

**NOTICE**

Notice is hereby given that the 31st Annual General Meeting of Kanco Tea & Industries Limited will be held at Bharatiya Bhasha Parishad", 36A, Shakespeare Sarani, Kolkata - 700017 on Wednesday, the 13th day of August, 2014 at 11 a.m., to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Statement of Profit & Loss for the year ended 31st March, 2014, the Audited Balance Sheet as at that date and the Reports of the Board of Directors and Auditors thereon.
2. To consider declaration of dividend on 7% Non Cumulative Redeemable Preference Shares for the financial year ended 31st March, 2014.
3. To consider declaration of dividend on Equity Shares for the financial year ended 31st March, 2014.
4. To appoint a director in place of Mr. Govind Ram Banka (DIN: 00207385), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
5. To appoint M/s. Jain & Co., Chartered Accountants (Firm Registration No: 302023E) as Statutory Auditors of the Company and fix their remuneration.

Special Business:

6. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:
"RESOLVED THAT Mr. Umang Kanoria who was appointed as an Additional Director of the Company with effect from September 23, 2013 and who holds office up to the date of this Annual General Meeting in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a Member of the Company under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Non-Executive Director of the Company whose period of office shall be liable to determination by retirement of directors by rotation."
7. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 of the Companies Act, 2013 and the Rules made thereunder and other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 the consent of the Company be and is hereby accorded to the re-appointment of Mrs. Anuradha Kanoria (holding DIN: 00081172), as Whole Time Director of the Company for a period of five years with effect from 1st December, 2014, on the terms and conditions as set out in the Explanatory Statement annexed hereto."
"RESOLVED FURTHER THAT the aggregate amount of remuneration payable to her in a particular financial year will be subject to overall ceiling limit laid down in Sections 196 & 197 of the Companies Act, 2013."
"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to alter and vary such terms of appointment and remuneration so as to not exceed the limits specified in Schedule V to the Companies Act, 2013, as may be agreed to by the Board of Directors and Mrs. Anuradha Kanoria."
"RESOLVED FURTHER THAT in the event of any loss or absence or inadequacy of profits of the Company in any financial year, during the tenure of the office of Mrs. Anuradha Kanoria, the remuneration mentioned in the draft agreement shall be paid to Mrs. Anuradha Kanoria as minimum remuneration and same shall be subject to the limits specified under Section II of Part II of Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by the Central Government from time to time in this regard, as minimum remuneration."
8. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Sections 149,150,152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, read with Schedule IV to the Companies Act, 2013,



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Mr. Navin Nayar (DIN: 00136057), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a Member of the Company under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company, be appointed as an Independent Director of the Company, to hold office for five consecutive years from the conclusion of this Annual General Meeting till the Annual General Meeting for the Financial Year ended 31st March, 2019, not liable to retire by rotation."

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

"RESOLVED THAT pursuant to the provisions of Sections 149,150,152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, read with Schedule IV to the Companies Act, 2013, Mr. Golam Momen (DIN: 00402662), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a Member of the Company under Section 160 of the Companies Act 2013 proposing his candidature for the office of Director of the Company, be appointed as an Independent Director of the Company, to hold office for five consecutive years from the conclusion of this Annual General Meeting till the Annual General Meeting for the Financial Year ended 31st March, 2019, not liable to retire by rotation."

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

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration of ₹ 35,000/- (Rupees Thirty Five Thousand Only) plus service tax as applicable and reimbursement of out-of-pocket expenses for the Financial Year ending 31st March, 2015 as approved by the Board of Directors of the Company, to be paid to M/s A.C.Dutta & Co (Registration No.000125), Cost Accountants, appointed for conducting the cost audit of the Company's Tea Estate namely Mackeypore Tea Estate situated at Nazira, Sivasagar, Assam-785685 be and is hereby ratified and confirmed."

11. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a Ordinary Resolution:

"RESOLVED THAT in supersession of the ordinary resolution passed under Section 293(1)(e) of the Companies Act, 1956, at the Annual General Meeting of the Company held on 29th July 2011 and pursuant to Section 181 and other applicable provisions, if any, of the Companies Act, 2013, read with the rules made thereunder, approval of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall include any Committee thereof) to contribute and/or to subscribe and/or otherwise to assist, from time to time, to any charitable, benevolent, public or general and other funds, and to any society, association or Institution, not directly relating to the business of the Company or the welfare of its employees, any such amount or amounts, as the Board may deem fit, together with such sum of money which has already been contributed and/or subscribed by the Board to any charitable, benevolent, public or general and other funds, and to any society, association or Institution, provided however that the total amount that may so be contributed in any financial year shall not exceed ₹ 1,00,00,000/- (Rupees One Crore Only) or 5% of the Company's average net profits, as determined in accordance with the provisions of Section 198 of the Companies Act, 2013, during the three immediately preceding financial years, whichever is higher."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary."

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



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"RESOLVED THAT in supersession of the special resolution passed under Section 293(1)(a) of the Companies Act, 1956, at the Annual General Meeting of the Company held on 23rd September 2009 and pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, read with the rules made thereunder, approval of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall include any Committee thereof) to the creation of Charges, Mortgages and Hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such of the Assets of the Company, both present and future, in such manner as the Board/Committee of the Board may direct, together with power to take over the management of the Company in certain events, to or in favour of financial institutions, foreign financial institutions, investment institutions and their subsidiaries, banks, mutual funds, trusts, any other bodies corporate (herein after referred to as the "Lending Agencies") and Trustees for the holders of debentures/ bonds/ and/or other instruments which may be issued on private placement basis or otherwise, to secure rupee term loans/ foreign currency loans/ working capital loans/ debentures, bonds and other instrument of an outstanding value of ₹.75 Crores (Rupees Seventy Five Crores only) over and above the aggregate of the paid up capital and free reserves of the Company together with interest thereon at the agreed rates, further interest, liquidated damages, premium on re-payment or redemption, costs, charges, expenses and all other money payable by the Company to the trustees under the Trust deed and to the Lending Agencies under their respective Agreement/ Loan Agreement/ Debenture Trust Deeds entered/ to be entered into by the Company in respect of the said borrowings."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to negotiate and finalise all the documents for creating the aforesaid mortgage and/or charge and to do all such acts, deeds, matters and things as may be necessary, desirable or expedient, for giving effect to this resolution."

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

"RESOLVED THAT in supersession of the special resolution passed under Section 293(1)(d) of the Companies Act, 1956, at the Annual General Meeting of the Company held on 23rd September 2009 and pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, read with the rules made thereunder, approval of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall include any Committee thereof), to borrow , for the purposes of the Companies business, any sum or sums of money together with the moneys already borrowed by the Company (apart from temporary loan obtained from time to time from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital of the company and its free reserves excluding the reserves set apart for any specific purpose, provided that the aggregate of all sums borrowed by the Board from time to time and remaining outstanding shall not exceed, at any point of time, ₹ 75 Crores (Rupees Seventy Five Crores only) over and above the aggregate of the paid up capital and free reserves of the Company."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to negotiate and finalise all the terms and conditions of all such moneys to be borrowed from time to time as to interest, repayment, securities, etc and to do all such acts, deeds, matters and things as it may, in its absolute discretion deem fit, necessary, desirable or expedient for giving effect to this resolution."

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

"RESOLVED THAT pursuant to the provisions of Section 197(1), 198 and other applicable provisions, if any, of the Companies Act, 2013, read with the rules made thereunder and the Listing Agreement with the Stock Exchanges where the securities of the Company is listed, the non-executive directors and independent directors of the Company be paid, remuneration, in addition to the sitting fees being paid/payable to them for attending the meetings of the Board of Directors of the Company (hereinafter referred to as the 'Board') and its



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Committee thereof, as the Board of Directors may from time to time determine, not exceeding in aggregate one percent of the net profits of the Company for each financial year, as computed in the manner laid down in Section 198 of the Companies Act, 2013."

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

"RESOLVED THAT pursuant to the provisions of Section 94 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 and other applicable provisions and subject to the approval of the members of the Company, the Company do hereby provide its consent to keeping of its Registers of Members, Index of Members, Register of Transfers, Register of Renewed & Duplicate Certificates and other registers relating to Members with the Registrar & Transfer Agents at their office, instead of keeping with the Company at its registered office."

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

"RESOLVED THAT pursuant to the provisions of Section 196 and all other applicable provisions of the Companies Act, 2013 read with the rules made thereunder, approval of the Company be and is hereby accorded for payment of ₹15,000/- (Rupees Fifteen Thousand Only) as sitting fees to each of the Non-Executive directors and Independent directors for attending every meeting of the Board of Directors."

Registered Office :

Jasmine Tower, 3rd Floor
31, Shakespeare Sarani, Kolkata – 700 017
Dated : the 1st day of July, 2014

By Order of the Board
for **Kanco Tea & Industries Limited**

A. K. Gangopadhyay
Company Secretary

NOTES :

- I. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The proxy form duly completed and signed, should be deposited with the company, at its registered office at least 48 hours before the time of the meeting. Proxies submitted on behalf of the Companies. A proxy form for the Annual General Meeting is enclosed.
A person can act as a proxy on behalf of the members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or members.
- II. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf in the meeting.
- III. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in relation to the Special Business of the Meeting is annexed hereto and forms part of this notice.
- IV. 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 12th of August 2014 to 13th of August 2014 (both days inclusive) for the purpose of payment of the final dividend for the financial year ended March 31, 2014 and the Annual General Meeting.
- V. Members are requested to bring their copy of Annual Report at the Meeting and produce the enclosed attendance slip at the entrance to the place of the meeting.



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- VI. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company on weekdays (3.00 p.m. to 5 p.m.) up to and including the date of the Annual General Meeting of the Company.
- VII. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
- VIII. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
- IX. Dividend, as recommended by the Board, if approved at the Annual General Meeting by the Members, will be paid latest by 20th August, 2014 or 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 mandatees :
 - (a) as Beneficial Owners at the end of business hours on 11th August, 2014, 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. 11th August, 2014.
- X. Members who have neither received or encashed their dividend warrant(s) for the financial years 2009-2010 up to 2012-2013, 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.
- XI. 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.
- XII. 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.
- XIII. Copies of the Annual Report 2013-2014, the Notice of the 31st Annual General Meeting, instructions for e-voting, Attendance Slip and Proxy Form, are being sent by electronic mode only to all the members whose email addresses are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report 2013-2014, the Notice of the 31st Annual General Meeting, instructions for e-voting, Attendance Slip and Proxy Form are being sent by the permitted mode. Members may register their email address by visiting Website namely [www.cbmsl.com /green.php](http://www.cbmsl.com/green.php) of our Registrar and Share Transfer Agent.
- XIV. Members may also note that the Notice of the Annual General Meeting and the Annual Report for 2013-2014 will also be available on the Company's website www.kancotea.in for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Kolkata for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the members may also send requests to the email id: compliance@kancotea.in or rta@cbmsl.com.
- XV. Members seeking any information with regard to Accounts may write to the Company 7 (seven) days before the date of the Annual General Meeting.



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- XVI. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN to the Company or its Registrar and Share Transfer Agent.
- XVII. 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.
- XVIII. Voting through electronic means:
- a. Pursuant to Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their rights to vote at the 31st Annual General Meeting by electronic means. The business may be transacted through e-voting Services provided by Central Depository Services (India) Limited (CDSL).
 - b. The e-Voting procedure to be followed by the shareholders to cast their votes:
- A. In case of members receiving e-mail:**
- (i) Open your web browser during the voting period, from 7th of August 2014 (9.00 a.m.) to 8th of August 2014 (6.00 p.m.).
 - (ii) Log on to the e-voting website **www.evotingindia.com**
 - (iii) Click on "Shareholders" tab.
 - (iv) Now, select the Company Name- "**KANCO TEA & INDUSTRIES LIMITED**" from the drop down menu and click on "SUBMIT".
 - (v) Now Enter your User ID
 - a. For CDSL : 16 digits beneficiary ID,
 - b. For NSDL : 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - (vi) Next enter the Image Verification as displayed and Click on Login.
 - (vii) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - (viii) If you are a first time user follow the steps given below.

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none">• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none">• Please enter the DOB or Dividend Bank Details in order to login. If 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).



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- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant **<KANCO TEA & INDUSTRIES LIMITED>** on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Institutional Shareholders
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details, 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 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.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com/ compliance@kancotea.in/ rta@cbmsl.com.

B. In case of members receiving the physical copy:

- (i) Please follow all steps from sl. no. (i) to sl. no. (xviii) above to cast vote.
- XIX. The e-voting commences on 7th of August 2014 (9.00 a.m.) and ends on 8th of August 2014 (6.00 p.m.).The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- XX. As the voting would be through electronic means, the members who do not have access to e-voting may requisite a Physical Ballot Form from the Company. You are required to fill in the ballot form and enclose it in a sealed envelope and send it to the Scrutinizer. Unsigned, incomplete or incorrectly ticked forms shall be rejected.



