

# Annual Report 2017



GILLANDERS ARBUTHNOT  
AND COMPANY LIMITED



**Kothari**  
**Group**  
Imagine Inspire Deliver



*Mr. A.K. Kothari*

*Chairman*

***Mission***

*To be a good corporate citizen and to inspire and nurture the human spirit for a sustainable value based wealth creation, contributing in the socio economic progress of India in harmony with the environment.*

***Vision***

*Innovative, Dynamic and Holistic Global Conglomerate with passion for delivering outstanding performance based on integrity, professionalism, accountability and evolving in a vertical growth trajectory while enriching everyone we touch and enhancing value for all the stakeholders.*



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Mr. A. K. Kothari, *Chairman*

Smt. P. D. Kothari, *Director*

Dr. H. P. Kanoria, *Director*

Mr. H. M. Parekh, *Director*

Mr. N. Pachisia, *Director*

Mr. D. K. Sharda, *Managing Director & CEO*

### CHIEF FINANCIAL OFFICER

Mr. P. K. Jain

### COMPANY SECRETARY

Mr. D. Karmakar

### STATUTORY AUDITOR

M/s. Singhi & Co., Kolkata

### SOLICITORS

Khaitan & Co. LLP

### BANKERS

Axis Bank Limited

Bank of India

IDBI Bank Limited

State Bank of India

State Bank of Patiala

The Karur Vysya Bank Limited

United Bank of India

### REGISTERED OFFICE

C-4, Gillander House,

Netaji Subhas Road,

Kolkata-700001

Phone : 033-2230-2331 (6 Lines)

Fax : 033-2230 4185

E-mail : [gillander@gillandersarbuthnot.com](mailto:gillander@gillandersarbuthnot.com)

Website : [www.gillandersarbuthnot.com](http://www.gillandersarbuthnot.com)

### Audit Committee

Mr. H. M. Parekh, *Chairman*

Mr. A. K. Kothari, *Member*

Mr. N. Pachisia, *Member*

### Stakeholders Relationship Committee

Mr. H. M. Parekh, *Chairman*

Mr. A. K. Kothari, *Member*

Smt. P. D. Kothari, *Member*

Mr. D. K. Sharda, *Member*

### Nomination And Remuneration Committee

Mr. H. M. Parekh, *Chairman*

Smt. P. D. Kothari, *Member*

Dr. H. P. Kanoria, *Member*

Mr. N. Pachisia, *Member*

### Corporate Social Responsibility Committee

Mr. H. M. Parekh, *Chairman*

Smt. P. D. Kothari, *Member*

Mr. N. Pachisia, *Member*

### Branches/Offices

Amritsar, Delhi, Ludhiana, Panipat, Salem, Tirupur.



CONTENTS	Page
NOTICE	3
DIRECTORS' REPORT	12
REPORT ON CORPORATE GOVERNANCE	41
STANDALONE	
INDEPENDENT AUDITORS' REPORT	56
BALANCE SHEET	60
STATEMENT OF PROFIT AND LOSS ACCOUNT	61
CASH FLOW STATEMENT	62
NOTES TO THE FINANCIAL STATEMENTS	64
CONSOLIDATED	
INDEPENDENT AUDITORS' REPORT	96
BALANCE SHEET	99
STATEMENT OF PROFIT AND LOSS ACCOUNT	100
CASH FLOW STATEMENT	101
NOTES TO THE FINANCIAL STATEMENTS	103
FORM AOC-1	136



## NOTICE

Notice is hereby given that the Eighty Third Annual General Meeting of the Members of the Company will be held on Friday, the 1<sup>ST</sup> DAY OF SEPTEMBER, 2017 at 11-00 A.M. at the Mini Auditorium Hall of the Science City, J.B.S. Haldane Avenue, Kolkata – 700046, to transact the following businesses:

### ORDINARY BUSINESSES:

1. To consider and adopt the audited financial statements of the Company for the financial year ended on 31<sup>st</sup> March, 2017, the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Arun Kumar Kothari (DIN 00051900), who retires by rotation at this Annual General Meeting, and being eligible offers himself for re-appointment.
3. To consider and, if thought fit, to pass, with or without modification the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or re-enactment thereof for the time being in force], the re-appointment of Messrs Singhi & Co., Chartered Accountants, Kolkata, (Firm Registration No. 302049E), as Auditor of the Company from the conclusion of this Annual General Meeting till the conclusion of the 84<sup>th</sup> Annual General Meeting be and is hereby ratified, and the Board of Directors be and is hereby authorized to fix such remuneration, as may be recommended by the Audit Committee in consultation with the Auditor, plus reimbursement of out-of-pocket expenses actually incurred by the Auditor in connection with the said Audit.”

