
Earnings Per Share			
Nominal Value of Shares (₹)		10	10
Weighted Average Number of Ordinary Shares outstanding during the year		51,22,827	51,22,827
Basic & Diluted Earnings Per Share		7.42	20.67
Basis of Accounting	2		
Significant Accounting Policies	3		
Significant Judgements & Estimates	4		

The Notes are an integral part of the Financial Statements

As per our Report annexed of even date

For **NKSJ & ASSOCIATES**

Chartered Accountants

Firm Registration No. 329563E

UDIN: 22234454JPYTC6702

CA. Sneha Jain

Partner

Membership No. 234454

Kolkata

Dated the 26th day of May, 2022

U. KANORIA

Chairman & Director

(DIN: 00081108)

C. KABRA

Company Secretary

S. K. PARHI

Chief Financial Officer

Consolidated Cash Flow Statement for the year ended 31st March, 2022

(₹ in thousand)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
A CASH FLOW FROM OPERATING ACTIVITIES		
Net (Loss) / Profit Before Tax and after Exceptional items	42,681.70	99,738.16
Finance Cost	32,707.14	42,634.95
Depreciation (including amortization & impairment)	24,528.58	22,943.01
Changes in Fair Value of Biological Assets	(4,391.81)	(2,821.92)
Interest Received	(6,241.28)	(6,427.29)
Loss /(Profit) on Property, Plant and Equipment sold/discarded (Net)	(43.28)	667.04
Net Gain on sale of Investments	-	(4,827.03)
Unsecured Loan Written Off	80,620.00	-
Interest on Unsecured Loan Written Off	7,954.80	-
Operating Profit/ (Loss) before Working Capital Changes	1,77,815.85	1,51,906.92
ADJUSTMENT FOR :		
Decrease in Trade Receivables	8,142.05	(7,526.86)
Decrease/(Increase) in Non-current & current financial assets	(7,958.84)	3,519.55
Decrease /(Increase) in Non-current & current assets	1,043.85	(257.07)
Decrease /(Increase) in Inventories & Biological Assets other than bearer plants	(16,289.81)	(1,796.53)
(Decrease)/ Increase in Trade Payables	6,617.37	(695.94)
(Decrease)/ Increase in Non-current & current financial liabilities	10,022.74	11,197.73
Increase /(Decrease) in Non-current & current liabilities	1,161.80	5,477.30
Increase /(Decrease) in Non-current & current provisions	4,609.55	74.40
Cash Generated from Operations	1,85,164.56	1,61,899.50
Income Tax (Paid)/ received (Net)	(2,522.47)	(7,166.21)
Net Cash Flow from Operating Activities	1,82,642.09	1,54,733.29
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	(63,123.68)	(45,652.40)
Sale of Property, Plant and Equipment	150.70	591.44
Advance given for purchase of property	(80,000.00)	-
Purchase of Intangible Assets	-	(2,310.60)
Loan Given (Net)	22,336.43	(14,102.80)
Fixed Deposits & other bank balances	(7,848.27)	536.13
Sale of Investments	-	8738.93
Interest Received	6,238.93	7,160.44
Net Cash flow from Investing Activities	(1,22,245.89)	(45,038.86)

Consolidated Cash Flow Statement for the year ended 31st March, 2022 (Contd.)

(₹ in thousand)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
C CASH FLOW FROM FINANCING ACTIVITIES		
Increase / (Decrease) in Short Term Borrowings from Banks	(16,926.19)	(57,437.93)
Increase / (Decrease) in Long Term Borrowings	(19,365.60)	8,465.07
Finance Cost	(40,192.26)	(49,728.34)
Dividend Paid	(5,122.83)	-
Net Cash flow from Financing Activities	(81,606.88)	(98,701.20)
Net Increase / (Decrease) in Cash and Cash Equivalents	(21,210.68)	10,993.23
Cash and Cash Equivalents at the beginning of the year	32,170.19	21,176.96
Cash and Cash Equivalents at the end of the year	10,959.51	32,170.19

Notes:

- (1) The above Consolidated Cash Flow Statement has been prepared under the "Indirect Method" as set out in IND AS -7 "Statement of Cash Flows" referred to in the Companies (Accounts) Rules, 2016.
- (2) Previous year's figures have been re-grouped/re-arranged wherever necessary.

The Notes are an integral part of the Financial Statements

As per our Report annexed of even date

For **NKSJ & ASSOCIATES**

Chartered Accountants

Firm Registration No. 329563E

UDIN: 22234454JPTYC6702

CA. Sneha Jain

Partner

Membership No. 234454

Kolkata

Dated the 26th day of May, 2022

U. KANORIA

Chairman & Director

(DIN: 00081108)

C. KABRA

Company Secretary

S. K. PARHI

Chief Financial Officer

Consolidated Statement of Changes in Equity for the year ended March 31, 2022

(₹ in thousand)

a. Equity Share Capital

Balance as at 31st March 2020	51,228.27
Add/(Less): Changes during the year 2020-21	-
Balance as at 31st March 2021	51,228.27
Add/(Less): Changes during the year 2021-22	-
Balance as at 31st March 2022	51,228.27

b. Other Equity

Particulars	General Reserve	Preference Share Redemption Reserve	Retained Earnings	Other Comprehensive Income		Total
				Equity Instrument through Other Comprehensive Income	Remeasurement of Defined Benefit Plans	
Balance as at 31st March, 2020	73,126.87	4,000.00	95,804.08	2,98,888.18	(2,236.11)	4,69,583.02
Profit for the Year	-	-	1,05,866.01	-	-	1,05,866.01
Change in Fair Value	-	-	-	1,739.02	-	1,739.02
Remeasurement Gain/(Loss) (Net of Tax)	-	-	-	-	(9,773.24)	(9,773.24)
Total Comprehensive Income	-	-	1,05,866.01	1,739.02	(9,773.24)	97,831.79
Balance as at 31st March, 2021	73,126.87	4,000.00	2,01,670.09	3,00,627.20	(12,009.35)	5,67,414.81
Profit for the Year	-	-	38,023.14	-	-	38,023.14
Change in Fair Value	-	-	-	41,425.31	-	41,425.31
Remeasurement Gain/(Loss) (Net of Tax)	-	-	-	-	7,106.43	7,106.43
Total Comprehensive Income	-	-	38,023.14	41,425.31	7,106.43	86,554.88
Final Dividend Paid	-	-	5,122.83	-	-	5,122.83
Total Distribution	-	-	5,122.83	-	-	5,122.83
Balance as at 31st March, 2022	73,126.87	4,000.00	2,34,570.40	3,42,052.51	(4,902.92)	6,48,846.86

The Notes are an integral part of the Financial Statements

As per our Report annexed of even date

For **NKSJ & ASSOCIATES**

Chartered Accountants

Firm Registration No. 329563E

UDIN: 22234454AJPYTC6702

CA. Sneha Jain

Partner

Membership No. 234454

Kolkata

Dated the 26th day of May, 2022

U. KANORIA

Chairman & Director

(DIN: 00081108)

C. KABRA

Company Secretary

S. K. PARHI

Chief Financial Officer

Notes to the Consolidated Financial Statements *for the year ended 31st March, 2022*

1. CORPORATE AND GENERAL INFORMATION

Kanco Tea & Industries Limited (the company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on two stock exchanges in India. The company is engaged in the manufacturing and selling of black tea. The company caters to only the domestic market. The food safety system and the quality management system of Mackeypore Tea Estate has been assessed and found to meet the requirement of HACCP (Hazard Analysis and Critical Point), ISO 22000 Food Safety Management. The quality management system of Mackeypore Tea Estate has been assessed and found to meet the requirements of ISO 9001:2015.

2. BASIS OF ACCOUNTING

2.1. Statement of Compliance

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended), other relevant provisions of the Act and other accounting principles generally accepted in India. The accounting policies are applied consistently to all the periods presented in the financial statements.

The financial statements of the Company for the year ended 31st March, 2022 has been approved by the Board of Directors in their meeting held on 26th May, 2022.

2.2. Basis of Accounting

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

- Certain Financial Assets and Liabilities is measured at Fair value/ 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 Consolidated 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 thousands as per the requirements of Schedule III, unless otherwise stated.

2.4. Use of Estimates and Judgements

The preparation of consolidated financial statements in conformity with Ind AS requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. 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 consolidated financial statements along with the other notes required to be disclosed under the notified Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Notes to the Consolidated Financial Statements *for the year ended 31st March, 2022 (Contd.)*

2.6. Operating Cycle for current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the 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. 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.

2.8 Principles of Consolidation

The Consolidated Financial Statements relate to Kanco Tea & Industries Limited (the Company) and its subsidiary Company namely Winnow Investments and Securities Private Limited. The brief information about the subsidiary as on 31/03/ 2022 is as under:

Name of Company	Country of Incorporation	Proportionate of ownership interest	
		31.03.2022	31.03.2021
Winnow Investments and Securities Private Limited	India	100%	100%

Notes to the Consolidated Financial Statements for the year ended 31st March, 2022 (Contd.)

The Consolidated Financial Statements have been prepared in accordance with the applicable accounting standards, on the basis of standalone financial statements of the parent and the subsidiary by consolidating on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses and thereafter making due elimination of intra-group transactions.

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 gardens, is measured at fair value less cost to sell at the point of harvest of tea leaves.
- **Stores and Spare Parts:** Stores and Spare Parts are measured at cost (measured at weighted average basis) or net realizable value whichever is lower.
- **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.
- **Stock in Trade:** Stock in Trade is measured at cost (i.e., purchase cost) or net realizable value whichever is lower.
- **Waste/ Scrap:** Waste and Scrap (including tea waste) are valued at estimated realizable value.

3.2. CASH AND CASH EQUIVALENTS

Cash and cash 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, deposits and other short-term highly liquid investments as defined above, 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 profit or 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.