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The ballot must be received by the Scrutinizer on or before 8th August, 2014 (6.00 pm). The Scrutinizers decision on the validity of the forms will be final. Members are required to vote only through the electronic system or through ballot only and in no other form. In the event a member casts his votes through both the processes, the votes in the electronic system would be considered and the ballot vote would be ignored.

- XXI. You can also update your mobile number and email id in the user profile details of the folio which may be used for sending future communication(s).
- XXII. 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 of 11th July 2014.
- XXIII. Ms. Priti Todi, Practising Company Secretary (Membership No. 14611) (Address: 225D, AJC Bose Road, 3rd Floor, Kolkata - 700020) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- XXIV. The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- XXV. The Results shall be declared on or after the Annual General Meeting of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.kancotea.in and on the website of CDSL within two (2) days of passing of the resolutions at the Annual General Meeting of the Company and communicated to the Stock Exchanges.

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

Item No. 6

Pursuant to Article 90 of the Articles of Association of the Company and in terms of Section 161 of the Companies Act, 2013, Mr. Umang Kanoria was appointed as an Additional Director of the Company with effect from 23rd September 2013 by the Board of Directors of the Company and holds office as Director up to the date of ensuing Annual General Meeting.

The Company has received a notice in writing from a member of the Company together with requisite deposit, proposing the appointment of Mr. Umang Kanoria as a director of the Company, liable to retire by rotation in terms of Section 257 of the Companies Act, 1956.

Mr. Umang Kanoria, born on 2nd November, 1959, is a Commerce Graduate with honours from St. Xaviers College, Kolkata. He is an Associate Member of the Institute of Cost Accountants of India and holds a Master's degree in Business Administration from Switzerland (M.B.A.). He has vast experience in Tea and Textile Industry and has served as a past president of Tea Association of India (TAI) and at present he is a member of its committee and was the past president of Indian Chamber of Commerce (ICC).

He is also on board of various Companies viz, Harrisons Malayalam Limited, Stel Holding Limited, Kanco Enterprises Limited and Spencer And Company Limited.

Mr. Umang Kanoria is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 (corresponding Section 274(1)(g) of the Companies Act, 1956).

He is interested in the resolution set out at item No. 6 which pertains to his appointment as a 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 of Mr. Umang Kanoria in this resolution of the Notice.

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.6 of the Notice.

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



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Item No. 7

Mrs. Anuradha Kanoria, born on 16th August, 1962, 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 committee. She is also on board of various Companies viz, B. T. Investments Private Limited, Nidhi Private Limited, Suryasakti Commodities Private Limited and Milan Agencies Private Limited.

The Board of Directors at their meeting held on 1st July, 2014 has, subject to the approval of the members, re-appointed Mrs. Anuradha Kanoria as Whole time Director, for a period of 5(five) years from the expiry of her present term, which will expire on 30th of November, 2014, at the remuneration recommended by the Nomination and Remuneration Committee of the Board and approved by the Board.

It is proposed to seek member's approval for the re-appointment of and remuneration payable to Mrs. Anuradha Kanoria as Whole time Director of the Company, in terms of the applicable provisions of the Act.

Particulars of the terms of appointment of and remuneration payable to her are as under:

1. (a) **Salary(Basic) per month** : ₹ 2,00,000/-in the scale of ₹ 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

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 ₹ 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.



NOTICE (Contd.)

- 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.
4. Mrs. Anuradha Kanoria shall not be paid any sitting fee for attending the meeting of the Board of Directors or any committee thereon.

5. Minimum Remuneration:

In the event that the Company in any financial year during the tenure of Mrs. Anuradha Kanoria's employment as the Whole time Director of the Company, has no profits or its profits are inadequate, the minimum remuneration payable to Mrs. Anuradha Kanoria, by way of salary and perquisites shall be the remuneration drawn by her, subject to the limits specified under Section II of Part II of Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by the Central Government from time to time in this regard, as minimum remuneration.

6. General:

- (i) That the Whole time Director will perform her duties with regard to all work of the Company and will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board.
- (ii) That the Whole time Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.
- (iii) That the Whole-time Director shall not be liable to determination by retirement of directors by rotation in accordance with the provisions of Section 152 of the Companies Act, 2013 read with rules made thereunder.
- (iv) That the Whole time Director will be reimbursed by the Company all entertainment and other expenses actually incurred by her in connection with the business of the Company, subject to such limits as may be fixed by the Board from time to time. Entertainment expenses so reimbursed shall not be included in the computation of the ceiling on perquisites.
- (v) That during the tenure of employment, the Whole time Director shall not be interested or otherwise concerned directly or indirectly or through any of her relatives in any selling or buying agency or any of the suppliers/vendors of the Company except to the extent permissible by the laws prevailing at that time or is reasonable enough to carry on her duties.
- (vi) That the Whole time Director and the Company shall have the rights to terminate the appointment by giving six months notice in writing to the other.
- (vii) 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 Whole time Director in accordance with the applicable provisions of the Companies Act, 2013.
- (viii) That subject to supervision, direction and control of the Board, the Whole time Director would be entrusted with power of management. Her powers shall be such as are necessary for the overall general management of the Company and such as may be conferred upon her by the Board from time to time as it may deem fit/expedient.

Mrs. Anuradha Kanoria satisfy 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 her re-appointment. She is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 (corresponding Section 274(1)(g) of the Companies Act, 1956). She is holding 183147 equity shares in the Company.



NOTICE (Contd.)

Mrs. Anuradha Kanoria is interested in the resolution set out at item No. 7 which pertains to her re-appointment and remuneration payable to her as a Wholetime Director. Mr. Umang Kanoria, who is the spouse of Mrs. Anuradha Kanoria and also the 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 re-appointment and remuneration payable to Mrs. Anuradha Kanoria in this resolution of the Notice.

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.7 of the Notice.

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

Item No. 8

Mr. Navin Nayar is a Non-Executive Independent Director of the Company since 29th April 2010.

Mr. Navin Nayar, born on 12th October, 1962 is a practising Chartered Accountant by profession. He is also on board of Companies viz Cheviot Company Limited, Bengal Tea & Fabrics Limited, OCL Investment & Leasing Limited, Cosmopolitan Investments Limited, Amar Vanjiya Limited, AKV Textiles Limited, among others.

Mr. Navin Nayar does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Mr. Navin Nayar is a director whose period of office is liable to determination of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. It is proposed to appoint Mr. Navin Nayar as Independent Director under Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement to hold office for five consecutive years from the conclusion of this Annual General Meeting till the Annual General Meeting for the Financial Year ended 31st March, 2019, not liable to retire by rotation.

Mr. Navin Nayar is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 (corresponding Section 274(1)(g) of the Companies Act, 1956).

The Company has received notice in writing from a member along with the deposit of ₹ 1,00,000/- (Rupees One Lac Only) under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Navin Nayar for the office of Director of the Company.

In the opinion of the Board, Mr. Navin Nayar fulfills the conditions specified in the Companies Act, 2013 and the Listing Agreement and is Independent of the Management.

The Board considers that his continued association would be of immense benefit to the Company and recommends the Resolution to be passed as an Ordinary Resolution by the Members.

Copy of the draft letter for the appointment of Mr. Navin Nayar as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

Mr. Navin Nayar is concerned or interested in the resolution set out at item No. 8, which pertains to his appointment. The relatives of Mr. Navin Nayar 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.

Item No. 9

Mr. Golam Momen is a Non-Executive Independent Director of the Company since 29th April 2010.

Mr. Golam Momen, born on 6th June, 1933, is an eminent industrialist and acute businessman. He has a rich experience in the Tea Industry, especially in valuation and marketing. He is presently the chairman of White Cliff Group of Companies. He is also on board of Companies viz Harrisons Malayalam Limited, Bengal Tea & Fabrics Limited, Scottish Assam Limited, Digjam Limited, Williamson Magor & Co Limited, Appejay Surendra Corporate Services Limited, Baghmari Tea Company Limited among others.

Mr. Golam Momen is holding 65 equity shares in the Company.



NOTICE (Contd.)

Mr. Golam Momen is a director whose period of office is liable to determination of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. It is proposed to appoint Mr. Golam Momen as Independent Director under Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement to hold office for five consecutive years from the conclusion of this Annual General Meeting till the Annual General Meeting for the Financial Year ended 31st March, 2019, not liable to retire by rotation.

Mr. Golam Momen is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 (corresponding Section 274(1)(g) of the Companies Act, 1956).

The Company has received notice in writing from a member along with the deposit of ₹ 1,00,000/- (Rupees One Lac Only) under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Golam Momen for the office of Director of the Company.

In the opinion of the Board, Mr. Golam Momen fulfills the conditions specified in the Companies Act, 2013 and the Listing Agreement and is Independent of the Management.

The Board considers that his expertise and knowledge would be of immense benefit to the Company and recommends the Resolution to be passed as an Ordinary Resolution by the Members.

Copy of the draft letter for the appointment of, Mr. Golam Momen as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

Mr. Golam Momen is concerned or interested in the resolution set out at item No. 9, which pertains to his appointment. The relatives of Mr. Golam Momen may be deemed interested in the resolution set out at item No. 9 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.9 of the Notice.

Item No. 10

The Board at its meeting held on May 9, 2014 has considered and approved the appointment of M/s A. C. Dutta & Co., Cost Accountants, for the conduct of the cost audit of the Company's Tea Estate namely Mackeypore Tea Estate situated at Nazira, Sivasagar, Assam-785685 at a remuneration of ₹ 35,000/- (Rupees Thirty Five Thousand Only) plus service tax as applicable and reimbursement of out-of-pocket expenses for the Financial Year ending March 31, 2015. In accordance with the provisions of Section 148 of the Companies Act, 2013 read with rules made thereunder, the remuneration 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. 10 of the Notice for ratification of remuneration payable to the Cost Auditors for the financial year ending March 31, 2015.

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.10 of the Notice.

Item No. 11

The members of the Company at their 28th Annual General Meeting held on 29th July, 2011, approved by way of an Ordinary Resolution under Section 293(1)(e) of the Companies Act, 1956, contribution to the Charitable and other funds not directly related to the business of the Company or the welfare of its employees, during any financial year, for an amount up to ₹ 50,00,000 (Rupees Fifty Lacs only) or 5% of the Company's average net profit as determined in accordance with provisions of Section 349 and Section 350 of the Companies Act, 1956 during the three financial years immediately preceding, whichever is greater.

Under Section 181 of the Companies Act, 2013, the Board of Directors shall not contribute to the bonafide charitable and other funds in excess of 5% of its average net profits for the three immediately preceding financial years, except with the consent of the members accorded by way of ordinary resolution.

The Board of Directors of the Company, at its meeting held on 1st July, 2014, proposed to obtain the approval of the members of the Company for making contribution to the bonafide charitable and other funds for an amount up to



NOTICE (Contd.)

₹ 1,00,00,000 (Rupees One Crore only) or 5% of its average net profits, as determined in accordance with Section 198 of the Companies Act, 2013, for the three immediately preceding financial years, whichever is greater.

As the members are aware, the company has always believed in strengthening and uplifting the communities across the country. With ongoing focus on education, development of children, healthcare for all and assistance to poor people, the company would like to earmark funds for its "Social Responsibility Initiatives".

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.11 of the Notice.

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

Item No.12

At the 26th Annual General Meeting held on 23rd September 2009, the members had, by way of an Ordinary Resolution and in pursuance of provisions of Section 293(1)(a) of the Companies Act, 1956, accorded consent to the Board of Directors for creating mortgage or charge on its movable or immovable properties, for an amount not exceeding ₹ 75 Crores (Rupees Seventy Five Crores only) over and above the aggregate of the paid up capital and free reserves of the Company.

Under Section 180(1)(a) of the Companies Act, 2013, the Board of Directors shall not create mortgage or charge on its movable or immovable properties, except with the consent of the members accorded by way of a special resolution. It is therefore necessary for the members to pass a Special Resolution under Section 180(1)(a) and other applicable provisions of the Companies Act, 2013, as set out at item No. 12 of the Notice, to enable the Board of Directors to create mortgage or charge on its movable or immovable properties, approval of members is being sought.

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.12 of the Notice.

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

Item No.13

The members of the Company at their 26th Annual General Meeting held on 23rd September 2009 approved by way of an Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956, borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of ₹ 75 Crores (Rupees Seventy Five Crores only).

Under Section 180(1)(c) of the Companies Act, 2013, the Board of Directors shall not borrow money in excess of the company's paid up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business, except with the consent of the company accorded by way of a special resolution. It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, as set out at Item No. 13 of the Notice, to enable to the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company. Approval of members is being sought to borrow money upto ₹ 75 Crores (Rupees Seventy Five Crores only) in excess of the aggregate of the paid up share capital and free reserves of the Company.

