



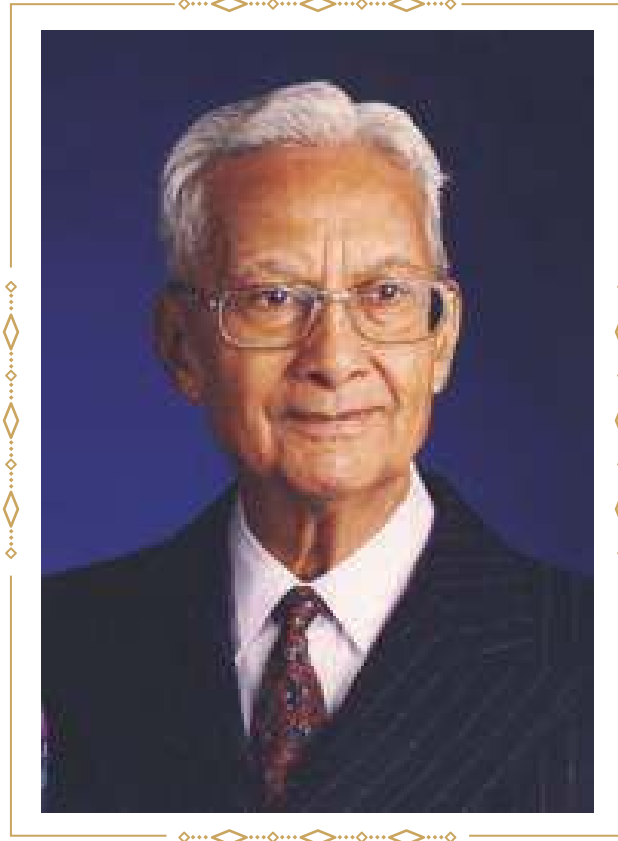
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# JAY SHREE TEA & INDUSTRIES LIMITED

**74TH ANNUAL REPORT 2019-20**



## Homage to a Legend



### **Pujya Syt. Basant Kumar Birla**

(12th January, 1921 – 3rd July, 2019)

**FORMER CHAIRMAN**

**JAY SHREE TEA & INDUSTRIES LIMITED**

**A VISIONARY, A HUMANITARIAN, A LEGEND  
AN OUTSTANDING INDUSTRIALIST,  
A GREAT PHILANTHROPIST, A TRUE KARMAYOGI**

**WE ABIDE BY HIS PRINCIPLES & VALUES**



## JAY SHREE TEA & INDUSTRIES LIMITED

### 74TH ANNUAL REPORT FOR THE YEAR ENDED 31ST MARCH 2020

#### BOARD OF DIRECTORS

Mrs. Jayashree Mohta  
(Chairperson)  
Mr. S.K.Tapuriah  
Mr. Sumit Mazumder  
Mr. Harsh Vardhan Kanoria  
Mr. Subodh Kumar Agrawal  
Mr. Vikash Kandoi  
(Executive Director)  
Mr. D.P. Maheshwari  
(Managing Director)

Mr. R.K. Ganeriwala  
(President, CFO & Secretary)

#### SOLICITORS

Khaitan & Co. LLP,  
1-B, Old Post Office Street,  
Kolkata 700 001

#### STATUTORY AUDITORS

S.R. Batliboi & Co. LLP  
22, Camac Street  
3rd Floor, Block 'C'  
Kolkata 700 016

#### REGISTRARS

Maheshwari Datamatics Pvt. Ltd  
23, R.N. Mukherjee Road  
5th Floor, Kolkata 700 001  
Ph : (033) 22435029/22482248  
Fax : (033) 22484787  
E-mail : mdpldc@yahoo.com

#### SHARE DEPTT.

Industry House  
10, Camac Street,  
Kolkata 700 017  
Ph : (033) 22827531/4  
Fax : (033) 22827535  
E-mail : shares @jayshreetea.com

#### BANKERS

Axis Bank Ltd.  
DCB Bank Ltd.  
HDFC Bank Ltd.  
ICICI Bank Ltd.  
IndusInd Bank Ltd.  
Kotak Mahindra Bank Ltd.  
RBL Bank Ltd.  
State Bank of India  
UCO Bank  
Yes Bank Ltd.

#### STOCK EXCHANGES WHERE SHARES ARE LISTED

National Stock Exchange of India Ltd.  
Bombay Stock Exchange Ltd.,  
The Calcutta Stock Exchange Ltd.

#### AUDIT COMMITTEE

Mr. S.K. Tapuriah, (Chairman)  
Mr. Sumit Mazumder  
Mr. Subodh Kr. Agrawal  
Mr. D.P. Maheshwari

#### STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. S. K. Tapuriah (Chairman)  
Mr. Sumit Mazumder  
Mr. Subodh Kr. Agrawal  
Mr. D. P. Maheshwari

#### NOMINATION AND REMUNERATION COMMITTEE

Mr. S. K. Tapuriah (Chairman)  
Mr. Harsh Vardhan Kanodia  
Mr. Sumit Mazumder

#### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mrs. Jayashree Mohta (Chairperson)  
Mr. S. K. Tapuriah  
Mr. Vikash Kandoi  
Mr. D. P. Maheshwari

#### REGISTERED & HEAD OFFICE

"Industry House"  
10, Camac Street,  
Kolkata 700017  
Ph : (033) 22827531-34  
Fax : (033) 22827535  
E-mail : webmaster@jayshreetea.com  
website : www.jayshreetea.com  
CIN : L15491WB1945PLC012771

#### MUMBAI OFFICE

708, Embassy Centre, Nariman Point,  
Ph : (022)22830915/22823474

#### AHMEDABAD OFFICE

101, Sheel Building, 4 Mayur Colony  
Navrangpura, Ahmedabad-380 009  
Ph : (079) 26565371/26430511

#### NEW DELHI OFFICE

620-A, Faiz Road,  
2nd Floor, Karol Bagh,  
New Delhi - 1100 055  
Phone : (011) 23633717/23522149  
(011) 23633747

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## Notice

To the Shareholders

Notice is hereby given that the Seventy Fourth Annual General Meeting of the Company will be held on Wednesday, the 30th September, 2020 at 3:30 P.M. through two-way Video Conferencing ("VC") or Other Audio Visual Means ("OAVM") to transact the following businesses:

### ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statement for the Financial Year ended 31.03.2020 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Jayashree Mohta (holding DIN-01034912), who retires by rotation and is eligible for re- appointment.

### SPECIAL BUSINESS:

3. Re-appointment of Mr. Vikash Kandoi, Whole-time Director under the designation "Executive Director" for a term of three years w.e.f. 01.04.2021

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

"RESOLVED THAT pursuant to the provisions of Sections 196,197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the Company be and is hereby accorded for the re-appointment of Mr. Vikash Kandoi (DIN-00589438), as a Whole-time Director under the designation "Executive Director" of the Company for a period of three years w.e.f 01.04.2021, liable to retire by rotation, on the remuneration and terms and conditions, enumerated in the Statement attached hereto as recommended by the Nomination and Remuneration Committee and/or approved by Board from time to time and as may be acceptable to Mr. Vikash Kandoi."

"RESOLVED FURTHER THAT, notwithstanding anything herein above stated where in any financial Year closing on or after March 31, 2020 during the tenure of Mr. Vikash Kandoi as Whole-time Director of the Company, the Company incurs loss or its profits are inadequate, the company shall pay Mr. Vikash Kandoi the remuneration by way of salary, perquisites and allowances as a minimum remuneration but not exceeding the limits specified under Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by the Central Government from time to time as minimum remuneration."

"RESOLVED FURTHER THAT the Board and/or its committee be and is hereby authorized in its absolute discretion to decide/determine, fix and/or vary/alter/modify within the limit stated above, the components of Remuneration (including Minimum Remuneration in the event of absence or inadequacy of profits in any financial year) payable to Mr. Vikash Kandoi from time to time and to comply with legal provisions and to do all such acts, deeds, things and matters and ancillary and consequential things as may be considered necessary and to settle all questions or difficulties whatsoever that may arise to give effect to the above resolution."

4. Approval of the remuneration of the Cost Auditor of the Company for the year 2020-21.

To consider and if thought fit, to pass with or without modifications, 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, the Cost Auditor appointed by the Board of Directors of the company to conduct the audit of cost records for the year 2020-21 be paid the remuneration as set out in the statement annexed hereto."

"RESOLVED FURTHER THAT the Board is hereby authorized to do all acts and take all steps to give effect to the above resolution."

### Registered & Head Office :

"Industry House"

10, Camac Street,  
Kolkata 700 017

Date: 1st August, 2020

By Order of the Board  
For **Jay Shree Tea & Industries Limited**  
**R. K. Ganeriwala**  
(President, CFO & Secretary)

## Notice (Contd.)

### NOTES:

- a) As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
- b) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
- c) The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- d) The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
- e) In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.jayshreetea.com](http://www.jayshreetea.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
- f) The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
- g) The Equity Share Transfer Registers will remain closed from Thursday, 24th September, 2020 to Wednesday, 30th September, 2020 (both days inclusive) for the purpose of Annual General Meeting.
- h) As per SEBI Circular dated 20th April, 2018 Shareholders whose PAN and Bank details are not mapped:-
- Shareholders holding shares in physical mode are requested to compulsorily furnish the details to the Share Department/Registrar & Share Transfer Agent.
  - Shareholders holding shares in electronic mode are requested to furnish the details to their respective Depository Participant (DP).
- i) Members are requested to intimate atleast 48 hours before the Annual General Meeting to the Company query/ies, if any, regarding these accounts/notice at least seven days before the meeting to enable the management to keep the required information readily available at the meeting.
- j) Pursuant to the provisions of section 124 and 125 of the Companies Act, 2013 dividends for the Financial Year ended 31st March, 2013 and thereafter, which remain unpaid

## Notice (Contd.)

or unclaimed for a period of 7 years will be transferred to the 'Investor Education and Protection Fund' ("IEPF") constituted by the Central Government. Members who have not encashed their dividend warrant(s) for the Financial Year ended 31st March, 2013 or any subsequent financial year(s) are urged to claim such amount from the Company.

The last dates of claim for the following dividends are as follows:

Dividends for the year	Date of declaration of dividend	Last date for claiming Unpaid Dividend
2012-2013	29.07.2013	3 <sup>rd</sup> September, 2020
2013-2014	01.08.2014	4 <sup>th</sup> September, 2021
2014-2015	04.08.2015	9 <sup>th</sup> September, 2022
2015-2016	05.08.2016	9 <sup>th</sup> September, 2023
2016-2017	31.07.2017	5 <sup>th</sup> September, 2024
2017-2018	01.08.2018	2 <sup>nd</sup> September, 2025
2018-2019	14.08.2019	16 <sup>th</sup> September, 2026

- 4
- k) The Company has transferred the unpaid or unclaimed dividends declared up to financial years 2011-12, from time to time on due dates, to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed dividends lying with the Company as on August 14, 2019 (date of last Annual General Meeting) on the website of the Company ([www.jayshreetea.com](http://www.jayshreetea.com)), as also on the website of the Ministry of Corporate Affairs.
- l) Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, ("Rules") as amended from time to time all equity shares of the Company on which dividend remain unpaid or unclaimed for seven consecutive years or more as on 3<sup>rd</sup> September, 2020 shall be transferred by the Company to Investor Education and Protection Fund ("IEPF"). The Company has also written to the concerned Shareholders intimating them their particulars of the equity shares due for transfer. These details are also available on the

Company's website [www.jayshreetea.com](http://www.jayshreetea.com). No claim shall lie against the Company in respect of these equity shares post their transfer to IEPF. Upon transfer, the Shareholders will be able to claim these equity shares only from the IEPF Authority by making an online application the details of which are available at [www.iepf.gov.in](http://www.iepf.gov.in).

- m) The Company's shares are enlisted with NSDL and CDSL for participation into Electronic Depository System operated by them. Its shares are compulsorily to be traded in Electronic Form and the security bears Code No.INE364A01020.
- n) Members are requested to notify immediately change of address, if any, to the Company in case shares are held in physical form or to the DPs, where the account is maintained, if held in demat form.
- o) The members who have not yet registered their e-mail address are requested to do so to support the green initiative in the Corporate Governance
- p) Information about the Directors seeking re-appointment at the forthcoming Annual General Meeting pursuant to Regulation 36(3) of the SEBI(Listing Obligation and Disclosure Requirement) Regulations, 2015:

### Mrs. Jayashree Mohta

Mrs. Jayashree Mohta, aged about 69 years, holding 985770 shares is the Whole time Director designated as "Chairperson" of the Company w.e.f. 14th August, 2019. Mrs. Mohta holds a Bachelors degree in Arts. She has more than 28 years of experience in the business Management, tea, sugar, chemicals and fertilizers industries and in particular, having perfect palate for tea tasting which guides in proper valuation of high value teas. She is actively involved in various educational institutions and development of art and culture across the country.

Directorships held in other Companies :

North Tukvar Tea Co.Ltd., B.K.Birla Foundation, Avadh Mercantile Co.Ltd., Gagan Services Pvt. Ltd., Sanjay Estates Pvt.Ltd., Universal Plastocrafts Pvt. Ltd. and Jayashree Finvest Pvt.Ltd.

- q) In compliance of provisions of Section 108 and Rule 20 of the Companies (Management and Administration) Rules, 2015, the company is pleased to provide members facility to exercise



## Notice (Contd.)

their right to vote at the 74th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by CDSL.

### e-Voting Procedure

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 25th September, 2020 at 9:00 A.M. (IST) and ends on 29th September, 2020 at 5:00 P.M. (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e 23rd September, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on "Shareholders" module.

(viii) If you are a first time user follow the steps given below:

<b>For Shareholders holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Shareholders 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.</li> <li>• 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</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

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

- (v) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

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

- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.

## Notice (Contd.)

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

### **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.

2. For Demat shareholders—please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company/RTA email id.

### **INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 5 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.



## Notice (Contd.)

### INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
  2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
  3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
  4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- (xx) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [shares@jayshreetea.com](mailto:shares@jayshreetea.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
- If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022-23058738 ) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542)
- (r) The voting rights of shareholders shall be in proportion to their share of the paid up equity share of capital the Company.
- (s) Mr.A.K.Labh, Practicing Company Secretary (FCS-4848/CP-3238 of A.K.Labh & Co., Company Secretaries, Kolkata) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner, whose e-mail address is: [aklabhcs@gmail.com](mailto:aklabhcs@gmail.com).
- (t) The Scrutinizer, after scrutinizing the votes cast at the meeting and through remote e-voting, will, not later than three days of conclusion of the Meeting, make a consolidated scrutinizer’s report and submit the same to the Chairperson. The results declared will be communicated to the stock exchanges and will also be hosted on the website of the company [www.jayshreetea.com](http://www.jayshreetea.com).
- (u) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e 30th September, 2020.

## Notice (Contd.)

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

#### Item No. 3

Mr. Vikash Kandoi, is one of the Directors of the Company since 29th July, 2008. He has been looking after day to day affairs of the Company and is helping in various ways to improve its performance. Mr. Vikash Kandoi, aged about 43 years, holding 1126 shares, is a Chartered Accountant. He has experience in the overall business management and contributes effectively in guiding the Company towards the path of success.

He holds directorship in Armstrong Packaging Pvt. Ltd. And Royal Touch Fablon Pvt Ltd.

Mr. Vikash Kandoi, Whole-time Director designated as Executive Director was appointed in Board

Meeting held on 8th May, 2017, as recommended by Nomination and Remuneration Committee, and approved by the shareholders in the Annual General Meeting held on 31st July, 2017 for three years w.e.f. April 1, 2018. So, the tenure of Mr. Vikash Kandoi is due to expire on 31.03.2021. In view of the valuable contribution made by Mr. Vikash Kandoi towards the growth of the Company, the Board in its meeting held on 1st August, 2020 as recommended by Nomination and Remuneration Committee, subject to the approval of the members of the Company in the Annual General Meeting, has decided to re-appoint him as the Whole-time Director designated as Executive Director of the Company for further period of three years w.e.f April 01, 2021 on the remuneration and terms and conditions set out herein. Accordingly, this resolution is being proposed for the approval of the members.

- |  |   |
|--|---|
| <b>(A) Remuneration</b><br>(Salary, Perquisites & Allowance) | : Not exceeding ₹36 Lakh (Rupees Thirty Six Lakh only) per annum. Perquisites and allowances shall be evaluated as per Income Tax Rules, wherever applicable and at actual cost to the company in other cases |
| <b>(B) Termination</b>                                       | : The appointment, notwithstanding the three years tenure fixed w.e.f April 1, 2021 may be terminated by either party by giving three months notice in writing  |
| <b>(C) Sitting Fee</b>                                       | : No sitting fees shall be payable for attending the meetings of the Board of directors or any Committee thereof  |
| <b>(D) Others</b>  | : As per company rules  |

Notwithstanding anything herein above stated where in any financial year during the tenure of Mr. Vikash Kandoi the Company has no profits or its profits are inadequate, the Company will pay the aforesaid remuneration by way of salary and perquisites as minimum remuneration but not exceeding the limits specified under Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by the Central Government from time to time as minimum remuneration.

The overall remuneration of the Director including

perquisites are well within the overall limits specified under Section 196, 197, 2013 read with Schedule V of the Companies Act, 2013.

None of the Directors, except Mr. Vikash Kandoi himself and Mrs. Jayashree Mohta, being the relative of Mr. Vikash Kandoi are concerned or interested in the said resolution.

Information in terms of Schedule V to the Companies Act, 2013 for seeking approval of the shareholders are given here below:

#### I GENERAL INFORMATION

1. Nature of Industry	: Cultivation of tea and manufacturing of tea, chemicals & fertilizers, and warehousing activities.
2. Date of commencement of commercial production	: The Company is in manufacturing operation since 1945.
3. In case of new companies, expected date of commencement of activities as per project approved by financial Institution appearing in the prospectus	: Not applicable
4. Financial performance based on given Indicator	: As per Audited Financial Results for the year ended

## Notice (Contd.)

	(₹ in Lakhs)		
	31.03.2020	31.03.2019	31.03.2018
Revenue from operations (Net)	48649	56067	55192
Profit before interest, depreciation & tax (PBIDT)	4459	6059	4138
Interest (Net)	4224	3958	2386
Profit/(Loss) before Depreciation & tax (PBDT)	235	2101	1752
Depreciation/Amortization	1744	1593	1454
Profit/(Loss) before Tax (PBT)	(1509)	508	298
Provision for Tax	1279	198	(41)
Profit/(Loss) after Tax (PAT)	(2788)	310	339

5. Foreign Investment or collaborators, If any : The Company has 100% stake in tea companies owning two estates in Uganda.

## II INFORMATION ABOUT THE APPOINTEES:

### a) Mr. Vikash Kandoi

#### 1. Background details

Mr. Vikash Kandoi is a Commerce Graduate and Chartered Accountant with Post Graduate Programme in Management from ISB, Hyderabad. He is on Board of the company since 29th July 2008. The Board in its meeting held on 08.05.2017 appointed Mr. Vikash Kandoi as Whole-time Director designated as Executive Director of the company for a period of 3 years effective 1st April 2018. In view of his valuable contribution towards the growth of the Company the Board in its meeting held on 01.08.2020 re-appointed Mr. Vikash Kandoi as Whole-time Director designated as Executive Director of the Company for a further period of three years effective from 1st April, 2021.

#### 2. Past remuneration

2017-18	₹	36 Lakh
2018-19	₹	36 Lakh
2019-20	₹	36 Lakh

#### 3. Recognition or Awards

A closely held company in India under his stewardship, developed international market for its packaging products and got awards for excellence in exports. He is member, Board of Governors of

the Birla Institute of Management and Technology, Noida, a premier Management Institute in the country.

#### 4. Job profile and suitability

Mr. Vikash Kandoi has been entrusted with the responsibilities to manage the affairs of the company on a day to day basis subjected to the superintendence, direction and control of the Board of Directors. With his experience in diverse field, he has gained considerable expertise in corporate management.

#### 5. Remuneration Proposed

The proposed remuneration is within the limit set out under Section 196, 197, 203 read with Schedule V of the Companies Act, 2013.

#### 6. Comparative remuneration profile with respect to industry, size of the company, profile of the Position and person

Remuneration of Chief Executive Officers in the industry in general has gone up manifold in past few years. It is not possible to find out comparative remuneration in the industry with respect to profile of the position with respect to diversified activities of the company tea, chemicals & fertilizers segments. The remuneration to Mr. Vikash Kandoi is

## Notice (Contd.)

purely based on merits.

### 7. Pecuniary relationship directly or indirectly with the company relationship with the managerial personnel

Mr. Vikash Kandoi has no pecuniary relationship with the Company other than his remuneration as Whole-time Director. He is related to Mrs. Jayashree Mohta, within the meaning of Section 2 of the Companies Act, 2013.

### III OTHER INFORMATION:

#### 1. Reasons of loss or inadequate profits:

The company operates in tea, and fertilizers. Tea industry is passing through a difficult phase. Cost of inputs have gone up considerably without any corresponding increase in sale, price due to factors beyond the control of the management.

The profitability over the last 5 years is given below:

Year	Profit/(Loss) after Tax (₹ In Lakh)	Dividend Percentage (%)
2015-16	(1916)	20%
2016-17	(987)	10%
2017-18	338	10%
2018-19	310	7%
<b>2019-20</b>	<b>(2788)</b>	<b>-</b>

#### 2. Steps taken or proposed to be taken for improvement:

The company is taking continuous steps for improvement in quality of tea. Cost control measures have been initiated at fertilizer unit. These measures should help in better price realisation of tea and improvement in efficiency of fertilizer unit.

#### 3. Expected increase in productivity and profits in measurable terms:

#### Registered & Head Office :

“Industry House”

10, Camac Street,

Kolkata 700 017

Date: 1st August, 2020

All the company's gardens are producing quality teas. The Company's gardens are included amongst the top gardens in the areas of their operation. The yields are improving gradually with stress on quality. This should increase our profit margin substantially.

### IV DISCLOSURES

#### 1. Disclosure under Corporate Governance in the Board of Directors` Report

The details of sitting fees paid to the Directors and remuneration package payable alongwith relevant details payable to Mr. Vikash Kandoi has been mentioned hereinabove in the Report of Corporate Governance attached to the Director's Report. There is no severance fee or stock option to either of them. The period of appointment and remuneration to them is as per approval of Annual General Meeting resolution. The appointment may be terminated by either party giving other three months notice.

#### Item No. 4

The Board on the recommendation of the Audit Committee has approved the appointment of M/s. D. Sabyasachi & Co., Cost Auditors to audit cost records of tea and chemical units of the company for the financial year ending 31st March 2021 at a remuneration of Rs. 1,25,000/- (Rupees One Lakh Twenty Five Thousand only).

As per Section 148 of the Act, the remuneration payable as above is to be ratified by the shareholders. Accordingly, the consent of the members is sought for passing the said resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out in Item No.4.

The Board recommends the resolution for your approval.

By Order of the Board  
For **Jay Shree Tea & Industries Limited**

**R. K. Ganeriwala**

(President, CFO & Secretary)

## REPORT of the Directors

### Dear Shareholders,

We present the 74rd Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March 2020.

### FINANCIAL RESULTS

	(₹ in lakh)	
	31st March 2020	31st March 2019
Total Revenue	56666	58913
Profit before finance costs, depreciation and tax	4459	6059
Less : Finance costs	4224	3958
: Depreciation/Amortisation expenses	1744	1593
Profit/(Loss) before tax	(1509)	508
Less: Tax expense		
a) Current Tax	225	117
b) Deferred Tax charge/(credit)	1123	242
c) Tax related to earlier period	(69)	(161)
Profit/(Loss) for the year	(2788)	310

### EQUITY DIVIDEND

Keeping in view the unprecedented slow down in economy and tough conditions of the tea industry The Board has decided not to recommend any dividend for the year against 7% paid last year.

### SHARE CAPITAL

During the year ended 31st March, 2020 there is no change in the issued and subscribed capital of your Company. The outstanding capital as on 31st March, 2020 is ₹1443.87 lakh comprising of 2,88,77,488 equity shares of ₹ 5/- each. None of the directors or KMP of the Company holds instruments Convertible into equity shares of the Company.

### TRANSFER TO RESERVES

There is no amount proposed to be transferred to the Reserves.

### REVIEW OF PERFORMANCE

The annual output of tea was 1360 mn Kg compared to 1350 mn kg. last year. The production of Assam was lower by 7 mn kg, South India by 6 mn kg. The increase was in Dooars, Terai and Darjeeling by 21 mn kg.

There was unprecedented fall in prices of common varieties and tea was sold well below the cost of production. Your Company's 70% produce is common variety and slow down in rural economy dampened demand. India witnessed one of the warmest summers and monsoon was delayed by a

month reducing the demand further. The emergence of the small tea growers as a dominant force in the industry, along with the scarcity of labour and its cost in the organized industry have become major threats for survival. Prices have not moved in tandem with inflation, causing financial stress.

The major factors attributing to the operations of the company are:

- i) Substantial decrease in Cachar, Assam and South India crop
- ii) Increase in crop of Darjeeling but quality not matching with market expectations resulting in poor realization
- iii) Increase in input cost particularly for labour & energy raising per kg raised cost substantially
- iv) Overall decline in exports because of lesser shipment to CIS, Kazakhstan, UAE and Pakistan.
- v) Consistent good performance and profitability in the Single Superphosphate plant at Khardah, West Bengal and sulphuric acid plant at Pataudi, Haryana despite tough market conditions
- vi) Tea warehousing activities making all time record profit

### Tea Estates

All India production in 2019 was higher at 1360 million kg. compared to 1350 million kg. in 2018. The Global Tea production was also higher with

## REPORT of the Directors (Contd.)

almost same crop in Sri Lanka and higher crop in East Africa. There was some revival in Mombassa auction prices.

Your company's own production was lower at 178.23 lakh kg compared to 183.94 lakh kg last year. The bought leaf production decreased to 16.86 lakh kg against 37.78 lakh kg last year. The overall price realization of your company was lower by ₹25/- per Kg. Assam price was down by ₹31/- per kg, and Darjeeling was further down by ₹131/- per kg. Dooars and Terai was lower by ₹15/- per kg South India prices were lower by ₹3/- per kg.

There is no material change or commitment affecting the financial position of the company occurred between the end of the financial year and the date of this report.

### The Jay Shree Chemicals & Fertilisers, Khardah

There has been consistent improvement in operational parameters. The quality standard was maintained and your product continues to be well received in the market. Your unit maintains highest level of customer satisfaction in the Single Superphosphate market of West Bengal. The direct benefit transfer of subsidy based on acknowledged sale at retail point process still not been streamlined but the release of subsidy has improved.

The figures of production and despatches are as under:

	Production (M.T.)		Despatch (M.T.)	
	2019-20	2018-19	2019-20	2018-19
Single Super Phosphate	66812	92745	69633	76091

### The Jay Shree Chemicals & Fertilizers, Gurugram

There was good performance by this unit looking to the competition faced by it from smelter units at Haryana selling acid at lower prices. The unit is focusing on battery acid market as under Solar technology in power sector battery demand is increasing every year. The unit has developed its godwon area further for renting it out on commercial basis to have additional cash flows.

The figures of production and despatches are as under:

	Production (M.T.)		Despatch (M.T.)	
	2019-20	2018-19	2019-20	2018-19
Sulphuric Acid	28346	30743	28903	30301
Oleum	2527	1517	2545	1465

### COVID-19-IMPACT AND ANALYSIS

Tea production in India is estimated to drop by nearly 80 million kg in 2020 as a fallout of the nationwide lockdown following Covid-19 outbreak. This will result in substantial revenue loss for the industry. In your North Bengal and Assam tea estates, tea harvest typically takes place between March and November of the year. Of the four flush seasons during the year, when tea leaves are harvested, the first, second flush which is a premium variety begins from March. This time due to lockdown and unavailability of labour, leaves were left to grow older and thereafter pruned to make way for fresh leaves. So the Company lost the more lucrative and premium tea leaves from the first flush harvest. Being a labour intensive industry the Company had to deal with the rising costs due to lockdown.

Tea is a staple drink of most households in India but its consumption has been affected by declining disposable incomes. The lockdown has led to severe economic hardships among a large number of people and its impact will be known in time to come.

On the impact of Covid-19, crisis on business, your Company took it as a challenge and started its operation more vigorously to mitigate the production loss and improve quality standard for higher realization. The Company has been able to operate its tea plantation, fertilizer factories and ethanol plant of sugar mill in the subsidiary at normal levels by mobilizing critical work force and adopting stringent social distancing, safety measures and guidelines issued in this regard.

The average tea prices rose by 40-60 percent in the auctions driven by strong buyers' demand and a severe shortfall. There is practically no tea with the buyers as lockdown which hit tea production direly took place just at a time when fresh teas of the season had just started to pour in. Guwahati Auction surged by 61% and Siliguri by 39%. So far prices have been good as there is a serious scarcity of tea in the system but price rise need to be sustained to help this labour intensive industry in the long run. The demand for your teas were higher for in-house consumption as there seems to be short term stocking up.

### Export of Tea

Given the domestic consumption pattern, exports have attained criticality. Going forward, the



## REPORT of the Directors (Contd.)

ability to maintain healthy export volumes at remunerative prices would continue to be a key factor in determining the overall performance of the domestic tea industry. Your company has taken steps to improve quality and export more of its own tea than bought out tea from the market. Your Company registered sale of Rs. 57.18 crore as against Rs. 75.83 crore last year.

### SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

The Balance sheet, Statement of Profit & Loss and other documents of subsidiary companies Majhulia Sugar Industries Pvt. Ltd, North Tukvar Tea Company Limited, Jayantika Investment & Finance Ltd., and offshore investment arm Birla Holdings Limited U.A.E, are not being attached with the Balance Sheet of the company. These documents are kept for inspection at the registered office of the company and those of respective subsidiary companies. Any member interested to obtain copy of the same may write to the Company separately. These documents shall be made available either in physical form or electronic mode as per Green Initiative of the MCA. Pursuant to section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of Subsidiary Companies & Joint Venture is given in Form AOC-1 and forms an integral part of the Annual Report.

Majhulia Sugar Industries Pvt Ltd-in its sugar mill produced 63213 tonnes of white sugar in the financial year and 54561 tonnes of white sugar in sugar season 2019-20 compared to 56822 tonnes in financial year and 64598 tonnes in sugar season 2018-19. The sugarcane crushed was 649163 tonnes in financial year and 558907 tonnes in sugar season 2019-20 compared to 554826 tonnes in financial year and 645119 tonnes in sugar season 2018-19. The recovery in sugar season 2019-20 was 9.75% compared to 10.00% in sugar season 2018-19.

The Indian sugar output in the 2019-20 sugar year (October-September) has been pegged at 26.50 million tonnes compared to 33 million tonnes last year. The reduction in sugar output was partly due to more production of ethanol by way of diversion of B-heavy molasses and sugar cane juice. Mills in Uttar Pradesh produced 11.8 million tonnes more or less as compared to the previous year. In Maharashtra at 6.2 million tonnes compared to 10.72 million tonnes

last year. There is estimated sugar export of 5 million tonnes this season since the Government announced subsidy on export quota allocated to the mills. The contracts for supply of ethanol was 616 million litres and the Government is willing to contract for more ethanol in near future. India's sugar production is likely to increase in the year 2020-21, because of a likely rise in sugarcane output particularly in Maharashtra. However successive benefits from the dedicated supply of cane juice/B heavy molasses for fuel ethanol production will further incentivize mills to divert excess sugar to produce fuel ethanol and thus improve sugar viability.

With an opening stock of 14.5 million tonnes on October 1, 2019, domestic consumption of 26 million tonnes and sugar exports' of over 5 million tonnes and the current year estimate of 26.5 million tonne the closing stock is expected to be lower at 10 million tonne.

Your Company's distillery unit of 45 KLPD is being expanded to 56 KLPD at its sugar plant as there is adequate demand to meet the supply. We have to install certain balancing equipments to raise the capacity. The parameters adopted for this unit are of highest standard and more than meet the pollution Board requirements. Going forward this unit might change the financial dynamics of the Company in years to come provided adequate working capital facility is made available by Bankers to the Company.

Birla Holdings Limited (BHL) is a wholly owned subsidiary of the company in Dubai (UAE). Kijura Tea Company Limited and Bondo Tea Estates Limited, Uganda are step down subsidiaries of BHL. Kijura Tea Estate owned by these companies manufactured 25.27 lakh kg. of tea compared to 29.40 lakh kg. last year. The average sale price realized was USD 0.94 per kg. against USD 1.17 per kg. last year. During the year the company recorded a cash loss of USD 48611 (INR 34.76 lakh) on sales turnover of USD 2.31 (INR 1747 lakh) as against last year cash loss of 84233 (INR 63.71 lakh) on sales turnover of USD 3.39 mn (INR 2351 lakh).

Tea Group Investment Company Limited (TGIC), Dubai, a joint venture company with Rwanda Mountain Tea SARL, Rwanda, in East Africa owning 60% stake in Mata Tea Company Limited & Gisakura Tea Company Limited collectively manufactured 47.08 lakh kg. tea during 2019 against 42.43 lakh

## REPORT of the Directors (Contd.)

kg. in last year and the average price realization was USD 2.77 per kg. against USD 2.88 per kg. last year for Mata and USD 2.44 per kg. against USD 2.75 per kg. last year for Gisakura. In order to improve cash flow of the Company the Company divested its stake in entirety during the year.

### CORPORATE GOVERNANCE

As per Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate report on corporate Governance is enclosed as a part of this Annual Report. A certificate from the Auditors of the Company regarding compliance as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to the Report on Corporate Governance.

The declaration by the Managing Director stating that all the Board members and Senior Management personnel have affirmed their compliance with the Company's Code of Conduct for the year ended 31st March 2020 is forming part of this Annual Report.

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has been helping various schools and health care centers in adjoining areas of its operation. It has fully equipped hospital at tea estates to provide best health care to the people of the region. It is also helping self help centres for vocational training programmes. The company is doing afforestation/vegetation on non-tea areas.

The composition of the members of CSR Committee remains the same namely: Mrs. Jayashree Mohta, Chairperson alongwith Mr. S.K. Tapuriah, Mr. Vikash Kandoi and Mr. D.P. Maheshwari as members.

CSR Policy is placed on the website of the company "www.jayshreetea.com". The average net profit/(loss) of the last 3 financial years was ₹ 55.27 lakhs and prescribed expenditure is ₹ 1.11 lakhs. However, the company has spent ₹ 8.35 lakhs under CSR activities during the year as per the Annexure forming part of this Report.

### PROSPECTS

There is scarcity of tea in the market and the Country has already registered a short-fall in production which is likely to spill-over to the next year. Under the prevalent weather conditions, production is expected to be at normal levels and prices are likely to be sustained.

There has been a significant shift by the Company to improve quality which should improve prices and the entire focus is now on quality teas. The age of sub-standard teas is nearing its end. Your Company is hopeful that with firm market prices, quality teas will fetch ₹ 40/- per kg higher than that of last year.

The factors affecting the Company might be liquidity constraints as the bankers are not coming forward to help the industry despite moratorium and increase in working capital limits recommended by Reserve Bank of India. The Company will continue to monetize certain assets in the current year to garner liquidity thereby improving overall performance.

In single super phosphate plant at Khardah, the Company is taking steps to reduce cost of production further and improve viability. Your Haryana unit is likely to perform well in years to come.

With all these factors, you can take reasonably optimistic view about the future of the company.

### DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors would like to inform members that the audited accounts containing the financial statements for the year 2019-20 are in conformity with the requirements of the provisions of Section 134(3)(c) read with Section 134(5) and all other applicable provision of the Companies Act, 2013 and they believe that the financial statements reflect fairly the form and substance of transactions carried out during the year and reasonably present the Company's financial condition and results of operations. The Statutory Auditors, S.R Batliboi & Co. LLP, Chartered Accountants, Kolkata have audited these financial statements.

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

- i. in the preparation of the annual accounts, applicable accounting standards have been followed and there are no material departures;
- ii. the accounting policies selected by directors are consistently followed and applied and judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company;
- iii. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions

## REPORT of the Directors (Contd.)

of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

- iv. the annual accounts have been prepared on a going concern basis.
- v. that there is adequate proper internal financial controls with reference to the financial statement have been laid down for the company and such internal financial controls are adequate and were operating effectively.
- vi. that proper systems have been devised to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

### BUSINESS RESPONSIBILITY REPORT (BR)

In terms of SEBI (LODR) Regulations 2015, Top 1000 listed entities are required to submit as part of their Annual Reports, Business Responsibility Reports, describing the initiatives taken by them from an environmental, social and Governance perspective. Your company does not fall under this category. However, BR Report on environment, human resources and principle wise performance in short forms part of the Management discussion and analysis report.

### PARTICULARS OF EMPLOYEES

The prescribed particulars of employees required under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 is attached.

The Information as required under Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 are given in the Annexure forming part of the Report. In terms of Section 136(1) of the Act, the report and accounts are being sent to members without the aforesaid Annexure. Any member interested in obtaining a copy of the same, may write to the company.

The aforesaid Annexure is also available for inspection by members at the Registered Office of the company.

### PUBLIC DEPOSITS

The company has not accepted or renewed any deposit during the year.

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Particulars of loans, Guarantees and investment covered under the provisions of Section 186 of the Companies Act, 2013 is given in the Standalone Financial Statement forming part of the Annual Report.

### DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

Financial statements are prepared through both manual and automated process to ensure accuracy of recording all financial transactions during the year. All data pertaining to payment to employees, purchases, plucking, manufacturing, selling despatch and others are computerized. Internal control system ensures that transactions are executed with management authorization and they are recorded in such a way that permit preparation of financial statements in conformity with established accounting principles and that the assets are adequately safeguarded against misuse or loss.

The company's internal control system has been established on values of integrity and operational excellence. The company's internal control systems are periodically tested and supplemented by extensive program of internal audit by independent firms of Chartered Accountants. Audits are finalized and conducted based on internal risk management. Significant findings are brought to the notice of the Audit Committee of the Board and corrective measures recommended for implementation

The process of the internal financial control system is still on and the findings of the consultants are being implemented for improvement. This formalized system internal control facilitates effective compliance of Section 138 of the Companies Act, 2013 the listing regulations and also the relevant statutes of the land.

### RISK MANAGEMENT

The company has laid down the procedures to inform to the Board about the risk assessment and minimization procedures, which shall be responsible for framing, implementing and monitoring the risk management plan of the company.

### SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE COURT OR REGULATORS

There have been no significant and material orders

## REPORT of the Directors (Contd.)

passed by the court or regulators or tribunals impacting the going concern status and company's operations. Your attention is drawn to the Contingent Liabilities and commitments shown in the notes to financial statements forming part of this Annual Report.

### DISCLOSURE OF PARTICULARS WITH REGARD TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Necessary information on conservation of energy, technology absorption, foreign exchange earnings and outgo, required to be given pursuant to the provisions of Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is presented in Annexure to this Report.

### ENVIRONMENT AND SAFETY

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

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

### STATUTORY AUDITORS AND AUDITORS' REPORT

The auditors S.R. Batliboi & Co. LLP , Chartered Accountants, were appointed as Statutory Auditors of the company for the year 2018-19 and to hold office from the conclusion of the Annual General Meeting held on 31st July, 2017 till the conclusion of 76th Annual General Meeting of the company at a remuneration to be fixed by the Board. No ratification of their appointment is required as per notification dated May 7, 2018 issued by the Ministry of Corporate Affairs. The Auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of ICAI. The Auditors Report form part of this Annual report. The Report does not contain any qualifications. However for the observation made by the Auditors, we report that the associate is an unlisted entity whose audit is under process, and shall not have any impact on the results of the company. Further impairment of two loans carried out by a subsidiary due to Covid 19 is as a matter of prudence.

### COST AUDITORS

The Audit Committee in its meeting held on 31st July, 2020 has recommended the reappointment of D. Sabyasachi & Co., the Cost Auditor to conduct the cost audit of the company for the financial year 2020-21 in terms of section 148(3) of the Companies Act, 2013. Accordingly the Board appointed the said firm of Cost Accountants to carry out the cost audit for the year 2020-21 on the remuneration as recommended by the Board to be fixed by members in the ensuing Annual General Meeting of the Company.

### INTERNAL AUDIT

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

### SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the company has appointed Messrs MR & Associates, Practicing Company Secretaries to undertake the Secretarial Audit of the company. The report of the Secretarial Audit is annexed herewith. Regarding observations: The company had a pending case under Section 58(A) of the Companies Act, 1956 with the court relating to acceptance of a small amount during the period of approval of form by the Board and its filing with ROC and the matter is subjudice and the Company shall the comply with SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

### INSURANCE

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

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

With profound grief, the Board wishes to inform the shareholders about the sad demise of Mr.B.K.Birla who breathed his last on 3rd July, 2019. A doyen of Indian Industry, a great philanthropist and an avid educationist, Mr. B. K. Birla touched the lives of millions of people across the Country. In his

## REPORT of the Directors (Contd.)

passing away the Country lost a visionary, a great industrialist and a philanthropist. The Company lost its mentor and guiding force who inspired everyone for excellence. In the subsequent meeting held on 14th August, 2019, the Board appointed Mrs. Jayashree Mohta as the Chairperson of the Board of Directors.

As per provisions of Section 152 of the Companies Act, 2013, Mrs. Jayashree Mohta (DIN 01034912) retires by rotation and being eligible offers herself for reappointment. The Board recommends her re-appointment.

The independent directors have submitted the declaration of independence as required under Section 149 of the Companies Act, 2013 and the Board is of the opinion that they are independent within the meaning of the said requirement of the Act.

There is no change in the Key Managerial Personnel during the year.

### OTHER DISCLOSURES

#### EXTRACT OF ANNUAL RETURN

The details for the financial year ended 31st March, 2020 has been provided in our website at [jayshreetea.in](http://jayshreetea.in)

#### NUMBER OF BOARD MEETINGS

The Board of Directors met five times during the year ended 31st March, 2020. The details of the Board meetings and the attendance of Directors are provided in the Corporate Governance Report.

#### COMPOSITION OF COMMITTEE OF DIRECTORS

The Board has constituted the following Committees of Directors:

- (a) Audit Committee,
- (b) Nomination & Remuneration Committee,
- (c) Stakeholder relationship Committee

The detailed composition of the above Committees along with number of meetings and attendance at the meetings are given in Corporate Governance Report.

- (d) Corporate Social Responsibility Committee

The detailed composition of the above Committee is given under the head Corporate Social Responsibility (CSR).

#### ANNUAL GENERAL MEETING

Annual General Meeting of the Company is scheduled to be held on Wednesday, the 30th September, 2020.

### WHISTLE BLOWER POLICY

The company has formulated Whistle Blower Policy in terms of Section 177(9) of the Companies Act, 2013 the details of which is being provided in the Corporate Governance Report. The Whistle Blower Policy has also been posted on the website of the Company.

### RELATED PARTY TRANSACTIONS

All the related party transactions for the year under review are entered on arm's length basis and are in compliance with the Companies Act, 2013 and the Listing Regulations. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc, which may have potential conflict with the interest of the Company at large. All related party transactions are presented to the Audit Committee and the Board for its approval.

The related party transactions policy as approved by the Board is uploaded on the Company's website "[www.jayshreetea.com](http://www.jayshreetea.com)".

The details of the transactions with related party is given in the Standalone Financial Statement forming part of the Annual Report.

### EVALUATION OF BOARD'S PERFORMANCE

In compliance with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the performance evaluation of the Board was carried out during the year under review. The Board of Directors expressed their satisfaction with the evaluation process. More details on the same is given in the Corporate Governance Report.

### AUDITOR'S REPORT & ACCOUNTS

All notes to the Accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

### APPRECIATION

The Board wishes to place on record its appreciation of the efforts put in by your company's workers, staff and executives.

Industrial relations at all estates and other units were cordial.

For and on behalf of the Board

**Jayashree Mohta**

(Chairperson)

(DIN:01034912)

Kolkata, 1st August, 2020

## ANNEXURE 1 to the Directors' Report

### Reporting of Corporate Social Responsibility (CSR)

[Pursuant to sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

- The Company believes in integrating its business values and operations to meet the expectations of all its stakeholders and committed to ensuring the social well being of the communities in the vicinity of its business operations. The Company takes great care to promote the cause of social inclusiveness and environment protection alongside business objectives.

The CSR activities of the Company are being carried out directly by the Company through its different tea estates and units for fulfilling its responsibilities towards improving the lives of people living in those areas.

The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on Company's website. The details of the activities undertaken can also be accessed on Company's website i.e. [www.jayshreetea.com](http://www.jayshreetea.com)

### 2. Composition of Committee:

- Mrs. Jayashree Mohta (Chairperson)
- Mr. S.K.Tapuriah
- Mr. Vikash Kandoi
- Mr. D.P. Maheshwari
- Mr. R.K. Ganeriwala (President, CFO & Secretary) - Permanent Invitee

### 3. Average Net Profit/(Loss) of the Company for the three financial years

₹ 55.27 Lakh

### 4. Prescribed CSR Expenditure (Two percent of the amount as in item 3 above)

₹ 1.11 Lakh

### 5. Details of CSR spent during the Financial Year 2019-20

- Amount to be spent for the Financial Year 2019-20 1.11 Lakh
- Amount unspent, if any -
- Manner in which the amount spent during the financial year is detailed below :

							(₹ in Lakhs)
S. No	CSR Project or activity identified	Sector in which The project covered	Projects or programs Local area or Other specify The State and District where Projects or Programs undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs sub heads 1.Direct expenditure on projects or programs 2. Overheads	Cumulative expenditure upto the reporting	Amount spent Direct or through implementing agency
(i)	Health	Subsidized treatment to poor villagers and organizing and promoting preventive health care	Cachar in the state of Assam	0.40	1.70	1.70	Direct
(ii)	Education	Promoting education in nearby villages by aids to schools, Cultural Educational Programme,, arranging Literacy Programme for Elders	Cachar in the state of Assam	0.40	4.55	4.55	Direct
(iii)	Sports	Promotion of Rural Sports by organizing tournaments, awards and arranging participation in rural sports meet	Cachar in the state of Assam	0.31	2.10	2.10	Direct
				<b>1.11</b>	<b>8.35</b>	<b>8.35</b>	



## **ANNEXURE 1** to the Directors' Report *(Contd.)*

6. In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report-  
N.A.
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR

Policy, is in compliance with CSR objectives and Policy of the Company.

The CSR committee confirms that the implementation and monitoring of the CSR policy is in compliance with the CSR objectives and Policy of the Company.

Kolkata, 1st August, 2020

**D. P. Maheshwari**  
(Managing Director)  
(DIN:02203749)

**Jayashree Mohta**  
(Chairperson-CSR Committee)  
(DIN:01034912)

**ANNEXURE 2** to the Directors' Report**DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2019-20, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

SI No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for Financial Year 2019-20 (₹ In Lakh)	% increase in remuneration in the Financial Year 2019-20	Ratio of remuneration of each director/to median remuneration of employees
1	Mrs. Jayashree Mohta (Chairperson)	90.00	-	83.33
2	Mr.S.K.Tapuriah	1.50	6.25	1.39
3	Mr.Sumit Mazumder	1.50	7.14	1.39
4	Mr.Harsh Vardhan Kanoria	0.40	N.A.	0.37
5	Mr. Subodh Kumar Agrawal	0.40	(50.00)	0.37
6	Mr.Vikash Kandoi (Whole-time Director)	36.00	-	33.33
7	Mr.D.P.Maheshwari (Managing Director)	107.61	(21.26)	99.64
8	Mr.R.K.Ganeriwala (President,CFO & Secretary)	93.61	(15.13)	N.A.