Notes to the Consolidated Financial Statements *for the year ended 31st March, 2022 (Contd.)*

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.

Notes to the Consolidated Financial Statements *for the year ended 31st March, 2022 (Contd.)*

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 tangible fixed assets is provided under Straight Line 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 of).
- Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3.4.1.4. Disposal of Assets

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

3.4.1.5. Capital Work in Progress

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

3.4.2. Bearer Plants

3.4.2.1. Recognition and Measurement:

- Bearer Plants, 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.

Notes to the Consolidated Financial Statements *for the year ended 31st March, 2022 (Contd.)*

3.4.2.3. Depreciation:

- Depreciation on bearer plants is recognised so as to write off its cost over useful lives, using the straight-line 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.
- Estimated useful life of the bearer plants has been determined to be 50 years. The residual value in case of Bearer Plants has been considered as NIL.

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. REVENUE RECOGNITION

Revenue is recognised based on nature of activity when consideration can be reasonably measured and recovered with reasonable certainty. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment, but excludes amounts collected on behalf of third parties, such as sales tax and value added tax and is reduced for estimated customer returns, rebates and other similar allowances.

3.5.1. Sale of Products:

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and significant risk and reward incidental to sale of products is transferred to the buyer, usually on delivery of the goods.

3.5.2. Other Income:

3.5.2.1. Interest Income: For all debt instruments measured either at amortized cost or at fair value through other comprehensive income (FVTOCI), interest income is recorded using the effective interest rate (EIR). 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.

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

3.5.2.3. 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.

3.6. EMPLOYEE BENEFITS

3.6.1. 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.

Notes to the Consolidated Financial Statements *for the year ended 31st March, 2022 (Contd.)*

3.6.2. Other Long Term Employee Benefits

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

3.6.3. Post Employment Benefits

The Company operates the following post employment schemes:

➤ Defined Contribution Plan

Defined contribution plans such as Provident Fund, Superannuation Fund, labour Welfare Fund etc. are charged to the statement of profit and loss as and when incurred. There are no other contribution payable to the respective funds.

➤ 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.

3.7. 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.

Notes to the Consolidated Financial Statements *for the year ended 31st March, 2022 (Contd.)*

3.8. 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).

3.9. 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 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. The Company considers a period of twelve months or more as a substantial period of time.
- 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.

3.10. 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.

3.10.1. Financial Assets

➤ Recognition and Initial Measurement:

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

➤ Classification and Subsequent Measurement:

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

- o Measured at Amortized Cost;
- o Measured at Fair Value Through Other Comprehensive Income (FVTOCI);
- o Measured at Fair Value Through Profit or Loss (FVTPL); and
- o Equity Instruments measured at Fair Value through Other Comprehensive Income (FVTOCI).

Notes to the Consolidated Financial Statements for the year ended 31st March, 2022 (Contd.)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

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

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

- o Measured at FVTOCI: A debt instrument is measured at the FVTOCI if both the following conditions are met:

- The objective of the business model is achieved by both collecting contractual cash flows and selling the financial assets; and
- The asset's contractual cash flows represent SPPI.

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

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

Notes to the Consolidated Financial Statements *for the year ended 31st March, 2022 (Contd.)*

➤ **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 lifetime expected losses for all contract assets and/ or all trade receivables that do not constitute a financing transaction. 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.

3.10.2. Financial Liabilities

➤ **Recognition and Initial Measurement:**

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

➤ **Subsequent Measurement:**

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

➤ **Financial Guarantee Contracts:**

Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirement of Ind AS 109 and the amount recognized less cumulative amortization.

➤ **Derecognition:**

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

3.10.3. 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.

3.11. 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.

Notes to the Consolidated Financial Statements *for the year ended 31st March, 2022 (Contd.)*

3.12. 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.

3.13. Provisions, Contingent Liabilities and Contingent Assets

3.13.1. 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.

3.13.2. 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.

3.13.3. 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.

3.14. Intangible Assets

3.14.1. 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.

3.14.2. 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.

Notes to the Consolidated Financial Statements *for the year ended 31st March, 2022 (Contd.)*

3.14.3. Amortization

- Intangible assets are amortized over their estimated useful lives.
- 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.

3.14.4. 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.

3.15. Biological Assets and Agricultural Produce

3.15.1. Biological Assets

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

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

3.15.2. 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.

3.16. Operating Segment

Operating Segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors. Segments are organized based on businesses which have similar economic characteristics as well as exhibit similarities in nature of production processes, the type and class of customer and distribution methods. Accordingly, the company has only one segment i.e., Manufacturing of Black Tea.

Notes to the Consolidated Financial Statements *for the year ended 31st March, 2022 (Contd.)*

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

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

- **Recognition of Deferred Tax Assets:** The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits.
- **Useful lives of depreciable/ amortisable assets (tangible and intangible):** Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to actual normal wear and tear that may change the utility of plant and equipment.
- **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:** The fair value of Biological Assets is determined based on recent transactions entered into with third parties or available market price.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2022 (Contd.)

5. PROPERTY, PLANT AND EQUIPMENT

(₹ in thousands)

Particulars	Year Ended 31st March 2022							Net Carrying Amount	
	Gross Block			Accumulated Depreciation					
	As at 1st April 2021	Additions	Disposal / Adjustments	As at 31st March 2022	As at 1st April 2021	For the Year	Deductions / Adjustments		As at 31st March 2022
Land Freehold	2,44,026.60	-	-	2,44,026.60	-	-	-	-	2,44,026.60
Buildings & Water Supply Installation	1,10,561.26	24,935.34	-	1,35,496.60	12,688.99	3,922.10	-	16,611.09	1,18,885.51
Plant & Equipments	1,32,040.37	8,929.33	13.05	1,40,956.65	46,495.83	12,899.42	-	59,395.25	81,561.40
Furniture and Fixtures	6,356.78	462.27	158.28	6,660.77	3,008.55	620.84	110.64	3,518.75	3,142.02
Motor Vehicles	34,874.94	7,742.08	115.60	42,501.42	18,679.43	3,940.53	68.87	22,551.09	19,950.33
Bearer Plants	1,10,607.61	14,428.78	-	1,25,036.39	9,514.76	2,866.27	-	12,381.03	1,12,655.36
Total	6,38,467.56	56,497.80	286.93	6,94,678.43	90,387.56	24,249.16	179.51	1,14,457.21	5,80,221.22
Particulars	Year Ended 31st March 2021							Net Carrying Amount	
	Gross Block			Accumulated Depreciation					
	As at 1st April 2020	Additions	Disposal / Adjustments	As at 31st March 2021	As at 1st April 2020	For the Year	Deductions / Adjustments		As at 31st March 2021
Land Freehold	2,44,026.60	-	-	2,44,026.60	-	-	-	-	2,44,026.60
Buildings & Water Supply Installation	93,690.68	16,870.58	-	1,10,561.26	9,272.51	3,416.48	-	12,688.99	97,872.27
Plant & Equipments	1,17,205.12	17,128.48	2,293.23	1,32,040.37	35,531.72	12,096.92	1,132.81	46,495.83	85,544.54
Furniture and Fixtures	5,916.86	439.92	-	6,356.78	2,341.00	667.55	-	3,008.55	3,348.23
Motor Vehicles	32,796.45	2,321.88	243.39	34,874.94	14,661.80	4,162.96	145.33	18,679.43	16,195.51
Bearer Plants	1,00,299.57	10,383.53	75.49	1,10,607.61	7,243.57	2,346.68	75.49	9,514.76	1,01,092.85
Total	5,93,935.28	47,144.39	2,612.11	6,38,467.56	69,050.60	22,690.59	1,353.63	90,387.56	5,48,080.00

Notes:

5.1 Refer note no. 38 for information on inventories pledged as securities by the Company.

5.2 Refer note no. 37 for disclosure of contractual commitments for the acquisition of Property, Plant & Equipments.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2022 (Contd.)

(₹ in thousand)

5A. Capital-Work-In-Progress

Particulars	As at 31st March, 2022	As at 31st March, 2021
CWIP Less than 1 Year	7,429.61	1,255.80
CWIP 1-2 Years	202.47	-
	7,632.08	1,255.80

6. INTANGIBLE ASSETS

Particulars	Year Ended 31st March 2022								Net Carrying Amount
	Gross Carrying Amount				Accumulated Amortization				
	As at 1st April 2021	Additions	Disposal / Adjustments	As at 31st March 2022	As at 1st April 2021	For the Year	Disposal / Adjustments	As at 31st March 2022	
Computer Software	2,409.56	-	-	2,409.56	344.02	279.42	-	623.44	1,786.12
Total	2,409.56	-	-	2,409.56	344.02	279.42	-	623.44	1,786.12

Particulars	Year Ended 31st March 2021								Net Carrying Amount
	Gross Carrying Amount				Accumulated Amortization				
	As at 1st April 2020	Additions	Disposal / Adjustments	As at 31st March 2021	As at 1st April 2020	For the Year	Disposal / Adjustments	As at 31st March 2021	
Computer Software	98.96	2,310.60	-	2,409.56	91.60	252.42	-	344.02	2,065.54
Total	98.96	2,310.60	-	2,409.56	91.60	252.42	-	344.02	2,065.54

7. NON-CURRENT INVESTMENTS

Particulars	Face Value	As at 31st March 2022		As at 31st March 2021	
		Qty	Amount	Qty	Amount
Investment at Fair Value through Other Comprehensive Income					
Equity Instruments (Quoted)					
Warren Tea Limited	10	10	0.71	10	0.45
Kanco Enterprises Limited	10	33,14,291	1,160.01	33,14,291	1,160.01
The Methoni Tea Co. Limited	10	100	12.69	100	12.69
The Grob Tea Co. Limited	10	150	150.27	150	122.48
Subtotal			1,323.68		1,295.63
Equity Instruments (Unquoted)					
Gujarat Nylons Limited	10	100	3.47	100	3.47
Rydak Syndicate Limited	10	100	12.69	100	12.69
E T Resources Private Limited	10	74,300	42,202.40	74,300	18,872.20
BT Investments Private Limited	10	2,22,558	48,962.76	2,22,558	33,383.70
Cosmos Resources Private Limited	10	75,000	8,550.00	75,000	7,650.00
Nidhi Private Limited	10	1,60,000	9,920.00	1,60,000	8,000.00

Notes to the Consolidated Financial Statements for the year ended 31st March, 2022 (Contd.)