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.13 of the Notice.

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

Item No.14

Under the new Companies Act, 2013, the Directors are entrusted with the responsibilities of exercising their duties with integrity and as such the remuneration payable to directors by the company should be commensurate with the increased roles, responsibilities and duties.

The Board of Directors of the Company, have, subject to the approval of members of the Company, proposed to remunerate its Non-Executive Directors and Independent Directors commission, not exceeding in aggregate one



NOTICE (Contd.)

percent of the annual net profit of the Company for each Financial Year, as computed in accordance with Section 198 of the Companies Act, 2013.

The said remuneration to Non-Executive Directors and Independent Directors shall be in addition to the sitting fee payable to them for attending meetings of the Board and Committees thereof.

All Non-Executive Directors and Independent Directors and their relatives, to the extent of their shareholding, if any, in the Company, may be deemed to be concerned or interested, financially or otherwise, in the resolution set out at item No.14 of the Notice.

None of the 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.14 of the Notice.

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

Item No.15

Under Section 94 and other applicable provisions of the Companies Act, 2013 read with rules made thereunder, Company shall not keep the registers relating to members viz, Register of Members (including index), Register of Transfers, Register of Renewed & Duplicate Certificates and other registers relating to Members at any other place other than the Registered Office of the Company, except with the consent of the company accorded by way of a special resolution.

The Company intends to keep all the registers(stated above), at the Office of the present Registrar & Share Transfer Agent (RTA) of the Company- M/s C B Management Services (P) Ltd, P-22, Bondel Road, Kolkata- 700019 in addition to the other documents required by them to maintain share transfer activities.

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.15 of the Notice.

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

Item No.16

Under Section 196 and other applicable provisions of the Companies Act, 2013 read with rules made thereunder, the Company may pay a sitting fee to a director for attending meetings of the Board or committees thereof, such sum as may be decided by the Board of directors thereof which shall not exceed one lakh rupees per meeting of the Board or committee.

At the 26th Annual General Meeting held on 23rd September 2009, the members had, by way of Special Resolution accorded consent to alter Article 93 of the Articles of Association and accordingly ₹ 10,000/-(Rupees Ten Thousand only) as sitting fees is paid to its directors for attending meetings of the Board or committees thereof.

The Board of Directors of the Company, at its meeting held on 1st July, 2014, proposed to obtain the approval of the members of the Company for increasing the Sitting Fees to ₹ 15,000/- (Rupees Fifteen Thousand only).

All Non-Executive Directors and Independent Directors and their relatives, to the extent of their shareholding, if any, in the Company, may be deemed to be concerned or interested, financially or otherwise, in the resolution set out at item No.16 of the Notice.

None of the 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.16 of the Notice.

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

Registered Office :

Jasmine Tower, 3rd Floor
31, Shakespeare Sarani, Kolkata – 700 017
Dated : the 1st day of July, 2014

By Order of the Board
for **Kanco Tea & Industries Limited**

A. K. Gangopadhyay
Company Secretary



KANCO TEA & INDUSTRIES LIMITED

Registered Office : Jasmine Tower, 3rd Floor
31, Shakespeare Sarani, Kolkata - 700 017

CIN : L15491WB1983PLC035793

ATTENDANCE SLIP

Registered Folio/DP ID & Client ID	
Name & Address of the Member	
E-mail ID :	

1. I hereby record my presence at the 31st Annual General Meeting of the Company, to be held on Wednesday, the 13th day of August, 2014 at 11.00 A.M. at Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, Kolkata - 700 017.
2. Signature of the Member / Proxy Present.

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KANCO TEA & INDUSTRIES LIMITED

Registered Office : Jasmine Tower, 3rd Floor
31, Shakespeare Sarani, Kolkata - 700 017

CIN : L15491WB1983PLC035793

PROXY FORM

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

Name of the Member(s)	
Registered Address	
E-mail ID	
Folio No. / Client ID	
DP ID	

I/We, being the member(s) of _____ shares of the above named Company, hereby appoint.

- Name : _____
Address : _____
E-mail Id : _____
Signature : _____, or failing him/her.
- Name : _____
Address : _____
E-mail Id : _____
Signature : _____, or failing him/her.
- Name : _____
Address : _____
E-mail Id : _____
Signature : _____, or failing him/her.

a my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 31st Annual General Meeting of the Company, to be held on Wednesday, 13th day of August, 2014 at 11.00 A.M. at Bharatiya Bhasha Parishad", 36A, Shakespeare Sarani, Kolkata - 70 0017 and at any adjournment thereof in respect of such resolutions as are indicated below :

Sl.No.	Resolution	Sl.No.	Resolution
1.	Adoption of the Audited Statement of Profit & Loss for the year ended 31st March, 2014, the Audited Balance Sheet as at that date and the Reports of the Board of Directors and Auditors thereon	9.	Appointment of Mr. Golem Momen as Independent Director.
2.	To consider declaration of dividend on 7% Non Cumulative Redeemable Preference Shares for the financial year ended 31st March, 2014.	10.	Ratification of the remuneration to be paid to M/s A.C.Dutta & Co (RegistrationNo.000125), Cost Accountants
3.	To consider declaration of dividend on Equity Shares for the financial year ended 31st March, 2014.	11.	Consent u/s 181 of the Companies Act, 2013-Contribution to bonafide and Charitable Funds etc
4.	To appoint a director in place of Mr. Govind Ram Banka (DIN: 00207385), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.	12.	Consent u/s 180 (1) (a) of Companies Act, 2013 - Creation of charge
5.	To appoint M/s. Jain & Co., Chartered Accountants (Firm Registration No: 302023E) as Statutory Auditors of the Company and fix their remuneration	13.	Consent u/s 180 (1) (c) of Companies Act, 2013 - Borrowing Powers
6.	Appointment of Mr. Umang Kanoria as Non-Executive Director	14.	Payment of one percent of the Net Profits to the Non Executive Directors and Independent Directors in a Financial Year.
7.	Re-appointment of Mrs. Anuradha Kanoria as Whole time Director.	15.	Consent u/s 94 of Companies Act, 2013 - Keeping Register of Members etc with Registrar and Share Transfer Agent.
8.	Appointment of Mr. Navin Nayar as Independent Director.	16.	Fixing the Sitting Fees for attending Board Meeting to ₹ 15000/-

Signed this _____ day of _____ 2014

Signature of Shareholder : _____

Signature of Proxy holder(S) : _____

Affix
Revenue
Stamp

Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, at "Jasmine Tower", 3rd Floor, 31, Shakespeare Sarani, Kolkata-700 017 not less than FORTY EIGHT HOURS before the meeting.



KANCO TEA & INDUSTRIES LIMITED

(Formerly : Dhanvaridhi Concerns Limited)

CIN : L15491WB1983PLC035793

Annual Report 2013-2014

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BOARD OF DIRECTORS

Mr. U. Kanoria

Chairman & Director

Mrs. A. Kanoria

Wholetime Director

Mr. G. Momen

Mr. N. Nayar

Mr. G. R. Banka

Directors

COMPANY SECRETARY

Mr. A. K. Gangopadhyay

AUDITORS

M/s. Jain & Co.

Chartered Accountants

COST AUDITORS

M/s. A. C. Dutta & Co.

Cost Accountants

BANKER

Punjab National Bank

REGISTERED OFFICE

Jasmine Tower, 3rd Floor

31, Shakespeare Sarani,

Kolkata 700 017

Telefax : 2281 5217

Email : contact@kancotea.in

Website : www.kancotea.in

TEA ESTATES

Mackeypore &

Lakmijan Tea Estate

P. O. Nazira 785 685

Dist. Sivasagar (Assam)

SHARE REGISTRARS

CB Management Services (P) Ltd.

P-22, Bondel Road, Kolkata 700 019

Phone : 2280 6692/93/94

E-mail : rta@cbmsl.com

**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors present their Annual Report and Audited Accounts for the year ended 31st March, 2014.

Financial Highlights

Your Company's financial performance was as follows :

Particulars	₹ in Lacs	
	Current Year	Previous Year
Profit Before Interest, Depreciation and Tax	689.36	750.14
Less : Interest	<u>115.55</u>	<u>123.91</u>
Gross Profit for the year	573.81	626.23
Less : Depreciation	<u>91.57</u>	<u>80.71</u>
Profit Before Tax	482.24	545.52
Less : Provision For :-		
Net Current Tax	87.53	96.10
Provision for MAT Credit Entitlement	<u>(43.25)</u>	<u>(34.79)</u>
	44.28	61.31
Income Tax for earlier years	-	3.90
Deferred Tax	<u>9.27</u>	<u>3.08</u>
	53.55	68.29
Profit/(Loss) After Taxation	428.69	477.23
Add : Balance Brought Forward from Last Account	<u>1171.84</u>	<u>844.82</u>
	1600.53	1322.05
Less : Transfer to General Reserve	42.87	47.72
Less : Proposed dividend	88.18	88.18
Less : Dividend Distribution Tax	<u>14.99</u>	<u>14.31</u>
Balance Carried to Balance Sheet	<u>1454.49</u>	<u>1171.84</u>

Dividend

The Directors of your Company has recommended a dividend of ₹ 7/- and ₹ 5/ (Last Year ₹ 7 /- and ₹ 5/-) per Preference Share of Face Value of ₹ 100/- and Equity Share of Face Value of ₹ 10/-share respectively for the year under review.

Operations & Finance :

During the year under review, the production of own tea went down by 54802 Kgs compared to previous year. The profit before tax stood at ₹482.23 Lacs compared to ₹ 545.52 Lacs for the previous year. The decline in working results was mainly due to loss in own crop. The impact of loss of own crop was marginalized by increase in tea made out of bought leaves. The tea made out of bought leaves went up by 152951 Kgs compared to last year.

Your Company continued to take advantage of the Special Purpose Tea Fund Scheme announced by the Tea Board of India. In the financial year 2013-2014, 23.97 hectares, 24.10 hectares and 24.19 hectares of the plantation area were replanted, rehabilitated and uprooted respectively. New planting was done in 2.05 hectares. We have also added irrigation set each in Mackeypore and Lakmijan Tea Estate. Investment has been made in factory machinery to bring further improvement in quality of teas. Your Company has also built labour quarters and labour latrines to improve the living condition of its workforce.

The current season started with a severe drought condition but at present rainfall in moderate quantity has been received. Owing to drought, there has been loss of crop in Industry in general. However, your estate is showing better production owing to its investments made in augmenting irrigation facilities during the past few years. The increase in wage rate and inputs like H.S.D.Oil, Pesticides, Natural Gas and Manures will hit the bottom line. Your Company being producer of premium quality teas will try to offset the increase in cost/kg. of made tea by better price realization. The thrust on irrigation and replanting under SPTF will continue.



DIRECTORS' REPORT (Contd.)

Directors

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Umang Kanoria (DIN- 00081108) was appointed as an Additional Director with effect from 23rd September 2013 and he shall hold office up to the date of the ensuing Annual General Meeting. The Company has received requisite notice in writing from a member proposing Mr. Umang Kanoria for appointment as Non Executive Director.

Mr. Navin Nayar (DIN: 00136057) and Mr. Golam Momen (DIN: 00402662), directors of the Company, are being appointed as Independent Directors for five consecutive years from the conclusion of this Annual General Meeting till the Annual General Meeting for the Financial Year ended 31st March, 2019, not liable to retire by rotation as per the provisions of Section 149 and other applicable provisions of the Companies Act, 2013.

Mr. Govind Ram Banka (DIN: 00207385) shall retire at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

Subject to the approval of the members in the general meeting, the Board of Directors on 1st July 2014 re-appointed Mrs. Anuradha Kanoria (DIN : 00081172), as Whole Time Director of the Company for a period of five years with effect from 1st December, 2014 on the terms and conditions agreed to by the Board of Directors and Mrs. Anuradha Kanoria.

The Company has received declarations from the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement. All the directors of the Company have also confirmed that they are not disqualified from being appointed as directors in terms of Section 274(1) (g) of the Companies Act, 1956.

Necessary resolutions for the appointment /re-appointment of the aforesaid directors have been included in the notice convening the ensuing AGM and details of the proposal for appointment / re-appointment are mentioned in the explanatory statement of the notice.

Directors' Responsibility Statement

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, the Directors confirm having:

1. that in the preparation of annual accounts for the financial year ended March 31, 2014, the applicable Accounting Standards have been followed along with proper explanations relating to material departures;
2. selected such accounting policies and have 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 at the end of the financial year and of the profit and loss of the Company for that period;
3. taken Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, and
4. prepared the annual accounts on a going concern basis.

FIXED DEPOSITS

The amount outstanding as on 31st March, 2014 on account of Fixed Deposits aggregating ₹ 93.93 Lacs is yet to mature and all the deposits that matured during the year were repaid with interest due thereon and nothing remains unclaimed.