- (ii) The median remuneration of employees of the Company during the financial year was ₹ 1.08 Lakh  
 (iii) In the financial year, there was a increase of 5.88% in the median remuneration of employees.  
 (iv) There were 21363 permanent employees on the rolls of Company as on March 31, 2020  
 (v) Average percentage increase made in the salaries of employees other than the key managerial personnel in the last financial year i.e. 2019-20 was 5.88 % whereas the in the key managerial remuneration for the same financial year was 10.10%.  
 (vi) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

For and on behalf of the Board  
**Jayashree Mohta**  
 (Chairperson)  
 (DIN:01034912)

Kolkata, 1st August, 2020

## ANNEXURE 3 to the Directors' Report

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

The information under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2020 is given here below and forms part of the Directors' Report.

#### A. Conservation of Energy :

- I. In line with the Company's commitment towards conservation of energy, all tea estates and units continue with their efforts aimed at improving energy efficiency through improved operational and maintenance practices. The steps taken in this direction at various tea estates and units are as under :
  - Reducing power consumption by providing coal savers, wind ventilators and VFBD driers.
  - Replacement of inefficient motors with energy efficient motors.
  - Installation of Gas Generating Sets for generating power.
  - Upgradation of Machineries and installation of new machineries based on fuel or power efficiency.
  - Maintenance and overhauls of generators to achieve a high unit per ltr. delivery
  - Monitoring the maximum demand and power load factor on daily basis.
  - Installation of adequate power capacitors for efficient utilization of available power.
  - Optimum power factor is being maintained to avoid surcharge on power factor as well as to get maximum rebate on electricity consumption bills.
- II. The steps taken by the Company for utilizing alternate sources of energy. During the year under review the Company utilized solar energy for irrigation.
- III. The Capital investment on energy conservation equipment NIL.

#### B. Technology Absorption

- I. The efforts made by the Company towards technology absorption during the year under review are :
  - Installation of solar pump sets for irrigation.
  - Installation of wind turbo ventilators
  - Developed computer based colour sorter system.
  - Managerial staff are encouraged to attend seminars and training programmes for agricultural practices in the field and manufacturing process in the factories.
- II. The benefits derived like increase in productivity and cost reduction in some tea estates.
- III. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) – NOT APPLICABLE.
- IV. Expenditure on R&D – Research & Development activities are being carried out as part of the Company's normal business activities. Hence, no separate expenditure figures are available. In addition, the Company contributes for the activities of Tea Research Association and United Planters Association of Southern India's Scientific Development regularly.
 

The Company has incurred an expenditure of ₹ 63.52 lakhs being amount paid to TRA & UPASI as above.

#### C. Foreign Exchange Earnings And Outgo

During the year under review foreign exchange earnings were ₹56.79 crore and foreign exchange outgo ₹22.47 crore.

For and on behalf of the Board

**Jayashree Mohta**

(Chairperson)

(DIN:01034912)

Kolkata, 1st August, 2020

**ANNEXURE 4** to the Directors' Report

Form No. MR - 3

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

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

To,  
The Members,**JAY SHREE TEA AND INDUSTRIES LIMITED**

Kolkata

1. We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. JAY SHREE TEA AND INDUSTRIES LIMITED (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.
2. Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2020 ("the audit period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:
3. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:
  - i) The Companies Act, 2013 (the Act), and the rules made thereunder;
  - ii) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
  - iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable regulations /guidelines/circulars as may be issued by SEBI from time to time, to the extent applicable;

I further report that, there were no actions/ events in pursuance of;

- (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (b) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

We further report that having regard to the compliance system prevailing in the Company, we have relied upon the representation made by the Management, for compliance with the specific applicable laws like:

- (a) Food Safety and Standards Act, 2006
- (b) Agricultural and Processed Food Products Export Act, 1986

**ANNEXURE 4** to the Directors' Report (Contd.)

- (c) Agricultural and Processed Food Products Export Cess Act, 1986
- (d) Agriculture Produce (Grading and Marking) Act, 1937
- (e) Sugar Cess Act, 1982
- (f) Essential Commodities Act, 1955
- (g) Plantation Labour Act, 1951
- (h) Tea Act, 1953
- (i) Tea Waste Control Order, 1959
- (j) Tea (Marketing) Control Order, 2003
- (k) Tea (Distribution & Export) Control Order, 2005
- (l) Fertilizer Control Order, 1985
- (m) Weight and Measurement Act, 1976

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

- (i) Secretarial Standards as issued and mandated by the Institute of Company Secretaries of India;
- (ii) The Listing Agreements entered into by the Company with BSE Limited, National Stock Exchange Limited and Calcutta Stock Exchange Limited.

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

- (i) The Company has a pending case with the Court in Kolkata under Section 58(A) of the Companies Act 1956 and the matter is subjudice.
- (ii) Intimation for proceedings of AGM for F.Y. 2018-19 under Schedule III of Part A of Para A(13) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 will be made.

We further report that,

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

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

Decisions at the Board meetings were carried out unanimously.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that the intimation under Reg. 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular - SEBI/HO/CFD/CMD1/CIR/P/2020/84 May 20, 2020 will be made by the Company and further the Company will close the trading window from the end of every quarter till 48 hours after the declaration of financial results pursuant to Schedule B (point 4) of SEBI (Prohibition of Insider Trading) Regulations 2015 as amended.

This Report is to be read with our letter of even date which is annexed "ANNEXURE - A" and forms an Integral Part of this Report.

For **MR & Associates**  
Company Secretaries

**[S khaitan]**  
Partner

C P No.: 14929.

UDIN No.: A034458B000471928

Place : Kolkata

Date : 17.07.2020

**Note :** The **COVID-19** outbreak was declared as a global pandemic by the World Health Organization. On March 24, 2020, the Indian government announced a strict 21-day lockdown which was further extended across the country to contain the spread of the virus. Due to COVID-19 pandemic impact, the compliance documents for the year were obtained through electronic mode and verified with requirements. It is further stated that due to the pandemic situation cause by COVID-19, few intimations made to Stock Exchanges under relevant SEBI Regulations and compliances under the Companies Act 2013 read with relevant rules were within the extended period and relaxations granted by respective regulatory authorities

**ANNEXURE 4** to the Directors' Report (Contd.)**“ANNEXURE – A”**

To,  
The Members,  
**JAY SHREE TEA AND INDUSTRIES LIMITED**  
Kolkata

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

1. Maintenance of Secretarial Records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the Audit practices and processes as where appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibilities of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **MR & Associates**  
*Company Secretaries*

**[S khaitan]**  
*Partner*

Place : Kolkata  
Date : 17.07.2020

C P No.: 14929.  
UDIN No.: A034458B000471928



## MANAGEMENT'S Discussion and Analysis

### OVERVIEW

All India Tea production was at 1360 million kg. compared to 1350 million kg. in 2018. The crop of Darjeeling was higher and that of Cachar, Assam and Tamil Nadu lower. Your Company produced 195.09 lakh kg. of tea against 223.90 lakh kg. last year. Out of this your own crop was 178.23 lakh kg against 183.94 lakh kg. The bought leaf production decreased to 16.86 lakh kg from 37.78 lakh kg.

### SEGMENT ANALYSIS AND REVIEW

The Company is engaged in the manufacture of tea, sugar and chemicals & fertilizers besides tea warehousing and investment activities. Tea accounts for 82%, chemicals & fertilizers 18% of the gross turnover during 2019-20.

#### TEA

Your Company's district wise production compared to All India production is enumerated below:

(Quantity in million kg.)

District	Tea Manufactured by the Company (April to March)			All India Production* (Jan. to December)		
	2019-20**	2018-19**	Increase/ Decrease (%)	2019	2018	Increase/ Decrease (%)
Cachar	6.97	7.76	(10.18)	43.91	46.09	(4.73)
Assam Valley	5.52	7.45	(25.90)	650.62	655.26	(0.71)
<b>Total Assam</b>	<b>12.49</b>	<b>15.21</b>	<b>(17.88)</b>	<b>694.53</b>	<b>701.35</b>	<b>(0.97)</b>
Darjeeling	1.00	0.88	13.64	7.81	7.70	1.43
Doors	0.99	1.00	(1.00)	234.82	227.08	3.41
Terai	3.30	3.31	(0.30)	172.85	159.44	8.41
<b>Total West Bengal</b>	<b>5.29</b>	<b>5.19</b>	<b>(1.93)</b>	<b>415.48</b>	<b>394.22</b>	<b>5.39</b>
<b>Others</b>	-	-	-	<b>29.92</b>	<b>28.46</b>	5.13
<b>Total North India</b>	<b>17.78</b>	<b>20.40</b>	<b>(12.84)</b>	<b>1139.93</b>	<b>1124.03</b>	<b>1.41</b>
Tamilnadu	1.72	1.99	(13.57)	156.04	160.15	(2.57)
Kerala	-	-	-	59.26	60.76	(2.47)
Karnataka	-	-	-	4.85	5.10	(4.90)
<b>Total South India</b>	<b>1.72</b>	<b>1.99</b>	<b>(13.57)</b>	<b>220.15</b>	<b>226.01</b>	<b>(2.59)</b>
<b>Total Production</b>	<b>19.50</b>	<b>22.39</b>	<b>(12.91)</b>	<b>1360.08</b>	<b>1350.04</b>	<b>0.74</b>

\* All India figures on calendar year basis and estimated for 2019.

\*\* The above production includes tea manufactured from bought leaf.

District wise price realised by the Company for own produce compared to previous year is as under:

(Quantity in million kg.)

Tea Areas	This year			Previous year		
	Qty.	Rate (₹)	Dist. Average (₹)	Qty.	Rate (₹)	Dist. Average (₹)
Cachar	7.19	120.00	119.89	7.38	140.55	128.47
Assam	5.38	164.91	151.32	6.90	195.88	154.66
Darjeeling	0.81	385.96	325.53	0.77	517.40	418.50
Doors/Terai	4.48	138.62	133.96	4.25	153.97	138.05
<b>South India</b>	<b>2.14</b>	<b>123.24</b>	<b>99.06</b>	<b>2.07</b>	<b>126.54</b>	<b>106.21</b>
<b>Total</b>	<b>20.00</b>	<b>147.60</b>		<b>21.37</b>	<b>172.45</b>	

## MANAGEMENT'S Discussion and Analysis (Contd.)

### OUTLOOK

Scarcity of tea in the market and stocking of tea for home consumption is having positive effect on the prices which has surged by 40 to 60% for the first time ever. Quality tea will fetch premium. Export demand from Iran, UAE, European Countries and Russia will help in sustaining the rise in price levels.

### RISKS AND CONCERNS

- Common varieties of teas unlikely to witness major spurt in prices
- Consistent quality is an important factor for achieving good price.
- Increase in employees cost with accrual liability for retirement benefits is a cause of concern.

### CHEMICALS & FERTILISERS

#### Review of Operations

Your unit is the second largest producer of SSP in West Bengal and is maintaining its market share of "Annapurna" brand of SSP, which is well received by farmers.

### OUTLOOK

SSP fertilizer is enriched with multiple nutrients. The Government of India has recognized the importance and encouraging the use of SSP to improve soil fertility.

### OPPORTUNITIES AND THREATS

#### Strengths

- Brand image of Annapurna SSP has good command in West Bengal
- Established distributors network in all districts of West Bengal.
- Wide applicability of SSP in various agricultural crops

#### Threats

- Continuing price disparity between urea and phosphatic fertilizers resulting in imbalance use of fertilizer.

### DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Company continued to lay emphasis on working capital management to have strict check on borrowings and interest cost and saving was achieved on finance cost. The deployment of fund

was guided by the tenets of safety of principal, liquidity and very good return. During the year the investment portfolio was decreased substantially to improve other cash flow.

### BUSINESS RESPONSIBILITY STATEMENT (BR)

#### Health, Safety, Security and Environment

Health, safety, security and environment (HSSE) is a key priority for the Company. Our goals are: no accidents, no harm to people and no damage to environment. The health, safety and security of everyone who works for the Company, is ensured.

All fertilisers factories of your Company are following full Environment Management System and Occupational Health & Safety Management System

All the tea estates follow green environment policy. Afforestation is being carried out on regular basis.

### DEVELOPMENT IN HUMAN RESOURCES MANAGEMENT

Tea industry is highly labour intensive and your Company considers people as its biggest assets. With regular communication and sustained efforts, it ensures that employees are aligned on common objectives and have the right information on business evolution.

There is endeavour on the part of management to the Company hires and retains its best talent.

Your Company continued to maintain high standards of employee relations.

The total number of people employed in your Company as on 31st March, 2020 was 21363.

### CAUTIONARY STATEMENT

The statements in the report of the Board of Directors and the Management's Discussion and Analysis report describing the company's projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied since the Company's operations are influenced by many external and internal factors beyond the control of the Company. Further tea and chemicals industries depend upon the vagaries of nature and any adverse/ favourable situation can change the whole situation.

## CORPORATE Governance Report

[Pursuant to Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["Listing Regulations" (as amended)]

The Company recognizes that good Corporate Governance is a continuous exercise. The Company believes that Corporate Governance emerges from the application of the best and sound management practices and compliance with the laws with highest standards of transparency and business ethics. The Company aims to increase and sustain its corporate values through growth and innovation.

### 1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The essence of Corporate Governance is about maintaining the right balance between economic, social, individual and community goals. At Jay Shree Tea, it is imperative that our Company affairs are managed in a fair and transparent manner. The Company is focused on enhancement of long-term value creation for all stakeholders without compromising on integrity, social obligations, environment and regulatory compliances. The Company acknowledges the rights of its shareholders and provides information on performance and other key events of the Company to them. This timely and accurate disclosure of information improves public understanding

of the structure, activities and policies of the Company. Consequently, the Company is able to attract investors, and enhance the trust and confidence of the stakeholders.

### 2. BOARD OF DIRECTORS

#### Composition:

The Board of Directors of the Company comprises of an optimum combination of Executive and Non-Executive Directors, which is in conformity with the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board is broad based and consists of eminent individuals from Industrial, Managerial and Financial background. As of the year ended 31st March, 2020, the Board of directors includes an Executive Chairperson, four Independent directors, one whole-time director designated as Executive Director and a Managing Director. The composition is as under :

#### Membership of other Boards of Directors/ Committee of directors and Attendance record for the Company:

Five Board Meetings were held in 2019-2020 i.e. on 28th May, 2019; 14th August, 2019; 14th November, 2019; 9th January, 2020 and 10th February, 2020:

Directors	Categories of Directors	No. of Board Meetings Attended	Attendance at the last AGM	No. of outside Directorship held*	No. of outside Committee Chairman/ Member		No. of shares held in the Company as on 31.03.2020	List of Directorship held in other Listed Entities and Category of Directorship
					Chairman	Member		
Mr. B. K. Birla (Chairman) (Ceased w.e.f 03.07.2019)	Promoter-Non-executive	N.A.	N.A.	N.A	-	-	46000	N.A
Mrs. Jayashree Mohta (Chairperson)	Promoter-Executive	4	Yes	2	-	-	985770	Avadh Mercantile Ltd (Director)
Mr. S. K. Tapuriah	Independent-Non-Executive	4	Yes	-	-	-	768	-
Mr. Sumit Mazumder	Independent-Non-Executive	4	Yes	4	2	-	200	TIL Ltd (Chairman & Managing Director) Balrampur Chini Mills Ltd. (Chairman Non-Executive Independent Director)

## CORPORATE Governance Report (Contd.)

Directors	Categories of Directors	No. of Board Meetings Attended	Attendance at the last AGM	No. of outside Directorship held*	No. of outside Committee Chairman/Member		No. of shares held in the Company as on 31.03.2020	List of Directorship held in other Listed Entities and Category of Directorship
					Chairman	Member		
Mr. Subodh Kumar Agrawal	Independent-Non-Executive	2	No	1	2	-	200	Richfield Financial Services Ltd (Non Executive Independent Director)
Mr. Harsh Vardhan Kanoria	Independent-Non-Executive	2	Yes	2	-	-	200	Cheviot Company Limited (Chairman & Managing Director)
Mr. Vikash Kandoi	Executive (Executive Director)	4	Yes	-	-	-	1126	-
Mr. D.P.Maheshwari	Executive (Managing Director)	5	Yes	-	-	-	5606	-

\*Directorship excludes Private, Foreign and Section 8 Companies

No director is related to any other director on the Board in terms of the provisions of the Companies Act, 2013 except Mr. B. K. Birla, Mrs. Jayashree Mohta and Mr. Vikash Kandoi who are related to each other. Mr. Vikash Kandoi is son in-law of Mrs. Jayashree Mohta.

All the Directors affirmed that apart from receiving sitting fees and /or remuneration by Executive Directors and Managing Director, they do not have any pecuniary relationships or transactions with the Directors Company, its promoters, its Directors, its Senior Management or its subsidiaries i.e. Majhaulia Sugar Industries Pvt. Ltd., North Tukvar Tea Co. Ltd., Jayantika Investment & Finance Ltd., Birla Holdings Ltd., joint venture and associates (as defined in Ind-AS 28) which might affect independence of directorship in the Company.

In the opinion of the Board, the Independent Directors, fulfill the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations.

### Code of Conduct :

The Company has a code of conduct for all its Board members and senior management personnel which is available on the website of the Company. All the Board members and senior management

personnel have confirmed compliance with the code, a declaration to this effect duly signed by the Managing Director is attached and forms part of the Annual Report of the Company.

### Separate Meeting of Independent Directors:

As stipulated by the Code of Independent Directors under Companies Act 2013 and the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on 10th February, 2020 to review the performance of Non Independent Directors including the Chairperson and the Board as whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties.

### Chart or a Matrix setting out the Skills/Expertise/Competencies of the Board of Directors:

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

- (i) Business Strategy, Planning and Corporate Management
- (ii) Accounting & Financial Skills
- (iii) Marketing
- (iv) Communication, Advertising and Media
- (v) Corporate Governance
- (vi) Legal & Risk

## CORPORATE Governance Report (Contd.)

Management (vii) Discharge of Corporate Social Responsibility.

These are available with the Board.

### Familiarization Programme:

The Company has taken steps to familiarize its directors including Independent Directors about the Company operations, procedures and practices, business model, industry in which the Company operates and their role and responsibilities through necessary documents, reports and internal policies. The details of such programs can be accessed from the Company's website at :<http://jayshreetea.in/corporate/policy/>

### 3. AUDIT COMMITTEE

The constitution of Audit Committee is as per requirement of Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013.

The Audit Committee comprises of three Non-Executive Independent Directors and Mr. D.P.Maheshwari (Managing Director) of the Company. Mr. R.K.Ganeriwala (President, CFO & Secretary), the Internal Auditors and Statutory Auditors are permanent invitees to the meeting.

The terms of reference of the Committee are:

1. Oversight of the Company's financial reporting process, disclosure of its financial Information, reviewing quarterly & yearly financial statements to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment of the statutory auditor and the fixation of audit and other fees.
3. Reviewing with the management the annual financial statements and auditor's report thereon before submission to the Board for approval.
4. Reviewing and monitoring the auditor's independence and performance.
5. Recommending to the Board, the appointment and remuneration of Cost Auditor.

6. Reviewing with the management, performance of internal auditors and adequacy of the internal control systems.
7. To review the functioning of the Whistle Blower Mechanism.
8. Approval or any subsequent modification of transactions of the Company with related parties.
9. To evaluate internal financial controls and risk management systems.
10. Such other functions as may be prescribed under the applicable laws and regulations.

Four Meetings of the Audit Committee were held in 2019-2020 on 28th May, 2019; 14th August, 2019; 14th November, 2019; and 10th February, 2020.

### Attendance record of the Audit Committee Meetings.

Name of Directors	No. of Meetings
Mr. S.K. Tapuriah (Chairman)	4
Mr. Sumit Mazumder (Member)	4
Mr. Subodh Kumar Agrawal (Member)	-
Mr. D. P. Maheshwari (Member)	4

### 4. EVALUATION OF THE BOARD'S PERFORMANCE

During the year, the Board evaluated its own performance as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out covering various aspects of the Boards functioning such as composition of the Board & committees, qualification, experience & competencies, performance of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of Non-Independent Directors including the Board Chairman who were evaluated on parameters such as attendance, contribution at the meetings and otherwise. The performance of Independent Directors has been evaluated based on the guidelines as provided under Schedule IV of the Act and it has been determined that their term of appointment shall be extended or continued as the case may be.

The evaluation of the Independent Directors

## CORPORATE Governance Report (Contd.)

was carried out by the entire Board except by the Director being evaluated and that of the Chairman and the Non-Independent Directors were carried out by the Independent Directors.

The directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

### 5. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee is constituted as per Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178(1) of the Companies Act, 2013. The Nomination and Remuneration Committee comprises of three Non Executive Directors and Mr R. K. Ganeriwala (President, CFO & Secretary) acts as Secretary to this Committee. The committee had met once in the year 2019-20 on 28th May, 2019.

#### Attendance record of the Nomination and Remuneration Committee Meetings.

Name of Directors	No. of Meetings
Mr. S. K. Tapuriah (Chairman)	1
Mr. Sumit Mazumder (Member)	1
Mr. Harsh Vardhan Kanoria (Member)	-

Terms of reference of this committee are:

- i) Determining/recommending the criteria for appointment of Executive, Non-Executive and Independent Directors to the Board.
- ii) Determining/recommending the criteria for qualification, positive attributes and Independence of Directors and recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees.
- iii) Formulation of criteria for evaluation of performance of independent directors and the Board of Directors.
- iv) Identifying candidates who are qualified to become Directors and who may

be appointed in Senior Management and recommending to the Board their appointment and removal.

- v) Reviewing and determining all elements of remuneration package of all Executive Directors i.e. salary, benefits etc.
- vi) Determining policy on service contract, notice period, severance fees for Directors and Senior Management.

#### Remuneration Policy

The Company follows a policy on remuneration of Directors and Senior Management Employees.

- i. Non Executive director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and the Companies Managerial Remuneration Rule, 2014.
- ii. Non Executive Directors shall be entitled to receive commission not exceeding 1% of the net profit of the Company as may be approved by the Board and Shareholders, subject to the profitability of the Company.
- iii. Executive Directors, Managing Director and Key Managerial Personnel (KMP) will carry out individual Performance appraisal review and recommend annual increment and performance incentive.

The Nomination and Remuneration Committee have formulated the criteria for determining qualifications, Positive attributes, and independence of a Director in line with the requirements as given under Schedule IV of the Companies Act, 2013. All the Independent Directors have been appointed based on such criteria's.

### 6. REMUNERATION OF DIRECTORS

The details of sitting fees paid to the Non-Executive Directors and salary and perks paid to the Executive Directors and Managing Director of the Company during the year 2019-2020 are given below :-

**CORPORATE** Governance Report (Contd.)

(₹ in `000)

Name of Directors	Sitting Fees		Total
	Board Meeting	Committee Meeting	
Mr. S. K. Tapuriah	80	70	150
Mr. Sumit Mazumder	80	70	150
Mr. Subodh Kumar Agrawal	40	-	40
Mr. Harsh Vardhan Kanoria	40	-	40
	<b>240</b>	<b>140</b>	<b>380</b>

Name of Directors	Salary	Value of perquisites	Retirement benefits		Total
Mrs. Jayashree Mohta (Chairperson)	9000	-	-		9000
Service Contract				Re-appointed for 3 years from 1 <sup>st</sup> April, 2019	
Notice Period				3 months	
Mr. Vikash Kandoi (Executive Director)	3600	-	-		3600
Service Contract				Re-appointed for 3 years from 1 <sup>st</sup> April, 2018	
Notice Period				3 months	
Mr. D. P. Maheshwari (Managing Director)	8100	1689	972		10761
Service Contract				Re-appointed for 3 years from 27 <sup>th</sup> June, 2019	
Notice Period				3 months	

**7. STAKEHOLDER RELATIONSHIP COMMITTEE**

The Stakeholder Relationship Committee is constituted as per Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 (5) of the Companies Act, 2013. The Stakeholder Relationship Committee comprises of three Non-Executive Independent Director and Mr. D. P. Maheshwari (Managing Director). Mr. R. K. Ganeriwala (President, CFO & Secretary) is the Compliance Officer of the Company.

The Company had received 9 complaints from the shareholders and all of them have been resolved to the satisfaction of those shareholders. The shares are traded on the Stock Exchanges in compulsory dematerialised form. There are no pending complaints as on 31st March, 2020.

One Meetings of the stakeholder relationship

Committee were held in 2019-2020 on 14th November, 2019

**Attendance record of the Stakeholder Relationship Committee Meetings**

Name of Directors	No. of Meetings
Mr. S. K. Tapuriah (Chairman)	1
Mr. Sumit Mazumder (Member)	1
Mr. Subodh Kumar Agrawal (Member)	-
Mr. D. P. Maheshwari (Member)	1

**8. WHISTLE BLOWER POLICY**

In terms of provision of Section 177(9) of the Companies Act, 2013, the Company has implemented a vigilance mechanism which includes implementation of the Whistle Blower Policy. The Policy encourages Directors and employee to bring to the Company's attention, instances of unethical behavior, actual or suspected incidents of fraud or



## CORPORATE Governance Report (Contd.)

violation of the code of conduct that could adversely impact the Company's operations, business performance and/ or reputation. The Company will investigate such reported incidents in an impartial manner and take appropriate action to ensure that the requisite standards of professional and ethical conduct are always upheld. The Policy is also posted on the website of the Company.

The main objectives of the Policy are as under:

- i) To protect the brand, reputation and

assets of the Company from loss or damages resulting from suspected or confirmed incidents of fraud/misconduct.

- ii) To provide healthy and fraud free culture.
- iii) To provide guidance to the employees on reporting any suspicious activities and handling critical information and evidence.

No personnel has been denied access to the Audit Committee.

### 9. GENERAL BODY MEETINGS

- i) **The details of Annual General Meetings held in last three years are as under :**

AGM	Year	Venue	Date	Time
Seventy First	2016-2017	Kala Kunj, 48 Shakespear Sarani, Kolkata - 700 017	31 <sup>st</sup> July, 2017	10:30A.M.
Seventy Second	2017-2018	-do-	1 <sup>st</sup> August, 2018	10:30A.M.
Seventy Third	2018-2019	-do-	14 <sup>th</sup> August, 2019	03:30P.M.

- ii) **Special Resolutions Passed in the last three AGMS:**

- a) **In the Annual General Meeting on 14th August, 2019**

No Special Resolution was proposed

- b) **In the Annual General Meeting on 1st August, 2018**

Six Special Resolution were proposed and approved:

- i) Apposal of continuation of directorship of Non-Executive Director Mr. B. K. Birla, Chairman
- ii) Re-appointment of Mrs. Jayashree Mohta Whole-time Director designated as Vice Chairperson for a term of three years w.e.f 01.04.2019
- iii) Re-appointment of Mr. D. P. Maheshwari Managing Director of the company for a term of three years w.e.f 27.06.2019
- iv) Re-appointment of Mr. S. K. Tapuriah as an Independent Director for a second term w.e.f. 01.04.2019
- v) Re-appointment of Mr. Subodh Kumar Agrawal as an Independent Director for a second term w.e.f. 01.04.2019
- vi) Approval of Payment of remuneration to Non-Executive Directors of the Company for a period of three years from the financial year 1st April, 2019

- c) **In the Annual General Meeting on 31st July, 2017**

Two Special Resolution were proposed and approved:

- i) Re-appointment of Mr. Vikash Kandoi Whole-time Director designated as Executive Director for a term of three years w.e.f 01.04.2018
- ii) To approve continuation of employment of Mr. D. P. Maheshwari, Managing Director

## CORPORATE Governance Report (Contd.)

- iii) All the resolutions set out in the respective notices were passed by the shareholders
- iv) No resolution was put through postal ballot during the year 2019-2020

### 10. OTHER DISCLOSURES

- i) There were no materially significant transactions with related parties as defined under Listing Regulations, "Related Party Transactions" entered into by the Company that may have potential conflict with the interests of the Company at large. The Register of Contracts containing the transactions in which Directors are interested is regularly placed at the Board meetings. Attention of Members is drawn to the disclosures of transactions with the related parties set out in notes of the Standalone Financial Statements, forming part of the Annual Report. Related Party Transaction Policy is available on the Company's website, at the web link: <http://jayshreetea.in/corporate/policy/>
- ii) The Company has followed Ind-AS as specified under section 133 of the Companies Act 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 while preparing Financial Statements.
- iii) There were no strictures or penalties imposed on the Company by Stock

Exchanges or SEBI, or any statutory authority for non-compliance of any matter related to capital markets, during the last three years.

- iv) During the year ended 31st March, 2020, the Company has two material unlisted subsidiary company as defined in Regulation 16 of the Listing Regulations. The Company has framed the policy for determining material subsidiary as required under Regulation 16 of the Listing Regulation and the same is disclosed on the Company's website. The web link is: <http://jayshreetea.in/corporate/policy/>
- v) Details relating to fees paid to the Statutory Auditors are given in Notes to Standalone and Consolidated Financial Statements.
- vi) The Company has complied with all the applicable mandatory requirements stipulated under Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

### 11. MD/CFO CERTIFICATE

The Managing Director and President, CFO & Secretary have issued certificate pursuant to the provisions of Regulation 17(8) of the Listing Regulations certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

### 12. MEANS OF COMMUNICATION

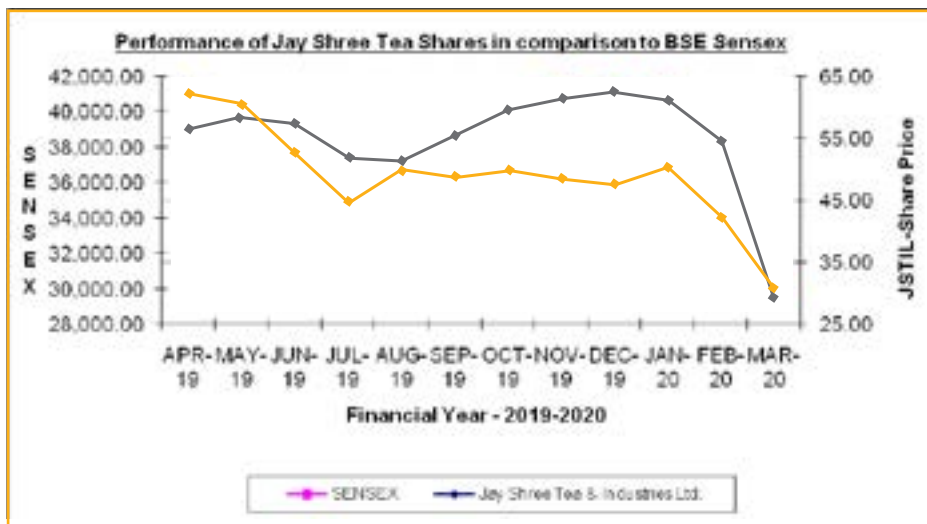
Quarterly results	The results of the Company are published in the Newspapers and uploaded on the website of the Company.
Any website, where displayed	<a href="http://www.jayshreetea.com">www.jayshreetea.com</a>
Whether, it also displays official news releases ; and	Yes
The presentations made to institutional investors or the analysts	Uploaded on the website.
Newspapers in which results are normally published in	Business Standard (all India edition) Arthik Lipi ( Bengali - local edition )

**CORPORATE** Governance Report (Contd.)**SHAREHOLDERS' INFORMATION**

<b>1. ANNUAL GENERAL MEETING</b> Date and Time Venue	:	30th September, 2020 at 3.30 p.m. Through Video conferencing or other Audio Visual Means	
<b>2. FINANCIAL CALENDER (Tentative)</b> Financial Year Financial Reporting for the Quarter Ending June 30, 2020 September 30, 2020 December 31, 2020 Audited Yearly Results for the Year Ended 31st March, 2020	:	1 <sup>st</sup> April 2019 to 31 <sup>st</sup> March 2020 By 15 <sup>th</sup> September, 2020  By 14 <sup>th</sup> November, 2020 By 14 <sup>th</sup> February, 2021 By 30 <sup>th</sup> May, 2021	
<b>3. DATE OF BOOK CLOSURE</b>	:	24th September, 2020 to 30th September, 2020 (both days inclusive)	
<b>4. LISTING ON STOCK EXCHANGES</b>	:	The Calcutta Stock Exchange Association Ltd. (CSE) 7, Lyons Range Kolkata-700001  BSE Limited (BSE) Phiroze Jeejeebhoy Towers Dalal Street, Mumbai-400 001  National Stock Exchange of India Limited (NSE) "Exchange Plaza" Bandra-Kurla Complex, Bandra(E), Mumbai 400 051  The Company has paid listing fee for 2019-20.	
<b>5. STOCK CODE</b>		<b>Name of the Stock Exchange</b>	<b>Stock Code</b>
		The Calcutta Stock Exchange Ltd.	10000036
		Bombay Stock Exchange Ltd.	509715
		The National Stock Exchange of India Ltd.	JAYSREETEA
		ISIN Number for NSDL & CDSL	INE364A01020
<b>6. STOCK MARKET DATA</b>		The details of monthly high, low and close price of the shares on Bombay Stock Exchange Ltd. and The National Stock Exchange of India Ltd., where the Company's shares are most frequently traded throughout the last financial year are as under :	

**CORPORATE** Governance Report (Contd.)

Month	Bombay Stock Exchange (BSE)			National Stock Exchange (NSE)		
	High	Low	Close	High	Low	Close
April 2019	71.00	62.10	62.45	69.70	61.90	62.20
May 2019	69.80	56.00	61.00	69.85	55.30	60.75
June 2019	61.45	51.00	52.95	61.40	50.60	53.00
July 2019	54.85	43.45	44.95	54.90	43.55	44.80
Aug. 2019	57.15	39.95	50.05	57.05	40.10	50.10
Sept. 2019	62.00	47.50	49.05	62.40	47.25	49.15
Oct. 2019	53.05	46.60	49.95	52.95	46.30	50.15
Nov. 2019	51.20	46.00	48.65	50.85	46.15	48.35
Dec. 2019	51.20	45.50	47.85	51.20	45.40	47.80
Jan. 2020	59.20	46.85	50.60	59.40	46.55	50.55
Feb. 2020	56.00	42.20	42.50	55.75	42.00	42.35
March 2020	44.95	23.55	30.70	44.40	23.55	30.80

**7. STOCK PERFORMANCE**

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**8. REGISTRAR & TRANSFER AGENTS**

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

**9. SHARE TRANSFER SYSTEM**

The shares received for transmission in physical mode, if in order in all respects are registered and returned within 2 weeks from the date of lodgment.

## CORPORATE Governance Report (Contd.)

### 10. DISTRIBUTION OF SHAREHOLDING

The shareholding distribution of equity shares of face value of ₹5/- per share as on 31st March, 2020 is given below:

No. of Shares held	No. of Shareholder	% of Shareholdings	No. of Shares	% of Shareholdings
1 to 500	20792	86.37	2639776	9.14
501 to 1000	1675	6.96	1360804	4.71
1001 to 2000	843	3.50	1271030	4.40
2001 to 3000	253	1.05	647857	2.24
3001 to 4000	150	0.62	533002	1.85
4001 to 5000	100	0.42	463804	1.61
5001 to 10000	128	0.53	895870	3.10
10001 & Above	133	0.55	21065345	72.95
	<b>24074</b>	<b>100.00</b>	<b>28877488</b>	<b>100.00</b>

### 11. SHARE HOLDING PATTERN AS ON 31st MARCH, 2020

Category	No. of Shareholders	% of Shareholders	No. of Shares held	% of Share holding
Promoters & Promoters Group	14	0.06	14549458	50.38
Financial Institutions & Banks	23	0.1	286202	0.99
Insurance Companies	1	0.01	397368	1.38
Foreign Institutional Investors & FPI-Corporate	3	0.01	1480000	5.13
Private Body Corporates	440	1.82	1785051	6.18
NRI / OCB	315	1.31	441631	1.53
Investor Education & Protection Fund	1	0.01	211190	0.73
Individuals	23277	96.68	9726588	33.68
<b>TOTAL</b>	<b>24074</b>	<b>100</b>	<b>28877488</b>	<b>100</b>

### 12. DEMATERIALISATION OF SHARES AND LIQUIDITY

About 98.81% of the total equity share capital is held in demat form with NSDL & CDSL as on 31st March, 2020

### 13. OUTSTANDING GDRs/ADRs/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY

None

### 14. COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

The Company is dealing with agro base commodity tea and hence is subjected to price risk relating to commodity price risk. The Company do not engage it self in commodity hedging activities. It is hedging foreign exchange exposures from time to time.

### 15. LOCATION OF COMPANY'S UNITS

As given on the inside of back cover of the Annual Report.

### 16. INVESTORS CORRESPONDENCE

Mr. R.K. Ganeriwala  
(President, CFO & Secretary)  
Jay Shree Tea & Industries Ltd.  
"Industry House", 10, Camac Street, Kolkata-700 017  
Telephone: (033) 2282-7531/4 (4 lines), Fax: (033) 2282-7535  
E-mail: rkg@jayshreetea.com /shares@jayshreetea.com  
Website: www.jayshreetea.com

**CORPORATE** Governance Report (Contd.)**DECLARATION REGARDING CODE OF CONDUCT**

The Company has a Code of Conduct (Code) for all the members of the Board and Senior Management Personnel of the Company. The said "Code" has been circulated to the members of the Board and Senior Management Personnel, who have confirmed compliance of the same for the year ended 31st March, 2020. The said "Code" is also been posted on www.jayshreetea.com, the website of the Company. Based on the above, it is hereby declared that the Code has been complied with by all.

For **Jay Shree Tea & Industries Limited**

**D. P. MAHESHWARI**

*Managing Director*

(DIN: 02203749)

Kolkata, the 1st day of August, 2020

**CERTIFICATE**

To  
The Board of Directors  
**Jay Shree Tea & Industries Limited**

This is to certify that –

- a) We have reviewed the financial statements and the Cash Flow Statement for the year ended 31st March 2020 duly audited by Statutory Auditors S.R.Batliboi & Co.LLP, Chartered Accountants, Kolkata and that to the best of our knowledge and belief;
  - I. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - II. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, no transactions entered into by the Company during the year could be considered as fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We do accept the responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the Auditors and that the Audit Committee deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit committee :
  - i) Significant changes, if any, in the internal control over financial reporting during the year
  - ii) Significant changes, if any, in accounting policies made during the year and that the same have been disclosed in the notes to the financial statement; and
  - iii) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

**R. K. GANERIWALA**  
*President, CFO & Secretary*

**D. P. MAHESHWARI**  
*Managing Director*  
(DIN:02203749)

Kolkata, the 1st day of August, 2020

## CORPORATE Governance Report (Contd.)

### Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

The Members of

**Jay Shree Tea & Industries Limited**

1. The Corporate Governance Report prepared by Jay Shree Tea & Industries Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) of sub – regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2020 as required by the Company for annual submission to the Stock exchange.

#### Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

#### Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include:
  - i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;
  - ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;
  - iii. Obtained and read the Register of Directors as on March 31, 2020 and verified that at least one independent woman director was on the Board of Directors throughout the year;
  - iv. Obtained and read the minutes of the following committee meetings/other meetings held April 1, 2019 to March 31, 2020:
    - (a) Board of Directors meeting;



## CORPORATE Governance Report (Contd.)

- (b) Audit Committee;
  - (c) Annual General Meeting (AGM)/Extra Ordinary General Meeting (EGM);
  - (d) Nomination and Remuneration Committee;
  - (e) Stakeholders Relationship Committee
  - (f) Independent directors meeting;
  - (g) Corporate Social Responsibility Committee.
- v. Obtained necessary declarations from the directors of the Company.
  - vi. Obtained and read the policy adopted by the Company for related party transactions.
  - vii. Obtained the schedule of related party transactions during the year and balances at the year end. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approved prior by the audit committee.
  - viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

### Opinion

- 8. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2020, referred to in paragraph 4 above.

### Other matters and Restriction on Use

- 9. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
- 10. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

### S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Sanjay Kumar Agarwal**

Partner

Membership Number : 060352

UDIN: 20060352AAAADE4676

Place : Kolkata

Date : August 1, 2020

**CORPORATE** Governance Report (Contd.)

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
**(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI**  
**(Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,  
 The Members of  
**Jay Shree Tea & Industries Limited**

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Jay Shree Tea & Industries Limited having CIN L15491WB1945PLC012771 and having registered office at "Industry House" 10, Camac Street, Kolkata-700017 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

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Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Mrs. Jayashree Mohta	01034912	17.06.1992
2.	Mr. S. K. Tapuriah	01065278	06.08.1990
3.	Mr. Sumit Mazumder	00116654	07.02.2018
4.	Mr. Subodh Kumar Agrawal	00553916	01.08.2014
5.	Mr. Harsh Vardhan kanoria	00060259	11.02.2019
6.	Mr. Vikash Kandoi	00589438	29.07.2008
7.	Mr. D. P. Maheshwari	02203749	27.06.2008

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

	Name	: Seema Bothra (Practicing Company Secretary)
	Membership No.	: 8106
Place: Kolkata	CP No.	: 8420
Date : 24.06.2020	UDIN	: F008106B000374153

**STATEMENT** pursuant to Section 129 of Companies Act, 2013

Statement containing salient features of the financial statement of Subsidiaries/  
Step down Subsidiaries/Associate Company/Joint Venture for the Year Ended 31.03.2020

**PART "A" - SUBSIDIARIES/ STEP-DOWN SUBSIDIARIES**

Sl. No.	(₹ in Lakh)					
	1	2	3	4	5	6
Name of the Subsidiary	Majhulia Sugar Industries Private Limited	North Tukvar Tea Company Limited	Jayantika Investment & Finance Limited	Birla Holdings Limited	Kijura Tea Company Limited	Bondo Tea Estate
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Reporting currency and exchange rate as on the last date of the relevant financial year in the case of Foreign Subsidiary/Step down Subsidiaries	N.A.	N.A.	N.A.	INR/USD = 75.60	INR/US\$ = 0.01819	INR/US\$ = 0.01819
Equity Share Capital	313.50	240.38	299.50	2.29	18.19	13.64
Other Equity	1,288.48	-383.48	4,775.90	3,035.75	608.96	-58.47
<b>Total Assets</b>	<b>50,073.16</b>	<b>386.35</b>	<b>7,087.11</b>	<b>3,038.04</b>	<b>2,640.11</b>	<b>174.66</b>
<b>Total Liabilities</b>	<b>48,471.18</b>	<b>529.45</b>	<b>2,011.72</b>	<b>-</b>	<b>2,012.96</b>	<b>219.48</b>
Investments	-	136.51	6,305.24	1,234.78	928.21	-
Turnover	21,525.89	-	183.34	-	1,590.75	200.01
<b>Profit/(Loss) before taxation</b>	<b>-2,377.53</b>	<b>-0.93</b>	<b>-1,513.39</b>	<b>1,149.34</b>	<b>-191.88</b>	<b>-86.08</b>
Provision for taxation	-	-0.85	-50.89	-	-53.37	15.46
<b>Profit/(Loss) after taxation</b>	<b>-2,377.53</b>	<b>-0.08</b>	<b>-1,462.50</b>	<b>1,149.34</b>	<b>-138.51</b>	<b>-101.53</b>
Proposed Dividend	-	-	1.50	-	-	-
% of shareholding	100%	90.50%	100%	100%	100%	100%

**PART "B" : ASSOCIATE AND JOINT VENTURE**

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Company and Joint Venture

Name of the Associate/Joint Venture	(₹ in Lakh)	
	*Tea Group Investment Company Limited (Joint Venture) including its two subsidiaries - a) Mata Tea Company Limited & b) Gisakura Tea Company Limited	ECE Industries Limited (Associate of Jayantika Investment & Finance Limited)
1. Latest Audited Balance Sheet Date	31.12.2019	31.03.2020
2. Share of Associate/Joint Venture held by the company at the year end	372300 Shares of AED 1 each	2709997 Shares of ₹10 each
Amount of Investment in Associate/Joint Venture	51.95	3,818.43
Extent of Holding %	50%	37.18%
3. Description of how there is significant influence	N.A.	N.A.
4. Reason why the Associate/Joint Venture is not consolidated	N.A.	N.A.
5. Net Worth attributable to Shareholding as per latest Audited Balance Sheet	2,551.30	6,864.69
6. Profit/(Loss) for the year		
i) Considered in Consolidation	-1,579.77	-370.76
ii) Not Considered in Consolidation	N.A.	N.A.

**Notes :**

1) Name of Subsidiaries/Step-down Subsidiaries/ Associate/Joint Venture which are yet to commence operations.	NIL
2) Name of Subsidiaries/Step down Subsidiaries/Associate/Joint Venture which have been liquidated or sold during the year.	Tea Group Investment Company Limited*

\* During the year, the Company has sold its investment in Tea Group Investment Company Limited (a joint venture) including its two subsidiaries, Mata Tea Company Limited and Gisakura Tea Company Limited (Refer Note 36 of the Standalone Ind AS financial statements)

For and on behalf of the Board of Directors

**D. P. Maheshwari**  
(Managing Director)  
(DIN:02203749)

**R. K. Ganeriwala**  
(President, CFO  
& Secretary)

**Jayashree Mohta**  
(Chairperson)  
(DIN:01034912)

Kolkata, the 1st day of August, 2020

**FINANCIAL HIGHLIGHTS** for five years

	(₹ in Lakhs unless otherwise stated)				
	2019-20*	2018-19*	2017-18*	2016-17*	2015-16*
<b>Assets</b>					
<b>Non-Current Assets</b>					
Property, Plant and Equipment	20,976.03	22,586.49	21,819.65	21,561.32	34,705.37
Right-of-use assets	490.29	-	-	-	-
Capital Work-In-Progress	2,311.73	2,308.28	1,825.51	961.30	432.82
Investment Property	2.18	2.22	2.26	2.29	2.32
<b>Financial Assets</b>					
(a) Investments	22,490.13	28,379.32	27,133.26	25,233.81	14,794.23
(b) Trade Receivables	-	-	-	-	-
(c) Loans	831.19	752.21	862.71	852.20	809.71
(d) Other Financial Assets	14.07	13.55	12.04	5.52	4.64
Deferred Tax Assets (Net)	244.37	1,297.77	1,107.08	910.06	-
Income Tax Assets (Net)	658.21	559.17	524.08	596.93	843.20
Other Non-Current Assets	474.74	501.03	528.67	299.80	329.54
<b>Total Non-Current Assets</b>	<b>48,492.94</b>	<b>56,400.04</b>	<b>53,815.26</b>	<b>50,423.23</b>	<b>51,921.83</b>
<b>Current Assets</b>					
Inventories	8,301.45	11,677.26	8,972.71	9,459.13	22,426.18
Biological Assets other than Bearer Plants	-	179.70	88.77	62.19	93.37
<b>Financial Assets</b>					
(a) Investments	1,888.98	246.09	1,613.07	1,644.72	2,197.31
(b) Trade Receivables	4,751.10	5,524.01	6,537.17	7,726.40	5,995.26
(c) Cash and Cash Equivalents	446.95	392.75	706.61	624.36	1,099.02
(d) Other Bank Balances	674.40	90.32	983.67	2,031.05	2,032.55
(e) Loans	14,050.03	10,289.77	5,484.89	1,322.22	945.40
(f) Other Financial Assets	2,854.78	2,888.62	3,420.81	4,134.81	5,272.73
Other Current Assets	1,250.92	1,731.54	960.43	846.29	1,079.41
Assets held for sale	1,591.88	-	-	-	-
<b>Total Current Assets</b>	<b>35,810.49</b>	<b>33,020.06</b>	<b>28,768.13</b>	<b>27,851.17</b>	<b>41,141.23</b>
<b>Total Assets</b>	<b>84,303.43</b>	<b>89,420.10</b>	<b>82,583.39</b>	<b>78,274.40</b>	<b>93,063.06</b>
<b>Equity and Liabilities</b>					
<b>Equity</b>					
Equity Share Capital	1,443.87	1,443.87	1,443.87	1,443.87	1,443.87
Other Equity	22,343.61	25,488.68	26,177.00	25,703.92	26,387.05
<b>Total Equity</b>	<b>23,787.48</b>	<b>26,932.55</b>	<b>27,620.87</b>	<b>27,147.79</b>	<b>27,830.92</b>

**FINANCIAL HIGHLIGHTS** for five years (Contd.)

<b>Liabilities</b>					
<b>Non-Current Liabilities</b>					
Financial Liabilities					
(a) Borrowings	7,663.17	12,931.31	15,426.59	12,622.88	13,836.74
(b) Other Financial Liabilities	652.61	123.98	117.43	114.46	251.30
Provisions	4,719.56	3,695.89	2,186.34	2,152.62	1,889.53
Deferred Tax Liabilities (Net)	-	-	-	-	181.89
Income Tax Liabilities (Net)	351.80	158.22	76.38	-	-
Other Non-Current Liabilities	372.88	332.19	277.43	323.13	284.56
<b>Total Non-Current Liabilities</b>	<b>13,760.02</b>	<b>17,241.59</b>	<b>18,084.17</b>	<b>15,213.09</b>	<b>16,444.02</b>
<b>Current Liabilities</b>					
Financial Liabilities					
(a) Borrowings	26,579.59	26,217.29	20,315.13	18,925.84	16,912.85
(b) Trade Payables	5,965.83	4,807.13	3,522.24	3,890.61	17,041.75
(c) Other Financial Liabilities	6,260.52	8,805.64	8,210.40	8,263.11	9,543.22
Other Current Liabilities	3,205.81	805.69	699.89	697.19	1,519.42
Provisions	4,744.18	4,610.21	4,130.69	4,136.77	3,770.88
<b>Total Current Liabilities</b>	<b>46,755.93</b>	<b>45,245.96</b>	<b>36,878.35</b>	<b>35,913.52</b>	<b>48,788.12</b>
<b>Total Liabilities</b>	<b>60,515.95</b>	<b>62,487.55</b>	<b>54,962.52</b>	<b>51,126.61</b>	<b>65,232.14</b>
<b>Total Equity and Liabilities</b>	<b>84,303.43</b>	<b>89,420.10</b>	<b>82,583.39</b>	<b>78,274.40</b>	<b>93,063.06</b>
<b>Net Worth per Equity Share of ₹ 5/- each (in ₹)</b>	<b>82.37</b>	<b>93.26</b>	<b>95.65</b>	<b>94.01</b>	<b>96.38</b>
<b>Dividend per Equity Share of ₹ 5/- each (in ₹)</b>	<b>-</b>	<b>0.35</b>	<b>0.50</b>	<b>0.50</b>	<b>1.00</b>

Figures for F.Y.2019-20, F.Y.2018-19, F.Y.2017-18, F.Y.2016-17 & F.Y.2015-16 are as per Ind AS compliant financial statements. Figures for previous years have been regrouped/rearranged.