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

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or re-enactment thereof for the time being in force], the re-appointment of Messrs Dutta Ghosh & Associates, Chartered Accountants, Kolkata, (Firm Registration No. 309088E), as Branch Auditor of GIS Cotton Mill, Champdany, a unit of the Textile Division of the Company, from the conclusion of this Annual General Meeting till the conclusion of the 84<sup>th</sup> Annual General Meeting be and is hereby ratified, and the Board of Directors be and is hereby authorized to fix such remuneration, as

may be recommended by the Audit Committee in consultation with the Auditor, plus reimbursement of out-of-pocket expenses actually incurred by the Auditor in connection with the said Audit.”

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

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or re-enactment thereof for the time being in force], Messrs Kothari & Company, Chartered Accountants, Kolkata, (Firm Registration No. 301178E), be and is hereby re-appointed as Branch Auditor of Engineering (MICCO) Division of the Company, to hold office for 5 (Five) consecutive years from the conclusion of this Annual General Meeting until the conclusion of the 88<sup>th</sup> Annual General Meeting of the Company to be held in the calendar year 2022 (subject to ratification by the Members at the 84<sup>th</sup>, 85<sup>th</sup>, 86<sup>th</sup> and 87<sup>th</sup> Annual General Meeting) and that the Board of Directors be and is hereby authorized to fix such remuneration, as may be recommended by the Audit Committee in consultation with the Auditor, plus reimbursement of out-of-pocket expenses actually incurred by the Auditor in connection with the said Audit.”

### SPECIAL BUSINESSES:

6. To approve the remuneration of the Cost Auditors for the financial year ending on 31<sup>st</sup> March, 2018 and in this regard to consider and, if thought fit, to pass, with or without modification(s) the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable Rules, [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force], the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Tea, Textile and Engineering (MICCO) Divisions of the Company for the financial year ending on 31<sup>st</sup> March, 2018, be paid the remuneration as set out in the statement annexed to the Notice convening this 83<sup>rd</sup> Annual General Meeting.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do all acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary or desirable, including without limitation to settle any question, difficulty or doubt that may arise in this regard.”



7. To re-appoint Mr. Dev Kishan Sharda (DIN: 00105406) as Managing Director of the Company and in this regard to consider and, if thought fit, to pass, with or without modification(s) the following Resolution as a Special Resolution:

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded for re-appointment of Mr. Dev Kishan Sharda (DIN: 00105406) as 'Managing Director', (not liable to retire by rotation) designated as 'Managing Director & Chief Executive Officer (CEO)' of the Company, for a period of one year with effect from 1<sup>st</sup> April, 2017, on the terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. Dev Kishan Sharda, subject to the same not exceeding the limits specified under Schedule V of the Companies Act, 2013 and Rules made thereunder, for the time being in force.

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

8. To approve invitation or offer to subscribe to Redeemable Non-Convertible Debentures on private placement and in this regard, to consider and if thought fit, to pass the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 42, 71 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 and the Regulations / Guidelines, if any, prescribed by any relevant authority from time to time, to the extent applicable [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force] and subject to the provisions of the Articles of Associations of the Company, approval of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any

Committee of the Board) to offer or invite subscriptions for secured / unsecured redeemable non-convertible debentures, in one or more series /tranches, aggregating up to Rs. 100 crores (Rupees One hundred crores), on private placement, from such persons and on such terms and conditions as the Board of Directors of the Company may, from time to time, determine and consider proper and most beneficial to the Company including, without limitation, as to when the said Debentures are to be issued, the consideration for the issue, utilization of the issue proceeds, mode of payment, coupon rate, redemption period, utilization of the issue proceeds and all matters connected therewith or incidental thereto;

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do all acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary or desirable, including without limitation to settle any question, difficulty or doubt that may arise in this regard.”

By Order of the Board  
For Gillanders Arbuthnot and Company Limited

D. Karmakar  
*Company Secretary and Compliance Officer*

Date: 29<sup>th</sup> May, 2017  
Place: Kolkata

Registered Office:  
C-4, Gillander House,  
Netaji Subhas Road,  
Kolkata – 700 001, India  
CIN: L51909WB1935PLC008194  
e-mail: [secretarial@gillandersarbuthnot.com](mailto:secretarial@gillandersarbuthnot.com)



## NOTES :

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE 83<sup>RD</sup> ANNUAL GENERAL MEETING (HEREINAFTER REFERRED TO AS 'THE MEETING') IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

A person can act as a proxy on behalf of Members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company and carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