Auditors

Messrs. Jain & Co., Chartered Accountants, Registration No. 302023E retire at the ensuing Annual General Meeting and being eligible, have expressed their willingness to continue as Auditors of the Company, if so appointed by the members. Your Company has received the consent and certificate from Messrs. Jain & Co., Chartered Accountants to the effect that their re-appointment if made, would be within the limits prescribed under the section 141 of the Companies Act, 2013 read with rules and that they are not disqualified for reappointment 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 Clause 41(1) (h) of the Listing Agreement.

Cost Audit

For the year under review, the Company proposes to reappoint Messrs A.C.Dutta & Co., Cost Accountants (Registration No.000125) as Cost Auditors for the financial year ended March 31, 2015, in accordance with the Companies Act, 2013 and their remuneration is to be ratified at the ensuing Annual General Meeting.

**DIRECTORS' REPORT (Contd.)****Employee Particulars**

The particulars of employees pursuant to Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rule 1975, as amended by Companies (Particulars of Employees) Amendment Rules 2011, are not applicable as no employee was in receipt of remuneration to the extent laid down in the said Rules.

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

A statement pursuant to section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Directors) Rules, 1988 on conservation of energy, technology absorption, foreign exchange earnings and outgo is annexed to and forms part of this Report.

DIRECTORS' REPORT (Contd.)**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

Kolkata, the 1st day of July, 2014

A. K. Kanoria
Wholtime Director

Umang Kanoria
Director

A. K. Gangopadhyay
Company Secretary

ANNEXURE TO DIRECTORS' REPORT

INFORMATION AS PER SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956, READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2014.

Total energy consumption per unit of production is furnished in the prescribed Form "A" annexed hereto.

FORM - A**Particular with respect to conservation of Energy****(A) POWER & FUEL CONSUMPTION****(1) Electricity**

	<u>Current Year</u>	<u>Previous Year</u>
(a) Purchased (Units)	1310120	1169440
Total Amount (₹)	10427233	9044256
Rate / Unit (₹)	7.96	7.73
(b) Own Generation		
Through Diesel Generator		
Units	243560	245655
Unit per ltr.	5.03	4.69
Cost / Unit (₹)	10.48	9.71
(c) Through Steam Turbine/Generator		
Units	439995	526635

(2) Others/Internal Generation

	<u>Current Year</u>	<u>Previous Year</u>
Natural Gas : for Tea Processing in Withering & Drying		
Quantity (cm ³)	1570098	1582681
Total Cost (₹)	13004193	10574755
Rate/Unit (₹/cm ³)	8282.41	6681.55

(B) CONSUMPTION PER UNIT OF PRODUCTION

	<u>Unit</u>	<u>Current Year</u>	<u>Previous Year</u>
Black Tea	Kgs.	2056416	1958267
Electricity	Unit	0.97	0.99
Gas	CM ³	0.76	0.81

For the above, there is no prescribed standard.

**ANNEXURE TO DIRECTORS' REPORT (Contd.)****RESEARCH & DEVELOPMENT (R&D)**

1. Specific areas in which R&D carried out by the Company.
2. Benefits derived as a result of the above R & D
3. Future plan of action
4. Expenditure on R & D
 - (a) Capital
 - (b) Recurring
 - (c) Total
 - (d) Total R&D Expenditure as a percentage of total turnover.

The Company subscribed to Tea Research Association which is registered under Section 35(1) (ii) of the Income Tax Act, 1961, to carry out R&D on Tea. Their recommendations are adopted wherever feasible, in addition to our own efforts for obtaining better results.

FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company continues its efforts to enhance exports with vigorous steps to find new markets and develop existing ones.

Particulars	Current Year	Previous Year
1. Foreign Exchange Earnings	NA	NA
2. Foreign Exchange Outgo	₹ 45,11,702/-	₹ 37,67,583/-

For and on behalf of the Board of Directors

Kolkata, the 1st day of July, 2014

A. K. Kanoria
Wholetime Director

Umang Kanoria
Director

A. K. Gangopadhyay
Company Secretary

Information required under revised Clause 5A (I) of the Listing Agreement 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 01/04/2013	84
Aggregate No. of Shares lying in the Suspense Account as on 01/04/2013	900
Number of shareholders who approached issuer for transfer of shares from Suspense Account during the year	-
Number of shareholders to whom shares were transferred from Suspense Account during the year.	-
Aggregate No. of Share Holders whose shares are lying in the Suspense Account as on 31/03/2014.	84
Aggregate No. of Shares lying in the Suspense Account as on 31/03/2014.	900

Note :

** The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

Information required under revised Clause 5A (II) of the Listing Agreement with respect to Shares issued in Physical Form under the Scheme of De-merger, which remain unclaimed :-

The Shares are lying in a single folio in the name of "Unclaimed Suspense Account" in the dematerialised account opened with CDSL.



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KANCO TEA & INDUSTRIES LIMITED REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of KANCO TEA & INDUSTRIES LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the 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.

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- b) in the case of the Statement of Profit and Loss Account, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have 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 appears from our examination of those books;
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956, read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Company Affairs in respect of Section 133 of the Companies Act, 2013;
 - e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Jain & Co.
Chartered Accountants
Registration No 302023E

P-21/22, Radhabazar Street,
Kolkata-700 001
Dated : the 9th day of May, 2014

M.K. Jain
Partner
Membership No. 055048



ANNEXURE TO THE INDEPENDENT AUDITORS' 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 its fixed assets.
b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
c) In our opinion and according to the information and explanations given to us, substantial part of fixed assets has not been disposed off during the year and therefore does not affect the going concern assumption.
2. a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.
b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. a) i) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has granted interest free unsecured loan to a company listed in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year and year end balances amounts to ₹ 4,56,62,990/- and ₹ 4,34,34,766/- respectively.
ii) The other terms and conditions of such loans are not prejudicial to the interests of the Company;
iii) The Company is regular in repaying the principal amounts as stipulated wherever applicable;
b) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Thus sub clauses iii (f) & iii (g) are not applicable to the company.
3. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories, fixed assets and with regards to sale of goods and services. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
4. Based on the audit procedures applied by us and according to the information and explanations provided by the management we are of the opinion that there were no contracts or arrangements that need to be entered in the register maintained under section 301 of the Companies Act 1956. Thus clauses v (a) and v (b) are not applicable to the Company;
5. The Company has accepted deposits from the public covered within the meaning of Sections 58A and Section 58AA and have complied with the rules framed therein;
6. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.

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

7. As per information & explanation given by the management, maintenance of cost records has been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 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;
8. a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities.
- b) According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2014 for a period of more than six months from the date they became payable.
- c) 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 (₹)	Forum where dispute is pending
1	West Bengal Value Added Tax Rules,2005	West Bengal VAT	2009-10	7,94,960/-	West Bengal Commercial Taxes Appellate & Revision Board.
2	Central Sales Tax Act,1956	CST	2010-11	16,243/-	Joint Commissioner of Commercial taxes, South Circle, Kolkata
3	Agricultural Income Tax Act, 1939	Agricultural Income Tax	2008-09	4,58,943/-	Deputy Commissioner of Taxes
4	Agricultural Income Tax Act,1939	Agricultural Income Tax	2009-10	5,39,698/-	(Appeals), Guwahati
5	Income Tax Act,1961	Income Tax	2009-10	2,48,520/-	Commissioner of Income Tax Appeals - IV
6	Income Tax Act,1961	Short deduction of TDS alongwith Interest	2013-14	2,570/-	Deputy. Commissioner of Income Tax, CPC-TDS
7	Income Tax Act,1961	Short deduction of TDS alongwith Interest	2011-12	930/-	ITO TDS Ward 58(2), Kolkata
8	Income Tax Act,1961	Short deduction of TDS alongwith Interest	2011-12	2,610/-	ITO TDS WD 58(2), Kolkata



Annexure to the Independent Auditors' Report (Contd.)

9. The Company does not have any accumulated losses as at 31st March, 2014 and has not incurred cash losses in the financial year and in the immediately preceding financial year.
10. 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 dues to financial institutions and banks;
11. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
12. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
13. According to information and explanations given to us, the Company has maintained proper records of the transactions for dealing in shares, securities and other investments and timely entries have been made therein. The shares, securities, debentures and other investments have been held by the company in its own name.
14. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
15. Based on our audit procedures and on the information given by the management, we report that the company has applied the money received as term loans during the year for the purposes for which they were obtained, other than temporary deployment pending application;
16. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2014, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
17. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act during the year.
18. The Company has not issued any debenture and hence no securities have been created;
19. The Company has not raised any money by public issue during the year.
20. 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.

For Jain & Co.
Chartered Accountants
Registration No 302023E

P-21/22, Radhabazar Street,
Kolkata-700 001
Dated : the 9th day of May, 2014

M.K. Jain
Partner
Membership No. 055048

**KANCO TEA & INDUSTRIES LIMITED****BALANCE SHEET AS AT 31ST MARCH, 2014**

Particulars	Note No.	For the year ended 31st March, 2014	For the year ended 31st March, 2013
		₹	₹
EQUITY AND LIABILITIES			
Shareholder's Fund			
Share Capital	1	2,10,76,090	2,10,76,090
Reserves & Surplus	2	<u>18,38,49,791</u>	<u>15,12,97,747</u>
		20,49,25,881	17,23,73,837
Non-Current Liabilities			
Long-Term Borrowings	3	3,14,36,993	3,65,91,858
Deferred Tax Liabilities (Net)	4	34,90,674	25,63,688
Other Long Term Liabilities	5	26,26,480	15,23,628
Long Term Provisions	6	<u>32,59,882</u>	<u>94,40,862</u>
		4,08,14,029	5,01,20,036
Current Liabilities			
Short-Term Borrowings	7	2,76,53,467	4,48,10,926
Trade Payables	8	86,12,069	1,31,32,978
Other Current Liabilities	9	5,77,91,911	5,31,24,389
Short-Term Provisions	10	<u>3,99,91,123</u>	<u>3,14,66,107</u>
		13,40,48,570	14,25,34,400
	TOTAL	37,97,88,480	36,50,28,273
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	11	13,70,62,444	12,49,84,388
Capital Work-in-Progress		<u>35,99,731</u>	<u>11,66,357</u>
		14,06,62,175	12,61,50,745
Non-Current Investments	12	4,89,89,513	5,39,24,446
Long Term Loans and Advances	13	13,80,76,529	12,58,55,833
Other Non-Current Assets	14	<u>1,49,660</u>	<u>51,049</u>
		32,78,77,877	30,59,82,073
Current Assets			
Current Investments	15	43,50,886	29,61,700
Inventories	16	2,60,45,309	3,12,72,994
Trade Receivables	17	8,31,340	26,32,114
Cash and Bank Balances	18	95,68,854	92,69,786
Short-Term Loans and Advances	19	<u>1,11,14,214</u>	<u>1,29,09,606</u>
		5,19,10,603	5,90,46,200
	TOTAL	37,97,88,480	36,50,28,273

The accompanying notes 1 to 40 form an integral part of the financial statements.

In terms of our report of even date attached

For Jain & Co.

Chartered Accountants

Firm Registration No. 302023E

(M.K.JAIN)

Partner

Membership No. 055048

P-21/22, Radhabazar Street

Kolkata - 700001

Dated : the 9th day of May, 2014

A. K. GANGOPADHYAY
Company Secretary

For and on behalf of the Board of Directors

A. KANORIA Wholetime Director

U. KANORIA
G. MOMEN
N. NAYAR
G. R. BANKA | Directors

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014**

Particulars	Note No.	For the year ended 31st March, 2014 ₹	For the year ended 31st March, 2013 ₹
Income			
Revenue from Operations	20	37,08,68,274	36,93,22,929
Other Income	21	1,04,44,841	1,09,55,597
Total Revenue		38,13,13,115	38,02,78,526
Expenditure			
Cost of Materials Consumed	22	4,50,07,537	3,30,98,786
Changes in Inventories of Finished Goods	23	38,63,032	1,86,49,886
Employee Benefit Expense	24	13,28,81,520	13,10,48,246
Finance Costs	25	1,15,55,087	1,23,90,806
Depreciation	26	91,56,756	80,70,915
Other Expenses	27	13,02,90,253	12,41,80,151
Total Expenses		33,27,54,185	32,74,38,790
Profit Before Exceptional Items and Tax		4,85,58,930	5,28,39,736
Exceptional Items			
Provision for diminution in the value of investments		(99,388)	(6,30,964)
Loss/(Profit) on sale of non-current investments		4,34,574	(10,81,025)
		3,35,186	(17,11,989)
Profit Before Tax		4,82,23,744	5,45,51,725
Tax Expenses			
Current Tax			
Central Income Tax (MAT Payable)		56,19,245	57,36,370
Agricultural Income Tax		31,34,328	38,73,261
MAT Credit Entitlement		(43,25,531)	(34,79,224)
Income Tax for Earlier Years		–	3,89,809
Deferred Tax		9,26,986	3,08,618
Total Tax Expenses		53,55,028	68,28,834
Profit After Tax		4,28,68,716	4,77,22,891
Basic & Diluted Earning per equity share [Nominal Value of ₹ 10/- each] (Refer Note No. 36)		24.91	27.76

The accompanying notes 1 to 40 form an integral part of the financial statements.