**FINANCIAL HIGHLIGHTS** for five years (Contd.)

	(₹ in lakhs)				
	2019-20*	2018-19*	2017-18*	2016-17*	2015-16
<b>A. Income</b>					
1 Revenue from Operations	48,649.38	56,066.77	55,191.93	54,118.31	69,601.99
2 Other Income	6,743.45	1,450.85	1,749.29	1,794.62	1,841.76
<b>Total Income</b>	<b>55,392.83</b>	<b>57,517.62</b>	<b>56,941.22</b>	<b>55,912.93</b>	<b>71,443.75</b>
<b>B. Expenditure</b>					
1 Changes in Inventories of Finished Goods, Work-in-Progress and Traded Goods	2,540.74	(2,010.82)	698.00	(41.14)	1,535.32
2 Purchases of Traded Goods	4,760.01	5,878.95	7,092.91	6,843.98	7,027.14
3 Cost of Materials Consumed	6,319.09	10,540.77	7,939.61	7,960.82	19,873.11
4 Employee Benefits Expense	23,482.86	22,825.73	21,091.32	21,671.51	21,485.51
5 Consumption of Stores & Spare Parts	2,876.38	3,154.72	3,140.31	3,448.77	4,023.27
6 Power & Fuel	4,425.06	4,596.27	4,274.39	4,090.30	4,086.24
7 Manufacturing & Other Miscellaneous Exp.	4,487.02	4,045.51	3,844.57	3,304.36	5,361.42
8 Selling & Distribution Expenses	3,315.93	3,821.67	4,722.08	5,024.58	3,965.42
9 Depreciation and Amortisation Expenses	1,744.07	1,593.44	1,453.77	1,469.02	1,638.26
10 Interest ( Net)	2,950.39	2,562.91	2,386.30	2,670.22	4,075.20
<b>Total Expenditure</b>	<b>56,901.55</b>	<b>57,009.15</b>	<b>56,643.26</b>	<b>56,442.42</b>	<b>73,070.89</b>
<b>C. Profit/(Loss) before Taxation (A-B)</b>	<b>(1,508.72)</b>	<b>508.47</b>	<b>297.96</b>	<b>(529.49)</b>	<b>(1,627.14)</b>
<b>D. Tax Expense</b>					
Provision for Taxation-Current Tax	225.00	116.86	-	-	110.00
MAT Credit Entitlement	-	-	-	-	133.41
Tax Adjustment for Earlier Years	(69.37)	(160.38)	-	(7.43)	-
Provision for Taxation-Deferred Tax	1,123.78	241.92	(40.75)	464.94	45.81
<b>Total Tax Expense</b>	<b>1,279.41</b>	<b>198.40</b>	<b>(40.75)</b>	<b>457.51</b>	<b>289.22</b>
<b>E. Profit/(Loss) after Taxation (C-D)</b>	<b>(2,788.13)</b>	<b>310.07</b>	<b>338.71</b>	<b>(987.00)</b>	<b>(1,916.36)</b>
<b>F. Other Comprehensive Income/(Loss)</b>	<b>(235.41)</b>	<b>(824.63)</b>	<b>(342.43)</b>	<b>(181.82)</b>	<b>-</b>
<b>G. Total Comprehensive Income/(Loss) (Net of Tax) (E-F)</b>	<b>(3,023.54)</b>	<b>(514.56)</b>	<b>(3.72)</b>	<b>(1,168.82)</b>	<b>-</b>

\* Figures for FY.2019-20, FY.2018-19, FY.2017-18 & FY.2016-17 are as per Ind AS compliant financial statements.

Figures for FY. 2015-16 are as per IGAAP financial statements.

Figures for previous years have been regrouped/rearranged

## Independent Auditor's Report

To the Members of  
**Jay Shree Tea & Industries Limited**

### Report on the Audit of the Standalone Ind AS Financial Statements

#### Opinion

We have audited the accompanying standalone Ind AS financial statements of Jay Shree Tea & Industries Limited ("the Company"), which comprise the Balance sheet as at March 31 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its loss including other comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

#### Emphasis of Matter

We draw attention to Note 39 of the standalone Ind AS financial statements, which describes the uncertainties and economic disruptions faced by the Company as a result of COVID-19 pandemic on its operations as assessed by the management. The actual results may differ from estimates depending on future developments. Our opinion is not modified in respect of this matter.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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



## Independent Auditor's Report (Contd.)

Key audit matters	How our audit addressed the key audit matter
<b>Estimation of Useful Life of Bearer Plants</b> (as described in note 3.3 and 4(a) of the standalone Ind AS financial statements)	
<p>The carrying value of Bearer Plants as on March 31, 2020 is Rs. 5,683.64 lakhs.</p> <p>Estimation of useful life of Bearer Plants requires the management to exercise significant judgement. The changes in natural factors may affect the useful life expectancy of such assets and consequently have an impact on the carrying value of these assets and depreciation expense.</p> <p>As per Ind AS 16 'Property, Plant and Equipment', the management reviews estimated useful life and residual value of Bearer Plants annually and account for changes, where appropriate.</p> <p>This matter has been identified as a key audit matter due to significant estimates / judgment involved in estimating useful life for these assets.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>Assessed the management's estimate of useful life of Bearer Plants, for which we (1) evaluated the consistency of estimates with the Company's pattern of economic benefits embodied in such assets and future operating plans including acquisitions and retirements of the Bearer Plants; (2) compared the useful life estimates with those adopted by comparable tea producers, as per external available information; and (3) considered the Company's historical experience.</li> <li>Evaluated the assumptions and critical judgements used by the management and tested the underlying supporting documents / details.</li> <li>Assessed the related disclosures in the standalone Ind AS financial statements.</li> </ul>
<b>Valuation of Biological Assets and agriculture produce</b> (as described in note 3.8, 3.9, 8 and 8a respectively of the standalone Ind AS financial statements)	
<p>As required by Ind AS 41 "Agriculture", management estimates the fair value of plucked (agriculture produce) and unplucked tea leaves (biological assets) as at the balance sheet date through the use of valuation model and recent transaction prices. As at March 31, 2020, the carrying value of biological assets included under current assets is ₹ Nil.</p> <p>Finished goods produced from agricultural produce are valued at lower of cost (arrived at by adding the cost of conversion to the fair value of agricultural produce) and the net realisable value.</p> <p>For harvested or unharvested green leaves, since there is no active market for own leaves, significant judgement is involved in considering key assumptions used in determining average prevalent selling prices of the tea leaf, average quality of the tea leaf and quantity of unplucked leaf. Accordingly, this matter has been identified as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>Understood, evaluated and tested the operating effectiveness of internal controls over valuation of biological assets and harvested tea leaf inventory.</li> <li>Assessed the significant assumptions used in the valuation model with reference to available market information, including the possible impact of COVID-19 pandemic on measurement of such estimates.</li> <li>Tested the data inputs used and compared them with underlying supporting documents.</li> <li>Assessed the related disclosures in the standalone Ind AS financial statements for compliance with disclosure requirements.</li> </ul>
<b>Impairment assessment of investment in and loans to a subsidiary</b> (as described in note 5a, 5d and 27 of the standalone Ind AS financial statements)	
<p>As at March 31, 2020, the carrying value of investment in Majhaulia Sugar Industries Pvt Ltd is ₹ 3,782.38 lakhs and loans given to them is ₹ 12,943.87 lakhs.</p> <p>Management has analysed indicators for impairment and has performed an impairment assessment for aforesaid investments / loans.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>Obtained an understanding, evaluated the design and tested the operating effectiveness of management's controls over the process of assessment of impairment indicators and determination of impairment loss, if any.</li> </ul>

## Independent Auditor's Report (Contd.)

Key audit matters	How our audit addressed the key audit matter
<p>Significant judgments are involved in the impairment assessment which includes management's assumptions regarding weighted average cost of capital, growth rates, market and economic conditions, forecasts of revenues, costs, cash flows, etc.</p> <p>This matter was identified as a key audit matter due to significant estimates and judgement involvement in impairment assessment by the management.</p>	<ul style="list-style-type: none"> <li>• Assessed the valuation models used by the management to determine recoverable amount and evaluated the key assumptions and estimates used by the management including revenue, cost and cash flow projections, growth rate and weighted average cost of capital, also considering the potential impact of COVID-19 pandemic on measurement of such estimates.</li> <li>• Tested the arithmetical accuracy and performed sensitivity analysis around changes in the inputs used.</li> <li>• Included valuation specialists in our team to perform an evaluation of the key assumptions and methodologies used by the management.</li> <li>• Assessed the related disclosures in the standalone Ind AS financial statements for compliance with disclosure requirements.</li> </ul>
<p><b>Going concern assessment</b> (as described in note 39 of the standalone Ind AS financial statements)</p>	
<p>The evaluation of the appropriateness of adoption of going concern assumption for preparation of these standalone Ind AS financial statements performed by the management of the Company is identified as a key audit matter because the Company has incurred losses during the year ended March 31, 2020 and as on that date, the current liabilities exceeded the current assets by ₹ 10,945.44lakhs.</p> <p>The Company has prepared a cash flow forecast for next twelve months, which involves judgement and estimation of key variables and market conditions including future economic conditions on account of prevailing global pandemic.</p> <p>The management is confident that the net cash inflows from operating activities in conjunction with proceeds from sale of assets as part of ongoing plan to monetize/ dispose certain tea estate(s) and/ or other assets in India or abroad, will provide sufficient liquidity to meet its financial obligation. Hence, these standalone Ind AS financial statements have been prepared adopting the going concern assumption.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the process followed by the management and tested the internal controls over the liquidity assessment, preparation of the cash flow forecast, and validation of the assumptions and inputs used in the model to estimate the future cash flows.</li> <li>• Tested the inputs and assumptions used by the management in the cash flow forecast against historical performance, economic and industry indicators, the Company's strategic plans and benchmarking of key market related conditions.</li> <li>• Performed sensitivity analysis on key assumptions like selling prices and growth rate to determine their impact on the projections of future cash flows including possible impact of prevailing global pandemic.</li> <li>• Read minutes of meetings of Board of Directors and filings made with stock exchanges during the year.</li> <li>• Performed inquiries with the management regarding transactions, as part of ongoing plan to monetize/ dispose certain tea estate(s) and/ or other assets in India or abroad, post balance sheet date.</li> <li>• Assessed the related disclosures in the standalone Ind AS financial statements.</li> </ul>

### Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Report of Directors including Annexures to the Report of Directors, Corporate Governance and Statement pursuant to Section 129 of the Companies Act, 2013 but does not include the standalone Ind AS financial statements and our auditor's report thereon.

## Independent Auditor's Report (Contd.)

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

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Management for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference

## Independent Auditor's Report (Contd.)

to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) The matters described in the Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;

## Independent Auditor's Report (Contd.)

- (f) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (h) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act.
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 30 to the standalone Ind AS financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Place : Kolkata  
Date : August 01, 2020

For **S.R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

per **Sanjay Kumar Agarwal**  
Partner  
Membership Number: 060352  
UDIN: 20060352AAAADC6663

## “Annexure 1” to the Independent Auditor’s Report

Referred to our report of even date to the members of Jay Shree Tea & Industries Limited as at and for the year ended March 31, 2020

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
  - (b) The Company has a program of verification of property, plant and equipment to cover all the items in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) According to information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties/right-of-use assets as shown in Note 4(d) of the financial statements are held in the name of the Company except for (a) 5 (five) tea garden land leases having a gross carrying value of property, plant and equipment thereon including Plantation and Buildings of ₹ 3,453.30 lakhs and ₹ 594.20 lakhs respectively (net carrying value of ₹ 3,101.33 lakhs and ₹ 410.04 lakhs respectively) is under renewal; (b) 2 (two) tea garden land and Plantation thereon having a gross carrying value of ₹ 44.12 lakhs and ₹ 62.61 lakhs respectively (net carrying value of ₹ 44.12 lakhs and ₹ 57.62 lakhs respectively) and 2 (two) of Buildings with gross carrying value of ₹ 16.48 lakhs (net carrying amount of ₹ 9.58 lakhs), for which registration in the name of the Company is pending.
- (ii) Inventory at certain locations were verified by the management during the year while at other locations, the physical verification was carried out by the management subsequent to the balance sheet date because of the National Lockdown imposed by Government of India during the last week of March 2020, owing to Covid-19 pandemic. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at March 31, 2020 and no material discrepancies were noticed in respect of such confirmations.
- (iii) (a) The Company has granted loans to three companies covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the Company’s interest.
  - (b) The Company has granted loans that are re-payable on demand, to the companies, as stated above, covered in the register maintained under section 189 of the Companies Act, 2013. We are informed that the loans are in the nature of current account balance and as such there has been no default on the part of the parties to whom the money has been lent. As represented to us, the payment of interest has been regular.
  - (c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 of the Companies Act, 2013 in respect of loans to directors including entities in which they are interested are not applicable to the Company and hence not commented upon. In our opinion and according to the information and explanations given to us, provision of section 186 of the Companies Act, 2013 in respect of loans and advances given, investments made and, guarantees and securities given have been complied with by the Company.

**“Annexure 1” to the Independent Auditor’s Report** (Contd.)

- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to manufacture of goods, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) Undisputed statutory dues including provident fund, employees’ state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees’ state insurance, income tax, service tax, sales tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues of income tax, sales tax, service tax, duty of excise and value added tax on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ In Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	124.84	2007-08, 2013-14, 2016-17	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income tax	45.30	2005-06 to 2008-09	Hon'ble High Court, Calcutta
Central Sales Tax Act, 1956	Central Sales Tax	3.09	2009-10	Hon'ble High Court, Calcutta
WB Value Added Tax Act, 2003/ Central Sales Tax Act, 1956	Sales Tax/ Central Sales Tax	75.90	2005-06, 2006-07, 2010-11, 2012-13 to 2014-15	West Bengal Appellate & Revisional Board
W.B. Value Added Tax Act, 2003/ The Central Sales Tax Act, 1956	Sales Tax/ Central Sales Tax	0.73	1999-00, 2001-02	DC Commercial Taxes and Assistant Commissioner of Sales Tax
WB Value Added Tax Act, 2003/ Central Sales Tax Act, 1956	Sales Tax/ Central Sales Tax	42.42	2015-16 to 2017-18	Appellate Authority
WB Value Added Tax Act, 2003/ Central Sales Tax Act, 1956	Sales Tax/ Central Sales Tax	78.71	2003-04, 2005-06, 2011-12	W.B. Taxation Tribunal
The Central Excise Act, 1944	Excise Duty	50.05	2004-05	CESTAT, Kolkata



## “Annexure 1” to the Independent Auditor’s Report (Contd.)

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to banks. Based on our audit procedures and as per the information and explanations given by the management, the Company did not have any outstanding dues to a financial institution or government or due to debentures holders.
- (ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of term loans for the purposes for which they were raised. Based on the information and explanations given by the management, the Company has not raised any money by way of initial public offer, further public offer and debt instruments.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone Ind AS financial statements and according to the information and explanations given by the management, we report that no material fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and, consequently reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & Co. LLP**  
Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Sanjay Kumar Agarwal**  
Partner

Membership Number: 060352  
UDIN: 20060352AAAADC6663

Place : Kolkata  
Date : August 01, 2020

## **“Annexure 2” to the Independent Auditor’s Report**

### **“Annexure 2” To The Independent Auditor’s Report Of Even Date On The Standalone Ind AS Financial Statements Of Jay Shree Tea & Industries Limited**

#### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of Jay Shree Tea & Industries Limited (“the Company”) as of March 31, 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

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

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting with reference to these standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements.

## “Annexure 2” to the Independent Auditor’s Report (Contd.)

### Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Ind AS Financial Statements

A company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone Ind AS financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Ind AS Financial Statements

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

### Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & Co. LLP**  
Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Sanjay Kumar Agarwal**  
Partner

Place : Kolkata  
Date : August 01, 2020

Membership Number: 060352  
UDIN: 20060352AAAADC6663

## Standalone Balance Sheet as at 31st March, 2020

	Notes	As at 31-Mar-2020	(₹ in Lakhs) As at 31-Mar-2019
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant And Equipment	4	20,976.03	22,586.49
Right-of-use assets	4	490.29	-
Capital Work-in-Progress	4	2,311.73	2,308.28
Investment Property	4	2.18	2.22
Financial Assets			
(a) Investments	5a	22,490.13	28,379.32
(b) Trade Receivables	5c	-	-
(c) Loans	5d	831.19	752.21
(d) Other Financial Assets	5e	14.07	13.55
Deferred Tax Assets (Net)	6	244.37	1,297.77
Income Tax Assets (Net)		658.21	559.17
Other Non-Current Assets	7	474.74	501.03
<b>Total Non-Current Assets</b>		<b>48,492.94</b>	<b>56,400.04</b>
<b>Current Assets</b>			
Inventories	8	8,301.45	11,677.26
Biological Assets other than Bearer Plants	8a	-	179.70
Financial Assets			
(a) Investments	5b	1,888.98	246.09
(b) Trade Receivables	5c	4,751.10	5,524.01
(c) Cash And Cash Equivalents	9a	446.95	392.75
(d) Other Bank Balances	9b	674.40	90.32
(e) Loans	5d	14,050.03	10,289.77
(f) Other Financial Assets	5e	2,854.78	2,888.62
Other Current Assets	7	1,250.92	1,731.54
Assets held for sale	37	1,591.88	-
<b>Total Current Assets</b>		<b>35,810.49</b>	<b>33,020.06</b>
<b>Total Assets</b>		<b>84,303.43</b>	<b>89,420.10</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	10	1,443.87	1,443.87
Other Equity	11	22,343.61	25,488.68
<b>Total Equity</b>		<b>23,787.48</b>	<b>26,932.55</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Financial Liabilities			
(a) Borrowings	12a	7,663.17	12,931.31
(b) Other Financial Liabilities	12b	652.61	123.98
Provisions	13	4,719.56	3,695.89
Income Tax Liabilities (Net)		351.80	158.22
Other Non-Current Liabilities	15	372.88	332.19
<b>Total Non-Current Liabilities</b>		<b>13,760.02</b>	<b>17,241.59</b>
<b>Current Liabilities</b>			
Financial Liabilities			
(a) Borrowings	12c	26,579.59	26,217.29
(b) Trade Payables			
Total Outstanding Dues of Micro Enterprises and Small Enterprises	14	-	-
Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	14	5,965.83	4,807.13
(c) Other Financial Liabilities	12b	6,260.52	8,805.64
Other Current Liabilities	15	3,205.81	805.69
Provisions	13	4,744.18	4,610.21
<b>Total Current Liabilities</b>		<b>46,755.93</b>	<b>45,245.96</b>
<b>Total Liabilities</b>		<b>60,515.95</b>	<b>62,487.55</b>
<b>Total Equity And Liabilities</b>		<b>84,303.43</b>	<b>89,420.10</b>

### Significant Accounting Policies

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The accompanying notes are an integral part of the standalone Ind AS financial statements

As per our report of even date

For **S.R.BATLIBOI & CO. LLP**

Chartered Accountants

For and on behalf of Board of Directors

Firm Registration No : 301003E/E300005

per **Sanjay Kumar Agarwal**  
Partner

Membership No: 060352

Place: Kolkata

Date: 1st August, 2020

**D. P. Maheshwari**  
(Managing Director)  
(DIN : 02203749)

**R. K. Ganeriwala**  
(President, CFO  
& Secretary)

**Jayashree Mohta**  
(Chairperson)  
(DIN : 01034912)

## Standalone Statement of Profit & Loss for the year ended 31st March, 2020

(₹ in Lakhs except otherwise stated)			
	Notes	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
<b>I. Income</b>			
Revenue from Operations	16	48,649.38	56,066.77
Other Income	17	8,016.93	2,848.71
<b>Total Income (I)</b>		<b>56,666.31</b>	<b>58,915.48</b>
<b>II. Expenses</b>			
Cost of Materials Consumed	18	6,319.09	10,540.77
Purchases of Traded Goods	19	4,760.01	5,878.95
Changes in Inventories of Finished Goods, Work-in-Progress and Traded Goods	20	2,540.74	(2,010.82)
Employee Benefits Expense	21	23,482.86	22,825.73
Finance Costs	22	4,223.87	3,960.77
Depreciation and Amortisation Expense	23	1,744.07	1,593.44
Other Expenses	24	15,104.39	15,618.17
<b>Total Expenses (II)</b>		<b>58,175.03</b>	<b>58,407.01</b>
<b>III. Profit/(Loss) before Tax (I-II)</b>		<b>(1,508.72)</b>	<b>508.47</b>
<b>IV. Tax Expense:</b>			
Current Tax		225.00	116.86
Deferred Tax Charge	6	1,123.78	241.92
Adjustment of Tax relating to Earlier Periods		(69.37)	(160.38)
		<b>1,279.41</b>	<b>198.40</b>
<b>V. Profit/(Loss) for the year (III-IV)</b>		<b>(2,788.13)</b>	<b>310.07</b>
<b>VI. Other Comprehensive Income/(Loss)</b>			
<b>Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax):</b>			
Re-measurement gains and (losses) on defined benefit obligations		(77.26)	(1,033.39)
Fair Value of Equity Instruments through OCI		(158.15)	208.76
<b>Other Comprehensive Income/(Loss) for the year, net of tax (VI)</b>		<b>(235.41)</b>	<b>(824.63)</b>
<b>VII. Total Comprehensive Income/(Loss) for the year, net of tax (V+VI)</b>		<b>(3,023.54)</b>	<b>(514.56)</b>
Earnings Per Equity Share of ₹ 5/- each			
Basic & Diluted (in ₹)	25	(9.65)	1.07

### Significant Accounting Policies

3

The accompanying notes are an integral part of the standalone Ind AS financial statements

As per our report of even date

For **S.R.BATLIBOI & CO. LLP**

Chartered Accountants

Firm Registration No : 301003E/E300005

per **Sanjay Kumar Agarwal**

Partner

Membership No: 060352

Place: Kolkata

Date: 1st August, 2020

For and on behalf of Board of Directors

**D. P. Maheshwari**  
(Managing Director)  
(DIN : 02203749)

**R. K. Ganeriwala**  
(President, CFO  
& Secretary)

**Jayashree Mohta**  
(Chairperson)  
(DIN : 01034912)

## Standalone Statement of Changes in Equity for the year ended 31st March, 2020

### a. Equity Share Capital

	No. of shares	₹ in Lakhs
Equity Shares of ₹ 5 each issued, subscribed and fully paid		
As at 1st April, 2018	2,88,77,488	1,443.87
At 31st March, 2019	2,88,77,488	1,443.87
<b>At 31st March, 2020</b>	<b>2,88,77,488</b>	<b>1,443.87</b>

### b. Other Equity

#### For the Year Ended 31st March, 2020

Particulars	Reserves & Surplus				Items of OCI	Total Equity
	Capital Reserve	Capital Redemption Reserve	General Reserve	Retained Earnings	Other Comprehensive Income	
As at 1st April, 2019	2,200.85	165.21	20,201.29	3,894.32	(972.99)	25,488.68
Profit/(Loss) for the year	-	-	-	(2,788.13)	-	(2,788.13)
Other comprehensive income/(loss) for the year	-	-	-	-	(235.41)	(235.41)
<b>Total Comprehensive Income/(Loss) for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,788.13)</b>	<b>(235.41)</b>	<b>(3,023.54)</b>
Dividend and distribution tax thereon (Refer Note 26)	-	-	-	(121.53)	-	(121.53)
<b>As at 31st March, 2020</b>	<b>2,200.85</b>	<b>165.21</b>	<b>20,201.29</b>	<b>984.66</b>	<b>(1,208.40)</b>	<b>22,343.61</b>

#### For the Year Ended 31st March, 2019

Particulars	Reserves & Surplus				Items of OCI	Total Equity
	Capital Reserve	Capital Redemption Reserve	General Reserve	Retained Earnings	Other Comprehensive Income	
As at 1st April, 2018	2,200.85	165.21	20,201.29	3,758.01	(148.36)	26,177.00
Profit/(Loss) for the year	-	-	-	310.07	-	310.07
Other comprehensive income/(loss) for the year	-	-	-	-	(824.63)	(824.63)
<b>Total Comprehensive Income/(Loss) for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>310.07</b>	<b>(824.63)</b>	<b>(514.56)</b>
Dividend and distribution tax thereon (Refer Note 26)	-	-	-	(173.76)	-	(173.76)
<b>As at 31st March, 2019</b>	<b>2,200.85</b>	<b>165.21</b>	<b>20,201.29</b>	<b>3,894.32</b>	<b>(972.99)</b>	<b>25,488.68</b>

### Significant Accounting Policies

3

The accompanying notes are an integral part of the standalone Ind AS financial statements

As per our report of even date

For **S.R.BATLIBOI & CO. LLP**

Chartered Accountants

Firm Registration No : 301003E/E300005

per **Sanjay Kumar Agarwal**

Partner

Membership No: 060352

Place: Kolkata

Date: 1st August, 2020

For and on behalf of Board of Directors

**D. P. Maheshwari**  
(Managing Director)  
(DIN : 02203749)

**R. K. Ganeriwala**  
(President, CFO  
& Secretary)

**Jayashree Mohta**  
(Chairperson)  
(DIN : 01034912)

## Standalone Statement of Cash Flows for the year ended 31st March, 2020

Particulars	(₹ in Lakhs)	
	Year Ended 31-Mar-20	Year Ended 31-Mar-19
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Profit/(Loss) before Tax	(1,508.72)	508.47
<b>Adjustment to reconcile profit before tax to net cash flows:</b>		
Depreciation and Amortisation Expense	1,744.07	1,593.44
Finance Costs	4,223.87	3,960.77
Other Balances written off	761.05	21.16
Expected credit loss for Trade Receivables	34.39	37.46
Dividend received from Investments	(31.98)	(74.82)
Profit on sale of Investments	(6,752.55)	(361.19)
Fair Value Loss on Investments	484.69	196.39
Fair Value Loss/(Gain) on Biological Assets	179.70	(90.93)
Profit on sale of Property, Plant & Equipment	(1.10)	(580.17)
Excess Liabilities and Unclaimed Balances written back	(56.10)	(111.79)
Guarantee Commission	(11.51)	-
Interest Income	(1,273.48)	(1,397.86)
<b>Operating Profit before Working Capital changes</b>	<b>(2,207.67)</b>	<b>3,700.93</b>
<b>Adjustments for-</b>		
(Increase)/Decrease in Inventories	3,375.81	(2,704.55)
Decrease in Trade Receivables	736.28	954.54
(Increase)/Decrease in Loans, Deposits and Other Assets	204.65	(217.29)
Increase in Trade Payables	1,158.70	1,284.93
Increase/(Decrease) in Other Liabilities	(187.97)	825.63
Increase in Provisions	1,050.99	494.65
<b>Cash generated from Operations</b>	<b>4,130.79</b>	<b>4,338.84</b>
Income Tax (Paid)/Refund [Net]	(61.09)	90.27
<b>Net Cash Inflow from Operating Activities</b>	<b>4,069.70</b>	<b>4,429.11</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Dividend received from Investments	32.23	74.82
Interest Received	1,110.27	1,431.76
Sale of Property, Plant & Equipment	33.33	820.44
Purchase of Property, Plant & Equipment	(1,676.62)	(3,216.04)
Advance received against sale of Land	2,500.00	-
(Purchase)/Sale of Non-Current Investments [Net]	9,889.65	1,014.83
(Investment)/Maturity in Bank Deposits [Net]	(597.75)	889.14
Investment in Subsidiaries	-	(491.93)
Loans and Advances to Subsidiaries	(3,637.18)	(4,678.53)
<b>Net Cash Inflow/(Outflow) from Investing Activities</b>	<b>7,653.93</b>	<b>(4,155.51)</b>



**Standalone Statement of Cash Flows** for the year ended 31st March, 2020 (Contd.)

Particulars	(₹ in Lakhs)	
	Year Ended 31-Mar-20	Year Ended 31-Mar-19
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from Non-Current Borrowings	-	4,600.00
Proceeds from Current Borrowings	5,943.47	16,938.81
Repayment of Current Borrowings	(12,019.95)	(11,036.65)
Proceeds/(Repayment) of loans from Promoter's Group [Net]	4,000.00	-
Repayment of Non-Current Borrowings	(5,326.56)	(6,944.50)
Payment of lease liabilities	(161.53)	-
Dividend Paid (including Dividend Distribution Tax)	(121.53)	(173.76)
Interest Paid	(3,983.33)	(3,971.36)
<b>Net Cash (Outflow) from Financing Activities</b>	<b>(11,669.43)</b>	<b>(587.46)</b>
Net (Decrease)/Increase in Cash and Cash Equivalents (A+B+C)	54.20	(313.86)
Cash and Cash Equivalents at the beginning of the Year (Refer Note 9a)	392.75	706.61
Cash and Cash Equivalents at the end of the Year (Refer Note 9a)	446.95	392.75

**Significant Accounting Policies**

3

The accompanying notes are an integral part of the standalone Ind AS financial statements

As per our report of even date

For **S.R.BATLIBOI & CO. LLP**

Chartered Accountants

For and on behalf of Board of Directors

**Firm Registration No : 301003E/E300005**

per **Sanjay Kumar Agarwal**

Partner

Membership No: 060352

Place: Kolkata

Date: 1st August, 2020

**D. P. Maheshwari**  
(Managing Director)  
(DIN : 02203749)

**R. K. Ganeriwala**  
(President, CFO  
& Secretary)

**Jayashree Mohta**  
(Chairperson)  
(DIN : 01034912)

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

### 1. Corporate Information

Jay Shree Tea & Industries Limited ('the Company') is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act. Its shares are listed on three stock exchanges in India.

The Company is engaged in manufacture of tea and chemical & fertilisers.

The registered office of the Company is located at 10, Camac Street, Kolkata - 700 017, West Bengal, India.

The standalone Ind AS financial statements were approved and authorised for issue in accordance with the resolution of the Company's Board of Directors on 1<sup>st</sup> August 2020.

### 2. Basis of Preparation

The standalone financial statements of the Company for the year ended 31 March, 2020 have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements.

The preparation of financial statements require judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities including contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between actual results and estimates are recognized in the period prospectively in which the results are known/ materialized.

These Ind AS financial statements have been prepared on a historical cost basis, except for

- Certain financial assets and liabilities (including derivative financial instruments) measured at fair value / amortized cost
- Defined benefit plans – plan assets measured at fair value
- Certain biological assets (including unplucked green leaves) which are measured at fair value less cost to sell. (refer accounting policy regarding financial instruments).

The Ind AS financial statements are presented in INR and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated.

### 3. Significant Accounting Policies

#### 3.1. Current and Non-Current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or

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

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The group has identified twelve months as its operating cycle.

**3.2. Foreign Currencies****Functional and presentation currency**

The Ind AS financial statements are presented in INR, which is the Company's functional currency. Foreign currency transactions are initially recorded at functional currency spot rates at the date the transaction first qualifies for recognition.

**Transaction and balances**

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on the settlement or translation of monetary items are recognized in the Statement of Profit and Loss in the period in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

**3.3. Property, Plant and Equipment**

Property, plant and equipment are carried at cost of acquisition, less accumulated depreciation and accumulated impairment, if any. Cost comprises purchase price and directly attributable cost of bringing the asset to its working condition for the intended use. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Material items such as spare parts, stand-by equipment and service equipment are classified as PPE when they meet the definition of PPE as specified in Ind AS 16 – Property, Plant and Equipment.

Bearer Plants which is used in the production or supply of agriculture produce and expected to bear produce for more than a period of twelve months are capitalized as a part of Property, Plant & Equipment. The cost of Bearer Plant includes all cost incurred till the plants are ready for commercial harvest. Bearer Plants are depreciated from the date when they are ready for commercial harvest.

An item of Property, Plant and Equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of the asset 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 derecognized.

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

Depreciation on Property, Plant and Equipment other than land is provided on the Straight Line Method to allocate their cost, net of their residual values on the basis of useful lives prescribed in the Schedule II of the Companies Act, 2013. In respect of the following assets, useful lives different from Schedule II have been considered on the basis of technical evaluation, as under:-

- In case of asset "Plucking/Pruning/Power Spraying Machines", depreciation is provided on Straight Line Method at the rates determined considering the useful lives of 5 years which is based on internal assessment and the management believes that the useful lives as considered above best represent the period over which the respective assets shall be expected in use.
- Depreciation on Bearer Plants has been provided on Straight Line Basis at the rates determined considering useful lives of tea bushes of 45-70 years. The Residual Value in case of Bearer Plants has been considered as 1% of Original Cost.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

### 3.4. Capital Work in Progress

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

### 3.5. Investment Properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes.

### 3.6. Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The Company has adopted Ind AS 116 using the modified retrospective method of adoption under the transitional provisions of the Standards, with the date of initial application on 1st April 2019. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets). Adoption of Ind- AS 116 doesn't have any material impact on the financial statements of the Company.

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

#### Company as a lessee

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

#### Right of use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

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

Right-of-use assets are depreciated on a straight-line basis over the lease term or estimated useful life of asset, whichever is less.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

**Lease liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

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

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

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**3.7. Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they incur. Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds. Other borrowing costs are recognized as an expense in the period in which they are incurred.

**3.8. Inventories**

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials in the form of harvested tea leaves, produced from own gardens are measured at fair value for the purpose of valuation of made tea.

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

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

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

### 3.9. Biological Assets

Biological Assets of tea leaves growing on tea bushes are measured at fair value less cost to sell with changes in fair value recognised in Statement of Profit and Loss. The fair value of these assets excludes the land upon which the crops are planted, or the items of Property, plant and equipment utilised in the upkeep of the planted areas.

### 3.10. Cash and Cash Equivalents

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

### 3.11. Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment, if any.

### 3.12. Equity Investments in subsidiaries and joint venture

Investments representing equity interest in subsidiaries and joint venture are carried at cost.

### 3.13. Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units' (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit and Loss.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

### 3.14. Government Grants

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is deducted while calculating carrying amount of the asset. The

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

grant is recognised in the Profit and loss statement over the life of the depreciable asset as a reduced depreciation expense.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to the Statement of Profit and Loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities in respect of loans / assistances received subsequent to the date of transition.

The Company has adopted the method of presenting the grant by setting up deferred income separately.

**3.15. Revenue from contracts with customer**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Revenue is measured at the fair value of the consideration received or receivable, net of returns, discounts, volume rebates, outgoing sales taxes including goods and service tax. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company regardless of when the payment is being made.

The specific recognition criteria described below must also be met before revenue is recognised.

**Sale of Goods**

Revenue from sale of goods is recognized when the Company transfers the control of goods to the customer as per the terms of contract. The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price, the Company considers the effects of variable consideration, the existence of significant financing component, non-cash considerations and consideration payable to the customer (if any).

**Sale of services**

Revenue from services rendered is recognised as the services are rendered and is booked based on agreements/ arrangements with the concerned parties.

**Contract balances:****Trade receivables**

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

**Export incentives**

Exports entitlements are recognised when the right to receive credit as per the terms of the schemes is established in respect of the exports made by the Company and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

**Rental Income**

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the Statement of Profit or Loss. The Company has determined that it does not meet criteria for recognition of lease rental income on a basis other than straight-line basis.

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

### Interest Income

Interest Income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income from debt instruments is recognised using the effective interest rate method.

### Dividends

Dividend income is recognised in the statement of profit and loss only when the right to receive payment is established, which is generally when shareholders approve the dividend

### 3.16. Retirement and other Employee Benefits

#### Short term Employees Benefits:

The undiscounted amount of short term employee benefit expected to be paid in exchange for the services rendered by employee is recognized during the period when the employee renders the service. This benefit includes salary, wages, short term compensatory absences and bonus.

#### Long Term Employee Benefits:

Defined Contribution Scheme: This benefit includes contribution to Superannuation Scheme, ESIC (Employees' State Insurance Corporation) and Provident Fund Schemes. The contribution is recognized during the period in which the employee renders service.

Defined Benefit Scheme: For defined benefit scheme the cost of providing benefit is determined using the projected unit credit method with actuarial valuation being carried out at each balance sheet date. The retirement benefit obligation recognized in the Balance Sheet represents value of defined benefit obligation as reduced by the fair value of planned assets. Actuarial gains and losses are recognized in full in Other Comprehensive Income during the period in which they occur.

In case of certain employees, the employer-established provident fund trusts are treated as Defined Benefit Plans since the Company is obligated to meet the interest shortfall, if any, with respect to covered employees.

Other Long-Term Benefits: Long term compensated absence is provided for based on an actuarial valuation, using the Projected Unit Credit Method as at the date of Balance Sheet.

### 3.17. Taxation

Tax Expense comprises of Current and Deferred Tax. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is provided using the balance sheet method on deductible temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.



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

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current and Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current and Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Minimum alternate tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned 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 recognizes MAT credit as an asset, it is created by way of credit to the Statement of Profit and Loss and shown as part of deferred tax asset. The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

**3.18. Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments and has been identified as the Managing Director of the Company.

As per Ind AS 108 if a financial report contains both the consolidated financial statements of a parent that is within the scope of this Indian Accounting Standard as well as the parent's separate financial statements, segment information is required only in the consolidated financial statements. Accordingly, the Company has presented segment only for consolidated financial statements.

**Identification of segments**

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which the customers of the Company are located.

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

### Allocation of common costs

Common allocable costs are allocated to each segment on a case to case basis applying the ratio, appropriate to each relevant case. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segment on a reasonable basis, are included under the head "Unallocated".

### Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

### Segment accounting policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

### 3.19. Earnings per Share

Basic Earnings per Share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the 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 is adjusted for the effects of all dilutive potential equity shares.

### 3.20. Provisions and Contingencies

A provision is recognized when an enterprise has a present obligation (legal or constructive) 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 measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the liability. The expense relating to a provision is presented in the statement of profit and loss.

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 recognized because it is not probable that an outflow of resources will be required to settle the obligation. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent Assets are not recognized though are disclosed, where an inflow of economic benefits is probable.

### 3.21. Financial Instruments

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

#### Financial Assets

#### Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value

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

through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

**Subsequent measurement****Debt instruments at amortised cost**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The EIR amortisation is included in finance income in the Statement of Profit and Loss.

**Equity investments**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at Fair Value Through Profit and Loss (FVTPL). For all other equity instruments, the Company makes an irrevocable election to present in Other Comprehensive Income (OCI) subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

**Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

**Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18 (referred to as 'contractual revenue receivables' in these financial statements)

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables or contract revenue receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

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

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original Effective Interest Rate (EIR). Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' (or 'other income') in the Statement of Profit and Loss.

### Financial liabilities

#### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

#### Subsequent measurement

##### Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

##### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

### 3.22. Fair Value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

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

- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**3.23. Standard issued but not yet effective**

There are no standards issued but not yet effective up to the date of issuance of the Company' standalone financial statements.

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

## Note 4(a) Property, Plant and Equipment

Particulars	Gross Block					Depreciation / Amortisation					Net Block		
	As at 01-Apr-19	Additions	Reclassification on account of adoption of Ind AS 116 [Refer Note 4(b)]	Deletions	Disposals attributable to asset classified as held for sale [Refer Note 37]	As at 31-Mar-20	As at 01-Apr-19	For the Year	Reclassification on account of adoption of Ind AS 116 [Refer Note 4(b)]	On Deletions	As at 31-Mar-20	As at 31-Mar-19	
	A	B	C	D	E	F=A+B+C-D-E	G	H	I	J	K=G+H-I-J	L= F-K	M= A-G
Freehold Land	2,778.82	-	-	-	1,591.88	1,186.94	-	-	-	-	-	1,186.94	2,778.82
Plantation	5,702.00	521.72	-	-	-	6,223.72	398.95	141.13	-	-	540.08	5,683.64	5,303.05
Leasehold Land	122.54	-	122.54	-	-	-	67.78	-	67.78	-	-	-	54.76
Buildings	9,865.80	265.35	-	26.71	-	10,104.44	3,537.37	282.05	-	25.38	3,794.04	6,310.40	6,328.43
Plant and Equipment	16,398.78	757.32	-	218.98	-	16,937.12	9,529.40	917.84	-	201.18	10,246.06	6,691.06	6,869.38
Vehicles	2,470.03	56.07	-	80.64	-	2,445.46	1,739.18	157.07	-	71.29	1,824.96	620.50	730.85
Furniture and Fixtures	735.14	25.57	-	8.02	-	752.69	333.13	46.69	-	6.35	373.47	379.22	402.01
Office Equipment	323.91	31.71	-	8.11	-	347.51	204.72	44.56	-	6.04	243.24	104.27	119.19
<b>Total</b>	<b>38,997.02</b>	<b>1,657.74</b>	<b>122.54</b>	<b>342.46</b>	<b>1,591.88</b>	<b>37,997.88</b>	<b>15,810.53</b>	<b>1,589.34</b>	<b>67.78</b>	<b>310.24</b>	<b>17,021.85</b>	<b>20,976.03</b>	<b>22,586.49</b>

Refer Notes 12a and 12c for details of assets pledged as security.

## Note 4(b) Right-of-use assets

## Leasehold Land

Particulars	As at 31-Mar-20 #
<b>Gross Carrying Amount</b>	-
Opening Balance	-
Reclassification on account of adoption of Ind AS 116 [Refer Note 4(a) above]	122.54
Additions (Refer Note 29)	590.22
<b>Closing Balance</b>	<b>712.76</b>
<b>Accumulated Depreciation</b>	-
Opening Balance	-
Reclassification on account of adoption of Ind AS 116 [Refer Note 4(a) above]	67.78
For the Year (Refer Note 23)	154.69
<b>Closing Balance</b>	<b>222.47</b>
<b>Net Carrying Amount</b>	<b>490.29</b>

Refer Note 29 for related disclosures

\*Corresponding figures for the previous year were ₹ Nil.

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

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**Note 4(c) Capital Work-in-Progress**

Particulars	Gross Block at Cost				(₹ in Lakhs)
	As at 01-Apr-19	Additions	Capitalisation	As at 31-Mar-20	
	A	B	C	D= A+B+C	
Bearer Plants	2,210.88	547.96	530.76	2,228.08	
Buildings	32.12	0.57	28.42	4.27	
Plant and Equipment	65.28	43.20	29.10	76.38	
<b>Total</b>	<b>2,308.28</b>	<b>591.73</b>	<b>588.28</b>	<b>2,311.73</b>	

**Note 4(d)**

The title deeds of immovable properties are held in the name of the Company except for:

- (a) 5 (five) tea garden land leases having a gross carrying value of property, plant and equipment thereon including Plantation and Buildings of ₹ 3,453.30 and ₹ 594.20 (P.Y. ₹ 3,453.30 and ₹ 594.20) respectively [net carrying value of ₹ 3,101.33 and ₹ 410.04 (P.Y. ₹ 3,207.89 and ₹ 426.58) respectively] is under renewal;
- (b) 2 (two) tea garden land and Plantation thereon having a gross carrying value of ₹ 44.12 and ₹ 62.61 (P.Y. ₹ 44.69 and ₹ 62.61) [net carrying value of ₹ 44.12 and ₹ 57.62 (P.Y. ₹ 44.12 and ₹ 58.84) respectively] and 2 (two) of Buildings with gross carrying value of ₹ 16.48 (P.Y. ₹ 16.48) [net carrying amount of ₹ 9.58 (P.Y. ₹ 9.79)], titles for which registration in the name of the Company is pending.