- 2) The businesses set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to remote e-voting are given in this Notice under Note No. 15. Communication relating to remote e-voting, which inter-alia, would contains details about User ID and password are being sent alongwith the copy of this Notice to the Members.
- 3) Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- 4) Brief resume of Directors seeking re-appointment at the Meeting alongwith details of their other Directorships and shareholding in the Company pursuant to Regulations 26(4) and 36(3), as applicable, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards are provided as an annexure to this Notice.
- 5) Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Businesses to be transacted at the Meeting is annexed hereto.
- 6) The Register of Members and Share Transfer Books of the Company shall remain closed from 25<sup>th</sup> August, 2017 to 1<sup>st</sup> September, 2017 (both days inclusive).
- 7) Pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013, all unclaimed dividend till the financial year ended on 31<sup>st</sup> March, 2009 has already been transferred to the Investor Education and Protection Fund (IEPF) and all subsequent unpaid dividend will be transferred to IEPF, from time to time. Members who have not yet encashed the dividend warrant(s), for the financial year 2009-2010 or any subsequent financial years are requested to submit their claims at the Registered Office of the Company. The dividend

for the financial year 2009-2010 is due to be transferred to IEPF immediately after 12<sup>th</sup> October, 2017. Hence, it is in the shareholders' interest to claim any uncashed dividends / unclaimed dividends. It may also be noted that once the unclaimed dividend is transferred to IEPF, as stated, no further claim shall be entertained by the Company in that respect. Attention of the members is drawn to the provisions of Section 124(6) of the Act, which require Company to transfer in the name of IEPF Authority all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more.

In accordance with the aforesaid provision of the Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, transfer and refund) Rules, 2016, as amended, the Company has already initiated necessary action for transfer of all shares in respect of which dividend declared for the financial year 2009-2010 or earlier financial years has not been paid or claimed for seven consecutive years or more. Members are advised to visit the Company's website at [www.gillandersarbuthnot.com](http://www.gillandersarbuthnot.com) to ascertain details of shares liable for transfer in the name of IEPF Authority.

- 8) The Ordinary Shares of the Company are listed on the National Stock Exchange of India Limited, BSE Limited and The Calcutta Stock Exchange Limited. The Company confirms that it has paid Annual Listing Fees to the said Exchanges and Annual Custody / Issuer fees to NSDL and CDSL for the financial year ending on 31<sup>st</sup> March, 2018.
- 9) i) Members holding shares in physical form are requested to notify any change in their address including Pin Code, Bank Mandate, Income Tax Permanent Account Number, etc. to the Company's Registrar & Share Transfer Agent (RTA)-

Maheshwari Datamatics Pvt. Ltd.  
(Unit : Gillanders Arbuthnot and Company Limited)  
23, R. N. Mukherjee Road,  
5<sup>th</sup> Floor, Kolkata - 700 001.

Members holding shares in dematerialized form are requested to furnish the aforesaid information to their respective depository participants for updation of the records.

- ii) The Companies Act, 2013 and Rules framed thereunder, mandates that certain information relating to Members are to be maintained by the Company in its Register of Members. A separate document relating to the same is being circulated alongwith the Annual Report. Please fill up the details after reading the instructions and return the same to our RTA.
- iii) Shareholders are also requested to send the following documents to the RTA:
  - a) Specimen signature(s) of Shareholder and the joint holders', if any, duly attested on the letter head of their banker(s) as per the format, which is also being circulated alongwith this Annual Report.



- b) A copy of the PAN Card/Share Certificate/counter-foil of any dividend warrant, held by the Shareholder(s).
- 10) Members who hold shares in physical form in multiple folios in identical name or joint holding in the same order of names are requested to send their share certificates to the RTA for consolidating into single folio. The share certificates will be returned to the Members after making requisite changes thereon.
- 11) Members holding shares in single name and in physical form are advised to make nomination in respect of their shareholding in the Company. Request may be made to the Company or its RTA for obtaining the Nomination Form.
- 12) The SEBI has vide Circular no. MRD/DoP/Cir-05/2009 dated 20<sup>th</sup> May, 2009 mandated the submission of PAN by every participant in the security market. Members holding shares in electronic form /physical form are therefore, requested to submit their PAN to the Company or the RTA.
- 13) Pursuant to Sections 101 and 136 of the Companies Act, 2013, read with the relevant Rules made thereunder, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members who have not yet registered their e-mail address with the Company or their respective Depository are requested to do so.
- 14) All the documents referred to in this Notice and Statement are open for inspection by the Members at the Company's Registered Office at C-4, 'Gillander House', Netaji Subhas Road, Kolkata - 700 001 on all working days, except Saturdays, between 10.00 A.M. to 1.00 P.M. till 31<sup>st</sup> August, 2017, and will also be available for inspection at the Meeting.
- 15) Information and other instructions for Members relating to remote e-voting are as under:
- Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing the facility to Members to exercise their rights to vote by electronic means. The Company has engaged the Services of Central Depository Services (India) Limited (CDSL) for providing e-voting facilities. The e-voting rights of the Members / beneficial owners shall be reckoned in proportion to ordinary shares held by them in the Company as on Friday, 25<sup>th</sup> August, 2017 (cut-off date fixed for this purpose). The Company has appointed CS Deepak Kumar Khaitan, Practising Company Secretary, (FCS No.5615), and / or CS Siddhi Dhandharia, Practising Company Secretary, (ACS No.35042), to act as the Scrutinizer, for conducting the scrutiny of the votes cast. Detailed instructions for availing e-voting facility are as follows:
- (i) The voting period begins on Monday, 28<sup>th</sup> August, 2017 at 9.30 A.M. and ends on Thursday, 31<sup>st</sup>