In terms of our report of even date attached

For Jain & Co.

Chartered Accountants

Firm Registration No. 302023E

(M.K.JAIN)

Partner

Membership No. 055048

P-21/22, Radhabazar Street

Kolkata - 700001

Dated : the 9th day of May, 2014

A. K. GANGOPADHYAY
Company Secretary

For and on behalf of the Board of Directors

A. KANORIA Wholetime Director

U. KANORIA
G. MOMEN
N. NAYAR
G. R. BANKA | Directors

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014**

Particulars	For the year ended 31st March, 2014 ₹	For the year ended 31st March, 2013 ₹
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax & Extraordinary items	4,82,23,744	5,45,51,725
Finance Costs	1,15,55,087	1,23,90,806
Depreciation	91,56,756	80,70,915
Interest Received	(63,87,206)	(61,27,040)
(Profit)/Loss on Tangible Assets Sold	(1,031)	(2,09,262)
Dividend Received	(16,27,588)	(16,31,913)
Provision for diminution in the value of Current Investments	(99,388)	(6,30,964)
(Profit)/Loss on Sale of Current Investments (Net)	(4,48,974)	35,169
Loss/(Profit) of Sale of Non-Current Investment	4,34,574	(10,81,025)
Operating Profit Before Working Capital Changes	<u>6,08,05,974</u>	<u>6,53,68,411</u>
ADJUSTMENT FOR CHANGES IN WORKING CAPITALS :		
Trade & Other Receivables	(24,92,584)	(54,73,659)
Inventories	52,27,685	1,44,69,253
Trade & Other Payables	(1,36,01,737)	(99,10,000)
Cash Generated From Operations	<u>4,99,39,338</u>	<u>6,44,54,005</u>
Income Tax Paid (Net of Refund)	(42,65,205)	(85,02,447)
Net Cash Flow from Operating Activities	<u>4,56,74,133</u>	<u>5,59,51,558</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(2,44,28,855)	(2,36,63,357)
Fixed Assets Sold	7,61,700	26,73,256
Interest Received	63,87,206	61,27,040
Dividend Received	16,27,588	16,31,913
Purchase of Investments	(73,06,381)	(81,98,218)
Sale of Investments	1,09,65,916	64,97,832
Net Cash Flow from Investing Activities	<u>(1,19,92,826)</u>	<u>(1,49,31,534)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Long Term Borrowings	(51,54,865)	(1,29,09,695)
Long Term Loans & Advances	1,02,000	(1,33,10,000)
Short Term and Current borrowings from Banks	(86,85,840)	(48,23,266)
Short Term Loans & Advances	22,28,225	1,72,87,003
Finance Costs	(1,15,55,087)	(1,23,90,806)
Dividends Paid	(88,18,045)	(88,18,045)
Dividend Distribution Tax Paid	(14,98,627)	(14,30,507)
Net Cash Used in Financing Activities	<u>(3,33,82,239)</u>	<u>(3,63,95,316)</u>
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	92,69,786	46,45,078
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>2,99,068</u>	<u>46,24,708</u>
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	<u>95,68,854</u>	<u>92,69,786</u>

Notes :

- The above Cash Flow Statement has been prepared under the 'Indirect Method' set out in Accounting Standard 3 - Cash Flow Statement referred to in The Companies (Accounting Standards) Rules, 2006.
- Cash and Cash Equivalents represent cash and bank balances. Refer Note No. 18 for details of Cash & Bank Balances.
- Figures in brackets indicate Cash outflow.
- Previous year's figures have been regrouped/rearranged, wherever considered necessary to confirm to this year's classification.

In terms of our report of even date attached

For Jain & Co.

Chartered Accountants

Firm Registration No. 302023E

(M.K.JAIN)

Partner

Membership No. 055048

P-21/22, Radhabazar Street

Kolkata - 700001

Dated : the 9th day of May, 2014

A. K. GANGOPADHYAY
Company Secretary

For and on behalf of the Board of Directors

A. KANORIA Wholetime Director

U. KANORIA	Directors
G. MOMEN	
N. NAYAR	
G. R. BANKA	


NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
1. SHARE CAPITAL		
Details of Authorised, Issued, Subscribed and Fully Paid up Shares		
20,00,000 (Previous Year 20,00,000) Equity Shares of ₹10/- each	2,00,00,000	2,00,00,000
1,00,000 (Previous Year 1,00,000) 7% Non Cumulative Redeemable Preference Shares of ₹100/- each	1,00,00,000	1,00,00,000
	3,00,00,000	3,00,00,000
ISSUED, SUBSCRIBED AND FULLY PAID UP SHARES		
17,07,609 (Previous Year 17,07,609) Equity Shares of ₹10/- each fully paid up	1,70,76,090	1,70,76,090
40,000 (Previous Year 40,000) 7% Non Cumulative Redeemable Preference Shares of ₹ 100/- each	40,00,000	40,00,000
Total Issued, Subscribed and Fully Paid up Share Capital	2,10,76,090	2,10,76,090

Reconciliation of Paid up Share Capital	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares	Amount ₹	No. of Shares	Amount ₹
Equity Shares				
At the beginning of the Year	17,07,609	1,70,76,090	17,07,609	1,70,76,090
Outstanding at the end of the Year	17,07,609	1,70,76,090	17,07,609	1,70,76,090
7% Non Cumulative Redeemable Preference Shares				
At the beginning of the Year	40,000	40,00,000	40,000	40,00,000
Outstanding at the end of the Year	40,000	40,00,000	40,000	40,00,000

Terms and rights attached to Equity Shares

The company has only one class of Equity Share having par value of ₹10/- per share. Each holder of Equity Share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of Equity Share will be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the Shareholders

Terms and rights attached to Preference Shares

During the year ended 31st March, 2004, The Company had issued 40,000 7% Non Cumulative Redeemable Preference Shares of ₹100/- each fully paid up. Preference Shares carry a dividend of 7% ,only when it is declared by the company. The dividend is paid by the company in Indian Rupees only. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. Each holder of Preference share is entitled to one vote per share only on resolutions placed before the company which directly affect the rights attached to Preference Shares.

The 7% Non Convertible Preference Shares will be redeemed in the year ended 31st March,2023 at par value only. In the event of liquidation of the company before redemption of Preference Shares, the holder of Preference Shares will have priority over Equity Shares in the payment of dividend and repayment of capital.

Aggregate Number of Equity Shares Issued for consideration other than cash during the period of five years immediately preceding the year.

	As at 31st March, 2014 Nos.	As at 31st March, 2013 Nos.
Equity shares issued and allotted pursuant to scheme of Arrangement sanctioned by Hon'ble High Court at Calcutta on 17/05/2010.	12,11,609	12,11,609


NOTES ON FINANCIAL STATEMENTS (Contd.)
Details of Shareholders holding more than 5 percent of Shares in the Company

Name of the Shareholders	As at 31st March, 2014		As at 31st March, 2013	
	No of shares Held	(%) of Holding	No of shares Held	(%) of Holding
Equity Shares of ₹ 10/- Each Fully Paid				
Anuradha Kanoria	183,147	10.73	183,147	10.73
Umang Kanoria HUF	155,535	9.11	155,535	9.11
Satvik Welfare Trust	249,300	14.60	249,300	14.60
E.T.Resources Private Limited	279,084	16.34	279,084	16.34
Facitcon Investments Pvt Ltd	86,650	5.07	86,650	5.07
Satvik Kanoria	95,541	5.60	95,541	5.60
Preference Shares of ₹ 100/- Each Fully Paid				
OCL Investments & Leasing Limited	26000	65.00	26000	65.00
Sumitra Devi Pasari	5200	13.00	5200	13.00
Stuti Welfare Trust	4000	10.00	4000	10.00
Sumitra Nangalia	3790	9.48	3790	9.48

2. Reserves & Surplus

	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
General Reserve		
Balance as per Last Financial Statement	3,01,13,617	2,53,41,328
Add : Transfer from Statement of Profit and Loss	42,86,872	47,72,289
Closing Balance	3,44,00,489	3,01,13,617
Preference Share Redemption Reserve	40,00,000	40,00,000
Surplus in Statement of Profit and Loss		
Balance as per Last Financial Statement	11,71,84,130	8,44,82,080
Add : Profit for the Year	4,28,68,716	4,77,22,891
Less : Appropriations		
(i) Transfer to General Reserve	42,86,872	47,72,289
(ii) Proposed Dividend on Preference Shares	2,80,000	2,80,000
(iii) Proposed Dividend on Equity Shares	85,38,045	85,38,045
(iv) Dividend distribution tax on Proposed Dividend	14,98,627	14,30,507
Total Appropriation	1,46,03,544	1,50,20,841
Net Surplus in the Statement of Profit and Loss	14,54,49,302	11,71,84,130
Total	18,38,49,791	15,12,97,747


NOTES ON FINANCIAL STATEMENTS (Contd.)
3. Long-term Borrowings

	Non-Current Portion		Current Maturities	
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
	₹	₹	₹	₹
LONG TERM BORROWINGS				
Term Loan (Secured)				
From Banks	2,19,12,036	2,05,03,315	99,88,278	93,34,360
From Others	54,90,957	54,90,957	–	–
	<u>2,74,02,993</u>	<u>2,59,94,272</u>	<u>99,88,278</u>	<u>93,34,360</u>
Unsecured Loans				
From Related Parties (Refer Note No. 35)	15,34,000	12,04,300	–	4,90,000
From Others	25,00,000	25,00,000	–	–
	<u>40,34,000</u>	<u>37,04,300</u>	<u>–</u>	<u>4,90,000</u>
Deposits				
From Related Parties (Refer Note No. 35)	–	68,93,286	93,93,286	–
	<u>40,34,000</u>	<u>1,05,97,586</u>	<u>93,93,286</u>	<u>4,90,000</u>
Total	<u>3,14,36,993</u>	<u>3,65,91,858</u>	<u>1,93,81,564</u>	<u>98,24,360</u>
The above Includes				
Secured borrowings	2,74,02,993	2,59,94,272	99,88,278	93,34,360
Unsecured borrowings	40,34,000	1,05,97,586	93,93,286	4,90,000
Amount disclosed under the head Current liabilities	–	–	(1,93,81,564)	(98,24,360)
Net Amount	<u>3,14,36,993</u>	<u>3,65,91,858</u>	<u>–</u>	<u>–</u>

Nature of security

Term Loan from 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 tea estates as collateral security and further guaranteed by a director.

Term Loan in the nature of Car Loan is secured by Hypothecation of Motor Cars.

Loan from Tea Board is secured by hypothecation of tea crops and mortgage of title deeds of Tea Estates in favour of Tea Board ranking subsequent to charge created in favour of Punjab National Bank.

Terms of Repayment of Term Loan

Particulars of Loan	Date of Sanction	Original Loan Amount (₹)	Repayment Schedule
PNB Term Loan-A/C-No-104496	04/06/2003	4,08,00,000	8 Annual Installments of varying amount starting from June,2008.
PNB Term Loan-A/C No-156161	05/07/2008	2,34,87,000	8 Annual Installments of varying amount starting from July,2013.
PNB Term Loan-A/C No-156213	12/09/2013	5,85,36,000	7 Annual Installments of varying amount starting from the F.Y. 2015-16.
SPTF Loan	07/08/2009	54,90,957	16 equal half yearly Installments commencing from 6th year from the date of sanction. The first installment shall fall due on the last day of the 66th month from the date of disbursement, i.e. w.e.f May'15.
HDFC Bank Car Loan	12/11/2009	25,00,000	60 Monthly Installments starting from 5th Nov,2009.
ICICI Bank Car Loan	07/03/2013	15,55,000	36 Monthly Installments starting from 1st April,2013.


NOTES ON FINANCIAL STATEMENTS (Contd.)
Notes on Unsecured Loans

Unsecured Loan from the related parties are outstanding for a period of more than twelve months. Repayment of these loans will be made beyond 12 months from the date of reporting.

The maturity period of deposits taken from related parties varies from 12 months and 36 months from the date of their acceptance. All these deposits will not be renewed by the company and the same will be repaid on the date of maturity or on 31st March, 2015, whichever is earlier.