(₹ in thousand)

Particulars	Face Value	As at 31st March 2022		As at 31st March 2021	
Innova Properties Private Limited	10	77,500	11,392.50	77,500	12,322.50
Suryasakti Commodities Private Limited	10	46,000	12,236.00	46,000	11,638.00
Subtotal			1,33,279.82		91,882.56
Total (A)			1,34,603.50		93,178.19
Investments at Fair Value through Profit or Loss					
Investment in 7% Non Cumulative Redeemable Preference shares (Unquoted)					
BT Investments Private Limited	100	85,570	8,557.00	85,570	8,557.00
Subtotal			8,557.00		8,557.00
Debt Instruments (Unquoted)					
% Optionally Convertible Debentures of Devoted Constructions Limited	100000	565	56,500.00	565	56,500.00
Subtotal			56,500.00		56,500.00
Total (B)			65,057.00		65,057.00
TOTAL NON- CURRENT INVESTMENTS (A+B)			1,99,660.50		1,58,235.19
Aggregate Book Value of Quoted Investments			1,323.68		1,295.63
Aggregate Fair Value of Quoted Investments			1,323.68		1,295.63
Aggregate amount of Unquoted Investments			1,98,336.82		1,56,939.56

The value of unquoted shares are based on the valuation report of a practising chartered accountant, who is not a registered valuer as defined under Rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

8. TRADE RECEIVABLES

Particulars	Refer Note No.	Long Term		Short Term	
		As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Trade Receivables	8.1 & 8.2	1,594.54	1,616.60	7,870.21	15,990.20
Less: Provision for doubtful receivables		-	-	-	-
Total Trade Receivables		1,594.54	1,616.60	7,870.21	15,990.20
Break Up of Trade Receivable Details					
Undisputed Trade Receivables - Considered Good		1,594.54	1,616.60	7,870.21	15,990.20
Undisputed Trade Receivables - Which have significant increase in credit risk		-	-	-	-
Undisputed Trade Receivables - Credit impaired		-	-	-	-
Disputed Trade Receivables - Considered Good		-	-	-	-
Disputed Trade Receivables - Which have significant increase in credit risk		-	-	-	-
Disputed Trade Receivables - Credit impaired		-	-	-	-
Total		1,594.54	1,616.60	7,870.21	15,990.20
Less: Provision for doubtful receivables		-	-	-	-
Total Trade Receivables		1,594.54	1,616.60	7,870.21	15,990.20

8.1 Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2022 (Contd.)

(₹ in thousand)

8.2 No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

9. LOANS

Particulars	Refer Note No.	Long Term		Short Term	
		As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Loans & Advances to Related Parties	9.1				
Unsecured, considered doubtful		-	43,434.76	-	-
Less: Provision for Doubtful Advances		-	43,434.76	-	-
		-	-	-	-
Inter Corporate Loans to Others, unsecured, considered good		-	-	15,000.00	1,86,980.97
Advance to Employees, unsecured, considered good		151.50	175.14	299.63	251.45
Total Loans		151.50	175.14	15,299.63	1,87,232.42

9.1 No Loans are due from directors or other officers of the company either severally or jointly with any other person. Nor any loan are due from firms or private companies respectively in which any director is a partner, a director or a member.

10. OTHERS FINANCIAL ASSETS

Security & Other Deposits		15,585.63	14,294.14	24.00	44.00
Nabard Tea Development Account		-	-	3.40	3.40
Interest Accrued and Due		-	3,518.22	70.69	0.72
Less: Provision for Doubtful receivables		-	(3,518.22)	-	-
Others		7.81	7.81	14,977.35	16,312.42
		15,593.44	14,301.95	15,075.44	16,360.54

11. OTHER ASSETS

Capital Advances		-	-	400.75	151.14
Advances other than Capital Advances					
Advance against supply of Goods & Services		1,957.85	2,007.50	23,944.33	14,744.08
Less : Provision for Doubtful Advances		-	-	-	-
Advance against purchase of property		-	-	80,000.00	-
Prepaid Expenses		-	-	(2,341.24)	(1,302.30)
Balances with Government & Statutory Authorities		42.61	42.61	8,465.78	5,622.32
Less : Provision for Doubtful Advances		-	-	-	-
Incentive and Subsidy Receivable		2,946.46	2,946.46	1,907.72	13,665.89
Less: Provision for Doubtful Receivables		(2,946.46)	(2,946.46)	-	-
Other Receivables		486.23	496.45	4,100.75	4,331.33
Total Other Assets		2,486.69	2,546.56	1,16,478.09	37,212.46

Notes to the Consolidated Financial Statements for the year ended 31st March, 2022 (Contd.)

(₹ in thousand)

12. DEFERRED TAX ASSETS (NET)

Particulars	Refer Note No.	As at 31st March, 2022	As at 31st March, 2021
Deferred Tax Assets			
Arising on account of :			
Section 43B of Income-tax Act		4,926.38	5,204.23
Provision for doubtful debts		2,744.59	2,744.59
MAT Credit Entitlement		78,388.33	78,302.66
Others		736.68	736.68
		86,795.98	86,988.16
Less: Deferred Tax Liabilities			
Arising on account of :			
Property, Plant & Equipment		4,487.89	4,226.68
Financial Assets		9,206.62	5,087.12
Others		250.66	250.66
		13,945.17	9,564.46
Deferred Tax Assets (Net)		72,850.81	77,423.70

12.1 Movement in deferred tax assets and liabilities during the year ended 31st March, 2021 and 31st March, 2022.

Particulars	As at 1st April, 2020	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	As at 31st March, 2021
Deferred Income Tax Liabilities				
Property, Plant & Equipment	3,714.15	512.53	-	4,226.68
Financial Assets	4,991.48	(87.89)	183.53	5,087.12
Others	250.66	-	-	250.66
	8,956.29	424.64	183.53	9,564.46
Deferred Income Tax Assets				
Section 43B of Income-tax Act	4,108.38	1,095.85	-	5,204.23
Provision for doubtful debts	2,744.59	-	-	2,744.59
MAT Credit Entitlement	66,022.53	12,280.13	-	78,302.66
Others	736.68	-	-	736.68
	73,612.18	13,375.98	-	86,988.16

Notes to the Consolidated Financial Statements for the year ended 31st March, 2022 (Contd.)

(₹ in thousand)

Particulars	As at 1st April, 2021	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	As at 31st March, 2022
Deferred Income Tax Liabilities				
Property, Plant & Equipment	4,226.68	261.21	-	4,487.89
Financial Assets	5,087.12	(487.19)	4,606.69	9,206.62
Others	250.66	-	-	250.66
	9,564.46	(225.98)	4,606.69	13,945.17
Deferred Income Tax Assets				
Section 43B of Income-tax Act	5,204.23	(277.85)	-	4,926.38
Provision for doubtful debts	2,744.59	-	-	2,744.59
MAT Credit Entitlement	78,302.66	85.67	-	78,388.33
Others	736.68	-	-	736.68
	86,988.16	(192.18)	-	86,795.98

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

13. NON CURRENT TAX ASSETS (NET)

Particulars	Refer Note No.	As at 31st March, 2022	As at 31st March, 2021
Advance Income Tax & TDS		1,15,141.89	1,14,165.94
Less: Provision for Taxation		1,01,591.49	1,03,052.32
		13,550.40	11,113.62

14. INVENTORIES

(As valued and certified by the Management)	3.1		
Raw Materials	14.2	1,975.53	986.00
Stock of Tea Plants	14.2	-	177.73
Finished Goods	14.2	22,858.29	13,434.25
Stores and Spares etc.	14.1 & 14.2	28,723.10	22,669.13
		53,556.92	37,267.11

14.1 The above includes goods-in-transit as under:

Stores and Spares etc.		-	-
		-	-

14.2 Refer note no. 38 for information on inventories pledged as securities by the Company.

14.3 Refer note no. 27 & 32 for information in relation to the amount of inventories recognized as expenses.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2022 (Contd.)

(₹ in thousand)

14.A BIOLOGICAL ASSETS OTHER THAN BEARER PLANTS

Particulars	Refer Note No.	As at 31st March, 2022	As at 31st March, 2021
Fair Value of Biological Assets Other than Bearer Plants (Unharvested Tea Leaves)	15.1	7,213.74	2,821.93
		7,213.74	2,821.93

14A.1 Unharvested tea leaves on bushes as on 31st March 2022 was 1,82,300 kgs (31st March, 2021 - 62,280 kgs)

15. CASH AND CASH EQUIVALENTS

Balances With Banks :			
In Current/Cash Credit Account		10,506.49	23,032.91
Cash in Hand		453.02	347.70
Fixed Deposit with bank with original maturity of less than three months		-	8,789.58
		10,959.51	32,170.19

16. BANK BALANCES (OTHER THAN NOTE: 15)

Unpaid Dividend & Fractional Shares Account		1,118.67	1,338.96
Deposit Accounts with Original Maturity of more than three months but less than 12 months	16.1	8,667.14	598.58
		9,785.81	1,937.54

16.1 Represents deposits marked lien with banks as security for Letter of Credit facility.

17. EQUITY SHARE CAPITAL

Particulars	Refer Note No.	As at 31st March 2022		As at 31st March 2021	
		No. of Shares	Amount	No. of Shares	Amount
17.1 Authorised Share Capital					
Ordinary Shares of ₹ 10/- each		60,00,000	60,000.00	60,00,000	60,000.00
Preference Shares of ₹ 100/- each		1,00,000	10,000.00	1,00,000	10,000.00
			70,000.00		70,000.00
17.2 Issued, Subscribed and Paid-up Share Capital					
Ordinary Shares of ₹ 10/- each fully paid-up		51,22,827	51,228.27	51,22,827	51,228.27
Total Loans		51,22,827	51,228.27	51,22,827	51,228.27

Notes to the Consolidated Financial Statements for the year ended 31st March, 2022 (Contd.)