August, 2017 at 5.00 P.M. During this period Shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 25<sup>th</sup> August, 2017 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 venue.
- (iii) The Shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN	<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>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</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. e.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.</p> <ul style="list-style-type: none"> <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) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for Resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the Resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant Gillanders Arbuthnot and Company Limited on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the Resolution, if 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 available for Android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Non - Individual Shareholders and Custodians
- Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be 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.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (xxii) Any person who acquire shares and becomes Member after dispatch of Notice of the 83<sup>rd</sup> Annual General Meeting and holds shares as on the 'cut off' date of 25<sup>th</sup> August, 2017, may obtain the sequence number for remote e-voting by sending a request to the Company's RTA at [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com)
- 16) The facility for voting shall be made available at the venue of the Meeting to the Members attending the Meeting who has not cast their votes by remote e-voting. Members who have cast their vote by remote e-voting prior to the AGM and are attending the meeting will not be entitled to caste their vote again.
- 17) The Scrutinizer will submit, not later than 2 days of conclusion of the AGM, a consolidated Scrutinizer's report of the total votes caste in favour or against, if any, to the Chairman of the Company. The result shall be declared forthwith upon receipt of the Scrutinizer's Report. The result declared along with the Scrutinizer's report shall be placed on the Company's website at [www.gillandersarbuthnot.com](http://www.gillandersarbuthnot.com) and on the website of CDSL immediately after the declaration by the Chairman of the Meeting and would also be communicated to the Stock Exchanges where the shares of the Company are listed. Subject to receipt of requisite number of votes, the Resolution proposed in the Notice shall be deemed to be passed on the date of the Meeting i.e., 1<sup>st</sup> September, 2017.
- 18) Route-Map to the venue of the Meeting is provided elsewhere in the Annual Report for the convenience of the Members.



## ANNEXURE TO THE NOTICE

Statement pursuant to Section 102(1) of the Companies Act, 2013:

## Item No. 6

The Board of Directors of the Company, on recommendation of the Audit Committee, had proposed to the Central Government, appointment of the following Cost Auditors to conduct the audit of cost records of the Company for the financial year ending on 31<sup>st</sup> March, 2018, as detailed below:

Division	Cost Auditors	Proposed Remuneration
Tea	M/s. D. Sabyasachi & Co.	` 78,500/- plus reimbursement of out of pocket expenses
Textile - North India Spinning Mill Unit	M/s. B. Ray & Associates	` 26,500/- plus reimbursement of out of pocket expenses
Textile - GIS Cotton Mill Unit	M/s. B. Ray & Associates	` 24,000/- plus reimbursement of out of pocket expenses
Engineering (MICCO)	M/s. Rammani Sarkar & Co.	` 40,000/- plus reimbursement of out of pocket expenses

In accordance with the provision of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company.

Accordingly, consent of the Members is sought for passing Ordinary Resolution, as set out in Item No. 6 of the Notice, for ratification of the remuneration payable to the Cost Auditors for the financial year ending on 31<sup>st</sup> March, 2018.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested financially or otherwise, in the Resolution set out at Item No. 6 of the Notice.

All the documents referred to in the said Resolution are open for inspection at the Company's Registered Office at C-4, 'Gillander House', Netaji Subhas Road, Kolkata – 700 001 on all working days, except Saturdays, between 10.00 A.M. to 1.00 P.M. till 31<sup>st</sup> August, 2017, and will also be available for inspection at the Meeting.

The Board recommends the Ordinary Resolution set out at Item No. 6 of the Notice for approval of the Members.

## Item No. 7

The tenure of Mr. D. K. Sharda, Managing Director of the Company designated as 'Managing Director & CEO' of the Company ended on 31<sup>st</sup> March, 2017.