**Note 4(e) Property, Plant and Equipment**

Particulars	Gross Block			Depreciation / Amortisation			Net Block			
	As at 01-Apr-18	Additions	Deletions	As at 31-Mar-19	As at 01-Apr-18	For the Year	On Deletions (accumulated upto the date of sale)	As at 31-Mar-19	As at 31-Mar-18	
	A	B	C	D= A+B+C	E	F	G	H= E+F-G	I= D-H	J= A-E
Freehold Land	2,792.97	5.35	19.50	2,778.82	-	-	-	2,778.82	2,792.97	
Plantation	5,477.35	224.65	-	5,702.00	262.31	136.64	-	398.95	5,215.04	
Leasehold Land	122.54	-	-	122.54	59.67	8.11	-	67.78	54.76	62.87
Buildings	9,582.16	453.64	170.00	9,865.80	3,318.23	297.69	78.55	3,537.37	6,328.43	6,263.93
Plant and Equipment	15,523.52	1,480.96	605.70	16,398.78	9,062.97	894.02	427.59	9,529.40	6,869.38	6,460.55
Vehicles	2,440.77	172.34	143.08	2,470.03	1,690.59	173.80	125.21	1,739.18	730.85	750.18
Furniture and fixtures	577.82	271.48	114.16	735.14	368.67	44.32	79.86	333.13	402.01	209.15
Office Equipment	245.93	100.74	22.76	323.91	180.97	38.82	15.07	204.72	119.19	64.96
<b>Total</b>	<b>36,763.06</b>	<b>2,709.16</b>	<b>1,075.20</b>	<b>38,397.02</b>	<b>14,943.41</b>	<b>1,593.40</b>	<b>726.28</b>	<b>15,810.53</b>	<b>22,586.49</b>	<b>21,819.65</b>

Refer Notes 12a and 12c for details of assets pledged as security

**Notes to the Standalone Financial Statements** as at and for the year ended 31st March, 2020 (Contd.)**Note 4(f) Capital Work-in-Progress**

(₹ in Lakhs)				
Particulars	<b>Gross Block at Cost</b>			
	As at 01-Apr-18	Additions	Capitalisation	As at 31-Mar-19
	A	B	C	D = A+B-C
Bearer Plants	1,533.84	901.69	224.65	2,210.88
Buildings	27.93	32.12	27.93	32.12
Plant and Equipment	263.74	55.05	253.51	65.28
<b>Total</b>	<b>1,825.51</b>	<b>988.86</b>	<b>506.09</b>	<b>2,308.28</b>

**Note 4(g) Investment Property**

(₹ in Lakhs)		
Particulars	As at 31-Mar-20	As at 31-Mar-19
<b>Gross Carrying Amount</b>		
Opening Gross carrying amount	2.32	2.32
Additions	-	-
<b>Closing Gross Carrying Amount</b>	<b>2.32</b>	<b>2.32</b>
<b>Accumulated Depreciation</b>		
Opening Accumulated Depreciation	0.10	0.06
Depreciation Charge	0.04	0.04
<b>Closing Accumulated Depreciation</b>	<b>0.14</b>	<b>0.10</b>
<b>Net Carrying Amount</b>	<b>2.18</b>	<b>2.22</b>

**Fair Value**

(₹ in Lakhs)		
Particulars	As at 31-Mar-20	As at 31-Mar-19
Investment Property	975.00	975.00

**Note 5(a) Financial Assets - Investments**

Particulars	Number of Shares/Units/Bonds				Non- Current	
	Nominal Value per unit	Currency (₹ Unless otherwise stated)	As at	As at	As at	As at
			31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
<b>Investments (Fully Paid)</b>						
<b>Investment in Equity Shares - "At Cost"</b>						
<b>In Subsidiary Companies</b>						
<b>Unquoted</b>						
North Tukvar Tea Company Ltd.	10	₹	21,75,450	21,75,450	356.20	356.20
Birla Holdings Ltd. (Refer Note 38)	1	AED	10,935	10,935	493.18	493.18
Majhulia Sugar Industries Pvt Ltd.	10	₹	31,35,000	31,35,000	3,782.38	3,782.38
Jayantika Investment & Finance Ltd.	10	₹	29,95,000	29,95,000	6,325.24	6,325.24
<b>In Joint Venture</b>						
<b>Unquoted</b>						
Tea Group Investment Company Ltd. (Refer Note 36)	1	AED	-	3,72,300	-	51.95



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

Particulars	Number of Shares/Units/Bonds				(₹ in Lakhs)	
	Nominal Value per unit	Currency (₹ Unless otherwise stated)	As at	As at	Non- Current	
			31-Mar-20	31-Mar-19	As at 31-Mar-20	As at 31-Mar-19
<b>In Others</b>						
<b>Unquoted</b>						
The Coimbatore & Nilgiris Dist. Small Scale Service Ind. Co-Op. Society Ltd.	100	₹	10	10	0.01	0.01
The Tamil Nadu Tea Manufacturers' Service Industrial Co-Op. Society Ltd.	5,000	₹	1	1	0.05	0.05
<b>Investment in Preference Shares of Subsidiary Companies</b>						
<b>Equity Portion as per Ind AS (Derived Cost)</b>						
Jayantika Investment & Finance Ltd. - 5% Cumulative Preference Shares redeemable at par, February 21, 2022	100	₹	30,000	30,000	671.16	672.66
<b>Investment in Debentures of Subsidiary Companies-</b>						
<b>"Equity Contribution"(Derived Cost)</b>						
North Tukvar Tea Company Ltd. - 1% Redeemable Non Convertible Debentures	100	₹	1,50,000	1,50,000	40.85	40.85
<b>Investment in Government or Trust securities at Cost</b>						
<b>Unquoted</b>						
National Savings Certificates	1,000	₹	3	3	0.03	0.03
					<b>11,669.10</b>	<b>11,722.55</b>
<b>Investment in Subsidiary Companies - "Debt Portion as per Ind AS"(Fair Value)</b>						
Jayantika Investment & Finance Ltd. - 5% Cumulative Preference Shares redeemable at par, February 21, 2022	100	₹	30,000	30,000	1,529.00	1,403.06
					<b>1,529.00</b>	<b>1,403.06</b>
<b>Investment in Equity Shares at Fair Value Through Other Comprehensive Income</b>						
<b>Unquoted</b>						
Essel Mining & Industries Ltd.	10	₹	25	20	24.95	16.55
JPM Merchandise Agencies Limited	10	₹	2,05,680	2,05,680	240.48	442.56
Kesoram Insurance Broking Services Ltd.	10	₹	25,000	25,000	17.67	16.10
Birla International Ltd.	100	CHF	2,500	2,500	402.15	402.15
Vasavadatta Services Ltd.	10	₹	4,600	4,600	14.95	16.25
<b>Quoted</b>						
McLeod Russel India Ltd.	5	₹	75	75	^	0.06
<i>^Amounts are below the rounding off norm adopted by the Company.</i>					<b>700.20</b>	<b>893.67</b>

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

Particulars	Number of Shares/Units/Bonds				(₹ in Lakhs)	
	Nominal Value per unit	Currency (₹ Unless otherwise stated)	As at 31-Mar-20	As at 31-Mar-19	Non- Current	
					As at 31-Mar-20	As at 31-Mar-19
<b>Investments in Debentures "At Amortised Cost"</b>						
<b>Unquoted</b>						
16.00% NCDs of Wondrous Buildmart Private Limited SR-I	1,00,000	₹	-	200	-	200.00
North Tukvar Tea Company Ltd.- 1% Redeemable Non Convertible Debentures	100	₹	1,50,000	1,50,000	115.61	107.07
					<b>115.61</b>	<b>307.07</b>
<b>Investments in Mutual Fund "At Fair Value Through Profit and Loss"</b>						
<b>Unquoted</b>						
Edelweiss Balanced Advantage Fund - Direct Plan-Quarterly Dividend Option**	10	₹	-	34,10,953	-	518.46
Aditya Birla Sunlife Short Term Opportunities Fund-Growth-Regular Plan**	10	₹	-	8,86,112	-	273.93
Nippon India Credit Risk Fund - Growth Plan Growth Option (Formerly Reliance Credit Risk Fund - Growth Plan Growth Option)**	10	₹	-	21,43,669	-	552.60
UTI Credit Risk Fund - Regular Growth Plan **	10	₹	-	17,99,539	-	301.00
UTI Credit Risk Fund - Regular Growth Plan (Segregated Portfolio)	10	₹	17,99,539	-	3.29	-
ICICI Prudential Medium Term Bond Fund**	10	₹	10,46,439	10,46,439	327.72	297.70
Nippon India Short Term Fund-Growth Plan - Growth Option (Formerly Reliance Short Term Fund-Growth Plan - Growth Option)**	10	₹	10,26,125	10,26,125	387.62	356.41
Aditya Birla Sun Life Medium Term Plan-Growth- Regular Plan **	10	₹	-	15,53,197	-	353.96
Aditya Birla Sun Life Medium Term Plan-Growth- Regular Plan (Segregated Portfolio - I)	10	₹	15,53,197	-	21.59	-
DSP Credit Risk Fund-Regular Plan-Growth*	10	₹	-	23,09,399	-	648.16
SBI Credit Risk Fund Regular Growth**	10	₹	-	8,10,140	-	241.97
ICICI Prudential Short Term Fund-Growth Option **	10	₹	6,22,281	6,22,281	262.41	240.42
ICICI Prudential Bond Fund-Growth**	10	₹	-	9,21,370	-	237.30
BOI AXA Credit Risk Fund - Regular Plan**	10	₹	48,03,964	48,03,964	364.18	635.90
BOI AXA Credit Risk Fund - Regular Plan*	10	₹	25,62,555	25,62,555	194.26	339.20
Kotak Credit Risk Fund - Growth - Regular Plan**	10	₹	13,84,850	13,84,850	303.98	281.71
Kotak Medium Term Fund-Growth-Regular Plan**	10	₹	18,35,576	18,35,576	299.06	280.55
IDFC Banking & PSU Debt Fund-Regular Plan-Growth **	10	₹	17,28,101	-	306.62	-

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

Particulars	Number of Shares/Units/Bonds				(₹ in Lakhs)	
	Nominal Value per unit	Currency (₹ Unless otherwise stated)	As at	As at	Non- Current	
			31-Mar-20	31-Mar-19	As at 31-Mar-20	As at 31-Mar-19
Nippon India Strategic Debt Fund - Growth Plan (Formerly Reliance Strategic Debt Fund - Growth Plan) **	10	₹	-	36,21,142	-	532.67
<b>Total</b>					<b>2,470.73</b>	<b>6,091.94</b>
Investments in Portfolio Management Services/ Alternative Investment Fund "At Fair Value Through Profit and Loss"						
Peninsula Brookfield India Real estate Fund		₹			84.49	109.38
IDFC Real Estate Yield Fund		₹			73.07	73.07
Nippon India Capital Asset Management Company Ltd. (Yield Maximiser Fund) [Formerly Reliance Capital Asset Management Company Ltd. (Yield Maximiser Fund)]		₹			-	18.99
Nippon India Yield Maximiser AIF Scheme II (Formerly Reliance Yield Maximiser AIF Scheme II)		₹			67.36	141.40
India Realty Excellence Fund III		₹			-	278.65
Indiabulls High Yield Fund		₹			219.82	209.11
IIFL Real Estate Fund (Domestic) - Series 4		₹			206.63	217.59
Nippon India Yield Maximiser AIF Scheme III (Formerly Reliance Yield Maximiser AIF Scheme III)		₹			214.19	301.71
ASK Real Estate Special Situations Fund - I		₹			154.06	145.89
Edelweiss Real Estate Opportunities Fund		₹			118.69	123.19
KKR India Debt Opportunities Fund II**		₹			276.54	299.53
BPEA Credit - India Fund II**		₹			883.71	620.55
Aventus Structured Credit Fund I**		₹			474.10	241.98
UTI Structure Debt Opportunities Fund I**		₹			160.63	102.85
Alteria Capital India Fund I**		₹			563.41	219.61
Aventus Absolute Return Fund-Class A3 15**		₹			-	556.28
Edelweiss Alpha Fund**		₹			-	531.74
Aventus Enhanced Return Fund**		₹			391.52	501.95
India Business Excellence Trust		₹			419.75	569.69
India Business Excellence Fund III		₹			195.10	214.28
<b>Total</b>					<b>4,503.07</b>	<b>5,477.44</b>

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

Particulars	Number of Shares/Units/Bonds				(₹ in Lakhs)	
	Nominal Value per unit	Currency (₹ Unless otherwise stated)	As at	As at	Non- Current	
			31-Mar-20	31-Mar-19	As at 31-Mar-20	As at 31-Mar-19
<b>Investments in Bonds "At Fair Value Through Profit and Loss"</b>						
<b>Quoted</b>						
9% Bonds of Mahindra and Mahindra Financial Services Ltd*	1,000	₹	50,000	50,000	516.14	484.39
9.50% Unsecured bonds of Union Bank of India SR-XX 9.5 BD Perpetual FVRS 10 Lac*	10,00,000	₹	50	50	487.96	469.96
9.25% Dewan Housing Finance Corporation Limited Series III Category III & IV*	1,000	₹	–	50,000	–	453.87
8.60% Exim Perpetual Bonds SR-I BD*	10,00,000	₹	50	50	498.32	490.92
Zero Coupon NCD of Ecap Equities Limited **	1,00,000	₹	–	500	–	584.45
<b>Total</b>					<b>1,502.42</b>	<b>2,483.59</b>
<b>Total Non Current Investments</b>					<b>22,490.13</b>	<b>28,379.32</b>
<b>Aggregate amount of Quoted Investments</b>					<b>1,502.42</b>	<b>2,483.65</b>
<b>Aggregate amount of Unquoted Investments</b>					<b>20,987.71</b>	<b>25,895.67</b>

\*Pledged as security to secure certain short term rupee loan from a bank.

\*\*Pledged as security to secure certain long term rupee loans from banks.

**Notes to the Standalone Financial Statements** as at and for the year ended 31st March, 2020 (Contd.)**Note 5(b) Financial Assets - Investments**

Particulars	Number of Shares/Units/Bonds				Current	
	Nominal Value per unit	Currency (₹ Unless otherwise stated)	As at	As at	As at	As at
			31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
(₹ in Lakhs)						
<b>Investments (Fully Paid)</b>						
<b>Investments in Mutual Fund "At Fair Value Through Profit and Loss"</b>						
<b>Unquoted</b>						
Kotak FMP Series 183 -1204 days Growth(Regular Plan)*	10	₹	–	20,00,000	–	246.09
Edelweiss Balanced Advantage Fund - Direct Plan-Quarterly Dividend Option**	10	₹	34,10,953	–	475.83	–
Nippon India Banking & PSU Debt Fund - Growth Plan**	10	₹	13,93,845	–	207.35	–
					683.18	246.09
<b>Investments in Portfolio Management Services/ Alternative Investment Fund "At Fair Value Through Profit and Loss"</b>						
Aventus Absolute Return Fund-Class A3 15**		₹			579.21	–
					579.21	–
<b>Investments in Bonds "At Fair Value Through Profit and Loss"</b>						
<b>Quoted</b>						
Zero Coupon NCD of Ecap Equities Limited**	100000	₹	500	–	626.59	–
					626.59	–
<b>Total Current Investments</b>					<b>1,888.98</b>	<b>246.09</b>
<b>Aggregate amount of Quoted Investments</b>					<b>626.59</b>	<b>–</b>
<b>Aggregate amount of Unquoted Investments</b>					<b>1,262.39</b>	<b>246.09</b>

\*Pledged as security to secure certain short term rupee loan from a bank.

\*\*Pledged as security to secure certain long term rupee loans from banks.

**Notes to the Standalone Financial Statements** as at and for the year ended 31st March, 2020 (Contd.)**Note 5(c) Trade Receivables**

(Unsecured)

Particulars	(₹ in Lakhs)			
	Non-Current		Current	
	As at 31-Mar-20	As at 31-Mar-19	As at 31-Mar-20	As at 31-Mar-19
Considered Good	-	-	4,751.10	5,524.01
Credit Impaired	82.42	82.42	-	-
	82.42	82.42	4,751.10	5,524.01
Less: Impairment Allowance	(82.42)	(82.42)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>4,751.10</b>	<b>5,524.01</b>

**Terms and conditions of the above Trade Receivables:**

- a) Trade Receivables are non-interest bearing and are generally on terms of 0 - 60 days for domestic customers and upto 180 days for export customers.

- b) Refer Note 34 for information about credit risk and market risk on Trade Receivables

Set out below is the movement in the allowance for expected credit losses of trade receivables:

Particulars	(₹ in Lakhs)			
	Non-Current		Current	
	As at 31-Mar-20	As at 31-Mar-19	As at 31-Mar-20	As at 31-Mar-19
As at the beginning of the year	82.42	147.89	-	-
Expected Credit Losses written off (Refer Note 24)	(34.39)	(102.93)	-	-
Expected Credit Losses written back (Refer note 24)	(1.19)	-	-	-
Provision for expected credit losses (Refer Note 24)	35.58	37.46	-	-
<b>As at the end of the year</b>	<b>82.42</b>	<b>82.42</b>	<b>-</b>	<b>-</b>

Refer Notes 12a and 12c for details of assets pledged as security

**Note 5(d) Financial Assets - Loans**

(Unsecured considered good unless otherwise stated)

Particulars	(₹ in Lakhs)			
	Non-Current		Current	
	As at 31-Mar-20	As at 31-Mar-19	As at 31-Mar-20	As at 31-Mar-19
Security Deposits				
- Subsidiary Company (Refer Note 31)	230.28	211.26	-	-
- Others	460.08	430.70	19.73	64.11
Loans to Related Parties (Refer Note 31) <sup>5</sup>	-	-	13,546.43	9,909.25
Other Loans				
- Loans/ Advances to Employees	140.83	110.25	94.84	102.08
- Others				
- Considered Good	-	-	389.03	214.33
- Considered Doubtful	3.73	3.73	-	-
Less: Provision	(3.73)	(3.73)	-	-
<b>Total</b>	<b>831.19</b>	<b>752.21</b>	<b>14,050.03</b>	<b>10,289.77</b>

<sup>5</sup> Includes Loan to wholly owned subsidiary Majhulia Sugar Industries Private Limited - ₹12,943.87, (P.Y. ₹7,907.60)

**Notes to the Standalone Financial Statements** as at and for the year ended 31st March, 2020 (Contd.)**Note 5(e) Other Financial Assets**

(Unsecured considered good unless otherwise stated)

Particulars	(₹ in Lakhs)			
	Non-Current		Current	
	As at 31-Mar-20	As at 31-Mar-19	As at 31-Mar-20	As at 31-Mar-19
Bank Deposits	13.97	13.53	-	-
Interest accrued on Deposits	0.10	0.02	43.12	21.95
Interest accrued on Investments	-	-	63.47	135.44
Rent Receivable				
- Considered Good	-	-	32.40	2.39
- Considered Doubtful	11.24	11.24	-	-
Less: Provision for Doubtful Receivables	(11.24)	(11.24)	-	-
Incentive and Subsidy Receivable	-	-	2,007.10	2,578.70
Receivable against Sale of Property, Plant and Equipment	-	-	77.10	108.61
Receivable against Sale of Investments	-	-	618.79	-
Dividend Receivable	-	-	1.25	-
Deposit with NABARD	-	-	0.04	0.04
Guarantee Commission Receivable	-	-	11.51	-
Fair Value Derivative Assets	-	-	-	41.49
<b>Total</b>	<b>14.07</b>	<b>13.55</b>	<b>2,854.78</b>	<b>2,888.62</b>

Refer Notes 12a and 12c for details of assets pledged as security

**Note 6 Deferred Tax Assets & Liabilities (Net)**

Particulars	(₹ in Lakhs)			
	Balance Sheet		Statement of Profit and Loss including OCI	
	As at 31-Mar-20	As at 31-Mar-19	As at 31-Mar-20	As at 31-Mar-19
<b>Significant Components of Deferred Tax Assets &amp; Liabilities</b>				
<b>Deferred Tax Liabilities</b>				
Property, Plant and Equipment	1,797.09	2,128.32	331.23	(48.21)
Right-of-use assets	111.70	-	(111.70)	-
Fair Valuation of Other Asset and Liability	103.55	214.30	110.75	(5.45)
<b>Total (A)</b>	<b>2,012.34</b>	<b>2,342.62</b>	<b>330.28</b>	<b>(53.66)</b>
<b>Deferred Tax Assets</b>				
Unabsorbed Depreciation	-	613.33	(613.33)	(801.86)
Minimum Alternate Tax Credit	-	230.26	(230.26)	116.85
Fair Valuation of Other Asset and Liability	76.86	151.43	(74.57)	(43.15)
Lease Liabilities	120.34	-	120.34	-
Employee Benefits - Gratuity	1,551.63	1,743.09	(191.46)	757.00
Other Temporary Differences	507.88	902.28	(394.40)	215.51
<b>Total (B)</b>	<b>2,256.71</b>	<b>3,640.39</b>	<b>(1,383.68)</b>	<b>244.35</b>
<b>Net Deferred Tax (Liabilities)/Assets (B-A)</b>	<b>244.37</b>	<b>1,297.77</b>	<b>(1,053.40)</b>	<b>190.69</b>

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

Particulars	(₹ in Lakhs)	
	As at 31-Mar-20	As at 31-Mar-19
<b>Reconciliation of Deferred Tax Assets (net)</b>		
Opening Balance	1,297.77	1,107.08
Tax income/(expense) during the period recognised in Statement of Profit and Loss	(1,123.78)	(241.92)
Tax income/(expense) during the period recognised in OCI	70.38	432.61
<b>Closing Balance</b>	<b>244.37</b>	<b>1,297.77</b>

**Reconciliation of Tax Expense and the Accounting Profit multiplied by India's Domestic Tax Rate for 31st March, 2020 and 31st March, 2019:**

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the standard rate of corporation tax in India as follows:

Particulars	(₹ in Lakhs)	
	Year Ended 31-Mar-20	Year Ended 31-Mar-19
<b>Profit before Tax</b>	<b>(1,508.72)</b>	<b>508.47</b>
Indian Statutory Income Tax Rate [Refer Note (a)]	25.168%	34.944%
<b>Tax at Statutory Income Tax Rate</b>	<b>(379.71)</b>	<b>177.68</b>
Effects of:		
Non - Deductible expenses for tax purposes	-	-
Expenses allowed on payment basis	-	-
Income exempted from tax	(24.71)	(38.33)
Additional allowance under Income Tax	-	(10.19)
Unrecognised Deferred Tax Credit on Agricultural Losses	1,707.80	552.16
Utilisation of previously unrecognised tax losses (Capital Loss)	(651.03)	(271.86)
Adjustment to tax relating to earlier periods	(69.37)	(30.43)
Other Permanent Differences	294.58	(180.63)
Reversal of Minimum Alternate Tax Credit (also refer note (a) below)	230.26	-
Reversal of Deferred Tax due to change in Rate of Income Tax (also refer note (a) below)	171.59	-
<b>Net Effective Income Tax</b>	<b>1,279.41</b>	<b>198.40</b>

**Note -**

- The Company has exercised the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 during the current year. Accordingly, the Deferred Tax Asset (net) as at 31st March, 2019 has been re-measured and the resultant impact has been recognised in financial statements.
- The Company's agricultural income is subject to tax rates @ 30% under the respective state tax laws.



**Notes to the Standalone Financial Statements** as at and for the year ended 31st March, 2020 (Contd.)**Note 7 Other Assets**

(Unsecured considered good)

Particulars	(₹ in Lakhs)			
	Non-Current		Current	
	As at 31-Mar-20	As at 31-Mar-19	As at 31-Mar-20	As at 31-Mar-19
Capital Advances	87.78	76.01	-	-
Leasehold Land Prepayments	203.76	203.76	-	-
Advance against Supply of Goods and Services	-	-	139.95	167.88
Others				
Balance with Government Authorities	165.69	161.15	998.00	1,428.01
Prepaid Expenses	17.51	41.05	88.27	107.13
Advance Rent to Subsidiary (Refer Note 31)	-	19.06	19.06	19.06
Insurance	-	-	5.64	9.46
<b>Total</b>	<b>474.74</b>	<b>501.03</b>	<b>1,250.92</b>	<b>1,731.54</b>

Refer Notes 12a and 12c for details of assets pledged as security

**Note 8 Inventories**

(Lower of cost or net realisable value)

Particulars	(₹ in Lakhs)	
	As at 31-Mar-20	As at 31-Mar-19
Raw Materials	693.39	1,001.27
Work-in-Progress	2.03	18.66
Finished Goods	3,631.05	4,993.97
Traded Goods	2,315.30	3,476.49
Stores and Spares	1,659.68	2,186.87
<b>Total</b>	<b>8,301.45</b>	<b>11,677.26</b>

Refer Notes 12a and 12c for details of assets pledged as security

**Note 8a Biological Assets**

Particulars	(₹ in Lakhs)	
	As at 31-Mar-20	As at 31-Mar-19
Opening Balance	179.70	88.77
Green Leaf Recognised at Fair Value	-	179.70
Transfer of Harvested Leaves for Production	(179.70)	(88.77)
<b>Closing Balance</b>	<b>-</b>	<b>179.70</b>

**Note 9a Cash and Cash Equivalents**

Particulars	(₹ in Lakhs)	
	As at 31-Mar-20	As at 31-Mar-19
Balances with Banks:		
On Current Accounts	426.87	264.22
Cheques/Drafts on Hand	1.63	86.63
Cash on Hand	18.45	41.90
<b>Total</b>	<b>446.95</b>	<b>392.75</b>

**Notes to the Standalone Financial Statements** as at and for the year ended 31st March, 2020 (Contd.)**Note 9b Other Bank balances**

Particulars	(₹ in Lakhs)	
	As at 31-Mar-20	As at 31-Mar-19
Earmarked Balances with Banks (Unpaid Dividend Account)	49.02	62.25
Term Deposits with maturity of more than three months but upto twelve months (Including ₹ 622.96 (P.Y. ₹ 25.75) pledged as margin money)	625.38	28.07
<b>Total</b>	<b>674.40</b>	<b>90.32</b>

**Note 10 Equity Share Capital**

Particulars	(₹ in Lakhs)	
	As at 31-Mar-20	As at 31-Mar-19
<b>Authorised Capital</b>		
5,80,00,000 Equity Shares of ₹ 5/- each	2,900.00	2,900.00
<b>Issued Capital</b>		
2,89,02,786 Equity Shares of ₹ 5/- each	1,445.14	1,445.14
<b>Subscribed and Paid-up Capital</b>		
2,88,77,488 Equity Shares of ₹ 5/- each	1,443.87	1,443.87
<b>Total</b>	<b>1,443.87</b>	<b>1,443.87</b>

**a) The reconciliation of share capital is given below:**

Particulars	(₹ in Lakhs)			
	As at 31-Mar-20		As at 31-Mar-19	
	No. of Shares	(₹ in Lakhs)	No. of Shares	(₹ in Lakhs)
At the beginning of the period	2,88,77,488	1,443.87	2,88,77,488	1,443.87
Issued during the period	-	-	-	-
At the end of the period	2,88,77,488	1,443.87	2,88,77,488	1,443.87

**b) Terms/Rights attached to class of shares**

The Company has only one class of Equity Shares having a par value of ₹5 each. Holder of each Equity Share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares 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.

**c) The Company does not have any Holding Company/ultimate Holding Company.****d) Details of Shareholders holding more than 5 percent of Equity Shares in the Company**

Particulars	(₹ in Lakhs)			
	As at 31-Mar-20		As at 31-Mar-19	
	No. of Shares	% holding	No. of Shares	% holding
JPM Merchandise Agencies Limited	61,14,108	21.17%	61,14,108	21.17%
Jayantika Investment & Finance Limited	62,10,630	21.51%	62,10,630	21.51%

**Notes to the Standalone Financial Statements** as at and for the year ended 31st March, 2020 (Contd.)**Note 11 Other Equity**

Particulars	(₹ in Lakhs)	
	As at 31-Mar-20	As at 31-Mar-19
<b>Reserves &amp; Surplus</b>		
Capital Reserve	2,200.85	2,200.85
Capital Redemption Reserve	165.21	165.21
General Reserve	20,201.29	20,201.29
Retained Earnings	984.66	3,894.32
Other Comprehensive Income	(1,208.40)	(972.99)
<b>Total</b>	<b>22,343.61</b>	<b>25,488.68</b>

**Nature and Purpose of Other Equity****A. Capital Reserve**

Represents the amount transferred from the transferor company pursuant to Scheme of Arrangement effected in earlier years.

**B. Capital Redemption Reserve**

Represents the amount transferred to reserve on buy back of equity shares of the company.

**C. General reserve**

General Reserve is created and utilised in compliance with the provisions of the Act.

**D. Retained Earnings**

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

**E. Other Comprehensive Income**

The Company has elected to recognise changes in the fair value of investments in equity instruments through other comprehensive income.

These changes are accumulated within other comprehensive income.

**Note 12a Non-current Borrowings**

Particulars	(₹ in Lakhs)	
	As at 31-Mar-20	As at 31-Mar-19
<b>Secured</b>		
Rupee Term Loans from Banks	9,855.92	15,501.30
Foreign Currency Term Loan from Banks	468.75	1,093.75
<b>Total Secured Borrowings (A)</b>	<b>10,324.67</b>	<b>16,595.05</b>
<b>Unsecured</b>		
Rupee Term Loan from Bank	1,999.67	3,436.21
<b>Total Unsecured Borrowings (B)</b>	<b>1,999.67</b>	<b>3,436.21</b>
<b>Total Borrowings (A)+ (B)</b>	<b>12,324.34</b>	<b>20,031.26</b>
<b>Less: Current Maturities of Long Term Debt [Refer Note 12(b)]</b>	<b>4,661.17</b>	<b>7,099.95</b>
<b>Non Current Borrowings</b>	<b>7,663.17</b>	<b>12,931.31</b>

Facility Category	Security Details	(₹ in Lakhs)	
		As at 31-Mar-20	As at 31-Mar-19
Rupee Term Loan	i) Secured/To be Secured by equitable mortgage by	-	999.54
Rupee Term Loan	deposit of title deeds of Tea Estates alongwith all	4,145.76	6,487.74
Rupee Term Loan	immovable properties thereon ranking pari-passu,	-	416.67
	interse, with consortium bankers both for term		
	lenders for tea and working capital lenders for tea		
	and fertilisers divisions.		

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

<b>Foreign Currency Term Loan</b>	ii) Secured / To be secured by first charge by way of hypothecation over the plant and machinery and other movable fixed assets and current assets of the company ranking pari-passu, interse, with working capital lenders for tea and fertilisers divisions.	468.75	1,093.75
<b>Rupee Term Loan</b>	iii) Further certain investments in Mutual Fund and AIF are pledged with a bank as an additional security for a term loan extended by it.	498.44	1,159.15
<b>Rupee Term Loan</b>	Secured by pledge of certain investments in Mutual Fund, AIF and Bonds.	5,211.72	6,213.20
<b>Rupee Term Loan</b>		-	225.00
<b>Total</b>		<b>10,324.67</b>	<b>16,595.05</b>

**Repayment Schedule as at 31st March, 2020**

Borrowings	Total Carrying Value	< 1 year	1 to 3 years	Terms and Conditions of Term Loan from Banks *
<b>Secured</b>				
<b>Rupee Term Loan</b>	498.44	498.44	-	Payable in three equal quarterly installments
<b>Rupee Term Loan</b>	4,145.76	913.13	3,232.63	Payable 11.20% in November 2020, thereafter 7 equal quarterly instalments of 11.20% and last instalment of 10.40%
<b>Rupee Term Loan</b>	3,230.20	489.93	2,740.27	Payable 15.2% in November 2020, thereafter 4 half yearly installments of 10% and last installment of 15%
<b>Foreign Currency Term Loan</b>	468.75	468.75	-	Payable in three equal quarterly installments
<b>Rupee Term Loan</b>	1,981.52	291.25	1,690.27	Payable 5% in June 2020, thereafter 3 half yearly installments of 10%, 15% in June 2022 and last 2 half yearly installments of 25%
<b>Unsecured</b>				
<b>Rupee Term Loan</b>	1,999.67	1,999.67	-	Payable in three monthly installments of 45%, 35% & 20% from June 2020 onwards
<b>Total</b>	<b>12,324.34</b>	<b>4,661.17</b>	<b>7,663.17</b>	

**Notes to the Standalone Financial Statements** as at and for the year ended 31st March, 2020 (Contd.)**Note 12b Other Financial Liabilities**

Particulars	(₹ in Lakhs)			
	Non-Current		Current	
	As at 31-Mar-20	As at 31-Mar-19	As at 31-Mar-20	As at 31-Mar-19
Trade and Security Deposits	215.58	123.98	2.51	2.05
Current Maturities of Long-Term Debt [Refer Note 12(a)]	-	-	4,661.17	7,099.95
Interest Accrued but not due on Borrowings	-	-	284.36	151.68
Interest Accrued and due on Borrowings	-	-	1.05	1.05
Employee Benefits Payable	-	-	999.27	1,250.96
Unpaid and Unclaimed Dividends	-	-	49.02	62.25
Amount Payable for Capital Goods	-	-	126.52	130.18
Lease Liabilities (Refer Note 29)	437.03	-	41.11	-
Others	-	-	95.51	107.52
<b>Total</b>	<b>652.61</b>	<b>123.98</b>	<b>6,260.52</b>	<b>8,805.64</b>

**Note 12c Current Borrowings**

Particulars	(₹ in Lakhs)	
	As at 31-Mar-20	As at 31-Mar-19
<b>Secured</b>		
Working Capital Loan	13,829.59	13,797.29
Packing Credit Loan	3,500.00	3,500.00
Short Term Rupee Loan	1,500.00	4,120.00
	<b>18,829.59</b>	<b>21,417.29</b>
<b>Unsecured</b>		
Short Term Rupee Loan	2,500.00	4,800.00
Loan from Others	1,250.00	-
Loan from Related Parties (Refer Note 31)	2,000.00	-
Loan from Promoter Group	2,000.00	-
	<b>7,750.00</b>	<b>4,800.00</b>
<b>Total</b>	<b>26,579.59</b>	<b>26,217.29</b>

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

Facility Category	Security Details	As at 31-Mar-20	As at 31-Mar-19
<b>Working Capital Loan</b>	i) Secured / To be secured by first charge by way of hypothecation over the entire current assets of the Company ranking pari-passu with other consortium banks (both working capital lenders for company and term lenders for tea division) as primary security.	13,829.59	13,797.29
<b>Packing Credit Loan</b>		3,500.00	3,500.00
<b>Short Term Rupee Loan</b>		-	1,500.00
	ii) Secured / To be secured by first charge by way of hypothecation of entire movable fixed assets of the Company ranking pari-passu with other consortium banks as collateral security.		
	iii) Working capital loans for tea division are also secured / to be secured by first charge by way of equitable Mortgage over the immovable properties of Company's tea estates ranking pari-passu with term lenders for tea division.		
<b>Short Term Rupee Loan</b>	Secured by pledge of certain investments in Mutual Fund and Bonds.	1,500.00	2,620.00
<b>Total</b>		<b>18,829.59</b>	<b>21,417.29</b>

The rate of interest on the above loans are in the range of 7.84% to 12.00% p.a.

**Changes in Liabilities arising from financing activities**

Particulars	01-Apr-19	Cash flows	Others *	31-Mar-20
Current borrowings	33,317.24	(6,076.48)	-	27,240.76
Current lease liabilities (Refer Note 12b)	-	-	41.11	41.11
Non-current borrowings (Refer Note 12a)	12,931.31	(5,326.56)	58.42	7,663.17
Non-current lease liabilities (Refer Note 12b)	-	428.69	8.34	437.03
Loan from Promoter group	-	4,000.00	-	4,000.00
<b>Total liabilities from financing activities</b>	<b>46,248.55</b>	<b>(6,974.35)</b>	<b>107.87</b>	<b>39,382.07</b>

Particulars	01-Apr-18	Cash flows	Others *	31-Mar-19
Current borrowings	27,267.78	5,902.16	147.30	33,317.24
Current lease liabilities (Refer Note 12b)	-	-	-	-
Non-current borrowings (Refer Note 12a)	15,426.59	(2,344.50)	(150.78)	12,931.31
Non-current lease liabilities (Refer Note 12b)	-	-	-	-
Loan from Promoter group	-	-	-	-
<b>Total liabilities from financing activities</b>	<b>42,694.37</b>	<b>3,557.66</b>	<b>(3.48)</b>	<b>46,248.55</b>

\* Includes the effect of reclassification of lease liabilities to current & the effect of accrued but not yet paid interest and finance cost on account of amortisation of Loan adjusted from prepaid processing fees on non current borrowing.

**Notes to the Standalone Financial Statements** as at and for the year ended 31st March, 2020 (Contd.)**Note 13 Provisions**

Particulars	(₹ in Lakhs)			
	Non-Current		Current	
	As at 31-Mar-20	As at 31-Mar-19	As at 31-Mar-20	As at 31-Mar-19
Provision for Employee Benefits				
- Gratuity (Refer Note 28)	4,211.84	3,200.50	2,441.32	2,449.72
- Leave Encashment	507.72	495.39	266.89	326.26
- Bonus and Others	-	-	1,934.55	1,666.64
Provisions for Others	-	-	101.42	167.59
<b>Total</b>	<b>4,719.56</b>	<b>3,695.89</b>	<b>4,744.18</b>	<b>4,610.21</b>

**Note 14 Trade Payables**

Particulars	(₹ in Lakhs)	
	Current	
	As at 31-Mar-20	As at 31-Mar-19
Trade Payables		
Total Outstanding Dues of Micro Enterprises and Small Enterprises	-	-
Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	5,965.83	4,807.13
<b>Total</b>	<b>5,965.83</b>	<b>4,807.13</b>

**Terms and conditions of the above trade payables:**

Trade payables are non interest bearing and are normally settled on 30-60 days terms

**Note:**

There are no outstanding dues of Micro and Small Enterprises (MSEs) based on information available with the Company

**Note 15 Other Liabilities**

Particulars	(₹ in Lakhs)			
	Non-Current		Current	
	As at 31-Mar-20	As at 31-Mar-19	As at 31-Mar-20	As at 31-Mar-19
Advances from Customers	-	-	185.73	261.05
Advances against Sale of Land (Refer Note 31 & 37)	-	-	2,500.00	-
Others:				
Statutory Dues	-	-	464.13	497.61
Advance Rent	20.93	-	7.39	-
Deferred Government Grant	351.95	332.19	48.56	47.03
<b>Total</b>	<b>372.88</b>	<b>332.19</b>	<b>3,205.81</b>	<b>805.69</b>

**Notes to the Standalone Financial Statements** as at and for the year ended 31st March, 2020 (Contd.)**Note 16 Revenue from Operations**

Particulars	(₹ in Lakhs)	
	Year Ended 31-Mar-20	Year Ended 31-Mar-19
Sales of Finished Goods & Other Products	45,841.10	53,252.37
Sale of Services (Warehousing Charges)	413.96	276.13
<b>Other Operating Revenue</b>		
Fertilizer Subsidy	1,970.65	2,038.29
Other Incentives & Subsidies	103.24	77.72
Export Benefits	305.51	410.06
Other Operating Income	14.92	12.20
<b>Total</b>	<b>48,649.38</b>	<b>56,066.77</b>

**Note 17 Other Income**

Particulars	(₹ in Lakhs)	
	Year Ended 31-Mar-20	Year Ended 31-Mar-19
<b>Interest Income</b>		
On Investments	594.85	601.85
On Bank Deposits	21.06	20.09
On Loans & Other Deposits	38.40	47.71
On Subsidiaries (Refer Note 31)	619.17	728.21
<b>Dividend Income</b>		
On Long Term Investments	31.98	74.82
<b>Net gain on sale of Investments (including MTM gain/loss) (Refer Note 36)</b>	<b>6,267.85</b>	<b>164.80</b>
<b>Other Non-Operating Income</b>		
Profit on sale of Property, Plant and Equipment	1.10	580.17
Rental Income	135.64	108.17
Net Gain on foreign currency translation	0.75	79.67
Excess Liabilities and Unclaimed Balances written back	56.10	111.79
Guarantee Commission (Refer Note 31)	11.51	-
Changes in Fair Value of Biological Assets	-	90.93
Miscellaneous Income	238.52	240.50
<b>Total</b>	<b>8,016.93</b>	<b>2,848.71</b>



**Notes to the Standalone Financial Statements** as at and for the year ended 31st March, 2020 (Contd.)**Note 18 Cost of Materials Consumed**

Particulars	(₹ in Lakhs)	
	Year Ended 31-Mar-20	Year Ended 31-Mar-19
Opening Inventories	1,001.27	577.17
Add : Purchase	6,011.21	10,964.87
Less: Closing Inventories	(693.39)	(1,001.27)
	<b>6,319.09</b>	<b>10,540.77</b>
<b>Details of Raw Material Consumed</b>		
Green Tea Leaves	1,342.57	2,997.83
Chemicals/Minerals	4,524.45	7,041.38
Others	452.07	501.56
<b>Total</b>	<b>6,319.09</b>	<b>10,540.77</b>

**Note 19 Purchases of Traded Goods**

Particulars	(₹ in Lakhs)	
	Year Ended 31-Mar-20	Year Ended 31-Mar-19
<b>Traded Goods</b>		
Tea	4,716.34	5,826.07
Chemicals	43.67	52.88
<b>Total</b>	<b>4,760.01</b>	<b>5,878.95</b>

**Note 20 Changes in Inventories of Finished Goods, Work-in-Progress and Traded Goods**

Particulars	(₹ in Lakhs)	
	Year Ended 31-Mar-20	Year Ended 31-Mar-19
<b>Inventories at the beginning of the period</b>		
Finished Goods	4,993.97	2,855.21
Work-in-Progress	18.66	80.09
Traded Goods	3,476.49	3,543.00
	8,489.12	6,478.30
<b>Inventories at the end of the period</b>		
Finished Goods	3,631.05	4,993.97
Work-in-Progress	2.03	18.66
Traded Goods	2,315.30	3,476.49
	<b>5,948.38</b>	<b>8,489.12</b>
<b>Total</b>	<b>2,540.74</b>	<b>(2,010.82)</b>

**Notes to the Standalone Financial Statements** as at and for the year ended 31st March, 2020 (Contd.)**Note 21 Employee Benefits Expense**

Particulars	(₹ in Lakhs)	
	Year Ended 31-Mar-20	Year Ended 31-Mar-19
Salaries and Wages	19,647.41	19,022.72
Contribution to Provident and Other Funds (Refer Note 28)	1,581.98	1,549.90
Gratuity Expense (Refer Note 28)	896.29	742.95
Contribution to Superannuation Fund (Refer Note 28)	-	91.32
Staff Welfare Expenses	1,357.18	1,418.84
<b>Total</b>	<b>23,482.86</b>	<b>22,825.73</b>

**Note 22 Finance Costs**

Particulars	(₹ in Lakhs)	
	Year Ended 31-Mar-20	Year Ended 31-Mar-19
<b>Interest Expense</b>		
On Fixed Loans and Deposits	4,171.52	4,006.70
Bank and Others	18.65	38.86
Interest on Lease Liability (Refer Note 29)	49.45	-
<b>Other Borrowing Cost</b>		
Other Financial Charges	162.23	77.06
Borrowing Cost Capitalised	(177.98)	(161.85)
<b>Total</b>	<b>4,223.87</b>	<b>3,960.77</b>

**Note 23 Depreciation and Amortisation Expense**

Particulars	(₹ in Lakhs)	
	Year Ended 31-Mar-20	Year Ended 31-Mar-19
On Property, Plant and Equipment (Refer Note 4)	1,589.34	1,593.40
On Investment Property (Refer Note 4)	0.04	0.04
On Right-of-use assets (Refer Note 29)	154.69	-
<b>Total</b>	<b>1,744.07</b>	<b>1,593.44</b>

**Notes to the Standalone Financial Statements** as at and for the year ended 31st March, 2020 (Contd.)**Note 24 Other Expenses**

Particulars	(₹ in Lakhs)	
	Year Ended 31-Mar-20	Year Ended 31-Mar-19
Consumption of Stores, Spare Parts & Packing Materials	1,350.44	1,564.28
Power & Fuel	4,425.06	4,596.27
Consumption of Manures/ Pesticides	1,525.94	1,590.44
Repairs to Buildings	317.95	379.80
Repairs to Machinery	696.58	851.49
Repairs to Other Assets	316.46	404.14
Freight & Cartage	1,277.81	1,505.02
Insurance	44.43	64.90
Brokerage & Commission	386.71	396.47
Warehousing Charges	145.35	141.23
Other Selling Expenses [including packing materials ₹361.26, (P.Y. ₹333.77)]	1,030.48	976.27
Rent	182.75	307.07
Rates & Taxes (Duty & Cess)	73.58	262.37
Insurance excluding on sales	174.82	168.34
Auditors' Remuneration (Refer Note 24.1)	82.50	92.90
Cost Audit Fees	1.87	1.83
Changes in Fair Value of Biological Assets	179.70	-
Corporate Social Responsibility Expenses (Refer Note 24.2)	8.35	9.70
Bad Debts & Irrecoverable Loans, Advances & Claims written off [Net of Reserve for Doubtful Debts created in earlier years ₹34.39, (P.Y. ₹102.93)]	761.05	21.16
Expected credit loss for trade receivables [Net of Reserves w/back ₹1.19, (P.Y. ₹Nil)]	34.39	37.46
Donations & Charity	0.01	-
Other Miscellaneous Expenses	2,088.16	2,247.03
<b>Total</b>	<b>15,104.39</b>	<b>15,618.17</b>

**Note 24.1 Auditor's Remuneration**

Particulars	(₹ in Lakhs)	
	Year Ended 31-Mar-20	Year Ended 31-Mar-19
As Auditor:		
Audit Fees	30.25	30.25
Tax Audit Fees	7.50	7.50
Other Services	44.75	52.58
Reimbursement of Expenses	-	2.57
<b>Total</b>	<b>82.50</b>	<b>92.90</b>

**Notes to the Standalone Financial Statements** as at and for the year ended 31st March, 2020 (Contd.)**Note 24.2 Details of CSR Expenditure**

Particulars	(₹ in Lakhs)	
	Year Ended 31-Mar-20	Year Ended 31-Mar-19
a) Gross amount required to be spent by the Company during the year	1.11	-
b) Amount spent during the year	8.35	9.70

**Note 25 Earnings Per Share (EPS)**

**Basic EPS** amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

**Diluted EPS** amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	(₹ in Lakhs)	
	31-Mar-20	31-Mar-19
Net Profit for calculation of Basic and Diluted Earnings Per Share (₹ in Lakhs)	(2,788.13)	310.07
Number of Equity Shares (Nos.)	2,88,77,488	2,88,77,488
Earning per equity share		
Basic & Diluted earning per share (₹)	(9.65)	1.07

**Note 26 Dividend Distribution made**

Particulars	(₹ in Lakhs)	
	As at 31-Mar-20	As at 31-Mar-19
<b>Dividend on equity shares declared and paid:</b>		
Final dividend paid	101.07	144.39
DDT on final dividend (including earlier years)	20.46	29.37
<b>Total</b>	<b>121.53</b>	<b>173.76</b>

**Note 27 Significant Accounting Judgements, Estimates and Assumptions**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur. In the process of applying the Company's accounting policies, management has made the following judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the Financial Statements:

**Notes to the Standalone Financial Statements** as at and for the year ended 31st March, 2020 (Contd.)**Defined Benefit Plans**

"The cost and the present value of the defined benefit gratuity plan and other post-employment leave encashment benefit are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in future. These include the determination of appropriate discount rate, estimating future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on expected future inflation rates. For further details about gratuity obligations are given in Note 28.

**Useful lives of Property, Plant and Equipment**

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

**Valuation of Biological Assets and Agriculture Produce**

As required by Ind AS 41 - "Agriculture", management estimates the fair value of plucked (agriculture produce) and unplucked tea leaves (biological assets) as at the balance sheet date- through the use of valuation models and recent transaction prices. Finished goods produced from agricultural produce are valued at lower of cost (arrived at by adding the cost of conversion to the fair value of agricultural produce) and the net realisable value. For harvested or unharvested green leaves, since there is no active market for own leaves, significant judgement is required for key assumptions used in determining average prevalent selling prices of the tea leaf, average quality of the tea leaf and quantity of unplucked leaf.

Biological assets are disclosed in Note 8a to the financial statements, the valuation is discussed as a key source of estimation uncertainty and the valuation policy is disclosed in the principal accounting policies.

**Impairment Assessment**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. Significant judgments are involved in the impairment assessment which includes management's assumptions regarding weighted average cost of capital, growth rates, market and economic conditions, forecasts of revenues, costs, cash flows, etc.

**Note 28 Employee Benefits Obligation****(I) Defined benefit plans****(a) Gratuity**

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount equivalent to 15 days salary for each completed year of service. Vesting occurs upon completion of 5 years of continuous service. The Company makes contribution to JSTI Gratuity Fund, which is funded defined benefit plan for qualifying employees.