(₹ in thousand)

17.3 Reconciliation of the number of shares at the beginning and at the end of the year

Particulars	As at 31st March, 2022	As at 31st March, 2021
No. of Shares outstanding at the beginning of the year	51,22,827	51,22,827
Add: Issued during the year	-	-
No. of Shares outstanding at the end of the year	51,22,827	51,22,827

17.4 Terms/ Rights attached to Equity Shares :

The Company has only one class of Ordinary Equity Share having a face value of ₹ 10 per share and each holder of Ordinary Equity Share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors (except interim dividend) is subject to the approval of the shareholders in the Annual General Meeting. The claim of Ordinary Equity Shareholders on earnings and on assets in the event of liquidation, follows all others, in proportion to their shareholding.

17.5 Shareholding Pattern with respect of Holding or Ultimate Holding Company

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

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

	Refer Note No.	As at 31st March 2022		As at 31st March 2021	
		No. of Shares	% Holding	No. of Shares	% Holding
Ordinary Shares of ₹ 10/- each fully paid					
E.T.Resources Private Limited		8,77,623	17.13%	8,77,623	17.13%
Satvik Welfare Trust		7,47,900	14.60%	7,47,900	14.60%
Mrs. Anuradha Kanoria		5,49,441	10.73%	5,49,441	10.73%
Umang Kanoria (HUF)		4,66,605	9.11%	4,66,605	9.11%
B.T.Investments Private Limited		3,40,968	6.66%	3,40,968	6.66%
Mr.Satvik Kanoria		2,86,623	5.60%	2,86,623	5.60%

17.7 Details of Shareholding of Promoters

Particulars	Refer Note No.	As at 31st March 2022		As at 31st March 2021		% Change during the year
		No. of Shares	% Holding	No. of Shares	% Holding	
Ordinary Shares of ₹ 10/- each fully paid						
Mrs. Anuradha Kanoria		5,49,441	10.73%	5,49,441	10.73%	-
Mr.Satvik Kanoria		2,86,623	5.60%	2,86,623	5.60%	-
E.T.Resources Private Limited		8,77,623	17.13%	8,77,623	17.13%	-
B.T.Investments Private Limited		3,40,968	6.66%	3,40,968	6.66%	-
Innova Properties Private Limited		36,000	0.70%	36,000	0.70%	-
Nidhi Private Limited		93,000	1.82%	93,000	1.82%	-

Notes to the Consolidated Financial Statements for the year ended 31st March, 2022 (Contd.)

(₹ in thousand)

17.8 No Ordinary Equity Shares have been reserved for issue under options and contracts/ commitments for the sale of shares/ disinvestment as at the Balance Sheet date.

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

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

18. OTHER EQUITY

Particulars	Refer Note No.	As at 31st March, 2022	As at 31st March, 2021
General Reserve		73,126.87	73,126.87
Preference Share Redemption Reserve		4,000.00	4,000.00
Retained Earnings		2,34,570.40	2,01,670.09
Other Reserves		3,37,149.59	2,88,617.85
		6,48,846.86	5,67,414.81

19. BORROWINGS

Particulars	Refer Note No.	Non-Current Portion		Current Maturities	
		As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
19.1 Non Convertible Redeemable Preference Shares (NCRPS)					
(Face Value ₹ 100 each)					
40,000 (P.Y. - 40,000) 7% NCRPS redeemable on 17th April, 2023		4,000.00	4,000.00	-	-
19.2 Term Loans					
From Banks:					
Rupee Loans	19.3 A	1,01,482.69	1,47,226.60	20,000.00	37,796.67
		1,01,482.69	1,47,226.60	20,000.00	37,796.67
From Others					
From Directors		9,900.00	9,900.00	-	-
From Others	19.3 B	30,000.00	72,621.69	686.37	686.37
Total		1,45,382.69	2,33,748.29	20,686.37	38,483.04
Amount disclosed under Note no.24 "Short Term Borrowings"		-	-	(20,686.37)	(38,483.04)
		1,45,382.69	2,33,748.29	-	-
Break Up of Security Details					
Secured	19.4	1,01,482.69	1,25,516.37	20,686.37	38,483.04
Unsecured		43,900.00	1,08,231.92	-	-
Total		1,45,382.69	2,33,748.29	20,686.37	38,483.04

Notes to the Consolidated Financial Statements for the year ended 31st March, 2022 (Contd.)

(₹ in thousand)

19.3 Terms of Repayment of Term Loan

	Particulars	Refer Note No.	₹ in thousands	Period of Maturity	No. of Instalments due	Instalment Value	Repayment Terms	Rate of Interest p.a.
A	Term Loan - From Banks - in Indian Rupees							
	Punjab National Bank	19.4.a	72,116.31	2025-2026	3	2023-24: 30,150 2024-25: 32,160 2025-26: 9,806.31	3 annual installments of varying amount commencing after a period of 12 months from the date of 1st disbursement	7.50%
	Punjab National Bank	19.4.a	49,366.38	2023-2024	29	1666.67	29 monthly instalments of Rs.1666.67	7.65%
B	Term Loan - From Others - in Indian Rupees							
I	Tea Board of India	19.4.b	486.39 199.98	2022-2023 2022-2023	1 1	May'22: 486.39 May'22: 199.98	1 remaining equal annual instalment	8.10%
II	From Directors		7,400.00 2,500.00	2025-2026 2025-2026	1 1	2025-26: 7,400 2025-26: 2,500	In a single bullet payment	7% 9%
III	From Others		30,000.00	2025-2026	1	2025-26: 30,000	In a single bullet payment	8%

19.4 Details of Security Given for Loan

- Term Loan from Punjab National Bank is secured by hypothecation of green tea leaves, before and after plucking, teas in process, finished tea in stock/transit or tea lying with brokers, book debts (present and future) and by way of equitable mortgage of immovable properties and machineries of Mackeypore & Lakmijan Tea Estate as collateral security and further guaranteed by two directors of the Company.
- Loan from Tea Board of India is secured by hypothecation of tea crops and mortgage of title deeds of Mackeypore & Lakmijan Tea Estate in favour of Tea Board ranking subsequent to charge created in favour of Punjab National Bank.

19.5 Refer note no.39 for information on the carrying amounts of financial and non-financial assets pledged as security for the non-current borrowings.

19.6 The statements of current assets filed by the Company with the bank are in agreement with the books of accounts.

20. TRADE PAYABLES

Particulars	Refer Note No.	Long Term		Short Term	
		As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Dues to Micro and Small Enterprises	20.1	-	-	4,042.74	1,114.55
Dues to Creditors other than Micro & Small Enterprises		2,700.54	2,941.00	34,318.39	30,388.75
		2,700.54	2,941.00	38,361.13	31,503.30

Notes to the Consolidated Financial Statements for the year ended 31st March, 2022 (Contd.)

(₹ in thousand)

20.1 The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows: -

Particulars	Refer Note No.	As at 31st March, 2022	As at 31st March, 2021
a) The principal amount remaining unpaid to any supplier at the end of the year		4,042.74	1,114.55
b) Interest due remaining unpaid to any supplier at the end of the year.		-	-
c) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year.		-	-
d) The amount of interest due and payable for the period of delay in making payment (which have been paid beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006		-	-
e) The amount of interest accrued and remaining unpaid at the end of each accounting year.		-	-
f) 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 enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006.		-	-

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company.

21. OTHER FINANCIAL LIABILITIES

Particulars	Refer Note No.	Long Term		Short Term	
		As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Trade & Security Deposits (Unsecured)	21.1	-	-	3,723.97	3,236.07
Interest accrued and due on Borrowings		39.93	-	10,007.01	17,532.06
Unpaid and unclaimed dividends		-	-	1,117.98	1,338.27
Employees related Liabilities		24.66	18.97	49,178.31	39,428.87
Other Payables		71.45	71.45	-	-
		136.04	90.42	64,027.27	61,535.27

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

Notes to the Consolidated Financial Statements for the year ended 31st March, 2022 (Contd.)

(₹ in thousand)

22. PROVISIONS

Particulars	Refer Note No.	Long Term		Short Term	
		As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Provision for Employee Benefits	22.1	24,915.86	30,808.82	19,915.04	16,518.96
		24,915.86	30,808.82	19,915.04	16,518.96

22.1 All Provisions are valued at their Present value of money.

23. OTHER LIABILITIES

Deferred Revenue Income	23.1	628.43	897.00	338.91	338.91
Advances Received from Customers		48.45	112.54	0.15	64.28
Statutory Dues		-	-	8,861.96	7,303.37
Others		16.90	16.90	-	-
		693.78	1,026.44	9,201.02	7,706.56

Particulars	Refer Note No.	For the year ended 31st March, 2022	For the year ended 31st March, 2021
23.1 Opening Balance		897.00	1,417.28
Grants received during the year		70	-
Less: Released to profit or loss		-	181.37
		967.34	1,235.91
Less: Current Portion of the Deferred Revenue Income		338.91	338.91
Closing Balance		628.43	897.00

24. SHORT TERM BORROWINGS

Particulars	Refer Note No.	As at 31st March, 2022	As at 31st March, 2021
Loans Repayable on Demand			
Working Capital Loan from Banks	24.1	1,05,671.78	1,04,801.31
Current maturities of Long Term Debt	19	20,686.37	38,483.04
		1,26,358.15	1,43,284.35
24.1 The above amount includes			
Secured Borrowings	24.2	1,26,358.15	1,43,284.35
Unsecured Borrowings		-	-
		1,26,358.15	1,43,284.35

24.2 Terms and conditions of Short Term Borrowings

- a Cash Credit from Punjab National Bank is secured by hypothecation of green tea leaves, before and after plucking, teas in process, finished tea in stock/transit, tea lying with brokers/agents awaiting sale, other tea stocks, book debts (present and future) arising out of sale of teas, first charge over all current assets of the company (both

Notes to the Consolidated Financial Statements for the year ended 31st March, 2022 (Contd.)