In view of the contribution made by Mr. D. K. Sharda towards managing the overall business of the Company through his expertise and knowledge, the Board of Directors of the

Company, on the recommendation of the Nomination and Remuneration Committee (NRC), at their Meetings held on 14<sup>th</sup> February, 2017 had re-appointed him as 'Managing Director', designated as 'Managing Director & Chief Executive Officer (CEO)' of the Company, for a period of period of 7 (seven) months with effect from 1<sup>st</sup> April, 2017. However, on further recommendation of the NRC, the Board of Directors extended his tenure as 'Managing Director & CEO' of the Company upto 31<sup>st</sup> March, 2018 subject to overall approval of the Members of the Company.

Accordingly, an Agreement dated 30<sup>th</sup> March, 2017, effective from 1<sup>st</sup> April, 2017, was entered into between the Company and Mr. D. K. Sharda, Managing Director & CEO of the Company, subject to the approval of the members of the Company.

Your Company has diversified business activities and is primarily engaged in the businesses of tea, textile and engineering and has manufacturing units in West Bengal, Assam and Punjab. During the last three financial years 2013-14, 2014-15 and 2015-16 the Company has reported Standalone Profit/(Loss) After Tax (PAT) of ` 557.92 lakhs, ( ` 321.10 lakhs) and ( ` 2,266.92) Lakhs respectively.

The Company has a wholly owned direct Foreign Subsidiary at Mauritius by the name Gillanders Holdings (Mauritius) Limited. The Company also has step down Foreign Subsidiary Company viz. Group Developments Limited (GDL), Malawi. GDL has three wholly owned subsidiaries viz., Naming'omba Tea Estates Limited, Mafisi Tea Estates Limited and Group Holdings Limited, all located at Malawi.

Brief resume of Mr. D. K. Sharda, nature of his expertise in specific functional areas and names of the Company in which he hold Directorship, shareholding and relationships between Directors inter se are provided in the Annexure to this Notice.

Mr. D. K. Sharda, who will complete 70 years of age on 4<sup>th</sup> November, 2017 by his expertise, knowledge and business acumen is managing the overall business of the Company and his appointment would be beneficial for the Company given the paucity of experienced and skilled personnel. During the preceding 3 financial years 2013-14, 2014-15 and 2015-16, Mr. D. K. Sharda received remuneration of ` 33.25 lakhs, ` 38.33 lakhs and ` 41.31 lakhs respectively.

The remuneration proposed for Mr. D. K. Sharda is commensurate with the industry and size of the Company. Mr. D. K. Sharda has no pecuniary relationship directly or indirectly with the Company or relationship with any of the managerial personnel.

During the financial year 2016-17, your Company has reported Standalone Profit After Tax of ` 101.49 lakhs and continuous steps are being taken for improvement in the operations of the Company, which is expected to increase the productivity and profits of the Company.



The terms and conditions of the said Agreement entered into by the Company with Mr. D. K. Sharda are set out herein below:

#### 1. DUTIES AND RESPONSIBILITIES:

Mr. D. K. Sharda, designated as the 'Managing Director & CEO' of the Company shall, subject to the provisions of the Companies Act, 2013 and overall superintendence and control of the Board of Directors of the Company shall perform such duties and exercise such powers as have been or may from time to time, be entrusted to, or conferred on him, by the Board of Directors of the Company.

#### 2. REMUNERATION:

I. Basic Salary ₹ 2,90,000/- per month.

II. PERQUISITES: Apart from Salary, Mr. D. K. Sharda will also be entitled to the perquisites classified into the following three parts viz., Part A, B and C.

##### PART – A

- i) Housing: The Company shall provide rent free furnished accommodation with free electricity. In case, no accommodation is provided by the Company the Managing Director & CEO shall be entitled to House Rent Allowance limited to 25% of his salary.
- ii) Medical Reimbursement and Leave Travel Concession: The Managing Director & CEO shall be reimbursed to the extent of 10% of his salary towards expenses incurred for self and family for Medical Expenses and Leave Travel, anywhere in India.
- iii) Fees of Clubs: Upto a maximum of two Clubs. This will not include any admission or life membership fees.
- iv) Personal Accident Insurance/ Mediclaim Insurance: Personal Accident Insurance policy / Mediclaim Insurance policy in accordance with the scheme applicable to senior employees of the Company.

##### PART – B

- i) Company's contribution to Provident Fund as per Rules of the Company.
- ii) Gratuity on retirement at the rate of one half month's salary for each completed year of service subject to the ceiling as provided in law.
- iii) Encashment of leave: Encashment of leave as per Rules of the Company.