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

(i) The principal assumptions used in determining gratuity obligations for the Company's plans are as follows:

Significant Actuarial Assumptions	31-Mar-20	31-Mar-19
Discount Rate	7.0%	7.7%
Employee turnover	1% to 8%	1% to 8%
Salary Escalation Rate	4.0%	4.0%
Mortality Rate	IALM (2006-08) Table	IALM (2006-08) Table

(ii) Amounts Recognised in the Balance Sheet consists of:

Particulars	31-Mar-20	31-Mar-19
Present value of defined benefit obligation at the year end	439.93	9,843.42
Fair Value of the Plan Assets at the year end	3,630.19	4,193.20
<b>Liability Recognised in the Balance Sheet</b>	<b>(3,190.26)</b>	<b>5,650.22</b>

(iii) Movement in present value of defined benefit obligation:

Particulars	31-Mar-20	31-Mar-19
<b>Changes in the present value of defined benefit obligation</b>		
<b>Present value of defined benefit obligation as at year beginning</b>	-	7,963.85
Current Service Cost	526.53	508.57
Past Service Cost	-	-
Interest Cost	663.28	584.81
<b>Remeasurements (gains)/losses</b>		
- Actuarial (gains)/losses arising from changes in financial assumptions	385.58	5.90
- Actuarial losses arising from changes in experience adjustments	(399.50)	1,518.01
Benefits Paid	(735.96)	(737.72)
<b>Present value of defined benefit obligation as at year end</b>	<b>439.93</b>	<b>9,843.42</b>

(iv) Amount recognised in Statement of Profit or Loss in respect of defined benefit plan are as follows:

Particulars	31-Mar-20	31-Mar-19
Current Service Cost	526.53	508.57
Past Service Cost	-	-
Net Interest Cost	663.28	584.81
Expected return on plan assets	(293.52)	(350.43)
<b>Components of defined benefit costs recognised in profit or loss</b>	<b>896.29</b>	<b>742.95</b>

**Notes to the Standalone Financial Statements** as at and for the year ended 31st March, 2020 (Contd.)**(v) Amount recognised in other comprehensive income in respect of defined benefit plan are as follows:**

Particulars	(₹ in Lakhs)	
	31-Mar-20	31-Mar-19
<b>Re-measurement of the net defined benefit obligation:-</b>		
- Actuarial (gains)/losses arising from changes in financial assumptions	385.58	5.90
- Actuarial losses arising from changes in experience adjustments	(399.50)	1,518.01
- (Gain)/Loss on plan assets (excluding amounts included in net interest cost)	120.57	(29.49)
<b>Components of defined benefit costs recognised in Other comprehensive income</b>	<b>106.65</b>	<b>1,494.42</b>

**(vi) Movement during in the fair value of plan assets is as follow (Refer Note 31):**

Particulars	(₹ in Lakhs)	
	31-Mar-20	31-Mar-19
<b>Opening Balance</b>	4,193.20	4,551.00
- Expected return	293.52	350.43
- Benefits paid	(735.96)	(737.72)
- Contributions by the Employer	-	-
- Actuarial gains / (losses)	(120.57)	29.49
<b>Closing Balance</b>	<b>3,630.19</b>	<b>4,193.20</b>

**(vii) Percentage allocation of plan assets by category:**

Particulars	JSTI Gratuity Fund	
	31-Mar-20	31-Mar-19
Government Securities	3.33%	2.90%
Debentures / Bonds	94.17%	95.24%
Fixed deposits	2.47%	1.82%
Cash and Cash Equivalents	0.03%	0.04%

JSTI Gratuity Fund contributes funds in Birla Sun Life Insurance, HDFC Life Insurance, Bajaj Allianz, India First Life Insurance, Life Insurance Corporation.

The Company expects to contribute ₹600 Lakhs to the funded defined benefit plans in financial year 2020-2021.

**Sensitivity Analysis**

Below is the sensitivity analysis determined for significant actuarial assumptions for the determination of defined benefit obligations and based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period while holding all other assumptions constant.

Assumptions	(₹ in Lakhs)			
	31-Mar-20		31-Mar-19	
	Discount rate		Discount rate	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(559.98)	626.07	(513.99)	572.97

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

Assumptions	(₹ in Lakhs)			
	31-Mar-20		31-Mar-19	
	Future Salary increase		Future Salary increase	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	650.68	(588.82)	597.27	(541.27)

**Risk analysis**

Company is exposed to a number of risks in the defined benefit plans. Most significant risks pertaining to defined benefits plans, and management's estimation of the impact of these risks are as follows:

**Interest risk**

A decrease in the interest rate on plan assets will increase the plan liability.

**Salary growth risk**

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

**Investment risk**

The Gratuity plan is funded with Birla Sun Life Insurance, HDFC Life Insurance, Bajaj Allianz, India First Life Insurance, Life Insurance Corporation. Company does not have any liberty to manage the fund provided to the Insurance Companies. The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to Government of India bonds. If the return on plan asset is below this rate, it will create a plan deficit.

**(b) Provident fund for certain employees**

In view of year-end position of the employer established provident fund and confirmation from the Trustees's of such fund, there is no shortfall as at the year end.

**(II) Defined contribution plans****a) Provident Fund**

Particulars	(₹ in Lakhs)	
	31-Mar-20	31-Mar-19
Contribution to Provident Fund during the year	1,581.98	1,549.90

**b) Superannuation Fund**

Particulars	(₹ in Lakhs)	
	31-Mar-20	31-Mar-19
Contribution to Superannuation Fund during the year	-	91.32

The Company has defined contribution superannuation plan for the benefit of its eligible employees. Employees who are members of the defined contribution superannuation plan are entitled to benefits depending on the years of service and salary drawn. Separate irrevocable trust is maintained for employees covered and entitled to benefits. The Company contributes 15% of the eligible employees' salary to the trust but the Company has not made any contribution to the trust in the financial year 2019-20. Such contributions are recognised as an expense as and when incurred. The Company does not have any further obligation beyond this contribution.



**Notes to the Standalone Financial Statements** as at and for the year ended 31st March, 2020 (Contd.)**Note 29 Leases****Company as a Lessee**

The company has applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is given below:-

**Impact on Balance Sheet (Increase/Decrease)**

Particulars	(₹ in Lakhs)	
	31st March, 2020	1st April, 2019
<b>Assets</b>		
Right-of-use assets	490.29	590.22
	<b>490.29</b>	<b>590.22</b>
<b>Liabilities</b>		
Lease Liabilities	478.14	590.22
	<b>478.14</b>	<b>590.22</b>

\* excludes amounts reclassified on account of adoption of Ind AS 116 (Refer note 4(b))

**Impact on Statement of Profit and Loss (Increase in Loss)**

Particulars	(₹ in Lakhs)	
	31st March, 2020	
Depreciation and Amortisation ^	146.58	
Other Expenses	(161.53)	
Finance Cost	49.45	
<b>Loss for the period (before tax)</b>	<b>34.50</b>	
Income Tax Expenses	(8.68)	
<b>Loss for the period</b>	<b>25.82</b>	

^ Excludes ₹ 8.11 on account of amortisation of leasehold land reclassified as ROU, against which amortisation was charged in the earlier years hence no impact in profits to that extent.

**Impact on Statement of Cash Flows**

Particulars	(₹ in Lakhs)	
	31st March, 2020	
Payment of principal portion of lease liabilities	112.08	
Payment of interest portion of lease liabilities	49.45	
<b>Net Cash flows used in financial activities</b>	<b>161.53</b>	

There is no material impact on other comprehensive income or the basic and diluted earning per share.

The Company has lease contracts for warehouse and office spaces used in its operations. These generally have lease terms between 1 and 30 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets.

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

Set out below are the carrying amounts of right-of-use assets recognised and the movement during the period:

	(₹ in Lakhs)
Particulars	<b>31st March, 2020</b>
<b>As at 1st April 2019</b>	590.22
Reclassification on account of adoption of Ind AS 116 (Refer Note 4(b))	54.76
Addition during the year	-
Depreciation Expense (Refer Note 23)	154.69
<b>As at 31st March 2020</b>	490.29

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	(₹ in Lakhs)
Particulars	<b>31st March, 2020</b>
<b>As at 1st April 2019</b>	590.22
Addition during the year	-
Accretion of Interest	49.45
Payments	161.53
<b>As at 31st March 2020</b>	478.14

	(₹ in Lakhs)
	<b>31st March, 2020</b>
Current	41.11
Non Current	437.03

The effective interest rate for lease liabilities is 9.16%, with maturity between 2021-2026

The following are the amounts recognised in statement of Profit and Loss:

	(₹ in Lakhs)
Particulars	<b>31st March, 2020</b>
Depreciation expense of right-of-use assets (Refer Note 23)	154.69
Interest expense on lease liabilities (Refer Note 22)	49.45
Expense relating to other leases (including in other expenses) (Refer Note 24)	182.75
Total amount recognised in Statement of Profit and Loss	386.89

**Note 29 Leases**

The Company has lease contracts for various lands which has lease terms between 0 and 30 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options and Company had initially made one time lump-sum lease payments and there is no further cash out flow. Such prepayments against leasehold lands pertaining to Tea gardens can be treated as freehold for the purpose of amortisation and no depreciation/amortisation is considered necessary. Similar practice has been followed from a long time and further the Company does not foresee any withdrawal of lease rights granted by the government. Prepayments amounting to ₹ 203.76, (P.Y. ₹ 203.76) are currently being classified as Other Non Current Assets (Refer Note 7).

The Company also has certain leases of office spaces with lease terms of 12 months or less and leases with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases. Rental expense recorded for short-term leases or cancellable in nature amounts to ₹ 182.75 during the year.

**Notes to the Standalone Financial Statements** as at and for the year ended 31st March, 2020 (Contd.)**Note 30 Commitment and Contingencies****I. Commitments**

	(₹ in Lakhs)	
	As at 31-Mar-20	As at 31-Mar-19
i. Capital Commitments outstanding (Net of Advances)	26.72	35.66
ii. Letter of credit issued against purchase of fuel	28.16	27.12
iii. Commitments outstanding against further investments in Alternate Investment Fund(AIF)	861.00	1,856.34

**II. Guarantees**

	(₹ in Lakhs)	
	As at 31-Mar-20	As at 31-Mar-19
i. Bank Guarantees	510.97	466.95

**III. Contingent Liabilities****a) Claims against the Company not acknowledged as debts:**

	(₹ in Lakhs)	
	As at 31-Mar-20	As at 31-Mar-19
i. Demand from Sales Tax authority : Certain disallowances of Sales Tax were demanded against the company and the appeals before the Commissioner/ Tribunal Appellate and revisional Board has been filed and the management is of the opinion that it will obtain full relief"	335.70	693.57
ii. Income Tax demand under appeal	292.93	337.91
iii. Entry Tax Liability in the state of West Bengal, stay has been granted by Hon'ble High Court at Calcutta *	116.14	116.14
iv. Demand from a lessor for interest on differential rent	70.14	70.14
v. Demand of Provident Fund Damages and Interest by the Provident Fund Authorities, West Bengal	116.86	117.88
vi. Demand of wages of a closed unit for earlier years pending before Labour Court (Estimated)	61.50	61.50
vii. Demand against differential excise duty in relation to a closed unit for earlier years pending before Central Excise & Service Tax Appellate Tribunal (CESTAT)	50.05	50.05

\*In view of injunction granted by the Hon'ble High Court at Calcutta, no provision has been made in respect of Entry Tax imposed by Govt. of West Bengal under the "Entry of Goods into Local Area Act 2012"

**b) Other Contingencies and Commitments**

- i. There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated 28th February, 2019. The Company believes that it does not have any significant impact on a prospective basis from the date of the SC order. The company will revisit its position, on receiving further clarity on the subject.
- ii. The Company has provided Corporate Guarantee during the year amounting to ₹ 6,425.00 lakhs against term loan availed by Majhulia Sugar Industries Private Limited (a wholly owned subsidiary company) for the purpose of their business. The amount of facility availed by the subsidiary as on 31st March, 2020 is ₹ 5422.00 lakhs.

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

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

**Note 31 Disclosure in respect of Related Parties pursuant to Ind AS 24****A. Names of Related Parties and description of relation :****(i) Subsidiaries**

Majhulia Sugar Industries Private Limited (Wholly owned subsidiary) [MSIPL]

Jayantika Investment & Finance Limited (Wholly owned subsidiary) [JIFL]

Birla Holdings Limited (Wholly owned subsidiary) [BHL]

North Tukvar Tea Company Limited [NTTCL]

**(ii) Joint Venture**

Tea Group Investment Company Limited (TGICL) (upto 01.01.2020) (Refer Note 36)

**(iii) Key Management Personnel (KMP)**

(a) Chairperson Mrs. Jayashree Mohta  
(Late Basant Kumar Birla - Former Chairman)(upto 03.07.2019)

(b) Executive Director Mr. Vikash Kandoi

(c) Managing Director Mr. Damodar Prasad Maheshwari

(d) Non Executive Director Mr. Surendra Kumar Tapuriah  
Mr. Subodh Kumar Agrawal  
Mr. Sumit Mazumder  
Mr. Harsh Vardhan Kanoria

(e) Chief Financial Officer and Company Secretary Mr. Ramesh Kumar Ganeriwala

**(iv) Others**

Kijura Tea Company Limited

Bondo Tea Estate Limited

Gisakura Tea Company Limited (upto 01.01.2020) (Refer Note 36)

Mata Tea Company Limited (upto 01.01.2020) (Refer Note 36)

ECE Industries Limited

JPM Merchandise Agencies Limited

Century Textiles & Industries Limited

Kesoram Industries Limited

Birla International Limited

Birla Vidya Mandir

Jayshree Finvest Private Limited

Marigold Traders Private Limited

Diplomat Limited

Pilani Investment and Industries Corporation Limited (upto 03.07.2019)

**Nature of Relationship**

Subsidiary of BHL

Step down subsidiary of BHL

Subsidiary of TGICL

Subsidiary of TGICL

Associate of JIFL

Entity over which KMP has significant influence

Entity over which KMP has significant influence

Entity over which KMP has significant influence

Entity over which KMP has significant influence

Entity over which KMP has significant influence

Entity over which KMP has significant influence

Entity over which KMP has significant influence

Entity over which KMP has significant influence

Entity over which KMP has significant influence

**Notes to the Standalone Financial Statements** as at and for the year ended 31st March, 2020 (Contd.)**(v) Post-employment Benefit Plans (PEBP)**

Birla Industries Provident Fund

B K Birla Group of Companies Provident Fund Institution

JSTI Gratuity Fund

**B. During the year the following transactions were carried out with the related parties in the ordinary course of business:****(i) Transactions with Related Parties**

	(₹ in Lakhs)	
	Year Ended	
	31-Mar-20	31-Mar-19
<b>Other Expenses</b>		
North Tukvar Tea Company Limited	28.06	28.06
<b>Total</b>	<b>28.06</b>	<b>28.06</b>
<b>Interest Paid/Payable</b>		
Mrs. Jayashree Mohta	32.70	-
Jayashree Finvest Private Limited	22.08	-
Marigold Traders Private Limited	60.41	-
Diplomat Limited	3.01	-
<b>Total</b>	<b>118.20</b>	<b>-</b>
<b>Interest Received/Receivable</b>		
Majhaulia Sugar Industries Private Limited	390.78	411.11
Jayantika Investment & Finance Limited	192.01	290.24
North Tukvar Tea Company Limited	29.05	26.86
Kijura Tea Company Limited	7.33	-
<b>Total</b>	<b>619.17</b>	<b>728.21</b>
<b>Corporate Guarantee Commission Received/Receivable</b>		
Majhaulia Sugar Industries Private Limited	11.51	-
<b>Total</b>	<b>11.51</b>	<b>-</b>
<b>Dividend Paid</b>		
JPM Merchandise Agencies Limited	21.40	30.57
ECE Industries Limited	1.56	2.23
Jayantika Investment & Finance Limited	21.74	32.64
Century Textiles & Industries Limited	1.05	1.50
Pilani Investment and Industries Corporation Limited	-	0.01
Late Basant Kumar Birla	0.16	0.23
Mrs. Jayashree Mohta	3.45	4.93
Mr. Surendra Kumar Tapuriah	^	^
Mr. Sumit Mazumder	^	^
Mr. Harsh Vardhan Kanoria	^	-
Mr. Subodh Kumar Agrawal	^	^
Mr. Vikash Kandoi	^	0.01
Mr. Damodar Prasad Maheshwari	0.02	0.03
<b>Total</b>	<b>49.38</b>	<b>72.15</b>

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

	(₹ in Lakhs)	
	Year Ended	
	31-Mar-20	31-Mar-19
^Amounts are below the rounding off norm adopted by the Company.		
<b>Dividend Received</b>		
Jayantika Investment & Finance Limited [JIFL] (netted off against Equity Portion of Investment in 5% Cumulative Preference Shares of JIFL)	1.50	1.50
Birla International Limited	12.04	12.47
<b>Total</b>	<b>13.54</b>	<b>13.97</b>
<b>Loan Given</b>		
Majhulia Sugar Industries Private Limited	20,989.77	16,827.44
Jayantika Investment & Finance Limited	999.95	753.50
Kijura Tea Company Limited	7.32	-
North Tukvar Tea Company Limited	39.68	67.10
<b>Total</b>	<b>22,036.72</b>	<b>17,648.04</b>
<b>Loan Refunded</b>		
Majhulia Sugar Industries Private Limited	15,953.50	12,347.67
Jayantika Investment & Finance Limited	2,392.76	568.34
Kijura Tea Company Limited	-	-
North Tukvar Tea Company Limited	53.28	53.50
<b>Total</b>	<b>18,399.54</b>	<b>12,969.51</b>
<b>Loan Taken</b>		
Mrs. Jayashree Mohta	600.00	-
Jayashree Finvest Private Limited	400.00	-
Marigold Traders Private Limited	1,000.00	-
Diplomat Limited	1,155.00	-
<b>Total</b>	<b>3,155.00</b>	-
<b>Loan Repaid</b>		
Diplomat Limited	1,155.00	-
<b>Total</b>	<b>1,155.00</b>	-
<b>Advance Taken</b>		
Birla Vidya Mandir	2,500.00	-
<b>Total</b>	<b>2,500.00</b>	-
<b>Corporate Guarantee</b>		
Majhulia Sugar Industries Private Limited	6,425.00	1,425.00
<b>Total</b>	<b>6,425.00</b>	<b>1,425.00</b>
<b>Investment in Equity Shares</b>		
Birla Holdings Limited	-	491.93
<b>Total</b>	-	<b>491.93</b>

**Notes to the Standalone Financial Statements** as at and for the year ended 31st March, 2020 (Contd.)**(ii) Remuneration of Key Management Personnel (KMP)**

The remuneration of key management personnel of the Company are set out below in aggregate for each of the categories specified in Ind AS 24 Related party disclosures.

	(₹ in Lakhs)	
	Year Ended	
	31-Mar-20	31-Mar-19
Salaries and Wages	310.81	327.04
Contribution to Provident and Other Funds ##	16.42	36.94
Directors' Sitting Fees	3.80	4.00
<b>Total</b>	<b>331.03</b>	<b>367.98</b>

## Does not include gratuity and compensated absences as these are provided in the books of accounts on the basis of actuarial valuation for the company as a whole and hence individual amount cannot be determined.

**(iii) Contribution to Post Employment Benefit Plan**

	(₹ in Lakhs)	
	Year Ended	
	31-Mar-20	31-Mar-19
Birla Industries Provident Fund	167.86	125.49
B K Birla Group of Companies Provident Fund Institution	64.20	76.12
<b>Total</b>	<b>232.06</b>	<b>201.61</b>

**C. Balances as at year end are set out below:**

	(₹ in Lakhs)	
	As at	
	31-Mar-20	31-Mar-19
<b>Loans Receivable:</b>		
Majhulia Sugar Industries Private Limited	12,943.87	7,907.60
Jayantika Investment & Finance Limited	473.11	1,865.92
Kijura Tea Company Limited	129.45	122.13
North Tukvar Tea Company Limited	-	13.60
<b>Total</b>	<b>13,546.43</b>	<b>9,909.25</b>
<b>Loans Payable:</b>		
Mrs. Jayashree Mohta	600.00	-
Jayashree Finvest Private Limited	400.00	-
Marigold Traders Private Limited	1,000.00	-
<b>Total</b>	<b>2,000.00</b>	<b>-</b>
<b>Advance Taken</b>		
Birla Vidya Mandir	2,500.00	-
<b>Total</b>	<b>2,500.00</b>	<b>-</b>

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

	(₹ in Lakhs)	
	As at	
	31-Mar-20	31-Mar-19
<b>Security Deposits Given:</b>		
North Tukvar Tea Company Limited	230.28	211.26
<b>Total</b>	<b>230.28</b>	<b>211.26</b>
<b>Advance Rent Paid:</b>		
North Tukvar Tea Company Limited	19.06	38.12
<b>Total</b>	<b>19.06</b>	<b>38.12</b>
<b>Payable to Post Employment Benefit Plan</b>		
Birla Industries Provident Fund	12.90	9.75
B K Birla Group of Companies Provident Fund Institution	4.64	5.85
<b>Total</b>	<b>17.54</b>	<b>15.60</b>
<b>Plan Assets (Refer Note 28):</b>		
JSTI Gratuity Fund	3,630.19	4,193.20
<b>Total</b>	<b>3,630.19</b>	<b>4,193.20</b>

**Note 32 Fair Value Measurements****Financial Assets**

	(₹ in Lakhs)	
	As at	
	31-Mar-20	31-Mar-19
<b>Financial Assets - Non Current</b>		
<b>At Fair Value through Profit or Loss</b>		
Investments	10,005.22	15,456.03
<b>At Fair Value through Other Comprehensive Income</b>		
Investments	700.20	893.67
<b>At Amortised Cost</b>		
(a) Investment	115.61	307.07
(b) Trade Receivable	-	-
<b>(c) Loans</b>	831.19	752.21
(d) Other Financial Assets	14.07	13.55
	<b>960.87</b>	<b>1,072.83</b>
<b>At Cost</b>		
Investments	11,669.10	11,722.55
<b>Total Non-Current Financial Assets (a)</b>	<b>23,335.39</b>	<b>29,145.08</b>
<b>Financial Assets - Current</b>		
<b>At Fair Value through Profit or Loss</b>		
(a) Investments	-	-
(b) Other Financial Assets	-	41.49
	<b>-</b>	<b>41.49</b>



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

	(₹ in Lakhs)	
	As at	
	31-Mar-20	31-Mar-19
<b>At Amortised cost</b>		
(a) Trade Receivables	4,751.10	5,524.01
(b) Cash and Cash Equivalents	446.95	392.75
(c) Other Bank Balances	674.40	90.32
(d) Loans	14,050.03	10,289.77
(e) Other Financial Assets	2,854.78	2,847.13
	<b>22,777.26</b>	<b>19,143.98</b>
<b>Total Current Financial Assets (b)</b>	<b>22,777.26</b>	<b>19,185.47</b>
<b>Total Financial Assets (a + b)</b>	<b>46,112.65</b>	<b>48,330.55</b>
<b>Financial Liabilities</b>		
<b>Financial Liabilities - Non-Current</b>		
<b>At Amortised Cost</b>		
(a) Borrowings	7,663.17	12,931.31
(b) Other Financial Liabilities	652.61	123.98
<b>Total Non-Current Financial Liabilities (a)</b>	<b>8,315.78</b>	<b>13,055.29</b>
<b>Financial Liabilities - Current</b>		
<b>At Amortised Cost</b>		
(a) Borrowings (including current maturities of long term debt)	31,240.76	33,317.24
(b) Trade Payables	5,965.83	4,807.13
(c) Other Financial Liabilities	1,599.35	1,705.69
<b>Total Current Financial Liabilities (b)</b>	<b>38,805.94</b>	<b>39,830.06</b>
<b>Total Financial Liabilities (a + b)</b>	<b>47,121.72</b>	<b>52,885.35</b>

**Note 33 Fair Value Hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the standalone financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows below:

The table shown below analyses financial instruments carried at fair value. The different levels have been defined below:-

Level 1: Quoted Prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

**Notes to the Standalone Financial Statements** as at and for the year ended 31st March, 2020 (Contd.)**(a) Financial assets and liabilities measured at fair value at 31st March, 2020**

	Level 1	Level 2	Level 3	(₹ in Lakhs)
				Total
<b>Financial Assets</b>				
<b>Investment at FVTPL</b>				
In Preference Shares of Subsidiary Company	-	1,529.00	-	1,529.00
In Mutual Funds	-	3,153.91	-	3,153.91
In Alternate Investment Funds (AIF)	-	5,082.28	-	5,082.28
In Bonds	2,129.01	-	-	2,129.01
<b>Investment at FVTOCI</b>				
In Equity Shares (Quoted and Unquoted)	*	700.20	-	700.20

\*Amounts are below the rounding off norm adopted by the Company.

**Financial assets and liabilities measured at fair value at 31st March, 2019**

	Level 1	Level 2	Level 3	(₹ in Lakhs)
				Total
<b>Financial Assets</b>				
<b>Investment at FVTPL</b>				
In Preference Shares of Subsidiary Company	-	1,403.06	-	1,403.06
In Mutual Funds	-	6,338.03	-	6,338.03
In Alternate Investment Funds (AIF)	-	5,477.44	-	5,477.44
In Bonds	2,483.59	-	-	2,483.59
<b>Derivatives not designated as hedges at FVTPL</b>	-	41.49	-	41.49
<b>Investment at FVTOCI</b>				
In Equity Shares (Quoted and Unquoted)	0.06	893.61	-	893.67

**(b) Financial instruments at Amortised Cost**

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

Financial Assets	(₹ in Lakhs)			
	31-Mar-20		31-Mar-19	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Investment in Unquoted Bonds	115.61	115.61	307.07	307.07

**(c) Biological assets other than Bearer Plants**

This section explains the judgements and estimates made in determining the fair value of the biological assets other than bearer plants that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its biological assets other than bearer plants into Level 2 in the fair value hierarchy, since no significant adjustments need to be made to the prices obtained from the local markets.

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

				(₹ in Lakhs)
Biological assets other than Bearer Plants for which fair value (less cost to sell) are disclosed at 31st March, 2020	Level 1	Level 2	Level 3	Total
Unharvested Tea Leaves	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

				(₹ in Lakhs)
Biological assets other than Bearer Plants for which fair value (less cost to sell) are disclosed at 31st March, 2019	Level 1	Level 2	Level 3	Total
Unharvested Tea Leaves	-	179.70	-	179.70
<b>Total</b>	<b>-</b>	<b>179.70</b>	<b>-</b>	<b>179.70</b>

(d) During the year there has been no transfer from one level to another.

**Note 34 Financial Risk Management**

The Company's activities expose it to credit risk, liquidity risk and market risk. In order to minimise any adverse effects on the financial performance of the Company, the company has risk management policies as described below-

**(A) Credit Risk**

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The Company is exposed to credit risk from its operating activities (primarily Trade Receivables) and from its investing activities (primarily Deposits with Banks and Investments in Mutual Funds).

Credit risk from balances with banks, term deposits, loans, investments and derivative instruments is managed by Company's finance department. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments. The Company monitors ratings, credit spreads and financial strength of its counterparties.

The Company's maximum exposure to credit risk for the components of the Balance Sheet as of 31st March, 2020 and 31st March, 2019 is the carrying amounts as disclosed in Note 32.

**Trade Receivables**

Trade Receivables are typically unsecured and are derived from revenue earned from customers. Customer credit risk is managed by each business unit subject to the Company's policy and procedures which involve credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. Outstanding customer receivables are regularly monitored.

The ageing analysis of the receivables (net of provision) has been considered from the date the invoice falls due.

				(₹ in Lakhs)
Trade Receivable	< 90 days	91 to 180 days	> 180 days	Total
<b>31st March, 2020</b>	3,240.48	1,079.86	430.76	4,751.10
31st March, 2019	4,073.84	847.46	602.71	5,524.01

**Notes to the Standalone Financial Statements** as at and for the year ended 31st March, 2020 (Contd.)**(B) Liquidity Risk**

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and maintains adequate sources of financing.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Contractual Maturities of Financial Liabilities	Less than 1 year	1 to 3 years	More than 3 years	(₹ in Lakhs)
				Total
<b>31st March, 2020</b>				
Borrowings <sup>^^</sup>	31,240.76	7,663.17	-	38,903.93
Contractual Interest on Borrowings	1,613.93	681.15	16.20	2,311.27
Trade Payables	5,965.83	-	-	5,965.83
Other Financial Liabilities	1,599.35	652.61	-	2,251.96
<b>Total</b>	<b>40,419.87</b>	<b>8,996.93</b>	<b>16.20</b>	<b>49,432.99</b>
<b>31st March, 2019</b>				
Borrowings <sup>^</sup>	33,317.24	9,749.01	3,182.30	46,248.55
Contractual Interest on Borrowings	1,814.85	1,396.72	153.36	3,364.93
Trade Payables	4,807.13	-	-	4,807.13
Other Financial Liabilities	1,705.69	123.98	-	1,829.67
<b>Total</b>	<b>41,644.91</b>	<b>11,269.71</b>	<b>3,335.66</b>	<b>56,250.28</b>

<sup>^</sup>Includes Non-Current Borrowings, Current Borrowings and Current Maturities of Non-Current Borrowings.

**(C) Market Risk**

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

**(i) Foreign Currency Risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, EUR and GBP. The Company has obtained foreign currency loans and has foreign currency trade receivables and trade payables and is therefore exposed to foreign currency risk.

The Company uses forward exchange contracts to hedge the effects of movements in foreign exchange rates on foreign currency denominated assets and liabilities.

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

The sensitivity of profit or loss to changes in the foreign exchange rates arises mainly from foreign currency denominated financial instruments.

	(₹ in Lakhs)	
	<b>Impact on profit before tax</b>	
	<b>As at 31-Mar-20</b>	As at 31-Mar-19
<b>USD Sensitivity</b>		
INR/USD -Increase by 10%*	(67.89)	(50.62)
INR/USD -Decrease by 10%*	67.89	50.62
<b>Euro Sensitivity</b>		
INR/EUR-Increase by 10%*	15.34	59.27
INR/EUR-Decrease by 10%*	(15.34)	(59.27)
<b>GBP Sensitivity</b>		
INR/GBP-Increase by 10%*	-	(0.00)
INR/GBP-Decrease by 10%*	-	0.00

\* Holding all other variables constant

**(ii) Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's main interest rate risk arises from short term and long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During 31st March 2020 and 31st March 2019, the Company's borrowings at variable rate were mainly denominated in INR.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of changes in market interest rates.

**(a) Sensitivity**

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

	(₹ in Lakhs)	
	<b>Impact on profit before tax</b>	
	<b>As at 31-Mar-20</b>	As at 31-Mar-19
Interest Rates — Increase by 50 basis points	(72.13)	(175.92)
Interest Rates — Decrease by 50 basis points	72.13	175.92

\* Holding all other variables constant and on the assumption that amount outstanding as at reporting dates were utilised for the full financial year.

**Notes to the Standalone Financial Statements** as at and for the year ended 31st March, 2020 (Contd.)**(iii) Price Risk**

Securities price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded prices.

The Company invests its surplus funds in various debt instruments. These comprise of mainly mutual funds and alternative investment fund. To manage its price risk arising from investments in mutual funds, the Company diversifies its portfolio. Mutual fund investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments.

**(a) Sensitivity**

The sensitivity of profit or loss to changes in Net Assets Values (NAVs) as at year end for investments.

	(₹ in Lakhs)	
	Impact on profit before tax	
	As at 31-Mar-20	As at 31-Mar-19
NAV - Increase by 1%*	118.94	157.02
NAV - Decrease by 1%*	(118.94)	(157.02)

\* Holding all other variables constant

**(iv) Agricultural Risk**

Cultivation of tea being an agricultural activity, there are certain specific financial risks. These financial risks arise mainly due to adverse weather conditions, logistic problems inherent to remote areas, and fluctuation of selling price of finished goods (tea) due to increase in supply/availability.

The Company manages the above financial risks in the following manner:

- Sufficient inventory levels of chemicals, fertilisers and other inputs are maintained so that timely corrective action can be taken in case of adverse weather conditions.
- Slightly higher level of consumable stores viz. packing materials, coal and HSD are maintained in order to mitigate financial risk arising from logistics problems.
- Forward contracts are made with overseas customers as well as domestic customers, in order to mitigate the financial risk in fluctuation in selling price of tea
- Sufficient working-capital-facility is obtained from banks in such a way that cultivation, manufacture and sale of tea is not adversely affected even in times of adverse conditions.

**Note 35 Capital Management**

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth and maximise the shareholders value. The Company's overall strategy remains unchanged from previous year. The Company sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments. The funding requirements are met through a mixture of borrowed funds and internal fund generation. The Company's policy is to use short-term and long-term borrowings to meet anticipated funding requirements. The Company monitors capital on the basis of the net debt to equity ratio. Net debt are long term and short term debts as reduced by cash and cash equivalents. Equity comprises share capital and free reserves (total reserves excluding OCI). The following table summarizes the capital of the Company:

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

	(₹ in Lakhs)	
	As at 31-Mar-20	As at 31-Mar-19
Borrowings	38,903.93	46,248.55
Less: Cash and Cash Equivalents	(446.95)	(392.75)
Net Debt	38,456.98	45,855.80
Total Equity *	24,995.88	27,905.54
Net Debt to Equity ratio	1.54	1.64

\* Excludes Other Comprehensive Loss (₹ 1208.40), [(P.Y. (₹ 972.99))]

No changes were made to the objectives, policies or processes from managing capital during the reporting periods.

**Note 36 Sale of Investment in Joint Venture**

During the year, the Board of Directors has decided, in principle, to dispose/ monetize certain tea estate(s) and/ or other assets in India or abroad to strengthen the financial position of the Company. In line with this decision, the Company has disposed of its investments in Tea Group Investment Company Limited (UAE), a joint venture, having a carrying value of ₹ 51.95 lakhs at a total consideration of USD 10 million (₹ 7,111.47 lakhs). Accordingly, ₹ 7,059.52 lakhs is included in 'Other income' on account of gain on sale of aforementioned investment.

Subsequent to the year end, the management has also planned to sale its investments in overseas tea estates to a wholly owned subsidiary and also sell its tea estates to the extent considered necessary in India. The promoters are also committed to extend the support to the Company in order to meet the liabilities and working capital requirements. Considering the measures towards monetization of assets along with improvement in tea prices and demand, the management does not anticipate any uncertainty in the Company's ability to continue as a going concern or meeting its financial obligations.

**Note 37**

During the year, the Company has received advance of ₹ 2,500 lakhs against sale of certain lands. Pending completion of the transaction, no profit has been recognised thereon.

**Note 38**

Subsequent to the balance sheet date, the Board of Directors of the Company have decided to sell the investment of 10,935 equity shares in its wholly owned subsidiary, Birla Holdings Ltd (UAE) to its another wholly owned subsidiary, Majhulia Sugar Industries Private Limited, for better administrative and management control.

**Note 39**

The national lockdown imposed by Government of India during the last week of March 2020, owing to COVID-19 pandemic had some impact on the business of the Company. The Company is part of the tea industry which suffered initial crop losses because of the lockdown. The Company took initiative and started its operation to mitigate the production loss and improve quality standard for higher realization. There is increase in demand of tea due to this pandemic and the price has risen significantly. The Company has now been able to operate its tea plantation and fertilizer factories by mobilizing critical work force and adopting stringent social distancing, safety measures and guidelines issued in this regard.

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

As per the current assessment, no material impact is expected due to COVID-19 on the carrying value of assets and liabilities as at the year ended March 31, 2020. The above assessment is, however, based on analysis carried out by the management and internal and external information available up to the date of approval of these standalone financial statements, which are subject to uncertainties that COVID-19 outbreak might pose on economic recovery.

**Significant Accounting Policies**

3

The accompanying notes are an integral part of the standalone Ind AS financial statements

As per our report of even date

For **S.R.BATLIBOI & CO. LLP**

Chartered Accountants

Firm Registration No : 301003E/E300005

For and on behalf of Board of Directors

per **Sanjay Kumar Agarwal**

Partner

Membership No: 060352

Place: Kolkata

Date: 1st August, 2020

**D. P. Maheshwari**  
(Managing Director)  
(DIN : 02203749)

**R. K. Ganeriwala**  
(President, CFO  
& Secretary)

**Jayashree Mohta**  
(Chairperson)  
(DIN : 01034912)



## Independent Auditor's Report

To the Members of  
Jay Shree Tea & Industries Limited

### Report on the Audit of the Consolidated Ind AS Financial Statements

#### Qualified Opinion

We have audited the accompanying consolidated Ind AS financial statements of Jay Shree Tea & Industries Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associate and joint venture comprising of the consolidated Balance Sheet as at March 31 2020, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and joint venture, except for the effects / possible effects of the matters described in the 'Basis of Qualified Opinion' section of our report, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associate and joint venture as at March 31, 2020, their consolidated loss including other comprehensive loss, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

#### Basis for Qualified Opinion

##### Attention is drawn to -

- a) Note 44 of the accompanying consolidated Ind AS financial statements which includes the Group's share of net loss of Rs. 370.76 lakhs and total comprehensive loss of ₹ 653.64 lakhs for the year ended March 31, 2020 as considered in the consolidated Ind AS financial statements, in respect of an associate which are based on unaudited Ind AS financial statements and other financial information. We are unable to comment on the adjustments in relation to such balances, if any, had the same been subjected to audit.
- b) Note 42 of the accompanying consolidated Ind AS financial statements, where one of the subsidiaries has not accrued interest income amounting to ₹ 122.93 lakhs during the year ended March 31, 2020 on certain loans, which are prejudicial to the interest of the Group. Had the subsidiary recognised this interest income in the books of account, other income and total equity would have been increased by Rs 122.93 lakhs with corresponding impact on net loss after tax.

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group, associate and a joint venture in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated Ind AS financial statements.

#### Emphasis of Matter

##### Attention is drawn to –

- a) Note 46 of the consolidated Ind AS financial statements, which describes the uncertainties and economic disruptions faced by the Group as a result of COVID-19 pandemic on its operations as assessed by the management. The actual results may differ from estimates depending on future developments.

## Independent Auditor's Report (Contd.)

- b) Note 45 of the consolidated Ind AS financial statements, which describes that one of the subsidiaries has applied for Registration as a Non-Banking Financial Company (NBFC) with the Reserve Bank of India on March 16, 2016 for which the Registration Certificate is awaited.

Our opinion is not modified in respect of these matters.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
<b>Estimation of Useful Life of Bearer Plants</b> (as described in note 3.5 and 4(a) of the consolidated Ind AS financial statements)	
<p>The carrying value of Bearer Plants as on March 31, 2020 is Rs. 5,951.02 lakhs.</p> <p>Estimation of useful life of Bearer Plants requires the management to exercise significant judgement. The changes in natural factors may affect the useful life expectancy of such assets and consequently have an impact on the carrying value of these assets and depreciation expense.</p> <p>As per Ind AS 16 'Property, Plant and Equipment', the management reviews estimated useful life and residual value of Bearer Plants annually and account for changes, where appropriate.</p> <p>This matter has been identified as a key audit matter due to significant estimates / judgment involved in estimating useful life for these assets.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>Assessed the management's estimate of useful life of Bearer Plants, for which we (1) evaluated the consistency of estimates with the Group's pattern of economic benefits embodied in such assets and future operating plans including acquisitions and retirements of the Bearer Plants; (2) compared the useful life estimates with those adopted by comparable tea producers, as per external available information; and (3) considered the Group's historical experience.</li> <li>Evaluated the assumptions and critical judgements used by the management and tested the underlying supporting documents / details.</li> <li>Assessed the related disclosures in the consolidated Ind AS financial statements.</li> </ul>
<b>Valuation of Biological Assets and agriculture produce</b> (as described in note 3.10, 3.11, 8 and 8a respectively of the consolidated Ind AS financial statements)	
<p>As required by Ind AS 41 "Agriculture", management estimates the fair value of plucked (agriculture produce) and unplucked tea leaves (biological assets) as at the balance sheet date through the use of valuation model and recent transaction prices. As at March 31, 2020, the carrying value of biological assets included under current assets is Rs.2.77 lakhs.</p> <p>Finished goods produced from agricultural produce are valued at lower of cost (arrived at by adding the cost of conversion to the fair value of agricultural produce) and the net realizable value.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>Understood, evaluated and tested the operating effectiveness of internal controls over valuation of biological assets and harvested tea leaf inventory.</li> <li>Assessed the significant assumptions used in the valuation model with reference to available market information, including the possible impact of COVID-19 pandemic on measurement of such estimates.</li> <li>Tested the data inputs used and compared them with underlying supporting documents.</li> </ul>

## Independent Auditor's Report (Contd.)

Key audit matters	How our audit addressed the key audit matter
<p>For harvested or unharvested green leaves, since there is no active market for own leaves, significant judgement is involved in considering key assumptions used in determining average prevalent selling prices of the tea leaf, average quality of the tea leaf and quantity of unplucked leaf. Accordingly, this matter has been identified as a key audit matter.</p>	<ul style="list-style-type: none"> <li>Assessed the related disclosures in the consolidated Ind AS financial statements for compliance with disclosure requirements.</li> </ul>
<p><b>Going concern assessment</b> (as described in note 46 of the consolidated Ind AS financial statements)</p>	
<p>The evaluation of the appropriateness of adoption of going concern assumption for preparation of these consolidated Ind AS financial statements performed by the management of the Holding Company is identified as a key audit matter because the Holding Company has incurred losses during the year ended March 31, 2020 and as on that date, its current liabilities exceeded the current assets by Rs 10,945.44 lakhs.</p> <p>The Holding Company has prepared a cash flow forecast for next twelve months, which involves judgement and estimation of key variables and market conditions including future economic conditions on account of prevailing global pandemic.</p> <p>The management is confident that the net cash inflows from operating activities in conjunction with proceeds from sale of assets as part of ongoing plan to monetize/ dispose certain tea estate(s) and/ or other assets in India or abroad, will provide sufficient liquidity to meet its financial obligation. Hence, these consolidated Ind AS financial statements have been prepared adopting the going concern assumption.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>Obtained an understanding of the process followed by the management of the Holding Company and tested the internal controls over the liquidity assessment, preparation of the cash flow forecast, and validation of the assumptions and inputs used in the model to estimate the future cash flows.</li> <li>Tested the inputs and assumptions used by the management in the cash flow forecast against historical performance, economic and industry indicators, the Holding Company's strategic plans and benchmarking of key market related conditions.</li> <li>Performed sensitivity analysis on key assumptions like selling prices and growth rate to determine their impact on the projections of future cash flows including possible impact of prevailing global pandemic.</li> <li>Read minutes of meetings of Board of Directors and filings made with stock exchanges by the Holding Company during the year.</li> <li>Performed inquiries with the management regarding transactions, as part of ongoing plan to monetize/ dispose certain tea estate(s) and/ or other assets in India or abroad, post balance sheet date.</li> <li>Assessed the related disclosures in the consolidated Ind AS financial statements.</li> </ul>

### Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Report of Directors including Annexures to the Report of Directors, Corporate Governance and Statement pursuant to Section 129 of the Companies Act, 2013, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Independent Auditor's Report (Contd.)

### Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associate and joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associate and joint venture and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for assessing the ability of the Group and of its associate and joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associate and joint venture are also responsible for overseeing the financial reporting process of the Group and of its associate and joint venture.

### Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast

## Independent Auditor's Report (Contd.)

significant doubt on the ability of the Group and its associate and joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate and joint venture to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate and joint venture of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matter

- (a) We did not audit the financial statements and other financial information, in respect of our direct subsidiaries whose Ind AS financial statements and two stepdown subsidiaries, together include total assets of ₹ 60,473.69 lakhs as at March 31, 2020, and total revenues of ₹23,316.65 lakhs and net cash inflows of ₹ 1,520.39 lakhs for the year ended on that date. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net loss of ₹ 1,579.77 lakhs for the year ended March 31, 2020, as considered in the consolidated Ind AS financial statements, in respect of a joint venture, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries (including stepdown subsidiaries) and joint venture, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint venture, is based solely on the report(s) of such other auditors.

Two of the subsidiaries of BHL (including stepdown subsidiary) and two subsidiaries of the joint venture are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors

## Independent Auditor's Report (Contd.)

under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such entities located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such entities located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

### Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, associate and joint venture, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) Except for the effects / possible effects of matters described in the Basis of Qualified Opinion paragraph above, we/ the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;
- (b) Except for the effects / possible effects of matters described in the Basis of Qualified Opinion paragraph above, in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- (d) Except for the effects / possible effects of matters described in the Basis of Qualified Opinion paragraph above, in our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) The matter described in the Basis for Qualified Opinion and Emphasis of Matter paragraphs above, in our opinion, may have an adverse effect on the functioning of the Group;
- (f) Except for the effects / possible effects of matters described in the Basis for Qualified Opinion paragraph, on the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies,, none of the directors of the Group's companies incorporated in India, is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- (g) Except for the effects / possible effects of matters described in the Basis of Qualified Opinion paragraph above, with respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies incorporated in India, refer to our separate Report in "Annexure 1" to this report;
- (h) Except for the effects / possible effects of matters described in the Basis of Qualified Opinion paragraph above, in our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries incorporated in India, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Holding Company and its subsidiaries incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

## Independent Auditor's Report (Contd.)

- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and joint venture, as noted in the 'Other matter' paragraph:
- i. Except for the effects / possible effects of the matter described in the Basis of Qualified Opinion paragraph, the consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associate and joint venture in its consolidated Ind AS financial statements – Refer Note 30 to the consolidated Ind AS financial statements;
  - ii. Except for the effects / possible effects of matter described in the Basis of Qualified Opinion paragraph, the Group, its associate and joint venture did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2020;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended March 31, 2020. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiaries incorporated in India during the year ended March 31, 2020.

For **S.R. Batliboi & Co. LLP**  
Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Sanjay Kumar Agarwal**  
Partner

Membership Number: 060352  
UDIN: 20060352AAAADC6663

Place : Kolkata  
Date : August 01, 2020

## “Annexure 1” to the Independent Auditor’s Report

**“Annexure 1” to the independent auditor’s report of even date on the consolidated ind as financial statements of Jay Shree Tea & Industries Limited**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

In conjunction with our audit of the consolidated Ind AS financial statements of Jay Shree Tea & Industries Limited as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Jay Shree Tea & Industries Limited (hereinafter referred to as the “Holding Company”), and its subsidiary companies which are companies incorporated in India, as of that date.

### Management’s Responsibility for Internal Financial Controls

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

### Auditor’s Responsibility

Our responsibility is to express an opinion on the company’s internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company’s internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements.

### Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Ind AS Financial Statements

A company’s internal financial control over financial reporting with reference to these consolidated Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting with reference to these consolidated



## “Annexure 1” to the Independent Auditor’s Report (Contd.)

Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated Ind AS financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Ind AS Financial Statements

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

### Qualified Opinion

The system of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements with regard to the associate company, which is incorporated in India, were not made available, to determine if the associate company has established adequate internal financial control over financial reporting with reference to these consolidated Ind AS financial statements and whether such internal financial controls were operating effectively as at March 31, 2020. Hence, we are unable to comment on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, in so far as it relates to such associate.

According to the information and explanations given to us and based on the reports issued by other auditors on internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements in case of its subsidiary companies, which are companies incorporated in India, the following material weakness have been identified in the operating effectiveness of the Group’s internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements as at March 31, 2020:

- a) One of the subsidiaries internal financial controls over recognition of interest income were not operating effectively which could potentially result in the Group not recognising appropriate interest income and being prejudicial to the interest of the Group.

A ‘material weakness’ is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the holding company’s annual or interim consolidated Ind AS financial statements will not be prevented or detected on a timely basis.

### Opinion

In our opinion, except for the possible effects of the matter described in qualified opinion paragraph above in respect of associate company, which is incorporated in India, and except for the effects of the material weakness described above on the achievement of the objectives of the control criteria in respect of the Holding Company and its subsidiary companies, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the /Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**“Annexure 1” to the Independent Auditor’s Report** (Contd.)**Other Matters**

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements in so far as it relates to these 3 (three) subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India as specified under section 143(10) of the Act, the consolidated Ind AS financial statements of the Holding Company, which comprise the Consolidated Balance Sheet as at March 31, 2020, and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated August 01, 2020 expressed a qualified opinion thereon.