(₹ in thousand)

present and future) and equitable mortgage of immovable properties and machineries of tea estates as collateral security and further guaranteed by two directors of the Company.

b Interest on Cash Credit Loan @7.50% and the same is repayable on demand.

25. REVENUE FROM OPERATIONS

Particulars	Refer Note No.	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Sale of Products-Black Tea		8,34,537.10	8,17,247.86
		8,34,537.10	8,17,247.86

26. OTHER INCOME

Interest Income			
On Banks Deposits		828.26	358.48
On Other Deposits,etc		5,413.02	6,068.81
Net (Loss)/Gain on sale of Investments		-	4,827.03
Other Non Operating Income			
(Loss) / Profit on sale/discard of Property, Plant & Equipments (Net)		43.28	(667.04)
Excess Provision/ Liabilities written back		2,945.39	-
Change in fair valuation of biological assets		4,391.81	2,821.92
Other Miscellaneous Income		1,00,739.53	1,458.38
		1,14,361.29	14,867.58

27. COST OF MATERIALS CONSUMED

Opening Stock		986.00	-
Add: Purchases		2,30,006.13	1,90,774.80
Less: Closing Stock		1,975.53	986.00
(Closing Stock includes change in Fair Value of Stock of Own Green Leaf on reporting date)		2,29,016.60	1,89,788.80

28. (INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS

Finished Goods			
Opening Inventories		13,434.25	6,025.48
Closing Inventories		22,858.29	13,434.25
		(9,424.04)	(7,408.77)
Total changes in inventories of finished goods		(9,424.04)	(7,408.77)

Notes to the Consolidated Financial Statements for the year ended 31st March, 2022 (Contd.)

(₹ in thousand)

29. EMPLOYEE BENEFITS EXPENSE

Particulars	Refer Note No.	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Salaries & Wages		2,86,405.61	2,42,557.10
Contribution to Provident and Other Funds		38,847.39	33,727.52
Staff Welfare Expenses		30,775.05	28,167.66
		3,56,028.05	3,04,452.28

30. FINANCE COST

Interest Expenses		27,260.53	40,841.54
Dividend on Preference Shares		300.60	221.52
Other Financial Charges		5,146.01	1,571.89
		32,707.14	42,634.95

31. DEPRECIATION AND AMORTIZATION EXPENSES

On Tangible Assets		24,249.16	22,690.59
On Intangible Assets		279.42	252.42
		24,528.58	22,943.01

32. OTHER EXPENSES

Stores, Spare Parts & Packing Materials Consumed		44,108.96	52,076.50
Power & Fuel		61,185.71	44,199.45
Repairs to Buildings		2,792.40	3,886.18
Repairs to Machinery		6,254.22	4,252.84
Repairs to Other Assets		234.03	198.70
Selling & Distribution Expenses		25,479.65	22,990.60
Auditors' Remuneration	32.1	368.00	344.37
Rent, Rates & Taxes		5,015.33	4,467.16
Insurance		2,963.72	3,014.08
Vehicle Running & Maintenance Charges		10,801.24	9,116.24
Directors' Fees & Commission		300.00	300.00
Legal and Professional Charges		4,062.50	2,482.27
Travelling & Conveyance Expenses		7,284.31	1,769.69
Other Expenses		13,935.49	14,144.63
		1,84,785.56	1,63,242.71

Notes to the Consolidated Financial Statements for the year ended 31st March, 2022 (Contd.)

(₹ in thousand)

32.1 Auditors' Remuneration

Particulars	Refer Note No.	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Statutory Auditors			
Audit Fees		191.30	173.60
Tax Audit Fees		30.00	30.00
Issue of Certificates		142.00	137.50
Reimbursement of Expenses		4.70	3.27
		368.00	344.37

33. EXCEPTIONAL ITEMS

Wage Increase		-	16,724.30
Unsecured Loan Written Off		80,620.00	-
Interest on Unsecured Loan Written Off		7,954.80	-
		88,574.80	16,724.30

34. TAX EXPENSE

Current Tax		1,968.63	6,745.70
MAT Credit Entitlement		(1,968.63)	(12,385.87)
		-	(5,640.17)
Deferred Tax		4,658.56	(487.68)
		4,658.56	(6,127.85)

34.1 Reconciliation of estimated Income tax expense at Indian statutory Income tax rate to income tax expense reported in statement of profit & loss

Income before Income Taxes		42,681.70	99,738.16
Indian Statutory Income Tax Rate		27.820%	27.820%
Estimated income Tax Expenses		11,874.05	27,747.16
Tax effect of adjustments to reconcile expected Income tax expense to reported Income Tax Expenses			
Deferred Tax on Property, Plant & Equipments		512.53	(9,026.71)
Deferred Tax on Financial Assets & Other items		1,191.49	(61.30)
Exempted income		(27,950.54)	(3,460.32)
Other Items		(5,616.44)	838.15
		(31,862.96)	(11,710.18)
Income Tax Expenses as per Statment of Profit & Loss		(19,988.91)	16,036.98

34.2 Applicable Indian Statutory Income Tax rate for Fiscal Year 2022 & 2021 is 27.82% & 27.82% respectively.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2022 (Contd.)

(₹ in thousand)

35. OTHER COMPREHENSIVE INCOME

Particulars	Refer Note No.	For the year ended 31st March, 2022	For the year ended 31st March, 2021
35A. Items that will not be reclassified to profit or loss			
Changes in revaluation surplus			
Remeasurement of the defined benefit plans		7,106.43	(9,773.24)
Less: Tax expense on the above		-	-
		7,106.43	(9,773.24)
Equity Instruments through Other Comprehensive Income		41,425.31	1,739.02
Less: Tax expense on the above		-	-
		41,425.31	1,739.02
		48,531.74	(8,034.22)

36. Contingent Liabilities and Contingent Assets:**36.1** Claims/Disputes/Demands not acknowledged as debts -

Sl. No.	Particulars	Refer Note No.	As at 31st March 2022	As at 31st March 2021
a.	Sales Tax		794.96	794.96
b.	Income Tax		23,976.48	4,166.11
c.	Debit note raised by GAIL (India) Limited for supply of Natural Gas		6,880.82	6,880.82
d.	Letter of Credit issued by Bank		(349.19)	4,483.42

36.2 The amounts shown in Note 36.1 represent the best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be predicted accurately. The company engages reputed professional advisors to protect its interests and has been advised that it has strong legal position against such disputes.

36.3 In respect of the matters in note no. 36.1 (a to d), future cash outflows are determinable only on receipt of judgements/decisions pending at various forums/ authorities. Furthermore, there is no possibilities of any reimbursements to be made to the company from any third party.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2022 (Contd.)

(₹ in thousand)

37. Commitments

Estimated amount of contracts remaining to be executed on Capital Account and not provided for

Particulars	Refer Note No.	As at 31st March 2022	As at 31st March 2021
Estimated amount of contracts remaining to be executed on Capital Account		800.33	-
Less: Advance		400.75	-
Net		399.58	-

38. Assets pledged as security

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

Non-current Assets			
Property, Plant and Equipment	5	2,39,458.43	2,20,760.92
Capital Work-in-Progress	5A	5,620.30	202.47
Trade Receivables	8	1,594.54	1,616.60
Total non-currents assets pledged as security		2,46,673.27	2,22,579.99
Current Assets			
Inventories	14	40,713.73	27,109.16
Biological Assets other than bearer plants	14A	5,914.66	2,153.34
Trade Receivables	8	7,870.21	15,990.20
Cash and Cash Equivalents	15	5,641.38	22,978.47
Bank balances	16	4,245.86	1,937.54
Loans	9	299.63	22,612.42
Other Financial Assets	10	15,007.82	49.08
Other Current Assets	11	36,478.09	37,212.46
Total currents assets pledged as security		1,16,171.38	1,30,042.67
Total assets pledged as security		3,62,844.65	3,52,622.66

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

	Refer Note No.	For the year ended 31st March, 2022	For the year ended 31st March, 2021
a. Provident Fund		27,382.24	22,723.50
b. Superannuation Fund		698.04	711.83
c. Family Pension Fund		350.85	363.52

Notes to the Consolidated Financial Statements for the year ended 31st March, 2022 (Contd.)

(₹ in thousand)

39.2 Defined Benefit Plan:

The following are the types of defined benefit plans

39.2.1 Gratuity Plan

The Company's gratuity scheme, a defined benefit plan is as per the Payment of Gratuity Act, 1972, covers the eligible employees and is administered through a gratuity fund trust. Such gratuity fund, whose investments are managed by LIC of India, make payments to vested employees or their nominees upon retirement, death, incapacitation or cessation of employment, of an amount based on the respective employee's salary and tenure of employment. Vesting occurs upon completion of five years of continuous service. The amount of gratuity payable is the proportionate salary for 15 days multiplied for the number of years of service based on the 26 days average salary computed on the basis of last drawn basic salary per month.

39.2.2 Leave Encashment

Leave encashment is payable on death whilst in service, resignation from service or retirement from service as per applicable rules. The present value of defined obligation and related current cost are measured using the Projected Unit Credit Method with actuarial valuation being carried out at Balance Sheet date.

39.2.3 Risk Exposure

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

ASSET VOLATILITY	The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments is in LIC of India. These are subject to interest rate risk. the investment in plan assets with LIC of India is in lines with Income Tax Rules, 1962, which reduces the Asset Volatility Risk.
CHANGES IN YIELD	A decrease in yield will increase plan liabilities.
SALARY	The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. Any increase in the salary of members more than the assumed level will increase the plan's liability.