4. Deferred Tax Liability

	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
<u>Deferred Tax Liability being the Tax impact on-</u>		
Difference of Written Down Value of Tangible Assets as per Income Tax Laws and Books	45,35,963	42,33,776
	<u>45,35,963</u>	<u>42,33,776</u>
<u>Deferred Tax Assets being the Tax impact on-</u>		
Expenses charged in books but allowance thereof deferred under Income Tax Laws	10,45,289	16,70,088
	<u>10,45,289</u>	<u>16,70,088</u>
Deferred Tax Liability (Net)	<u>34,90,674</u>	<u>25,63,688</u>
5. Other Long Term Liabilities		
(i) Trade Payables (Refer Note No. 30)	14,757	60,704
(ii) Other Payables	26,11,723	14,62,924
	<u>26,26,480</u>	<u>15,23,628</u>
6. Long Term Provisions		
Provision for Employee Benefits (Refer Note No. 33)		
For Gratuity	17,64,410	80,40,087
For Leave Encashment	14,95,472	14,00,775
	<u>32,59,882</u>	<u>94,40,862</u>
7. Short Term Borrowings		
Cash Credit from Punjab National Bank (Secured)	2,76,53,467	4,48,10,926
	<u>2,76,53,467</u>	<u>4,48,10,926</u>
Cash credit from 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 tea estates as collateral security and further guaranteed by a director.		
8. Trade Payables		
Trade payables (Refer Note No. 30)	86,12,069	1,31,32,978
	<u>86,12,069</u>	<u>1,31,32,978</u>
9. Other Current Liabilities		
Current Maturities of Long Term Borrowings (Refer Note No. 3)	1,93,81,565	98,24,360
Interest accrued but not due on borrowings	74,233	45,932
Interest accrued and due on borrowings	38,12,750	49,26,637
Unpaid dividend (Refer Note (i))	9,01,136	7,00,603
Trustee for Disposal of Fractional Shares (Refer Note (i))	2,80,099	16,467
Others Payables (Refer Note (ii))	3,33,42,128	3,76,10,390
	<u>5,77,91,911</u>	<u>5,31,24,389</u>
(i) Investor Education and Protection Fund will be credited, as and when due		
(ii) Others Payables		
Advance received from Consignment Agents	41,29,392	1,36,71,561
Provision for Bonus & Exgratia	1,35,01,843	1,34,55,345
Brokerage on Sales	41,12,121	41,26,200
Others	1,15,98,772	63,57,284
	<u>3,33,42,128</u>	<u>3,76,10,390</u>



NOTES ON FINANCIAL STATEMENTS (Contd.)

10. Short Term Provisions

	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
Provision for Employee Benefits (Refer Note No.33)		
For Gratuity	24,21,068	27,52,109
For Leave Encashment	2,61,729	1,97,411
	26,82,797	29,49,520
Other Provisions		
Provision for Tax	2,69,91,654	1,82,68,035
Proposed Equity Dividend	85,38,045	85,38,045
Proposed Preference Dividend	2,80,000	2,80,000
Provision for Tax on Proposed Dividend	14,98,627	14,30,507
	3,73,08,326	2,85,16,587
	3,99,91,123	3,14,66,107

11. TANGIBLE ASSETS

(Figures In ₹)

Particulars	Land & Plantation	Building & Water Supply	Machinery & Elec. Installation	Vehicle	Furniture & Fittings	Total
Cost						
At 1st April,2012	3,03,38,738	2,25,63,166	5,16,06,299	1,26,65,810	1,16,95,569	12,88,69,582
Additions	-	99,29,133	83,46,915	36,27,326	5,85,874	2,24,89,248
Disposals	-	-	(83,658)	(1,99,639)	(21,300)	(3,04,597)
Other adjustments	-	-	-	-	-	-
Subsidy	-	-	(23,79,846)	-	-	(23,79,846)
At 31st March,2013	3,03,38,738	3,24,92,299	5,74,89,710	1,60,93,497	1,22,60,143	14,86,74,387
Additions	5,81,288	31,42,000	1,30,29,550	48,14,303	4,28,340	2,19,95,481
Disposals	-	-	(1,53,889)	(15,58,862)	(1,42,500)	(18,55,251)
Other adjustments	-	(39,40,228)	60,60,829	25,51,548	4,31,517	51,03,666
Subsidy	-	-	-	-	-	-
At 31st March,2014	3,09,20,026	3,16,94,071	7,64,26,200	2,19,00,486	1,29,77,500	17,39,18,283
Depreciation						
At 1st April,2012	-	12,08,124	1,10,60,153	14,80,114	20,91,142	1,58,39,533
Charge for the Year	-	5,85,751	48,04,748	16,59,825	10,20,591	80,70,915
Disposals	-	-	(58,085)	(1,59,068)	(3,296)	(2,20,449)
At 31st March,2013	-	17,93,875	1,58,06,816	29,80,871	31,08,437	2,36,89,999
Charge for the Year	-	7,33,386	54,02,245	19,83,967	10,37,158	91,56,756
Disposals	-	-	(1,04,965)	(9,83,434)	(6,183)	(10,94,582)
Other adjustments	-	(6,129)	21,26,729	25,51,549	4,31,517	51,03,666
At 31st March,2014	-	25,21,132	2,32,30,825	65,32,953	45,70,929	3,68,55,839
Net Block						
As At 31st March,2013	3,03,38,738	3,06,98,424	4,16,82,894	1,31,12,626	91,51,706	12,49,84,388
As At 31st March,2014	3,09,20,026	2,91,72,939	5,31,95,375	1,53,67,533	84,06,571	13,70,62,444


NOTES ON FINANCIAL STATEMENTS (Contd.)
12. Non Current Investments

	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares	Amount (₹)	No. of Shares	Amount (₹)
Other than Trade				
Investment in Equity Instruments				
(i) Quoted (Valued at Cost)				
Gujarat Nylons Limited ₹10/- each	100	3,468	100	3,468
Warren Tea Limited ₹ 10/- each	10	2,133	10	2,133
The Methoni Tea Co. Ltd ₹ 10/- each	100	12,688	100	12,688
Mangalore Refinery & Petrochemicals Ltd ₹ 10/- each	200	5,900	200	5,900
Oriental Carbon & Chemicals Ltd ₹ 10/- each	3,04,954	21,11,924	3,04,954	21,11,924
Kanco Enterprises Ltd ₹ 10/- each *	33,14,291	3,53,55,657	33,14,291	3,53,55,657
Srei Infrastructure Finance Ltd ₹ 10/- each	3,985	5,20,193	3,985	5,20,193
Electro Steel Castings Ltd ₹ 1/- each	2,000	1,80,767	2,000	1,80,767
Reliance Industries Limited ₹ 10/- each	1,650	12,99,726	4,150	35,57,369
Andhra Petrochemicals Ltd ₹ 10/- each	28,450	7,54,976	50,000	12,90,774
Usha Martin Limited ₹ 1/- each	—	—	50,000	17,74,348
Dhampur Sugar Mills Ltd ₹ 10/- each	5,000	1,93,946	15,000	7,03,705
Balrampur Chini Mills Ltd. ₹ 1/- each	15,000	7,03,547	—	—
Total (i)		4,11,44,925		4,55,18,926
(ii) Unquoted (Valued at Cost)				
The Grob Tea Co.Limited ₹ 10/- each	150	12,120	150	12,120
Rydak Syndicate Limited ₹ 10/- each	100	12,688	100	12,688
E.T.Resources Private Limited ₹ 10/- each	92,400	12,54,025	92,400	12,54,025
B.T. Investments Private Limited ₹ 10/- each	92,400	11,06,897	92,400	11,06,897
Cosmos Resources Private Limited ₹ 10/- each	75,000	9,63,240	75,000	9,63,240
Facitcon Investments Private Limited ₹ 10/- each	95,500	9,91,022	1,23,000	12,76,394
S.T. Investment Private Limited ₹ 10/- each	1,32,000	13,22,690	1,59,500	15,98,250
Nidhi Private Limited ₹ 10/- each	1,60,000	4,02,050	1,60,000	4,02,050
Innova Properties Private Limited ₹ 10/- each	77,500	7,78,875	77,500	7,78,875
Suryasakti Commodities Pvt Ltd ₹ 10/- each	46,000	4,62,300	46,000	4,62,300
OCL Investments & Leasing Ltd ₹ 10/- each	5,36,000	5,38,681	5,36,000	5,38,681
Total (ii)		78,44,588		84,05,520
Total Non-Current Investments (i +ii)		4,89,89,513		5,39,24,446
Aggregate Amount of Quoted Investments		4,11,44,925		4,55,18,926
Market Value of Quoted Investments		5,37,26,163		4,28,84,060
Aggregate Amount of Unquoted Investments		78,44,588		84,05,520

*Out of which 30,86,080 Equity Shares are lying pledged.

13. Long Term Loans and Advances

	Ast at 31st March, 2014	Ast at 31st March, 2013
	₹	₹
(Unsecured considered good unless otherwise stated)		
(i) Capital Advance	78,750	2,55,000
(ii) Security Deposits	91,02,138	90,95,238
(iii) Loans and Advances to Related Parties (Refer Note No. 35)	8,88,88,766	8,89,90,766
(iv) Other Loan & Advances		
(a) Advance Taxes	2,67,58,451	1,88,25,290
(b) Balance with Statutory and Govt. authorities	1,69,895	1,67,950
(c) Housing Subsidy Receivables	53,862	53,862
(d) TDS Receivables	18,15,012	11,87,391
(e) Advances recoverable in cash or kinds or for value to be received	1,12,09,655	72,80,336
	<u>4,00,06,875</u>	<u>2,75,14,829</u>
	13,80,76,529	12,58,55,833

14. Other Non-Current Assets

(Unsecured considered good unless otherwise stated)		
Trade Receivables	98,611	—
Insurance Claim Recoverable	51,049	51,049
	<u>1,49,660</u>	<u>51,049</u>


NOTES ON FINANCIAL STATEMENTS (Contd.)

15. Current Investments	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares	Amount (₹)	No. of Shares	Amount (₹)
Investments in Equity Instruments				
Quoted (Valued at cost unless otherwise stated)				
(i) Reliance Industries Limited ₹ 10/- each	–	–	500	4,23,802
(ii) Dhampur Sugar Mills Ltd. ₹ 10/- each	10,000	3,11,386	–	–
(iii) Usha Martin Ltd. ₹ 1/- each	40,000	10,54,913	–	–
(iv) Balrampur Chini Mills Ltd. ₹ 1/- each	10,000	4,69,687	35,000	16,00,615
(v) ICICI Bank Ltd. ₹ 10/- each	–	–	1,000	11,28,572
(vi) Butterfly Gandhimati Appliances Ltd. ₹ 10/- each	6,000	18,03,782	–	–
(vii) TV-18 Broadcasting Limited ₹ 2/- each	30,000	8,03,019	–	–
Aggregate Amount of quoted Investments		44,42,787		31,52,989
Less - Provision in Diminution in Value of Investments		91,901		1,91,289
		43,50,886		29,61,700
Aggregate Market Value of Quoted Investments		48,89,900		29,61,700
16. Inventories		Ast at 31st March, 2014		Ast at 31st March, 2013
		(₹)		(₹)
Finished Goods - Black Tea		1,30,89,774		1,69,52,806
Stores and Spares		1,14,01,127		1,25,42,264
Stores-in-Transit		15,54,408		17,77,924
		2,60,45,309		3,12,72,994
17. Trade Receivables				
(Unsecured considered good unless otherwise stated)				
Outstanding for more than six months		89,050		1,84,876
Others		7,42,290		24,47,238
		8,31,340		26,32,114
18. Cash and Bank Balances				
(i) Cash and Cash Equivalents				
On Current Accounts		61,39,954		19,55,487
On Unpaid Dividend Accounts		8,88,328		6,07,595
Deposits with Bank (Less than three months maturity)		10,98,056		18,000
NABARD Tea Development A/C		1,93,100		91,800
Bank Account for Disposal of Fractional shares		2,80,099		1,06,067
Cash in Hand		6,31,817		4,17,829
		92,31,354		31,96,778
(ii) Other Bank Balances				
Deposits with original maturity for more than 3 months but less than 12 months		3,37,500		60,73,008
		3,37,500		60,73,008
Total (i + ii)		95,68,854		92,69,786