For **S.R. Batliboi & Co. LLP**

*Chartered Accountants*

ICAI Firm Registration Number: 301003E/E300005

per **Sanjay Kumar Agarwal**

*Partner*

Membership Number: 060352

UDIN: 20060352AAAADC6663

Place : Kolkata

Date : August 01, 2020

## Consolidated Balance Sheet as at 31st March, 2020

	Notes	As at 31-Mar-2020	(₹ in Lakhs) As at 31-Mar-2019
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant And Equipment	4	42,693.69	32,966.92
Right-of-use assets	4	566.34	-
Capital Work-in-Progress	4	2,945.75	10,351.08
Investment Property	4	13.33	13.37
Goodwill	4	1,355.74	1,343.97
Intangible Assets	4	5.70	-
<b>Financial Assets</b>			
(a) Investments	5a	16,286.43	28,513.38
(b) Trade Receivables	5c	-	-
(c) Loans	5d	600.91	540.95
(d) Other Financial Assets	5e	322.99	235.55
Deferred Tax Assets (Net)	6	534.69	1,514.03
Income Tax Assets (Net)		722.54	633.02
Other Non-Current Assets	7	625.40	938.54
<b>Total Non-Current Assets</b>		<b>66,673.51</b>	<b>77,050.81</b>
<b>Current Assets</b>			
Inventories	8	30,026.97	30,711.31
Biological Assets Other Than Bearer Plants	8a	101.92	269.00
<b>Financial Assets</b>			
(a) Investments	5b	2,354.21	246.09
(b) Trade Receivables	5c	5,734.93	6,083.32
(c) Cash and Cash Equivalents	9a	1,833.26	600.59
(d) Other Bank Balances	9b	1,061.34	135.32
(e) Loans	5d	637.81	2,672.41
(f) Other Financial Assets	5e	4,585.81	4,906.45
Other Current Assets	7	3,229.01	3,339.35
Assets held for sale	41	1,591.88	-
<b>Total Current Assets</b>		<b>51,157.14</b>	<b>48,963.84</b>
<b>Total Assets</b>		<b>1,17,830.65</b>	<b>1,26,014.65</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	10	1,133.34	1,133.34
Other Equity	11	20,221.85	31,131.74
<b>Total Equity</b>		<b>21,355.19</b>	<b>32,265.08</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
(a) Borrowings	12a	13,082.12	13,437.52
(b) Other Financial Liabilities	12b	733.67	240.61
Provisions	13	4,798.67	3,784.41
Income Tax Liabilities (Net)		351.80	166.04
Other Non-Current Liabilities	15	372.88	332.19
<b>Total Non-Current Liabilities</b>		<b>19,339.14</b>	<b>17,960.77</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
(a) Borrowings	12c	31,562.63	30,344.28
(b) Trade Payables		-	-
Total Outstanding Dues of Micro Enterprises and Small Enterprises	14	-	-
Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	14	27,235.03	29,031.20
(c) Other Financial Liabilities	12b	8,671.13	9,911.57
Other Current Liabilities	15	4,690.22	1,671.78
Provisions	13	4,977.31	4,829.97
<b>Total Current Liabilities</b>		<b>77,136.32</b>	<b>75,788.80</b>
<b>Total Liabilities</b>		<b>96,475.46</b>	<b>93,749.57</b>
<b>Total Equity and Liabilities</b>		<b>1,17,830.65</b>	<b>1,26,014.65</b>

### Significant Accounting Policies

3

The accompanying notes are an integral part of the consolidated Ind AS financial statements

As per our report of even date

For **S.R.BATLIBOI & CO. LLP**

Chartered Accountants

Firm Registration No : 301003E/E300005

For and on behalf of Board of Directors

per **Sanjay Kumar Agarwal**

Partner

Membership No: 060352

Place: Kolkata

Date: 1st August, 2020

**D. P. Maheshwari**  
(Managing Director)  
(DIN : 02203749)

**R. K. Ganeriwala**  
(President, CFO  
& Secretary)

**Jayashree Mohta**  
(Chairperson)  
(DIN : 01034912)

## Consolidated Statement of Profit & Loss for the year ended 31st March, 2020

		(₹ in Lakhs except otherwise stated)	
	Notes	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
<b>I. Income</b>			
Revenue from Operations	16	71,731.61	75,691.69
Other Income	17	7,604.68	4,216.79
<b>Total Income (I)</b>		<b>79,336.29</b>	<b>79,908.48</b>
<b>II. Expenses</b>			
Cost of Materials Consumed	18	26,659.72	27,508.87
Purchases of Traded Goods	19	4,760.01	5,878.95
Changes in Inventories of Finished Goods, Work-in-Progress and Traded Goods	20	(31.55)	(3,450.38)
Employee Benefits Expense	21	25,275.03	24,460.83
Finance Costs	22	5,926.50	4,910.89
Depreciation and Amortisation expenses	23	2,463.06	1,926.66
Other Expenses	24	19,904.37	19,073.36
<b>Total Expenses (II)</b>		<b>84,957.14</b>	<b>80,309.18</b>
<b>III. Loss before Exceptional Items and Tax (I-II)</b>		<b>(5,620.85)</b>	<b>(400.70)</b>
<b>IV. Exceptional Items</b>	43	(1,515.40)	-
<b>V. Loss before Tax (III+IV)</b>		<b>(7,136.25)</b>	<b>(400.70)</b>
<b>VI. Tax Expense:</b>			
Current Tax		225.00	126.84
Deferred Tax Charge	6	973.89	28.03
Adjustment of Tax relating to Earlier Periods		(69.37)	(160.38)
		<b>1,129.52</b>	<b>(5.51)</b>
<b>VII. Loss for the Year (V-VI)</b>		<b>(8,265.77)</b>	<b>(395.19)</b>
<b>VIII. Share of Profit/(Loss) of Associate and Joint Venture</b>	38 & 39	<b>(1,950.53)</b>	<b>42.64</b>
<b>IX. Loss after Tax, share of profit/(loss) of Associate and Joint Venture (VII+VIII)</b>		<b>(10,216.30)</b>	<b>(352.55)</b>
<b>X. Other Comprehensive Income/(Loss)</b>			
<b>a) Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</b>			
i) Re-measurement gains and (losses) on defined benefit obligations (net of tax)		(102.61)	(995.13)
ii) Fair Value of Equity Instruments through OCI (net of tax)		(462.85)	141.85
<b>b) Other comprehensive income to be reclassified to profit or loss in subsequent periods:</b>			
i) Exchange Differences on Translation of Foreign Operations		53.73	(37.65)
ii) Share of Other Comprehensive Income/(Loss) in Associate and Joint Venture	38 & 39	(81.76)	104.21
<b>Other Comprehensive Loss for the year, net of tax (X)</b>		<b>(593.49)</b>	<b>(786.72)</b>
<b>XI. Total Comprehensive Loss for the year, net of tax (IX + X)</b>		<b>(10,809.79)</b>	<b>(1,139.27)</b>
Earnings per Equity Share of ₹ 5/- each			
Basic & Diluted (in ₹)	25	(45.07)	(1.57)

### Significant Accounting Policies

3

The accompanying notes are an integral part of the consolidated Ind AS financial statements

As per our report of even date

For **S.R.BATLIBOI & CO. LLP**

Chartered Accountants

Firm Registration No : 301003E/E300005

per **Sanjay Kumar Agarwal**

Partner

Membership No: 060352

Place: Kolkata

Date: 1st August, 2020

For and on behalf of Board of Directors

**D. P. Maheshwari**  
(Managing Director)  
(DIN : 02203749)

**R. K. Ganeriwala**  
(President, CFO  
& Secretary)

**Jayashree Mohta**  
(Chairperson)  
(DIN : 01034912)

**Consolidated Statement of Changes in Equity** for the year ended 31st March, 2020**a. Equity Share Capital**

	No. of shares	₹ in Lakhs
Equity shares of ₹ 5 each issued, subscribed and fully paid		
<b>As at 1st April, 2018</b>	2,23,48,678	1,117.43
Changes in Equity Share Capital		
- Effect of Cross Holding	3,18,180	15.91
<b>At 31st March, 2019</b>	<b>2,26,66,858</b>	<b>1,133.34</b>
Changes in Equity Share Capital	-	-
<b>At 31st March, 2020</b>	<b>2,26,66,858</b>	<b>1,133.34</b>

**b. Other Equity****For the Year Ended 31st March, 2020**

Particulars	Reserves & Surplus					Items of OCI		Total Other Equity
	Capital Reserve	Capital Redemption Reserve	RBI Reserve Fund	General Reserve	Retained Earnings	Foreign Currency Translation Reserve	Other Comprehensive Income	
<b>As at 1st April, 2019</b>	107.57	165.20	48.96	17,737.60	13,043.34	(164.36)	193.43	31,131.74
Profit/(Loss) for the Year	-	-	-	-	(10,216.30)	-	-	(10,216.30)
Other Comprehensive Income/(Loss) for the Year	-	-	-	-	-	53.73	(647.22)	(593.49)
<b>Total Comprehensive Income for the year</b>	-	-	-	-	(10,216.30)	53.73	(647.22)	(10,809.79)
Dividend and Distribution Tax thereon (Refer Note 26)	-	-	-	-	(100.10)	-	-	(100.10)
Realised Loss on Sale of Investment valued at FVTOCI transferred to General Reserve from OCI	-	-	-	(23.44)	-	-	23.44	-
<b>As at 31st March, 2020</b>	<b>107.57</b>	<b>165.20</b>	<b>48.96</b>	<b>17,714.16</b>	<b>2,726.94</b>	<b>(110.63)</b>	<b>(430.35)</b>	<b>20,221.85</b>

**For the Year Ended 31st March, 2019**

Particulars	Reserves & Surplus					Items of OCI		Total Other Equity
	Capital Reserve	Capital Redemption Reserve	RBI Reserve Fund	General Reserve	Retained Earnings	Foreign Currency Translation Reserve	Other Comprehensive Income	
<b>As at 1st April, 2018</b>	-	165.20	48.96	17,529.41	13,537.32	(126.71)	1,014.38	32,168.56
Profit/(Loss) for the Year	-	-	-	-	(352.55)	-	-	(352.55)
Other Comprehensive Income/(Loss) for the Year	-	-	-	-	-	(37.65)	(749.07)	(786.72)
<b>Total Comprehensive Income for the year</b>	-	-	-	-	(352.55)	(37.65)	(749.07)	(1,139.27)
Effect of Cross Holding	107.57	-	-	136.31	-	-	-	243.88
Dividend and Distribution Tax thereon (Note 26)	-	-	-	-	(141.43)	-	-	(141.43)
Realised profit on Sale of Investment valued at FVTOCI transferred to General Reserve from OCI	-	-	-	71.88	-	-	(71.88)	-
<b>As at 31st March, 2019</b>	<b>107.57</b>	<b>165.20</b>	<b>48.96</b>	<b>17,737.60</b>	<b>13,043.34</b>	<b>(164.36)</b>	<b>193.43</b>	<b>31,131.74</b>

**Significant Accounting Policies**

3

The accompanying notes are an integral part of the consolidated Ind AS financial statements

As per our report of even date

For **S.R.BATLIBOI & CO. LLP**

Chartered Accountants

Firm Registration No : 301003E/E300005

per **Sanjay Kumar Agarwal**

Partner

Membership No: 060352

Place: Kolkata

Date: 1st August, 2020

For and on behalf of Board of Directors

**D. P. Maheshwari**  
(Managing Director)  
(DIN : 02203749)**R. K. Ganeriwala**  
(President, CFO  
& Secretary)**Jayashree Mohta**  
(Chairperson)  
(DIN : 01034912)

## Consolidated Statement of Cash Flows for the year ended 31st March, 2020

Particulars	(₹ in Lakhs)	
	Year Ended 31-Mar-20	Year Ended 31-Mar-19
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Loss before Tax	(7,136.25)	(400.70)
<b>Adjustment to reconcile profit before tax to net cash flow:</b>		
Depreciation and Amortisation Expense	2,463.06	1,926.66
Finance Costs	5,926.50	4,910.89
Other balances written off	847.09	108.79
Expected credit loss for trade receivables	34.39	37.46
Dividend Received from Investments	(110.94)	(153.78)
Profit on Sale of Investments (Net)	(4,264.74)	(361.19)
Fair Value Loss on Investments	482.19	174.67
Impairment Loss on Investment & Loan	1,515.40	-
Profit on sale/discard of Property, Plant & Equipment	(810.11)	(1,303.47)
Fair Value (Gain)/Loss on Biological Assets	167.08	(92.25)
Excess Liabilities and Unclaimed Balances written back	(1,227.31)	(126.24)
Interest Income	(798.57)	(977.37)
<b>Operating Profit/(Loss) before Working Capital changes</b>	<b>(2,912.21)</b>	<b>3,743.47</b>
<b>Adjustments for-</b>		
(Increase)/Decrease in Inventories	684.34	(4,351.66)
(Increase)/Decrease in Trade Receivables	(533.09)	1,179.86
(Increase)/Decrease in Loans, Deposits and Other Assets	2,855.96	(1,436.63)
Increase/(Decrease) in Trade Payables	(1,796.17)	5,739.16
Increase in Other Liabilities	1,493.37	892.48
Increase in Provisions	1,058.99	527.94
<b>Cash generated from Operations</b>	<b>851.29</b>	<b>6,294.62</b>
Income Tax (Paid)/Refund [Net]	(13.21)	51.48
<b>Net Cash Inflow from Operating Activities</b>	<b>837.98</b>	<b>6,346.10</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Dividend Received from Investments	109.69	153.78
Interest Received	852.37	1,009.93
Proceed from/(Investment) in Bank Deposits [Net]	(1,026.61)	630.63
Sale of Property, Plant & Equipment	356.08	1,584.18
Purchase of Property, Plant & Equipment	(6,165.59)	(12,617.68)
Advance received against sale of Land	2,500.00	705.00
(Purchase)/Sale of Non-Current Investments [Net]	10,052.81	1,590.95
<b>Net Cash Inflow/(Outflow) from Investing Activities</b>	<b>6,678.75</b>	<b>(6,943.21)</b>

**Consolidated Statement of Cash Flows** for the year ended 31st March, 2020 (Contd.)

Particulars	(₹ in Lakhs)	
	Year Ended 31-Mar-20	Year Ended 31-Mar-19
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from Non-Current Borrowings	-	4,600.00
Proceeds/(Repayment) of Current Borrowings [Net]	(2,781.65)	7,851.45
Repayment of Non-Current Borrowings	(1,579.20)	(7,771.86)
Proceeds of loans from Promoter's Group [Net]	4,000.00	-
Dividend Paid (including Dividend Distribution Tax)	(100.10)	(141.43)
Payments of Lease Liability	(161.53)	-
Interest Paid	(5,661.58)	(4,974.60)
<b>Net Cash Outflow from Financing Activities</b>	<b>(6,284.06)</b>	<b>(436.44)</b>
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	1,232.67	(1,033.55)
Cash and Cash Equivalents at the beginning of the Year (Refer Note 9a)	600.59	1,634.14
Cash and Cash Equivalents at the end of the Year (Refer Note 9a)	1,833.26	600.59

**Significant Accounting Policies**

3

The accompanying notes are an integral part of the consolidated Ind AS financial statements

As per our report of even date

For **S.R.BATLIBOI & CO. LLP**

Chartered Accountants

Firm Registration No : 301003E/E300005

per **Sanjay Kumar Agarwal**

Partner

Membership No: 060352

Place: Kolkata

Date: 1st August, 2020

For and on behalf of Board of Directors

**D. P. Maheshwari**  
(Managing Director)  
(DIN : 02203749)

**R. K. Ganeriwala**  
(President, CFO  
& Secretary)

**Jayashree Mohta**  
(Chairperson)  
(DIN : 01034912)

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

### 1.1 Corporate Information

The consolidated financial statements comprise financial statements of Jay Shree Tea & Industries Limited ('the Company') and its subsidiaries (collectively the "Group") for the year ended 31st March, 2020. The Company is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on three stock exchanges in India. The registered office of the Company is located at 10, Camac Street, Kolkata - 700017, West Bengal, India.

The Group is principally engaged in manufacture of tea, chemical & fertilisers and sugar. Information on the Group's structure is provided in Note 37.

The consolidated Ind AS financial statements were approved and authorised for issue in accordance with the resolution of the Company's Board of Directors on 1st August, 2020.

### 1.2 Basis of Preparation

The consolidated financial statements of the Group for the year ended 31st March, 2020 have been prepared in accordance Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Scheduled III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements.

The preparation of financial statements require judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities including contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between actual results and estimates are recognized in the period prospectively in which the results are known/ materialized.

The consolidated Ind AS financial statements have been prepared on a historical cost basis, except for:

- Certain financial assets and liabilities (including derivative financial instruments) which are measured at fair value/amortised cost
- Defined benefit plans – plan assets measured at fair value
- Certain biological assets (including unplucked green leaves and standing crops of sugarcane) which are measured at fair value less cost to sell.

The consolidated Ind AS financial statements are presented in INR and all values are rounded to the nearest Lakhs (INR 00,000), except when otherwise indicated.

### 2. Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31st March, 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee



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

- Rights arising from other contractual arrangements
- The Group 's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Company ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March except for one joint venture (including its two subsidiaries) where the most recent financial statements, i.e., 31 December is being used for the purpose of consolidation and adjusted for the effects of significant transactions or events that occur between the date of those financial statements and the date of the consolidated financial statements, if any.

**Consolidation procedure:**

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received

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

- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

### 3. Significant Accounting Policies

#### 3.1. Investments in associate and joint venture

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

If an entity's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the associate or joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit and loss.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

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

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

**3.2. Goodwill**

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. Goodwill is initially measured at cost, being the excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed, measured in accordance with Ind AS 103, 'Business Combinations'.

Goodwill is considered to have indefinite useful life and hence is not subject to amortization but tested for impairment at least annually. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination, is from the acquisition date, allocated to each of the respective company's cash generating units (CGUs) that are expected to benefit from the combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Each CGU or a combination of CGUs to which goodwill is so allocated represents the lowest level at which goodwill is monitored for internal management purpose and it is not larger than an operating segment of the Group.

A CGU to which goodwill is allocated is tested for impairment annually, and whenever there is an indication that the CGU may be impaired; by comparing the carrying amount of the CGU, including the goodwill, with the recoverable amount of the CGU. If the recoverable amount of the CGU exceeds the carrying amount of the CGU, the CGU and the goodwill allocated to that CGU is regarded as not impaired. If the carrying amount of the CGU exceeds the recoverable amount of the CGU, the respective company recognizes an impairment loss by first reducing the carrying amount of any goodwill allocated to the CGU and then to other assets of the CGU pro-rata based on the carrying amount of each asset in the CGU. Any impairment loss on goodwill is recognized in the Statement of Profit and Loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

On disposal of a CGU to which goodwill is allocated, the goodwill associated with the disposed CGU is included in the carrying amount of the CGU when determining the gain or loss on disposal.

**3.3. Current and Non-Current classification**

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

It is expected to be settled in normal operating cycle

- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or

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

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The group has identified twelve months as its operating cycle.

### 3.4. Foreign Currencies

#### Functional and presentation currency

The Group's consolidated financial statements are presented in INR, which is also the parent company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

#### Transaction and balances

Transactions in foreign currencies are initially recorded by the Group at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising in the acquisition/ business combination of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

### 3.5. Property, Plant and Equipment

Property, plant and equipment are carried at cost of acquisition, less accumulated depreciation and accumulated impairment, if any. Cost comprises purchase price and directly attributable cost of bringing the asset to its working condition for the intended use. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Material items such as spare parts,

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

stand-by equipment and service equipment are classified as PPE when they meet the definition of PPE as specified in Ind AS 16 – Property, Plant and Equipment.

Bearer Plants which is used in the production or supply of agriculture produce and expected to bear produce for more than a period of twelve months are capitalized as a part of Property, Plant & Equipment. The cost of Bearer Plant includes all cost incurred till the plants are ready for commercial harvest. Bearer Plants are depreciated from the date when they are ready for commercial harvest.

An item of Property, Plant and Equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of the asset 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 derecognized.

Depreciation on property, plant and equipment assets other than land is provided on the Straight Line Method to allocate their cost, net of their residual values on the basis of useful lives prescribed in the Schedule II of the Companies Act, 2013. In respect of the following assets, useful lives different from Schedule II have been considered on the basis of technical evaluation, as under:-

- In case of asset “Plucking/Pruning/Power Spraying Machines”, depreciation is provided on Straight Line Method at the rates determined considering the useful lives of 5 years which is based on internal assessment and the management believes that the useful lives as considered above best represent the period over which the respective assets shall be expected in use.
- Depreciation on Bearer Plants has been provided on Straight Line Basis at the rates determined considering useful lives of tea bushes of 45-70 years. The Residual Value in case of Bearer Plants has been considered as 1% of Original Cost.

Depreciation in respect of two step subsidiary is calculated based on reducing balance method.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**3.6. Capital Work-in-Progress**

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

**3.7. Investment Properties**

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Though the group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes.

**3.8. Leases**

Ind AS 116 supersedes Ind AS 17 Leases including its appendices. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The Group has adopted Ind AS 116 using the modified retrospective method of adoption under the transitional provisions of the Standards, with the date of initial application on 1st April 2019. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets). Adoption of Ind- AS 116 doesn't have any material impact on the financial statements of the Group.

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

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

### Group as a lessee

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

### Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the lease term or estimated useful life of asset, whichever is less.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

### Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

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

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

### 3.9. Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost until the asset is ready for its intended use. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Other borrowing costs are recognized as an expense in the period in which they are incurred.

### 3.10. Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

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

Raw materials in the form of harvested tea leaves, produced from own gardens are measured at fair value for the purpose of value of made tea.

Raw materials (including purchased tea leaves), Work-in-Progress, Stores & Spare parts, Finished Goods and Traded Goods are stated at the lower of cost and estimated net realisable value. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to their present location and condition and includes appropriate overheads (in case of Finished Goods).

By-products, whose cost is not identifiable, are valued at estimated net realisable value.

Cost is determined on weighted average basis. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

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

**3.11. Biological Assets**

Biological Assets of tea leaves growing on tea bushes and standing crops of sugarcane are measured at fair value less cost to sell with changes in fair value recognised in Statement of Profit and Loss. The fair value of these assets excludes the land upon which the crops are planted, or the items of Property, plant and equipment utilised in the upkeep of the planted areas.

The biological process of standing crops of sugarcane starts with preparation of land for planting, seedlings and ends with the harvesting of crops. For biological assets, where little biological transformation has taken place since the initial cost was incurred (for example seedlings planted immediately before the balance sheet date), such biological assets are measured at cost i.e. the total expenses incurred on such plantation upto the balance sheet date. When harvested, cane is transferred to inventory at fair value less costs to sell.

**3.12. Cash and Cash Equivalents**

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

**3.13. Trade Receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment, if any.

**3.14. Impairment of non-financial assets**

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss.

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

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit and Loss.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

### 3.15. Government Grants

Government grants and subsidies are recognised when there is reasonable assurance that the Group will comply with the conditions attached to them and the grants/subsidy will be received.

When the grant or subsidy from the Government relates to revenue, it is accrued and shown as income in the period in which the right to receive grant is established.

Government grants relating to the acquisition/construction of property, plant and equipment are included in non-current liabilities as deferred government grant and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to the Statement of Profit and Loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities in respect of loans / assistances received subsequent to the date of transition.

The Group has adopted the method of presenting the grant by setting up deferred income separately.

### 3.16. Revenue from contracts with customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Revenue is measured at the fair value of the consideration received or receivable, net of returns, discounts, volume rebates, outgoing sales taxes including goods and service tax. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group regardless of when the payment is being made.

The specific recognition criteria described below must also be met before revenue is recognised.

- **Sale of goods**

Revenue from sale of goods is recognized when the Group transfers the control of goods to the customer as per the terms of contract. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price, the Group considers the effects of variable consideration, the existence of significant financing component, non-cash considerations and consideration payable to the customer (if any).



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

- **Sale of services**

Revenue from services rendered is recognised as the services are rendered and is booked based on agreements/ arrangements with the concerned parties.

**Contract balances:****-Trade receivables**

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

- **Export Benefits**

Exports entitlements are recognised when the right to receive credit as per the terms of the schemes is established in respect of the exports made by the Group and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

- **Interest Income**

Interest Income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income from debt instruments is recognised using the effective interest rate method.

- **Dividends**

Dividend income is recognised in the statement of profit and loss only when the right to receive payment is established, which is generally when shareholders approve the dividend.

- **Rental Income**

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the Statement of Profit or Loss. The Group has determined that it does not meet criteria for recognition of lease rental income on a basis other than straight-line basis.

- **Insurance Claim Receivable**

Insurance and other claims, Interest on doubtful loans and advances to cane growers and Compensation receivable in respect of land surrendered to / acquired by the Government due to uncertainty in realization, are accounted for on acceptance basis.

**3.17. Retirement and other Employee Benefits****Short term Employees Benefits:**

The undiscounted amount of short term employee benefit expected to be paid in exchange for the services rendered by employee is recognized during the period when the employee renders the service. This benefit includes salary, wages, short term compensatory absences and bonus.

**Long Term Employee Benefits:**

- **Defined Contribution Scheme:** This benefit includes contribution to Superannuation Scheme, ESIC (Employees' State Insurance Corporation) and Provident Fund Schemes. The contribution is recognized during the period in which the employee renders service.
- **Defined Benefit Scheme:** For defined benefit scheme the cost of providing benefit is determined using the projected unit credit method with actuarial valuation being carried out at each balance sheet date. The retirement benefit obligation recognized in the Balance Sheet represents value of defined benefit obligation as reduced by the fair value of planned assets. Actuarial gains and losses are recognized in full in Other Comprehensive Income during the period in which they occur.

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

- In case of certain employees, the employer-established provident fund trusts are treated as Defined Benefit Plans since the Group is obligated to meet the interest shortfall, if any, with respect to covered employees.
- Other Long-Term Benefits: Long term compensated absence is provided for based on actuarial valuation, using the Projected Unit Credit Method as at the date of Balance Sheet.

### 3.18. Taxation

Tax Expense comprises of Current and Deferred Tax. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is provided using the balance sheet method on deductible temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

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

Current and Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current and Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Minimum alternate tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned 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 recognizes MAT credit as an asset, it is created by way of credit to the Statement of Profit and Loss and shown as part of deferred tax asset. The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

**3.19. Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments and has been identified as the Managing Director of the Group.

**Identification of segments**

The Group's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which the customers of the Group are located.

**Allocation of common costs**

Common allocable costs are allocated to each segment on a case to case basis applying the ratio, appropriate to each relevant case. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segment on a reasonable basis, are included under the head "Unallocated".

**Unallocated items**

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

**Segment accounting policies**

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

Refer Note 36 for segment information presented.

**3.20. Earnings per Share**

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holder of parent company (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the 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 of the parent company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

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

### 3.21. Provisions and Contingencies

Provision is recognized when a Group has a present obligation (legal or constructive) 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 measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the liability. The expense relating to a provision is presented in the statement of profit and loss.

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 Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent Assets are not recognized though are disclosed, where an inflow of economic benefits is probable.

### 3.22. Financial Instruments

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

#### Financial Assets

##### Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

##### Subsequent measurement

##### Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The EIR amortisation is included in finance income in the Statement of Profit and Loss.

##### Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at Fair Value Through Profit and Loss (FVTPL). For all other equity instruments, the Group makes an irrevocable election to present in Other Comprehensive Income (OCI) subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

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

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

**Impairment of financial assets**

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18 (referred to as 'contractual revenue receivables' in these financial statements)

The Group follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables or contract revenue receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original Effective Interest Rate (EIR). Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' (or 'other income') in the Statement of Profit and Loss.

**Financial liabilities****Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

**Subsequent measurement****Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

### Offsetting financial instruments

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

### 3.23. Fair Value measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

### 3.24. Standard issued but not yet effective

There are no standards issued but not yet effective up to the date of issuance of the Company' consolidated financial statements.

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

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## Note 4(a) Property, Plant and Equipment

Particulars	Gross Block				Depreciation / Amortisation				Net Block				
	As at 01-Apr-19	Additions (Refer Note (i) below)	Reclassi- fication on account of adoption of Ind AS 116 [Refer Note 4(b)]	Deletions	Disposals attributable to asset classified as held for sale [Refer Note 41]	As at 31-Mar-20	As at 01-Apr-19	For the Year (Refer Note (ii) below)	Reclassi- fication on account of adoption of Ind AS 116 [Refer Note 4(b)]	On Deletions (accumu- lated upto the date of sale)	As at 31-Mar-20	As at 31-Mar-19	
	A	B	C	D	E	F= A+B+C-D-E	G	H	I	J	K= G+H+J	L= F-K	M= A-G
Freehold Land	6,665.69	0.06	-	30.48	1,591.88	5,043.39	-	-	-	-	5,043.39	6,665.69	
Plantation	6,019.51	524.01	-	-	-	6,543.52	437.56	154.94	-	-	5,951.02	5,581.95	
Leasehold Land	122.79	-	122.54	0.25	-	-	67.78	-	67.78	-	-	55.01	
Buildings	12,024.27	1,595.23	-	26.72	-	13,592.78	3,700.07	344.12	-	25.38	4,018.81	9,573.97	8,324.20
Plant and Equipment	21,837.91	11,475.99	-	218.98	-	33,094.92	10,852.85	1,534.48	-	201.18	12,186.15	20,908.77	10,985.06
Vehicles	2,645.74	57.08	-	80.64	-	2,622.18	1,851.54	171.97	-	71.29	1,952.22	669.96	794.20
Furniture and Fixtures	762.43	33.98	-	8.02	-	788.39	341.82	49.31	-	6.35	384.78	403.61	420.61
Office Equipment	355.86	59.53	-	8.11	-	407.28	215.66	54.69	-	6.04	264.31	142.97	140.20
<b>TOTAL</b>	<b>50,434.20</b>	<b>13,745.88</b>	<b>122.54</b>	<b>373.20</b>	<b>1,591.88</b>	<b>62,092.46</b>	<b>17,467.28</b>	<b>2,309.51</b>	<b>67.78</b>	<b>310.24</b>	<b>19,398.77</b>	<b>42,693.69</b>	<b>32,966.92</b>

Refer Notes 12a and 12c for details of assets pledged as security

(i) Includes foreign exchange adjustment of ₹ 12.44 Lakhs

(ii) Includes foreign exchange adjustment of ₹ 4.51 Lakhs

## Note 4(b) Right-of-Use Assets

## Leasehold Land

Particulars	As at 31-Mar-20 <sup>n</sup>
<b>Gross Carrying Amount</b>	
Opening Balance	-
Reclassification on account of adoption of Ind AS 116 [Refer Note 4(a) above]	122.54
Reclassification from prepaid expenses on account of adoption of Ind AS 116 [Refer Note 7]	78.58
Additions (Refer Note 29)	590.22
During the year	-
<b>Closing Balance</b>	<b>791.34</b>
<b>Accumulated Depreciation</b>	
Opening Balance	-
Reclassification on account of adoption of Ind AS 116 [Refer Note 4(a) above]	67.78
For the year (Refer Note 23)	157.22
<b>Closing Balance</b>	<b>225.00</b>
<b>Net Carrying Amount</b>	<b>566.34</b>

Refer Note 29 for related disclosures

#Corresponding figures for the previous year were ₹ Nil.

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

### Note 4(c) Capital Work-in-Progress

Particulars	Gross Block at Cost				As at 31-Mar-20
	As at 01-Apr-19	Additions	Capitalisation		
	A	B	C	D = A+B+C	
Bearer Plants	2,210.88	547.96	530.76		2,228.08
Buildings	139.15	468.47	603.35		4.27
Plant and Equipment	8,001.05	3,984.12	11,271.77		713.40
<b>Total</b>	<b>10,351.08</b>	<b>5,000.55</b>	<b>12,405.88</b>		<b>2,945.75</b>

### Note 4(d)

The title deeds of immovable properties are held in the name of the Company except for:

- (a) 5 (five) tea garden land leases having a gross carrying value of property, plant and equipment thereon including Plantation and Buildings of ₹ 3,453.30 and ₹ 594.20 (P.Y. ₹ 3,453.30 and ₹ 594.20) respectively [net carrying value of ₹ 3,101.33 and ₹ 410.04 (P.Y. ₹ 3,207.89 and ₹ 426.58) respectively] is under renewal;
- (b) 2 (two) tea garden land and Plantation thereon having a gross carrying value of ₹ 44.12 and ₹ 62.61 (P.Y. ₹ 44.69 and ₹ 62.61) [net carrying value of ₹ 44.12 and ₹ 57.62 (P.Y. ₹ 44.12 and ₹ 58.84) respectively], and 2 (two) of Buildings with gross carrying value of ₹ 16.48 (P.Y. ₹ 16.48) [net carrying amount of ₹ 9.58 (P.Y. ₹ 9.79)], titles for which registration in the name of the Holding Company is pending.

### Note 4(e)

Majhulia Sugar Industries Private Limited, a wholly owned subsidiary is holding 1,070.57 acre of Land which is in dispute under "Bihar Land Reforms (Fixation of Ceiling Area and Acquisition of Surplus Land) Act, 1961 & Rules 1963. The Additional Collector, Bettiah vide its order dated December 12, 2012 had declared 970.57 acre of Land as surplus and ordered for surrender of such Land. The subsidiary company has filed an appeal against the order of the collector and matter is sub-judice. Further compensation of 146.92 acres of Land which was surrendered under the above Act in earlier years is yet to be determined and shall be accounted for by the subsidiary in the year of receipt.

The subsidiary company has sold 7.62 acres of land during the year (Previous Year 9.47 acres). The title deeds of 7.25 acres of land sold (till date 32.65 acres) have not been executed till the balance sheet date.



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

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**Note 4(f) Property, Plant and Equipment**

Particulars	Gross Block				Depreciation /Amortisation				Net Block	
	As at 01-Apr-18	Additions (Refer Note (i) below)	Deletions C	As at 31-Mar-19	As at 01-Apr-18	For the Year Additions (Refer Note (ii) below)	On Deletions (accumulated upto the date of sale)	As at 31-Mar-19	As at 31-Mar-18	
	A	B	C	D= A+B-C	E	F	G	H= E+F-G	I= D-H	J= A-E
Freehold Land	6,717.56	5.49	57.36	6,665.69	-	-	-	-	6,665.69	6,717.56
Plantation	5,789.33	230.18	-	6,019.51	286.42	151.14	-	437.56	5,581.95	5,502.91
Leasehold Land	122.79	-	-	122.79	59.67	8.11	-	67.78	55.01	63.12
Buildings	11,134.33	1,059.94	170.00	12,024.27	3,444.78	333.84	78.55	3,700.07	8,324.20	7,689.55
Plant and Equipment	19,990.68	2,452.93	605.70	21,837.91	10,110.03	1,170.41	427.59	10,852.85	10,985.06	9,880.65
Vehicles	2,600.78	188.04	143.08	2,645.74	1,787.03	189.72	125.21	1,851.54	794.20	813.75
Furniture and Fixtures	603.64	272.95	114.16	762.43	375.07	46.61	79.86	341.82	420.61	228.57
Office Equipment	272.40	106.22	22.76	355.86	190.28	40.45	15.07	215.66	140.20	82.12
<b>Total</b>	<b>47,231.51</b>	<b>4,315.75</b>	<b>1,113.06</b>	<b>50,434.20</b>	<b>16,253.28</b>	<b>1,940.28</b>	<b>726.28</b>	<b>17,467.28</b>	<b>32,966.92</b>	<b>30,978.23</b>

Refer Notes 12a and 12c for details of assets pledged as security

(i) Includes foreign exchange adjustment of ₹ 26.57 Lakhs

(ii) Includes foreign exchange adjustment of ₹ 13.66 Lakhs

**Note 4(g) Capital Work-in-progress**

Particulars	Gross Block at Cost		
	As at 01-Apr-18	Additions	Capitalisation
	A	B	C
Bearer Plants	1,533.84	901.69	224.65
Buildings	391.09	32.12	284.06
Plant and Equipment	283.16	7,971.40	253.51
<b>Total</b>	<b>2,208.09</b>	<b>8,905.21</b>	<b>762.22</b>

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

## Note 4(h) Investment Property

Particulars	(₹ in Lakhs)	
	As at 31-Mar-20	As at 31-Mar-19
<b>Gross Carrying Amount</b>		
Opening Gross Carrying Amount	13.48	2.32
Additions	-	11.16
<b>Closing Gross Carrying Amount</b>	<b>13.48</b>	<b>13.48</b>
<b>Accumulated Depreciation</b>		
Opening Accumulated Depreciation	0.11	0.07
Depreciation Charge	0.04	0.04
<b>Closing Accumulated Depreciation</b>	<b>0.15</b>	<b>0.11</b>
<b>Net Carrying Amount</b>	<b>13.33</b>	<b>13.37</b>
<b>Fair Value</b>		
<b>Particulars</b>	<b>As at 31-Mar-20</b>	<b>As at 31-Mar-19</b>
Investment Property	1,306.66	1,306.66

## Note 4(i) Goodwill

Particulars	(₹ in Lakhs)					
	As at 01-Apr-19	As at 31-Mar-20	As at 01-Apr-19	For the Year	On Deletions (accumulated upto the date of sale)	Net Carrying Amount As at 31-Mar-19
Goodwill	1,343.97	1,355.74	-	-	-	1,343.97
<b>Total</b>	<b>1,343.97</b>	<b>1,355.74</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,343.97</b>
<b>Particulars</b>	<b>As at 01-Apr-18</b>	<b>As at 31-Mar-19</b>	<b>As at 01-Apr-18</b>	<b>For the Year</b>	<b>On Deletions (accumulated upto the date of sale)</b>	<b>Net Carrying Amount As at 31-Mar-19</b>
Goodwill	1,315.74	1,343.97	-	-	-	1,343.97
<b>Total</b>	<b>1,315.74</b>	<b>1,343.97</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,343.97</b>

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

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## Note 4(j) Intangible Assets

Particulars	Gross Carrying Amount		Amortisation / Impairment For the Year	Net Carrying Amount As at 31-Mar-20	Net Carrying Amount As at 31-Mar-19
	As at 01-Apr-19	As at 31-Mar-20			
	As at 01-Apr-19	As at 31-Mar-20	On Deletions (accumulated upto the date of sale)	As at 31-Mar-20	As at 31-Mar-19
Computer Software	-	6.50	-	0.80	-
<b>Total</b>	-	<b>6.50</b>	<b>0.80</b>	<b>0.80</b>	<b>5.70</b>

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

### Note 5(a) Financial Assets - Investments (Non-Current)

(₹ in Lakhs)						
Particulars	Nominal Value per unit	Currency	Number of Shares /Units/Bords		Non-Current	
			As at 31-Mar-20	As at 31-Mar-19	As at 31-Mar-20	As at 31-Mar-19
<b>Investments (Fully Paid)</b>						
<b>Investment in Equity Shares - "At Cost"</b>						
<b>In Joint Venture (carrying amount determined using the equity method of accounting)</b>						
<b>Unquoted</b>						
Tea Group Investment Company Limited (Refer Note 38)	1	AED	-	3,72,300	-	51.95
Add : Accumulated Group's Share of Profits					-	3,771.15
Add : Accumulated Group's Share of Other Comprehensive Income					-	106.87
					-	<b>3,929.97</b>
<b>In Associate (carrying amount determined using the equity method of accounting)</b>						
<b>Unquoted</b>						
ECE Industries Limited	10	₹	27,09,997	27,09,997	3,818.43	3,818.43
Add : Accumulated Group's Share of Profits					2,794.20	3,164.95
Add : Accumulated Group's Share of Other Comprehensive Income					252.06	534.95
					<b>6,864.69</b>	<b>7,518.33</b>
<b>In Others</b>						
<b>Unquoted</b>						
The Coimbatore & Nilgiris Dist. Small Scale Service Ind. Co-Op. Society Ltd.	100	₹	10	10	0.01	0.01
The Tamil Nadu Tea Manufacturers' Service Industrial Co-Op. Society Ltd.	5,000	₹	1	1	0.05	0.05
					<b>0.06</b>	<b>0.06</b>
<b>Total</b>					<b>6,864.75</b>	<b>11,448.36</b>
<b>Investment in Government or Trust securities at Cost</b>						
<b>Unquoted</b>						
National Savings Certificates	1,000	₹	3	3	0.03	0.03
<b>Total</b>					<b>0.03</b>	<b>0.03</b>
<b>Investment in Equity Shares at Fair Value Through Other Comprehensive Income</b>						
<b>Unquoted</b>						
Essel Mining & Industries Ltd.	10	₹	25	20	24.95	16.55
JPM Merchandise Agencies Limited	10	₹	2,05,680	2,05,680	240.48	442.56
Kesoram Insurance Broking Services Ltd.	10	₹	25,000	25,000	17.67	16.10
Birla International Limited	100	CHF	2,500	2,500	402.15	402.15
Vasavadatta Services Ltd.	10	₹	4,600	4,600	14.95	16.25
<b>Quoted</b>						
McLeod Russel India Ltd.	5	₹	75	75	^	0.06
<i>^Amounts are below the rounding off norm adopted by the Company.</i>						
<b>Total</b>					<b>700.20</b>	<b>893.67</b>

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

Particulars	Nominal Value per unit	Currency	Number of Shares /Units/Bords		Non-Current	
			As at	As at	As at	As at
			31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
(₹ in Lakhs)						
<b>Investment in Equity Shares at "Fair Value Through Profit and Loss"</b>						
<b>Quoted</b>						
Century Enka Limited	10	₹	–	1,00,000	–	252.25
Kesoram Textile Mills Limited	2	₹	5,69,089	5,69,089	11.38	11.38
Pilani Investment and Industries Limited	10	₹	6,700	6,700	75.36	144.33
HGI Industries Limited	10	₹	86,200	86,200	21.98	21.98
Kiran Vyapar Limited	10	₹	1,01,500	1,01,500	51.51	104.50
<b>Total</b>					<b>160.23</b>	<b>534.44</b>
<b>Investments in Debentures "At Amortised Cost"</b>						
<b>Unquoted</b>						
16.00% NCDs of Wondrous Buildmart Private Limited SR-I	1,00,000	₹	–	200	–	200.00
1.00% NCD of Kushagra Properties Private Limited	100	₹	–	10,00,000	–	930.45
1.00% NCD of Woodside Parks Limited	100	₹	10,00,000	–	881.30	–
Less: Impairment (Refer Note 43)					(881.30)	–
<b>Total</b>					<b>–</b>	<b>1,130.45</b>
<b>Investment in Mutual Fund "At Fair Value through Profit and Loss"</b>						
<b>Unquoted</b>						
Edelweiss Balanced Advantage Fund - Direct Plan-Quarterly Dividend Option**	10	₹	–	34,10,953	–	518.46
Aditya Birla Sunlife Short Term Opportunities Fund-Growth-Regular Plan**	10	₹	–	8,86,112	–	273.93
Nippon India Credit Risk Fund - Growth Plan Growth Option (Formerly Reliance Credit Risk Fund - Growth Plan Growth Option)**	10	₹	–	21,43,669	–	552.60
UTI Credit Risk Fund - Regular Growth Plan **	10	₹	–	17,99,539	–	301.00
UTI Credit Risk Fund - Regular Growth Plan (Segregated Portfolio)	10	₹	17,99,539	–	3.29	–
ICICI Prudential Medium Term Bond Fund**	10	₹	10,46,439	10,46,439	327.72	297.70
Nippon India Short Term Fund-Growth Plan - Growth Option (Formerly Reliance Short Term Fund-Growth Plan - Growth Option)**	10	₹	10,26,125	10,26,125	387.62	356.41
Aditya Birla Sun Life Medium Term Plan-Growth- Regular Plan **	10	₹	–	15,53,197	–	353.96
Aditya Birla Sun Life Medium Term Plan-Growth-Regular Plan (Segregated Portfolio)	10	₹	15,53,197	–	21.59	–
DSP Credit Risk Fund-Regular Plan-Growth*	10	₹	–	23,09,399	–	648.16
SBI Credit Risk Fund Regular Growth**	10	₹	–	8,10,140	–	241.97
ICICI Prudential Short Term Fund-Growth Option **	10	₹	6,22,281	6,22,281	262.41	240.42
ICICI Prudential Bond Fund-Growth**	10	₹	–	9,21,370	–	237.30
BOI AXA Credit Risk Fund - Regular Plan**	10	₹	48,03,964	48,03,964	364.18	635.90
BOI AXA Credit Risk Fund - Regular Plan*	10	₹	25,62,555	25,62,555	194.26	339.20

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

Particulars	Nominal Value per unit	Currency	Number of Shares /Units/Bords		Non-Current	
			As at 31-Mar-20	As at 31-Mar-19	As at 31-Mar-20	As at 31-Mar-19
			(₹ in Lakhs)			
Kotak Credit Risk Fund - Growth - Regular Plan**	10	₹	13,84,850	13,84,850	303.98	281.71
Kotak Medium Term Fund-Growth-Regular Plan**	10	₹	18,35,576	18,35,576	299.06	280.55
IDFC Banking & PSU Debt Fund-Regular Plan-Growth **	10	₹	17,28,101	-	306.62	-
Nippon India Strategic Debt Fund - Growth Plan (Formerly Reliance Strategic Debt Fund - Growth Plan) **	10	₹	-	36,21,142	-	532.67
<b>Total</b>					<b>2,470.73</b>	<b>6,091.94</b>
<b>Investments in Portfolio Management Services/ Alternative Investment Fund "At Fair Value Through Profit and Loss"</b>						
Peninsula Brookfield India Real estate Fund		₹			84.49	109.38
IDFC Real Estate Yield Fund		₹			73.07	73.07
Nippon India Capital Asset Management Company Ltd. (Yield Maximiser Fund) [Formerly Reliance Capital Asset Management Company Ltd. (Yield Maximiser Fund)]		₹			-	18.99
Nippon India Yield Maximiser AIF Scheme II (Formerly Reliance Yield Maximiser AIF Scheme II)		₹			67.36	141.40
India Realty Excellence Fund III		₹			-	278.65
Indiabulls High Yield Fund		₹			219.82	415.77
IIFL Real Estate Fund (Domestic) - Series 4		₹			206.63	217.59
Nippon India Yield Maximiser AIF Scheme III (Formerly Reliance Yield Maximiser AIF Scheme III)		₹			214.19	301.71
ASK Real Estate Special Situations Fund - I		₹			154.06	145.89
Edelweiss Real Estate Opportunities Fund		₹			118.69	123.19
KKR India Debt Opportunities Fund II**		₹			276.54	299.53
BPEA Credit - India Fund II**		₹			883.71	620.55
Aventus Structured Credit Fund I		₹			-	101.87
Aventus Structured Credit Fund I**		₹			474.10	241.98
UTI Structure Debt Opportunities Fund I**		₹			160.63	102.85
Alteria Capital India Fund I**		₹			563.41	364.54
Aventus Absolute Return Fund-Class A3 15**		₹			-	556.28
Edelweiss Alpha Fund**		₹			-	531.74
Aventus Enhanced Return Fund**		₹			391.52	501.95
India Business Excellence Trust		₹			419.75	569.69
India Business Excellence Fund III		₹			195.10	214.28
<b>Total</b>					<b>4,503.07</b>	<b>5,930.90</b>

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

(₹ in Lakhs)						
Particulars	Nominal Value per unit	Currency	Number of Shares /Units/Bords		Non-Current	
			As at 31-Mar-20	As at 31-Mar-19	As at 31-Mar-20	As at 31-Mar-19
<b>Investments in Bonds "At Fair Value Through Profit and Loss"</b>						
<b>Quoted</b>						
9% Bonds of Mahindra and Mahindra Financial Services Ltd*	1,000	₹	50,000	50,000	516.14	484.39
9.50% Unsecured bonds of Union Bank of India SR-XX 9.5 BD Perpetual FVRS 10 Lac*	10,00,000	₹	50	50	487.96	469.96
9.25% Dewan Housing Finance Corporation Limited Series III Category III & IV*	1,000	₹	50,000	50,000	85.00	453.87
8.60% Exim Perpetual Bonds SR-I BD*	10,00,000	₹	50	50	498.32	490.92
Zero Coupon NCD of Ecap Equities Limited **	1,00,000	₹	-	500	-	584.45
<b>Total</b>					<b>1,587.42</b>	<b>2,483.59</b>
<b>Total Non Current Investments</b>					<b>16,286.43</b>	<b>28,513.38</b>
<b>Aggregate amount of Quoted Investments</b>					<b>1,747.65</b>	<b>3,018.09</b>
<b>Aggregate amount of Unquoted Investments</b>					<b>14,538.78</b>	<b>25,495.29</b>

\*Pledged as security to secure certain short term rupee loans from a bank.