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

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

Particulars	Gratuity	
	2021-22	2020-21
Balance at the beginning of the year	92,633.27	75,631.17
Current Service Cost	7,241.64	7,663.94
Interest Cost on Defined Benefit Obligation	6,391.70	4,991.66
Actuarial Gain and Losses arising from		
Changes in demographic assumptions	-	-
Changes in financial assumptions	(2,940.77)	(2,289.81)
Experience Adjustments	(4,874.12)	11,871.30
Benefits Paid	(3,358.66)	(5,234.99)
Balance at the end of the year	95,093.06	92,633.27

Notes to the Consolidated Financial Statements for the year ended 31st March, 2022 (Contd.)

(₹ in thousand)

39.2.5 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	
	2021-22	2020-21
Balance at the beginning of the year	49,235.11	41,610.55
Interest Income on Plan Assets	3,397.20	2,746.30
Remeasurement of Defined Benefit Obligation:		
Return on plan assets greater/ (lesser) than discount rate	(708.46)	(191.76)
Actual Company contributions	5,502.61	10,305.01
Benefits Paid from the Plan Assets	(3,358.66)	(5,234.99)
Balance at the end of the year	54,067.80	49,235.11

39.2.6 Expenses recognized in profit or loss

Current Service Cost	7,241.64	7,663.94
Net Interest (Income) / cost on the Net Defined Benefit Liability (Assets)	2,994.47	2,245.36
Expense Recognised in the Income Statement	10,236.11	9,909.30

39.2.7 Remeasurements recognized in other comprehensive income

Actuarial (gain)/ Loss due to:		
Changes in demographic assumptions	-	-
change in financial assumptions	(2,940.77)	(2,289.81)
experience variance (i.e. Actual experience vs assumptions)	(4,874.12)	11,871.30
Return on plan assets, excluding amount recognised in net interest expense	708.46	191.76
Components of defined benefit costs recognised in other comprehensive income	(7,106.43)	9,773.25

39.2.8 Major Categories of Plan Assets

Funds managed by insurer	100%	100%
--------------------------	------	------

The Gratuity Scheme is invested in a Group Gratuity-cum-Life Assurance Cash accumulation policy offered by Life Insurance Corporation (LIC) of India . The information on the allocation of the fund into major asset classes and expected return on each major class are not readily available. The expected rate of return on plan assets is based on market expectations, at the beginning of the period, for returns over the entire life of the related obligation.

39.2.9 Asset-Liability Matching Strategy

The company ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the employee benefit plans. Within this framework, the company's ALM objective is to match assets to the obligations under Gratuity Scheme by investing the entire fund with LIC of India.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2022 (Contd.)

(₹ in thousand)

The Company actively monitors how the return on funds invested with LIC of India are matching the expected cash outflows arising from the employee defined benefit obligation. The company has not changed the processes used to manage its risks from previous periods.

39.2.10 Actuarial Assumptions

Particulars	Gratuity	
	2021-22	2020-21
Financial Assumptions		
Discount Rate	7.30%	6.90%
Salary Escalation Rate	5.00%	5.00%
Demographic Assumptions		
Mortality Rate	100% of IALM 2012 - 14	100% of IALM 2012 - 14
Withdrawal Rate	2%	2%

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

39.2.12 At 31st March 2022, the weighted average duration of the defined benefit obligation was 8 years (previous year 8 years). The distribution of the timing of benefits payment i.e., the maturity analysis of the benefit payments is as follows:

Expected benefits payment for the year ending on	Gratuity	
	2021-22	2020-21
1 Year	19,257.96	15,741.57
2 to 5 Years	28,142.86	29,250.47
6 to 10 Years	38,617.95	34,545.14
More than 10 Years	1,09,433.14	1,11,518.62

39.2.13 The Company expects to contribute ₹ 4,93,92,139/- (previous year ₹ 5,21,45,224/-) to its gratuity fund in 2022-23.

39.2.14 Sensitivity Analysis

The sensitivity analysis below have been determined based on a method that extrapolates the impact on defined benefit obligation (DBO) as a result of reasonable changes in key assumptions occurring at the end of the reporting period. Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Notes to the Consolidated Financial Statements for the year ended 31st March, 2022 (Contd.)

(₹ in thousand)

Particulars	Gratuity	
	2021-22	2020-21
Effect on DBO due to 1% increase in Discount Rate	88,444.93	85,708.41
Effect on DBO due to 1% decrease in Discount Rate	(1,02,787.00)	(1,00,701.19)
Effect on DBO due to 1% increase in Salary Escalation Rate	1,02,979.40	1,00,851.94
Effect on DBO due to 1% decrease in Salary Escalation Rate	(88,179.52)	(85,472.73)
Effect on DBO due to 1% increase in Attrition Rate	96,364.98	93,749.50
Effect on DBO due to 1% decrease in Attrition Rate	(93,663.25)	(91,368.87)
Effect on DBO due to 1% increase in Mortality Rate	95,358.08	92,859.77
Effect on DBO due to 1% decrease in Mortality Rate	(94,822.19)	(92,401.75)

40. Certain trade receivables, loans & advances and creditors are subject to confirmation. In the opinion of the management, the value of trade receivables and loans & advances on realisation in the ordinary course of business, will not be less than the value at which these are stated in the balance sheet.

41. Related Party Disclosures

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

Relationship	Name	Designation
Key Management Personnel of Entity or Parent	Mrs. Anuradha Kanoria	Wholetime Director
Relationship	Name	Designation/Nature of Relationship
Other Related Party	Mr. Umang Kanoria	Non-Executive Director & Spouse of Mrs. Anuradha Kanoria
	Mr. Golam Momen	Independent Director
	Mr. Om Kaul	Independent Director
	Mr. Govind Ram Banka	Non-Executive Director
	Mr. Navin Nayar	Independent Director
	Ms. Stuti Kanoria	Daughter of Mrs. Anuradha Kanoria & Mr. Umang Kanoria
	Mr. Satvik Kanoria	Son of Mrs. Anuradha Kanoria & Mr. Umang Kanoria
	Stuti Welfare Trust	Private Beneficiary Trust for Ms. Stuti Kanoria
	Satvik Welfare Trust	Private Beneficiary Trust for Mr. Satvik Kanoria
	Umang Kanoria H.U.F.	Mr. Umang Kanoria is Karta
	B. T. Investments Private Limited	Private Company in which Director or his Relative is a Member or Director
	Cosmos Resources Private Limited	
	Dhanvardhi Foods Private Limited	
	E. T. Resources Private Limited	
	Innova Properties Private Limited	
	Milan Agencies Private Limited	
	Suryasakti Commodities Private Limited	
	Bengal Tea & Fabrics Limited	

Notes to the Consolidated Financial Statements for the year ended 31st March, 2022 (Contd.)

(₹ in thousand)

Relationship	Name	Designation/Nature of Relationship
	Cheviot Agro Industries Private Limited	
	Harsh Investments Private Limited	
	Kanco Enterprises Limited	Public Limited Company in which a Director holds more than 2% of its paid up Share Capital
Relationship	Name	
Post-employment Benefit Plan Entities	Kanco Tea & Industries Limited - Employees Gratuity Fund	
	Kanco Tea & Industries Limited - Employees Superannuation Fund	

41.2 Transactions during the year

Particulars	2021-22			2020-21		
	KMP	Other Related Party	Post-employment Benefit Plan Entities	KMP	Other Related Party	Post-employment Benefit Plan Entities
Payment of Rent						
Innova Properties Private Limited	-	252.00	-	-	252.00	-
Maintenance Expenses Reimbursed						
Suryasakti Commodities Private Limited	-	402.54	-		433.00	-
Milan Agencies Private Limited	-	402.54	-	-	433.00	-
Unsecured Loan Given/Taken						
Cheviot Agro Industries Private Limited	-	-	-	-	30,000.00	-
B. T. Investments Private Limited	-	84,894.35	-	-	32,555.00	-
Unsecured Loan Refund						
Mr. Umang Kanoria	-	-	-	-	17,500.00	-
Umang Kanoria H.U.F.	-	-	-	-	3,500.00	-
Harsh Investments Private Limited	-	-	-	-	30,000.00	-
B. T. Investments Private Limited	-	75,320.00	-	-	18,280.00	-
Remuneration Paid						
Mrs. Anuradha Kanoria	5,926.88	-	-	5,677.04	-	-
Mr. Satvik Kanoria	-	1,800.00	-	-	651.60	-
Ms. Stuti Kanoria	-	604.80	-	-	268.80	-
Director Fees Paid						
Mr. Umang Kanoria	-	75.00	-	-	60.00	-
Mr. Golam Momen	-	60.00	-	-	60.00	-
Mr. Om Kaul	-	45.00	-	-	60.00	-
Mr. Navin Nayar	-	60.00	-	-	60.00	-
Mr. Govind Ram Banka	-	60.00	-	-	60.00	-

Notes to the Consolidated Financial Statements for the year ended 31st March, 2022 (Contd.)