##### PART – C

- i) Use of car for Company's business.
- ii) Free telephone facility at residence.
- iii) Subject to the overall ceiling on remuneration, the Managing Director & CEO may be given other allowances, benefits and perquisites, as may be decided by the Board of Directors

from time to time. However, the overall amount of perquisites shall not exceed an amount equal to the annual Basic Salary. In computing the monetary ceilings on perquisites, Company's contribution to Provident Fund, Pension Fund and Gratuity shall not be taken into account.

#### MINIMUM REMUNERATION:

In the event of absence or inadequacy of profits during the period of service of Mr. D. K. Sharda, as Managing Director & CEO of the Company, he shall be entitled to the same Salary and Perquisites as stated herein above.

The remaining provisions of the Agreement sets out the mutual rights and obligations of the parties thereto and other administrative details.

As per the requirement of Schedule V, the relevant information are set out at one or more places in the documents forming part of the Annual Report and the aforesaid paragraphs should be taken as information that are required to be provided under Schedule V Part II of the Companies Act, 2013 dealing with 'Minimum Remuneration'.

The Board of Directors is of the opinion that the above remuneration being paid / payable to Mr. D. K. Sharda, as Managing Director & CEO of the Company, is commensurate with his duties and responsibilities. The Board considers that his association as Managing Director & CEO will be beneficial to and in the interest of the Company.

Save and except Mr. D. K. Sharda and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested financially or otherwise, in the resolution set out at Item No.7 of the Notice.

All the documents referred to in the said Resolution are open for inspection at the Company's Registered Office at C-4, 'Gillander House', Netaji Subhas Road, Kolkata – 700 001 on all working days, except Saturdays, between 10.00 A.M. to 1.00 P.M. till 31<sup>st</sup> August, 2017, and will also be available for inspection at the Meeting.

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

#### Item No. 8

Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 deals with private placement of securities by a Company. Rule 14(2) of the said Rules states that in case of an offer or invitation to subscribe for non-convertible debentures on private placement, the Company shall obtain previous approval of its shareholders by means of a Special Resolution only once in a year for all the offers or invitations for such debentures during the year. Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014 deals with issue of secured



debentures. The Board of Directors, from time to time, will decide whether to issue debentures as secured or unsecured.

In order to augment long term resources for financing, inter alia, the expansion and modernization programs and for general corporate purposes, the Board may, at an appropriate time, offer or invite subscription for secured / unsecured redeemable non-convertible debentures, in one or more series / tranches on private placement, issuable / redeemable at par.

Accordingly, consent of the Members is sought for passing the Special Resolution as set out at Item No. 8 of the Notice. This resolution authorises the Board of Directors of the Company to offer or invite subscription for secured / unsecured non-convertible debentures, as may be required by the Company, from time to time, for a year, from the date of passing of this resolution.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of the Notice.

All the documents referred to in the said Resolution are open for inspection at the Company's Registered Office at C-4, 'Gillander House', Netaji Subhas Road, Kolkata – 700 001 on all working

days, except Saturdays, between 10.00 A.M. to 1.00 P.M. till 31<sup>st</sup> August, 2017, and will also be available for inspection at the Meeting.

The Board recommends the Special Resolution set out at Item No. 8 of the Notice for approval of the Members.

By Order of the Board  
For Gillanders Arbuthnot and Company Limited

D. Karmakar  
*Company Secretary and Compliance Officer*

Date: 29<sup>th</sup> May, 2017  
Place: Kolkata



### Annexure

Information pursuant to Regulations 26(4) and 36(3), as applicable, of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards with regard to the Directors seeking re-appointment at the ensuing Annual General Meeting (Refer Item No. 2 & 7 of the Notice)

Name of the Director	Mr. Arun Kumar Kothari	Mr. Dev Kishan Sharda
Date of Birth	10 <sup>th</sup> July, 1953	5 <sup>th</sup> November, 1947
Qualification	B. Com. (HONS.)	B. Com, CA (Inter)
Date of Appointment	26 <sup>th</sup> August, 1985	27 <sup>th</sup> October, 2005
Brief Resume and nature of expertise in functional area	Mr. A. K. Kothari is a well known industrialist having knowledge, experience & expertise on areas relating to tea, pharmaceuticals, Chemical, engineering and spinning industry.	Mr. D. K. Sharda has rich experience & expertise in the field of Finance, Administration, Jute and Textile Industry for more than 44 years.
Relationship with other Directors, Key Managerial Personnel of the Company	Mr. Arun Kumar Kothari is the husband of Smt. Prabhawati Devi Kothari, Non- Executive Promoter Director of the Company.	-
Number of Meetings of the Board attended during the year	Five	Seven
Directorships, Membership/ Chairmanship of Committees of other Boards*	<p>Directorships:</p> <p>Listed Companies</p> <p>Albert David Limited</p> <p>Kothari Phytochemicals &amp; Industries Limited</p> <p>Pilani Investment &amp; Industries Corporation Limited</p> <p>Unlisted Companies</p> <p>Arvind Engineering Works Limited</p> <p>Bharat Fritz Werner Limited</p> <p>Karunasindhu Properties Private Limited</p> <p>Committee Memberships</p> <p>Member of Audit Committee</p> <p>Albert David Limited</p> <p>Kothari Phytochemicals &amp; Industries Limited</p> <p>Pilani Investment &amp; Industries Corporation Limited</p> <p>Member of Stakeholders Relationship Committee</p> <p>Albert David Limited</p> <p>Pilani Investment &amp; Industries Corporation Limited</p>	<p>Directorship:</p> <p>Group Developments Limited, Malawi</p>
Number of Ordinary Shares held in the Company	1,84,213	Nil