**NOTES ON FINANCIAL STATEMENTS (Contd.)**

	Ast at 31st March, 2014	Ast at 31st March, 2013
	<u>₹</u>	<u>₹</u>
19. Short Term Loans & Advances		
(Unsecured considered good unless otherwise stated)		
(i) Advances recoverable in cash or kinds or for value to be received	89,15,920	77,68,317
(ii) Loans and Advances to Related Parties (Refer Note No. 35)	–	22,28,225
(iii) Interest Accrued and Due on Deposits	63,840	69,953
(iv) Interest Accrued and Due on Unsecured Loan	16,907	1,26,475
(v) Prepaid expenses	21,17,547	27,16,636
	<u>1,11,14,214</u>	<u>1,29,09,606</u>
20. Revenue from Operations		
<u>Sale of Products</u>		
Finished Goods	37,08,68,274	36,93,22,929
	<u>37,08,68,274</u>	<u>36,93,22,929</u>
The Company's revenue from operations is from sale of black tea.		
21. Other Income		
Interest Income (Refer Note (i) below)	63,87,206	61,27,040
<u>Dividend Income on</u>		
Current Investments	225	72,775
Non-Current Investments	16,27,363	15,59,138
Profit/(Loss) on sale of Fixed Assets (Net)	1,031	2,09,262
Profit/(Loss) on Sale of current Investments (Net)	4,48,974	(35,169)
Tea Board Subsidy	16,26,636	29,50,928
Other non-operating income	3,53,406	71,623
	<u>1,04,44,841</u>	<u>1,09,55,597</u>
(i) Interest income comprises :		
Bank Deposits	5,28,752	1,76,829
Non-Current Investments	57,44,123	59,50,211
Others	1,14,331	–
	<u>63,87,206</u>	<u>61,27,040</u>
22. Cost of Materials Consumed		
Purchase of Green Tea Leaves	4,50,07,537	3,30,98,786
	<u>4,50,07,537</u>	<u>3,30,98,786</u>
23. Decrease in Inventories		
Finished Goods		
Inventories at Commencement	1,69,52,806	3,56,02,692
Inventories at Close	1,30,89,774	1,69,52,806
	<u>38,63,032</u>	<u>1,86,49,886</u>
24. Employee Benefit Expense		
Salaries, Wages and Bonus	10,94,46,835	10,56,90,394
Contribution to Provident Fund and Other Funds (Refer Note No. 33)	1,04,61,136	1,17,49,609
Staff Welfare Expenses	1,29,73,549	1,36,08,243
	<u>13,28,81,520</u>	<u>13,10,48,246</u>
25. Finance Costs		
Interest Expenses	1,03,82,373	1,21,15,754
Other Interest Expenses	70,046	–
Other Borrowing Costs	11,02,668	2,75,052
	<u>1,15,55,087</u>	<u>1,23,90,806</u>

**NOTES ON FINANCIAL STATEMENTS (Contd.)**

	Ast at 31st March, 2014	Ast at 31st March, 2013
	₹	₹
26. Depreciation		
Depreciation of Tangible Assets	91,56,756	80,70,915
	91,56,756	80,70,915
27. Other Expenses		
Consumption of Stores & Spares	4,44,99,856	4,10,73,787
Power & Fuel	2,72,44,134	2,17,67,594
Rent	7,78,000	8,09,200
Repair to Building	29,80,510	51,31,533
Repair to Machinery	30,56,130	32,11,355
Insurance Charges	16,96,081	12,23,172
Rates & Taxes	47,80,223	50,13,310
Prior Period Items (Net)	21,325	49,598
Vehicle Running & Maintenance Charges	61,11,873	61,74,194
Donation	46,00,000	45,50,000
Selling & Distribution Expenses	2,01,97,889	2,23,99,884
Auditors' Remuneration (Refer Note i)	1,99,284	1,53,223
Travelling Expenses	72,65,546	53,85,541
Director Sitting Fees	1,80,000	1,60,000
Loss on sale Plants	1,18,823	–
Miscellaneous Expenditure	65,60,579	70,77,760
	13,02,90,253	12,41,80,151
(i) Auditors' Remuneration		
As Auditor		
Statutory Audit Fees	89,888	73,034
Tax Audit Fees	33,708	22,472
In Other Capacity		
Other Services (Including Reimbursement of Expenses)	75,688	57,717
	1,99,284	1,53,223



NOTES ON FINANCIAL STATEMENTS (Contd.)

28. Contingent Liabilities not provided for in respect of following:

a) Claims, disputes and demands not acknowledged as debts:

- i) Demand of ₹ 7,94,960/- (P.Y. ₹ 1,15,28,196/-) for F.Y. 2009-10 has been raised under West Bengal Value Added Tax Rules, 2005 by Joint Commissioner of Commercial Taxes, for which an appeal has been filed on 18/03/2014 before the West Bengal Commercial Taxes Appellate & Revision Board, West Bengal.
- ii) Demand of ₹ 16,243/- (P.Y. ₹ Nil) has been raised by Deputy Commissioner Commercial Taxes, Park Street Range, Kolkata under Central Sales Tax Act for the F.Y. 2010-11 and Company has filed an appeal before Joint Commissioner of Commercial Taxes, South Circle, Kolkata.
- iii) Income Tax demand for ₹ 2,48,520/- (P.Y. ₹ 2,48,520/-) for A.Y. 2010-11, for which an amount of ₹ 1,24,260/- (P.Y. ₹ Nil) has been deposited Under protest. The Company has filed an appeal before Commissioner of Income Tax (Appeals).
- iv) Debit note raised by GAIL (India) Limited ₹ 68,80,820/- (P.Y. ₹ 68,80,820/-). Against this the Company has paid ₹ 24,72,214/- (P.Y. ₹ Nil) as interim measure as per order of Hon'ble High Court at Guwahati. Matter is now pending with Hon'ble Supreme Court.
- (v) Demand of ₹ 4,58,943/- (P.Y. ₹ Nil) & ₹ 5,39,698/- (P.Y. ₹ Nil) for A.Y. 2009-10 & 2010-11 respectively has been raised for Assam Agricultural Tax. The Company has filed an appeal and ₹ 1,14,736/- (P.Y. ₹ Nil) & ₹ 1,34,925/- (P.Y. ₹ Nil) for A.Y. 2009-10 & 2010-11 respectively has been paid.

The amounts shown in the item (a) 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 positions against such disputes.

b) Outstanding commitment in respect of Irrevocable Stand by Revolving Letter of Credit issued in favour of GAIL (India) Ltd. ₹ 8,74,910/- (Previous Year ₹ 7,19,950/-).

29. Estimated value of contracts on capital account, excluding capital advances, remaining to be executed and not provided for, amount to ₹ 1,73,250/- (P.Y. ₹ 4,81,783/-)

30. Sundry Creditors do not include any amount due (Previous Year ₹ Nil/-) from suppliers as defined under the "Micro Small & Medium Enterprises Development Act, 2006" as per the information available with the Company. Hence disclosures regarding a) Amount due and outstanding to suppliers as at the accounting period, b) Interest paid during period, c) Interest payable at the end of the accounting period and d) Interest accrued at the end of the accounting period has not been disclosed or provided.

31. Value of Raw Materials, Spares and Components Consumed

	Raw Materials				Components & Spare Parts Consumed			
	2013-2014		2012-2013		2013-2014		2012-2013	
	₹	%	₹	%	₹	%	₹	%
Imported	-	-	-	-	-	-	-	-
Indigenous	4,50,07,537	100	3,30,98,786	100	4,44,99,856	100	4,10,73,787	100
	<u>4,50,07,537</u>	<u>100</u>	<u>3,30,98,786</u>	<u>100</u>	<u>4,44,99,856</u>	<u>100</u>	<u>4,10,73,787</u>	<u>100</u>

32. Expenditure in Foreign Currency :

	2013-2014 (₹)	2012-2013 (₹)
Travelling Expenses	43,93,490	36,30,493
Subscription	1,18,212	1,37,090
	<u>45,11,702</u>	<u>37,67,583</u>

33. Disclosure pursuant to Accounting Standard -15 (Revised) "Employee Benefits"

a. Defined Contribution Plans :

Contribution to Defined Contribution Plans, recognised as expense for the year included in "Employee Benefit Expense" in Note - 24 to the Statement of Profit & Loss Account is as under :

Particulars	2013-2014 (₹)	2012-2013 (₹)
Employer's Contribution to Provident and other Funds	1,04,61,076	77,82,314

b. Defined Benefit Plans :

i. Reconciliation of opening and closing balances of the Present Value of the Defined Benefit Obligation :

Particulars	Gratuity (Funded)	
	2013-2014 (₹)	2012-2013 (₹)
a. Present value of Defined Benefit obligation at the beginning of the year	2,54,71,463	2,14,95,563
b. Interest cost	20,36,671	17,86,914
c. Current service cost	18,00,998	18,34,180
d. Actuarial Losses/(Gains)	(23,41,020)	13,00,888
e. Benefits paid	(12,68,014)	(9,46,082)
f. Present value of Defined Benefit Obligation at the close of the year	<u>2,57,00,098</u>	<u>2,54,71,463</u>

NOTES ON FINANCIAL STATEMENTS (Contd.)

- ii. Changes in the fair value of Plan Assets representing and the reconciliation of opening and closing balances thereof as follows :

Particulars	2013-2014 (₹)	2012-2013 (₹)
a. Fair value of Plan Assets at the beginning of the year	1,46,79,267	1,05,20,602
b. Add : Expected return on Plan Assets	15,21,568	10,85,354
c. Add/Less : Actuarial Losses/(Gains)	(1,06,374)	(4,469)
d. Add : Contributions	66,88,173	40,23,862
e. Benefits Paid	(12,68,014)	(9,46,082)
f. Fair value of Plan Assets at the close of the year	2,15,14,620	1,46,79,267

- iii. Amount Recognised in the Balance Sheet including a reconciliation of the present value of the defined obligation in (i) and the fair value of the plan assets in (ii) to assets and liabilities recognised in the Balance Sheet :

a. Present value of Defined Benefit obligation	2,57,00,098	2,54,71,463
b. Fair value of plan Assets	2,15,14,620	1,46,79,267
c. Present value of unfunded obligation	(41,85,478)	(1,07,92,196)
d. Net Liability/(Asset) recognised in the Balance Sheet	(41,85,478)	(1,07,92,196)

- iv. Amount recognised in the Profit and Loss Account :

a. Current Service Cost	18,00,998	18,34,180
b. Interest Cost	20,36,671	17,86,914
c. Expected return on Plan Assets	(15,21,568)	(10,85,354)
d. Actuarial Losses/(Gains)	(22,34,646)	13,05,357
e. Recognised in the Profit and Loss Account	81,455	38,41,097

- v. Actuarial Assumptions at the Balance Sheet date :

a. Discount Rate	9.10%	8.20%
b. Expected rate of return on Plan Assets	8.75%	9.00%
c. Salary Escalation rate-Management Staff	5.00%	5.00%
d. Salary Escalation rate - Non Management Staff	5.00%	5.00%

The Estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in employment market.

- vi. Amount recognised as an expense in respect of Compensated Leave Absences is ₹ 2,82,996/- and (Previous Year ₹ 3,69,415/-) based on actuarial valuation. During the year ended 31st March, 2014 the company has paid ₹ 1,23,981/- and (Previous Year ₹ 1,01,922/-) as actual leave encashment.

Note: Encashment of leave is payable on death whilst in service, withdrawal from service or from retirement from services. In the view of salary growth rates have been used to project the salary at the time when encashment of leave is assumed to take place. While making actuarial valuations certain assumptions, such as mortality rates, withdrawal rates and retirement age etc. have been taken into consideration by the actuarial valuer. The Method used for such valuation is projected Unit Credit Method, which are in compliance with AS-15 (Revised 2005) as issued by ICAI and Guidance Note 26 issued by Institute of Actuaries of India.

34. Segment Reporting

The Company has only one segment i.e. manufacturing of Black Tea and as a result the reporting required of AS - 17 "Segment Reporting" are not attracted.

**NOTES ON FINANCIAL STATEMENTS (Contd.)****35. Related Party Disclosures**

Related party disclosures, as required by AS-18 "Related Party Disclosures" are given below :-

1. Relationships :

(i) Key Management Personnel and their relatives :

Mrs. Anuradha Kanoria

Mr. Umang Kanoria

Ms. Stuti Kanoria

Master Satvik Kanoria

Stuti Welfare Trust

Satvik Welfare Trust

Umang Kanoria H.U.F.

(ii) Enterprises over which the key management personnel and/or their relatives have significant influence :

B. T. Investments Private Limited

Cosmos Resources Private Limited

E. T. Resources Private Limited

Facitcon Investments Private Limited

Innova Properties Private Limited

Kanco Enterprises Limited

Milan Agencies Private Limited

Nidhi Private Limited

OCL Investments & Leasing Limited

S. T. Investment Private Limited

Suryasakti Commodities Private Limited

2. The following transactions were carried out with the related parties in the ordinary course of business.

Details relating to parties referred to in item 1(i) and 1(ii) above:

Particulars	2013-2014		2012-2013	
	In Relation to Item 1(i)	In Relation to Item 1(ii)	In Relation to Item 1(i)	In Relation to Item 1(ii)
	Amount in (₹)		Amount in (₹)	
Rent Paid				
Milan Agencies Private Limited	-	3,60,000	-	3,60,000
Innova Properties Private Limited	-	2,52,000	-	2,52,000
Suryasakti Commodities Private Limited	-	3,60,000	-	3,60,000
Maintenance Expenses Reimbursed				
Milan Agencies Private Limited	-	3,37,080	-	3,25,000
Suryasakti Commodities Private Limited	-	3,37,080	-	3,25,000
Electricity Charges Reimbursed				
Milan Agencies Private Limited	-	1,64,263	-	1,01,650
Suryasakti Commodities Private Limited	-	1,13,450	-	1,40,173
Advance Given				
Innova Properties Private Limited	-	-	-	24,696
Advance Realised				
Innova Properties Private Limited	-	-	-	5,000
Rent Realised				
Mrs. Anuradha Kanoria	2,70,000	-	2,43,000	-


NOTES ON FINANCIAL STATEMENTS (Contd.)