(₹ in thousand)

Particulars	2021-22			2020-21		
	KMP	Other Related Party	Post-employment Benefit Plan Entities	KMP	Other Related Party	Post-employment Benefit Plan Entities
Interest Paid						
Mrs. Anuradha Kanoria	518.00	-	-	666.00	-	-
Mr. Umang Kanoria	-	-	-	-	1,575.00	-
Mr. Navin Nayar	-	225.00	-	-	225.00	-
Umang Kanoria H.U.F.	-	-	-	-	267.53	-
B. T. Investments Private Limited	-	2,588.37	-	-	3,193.53	-
Harsh Investments Private Limited	-	-	-	-	1,430.14	-
Cheviot Agro Industries Private Limited	-	2,400.00	-	-	966.58	-
Equity Dividend Paid						
Mrs. Anuradha Kanoria	549.44	-	-	-	-	-
Umang Kanoria H.U.F.	-	466.61	-	-	-	-
Ms. Stuti Kanoria	-	205.72	-	-	-	-
Mr. Satvik Kanoria	-	286.62	-	-	-	-
Satvik Welfare Trust	-	747.90	-	-	-	-
B. T. Investments Private Limited	-	340.97	-	-	-	-
E. T. Resources Private Limited	-	877.62	-	-	-	-
Innova Properties Private Limited	-	36.00	-	-	-	-
Preference Dividend Paid						
Stuti Welfare Trust	-	28.00	-	-	-	-
B. T. Investments Private Limited	-	182.00	-	-	-	-
Purchase of Tea Seeds						
Bengal Tea & Fabrics Limited	-	645.00	-	-	444.00	-
Contributions Made						
Contribution to Superannuation Fund	-	-	698.04	-	-	711.83
Contribution to Gratuity Fund	-	-	5,659.61	-	-	10,300.00
Outstanding Balances at the end of the Year						
Security Deposit						
Innova Properties Private Limited	-	4,021.11	-	-	4,021.11	-
Milan Agencies Private Limited	-	3,000.00	-	-	3,000.00	-
(Payable)/ Receivable (Net)						
Mrs. Anuradha Kanoria	(7,400.00)	-	-	(7,400.00)	-	-
Mr. Navin Nayar	-	(2,500.00)	-	-	(2,500.00)	-
B. T. Investments Private Limited	-	-	-	-	(9,574.35)	-
Cheviot Agro Industries Private Limited	-	(30,000.00)	-	-	(30,894.08)	-

Notes to the Consolidated Financial Statements for the year ended 31st March, 2022 (Contd.)

(₹ in thousand)

41.3 Key Management Personnel compensation

Particulars	Financial Year	Mrs. Anuradha Kanoria
Short-term employee benefits *	2021-2022	5,926.88
	2020-2021	5,677.04

* Notes :

- 1) Short term employee benefits includes the perquisites calculated as prescribed under the Income Tax Act, 1961.
- 2) The Company contributes equal amount to the employees Provident Fund within the statutory limits as prescribed under the relevant Act.
- 3) As the future liabilities for gratuity and leave encashment are provided on an actuarial valuation basis for the Company, the amount pertaining to individual is not ascertainable and therefore not included above.

41.4 All related party transactions entered during the year were in ordinary course of business and on arms length basis.**42. Fair value of Financial Assets and Financial Liabilities**

Particulars	31st March 2022			31st March 2021		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
Financial Assets						
Investment						
- Equity Instruments	-	1,34,603.50	-	-	93,178.19	-
- Preference Shares	8,557.00	-	-	8,557.00	-	-
- Debt Instrument			56,500.00		-	56,500.00
Trade Receivables	-	-	9,464.75	-	-	17,606.80
Cash and Cash Equivalents	-	-	10,959.51	-	-	32,170.19
Bank balances other than Cash and Cash Equivalents	-	-	9,785.81	-	-	1,937.54
Loans	-	-	15,451.13	-	-	1,87,407.56
Other Financial Assets	-	-	30,668.88	-	-	30,662.49
Total Financial Assets	8,557.00	1,34,603.50	1,32,830.08	8,557.00	93,178.19	3,26,284.58
Financial Liabilities						
Borrowings	-	-	2,71,740.84	-	-	3,77,032.64
Trade Payables	-	-	41,061.67	-	-	34,444.30
Other Financial Liabilities	-	-	64,163.31	-	-	61,625.69
Total Financial Liabilities	-	-	3,76,965.82	-	-	4,73,102.63

Notes to the Consolidated Financial Statements for the year ended 31st March, 2022 (Contd.)

(₹ in thousand)

43. Fair Values

43.1 The following is the comparison by class of the carrying amounts and fair value of the Company's financial instruments that are measured at amortized cost:

Particulars	31st March 2022		31st March 2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Investment in Debt Instruments	56,500.00	56,500.00	56,500.00	56,500.00
Trade Receivables	9,464.75	9,464.75	17,606.80	17,606.80
Loans	15,451.13	15,451.13	1,87,407.56	1,87,407.56
Cash and Cash Equivalents	10,959.51	10,959.51	32,170.19	32,170.19
Other Bank Balances	9,785.81	9,785.81	1,937.54	1,937.54
Other Financial Assets	30,668.88	30,668.88	30,662.49	30,662.49
Total Financial Assets	1,32,830.08	1,32,830.08	3,26,284.58	3,26,284.58
Financial Liabilities				
Borrowings	2,71,740.84	2,71,740.84	3,77,032.64	3,77,032.64
Trade Payables	41,061.67	41,061.67	34,444.30	34,444.30
Other Financial Liabilities	64,163.31	64,163.31	61,625.69	61,625.69
Total Financial Liabilities	3,76,965.82	3,76,965.82	4,73,102.63	4,73,102.63

43.2 The management assessed that the fair values of cash and cash equivalents, trade receivables, trade payables, short term borrowings, and other financial liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments.

43.3 For Financial assets and liabilities that are measured at fair value, the carrying amounts are equal to their fair values.

43.4 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.

43.5 The following methods and assumptions were used to estimate the fair values:

The fair values for loans, security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as Level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risks, which has been assessed to be insignificant.

44. Fair Value Hierarchy

The following are the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized cost and for which fair value are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels of fair value measurement as prescribed under the Ind AS 113 "Fair Value Measurement". An explanation of each level follows underneath the tables.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2022 (Contd.)

(₹ in thousand)

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

Particulars	31st March 2022			31st March 2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Investment at FVTPL						
Preference Shares	-	-	8,557.00	-	-	8,557.00
Debt Instruments	-	-	56,500.00	-	-	56,500.00
Financial Investment at FVOCI					-	-
Equity Instruments	1,323.68	-	1,33,279.82	1,295.63	-	91,882.56
Total Financial Assets	1,323.68	-	1,98,336.82	1,295.63	-	1,56,939.56

44.2 Financial Assets and Liabilities measured at Amortized Cost for which fair values are disclosed

Financial Assets						
Investments						
- Debt Instrument	-	-	56,500.00	-	-	56,500
Trade Receivables	-	-	9,464.75	-	-	17,606.80
Loans	-	-	15,451.13	-	-	1,87,407.56
Cash and Cash Equivalents	-	-	10,959.51	-	-	32,170.19
Other Bank Balances	-	-	9,785.81	-	-	1,937.54
Other Financial Assets	-	-	30,668.88	-	-	30,662.49
Total Financial Assets	-	-	1,32,830.08	-	-	3,26,284.58
Financial Liabilities						
Borrowings	-	-	2,71,740.84	-	-	3,77,032.64
Trade Payables	-	-	41,061.67	-	-	34,444.30
Other Financial Liabilities	-	-	64,163.31	-	-	61,625.69
Total Financial Liabilities	-	-	3,76,965.82	-	-	4,73,102.63

44.3 During the year ended March 31, 2022 and March 31, 2021, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements.

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 as described in Note no. 2.7

45. Financial Risk Management

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.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2022 (Contd.)

(₹ in thousand)

45.1 Credit Risk

Credit risk refers to the risk of financial loss arising from default / failure by the counterparty to meet financial obligations as per the terms of contract. The Company is exposed to credit risk for receivables, Cash & Cash equivalents, financial guarantees and derivative financial instruments. None of the financial instruments of the Company result in material concentration of credit risks.

Credit risk on receivables is minimum since sales through different mode (e.g., auction, private) are made after judging credit worthiness of the customers or, advance payment. The history of defaults has been minimal and outstanding receivables are regularly monitored. For credit risk on the loans to parties, the Company is not expecting any material risk on account of non-performance by any of the parties.

For financial instruments, the Company manages its credit risks by dealing with reputable banks and financial institutions. Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The carrying value of the financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

Trade receivables

As on 31st March, 2022

Ageing schedule	< 6 Months	6 Months - 1 Year	1 Year - 2 Years	2 Year - 3 Years	>3 Years	Total
Gross carrying amount	7,547.09	323.12	295.15	538.40	760.99	9,464.75
Carrying amount of trade receivables (net of impairment)	7,547.09	323.12	295.15	538.40	760.99	9,464.75

As on 31st March, 2021

Ageing schedule	< 6 Months	6 Months - 1 Year	1 Year - 2 Years	2 Year - 3 Years	>3 Years	Total
Gross carrying amount	15,785.82	204.38	839.72	488.08	288.80	17,606.80
Carrying amount of trade receivables (net of impairment)	15,785.82	204.38	839.72	488.08	288.80	17,606.80

45.2 Liquidity Risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting its obligations. The Company monitors rolling forecast of its liquidity position on the basis of expected cash flows. The Company's approach is to ensure that it has sufficient liquidity or borrowing headroom to meet its obligations at all point in time. The Company has sufficient short-term fund based lines, which provides healthy liquidity and these carry highest quality credit rating from reputed credit rating agency.

45.2.1 Fund Management

Management monitors rolling forecasts of the Company's liquidity position (including the undrawn credit facilities extended by banks and financial institutions) and Cash & Cash equivalents on the basis of expected cash flows. In addition, the Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2022 (Contd.)

(₹ in thousand)

45.2.2 Maturity Analysis for financial liabilities

- a. The following are the remaining contractual maturities of financial liabilities as at 31st March 2022. The amounts are gross and undiscounted and include estimated interest payments and exclude the impact of netting agreements.