\*Pursuant to Regulation 26 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, only Audit Committee & Stakeholders Relationship Committee of Indian Public Limited Companies have been taken into account.



## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Annual Report on the affairs of the Company together with the Audited Financial Statements for the financial year ended on 31<sup>st</sup> March, 2017.

### FINANCIAL RESULTS

The Company's financial performance, for the year ended on 31<sup>st</sup> March, 2017, is summarized below :

(` in lakhs)

Particulars	Standalone		Consolidated	
	2016-17	2015-16	2016-17	2015-16
Profit Before Depreciation, Interest, Unrealised Foreign Exchange Loss, Exceptional Items and Tax	4,530.43	4,425.69	5,829.58	4,670.31
Interest / Finance Charges	4,686.40	4,650.28	5,245.24	5,132.94
Profit/(Loss) Before Depreciation, Unrealised Foreign Exchange Loss, Exceptional Items and Tax	(155.97)	(224.59)	584.34	(462.63)
Depreciation / Amortisation	1,899.31	1,864.92	2,150.12	1,889.70
Unrealised Foreign Exchange Loss	-	-	390.11	2,851.42
Loss Before Exceptional Items and Tax	(2,055.28)	(2,089.51)	(1,955.89)	(5,203.75)
Exceptional Items	2,206.77	-	1,942.50	-
Profit/(Loss) Before Tax	151.49	(2,089.51)	(13.39)	(5,203.75)
Taxation Charges:				
Current Tax	80.00	80.00	224.25	154.37
Deferred Tax Charges/(Written Back)	-	-	(6.54)	79.93
Excess Provision Written Back	(30.00)	-	(30.00)	-
Profit/(Loss) After Tax from continuing operations	101.49	(2,169.51)	(201.10)	(5,438.05)
Loss from discontinuing operations	-	97.41	-	97.41
Profit/(Loss) for the year	101.49	(2,266.92)	(201.10)	(5,535.46)
Surplus in Statement of Profit and Loss brought forward	3,172.13	5,439.05	(662.98)	4,872.48
Adjustment on transfer of Chemical (Waldies) Division pursuant to Scheme of Arrangement	590.95	-	728.66	-
Surplus carried to Balance Sheet	3,864.57	3,172.13	(135.42)	(662.98)
Earnings per Ordinary Share (`) - Basic	0.24	(10.70)	(1.18)	(26.01)
Earnings per Ordinary Share (`) - Diluted	0.24	(10.70)	(1.18)	(26.01)

### FINANCIAL ANALYSIS AND REVIEW OF OPERATIONS

For the financial year ended on 31<sup>st</sup> March, 2017, your Company reported a standalone profit of ` 101.49 lakhs against a standalone loss of ` 2,266.92 lakhs during the previous year. Total Standalone Income from Operations has decreased to ` 66,600.59 lakhs during the year under review from ` 79,971.26 lakhs in the previous year. Operational matters have been discussed under 'Management Discussion and Analysis,' detailed in appropriate part of this Report.

### DIVIDEND

In view of the inadequate profits for the financial year ended on 31<sup>st</sup> March, 2017, your Directors have not recommended any dividend for the said financial year.

### INCREASE IN SHARE CAPITAL

The Board of Directors at their Meetings held on 11<sup>th</sup> November, 2016 and 19<sup>th</sup> November, 2016, had issued and allotted

respectively on private placement basis, 6,50,000 numbers of 7.75% Cumulative Redeemable Preference Shares of ` 100/- each (CRPS) to Kothari Investment & Industries Pvt. Ltd. and 5,60,000 numbers of CRPS to Kothari & Company Pvt. Ltd., being the Promoter Group Companies, at par, aggregating to ` 12,10,00,000/-.