Intercorporate Loan Repaid/Given				
B.T. Investments Private Limited	–	–	–	7,33,500
Cosmos Resources Private Limited	–	–	–	9,43,000
E.T. Resources Private Limited	–	4,90,000	–	45,24,000
Facitcon Investments Private Limited	–	–	–	14,31,000
Milan Agencies Private Limited	–	–	–	10,79,000
Nidhi Private Limited	–	4,20,300	–	20,000
Suryasakti Commodities Private Limited	–	–	–	1,70,000
S.T.Investment Private Limited	–	26,50,000	–	–
Intercorporate Loan Realised/Received				
B.T. Investments Private Limited	–	–	–	3,05,000
Cosmos Resources Private Limited	–	–	–	1,90,000
E.T.Resources Private Limited	–	–	–	39,43,000
Facitcon Investments Private Limited	–	–	–	6,51,000
Innova Properties Private Limited	–	30,000	–	2,15,000
Milan Agencies Private Limited	–	–	–	2,05,000
Nidhi Private Limited	–	7,50,000	–	1,13,300
S.T.Investment Private Limited	–	27,22,000	–	14,75,000
Interest Free Loan Given				
Kanco Enterprises Limited	–	–	–	2,39,588
Interest Free Loan Received/Realised				
Kanco Enterprises Limited	–	22,28,225	–	25,26,591
Fixed Deposits Received				
Mrs. Anuradha Kanoria	6,50,000	–	–	–
Umang Kanoria H.U.F.	14,50,000	–	3,50,000	–
Ms. Stuti Kanoria	52,50,000	–	–	–
Satvik Welfare Trust	1,20,000	–	1,20,000	–
Fixed Deposits Paid				
Mrs. Anuradha Kanoria	6,50,000	–	–	–
Umang Kanoria H.U.F.	14,50,000	–	3,50,000	–
Ms. Stuti Kanoria	52,50,000	–	–	–
Satvik Welfare Trust	1,20,000	–	1,20,000	–
Remuneration Paid				
Mrs. Anuradha Kanoria	31,78,372	–	34,04,764	–
Ms. Stuti Kanoria	1,14,000	–	1,14,000	–
Director Fees Paid				
Mr. Umang Kanoria	40,000	–	40,000	–
Interest Paid				
Stuti Welfare Trust	31,443	–	28,210	–
Ms. Stuti Kanoria	2,04,163	–	–	–
Satvik Welfare Trust	13,200	–	13,200	–
Umang Kanoria H.U.F.	99,497	–	38,500	–
Mrs. Anuradha Kanoria	36,044	–	–	–
B. T. Investments Private Limited	–	–	–	31,113
Cosmos Resources Private Limited	–	–	–	43,756
E.T.Resources Private Limited	–	66,374	–	2,93,043
Facitcon Investments Private Limited	–	–	–	59,525
Milan Agencies Private Limited	–	–	–	65,696
Nidhi Private Limited	–	1,64,575	–	86,767
Suryasakti Commodities Private Limited	–	–	–	20,610
Interest Received				
Innova Properties Private Limited	–	55,418	–	70,732
S.T.Investment Private Limited	–	56,88,705	–	58,79,479


NOTES ON FINANCIAL STATEMENTS (Contd.)

Equity Dividend Paid				
Mrs. Anuradha Kanoria	9,15,735	–	8,40,735	–
Umang Kanoria H.U.F.	7,77,675	–	7,77,675	–
Ms. Stuti Kanoria	3,42,870	–	3,42,870	–
Master Satvik Kanoria	4,77,705	–	3,31,705	–
Satvik Welfare Trust	12,46,500	–	10,50,000	–
E.T.Resources Private Limited	–	13,95,420	–	13,95,420
Facitcon Investments Private Limited	–	4,33,250	–	4,33,250
Innova Properties Private Limited	–	60,000	–	60,000
Nidhi Private Limited	–	1,55,000	–	1,55,000
OCL Investments & Leasing Limited	–	64,720	–	64,720
S.T.Investment Private Limited	–	1,35,030	–	1,35,030
Preference Dividend Paid				
Stuti Welfare Trust	28,000	–	28,000	–
OCL Investments & Leasing Limited	–	1,82,000	–	1,82,000
Outstanding Balances at the end of the F.Y.				
Security Deposit				
Innova Properties Private Limited	–	40,00,000	–	40,00,000
Milan Agencies Private Limited	–	30,00,000	–	30,00,000
(Payable)/Receivable (Net)				
Umang Kanoria H.U.F.	(3,50,000)	–	(3,50,000)	–
Satvik Welfare Trust	(1,20,000)	–	(1,20,000)	–
Stuti Welfare Trust	(2,23,286)	–	(2,23,286)	–
E.T. Resources Private Limited	–	(4,84,000)	–	(12,37,739)
Innova Properties Private Limited	–	4,20,000	–	5,13,659
Kanco Enterprises Limited	–	4,34,34,766	–	4,56,62,991
Nidhi Private Limited	–	(10,50,000)	–	(7,98,390)
S.T.Investment Private Limited	–	4,50,34,000	–	4,51,06,000

36. Earnings per share : Calculation of Basic and Diluted Earnings per Share as required by AS-20 dealing on "Earnings per Share" as given below :-

Particulars	For the year ended 31st March, 2014 (₹)	For the year ended 31st March, 2013 (₹)
Profit After Tax	4,28,68,716	4,77,22,891
Less : Dividend Payable to Preference Share Holders	2,80,000	2,80,000
Dividend Distribution Tax on Preference Dividend	47,586	45,423
Profit Available to Equity Shareholders	4,25,41,130	4,73,97,468
Weighted Average Number of Equity Shares of ₹ 10/- each Fully Paid up	17,07,609	17,07,609
Earning Per Share on Profit for the year (in ₹)		
Basic & Diluted	24.91	27.76

NOTES ON FINANCIAL STATEMENTS (Contd.)

37. The company has assessed the carrying amount of the assets vis a vis their recoverable values and no impairment has been envisaged at the balance sheet date as per the requirements of Accounting Standard -28 on "Impairment of Assets".

38. Corporate 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 and ISO 9001:2008.

39. Significant Accounting Policies

a. Basis of Preparation of Financial Statements

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

b. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

c. Tangible Fixed Assets

Fixed assets are stated at cost and net of subsidies less accumulated depreciation/impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from sale/discard of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is sold/discarded.

d. Depreciation on Tangible Fixed Assets

Depreciation is provided using the Straight Line Method as per the useful lives of the assets estimated by the management, or at the rates prescribed under schedule XIV of the Companies Act, 1956, whichever is higher. No write off is made in respect of leasehold land as these are long term leases.

In respect of assets acquired/sold during the year, depreciation has been provided on pro-rata basis.



NOTES ON FINANCIAL STATEMENTS (Contd.)

e. Impairment of Tangible Assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the asset's net selling price and value in use, which is determined by the present value of the estimated future cash flows.

f. Investments

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and direct attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis.

Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

g. Inventories

Stores and spares are valued at Weighted Average Cost basis.

Finished Tea i.e. Black Tea is valued at net realisable value.

h. Exchange fluctuations

Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange Differences

Exchange differences arising on the settlement of monetary items are recognised as income or as expense in the year in which they arise.

i. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue.

Interest

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Other Items of Income

Other items of Income are accounted as and when the right to receive arises.

NOTES ON FINANCIAL STATEMENTS (Contd.)

j. Government Grants and Subsidies

Grants and subsidies from the government are recognised when there is reasonable assurance that (i) the company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

Capital grants and subsidy relating to specific assets are reduced from the gross value of the fixed assets.

Revenue grants and subsidies are credited to Profit & Loss Account or deducted from the related expenses.

k. Employee Benefits

Defined Contribution Plan:

The Company has defined contribution plans in the form of Provident Fund, Pension Scheme, EDLI, Super Annuation Fund and Labour Welfare Fund and the contributions are charged to the Profit & Loss Account of the year when the contribution to the respective funds are due. There are no other contribution payable to the respective funds.

Defined Benefit Plan:

The Company has defined benefit plans in the form of Gratuity and Leave Encashment, the liability for which is determined on the basis of actuarial valuation at the end of the year. Gains and losses arising out of actuarial valuation are recognised immediately to the Profit & Loss account as income or expense. The Company has an Employees Gratuity Fund managed by LIC of India. The present value of obligation is determined using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlements. The Compensated absences are unfunded.

l. Research & Development Expenses

Revenue expenditure on Research and Development is charged as an expense through the normal heads of account in the year in which the same is incurred. Capital expenditure incurred on equipment and facilities that are acquired for research and development activities is capitalised and is depreciated according to the policy followed by the Company.

m. Borrowing Cost

Borrowing costs that are directly attributable to the acquisition of qualifying assets are capitalised for the period until the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use.

Other Borrowing costs are recognised as expense in the period in which they are incurred.

n. Taxes on Income

Current tax is measured at the amount expected to be paid to the tax authorities, computed in accordance with the applicable tax rates and tax laws. In case of tax payable as per provisions of MAT under section 115JB of the Income Tax Act, 1961, MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period.

Deferred Tax arising on account of timing differences and which are capable of reversal in one or more subsequent periods is recognised, using the tax rates and tax laws that are enacted or substantively enacted. Deferred tax asset is recognised only to the extent there is reasonable certainty with respect to reversal of the same in future years as a matter of prudence.

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of Profit and Loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement". The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

o. Earning per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of



NOTES ON FINANCIAL STATEMENTS (Contd.)

equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

p. Provisions

A provision is recognised when the company has a present obligation as a result of past event, 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 not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

q. Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The company does not recognise a contingent liability but discloses its existence in the financial statements.

r. Prior Period Items

Prior Period and Extra Ordinary items and Changes in Accounting Policies having material impact on the financial affairs of the Company are disclosed.

s. Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

40. The previous year figures have been regrouped/reclassified, wherever necessary to conform to the current year presentation.

The accompanying notes are an integral part of the financial statements.

In terms of our report of even date attached

For Jain & Co.

Chartered Accountants

Firm Registration No. 302023E

(M.K.JAIN)

Partner

Membership No. 055048

P-21/22, Radhabazar Street

Kolkata - 700001

Dated : the 9th day of May, 2014

A. K. GANGOPADHYAY

Company Secretary

For and on behalf of the Board of Directors

A. KANORIA Wholetime Director

U. KANORIA		Directors
G. MOMEN		
N. NAYAR		
G. R. BANKA		



KANCO TEA & INDUSTRIES LIMITED

(FORMERLY KNOWN AS DHANVARIDHI CONCERNS LIMITED)

Registered Office : "Jasmine Tower", 3rd Floor
 31 Shakespeare Sarani, Kolkata - 700 017, India, Telefax : 2281-5217
 E-mail : contact@kancotea.in, Website : www.kancotea.in
 Corporate Identity Number (CIN)-LI5491WB1983PLC035793

FORM A

1	Name of the Company:	KANCO TEA & INDUSTRIES LIMITED
2	Annual financial statements for the year ended	31st March 2014
3	Type of Audit observation	Un-qualified/Matter of Emphasis- Not Applicable
4	Frequency of observation	Whether appeared first time /repetitive /since how long period Since the Audit Report is unqualified, the clarification on this point is not required.
5	To be signed by-	Kanco Tea & Industries Ltd.
	• CEO/Managing Director/Wholetime Director - Mrs. Anuradha Kanoria	<i>Anuradha Kanoria</i> Wholetime Director
	• CFO	Chief Financial Officer(C.F.O) was not appointed on the Balance Sheet signing date i.e 9th of May, 2014. For JAIN & CO.
	• Auditor of the company- Jain & Co. Mr. M K Jain, Partner P-21/22, Radha Bazar Street, Kolkata- 700001	Chartered Accountants <i>M. K. Jain</i> M. K. JAIN (Partner) Membership No. 55048
	• Audit Committee Chairman	No Audit Committee was in existence as on 9th of May, 2014 i.e Balance Sheet signing date.