Particulars	< 1 year	1 - 2 years	2 - 3 years	> 3 years	Total
Non-derivative					
Trade payables	38,515.03	2,546.64	-	-	41,061.67
Borrowings	1,56,358.15	60,050.00	41,526.38	13,806.31	2,71,740.84
Other financial liabilities	10,007.01	54,156.30	-	-	64,163.31
Total	2,04,880.19	1,16,752.94	41,526.38	13,806.31	3,76,965.82

- b. The following are the remaining contractual maturities of financial liabilities as at 31st March 2021

Particulars	< 1 year	1 - 2 years	2 - 3 years	> 3 years	Total
Non-derivative					
Trade payables	31,503.30	2,941.00	-	-	34,444.30
Borrowings	1,43,284.35	1,12,671.69	30,150.00	90,926.60	3,77,032.64
Other financial liabilities	17,532.06	44,093.63	-	-	61,625.69
Total	1,92,319.71	1,59,706.32	30,150.00	90,926.60	4,73,102.63

45.3 Market Risk

45.3.1 Foreign Exchange Risk

The Company operates in domestic market and it doesn't have any foreign associate, subsidiary etc. The Company is therefore not exposed to foreign exchange risk arising from foreign currency transactions.

- a. Exposure to Currency risk- Nil
b. Sensitivity Analysis

Since, the Company doesn't have material foreign currency operations, the analysis is not reported.

46.3.2 Interest Rate Risk

The Company is exposed to risk due to interest rate fluctuation, on the following:

- a. Interest rate risk arises from the sensitivity of financial assets and liabilities to changes in market rate of interest. However, Company does not have any interest bearing financial asset or liability at the end of the financial year ended 31st March 2022.
- b. The interest rate risk can also impact the provision for retiral benefits. The Company generally utilizes variable rate borrowings and therefore subject to interest rate risk, as both the carrying amount and the future cash flows will fluctuate because of change in the market interest rates.

The Company is not exposed to significant interest rate risk as at the respective reporting dates.

During 31st March 2022 and 31st March 2021, all the Company's borrowings were at variable rate mainly denominated in INR.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2022 (Contd.)

(₹ in thousand)

(i) Exposure to interest rate risk

Particulars	31st March, 2022	31st March, 2021
Fixed Rate Instruments		
Financial Assets	15,451.13	1,87,407.56
Financial Liabilities	43,900.00	85,835.32
	59,351.13	2,73,242.88
Variable Rate Instruments		
Financial Liabilities	2,27,840.84	2,91,883.68
	2,27,840.84	2,91,883.68

(ii) Sensitivity Analysis

Profit or loss is sensitive to higher/ lower interest expense on 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	Sensitivity Analysis	31st March 2022		31st March 2021	
		Impact on			
		Profit before tax	Other Equity	Profit before tax	Other Equity
Interest Rate increase by	0.50%	(1,139.20)	(1,139.20)	(1,459.42)	(1,459.42)
Interest Rate decrease by	0.50%	1,139.20	1,139.20	1,459.42	1,459.42

45.3.3 Other Price Risk

The price risk is the risk arising from investments held by the Company and classified in the balance sheet either at fair value through Other Comprehensive Income or at fair value through profit or loss.

The Company's equity investments are mainly strategic in nature and are generally held on a long-term basis. Further, the current investments are in units of liquid mutual fund and these are not exposed to significant price risk."

a Exposure to other market price risk

Particulars	31st March, 2022	31st March, 2021
Fair Value of Quoted Investments	1,323.68	1,295.63

b Sensitivity Analysis

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

Notes to the Consolidated Financial Statements for the year ended 31st March, 2022 (Contd.)

(₹ in thousand)

Particulars	Sensitivity Analysis	31st March 2022		31st March 2021	
		Impact on			
		Profit before tax	Other Equity	Profit before tax	Other Equity
BSE Index	+1000 Basis Point	132.37	132.37	129.56	129.56
BSE Index	-1000 Basis Point	(132.37)	(132.37)	(129.56)	(129.56)

46. In view of losses in earlier years, Nil amount (Previous Year Nil) was required to be spent by the Company on account of Corporate Social Responsibility as required under section 135 of the Companies Act, 2013.
47. The Company has only one segment i.e. manufacturing of Black Tea and as a result the reporting required of Ind AS - 108 on "Operating Segment" is not attracted.
48. The details of all the immovable properties, whose title deeds are not held in the name of the company are as follows: -

Relevant line item in the Balance Sheet	Description of the item of property	Gross Carrying Value	Title deeds in the name of	Whether title deed holder Is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the company
As at 31st March, 2022						
Property, Plant and Equipment	Land	2,44,026.60	Ryam Commerce & Plantations Limited	No	01-03-2017 as per the Business Transfer Agreement executed with Ryam Commerce & Plantations Limited	The Company has applied for NOC for execution of conveyance deed on 05/06/2017 and the file is now with Deputy Secretary, Revenue & Disaster Management(s) Department, The Government of Assam, Assam Secretariat, Dispur
	Bearer Plants	37,708.23				
	Building & Water Supply Installation	34,820.51				
As at 31st March, 2021						
Property, Plant and Equipment	Land	2,44,026.60				
	Bearer Plants	33,479.08				
	Building & Water Supply Installation	26,343.42				

49. Capital Management

The Company's objective for capital management is to maximize shareholder wealth, safeguard business continuity and support the growth of the Company. The Company determines the capital management requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through optimum mix of borrowed and own funds.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2022 (Contd.)

(₹ in thousand)

50. Details of significant key financial ratios

Sl. No.	Particulars	F.Y. 2021-2022	F.Y. 2020-2021	% Change
1	Current Assets	2,36,239.35	3,30,992.39	
	Current Liabilities	2,57,862.61	2,60,548.44	
	Current Ratio	0.92	1.27	-28.00%
2	Total Debt	2,81,787.78	3,94,564.70	
	Total Equity	7,00,075.13	6,18,643.08	
	Debt Equity Ratio	0.40	0.64	-37.00%
3	EBITDA	99,917.42	1,65,316.12	
	Debt	20,686.37	38,483.04	
	Debt Service Coverage Ratio	4.83	4.30	12.00%
4	Profit after tax	38,023.14	1,05,866.01	
	Net Worth	7,00,075.13	6,18,643.08	
	Return on Equity	0.05	0.17	-71.00%
5	Average Inventory	45,412.02	34,501.76	
	Cost of Goods Sold	6,52,986.67	5,54,072.62	
	Inventory Turnover Ratio	14.38	16.06	-10.46%
6	Turnover	8,34,537.10	8,17,247.86	
	Average Trade Receivables	13,535.78	13,198.60	
	Trade Receivables Turnover Ratio	61.65	61.92	-0.43%
7	Purchase	1,71,922.01	1,37,869.03	
	Average Trade Payables	37,752.99	34,773.87	
	Trade Payables Turnover Ratio	4.55	3.96	14.86%
8	Turnover	8,34,537.10	8,17,247.86	
	Net Worth	7,00,075.13	6,18,643.08	
	Net Capitals Turnover Ratio	1.19	1.32	-9.76%
9	Profit after Tax	1,22,972.81	99,652.00	
	Turnover	8,34,537.10	8,17,247.86	
	Net Profit Ratio	0.15	0.12	20.85%
10	EBITDA	99,917.42	1,65,316.12	
	Capital Employed	7,00,075.13	6,18,643.08	
	Return on Capital Employed	0.14	0.27	-48.00%
11	Profit after Tax	1,22,972.81	99,652.00	
	Capital Employed	7,00,075.13	6,18,643.08	
	Return on Investment	0.18	0.16	13.00%

The change in ratio is due to decrease in profit in F.Y. 21-22 compared to F.Y. 20-21.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2022 (Contd.)

(₹ in thousand)

- 51.** On the basis of notification dated 18th December, 2020 by Govt of Assam providing 3 year tax holiday on Agricultural Income Tax, no provision on agricultural income tax has been made for the year ended 31st March, 2022.
- 52.** Previous year figures have been re-arranged/re-grouped, wherever necessary to make them comparable with the current year figures.

The Notes are an integral part of the Financial Statements

As per our Report annexed of even date

For **NKSJ & ASSOCIATES**

Chartered Accountants

Firm Registration No. 329563E

UDIN: 22234454AJPYTC6702

CA. Sneha Jain

Partner

Membership No. 234454

Kolkata

Dated the 26th day of May, 2022

U. KANORIA

Chairman & Director

(DIN: 00081108)

C. KABRA

Company Secretary

S. K. PARHI

Chief Financial Officer

Kanco Tea & Industries Limited

CIN No. L15491WB1983PLC035793

AOC-1

(Pursuant to Section 129(3) of the Companies Act, 2013 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiary

Part "A": Subsidiaries

(₹ in thousands)

	Particulars	Details
1.	Name of the Subsidiary	Winnow Investments and Securities Private Limited
2.	Financial year ending on	31-03-2022
3.	Reporting Currency	Indian Rupee
4.	Share capital	9,600.00
5.	Reserves & surplus	2,12,753.03
6.	Total Assets	2,22,506.93
7.	Total Liabilities	153.90
8.	Investments	56,500.00
9.	Turnover	5,555.42
10.	Profit before taxation	(84,949.67)
11.	Provision for taxation	-
12.	Profit after taxation	(84,949.67)
13.	Other Comprehensive Income	-
14.	Total Comprehensive Income	(84,949.67)
15.	Proposed Dividend	Nil
16.	% of shareholding	100%

The Notes are an integral part of the Financial Statements

As per our Report annexed of even date

For **NKSJ & ASSOCIATES**

Chartered Accountants

Firm Registration No. 329563E

UDIN: 22234454AJPYTC6702

CA. Sneha Jain

Partner

Membership No. 234454

Kolkata

Dated the 26th day of May, 2022

U. KANORIA

Chairman & Director

(DIN: 00081108)

C. KABRA

Company Secretary

S. K. PARHI

Chief Financial Officer



KANCO TEA & INDUSTRIES LIMITED

CIN : L15491WB1983PLC035793

Registered Office : "Jasmine Tower", 3rd Floor, 31, Shakespeare Sarani, Kolkata - 700 017

Telefax : 2281 5217, **E-mail :** contact@kancotea.in, **Website :** www.kancotea.in