\*\*Pledged as security to secure certain long term rupee loans from banks.

**Note 5(b) Financial Assets - Investments (Current)**

(₹ in Lakhs)						
Particulars	Nominal Value per unit	Currency	Number of Shares /Units/Bords		Current	
			As at 31-Mar-20	As at 31-Mar-19	As at 31-Mar-20	As at 31-Mar-19
<b>Investments (Fully Paid)</b>						
<b>Investments in Debentures "At Amortised Cost"</b>						
<b>Unquoted</b>						
1.00% NCD of Kushagra Properties Private Limited	100	₹	10,00,000	-	979.33	-
Less: Impairment (Refer Note 43)					(514.10)	-
<b>Total</b>					<b>465.23</b>	<b>-</b>
<b>Investments in Mutual Fund "At Fair Value Through Profit and Loss"</b>						
<b>Unquoted</b>						
Kotak FMP Series 183 -1204 days Growth(Regular Plan)*	10	₹	-	20,00,000	-	246.09
Edelweiss Balanced Advantage Fund - Direct Plan-Quarterly Dividend Option**	10	₹	34,10,953	-	475.83	-
Nippon India Banking & PSU Debt Fund - Growth Plan**	10	₹	13,93,845	-	207.35	-
<b>Total</b>					<b>683.18</b>	<b>246.09</b>

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

		(₹ in Lakhs)				
Particulars	Nominal Value per unit	Currency	Number of Shares /Units/Bords		Current	
			As at 31-Mar-20	As at 31-Mar-19	As at 31-Mar-20	As at 31-Mar-19
<b>Investments in Portfolio Management Services/ Alternative Investment Fund "At Fair Value Through Profit and Loss"</b>						
Aventus Absolute Return Fund-Class A3 15**		₹			579.21	-
<b>Total</b>					<b>579.21</b>	<b>-</b>
<b>Investments in Bonds "At Fair Value Through Profit and Loss"</b>						
<b>Quoted</b>						
Zero Coupon NCD of Ecap Equities Limited**	100000	₹	500	-	626.59	-
<b>Total</b>					<b>626.59</b>	<b>-</b>
<b>Total Current Investments</b>					<b>2,354.21</b>	<b>246.09</b>
<b>Aggregate amount of Quoted Investments</b>					<b>626.59</b>	<b>-</b>
<b>Aggregate amount of Unquoted Investments</b>					<b>1,727.62</b>	<b>246.09</b>

\*Pledged as security to secure certain short term rupee loan from a bank.

\*\*Pledged as security to certain secure long term rupee loans from banks.

**Note 5(c) Trade Receivables**

(Unsecured)

		(₹ in Lakhs)			
Particulars	Non-Current		Current		
	As at 31-Mar-20	As at 31-Mar-19	As at 31-Mar-20	As at 31-Mar-19	
Considered Good	-	-	5,734.93	6,083.32	
Credit Impaired	82.42	82.42	74.72	74.72	
	82.42	82.42	5,809.65	6,158.04	
Less: Impairment Allowance	(82.42)	(82.42)	(74.72)	(74.72)	
<b>Total</b>	<b>-</b>	<b>-</b>	<b>5,734.93</b>	<b>6,083.32</b>	

**Terms and conditions of the above Trade Receivables:**

- Trade Receivables are non-interest bearing and are generally on terms of 0 - 60 days for domestic customers and upto 180 days for export customers (other than Sugar Division). Trade Receivables for Sugar Division are generally on terms of 4 to 7 days.
- Refer Note 34 for information about credit risk and market risk on Trade Receivables
- Certain Trade Receivables of the Group are pledged against the borrowings as referred in Note 12a.



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

Set out below is the movement in the allowance for expected credit losses of trade receivables:

Particulars	(₹ in Lakhs)			
	Non-Current		Current	
	As at 31-Mar-20	As at 31-Mar-19	As at 31-Mar-20	As at 31-Mar-19
<b>As at the beginning of the year</b>	82.42	147.89	74.72	-
Expected Credit Losses written off (Refer Note 24)	(34.39)	(102.93)	-	-
Expected Credit Losses written back (Refer note 24)	(1.19)	-	-	-
Provision for expected credit losses (Refer Note 24)	35.58	37.46	-	74.72
<b>As at the end of the year</b>	<b>82.42</b>	<b>82.42</b>	<b>74.72</b>	<b>74.72</b>

Refer Notes 12a and 12c for details of assets pledged as security

**Note 5(d) Financial Assets - Loans**

(Unsecured considered good unless otherwise stated)

Particulars	(₹ in Lakhs)			
	Non-Current		Current	
	As at 31-Mar-20	As at 31-Mar-19	As at 31-Mar-20	As at 31-Mar-19
Security Deposits				
- Others	460.08	430.70	32.22	76.60
Loans to Related Party (Refer Note 31)	-	-	-	8.44
Other Loans				
- Loans/Advances to Employees	140.83	110.25	96.57	107.48
- Others				
- Considered Good	-	-	389.03	2,479.89
- Considered Doubtful	3.73	3.73	239.99	-
Less: Provision (Refer Note 43)	(3.73)	(3.73)	(120.00)	-
<b>Total</b>	<b>600.91</b>	<b>540.95</b>	<b>637.81</b>	<b>2,672.41</b>

**Notes to the Consolidated Financial Statements** as at and for the year ended 31st March, 2020 (Contd.)**Note 5(e) Other Financial Assets**

(Unsecured considered good unless otherwise stated)

Particulars	(₹ in Lakhs)			
	Non-Current		Current	
	As at 31-Mar-20	As at 31-Mar-19	As at 31-Mar-20	As at 31-Mar-19
Bank Deposits*	322.89	235.53	-	-
Interest accrued on Deposits	0.10	0.02	79.63	28.88
Interest accrued on Investments	-	-	63.47	135.44
Interest accrued on loans / Inter corporate Deposits	-	-	13.62	46.28
Rent Receivable				
- Considered Good	-	-	34.50	3.80
- Considered Doubtful	11.24	11.24	-	-
Less: Provision for Doubtful Receivables	(11.24)	(11.24)	-	-
Incentive and Subsidy Receivable				
- Considered Good	-	-	3,181.44	4,499.73
- Considered Doubtful	-	-	54.84	-
Less: Provision for Doubtful Receivables	-	-	(54.84)	-
Receivable against Sale of Property, Plant and Equipment	-	-	625.59	108.61
Receivable against Sale of Investments	-	-	536.29	-
Dividend Receivable	-	-	1.25	-
Deposits with NABARD	-	-	0.04	0.04
Fair Value Derivative Assets	-	-	-	41.49
Others				
- Considered Good	-	-	49.98	42.18
- Considered Doubtful	-	-	144.69	144.69
Less: Provision	-	-	(144.69)	(144.69)
<b>Total</b>	<b>322.99</b>	<b>235.55</b>	<b>4,585.81</b>	<b>4,906.45</b>

\* Includes ₹ 308.92 Lakhs (P.Y. ₹ 222.00 Lakhs) held as Deposit against Bank Guarantee issued by the subsidiary company.

Refer Notes 12a and 12c for details of assets pledged as security

**Notes to the Consolidated Financial Statements** as at and for the year ended 31st March, 2020 (Contd.)**Note 6 Deferred Tax Assets & Liabilities (Net)**

Particulars	(₹ in Lakhs)			
	Balance Sheet		Statement of Profit and Loss including OCI	
	As at 31-Mar-20	As at 31-Mar-19	Year Ended 31-Mar-20	Year Ended 31-Mar-19
<b>Significant Components of Deferred Tax Assets &amp; Liabilities</b>				
<b>Deferred Tax Liabilities</b>				
Property, Plant and Equipment	1,804.08	2,135.78	331.70	47.76
Right-of-use Assets	111.70	-	(111.70)	-
Fair Valuation of Other Asset and Liability	184.04	329.09	145.05	13.01
<b>Total</b>	<b>2,099.82</b>	<b>2,464.87</b>	<b>365.05</b>	<b>(34.75)</b>
<b>Deferred Tax Assets</b>				
Unabsorbed Depreciation and Unabsorbed Business Losses	17.81	629.20	(611.39)	(796.65)
Property, Plant and Equipment	244.83	175.70	69.13	37.05
Minimum Alternate Tax Credit	-	230.26	(230.26)	116.85
Fair Valuation of Other Asset and Liability	136.69	276.10	(139.42)	94.64
Lease Liability	120.34	-	120.34	-
Employee Benefits - Gratuity	2,047.75	2,205.13	(157.38)	1,194.64
Other Temporary Differences	67.09	462.51	(426.63) <sup>^</sup>	(228.37) <sup>^</sup>
<b>Total</b>	<b>2,634.51</b>	<b>3,978.90</b>	<b>(1,375.61)</b>	<b>418.16</b>
<b>Net Deferred Tax Assets</b>	<b>534.69</b>	<b>1,514.03</b>	<b>(1,010.56)</b>	<b>383.41</b>

<sup>^</sup> Includes exchange difference on consolidation ₹ 31.22 Lakhs (P.Y. ₹ 2.84 Lakhs).

	(₹ in Lakhs)	
	As at 31-Mar-20	As at 31-Mar-19
<b>Reconciliation of Deferred Tax Assets (Net)</b>		
<b>Opening Balance</b>	1,514.03	1,127.79
Tax income/(expense) during the period recognised in Statement of Profit and Loss	(973.89)	(28.03)
Tax income/(expense) during the period recognised in OCI	(36.67)	411.43
Other items of deferred tax not routed through Statement of Profit and Loss (exchange difference on consolidation)	31.22	2.84
<b>Closing Balance</b>	<b>534.69</b>	<b>1,514.03</b>

**Notes to the Consolidated Financial Statements** as at and for the year ended 31st March, 2020 (Contd.)**Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March, 2020 and 31st March, 2019:**

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the standard rate of corporation tax in India as follows:

	(₹ in Lakhs)	
	Year Ended 31-Mar-20	Year Ended 31-Mar-19
<b>Profit before Tax</b>	<b>(7,136.25)</b>	<b>(400.70)</b>
Indian Statutory Income Tax Rate	25.168%	34.944%
<b>Tax at Statutory Income Tax Rate</b>	<b>(1,796.05)</b>	<b>(140.02)</b>
Effects of:		
Income Exempted From Tax	(42.11)	(67.35)
Additional Allowance under Income Tax	-	(10.19)
Unrecognised Deferred Tax Credit on Business/Agricultural Losses	2,933.70	552.16
Utilisation of Previously Unrecognised Tax Losses (Capital Loss)	(651.03)	(271.86)
Adjustment to Tax relating to Earlier Periods	(69.37)	(30.43)
Other Permanent Differences	318.75	(128.19)
Reversal of Minimum Alternate Tax Credit (also refer note (a) below)	230.26	-
Reversal of Deferred Tax due to change in Rate of Income Tax (also refer note (a) below)	171.59	-
Effect of Tax Rate Differences of Subsidiaries Operating in Other Jurisdiction and Other Tax Bracket	33.78	90.37
<b>Net Effective Income Tax</b>	<b>(1,129.52)</b>	<b>(5.51)</b>

**Note -**

- The Holding Company has exercised the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 during the current year. Accordingly, the Deferred Tax Asset (net) as at 31st March, 2019 has been re-measured and the resultant impact has been recognised in financial statements.
- The Holding Company's agricultural income is subject to lower tax rates @ 30% under the respective state tax laws.

**Note 7 Other Assets**

(Unsecured Considered Good)

	(₹ in Lakhs)			
	Non-Current		Current	
	As at 31-Mar-20	As at 31-Mar-19	As at 31-Mar-20	As at 31-Mar-19
Capital Advances				
- Considered Good	231.08	451.45	-	-
- Considered Doubtful	43.48	43.30	-	-
Less: Provision for Doubtful Capital Advances	(43.48)	(43.30)	-	-
Leasehold Land Prepayments	204.01	203.76	-	-
Advance against Supply of Goods and Services	-	-	445.87	242.92
Advance recoverable in cash or in kind	-	-	-	39.82
Others				
Balance with Government Authorities	165.69	161.15	2,584.07	2,883.85
Prepaid Expenses \$	24.62	122.18	193.43	163.30
Insurance	-	-	5.64	9.46
<b>Total</b>	<b>625.40</b>	<b>938.54</b>	<b>3,229.01</b>	<b>3,339.35</b>

Refer Notes 12a and 12c for details of assets pledged as security

\$ An asset amounting to ₹ 76.05 Lakhs (P.Y - ₹ 78.58 Lakhs) included in non current prepaid expense has been reclassified to Right-of-use assets on account of adoption of Ind AS 116. The depreciation thereon amounting to ₹ 2.53 Lakhs for the year is considered under depreciation On Right-of-Use Assets (Refer Note 23). No impact in Statement of Profit and Loss on account of depreciation as it was charged in earlier periods also.

**Notes to the Consolidated Financial Statements** as at and for the year ended 31st March, 2020 (Contd.)**Note 8 Inventories**

(Lower of cost or net realisable value)

	(₹ in Lakhs)	
	As at 31-Mar-20	As at 31-Mar-19
Raw Materials	693.39	1,001.27
Work-in-Progress	33.86	283.54
Finished Goods	24,523.79	23,082.40
Traded Goods	2,315.30	3,476.49
Stores and Spares	2,460.63	2,867.61
<b>Total</b>	<b>30,026.97</b>	<b>30,711.31</b>

Refer Notes 12a and 12c for details of assets pledged as security

**Note 8a Biological Assets**

	(₹ in Lakhs)	
	As at 31-Mar-20	As at 31-Mar-19
<b>Opening Balance</b>	269.00	176.75
Green Leaf Recognised at Fair Value	2.77	181.41
Sugarcane Recognised at Fair Value	99.15	87.59
Transfer of Harvested Leaves for Production	(181.41)	(92.82)
Transfer of Standing Crop of Sugarcane for Production	(87.59)	(83.93)
<b>Closing Balance</b>	<b>101.92</b>	<b>269.00</b>

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**Note 9a Cash and Cash Equivalents**

	(₹ in Lakhs)	
	As at 31-Mar-20	As at 31-Mar-19
Balances with Banks:		
On Current Accounts	1,738.84	427.06
Cheques/Drafts on Hand	69.52	124.74
Cash on Hand	24.90	48.79
<b>Total</b>	<b>1,833.26</b>	<b>600.59</b>

**Note 9b Other Bank balances**

	(₹ in Lakhs)	
	As at 31-Mar-20	As at 31-Mar-19
Earmarked Balances with Banks (Unpaid Dividend Account)	49.02	62.25
Term Deposits with maturity of more than three months but upto twelve months (Including ₹ 1009.89 Lakhs (PY ₹ 70.75 Lakhs) pledged as margin money)	1,012.32	73.07
<b>Total</b>	<b>1,061.34</b>	<b>135.32</b>

**Notes to the Consolidated Financial Statements** as at and for the year ended 31st March, 2020 (Contd.)**Note 10 Equity Share Capital**

	(₹ in Lakhs)	
	As at 31-Mar-20	As at 31-Mar-19
<b>Authorised Capital</b>		
5,80,00,000 Equity Shares of ₹ 5/- each	2,900.00	2,900.00
<b>Issued Capital</b>		
2,89,02,786 Equity Shares of ₹ 5/- each	1,445.14	1,445.14
<b>Subscribed and Paid-up Capital</b>		
2,88,77,488 Equity Shares of ₹ 5/- each	1,443.87	1,443.87
Less: Effect of Cross Holding	(310.53)	(310.53)
<b>Total</b>	<b>1,133.34</b>	<b>1,133.34</b>

**a) The reconciliation of share capital is given below:**

Particulars	As at 31-Mar-20		As at 31-Mar-19	
	No. of Shares	(₹ in Lakhs)	No. of Shares	(₹ in Lakhs)
At the beginning of the year	2,88,77,488	1,443.87	2,88,77,488	1,443.87
Less: Effect of Cross Holding	(62,10,630)	(310.53)	(62,10,630)	(310.53)
At the end of the year	2,26,66,858	1,133.34	2,26,66,858	1,133.34

**b) Terms/Rights attached to class of shares**

The Holding Company has only one class of Equity Shares having a par value of ₹ 5/- each. Holder of each Equity Share is entitled to one vote per share. The Holding Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c) The Company does not have any Holding Company/ultimate Holding Company.****d) Details of Shareholders holding more than 5 percent of Equity Shares in the Company**

Particulars	As at 31-Mar-20		As at 31-Mar-19	
	No. of Shares	% holding	No. of Shares	% holding
JPM Merchandise Agencies Limited	61,14,108	21.17%	61,14,108	21.17%
Jayantika Investment & Finance Ltd.	62,10,630	21.51%	62,10,630	21.51%

**Notes to the Consolidated Financial Statements** as at and for the year ended 31st March, 2020 (Contd.)**Note 11 Other Equity**

	(₹ in Lakhs)	
	As at 31-Mar-20	As at 31-Mar-19
<b>Reserves &amp; Surplus</b>		
Capital Reserve	107.57	107.57
Capital Redemption Reserve	165.20	165.20
RBI Reserve Fund	48.96	48.96
General Reserve	17,714.16	17,737.60
Retained Earnings	2,726.94	13,043.34
Foreign Currency Translation Reserve	(110.63)	(164.36)
Other Comprehensive Income	(430.35)	193.43
<b>Total</b>	<b>20,221.85</b>	<b>31,131.74</b>

**Nature and Purpose of Other equity****A. Capital Reserve**

Represents the amount transferred from the transferor company pursuant to Scheme of Arrangement effected in earlier years / surplus on sale of treasury shares.

**B. Capital Redemption Reserve**

Represents the amount transferred to reserve on buy back of equity shares of the Holding Company.

**C. RBI Reserve Fund**

Pertains to reserve created in subsidiary company. According to Section 45-IC of the Reserve Bank of India Act, 1934, every NBFC shall create a reserve fund and transfer therein a sum not less than 20% of its Net Profit every year before declaration of dividend.

**D. General Reserve**

General Reserve is created and utilised in compliance with the provisions of the Act.

**E. Retained Earnings**

Retained earnings represent accumulated profits earned by the Group and remaining undistributed as on date.

**F. Foreign Currency Translation Reserve**

This Reserve contains the balance of foreign exchange differences arising on monetary items that, in substance, form part of the Group's net investment in a foreign operation whose functional currency is other than Indian Rupees.

**G. Other Comprehensive Income**

The Group has elected to recognise changes in the fair value of investments in equity instruments through other comprehensive income. These changes are accumulated within other comprehensive income.

**Notes to the Consolidated Financial Statements** as at and for the year ended 31st March, 2020 (Contd.)**Note 12a Non-current Borrowings**

	(₹ in Lakhs)	
	As at 31-Mar-20	As at 31-Mar-19
<b>Secured</b>		
Rupee Term Loans from Banks	9,855.92	15,501.30
Rupee Term Loan from Bank (Sugar Division)	7,072.89	859.11
Foreign Currency Term Loan from Banks	468.75	1,093.75
Sugar Development Fund	172.11	258.16
<b>Total Secured Borrowings (A)</b>	<b>17,569.67</b>	<b>17,712.32</b>
<b>Unsecured</b>		
Rupee Term Loan from Bank	1,999.67	3,436.21
<b>Total Unsecured Borrowings (B)</b>	<b>1,999.67</b>	<b>3,436.21</b>
<b>Total Borrowings (A+B)</b>	<b>19,569.34</b>	<b>21,148.53</b>
Less: Current Maturities of Long Term Debt [Refer Note 12(b)]	6,487.22	7,711.01
<b>Non-Current Borrowings</b>	<b>13,082.12</b>	<b>13,437.52</b>

**Security**

		(₹ in Lakhs)	
Facility Category	Security Details	As at 31-Mar-20	As at 31-Mar-19
Rupee Term Loan	i) Secured/To be Secured by equitable mortgage by	-	999.54
Rupee Term Loan	deposit of title deeds of Tea Estates alongwith all	4,145.76	6,487.74
Rupee Term Loan	immovable properties thereon ranking pari-passu,	-	416.67
Rupee Term Loan	interse, with consortium bankers both for term	498.44	1,159.15
	lenders for tea and working capital lenders for tea		
	and fertilisers divisions.		
Foreign Currency	ii) Secured / To be secured by first charge by way	468.75	1,093.75
Term Loan	of hypothecation over the plant and machinery and		
	other movable fixed assets and current assets of the		
	company ranking pari-passu, interse, with working		
	capital lenders for tea and fertilisers divisions.		
	iii) Further certain investments in Mutual Fund		
	and AIF are pledged with a bank as an additional		
	security for a term loan extended by it.		
Rupee Term Loan		1,981.52	1,996.51
Rupee Term Loan	Secured by pledge of certain investments in Mutual	3,230.20	4,216.69
Rupee Term Loan	Fund, AIF and Bonds	-	225.00
Rupee Term Loan		7,072.89	859.11
(Sugar Division)	Secured by first charge by hypothecation of stocks,		
	book debts/receivable and other current assets		
	of sugar division ranking pari-passu with other		
	working capital consortium bank.		
Sugar Development	Secured /to be Secured by way of equitable	172.11	258.16
Fund Loan	mortgage of immovable/movable properties of Jay		
	Shree Sugar Division ranking pari-passu		
<b>Total</b>		<b>17,569.67</b>	<b>17,712.32</b>



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

Borrowings	Total Carrying Value	< 1 year	1 to 3 years	3 to 5 years	Terms and conditions of Term loan from Banks *
<b>Secured</b>					
Rupee Term Loan	4,145.76	913.13	3,232.63	-	Payable 11.20% in November 2020, thereafter 7 equal quarterly instalments of 11.20% and last instalment of 10.40%
Rupee Term Loan	498.44	498.44	-	-	Payable in three equal quarterly instalments
Foreign Currency Term Loan	468.75	468.75	-	-	Payable in three equal quarterly instalments
Rupee Term Loan	1,981.52	291.25	1,690.27	-	Payable 5% in June 2020 thereafter three half yearly instalments of 10%, 15% in June 2022 and last two half yearly instalments of 25%
Rupee Term Loan	3,230.20	489.93	2,740.27	-	Payable in November 2020 thereafter four half yearly instalments of 10% and last instalment of 15%
Sugar Term Loan	5,000.00	937.50	2,500.00	1,562.50	Payable in sixteen quarterly instalments ending on June 2024
Sugar Term Loan	372.89	235.83	137.06	-	Payable in six equal quarterly instalments by March 2022
Sugar Term Loan	1,700.00	566.67	1,133.33	-	Payable in twelve instalments ending by March 2023
Sugar Development Fund Loan	172.11	86.05	86.06	-	Payable in six equal half yearly instalments
<b>Unsecured</b>					
Rupee Term Loan	1,999.67	1,999.67	-	-	Payable in three monthly instalments of 45%, 35% & 20% from June 2020 onwards
<b>Total</b>	<b>19,569.34</b>	<b>6,487.22</b>	<b>11,519.62</b>	<b>1,562.50</b>	

\* The maturity pattern of borrowings has been presented considering the effect of moratorium on contractual repayments to the extent confirmed by the lenders upto August 31, 2020.

The rate of interest on the above loans are in the range of 7.00% to 12.00% p.a.

**Notes to the Consolidated Financial Statements** as at and for the year ended 31st March, 2020 (Contd.)**Note 12b Other Financial Liabilities**

	(₹ in Lakhs)			
	Non-Current		Current	
	As at 31-Mar-20	As at 31-Mar-19	As at 31-Mar-20	As at 31-Mar-19
Trade and Security Deposits	265.78	178.98	2.51	2.05
Current Maturities of Long-Term Debt [Refer Note 12(a)]	-	-	6,487.22	7,711.01
Interest Accrued but not due on Borrowings	31.06	61.63	679.99	438.97
Interest Accrued and due on Borrowings	-	-	6.07	1.05
Employee Benefits Payable	-	-	1,107.19	1,347.30
Unpaid and Unclaimed Dividends	-	-	49.02	62.25
Amount Payable for Capital Goods	-	-	202.51	241.42
Lease Liabilities (Refer Note 29)	437.03	-	41.11	-
Others	-	-	95.51	107.52
<b>Total</b>	<b>733.87</b>	<b>240.61</b>	<b>8,671.13</b>	<b>9,911.57</b>

**Note 12c Current Borrowings**

	(₹ in Lakhs)	
	As at 31-Mar-20	As at 31-Mar-19
<b>Secured</b>		
Working Capital Loans	18,812.63	16,812.95
Packing Credit Loan	3,500.00	3,500.00
Short Term Rupee Loans	1,500.00	4,120.00
	<b>23,812.63</b>	<b>24,432.95</b>
<b>Unsecured</b>		
Short Term Rupee Loan	2,500.00	4,800.00
Loan from Others	1,250.00	-
Loan from Promoter Group	2,000.00	-
Loan from Related Parties (Refer Note 31)	2,000.00	1,111.33
	<b>7,750.00</b>	<b>5,911.33</b>
<b>Total</b>	<b>31,562.63</b>	<b>30,344.28</b>

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

Security			
Facility Category	Security Details	As at 31-Mar-20	As at 31-Mar-19
<b>Working Capital Loans</b>	i) Secured by first charge by way of hypothecation over entire current assets of the Holding Company ranking <i>pari-passu</i> with other consortium banks as primary security & second charge by way of hypothecation of entire movable plant & machinery of the Holding Company ranking <i>pari-passu</i> with other consortium banks as collateral.	18,812.63	16,812.95
<b>Packing Credit Loan</b>		3,500.00	3,500.00
<b>Short Term Rupee Loans</b>	ii) Secured working capital loan for tea division are also secured by equitable Mortgage over the immovable properties of Holding Company's 21 tea estates ranking <i>pari-passu</i> with term lenders for tea division. iii) Securing working capital loans in the books of step down subsidiary are secured by personal guarantee of Mr. R.K. Ganeriwala and Mr. D.P. Maheshwari. iv) Securing working capital loans in the books of subsidiary are secured by hypothecation of buffer stock of sugar and stock of finished goods (other than buffer stock) of the Sugar Division of the Group.	-	1,500.00
<b>Short Term Rupee Loans</b>	Secured by pledge of certain investments in Mutual Fund and AIF	1,500.00	2,620.00
<b>Total</b>		<b>23,812.63</b>	<b>24,432.95</b>

The rate of interest on the above loans are in the range of 7.84% to 12.00% p.a.

## Changes in Liabilities arising from financing activities

Particulars	01-Apr-19	Cash flows	Others *	31-Mar-20
Current borrowings	30,344.28	(2,781.65)	-	27,562.63
Current lease liabilities (Refer Note 12b)	-	-	41.11	41.11
Non-current borrowings (Refer Note 12a)	21,148.53	(1,579.10)	-	19,569.34
Non-current lease liabilities (Refer Note 12b)	590.22	(161.53)	8.34	437.03
Loan from Promoter group	-	4,000.00	-	4,000.00
<b>Total liabilities from financing activities</b>	<b>52,083.03</b>	<b>(522.28)</b>	<b>49.45</b>	<b>51,610.11</b>

Particulars	01-Apr-19	Cash flows	Others *	31-Mar-19
Current borrowings	22,492.81	7,851.47	-	30,344.28
Current lease liabilities (Refer Note 12b)	-	-	-	-
Non-current borrowings (Refer Note 12a)	24,320.39	(3,171.86)	-	21,148.53
Non-current lease liabilities (Refer Note 12b)	-	-	-	-
Loan from Promoter group	-	-	-	-
<b>Total liabilities from financing activities</b>	<b>46,813.20</b>	<b>4,679.61</b>	<b>-</b>	<b>51,492.81</b>

\* Includes the effect of reclassification of lease liabilities to current & the effect of accrued but not yet paid interest and finance cost on account of amortisation of Loan adjusted from prepaid processing fees on non current borrowing.

**Notes to the Consolidated Financial Statements** as at and for the year ended 31st March, 2020 (Contd.)**Note 13 Provisions**

	(₹ in Lakhs)			
	Non-Current		Current	
	As at 31-Mar-20	As at 31-Mar-19	As at 31-Mar-20	As at 31-Mar-19
<b>Provision for Employee Benefits</b>				
- Gratuity (Refer Note 28)	4,278.40	3,279.27	2,618.90	2,610.90
- Leave Encashment	520.27	505.14	268.76	329.88
- Bonus and Others	-	-	1,960.68	1,692.02
Provisions Others ^	-	-	128.97	197.17
<b>Total</b>	<b>4,798.67</b>	<b>3,784.41</b>	<b>4,977.31</b>	<b>4,829.97</b>

^ In respect of Majhulia Sugar Industries Private Limited, a wholly owned subsidiary, the Government of Bihar had notified the Molasses Storage Licence Fee vide resolution dated March 12, 2010 published in Bihar Gazette extraordinary dated March 12, 2010 as ₹ 1 per quintal of Molasses produced whereas the licence Fee previously was paid at the flat rate of ₹ 500 for a year. Aggravated with the decision, the said entity has challenged the notification dated March 12, 2010 in Hon'ble High Court Patna vide CWJC No. 4102 of 2011. After hearing, the Hon'ble Court has stayed the operation of Resolution dated March 12, 2010 till the pendency of the writ petition vide their order dated April 27, 2011. Accordingly, the difference of ₹ 500 per year and ₹ 1 per quintal of total molasses produced is provided as liability for licence fee every year.

**Note 14 Trade Payables**

	(₹ in Lakhs)	
	As at 31-Mar-20	As at 31-Mar-19
<b>Trade Payables</b>		
Total Outstanding Dues of Micro Enterprises and Small Enterprises	-	-
Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	27,235.03	29,031.20
<b>Total</b>	<b>27,235.03</b>	<b>29,031.20</b>

**Terms and conditions of the above trade payables:**

Trade payables are non interest bearing and are normally settled on 30-60 days terms.

**Note :**

There are no outstanding dues of Micro and Small Enterprises (MSEs) based on information available with the Group.

**Note 15 Other Liabilities**

	(₹ in Lakhs)			
	Non-Current		Current	
	As at 31-Mar-20	As at 31-Mar-19	As at 31-Mar-20	As at 31-Mar-19
Advances from Customers	-	-	1,460.88	274.63
Advances against Sale of Property, Plant and Equipment (Refer Note 31 & 41)	-	-	2,500.00	705.00
Others:				
Statutory Dues	-	-	673.39	645.12
Advance Rent - Others	21.93	-	7.39	-
Deferred Government Grant	351.95	332.19	48.56	47.03
<b>Total</b>	<b>372.88</b>	<b>332.19</b>	<b>4,690.22</b>	<b>1,671.78</b>

**Notes to the Consolidated Financial Statements** as at and for the year ended 31st March, 2020 (Contd.)**Note 16 Revenue from Operations**

	(₹ in Lakhs)	
	Year Ended 31-Mar-20	Year Ended 31-Mar-19
Sales of Finished Goods & Other Products	68,385.11	72,823.77
Sale of Services (Warehousing Charges)	413.97	276.13
<b>Other Operating Revenue</b>		
Fertilizer Subsidy	1,970.65	2,038.29
Other Incentives & Subsidies	616.15	77.72
Export Benefits	305.51	410.06
Income from Farm Product (details as below)	25.30	53.51
Other Operating Income	14.92	12.21
<b>Total</b>	<b>71,731.61</b>	<b>75,691.69</b>
<b>Income from Farm Product</b>		
Sales of Agricultural Produce	88.80	133.10
Subsidy on Sugar Cane	78.39	69.06
Lease Rent	8.22	7.60
<b>Sub-Total</b>	<b>175.41</b>	<b>209.76</b>
<b>Less:</b>		
Agricultural Farming Expenses (towards cultivation & other expenses)	149.68	155.98
Other Repairs	0.32	0.17
Rent, Rates & Taxes	0.11	0.10
<b>Sub-Total</b>	<b>150.11</b>	<b>156.25</b>
<b>Grand Total</b>	<b>25.30</b>	<b>53.51</b>

**Note 17 Other Income**

	(₹ in Lakhs)	
	Year Ended 31-Mar-20	Year Ended 31-Mar-19
<b>Interest Income</b>		
On Investments	705.84	697.66
On Bank Deposits	52.23	28.40
On Loans & Other Deposits	39.41	251.31
On Others	1.09	-
<b>Dividend Income</b>		
On Long term Investments	110.94	153.78
<b>Net gain on sale of Investments (including MTM gain/loss) (Refer Note 40)</b>	<b>3,782.55</b>	<b>186.52</b>
<b>Other Non-Operating Income</b>		
Profit on sale of Plant, Property and Equipment	810.11	1,303.47
Rental Income	141.80	113.49
Net Gain on foreign currency translation	(48.58)	83.25
Management Fees	514.64	899.35
Excess Liabilities and Unclaimed Balances written back	1,227.31	126.24
Miscellaneous Income	267.34	281.07
Changes in Fair Value of Biological Assets	-	92.25
<b>Total</b>	<b>7,604.68</b>	<b>4,216.79</b>

**Notes to the Consolidated Financial Statements** as at and for the year ended 31st March, 2020 (Contd.)**Note 18 Cost of Materials Consumed**

	(₹ in Lakhs)	
	Year Ended 31-Mar-20	Year Ended 31-Mar-19
Opening Inventories	1,001.27	577.17
Add : Purchase	26,351.84	27,932.97
Less: Closing Inventories	(693.39)	(1,001.27)
	<b>26,659.72</b>	<b>27,508.87</b>
<b>Details of Raw Material Consumed</b>		
Green Tea Leaves	1,706.50	3,695.73
Chemicals/Minerals	4,524.45	7,041.38
Sugarcane	19,976.70	16,270.20
Others	452.07	501.56
<b>Total</b>	<b>26,659.72</b>	<b>27,508.87</b>

**Note 19 Purchases of Traded Goods**

	(₹ in Lakhs)	
	Year Ended 31-Mar-20	Year Ended 31-Mar-19
<b>Traded Goods</b>		
Tea	4,716.35	5,826.07
Chemicals	43.66	52.88
<b>Total</b>	<b>4,760.01</b>	<b>5,878.95</b>

**Note 20 Changes in Inventories of Finished Goods, Work-in-Progress and Traded Goods**

	(₹ in Lakhs)	
	Year Ended 31-Mar-20	Year Ended 31-Mar-19
<b>Inventories at the beginning of the year</b>		
Finished Goods	23,082.40	19,754.42
Work-in-Progress	283.54	94.60
Traded Goods	3,476.49	3,543.00
	<b>26,842.43</b>	<b>23,392.02</b>
<b>Inventories at the end of the year</b>		
Finished Goods	24,523.79	23,082.40
Work-in-Progress	33.86	283.54
Traded Goods	2,315.30	3,476.49
	<b>26,872.95</b>	<b>26,842.43</b>
Fluctuation in Exchange Rate carried to Foreign Currency Translation Reserve	(1.03)	0.03
<b>Total</b>	<b>(31.55)</b>	<b>(3,450.38)</b>

**Notes to the Consolidated Financial Statements** as at and for the year ended 31st March, 2020 (Contd.)**Note 21 Employee Benefits Expense**

	(₹ in Lakhs)	
	Year Ended 31-Mar-20	Year Ended 31-Mar-19
Salaries and Wages	21,189.10	20,426.48
Contribution to Provident and Other Funds (Refer Note 28)	1,717.17	1,656.53
Gratuity Expense (Refer Note 28)	936.07	784.47
Contribution to Superannuation Fund (Refer Note 28)	-	91.32
Staff Welfare Expenses	1,432.69	1,502.03
<b>Total</b>	<b>25,275.03</b>	<b>24,460.83</b>

**Note 22 Finance Costs**

	(₹ in Lakhs)	
	Year Ended 31-Mar-20	Year Ended 31-Mar-19
<b>Interest Expense</b>		
On Fixed Loans & Deposits	4,171.52	4,006.69
Bank & Others	1,717.08	986.76
Interest on Lease Liability (Refer Note 29)	49.45	-
<b>Other Borrowing Cost</b>		
Other Financial Charges	166.43	79.29
Borrowing Cost Capitalised	(177.98)	(161.85)
<b>Total</b>	<b>5,926.50</b>	<b>4,910.89</b>

**Note 23 Depreciation and Amortisation Expense**

	(₹ in Lakhs)	
	Year Ended 31-Mar-20	Year Ended 31-Mar-19
On Property, Plant and Equipment (Refer Note 4)	2,305.00	1,926.62
On Right-of-Use Assets (Refer Note 29)	157.22	-
On Investment Property (Refer Note 4)	0.04	0.04
On Intangible Assets (Refer Note 4)	0.80	-
<b>Total</b>	<b>2,463.06</b>	<b>1,926.66</b>

**Note 24 Other Expenses**

	(₹ in Lakhs)	
	Year Ended 31-Mar-20	Year Ended 31-Mar-19
Consumption of Stores, Spare Parts & Packing Materials	2,425.97	2,493.59
Power & Fuel	5,711.71	4,967.95
Consumption of Manures/ Pesticides	1,577.76	1,667.48
Repairs to Buildings	434.66	502.32
Repairs to Machinery	1,666.62	1,504.10
Repairs to Other Assets	491.83	645.05
Freight & Cartage	1,550.48	1,715.98

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

	(₹ in Lakhs)	
	Year Ended 31-Mar-20	Year Ended 31-Mar-19
Insurance	111.79	93.60
Brokerage & Commission	448.16	467.23
Warehousing Charges	190.29	195.03
Other Selling Expenses [including packing material ₹ 361.26 Lakhs, (P.Y. ₹ 333.77 Lakhs)]	1,030.48	976.27
Rent	160.25	283.71
Rates & Taxes ( Duty & Cess)	85.20	279.95
Insurance excluding on sales	189.35	189.25
Charity & Donation	0.01	-
Auditors' Remuneration (Refer Note 24.1)	97.98	107.26
Cost Audit Fees	1.87	1.83
Changes in Fair Value of Biological Assets	167.08	-
Corporate Social Responsibility Expenses (Refer Note 24.2)	8.35	9.70
Bad Debts & Irrecoverable Loans, Advances & Claims written off [net of Reserve for Doubtful Debts created in earlier years ₹ 34.39 Lakhs (P.Y. ₹ 102.93)]	847.09	108.79
Expected credit loss for trade receivables	34.39	37.46
Other Miscellaneous Expenses	2,673.05	2,826.81
<b>Total</b>	<b>19,904.37</b>	<b>19,073.36</b>

**Note 24.1 Auditor's Remuneration**

	(₹ in Lakhs)	
	Year Ended 31-Mar-20	Year Ended 31-Mar-19
As Auditor:		
Audit Fees	42.44	41.29
Tax Audit Fees	9.50	9.00
Other Services	45.59	54.08
Reimbursement of Expenses	0.45	2.89
<b>Total</b>	<b>97.98</b>	<b>107.26</b>

**Note 24.2 Details of CSR Expenditure**

	(₹ in Lakhs)	
	Year Ended 31-Mar-20	Year Ended 31-Mar-19
a) Gross amount required to be spent by the Holding Company during the year	1.11	-
b) Amount spent during the year	8.35	9.70



**Notes to the Consolidated Financial Statements** as at and for the year ended 31st March, 2020 (Contd.)**Note 25 Earnings Per Share (EPS)**

**Basic EPS** amounts are calculated by dividing the profit for the year attributable to equity holders of the Group by the weighted average number of equity shares outstanding during the year.

**Diluted EPS** amounts are calculated by dividing the profit attributable to equity holders of the Group by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	(₹ in Lakhs)	
	31-Mar-20	31-Mar-19
Net Profit for calculation of Basic and Diluted Earnings Per Share (₹ in Lakhs)	(10,216.30)	(352.55)
Weighted average number of shares (Nos.)	2,26,66,858	2,25,13,400
Earning per equity share		
Basic & Diluted earning / (loss) per share (₹)	(45.07)	(1.57)

**Note 26 Dividend Distribution made**

	(₹ in Lakhs)	
	31-Mar-20	31-Mar-19
<b>Dividend on equity shares declared and paid:</b>		
Final dividend paid	79.32	111.75
DDT on final dividend (including earlier years)	20.78	29.68
<b>Total</b>	<b>100.10</b>	<b>141.43</b>

**Note 27 Significant Accounting Judgements, Estimates and Assumptions**

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur. In the process of applying the Group's accounting policies, management has made the following judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the Financial Statements:

**Defined Benefit Plans**

The cost and the present value of the defined benefit gratuity plan and other post-employment leave encashment benefit are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in future. These include the determination of appropriate discount rate, estimating future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on expected future inflation rates.

For further details about gratuity obligations are given in Note 28.

### Useful lives of Property, Plant and Equipment

Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

### Valuation of Biological Assets and Agriculture Produce of Tea

As required by Ind AS 41 - "Agriculture", management estimates the fair value of plucked (agriculture produce) and unplucked tea leaves (biological assets) as at the balance sheet date- through the use of valuation models and recent transaction prices. Finished goods produced from agricultural produce are valued at lower of cost (arrived at by adding the cost of conversion to the fair value of agricultural produce) and the net realisable value. For harvested or unharvested green leaves, since there is no active market for own leaves, significant judgement is required for key assumptions used in determining average prevalent selling prices of the tea leaf, average quality of the tea leaf and quantity of unplucked leaf.

Biological assets are disclosed in Note 8a to the financial statements, the valuation is discussed as a key source of estimation uncertainty and the valuation policy is disclosed in the principal accounting policies.

### Impairment Assessment

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. Significant judgments are involved in the impairment assessment which includes management's assumptions regarding weighted average cost of capital, growth rates, market and economic conditions, forecasts of revenues, costs, cash flows, etc.

### Note 28 Employee Benefits Obligation

#### (I) Defined benefit plans

##### (a) Gratuity

The Group provides for gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount equivalent to 15 days salary for each completed year of service. Vesting occurs upon completion of 5 years of continuous service. The Group makes contribution to JSTI Gratuity Fund and Life Insurance Corporation of India, which is funded defined benefit plan for qualifying employees.

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

(i) The principal assumptions used in determining gratuity obligations for the Company's plans are as follows:

Significant Actuarial Assumptions	31-Mar-20	31-Mar-19
Discount Rate	6.4% - 7.0%	7.3% - 7.7%
Employee turnover	1% to 8%	1% to 8%
Salary Escalation Rate	4.0%	4.0%
Mortality Rate	IALM (2006-08) Table	IALM (2006-08) Table

(ii) Amounts Recognised in the Balance Sheet consists of:

Particulars	31-Mar-20	31-Mar-19
Present value of defined benefit obligation at the year end	10,821.35	10,356.98
Fair Value of the Plan Assets at the year end	3,924.06	4,466.81
<b>Liability Recognised in the Balance Sheet</b>	<b>6,897.30</b>	<b>5,890.17</b>

(iii) Movement in present value of defined benefit obligation is as follows:

Particulars	31-Mar-20	31-Mar-19
<b>Changes in the present value of defined benefit obligation</b>		
Present value of defined benefit obligation as at year beginning	10,356.98	8,467.50
Current Service Cost	557.50	539.49
Past Service Cost	-	-
Interest Cost	689.71	613.90
<b>Remeasurements (gains)/losses</b>		
-Actuarial (gains)/losses arising from changes in financial assumptions	405.81	14.36
-Actuarial losses arising from changes in experience adjustments	(391.75)	1,498.67
Benefits Paid	(796.90)	(776.94)
<b>Present value of defined benefit obligation as at year end</b>	<b>10,821.35</b>	<b>10,356.98</b>

(iv) Amount recognised in Statement of Profit or Loss in respect of defined benefit plan are as follows:

Particulars	31-Mar-20	31-Mar-19
Current Service Cost	557.50	539.49
Past Service Cost	-	-
Net Interest Cost	689.71	613.90
Expected return on plan assets	(311.14)	(368.92)
<b>Components of defined benefit costs recognised in profit or loss</b>	<b>936.07</b>	<b>784.47</b>

**Notes to the Consolidated Financial Statements** as at and for the year ended 31st March, 2020 (Contd.)**(v) Amount recognised in other comprehensive income in respect of defined benefit plan are as follows:**

Particulars	(₹ in Lakhs)	
	31-Mar-20	31-Mar-19
<b>Re-measurement of the net defined benefit obligation:-</b>		
-Actuarial (gains)/losses arising from changes in financial assumptions	405.81	14.36
-Actuarial losses arising from changes in experience adjustments	(391.75)	1,498.67
-(Gain)/Loss on plan assets (excluding amounts included in net interest cost)	120.57	(29.49)
-Return on Plan Assets (greater)/ less than discount rates	(2.63)	(27.38)
<b>Components of defined benefit costs recognised in Other comprehensive income</b>	<b>132.00</b>	<b>1,456.16</b>

**(vi) Movement in the fair value of plan assets is as follow:**

Particulars	(₹ in Lakhs)	
	31-Mar-20	31-Mar-19
Opening Balance	4,466.81	4,804.35
-Interest income	311.14	368.92
-Return on Plan Assets greater/(less) than discount rates	2.63	27.38
-Benefits paid	(796.90)	(776.94)
-Contributions by the Employer	60.94	13.61
-Actuarial gains / (losses)	(120.57)	29.49
<b>Closing Balance*</b>	<b>3,924.05</b>	<b>4,466.81</b>

\* Includes ₹ 3,630.19 Lakhs (P.Y. ₹ 4,193.20 Lakhs) contributed to JSTI Gratuity Fund (Refer Note 30)

**(vii) Percentage allocation of plan assets by category:**

Particulars	Plan Assets	
	31-Mar-20	31-Mar-19
Government Securities	3.08%	2.72%
Debentures / Bonds	87.12%	89.41%
Fixed deposits	2.28%	1.71%
Cash and Cash Equivalents	0.03%	0.04%
Insurance Managed Funds	7.49%	6.13%

JSTI Gratuity Fund contributes funds in Birla Sun Life Insurance, HDFC Life Insurance, Bajaj Allianz, India First Life Insurance, Life Insurance Corporation.

The Group expects to contribute ₹ 600.00 Lakhs to the funded defined benefit plans in financial year 2020-21.

**Sensitivity Analysis**

Below is the sensitivity analysis determined for significant actuarial assumptions for the determination of defined benefit obligations and based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period while holding all other assumptions constant.

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

Assumptions	(₹ in Lakhs)			
	31-Mar-20		31-Mar-19	
	Discount rate		Discount rate	
Sensitivity Level	0.5% to 1% increase	0.5% to 1% decrease	0.5% to 1% increase	0.5% to 1% decrease
Impact on defined benefit obligation	(571.98)	638.78	(264.27)	237.61

Assumptions	(₹ in Lakhs)			
	31-Mar-20		31-Mar-19	
	Future Salary increase		Future Salary increase	
Sensitivity Level	0.5% to 1% increase	0.5% to 1% decrease	0.5% to 1% increase	0.5% to 1% decrease
Impact on defined benefit obligation	663.56	(601.08)	261.70	(288.49)

**Risk analysis**

Group is exposed to a number of risks in the defined benefit plans. Most significant risks pertaining to defined benefits plans, and management's estimation of the impact of these risks are as follows:

**Interest risk**

A decrease in the interest rate on plan assets will increase the plan liability.

**Salary growth risk**

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

**Investment risk**

The Gratuity plan is funded with Birla Sun Life Insurance, HDFC Life Insurance, Bajaj Allianz, India First Life Insurance, Life Insurance Corporation. Group does not have any liberty to manage the fund provided to the Insurance Companies. The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to Government of India bonds. If the return on plan asset is below this rate, it will create a plan deficit.

**(b) Provident fund for certain employees**

In view of year-end position of the employer established provident fund and confirmation from the Trustees of such fund, there is no shortfall as at the year end.

**(II) Defined contribution plans****a) Provident Fund**

Particulars	(₹ in Lakhs)	
	31-Mar-20	31-Mar-19
Contribution to Provident Fund during the year	1,756.95	1,656.53

**b) Superannuation Fund**

Particulars	(₹ in Lakhs)	
	31-Mar-20	31-Mar-19
Contribution to Superannuation Fund during the year	-	91.32

The Holding Company has defined contribution superannuation plan for the benefit of its eligible employees. Employees who are members of the defined contribution superannuation plan are entitled to benefits depending on the years of service and salary drawn.

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

Separate irrevocable trust is maintained for employees covered and entitled to benefits. The Holding Company contributes 15% of the eligible employees' salary to the trust. Such contributions are recognised as an expense as and when incurred. The Holding Company does not have any further obligation beyond this contribution.

**Note 29 Leases****Group as a Lessee**

The Group has applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is given below:-

**Impact on Balance Sheet (Increase/Decrease)**

	(₹ in Lakhs)	
	31st March, 2020	1st April, 2019
<b>Assets</b>		
Right-of-use assets	566.34	590.22
	<b>566.34</b>	<b>590.22</b>
<b>Liabilities</b>		
Lease Liabilities	478.34	590.22
	<b>478.34</b>	<b>590.22</b>

\* Excludes amounts reclassified on account of adoption of Ind AS 116 (Refer note 4(b))

**Impact on Statement of Profit and Loss (Increase in Loss)**

	(₹ in Lakhs)	
	31st March, 2020	
Depreciation and Amortisation ^		146.58
Other Expenses		(161.33)
Finance Cost		49.45
<b>Loss for the period (before tax)</b>		<b>34.70</b>
Income Tax Expenses		(8.73)
<b>Loss for the period</b>		<b>25.97</b>

^ Excludes ₹10.64 Lakhs on account of amortisation of leasehold land and prepaid expense reclassified as Right-of-use assets, against which amortisation was charged in the earlier years hence no impact in profits to that extent.

**Impact on Statement of Cash Flows**

	(₹ in Lakhs)	
	31st March, 2020	
Payment of principal portion of lease liabilities		111.88
Payment of interest portion of lease liabilities		49.45
<b>Net Cash flows used in financial activities</b>		<b>161.33</b>

There is no material impact on other comprehensive income or the basic and diluted earning per share.

The Group has lease contracts for warehouse and office spaces used in its operations. These generally have lease terms between 1 and 30 years. The Group obligations under its leases are secured by the lessor's title to the leased assets.

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

Set out below are the carrying amounts of right-of-use assets recognised and the movement during the period:

	(₹ in Lakhs)
	<b>31st March, 2020</b>
<b>As at 1st April 2019</b>	590.22
Reclassification on account of adoption of Ind AS 116 (Refer Note 4(b) & Note 7)	133.34
Addition during the year	-
Depreciation Expense (Refer Note 4(b))	157.22
<b>As at 31st March 2020</b>	<b>566.34</b>

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	(₹ in Lakhs)
	<b>31st March, 2020</b>
<b>As at 1st April 2019</b>	590.22
Addition during the year	-
Accretion of Interest	49.45
Payments	161.33
<b>As at 31st March 2020</b>	<b>478.34</b>

	(₹ in Lakhs)
	<b>31st March, 2020</b>
Current	41.31
Non Current	437.03

The effective interest rate for lease liabilities is 9.16%, with maturity between 2021-2026

The following are the amounts recognised in statement of Profit and Loss:

	(₹ in Lakhs)
	<b>31st March, 2020</b>
Depreciation expense of right-of-use assets (Refer Note 23)	157.22
Interest expense on lease liabilities (Refer Note 22)	49.45
Expense relating to other leases (including in other expenses) (Refer Note 24)	160.25
<b>Total amount recognised in Statement of Profit and Loss</b>	<b>366.92</b>

The Group has lease contracts for various lands which has lease terms between 0 and 30 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options and Group had initially made one time lump-sum lease payments and there is no further cash out flow. Such prepayments against leasehold lands pertaining to Tea gardens can be treated as freehold for the purpose of amortisation and no depreciation/amortisation is considered necessary. Similar practice has been followed from a long time and further the Group does not foresee any withdrawal of lease rights granted by the government. Prepayments amounting to ₹204.01 Lakhs, (P.Y. ₹203.76 Lakhs) are currently being classified as Other Non Current Assets (Refer Note 7)

The Group also has certain leases of office spaces with lease terms of 12 months or less and leases with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases. Rental expense recorded for short-term leases or cancellable in nature amounts to ₹182.75 Lakhs.

**Notes to the Consolidated Financial Statements** as at and for the year ended 31st March, 2020 (Contd.)**Note 30 Commitment and Contingencies****I. Commitments**

	(₹ in Lakhs)	
	As at 31-Mar-20	As at 31-Mar-19
i. Capital Commitments outstanding (Net of Advances)	57.68	67.32
ii. Letter of credit issued against purchase of fuel	28.16	27.12
iii. Commitments outstanding against further investments in Alternate Investment Fund(AIF)	861.00	2,129.54

**II. Guarantees**

	(₹ in Lakhs)	
	As at 31-Mar-20	As at 31-Mar-19
i. Bank Guarantees	510.97	466.95

**III. Contingent Liabilities****a) Claims against the Company not acknowledged as debts:**

	(₹ in Lakhs)	
	As at 31-Mar-20	As at 31-Mar-19
i. "Demand from Sales Tax authority : Certain disallowances of Sales Tax were demanded against the Group and the appeals before the Commissioner/ Tribunal Appellate and revisional Board has been filed and the management is of the opinion that it will obtain full relief"	348.86	706.73
ii. Income Tax demand under appeal	292.93	617.72
iii. Entry Tax Liability in the state of West Bengal, stay has been granted by Hon'ble High Court at Calcutta *	116.14	116.14
iv. Demand from a lessor for interest on differential rent	70.14	70.14
v. Demand of Provident Fund Damages and Interest by the Provident Fund Authorities, West Bengal	116.86	117.88
vi. Electricity duty demanded by Government of Bihar appealed in Hon'ble Supreme Court	103.10	103.10
vii. Demand of wages of a closed unit for earlier years pending before Labour Court (Estimated)	61.50	61.50
viii. Demand against differential excise duty in relation to a closed unit for earlier years pending before Central Excise & Service Tax Appellate Tribunal (CESTAT)	50.05	50.05

\*In view of injunction granted by the Hon'ble High Court at Calcutta, no provision has been made in respect of Entry Tax imposed by Govt. of West Bengal under the "Entry of Goods into Local Area Act 2012".

**b) Other Contingencies and Commitments**

- i. There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated 28th February, 2019. The Group believes that it does not have any significant impact on a prospective basis from the date of the SC order. The Group will revisit its position, on receiving further clarity on the subject.
- ii. The Holding Company has provided Corporate Guarantee during the year amounting to ₹ 6,425.00 Lakhs against term loan availed by Majhulia Sugar Industries Private Limited (a wholly owned subsidiary company) for the purpose of their business. The amount of facility availed by the subsidiary as on 31st March, 2020 is ₹5,422.00 Lakhs.

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



**Notes to the Consolidated Financial Statements** as at and for the year ended 31st March, 2020 (Contd.)**Note 31 Disclosure in respect of Related Parties pursuant to Ind AS 24****A. Names of Related Parties and description of relation :****(i) Joint Venture**

Tea Group Investment Company Limited (TGICL) (upto 01.01.2020) (Refer Note 38)

**(ii) Associate**

ECE Industries Limited [Associate of Jayantika Investment &amp; Finance Limited (JIFL), a subsidiary company]

**(iii) Key Management Personnel (KMP)**

(a) Chairperson	Mrs. Jayashree Mohta (Late Basant Kumar Birla - Former Chairman)(upto 03.07.2019)
(b) Executive Director	Mr. Vikash Kandoi
(c) Managing Director	Mr. Damodar Prasad Maheshwari
(d) Non Executive Director	Mr. Surendra Kumar Tapuriah Mr. Subodh Kumar Agrawal Mr. Sumit Mazumder Mr. Harsh Vardhan Kanoria Mr. Rajesh Sarda (Director in Majhaulia Sugar Industries Pvt. Ltd.) Mr. Chinni Lal Shukla (Director in Majhaulia Sugar Industries Pvt. Ltd.) [ceased w.e.f. January 7, 2020] Mr. Pradip Kumar Agrawal (Director in Jayantika Investment & Finance Ltd.) [ceased w.e.f. February 5, 2020] Mr. Hari Prasad Maheshwari (Director in Jayantika Investment & Finance Ltd.) Mr. Bijay Kumar Dalan (Director in North Tukvar Tea Co. Ltd.) Mr. Sanjay Kumar Patodia (Director in North Tukvar Tea Co. Ltd.) Mr. Sushil Kumar Jajodia (Director in North Tukvar Tea Co. Ltd.)
(e) Chief Financial Officer and Company Secretary	Mr. Ramesh Kumar Ganeriwala
(f) Chief Executive Officer	Mr. Tilak Chetry in Kijura Tea Co. Ltd.

**(iv) Others**

	<b>Nature of Relationship</b>
Gisakura Tea Company Limited (upto 01.01.2020) (Refer Note 38)	Subsidiary of TGICL
Mata Tea Company Limited (upto 01.01.2020) (Refer Note 38)	Subsidiary of TGICL
JPM Merchandise Agencies Limited	Entity over which KMP has significant influence
Century Textiles & Industries Limited	Entity over which KMP has significant influence
Kesoram Industries Limited	Entity over which KMP has significant influence
Birla International Limited	Entity over which KMP has significant influence
Birla Vidya Mandir	Entity over which KMP has significant influence
Jayshree Finvest Private Limited	Entity over which KMP has significant influence
Marigold Traders Private Limited	Entity over which KMP has significant influence
Diplomat Limited	Entity over which KMP has significant influence

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

Pilani Investment and Industries Corporation Limited (upto 03.07.2019) Entity over which KMP has significant influence

**(v) Post-employment Benefit Plans (PEBP)**

Birla Industries Provident Fund  
B K Birla Group of Companies Provident Fund Institution  
JSTI Gratuity Fund

**B. During the year the following transactions were carried out with the related parties in the ordinary course of business:****(i) Transactions with Related Parties**

	(₹ in Lakhs)	
	Year Ended	
	31-Mar-20	31-Mar-19
<b>Income from Management Fees</b>		
Tea Group Investment Company Limited	514.64	899.35
<b>Total</b>	<b>514.64</b>	<b>899.35</b>
<b>Interest Paid/Payable</b>		
Mrs. Jayashree Mohta	32.70	-
Jayashree Finvest Private Limited	22.08	-
Marigold Traders Private Limited	60.41	-
Diplomat Limited	3.01	-
<b>Total</b>	<b>118.20</b>	<b>-</b>
<b>Dividend Paid</b>		
JPM Merchandise Agencies Limited	21.40	30.57
ECE Industries Limited	1.56	2.23
Century Textiles & Industries Limited	1.05	1.50
Pilani Investment and Industries Corporation Limited	-	0.01
Late Basant Kumar Birla	0.16	0.23
Mrs. Jayashree Mohta	3.45	4.93
Mr. Surendra Kumar Tapuriah	^	^
Mr. Sumit Mazumder	^	^
Mr. Harsh Vardhan Kanoria	^	-
Mr. Subodh Kumar Agrawal	^	^
Mr. Vikash Kandoi	^	0.01
Mr. Damodar Prasad Maheshwari	0.02	0.03
<b>Total</b>	<b>27.64</b>	<b>39.51</b>
^Amounts are below the rounding off norm adopted by the Company.		
<b>Dividend Received</b>		
Birla International Limited	12.04	12.47
<b>Total</b>	<b>12.04</b>	<b>12.47</b>

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

	(₹ in Lakhs)	
	Year Ended	
	31-Mar-20	31-Mar-19
<b>Excess Liabilities and Unclaimed Balances written back (Loans written back)</b>		
Tea Group Investment Company Limited	1,153.85	-
<b>Total</b>	<b>1,153.85</b>	<b>-</b>
<b>Loan Taken</b>		
Mrs. Jayashree Mohta	600.00	-
Jayashree Finvest Private Limited	400.00	-
Marigold Traders Private Limited	1,000.00	-
Diplomat Limited	1,155.00	-
Tea Group Investment Company Limited	50.96	71.92
<b>Total</b>	<b>3,205.96</b>	<b>71.92</b>
<b>Loan Repaid</b>		
Diplomat Limited	1,155.00	-
<b>Total</b>	<b>1,155.00</b>	<b>-</b>
<b>Loan Given</b>		
Tea Group Investment Company Limited	-	8.44
<b>Total</b>	<b>-</b>	<b>8.44</b>
<b>Advance Taken</b>		
Birla Vidya Mandir	2,500.00	-
<b>Total</b>	<b>2,500.00</b>	<b>-</b>

**(ii) Remuneration of Key Management Personnel (KMP)**

The remuneration of key management personnel of the Company are set out below in aggregate for each of the categories specified in Ind AS 24 Related party disclosures.

	(₹ in Lakhs)	
	Year Ended	
	31-Mar-20	31-Mar-19
Salaries and Wages	333.45	355.34
Contribution to Provident and Other Funds #	16.42	36.94
Directors' Sitting Fees	4.60	4.10
<b>Total</b>	<b>354.47</b>	<b>396.38</b>

# Does not include gratuity and compensated absences as these are provided in the books of accounts on the basis of actuarial valuation for the Group as a whole and hence individual amount cannot be determined.

**Notes to the Consolidated Financial Statements** as at and for the year ended 31st March, 2020 (Contd.)**(iii) Contribution to Post Employment Benefit Plan**

	(₹ in Lakhs)	
	Year Ended	
	31-Mar-20	31-Mar-19
Birla Industries Provident Fund	167.86	125.49
B K Birla Group of Companies Provident Fund Institution	64.20	76.12
<b>Total</b>	<b>232.06</b>	<b>201.61</b>

**C. Balances as at year end are set out below:**

	(₹ in Lakhs)	
	As at	
	31-Mar-20	31-Mar-19
<b>Loans Receivable:</b>		
Tea Group Investment Company Limited	-	8.44
<b>Total</b>	<b>-</b>	<b>8.44</b>
<b>Loans Payable:</b>		
Mrs. Jayashree Mohta	600.00	-
Jayashree Finvest Private Limited	400.00	-
Marigold Traders Private Limited	1,000.00	-
Tea Group Investment Company Limited	-	1,111.33
<b>Total</b>	<b>2,000.00</b>	<b>1,111.33</b>
<b>Advance Taken</b>		
Birla Vidya Mandir	2,500.00	-
<b>Total</b>	<b>2,500.00</b>	<b>-</b>
<b>Payable to Post Employment Benefit Plan</b>		
Birla Industries Provident Fund	12.90	9.75
B K Birla Group of Companies Provident Fund Institution	4.64	5.85
<b>Total</b>	<b>17.54</b>	<b>15.60</b>
<b>Plan Assets (Refer Note 28):</b>		
JSTI Gratuity Fund	3,630.19	4,193.20
<b>Total</b>	<b>3,630.19</b>	<b>4,193.20</b>

**Notes to the Consolidated Financial Statements** as at and for the year ended 31st March, 2020 (Contd.)**Note 32 Fair Value Measurements****Financial Assets**

	(₹ in Lakhs)	
	As at	
	31-Mar-20	31-Mar-19
<b>Financial Assets - Non Current</b>		
<u>At Fair Value through profit or loss</u>		
Investments	8,721.45	15,040.87
<u>At Fair Value through Other Comprehensive Income</u>		
Investments	700.20	893.67
<u>At Amortised Cost</u>		
(a) Investment	-	1,130.45
(b) Trade Receivable	-	-
(c) Loans	600.91	540.95
(d) Other Financial Assets	322.99	235.55
	923.90	1,906.95
<u>At Cost</u>		
Investments	6,864.78	11,448.39
<b>Total Non-Current Financial Assets (a)</b>	<b>17,210.33</b>	<b>29,289.88</b>
<b>Financial Assets - Current</b>		
<u>At Fair Value through Profit or Loss</u>		
(a) Investments	1,888.98	246.09
(b) Other Financial Assets	-	41.49
	1,888.98	287.58
<u>At Amortised cost</u>		
(a) Investment	465.23	-
(b) Trade Receivables	5,734.93	6,083.32
(c) Cash and Cash Equivalents	1,833.26	600.59
(d) Other Bank Balances	1,061.34	135.32
(e) Loans	637.81	2,672.41
(f) Other Financial Assets	4,585.81	4,864.96
	14,318.38	14,356.60
<b>Total Current Financial Assets (b)</b>	<b>16,207.36</b>	<b>14,644.18</b>
<b>Total Financial Assets (a + b)</b>	<b>33,417.68</b>	<b>43,934.06</b>

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

	(₹ in Lakhs)	
	As at	
	As at 31-Mar-20	As at 31-Mar-19
<b>Financial Liabilities - Non-Current</b>		
<u>At Amortised Cost</u>		
(a) Borrowings	13,082.12	13,437.52
(b) Other Financial Liabilities	733.67	240.61
<b>Total Non-Current Financial Liabilities (a)</b>	<b>13,815.79</b>	<b>13,678.13</b>
<b>Financial Liabilities - Current</b>		
<u>At Amortised Cost</u>		
(a) Borrowings (including current maturities of long term debt)	38,049.85	38,055.29
(b) Trade Payables	27,235.03	29,031.20
(c) Other Financial Liabilities	2,183.91	2,200.56
<b>Total Current Financial Liabilities (b)</b>	<b>67,468.79</b>	<b>69,287.05</b>
<b>Total Financial Liabilities (a + b)</b>	<b>81,284.58</b>	<b>82,965.18</b>

**Note 33 Fair Value Hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the standalone financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows below:

The table shown below analyses financial instruments carried at fair value. The different levels have been defined below:-

Level 1: Quoted Prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

**(a) Financial assets and liabilities measured at fair value at 31st March, 2020**

	(₹ in Lakhs)			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
<b>Investment at FVTPL</b>				
In Mutual Funds	-	3,153.91	-	3,153.91
In Alternate Investment Funds (AIF)	-	4,503.07	-	4,503.07
In Bonds	2,214.00	-	-	2,214.00
In Equity Shares	160.23	-	-	160.23
<b>Investment at FVTOCI</b>				
In Equity Shares (Quoted and Unquoted)	^	700.20	-	700.20

^ Amounts are below the rounding off norm adopted by the Group.

**Notes to the Consolidated Financial Statements** as at and for the year ended 31st March, 2020 (Contd.)**Financial assets and liabilities measured at fair value at 31st March, 2019**

	(₹ in Lakhs)			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
<b>Investment at FVTPL</b>				
In Mutual Funds	-	6,338.03	-	6,338.03
In Alternate Investment Funds (AIF)	-	5,930.90	-	5,930.90
In Bonds	2,483.59	-	-	2,483.59
In Equity Shares	534.44	-	-	534.44
Derivatives not designated as hedges at FVTPL	-	41.49	-	41.49
<b>Investment at FVTOCI</b>				
In Equity Shares (Quoted and Unquoted)	0.06	893.61	-	893.67

**(b) Financial instruments at Amortised Cost**

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

	(₹ in Lakhs)			
	31-Mar-20		31-Mar-19	
Financial Assets	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Investment in Unquoted Bonds	465.23	465.23	1,130.45	1,130.45

**(c) Biological assets other than Bearer Plants**

This section explains the judgements and estimates made in determining the fair value of the biological assets other than bearer plants that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its biological assets other than bearer plants into Level 2 in the fair value hierarchy, since no significant adjustments need to be made to the prices obtained from the local markets.

	(₹ in Lakhs)			
Biological assets other than Bearer Plants for which fair value (less cost to sell) are disclosed at 31st March, 2020	Level 1	Level 2	Level 3	Total
Unharvested Tea Leaves	-	2.77	-	2.77
Standing Sugarcane Crop	-	99.15	-	99.15
<b>Total</b>	-	<b>101.92</b>	-	<b>101.92</b>

	(₹ in Lakhs)			
Biological assets other than Bearer Plants for which fair value (less cost to sell) are disclosed at 31st March, 2019	Level 1	Level 2	Level 3	Total
Unharvested Tea Leaves	-	181.41	-	181.41
Standing Sugarcane Crop	-	87.59	-	87.59
<b>Total</b>	-	<b>269.00</b>	-	<b>269.00</b>

(d) During the year there has been no transfer from one level to another.

**Notes to the Consolidated Financial Statements** as at and for the year ended 31st March, 2020 (Contd.)**Note 34 Financial Risk Management**

The Group's activities expose it to credit risk, liquidity risk and market risk. In order to minimise any adverse effects on the financial performance of the Group, the Group has risk management policies as described below-

**(A) Credit Risk**

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The Group is exposed to credit risk from its operating activities (primarily Trade Receivables) and from its investing activities (primarily Deposits with Banks and Investments in Mutual Funds).

Credit risk from balances with banks, term deposits, loans, investments and derivative instruments is managed by Group's finance department. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments. The Group monitors ratings, credit spreads and financial strength of its counterparties.

The Group's maximum exposure to credit risk for the components of the Balance Sheet as of 31st March, 2020 and 31st March, 2019 is the carrying amounts as disclosed in Note 32.

**Trade Receivables**

Trade receivables are typically unsecured and are derived from revenue earned from customers. Customer credit risk is managed by each business unit subject to the Group's policy and procedures which involve credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Group grants credit terms in the normal course of business. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit.

The ageing analysis of the receivables (net of provision) has been considered from the date the invoice falls due.

	(₹ in Lakhs)			
Trade Receivable	< 90 days	91 to 180 days	> 180 days	Total
<b>31st March, 2020</b>	4,029.53	1,274.64	430.76	5,734.93
31st March, 2019	4,289.56	1,191.05	602.71	6,083.32

**(B) Liquidity Risk**

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group closely monitors its liquidity position and maintains adequate sources of financing.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

	(₹ in Lakhs)			
Contractual Maturities of Financial Liabilities	Less than 1 year	1 to 3 years	More than 3 years	Total
<b>31st March, 2020</b>				
Borrowings*	38,049.85	11,519.62	1,562.50	51,131.97
Contractual Interest on Borrowings	2,098.19	1,754.11	16.20	3,868.49
Trade Payables	27,235.03	-	-	27,235.03
Other Financial Liabilities	2,183.91	733.67	-	2,917.58
<b>Total</b>	<b>69,566.98</b>	<b>14,007.40</b>	<b>1,578.70</b>	<b>85,153.08</b>



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

Contractual Maturities of Financial Liabilities	(₹ in Lakhs)			
	Less than 1 year	1 to 3 years	More than 3 years	Total
31st March, 2019				
Borrowings*	38,055.28	10,255.23	3,182.30	51,492.81
Contractual Interest on Borrowings	1,847.13	1,417.77	206.69	3,471.59
Trade Payables	29,031.20	-	-	29,031.20
Other Financial Liabilities	2,200.56	240.61	-	2,441.17
<b>Total</b>	<b>71,134.17</b>	<b>11,913.61</b>	<b>3,388.99</b>	<b>86,436.77</b>

\*Includes Non-Current Borrowings, Current Borrowings and Current Maturities of Non-Current Borrowings.

**(C) Market Risk**

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

**(i) Foreign Currency Risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, EUR and GBP. The Group has obtained foreign currency loans and has foreign currency trade receivables and trade payables and is therefore exposed to foreign currency risk.

The Group uses forward exchange contracts to hedge the effects of movements in foreign exchange rates on foreign currency denominated assets and liabilities.

**(a) Sensitivity**

The sensitivity of profit or loss to changes in the foreign exchange rates arises mainly from foreign currency denominated financial instruments.

	(₹ in Lakhs)	
	Impact on profit before tax	
	31-Mar-20	31-Mar-19
<b>USD Sensitivity</b>		
INR/USD -Increase by 10%*	(77.60)	(56.76)
INR/USD -Decrease by 10%*	77.60	56.76
<b>Euro Sensitivity</b>		
INR/EUR-Increase by 10%*	15.49	59.27
INR/EUR-Decrease by 10%*	(15.49)	(59.27)
<b>GBP Sensitivity</b>		
INR/GBP-Increase by 10%*	(0.00)	(0.00)
INR/GBP-Decrease by 10%*	0.00	0.00

\* Holding all other variables constant

**Notes to the Consolidated Financial Statements** as at and for the year ended 31st March, 2020 (Contd.)**(ii) Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's main interest rate risk arises from short term and long-term borrowings with variable rates, which expose the group to cash flow interest rate risk. During 31st March 2020 and 31st March 2019, the Group's borrowings at variable rate were mainly denominated in INR.

The Group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of changes in market interest rates.

**(a) Sensitivity**

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

	(₹ in Lakhs)	
	<b>Impact on profit before tax</b>	
	<b>31-Mar-20</b>	31-Mar-19
Interest Rates — Increase by 50 basis points	(131.75)	(195.28)
Interest Rates — Decrease by 50 basis points	131.75	195.28

\* Holding all other variables constant and on the assumption that amount outstanding as at reporting dates were utilised for the full financial year.

**(iii) Price Risk**

Securities price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded prices.

The Group invests its surplus funds in various debt instruments. These comprise of mainly mutual funds and alternative investment fund. To manage its price risk arising from investments in mutual funds, the Group diversifies its portfolio. Mutual fund investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments.

**(a) Sensitivity**

The sensitivity of profit or loss to changes in Net Assets Values (NAVs) as at year end for investments.

	(₹ in Lakhs)	
	<b>Impact on profit before tax</b>	
	<b>31-Mar-20</b>	31-Mar-19
NAV - Increase by 1%*	100.31	152.87
NAV - Decrease by 1%*	(100.31)	(152.87)

\* Holding all other variables constant

**(iv) Agricultural Risk**

Cultivation of tea being an agricultural activity, there are certain specific financial risks. These financial risks arise mainly due to adverse weather conditions, logistic problems inherent to remote areas, and fluctuation of selling price of finished goods (tea) due to increase in supply/availability.

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

The Group manages the above financial risks in the following manner:

- Sufficient inventory levels of chemicals, fertilisers and other inputs are maintained so that timely corrective action can be taken in case of adverse weather conditions.
- Slightly higher level of consumable stores viz. packing materials, coal and HSD are maintained in order to mitigate financial risk arising from logistics problems.
- Forward contracts are made with overseas customers as well as domestic customers, in order to mitigate the financial risk in fluctuation in selling price of tea
- Sufficient working-capital-facility is obtained from banks in such a way that cultivation, manufacture and sale of tea is not adversely affected even in times of adverse conditions.

**Note 35 Capital Management**

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth and maximise the shareholders value. The Group's overall strategy remains unchanged from previous year. The Group sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments. The funding requirements are met through a mixture of borrowed funds and internal fund generation. The Group's policy is to use short term and long-term borrowings to meet anticipated funding requirements. The Group monitors capital on the basis of the net debt to equity ratio. Net debt are long term and short term debts as reduced by cash and cash equivalents. Equity comprises share capital and free reserves (total reserves excluding OCI). The following table summarizes the capital of the Group:

Particulars	₹ in Lakhs)	
	As at 31-Mar-20	As at 31-Mar-19
Borrowings	51,131.97	51,492.81
Less: Cash and Cash Equivalents	(1,833.26)	(600.59)
<b>Net Debt</b>	<b>49,298.71</b>	<b>50,892.23</b>
<b>Total Equity *</b>	<b>21,785.54</b>	<b>32,071.65</b>
<b>Net Debt to Equity ratio</b>	<b>2.26</b>	<b>1.59</b>

\* Excludes Other Comprehensive (Loss)/ Income (₹430.35 Lakhs), [P.Y. ₹193.43 Lakhs]

No changes were made to the objectives, policies or processes from managing capital during the reporting periods.

**Note 36 Segment Information**

1. The Group has disclosed business segment as the primary segment. The Group is collectively organised into following business segments namely:

(a) Tea ; (b) Chemical & Fertiliser and (c) Sugar

Segments have been identified as reportable segments by the Group's chief operating decision maker ("CODM"). Segment profit amounts are evaluated regularly by the Board, which has been identified as the CODM, in deciding how to allocate resources and in assessing performance.

Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amount allocated on a reasonable basis. Unallocated expenditure consists of common expenditure incurred for all the segments and expenses incurred at corporate level. The assets and liabilities that cannot be allocated between the

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

segments are shown as unallocated corporate assets and liabilities respectively.”

2. The accounting policies of the reportable segments are the same as the Group’s accounting policies described in Note 3. Segment profit (Earnings before interest and tax) amounts are evaluated regularly by the Board that has been identified as its CODM in deciding how to allocate resources and in assessing performance. The Group’s financing (including finance costs and finance income) and income taxes are reviewed on an overall basis and are not allocated to operating segments.

3. The net expenses and income, which are not directly attributable to a particular Business Segment, are shown as unallocated corporate cost and income respectively.

4. Assets and Liabilities that can not be allocated between the segments are shown as a part of unallocated corporate assets and liabilities respectively.

The following table presents revenue and profit information for the Group’s operating segment for the year ended 31st March, 2020 and 31st March, 2019.

Particulars	(₹ in Lakhs)							
	Tea		Chemical & Fertiliser		Sugar		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
<b>Revenue</b>								
Total External Revenue	41,368.15	48,345.24	8,837.56	9,954.36	21,525.91	17,392.09	71,731.61	75,691.69
Inter Segment Revenue	-	-	-	-	-	-	-	-
<b>Total Revenue</b>	<b>41,368.15</b>	<b>48,345.24</b>	<b>8,837.56</b>	<b>9,954.36</b>	<b>21,525.91</b>	<b>17,392.09</b>	<b>71,731.61</b>	<b>75,691.69</b>
<b>Segment Results</b>	(3,943.68)	2,940.51	847.63	1,098.07	(441.45)	614.15	(3,537.50)	4,652.73
<b>Reconciliation to Profit before Tax:</b>								
Interest Income							798.57	978.87
Finance Costs (Note 22)							(5,926.50)	(4,910.89)
Unallocable expenditure net off Unallocable Income							3,044.49	(1,121.41)
<b>Loss Before Exceptional Items and Tax</b>							<b>(5,620.85)</b>	<b>(400.70)</b>
Exceptional Items							(1,515.40)	-
<b>Loss Before Tax</b>							<b>(7,136.25)</b>	<b>(400.70)</b>
<b>Depreciation and Amortisation expense</b>								
Unallocable							220.06	141.39
<b>Total</b>							<b>2,463.06</b>	<b>1,926.66</b>
<b>Non-cash Expenses other than Depreciation and Amortisation</b>								
Unallocable							758.81	-
<b>Total</b>							<b>881.48</b>	<b>146.25</b>
<b>Capital Expenditure</b>								
Unallocable							51.07	490.94
<b>Total</b>							<b>6,340.55</b>	<b>12,458.74</b>
<b>Share of Profit of Associate and Joint Venture</b>								
Unallocable							(1,950.53)	42.64
<b>Total</b>							<b>(1,950.53)</b>	<b>42.64</b>

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

The following table presents assets and liabilities information for the Group's operating segment as at 31st March, 2020 and 31 March, 2019

Particulars	(₹ in Lakhs)							
	Tea		Chemical & Fertiliser		Sugar		Total	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
<b>Segment Assets</b>	36,663.85	40,499.09	7,854.10	8,135.00	49,589.23	40,905.40	94,107.18	89,539.49
<b>Reconciliation to Total Assets</b>								
Investments							18,640.64	28,759.47
Deferred Tax Assets (net)							534.69	1,514.03
Current Tax Assets (net)							722.54	633.02
Other Unallocable Assets							3,825.60	5,568.64
<b>Total Assets</b>							<b>1,17,830.65</b>	<b>1,26,014.65</b>
<b>Segment Liabilities</b>	14,667.13	12,804.10	2,623.07	2,559.49	23,029.84	25,441.21	40,320.04	40,804.80
<b>Reconciliation to Total Liabilities</b>								
Borrowings							51,131.97	51,492.81
Deferred Tax Liabilities (net)							-	-
Current Tax Liabilities (net)							351.80	166.04
Other Unallocable Liabilities							4,671.65	1,285.92
<b>Total Liabilities</b>							<b>96,475.46</b>	<b>93,749.57</b>
<b>Investments in an Associate and a Joint Venture</b>	-	-	-	-	-	-	-	-
Unallocated							6,864.69	11,448.30
<b>Total</b>							<b>6,864.69</b>	<b>11,448.30</b>

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**Geographical Segment Analysis**

Revenue by Geographical Segment	(₹ in Lakhs)	
	31-Mar-20	31-Mar-19
India	64,334.20	65,838.86
Rest of the World	7,397.41	9,852.83
	<b>71,731.61</b>	<b>75,691.69</b>

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

The following is an analysis of the carrying amount of non-current assets, which do not include deferred tax assets, income tax assets and financial assets analysed by the geographical area in which the assets are located:

Non-current operating Assets	(₹ in Lakhs)	
	31-Mar-20	31-Mar-19
India	46,260.27	43,608.88
Rest of the World	1,945.68	2,005.00
	<b>48,205.95</b>	<b>45,613.88</b>

Segment Capital Expenditure	(₹ in Lakhs)	
	31-Mar-20	31-Mar-19
India	6,242.81	11,768.17
Rest of the World	46.67	199.63
	<b>6,289.48</b>	<b>11,967.80</b>

**Notes to the Consolidated Financial Statements** as at and for the year ended 31st March, 2020 (Contd.)**Note 37. a) Group Information**

The consolidated financial statements comprise the financial statements of the Holding Company and its subsidiary companies as detailed below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held by the Group and the proportion of ownership interests held equals the voting rights held by the Group.

Entity Name	Place of Business / Country of Incorporation	Proportion of Ownership Interest held by the Group		Principal Business Activity
		As at 31-Mar-20	As at 31-Mar-19	
<b>Indian Subsidiaries</b>				
North Tukvar Tea Company Limited	India	90.50%	90.50%	Manufacturing and Selling of Tea
Jayantika Investment and Finance Limited (JIFL) (formerly Parvati Tea Company Limited)	India	100.00%	100.00%	Non-Banking Financial Company
Majhulia Sugar Industries Private Limited	India	100.00%	100.00%	Manufacturing and Selling of Sugar
<b>Foreign Subsidiaries</b>				
Birla Holdings Limited including its subsidiary and stepdown subsidiary:	Dubai	100.00%	100.00%	Manufacturing and Selling of Tea
a) Kijura Tea Company Limited (KTCL)	Uganda	100.00%	100.00%	
b) Bondo Tea Estates Limited (subsidiary of KTCL)	Uganda	100.00%	100.00%	

**Associate**

The Group has a 37.18% interest in ECE Industries Limited (associate of JIFL) (P.Y.: 37.18%) [Refer Note 38].

**Joint arrangement in which the Group is a Joint Venture**

The Group had 50% interest in Tea Group Investment Company Limited which has been sold during the year [Refer Note 39].

**Entity with significant influence over the Group**

JPM Merchandise Agencies Limited owns 21.17% of the Equity shares in Jay Shree Tea & Industries Limited (P.Y.: 21.17%).

**b) Disclosure of additional information pertaining to the Holding Company, Subsidiaries, Associate and Joint Venture in respect of Net Assets:**

Entity Name	Net Assets			
	As at 31-Mar-20		As at 31-Mar-19	
	% of consolidated assets	Amount (₹ in Lakhs)	% of consolidated assets	Amount (₹ in Lakhs)
<b>Holding Company</b>				
Jay Shree Tea & Industries Limited	-14.73%	(3,146.34)	11.57%	3,731.78

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

Entity Name	Net Assets			
	As at 31-Mar-20		As at 31-Mar-19	
	% of consolidated assets	Amount (₹ in Lakhs)	% of consolidated assets	Amount (₹ in Lakhs)
<b>Indian Subsidiaries</b>				
North Tukvar Tea Company Limited	1.43%	304.34	0.86%	277.14
Jayantika Investment and Finance Limited (JIFL) (formerly Parvati Tea Company Limited)	3.27%	697.27	11.41%	3,683.04
Majhulia Sugar Industries Private Limited	65.79%	14,048.73	35.65%	11,501.36
<b>Foreign Subsidiaries</b>				
Birla Holdings Limited including its subsidiary and stepdown subsidiary: a) Kijura Tea Company Limited (KTCL) b) Bondo Tea Estates Limited (subsidiary of KTCL)	12.11%	2,586.48	5.03%	1,623.44
<b>Joint Venture</b>				
Tea Group Investment Company Limited its two subsidiaries (Refer Note 40): a) Mata Tea Company Limited b) Gisakura Tea Company Limited	0.00%	-	12.18%	3,929.97
<b>Associate</b>				
ECE Industries Limited (associate of JIFL)	32.15%	6,864.69	23.30%	7,518.33
		<b>21,355.15</b>		<b>32,265.04</b>

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**c) Disclosure of additional information pertaining to the Holding Company, Subsidiaries, Associate and Joint Venture in respect of Share of Profit / (Loss), Other Comprehensive Income (OCI) and Total Comprehensive Income (TCI):**

Entity Name	Share of Profit / (Loss)				OCI				TCI			
	31-Mar-20		31-Mar-19		31-Mar-20		31-Mar-19		31-Mar-20		31-Mar-19	
	% of consoli dated profit and loss	Amount (₹ in Lakhs)	% of consoli dated profit and loss	Amount (₹ in Lakhs)	% of consoli dated OCI	Amount (₹ in Lakhs)	% of consoli dated OCI	Amount (₹ in Lakhs)	% of consoli dated TCI	Amount (₹ in Lakhs)	% of consoli dated TCI	Amount (₹ in Lakhs)
<b>Holding Company</b>												
Jay Shree Tea & Industries Limited	32.60%	(3,330.51)	-58.18%	205.12	39.67%	(235.41)	104.82%	(824.63)	32.99%	(3,565.91)	54.38%	(619.52)
<b>Indian Subsidiaries</b>												
North Tukvar Tea Company Limited	-0.01%	0.91	8.60%	(30.32)	8.44%	(50.11)	5.83%	(45.87)	0.46%	(49.19)	6.69%	(76.19)
Jayantika Investment and Finance Limited (JIFL) (formerly Parvati Tea Company Limited)	12.65%	(1,292.23)	-55.74%	196.52	42.90%	(254.59)	2.67%	(21.04)	14.31%	(1,546.82)	-15.40%	175.48
Majhulia Sugar Industries Private Limited	20.10%	(2,053.88)	187.42%	(660.76)	4.27%	(25.35)	-4.86%	38.26	19.23%	(2,079.23)	54.64%	(622.50)
<b>Foreign Subsidiaries</b>												

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

Entity Name	Share of Profit / (Loss)				OCI				TCI			
	31-Mar-20		31-Mar-19		31-Mar-20		31-Mar-19		31-Mar-20		31-Mar-19	
	% of consoli dated profit and loss	Amount (₹ in Lakhs)	% of consoli dated profit and loss	Amount (₹ in Lakhs)	% of consoli dated OCI	Amount (₹ in Lakhs)	% of consoli dated OCI	Amount (₹ in Lakhs)	% of consoli dated TCI	Amount (₹ in Lakhs)	% of consoli dated TCI	Amount (₹ in Lakhs)
Birla Holdings Limited including its subsidiary and stepdown subsidiary: a) Kijura Tea Company Limited (KTCL) b) Bondo Tea Estates Limited (subsidiary of KTCL)	-8.90%	909.31	29.99%	(105.75)	0.00%	-	0.00%	-	-8.41%	909.31	9.28%	(105.75)
<b>Joint Venture</b>												
Tea Group Investment Company Limited including its two subsidiaries (Refer Note 40): a) Mata Tea Company Limited b) Gisakura Tea Company Limited	39.93%	(4,079.13)	-21.41%	75.48	-33.89%	201.12	-38.95%	306.47	35.87%	(3,878.01)	-33.53%	381.95
<b>Associate</b>												
ECE Industries Limited (associate of JIFL)	3.63%	(370.76)	9.32%	(32.85)	47.66%	(282.89)	25.71%	(202.26)	6.05%	(653.64)	20.64%	(235.11)
Foreign Currency Translation Reserve	0.00%	-	0.00%	-	-9.05%	53.73	4.79%	(37.65)	-0.50%	53.73	3.30%	(37.65)
		<b>(10,216.29)</b>		<b>(352.55)</b>		<b>(593.50)</b>		<b>(786.72)</b>		<b>(10,809.79)</b>		<b>(1,139.27)</b>

### Note 38 Investment in Associate

The Group has a 37.18% interest in ECE Industries Limited (associate of JIFL) (P.Y.: 37.18%) which are engaged in manufacturing and selling of Transformer, Elevator's Components and Switchgear and is also engaged in erection and installation of Elevator. The Group's interest in associate are accounted for using the equity method in the consolidated financial statements. The following table illustrates the aggregate financial information relating to associate as required by Ind AS 112 - Disclosure of Interest in Other entities:

	(₹ in Lakhs)	
	As at 31-Mar-20	As at 31-Mar-19
Carrying amount of interest in Associate	6,864.69	7,518.33
	As at 31-Mar-20	As at 31-Mar-19
Group's Share of Profit/Loss from Associate(also Refer Note 44)	(370.76)	(32.84)
Group's share of Other Comprehensive Income (OCI) for the year from Associate (also Refer Note 44)	(282.89)	(202.26)
<b>Group's share of Total Comprehensive Income/(Loss) for the year from Associate</b>	<b>(653.64)</b>	<b>(235.10)</b>



**Notes to the Consolidated Financial Statements** as at and for the year ended 31st March, 2020 (Contd.)**Note 39 Investment in Joint Venture**

The Group had a 50% interest in Tea Group Investment Company Limited (TGICL) which are involved in the manufacturing and selling of tea. The joint venture is a company incorporated in Dubai. The Group's interest in joint venture are accounted for using the equity method in the consolidated financial statements. TGICL has two subsidiaries whose information has been given below. For the purpose of Group's Share of Profit / OCI from Joint Venture, the financial statement of TGICL includes the financial statements of its subsidiaries. The said investments has been sold during the year. (Refer Note 40)

Entity Name	Place of Business / Country of Incorporation	Proportion of Ownership Interest held by the Group	
		As at 31-Mar-20	As at 31-Mar-19
Mata Tea Company Limited	Rwanda	-	30.00%
Gisakura Tea Company Limited	Rwanda	-	30.00%

The following table illustrates the aggregate financial information relating to joint ventures as required by Ind AS 112 - Disclosure of Interest in Other entities:

	(₹ in Lakhs)	
	As at 31-Mar-20	As at 31-Mar-19
Carrying amount of interest in Joint Venture (Refer Note 40)	-	3,929.97
	As at 31-Mar-20	As at 31-Mar-19
Group's Share of Profit from Joint Venture	(1,579.77)	75.48
Group's share of Other Comprehensive Income (OCI) for the year from Joint Venture	201.12	306.47
<b>Group's share of Total Comprehensive Income for the year from Joint Venture</b>	<b>(1,378.65)</b>	<b>381.95</b>

**Note 40**

During the year, the Board of Directors has decided, in principle, to dispose/ monetize certain tea estate(s) and/ or other assets in India or abroad to strengthen the financial position of the Group. In line with this decision, the Group has disposed of its investments in Tea Group Investment Company Limited (UAE), a joint venture, having a carrying value of ₹ 2,551.30 Lakhs at a total consideration of USD 10 million (₹ 7,111.47 Lakhs). Accordingly, ₹ 4,560.17 Lakhs is included in 'Other income' on account of gain on sale of aforementioned investment.

Subsequent to the year end, the Group has also planned to sell its tea estates to the extent considered necessary in India and abroad. The promoters are also committed to extend the support to the Holding Company in order to meet the liabilities and working capital requirements. Considering the measures towards monetization of assets along with improvement in tea prices and demand, the Group management does not anticipate any uncertainty in the Group's ability to continue as a going concern or meeting its financial obligations.

**Note 41**

During the year, the Group has received advance of ₹ 2,500.00 Lakhs against sale of certain lands. Pending completion of the transaction, no profit has been recognised thereon.

**Notes to the Consolidated Financial Statements** as at and for the year ended 31st March, 2020 (Contd.)**Note 42**

Jayantika Investments & Finance Limited, a wholly owned subsidiary, has not accrued interest income amounting to ₹ 122.93 Lakhs during the year ended March 31, 2020 on certain loans as a matter of prudence.

**Note 43**

Jayantika Investments & Finance Limited, a wholly owned subsidiary, has provided for impairment charge of ₹ 1,515.40 Lakhs during the year ended March 31, 2020 on its investment of ₹ 1,395.40 Lakhs and loan of ₹ 120.00 Lakhs outside the group based on the fair value of the related investment and loan.

**Note 44**

These consolidated Ind AS financial statements includes the Group's share of net loss of ₹ 370.76 Lakhs for the year ended March 31, 2020 and total comprehensive loss of ₹ 653.64 Lakhs for the year ended March 31, 2020 in respect of an associate which are based on unaudited financial statements and other financial information.

**Note 45**

Jayantika Investments & Finance Limited, a wholly owned subsidiary, has applied for Registration as a Non-Banking Financial Company (NBFC) with the Reserve Bank of India on March 16, 2016 for which the Registration Certificate is awaited.

**Note 46**

The national lockdown imposed by Government of India during the last week of March 2020, owing to COVID-19 pandemic had some impact on the business of the Group. The Group, which is primarily into tea industry, suffered initial crop losses because of the lockdown. The Group took initiative and started its operation to mitigate the production loss and improve quality standard for higher realization. There is increase in demand of tea due to this pandemic and the price has risen significantly. The Group has now been able to operate its tea plantation, sugar and fertilizer plants by mobilizing critical work force and adopting stringent social distancing, safety measures and guidelines issued in this regard.

As per the current assessment, no material impact is expected due to COVID-19 on the carrying value of assets and liabilities as at the year ended March 31, 2020. The above assessment is, however, based on analysis carried out by the management and internal and external information available up to the date of approval of these consolidated financial statements, which are subject to uncertainties that COVID-19 outbreak might pose on economic recovery.

As per our report of even date

For **S.R.BATLIBOI & CO. LLP**

Chartered Accountants

Firm Registration No : 301003E/E300005

per **Sanjay Kumar Agarwal**

Partner

Membership No: 060352

Place: Kolkata

Date: 1st August, 2020

For and on behalf of Board of Directors

**D. P. Maheshwari**  
(Managing Director)  
(DIN : 02203749)

**R. K. Ganeriwala**  
(President, CFO  
& Secretary)

**Jayashree Mohta**  
(Chairperson)  
(DIN : 01034912)



## TEA ESTATES

Towkok, Manjushree, Mangalam, Nahorhabi

Sibsagar, Assam

Meleng

Jorhat, Assam

Dewan, Burtoll, Labac, Kalline, Jellalpole

Cachar, Assam

Tukvar, Rishiehat Singbulli, Balasun, Sungma, North Tukvar,

Marionbarie, Jayantika

Darjeeling, West Bengal

Aryaman

Jalpaiguri, West Bengal

Ananyashree

Uttar Dinajpur, West Bengal

Sholayar, Kallyar

Coimbatore, Tamil Nadu

## CHEMICALS & FERTILISERS UNITS

The Jay Shree Chemicals & Fertilisers, Khardah

24 Parganas (North), West Bengal

The Jay Shree Chemicals & Fertilisers, Pataudi

Gurgaon, Haryana

## OTHERS

Warehousing & Tea Export Deptt.

Kolkata, West Bengal

Tea Warehouse & Sales Deptt.

Kochi, Kerala

## SUBSIDIARY COMPANIES

North Tukvar Tea Company Limited

Jayantika Investment & Finance Limited

Majhulia Sugar Industries Private Limited

Birla Holdings Limited, U.A.E.





available online



If undelivered please return to  
**Jay Shree Tea & Industries Limited**

"Industry House", 10 Camac Street  
Kolkata 700017, India

CIN No. : L15491WB1945PLC012771

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