### SCHEME OF ARRANGEMENT

A Scheme of Arrangement between the Company and its erstwhile Indian subsidiary i.e. Barfani Builder Limited and their respective Shareholders for reconstruction by transfer of Chemical (Waldies) Division of Gillanders Arbuthnot and Company Limited to Barfani Builder Limited was sanctioned and approved by the Hon'ble High Court, Calcutta vide its order dated 28<sup>th</sup> November, 2016. The certified copies of the said Order was filed with the Registrar of Companies, West Bengal on 6<sup>th</sup> January, 2017, thereby making the said scheme effective from the said date.



Consequently, as per the terms of the said Scheme, Barfani Builder Limited had issued and allotted 1,46,80,000 (One Crore Forty Six Lakhs Eighty Thousand) Equity Shares of Rs.10/- (Rupees Ten Only) each at par aggregating to ` 14,68,00,000/- (Rupees Fourteen Crores Sixty Eight Lakhs Only) to the Company in consideration of the transfer of the Chemical (Waldies) Division.

#### SALE OF SUBSIDIARY

During the year under review, your Company has sold and transferred its entire shareholding of 1,47,29,995 numbers of fully paid up shares of ` 10/- each in Waldies Compound Limited (formerly known as Barfani Builder Limited), at a total consideration of ` 21,06,38,929/- (Rupees Twenty One Crores Six Lakhs Thirty Eight Thousand Nine Hundred Twenty Nine Only).

#### MANAGEMENT DISCUSSION AND ANALYSIS

Management's Discussion and Analysis Report for the year under review, as stipulated under Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') is presented in a separate section forming part of the Annual Report. The industry structure, development, performance, opportunities, threats, outlook, risk and concerns, internal control systems and its adequacy, financial performance with respect to operational performance and material developments in human resource and industrial relations have been discussed in the paragraphs to follow.

##### Tea Division

Global Tea production in calendar year 2016 was higher by around 181 Million Kgs, compared to previous year, with major increase in production in India, China and Kenya while production in Sri Lanka, Indonesia and Vietnam declined. All India Tea production was 1,239 million kgs in 2016, against 1,191 million kgs in the previous year.

This Division produced 10.16 million Kgs, marginally higher than the production of 10.10 million Kgs, in the previous year due to lower processing of outside green leaves, in order to maintain quality. One of the gardens, situated in Jalpaiguri district, was severely affected by hail during the beginning of the year, resulting in crop loss, which also had a negative impact on the overall production.

Due to higher world production there has been pressure on the prices in International markets. Average Tea Prices at auction centers in North India witnessed a decrease of around ` 3/- per Kg, compared to previous year. During the year under review, a notable trend could be seen, better quality teas were significantly down and plainer/medium varieties gained in prices. This was primarily due to significant drop in prices of Kenyan tea. We believe that this is a temporary phase and quality teas will ultimately gain in the long run. We continue to emphasize on maintaining good quality in the coming years. This Division will continue to increase production of orthodox and green tea in coming years in order to improve realization per Kg.

During the current year, total export from India is lower when compared with the previous year, mainly due to stiff competition from African Tea producing countries, as they could offer tea at lower prices due to higher production.

With the growing trend of migration of workers from the estates and the resulting shortage of hands to work on the estates, the Division has taken initiatives to mechanize some field operations, viz., introduction of Tractor mounted spraying, pruning, etc. We have been continuously introducing energy efficient machinery and infrastructure to improve upon productivity and conservation of energy.

During the year under review, the performance of Packet tea segment has improved compared to previous year and we are hopeful of further improvement in the coming years. Profitability of the Division was also adversely affected by rising cost of other inputs like wages, power fuel and agro-chemicals. We expect that with improved yield, quality and better market price, this Division will perform better during the coming year.

##### Engineering (MICCO) Division

This Division is mainly involved in the EPC projects in the Steel Sector. During the year under review, Steel Sector continued to be adversely affected due to global economic slowdown, thus resulting in delay in the expansion/ modernization in the Indian Steel Industry. Expansion and revamping programs of Steel Industry did not meet the planned completion schedules, resulting in slow down in further investment in the sector. Financial stress due to fall in returns from investments and poor growth in infrastructure sector has also made customers skeptical about further investment. There have been only a limited number of enquiries from both the PSU and Private sectors.

During the year under review, amongst others, orders viz., Installation of 60,000 CuM LD Gasholder, inspection of Gas Holder and dismantling & erection of APC Mechanical Equipment for G-Blast Furnace de-dusting system have been received from TATA Steel.

This Division has achieved the feats of commissioning an ID fan at Bokaro Steel Plant and reheating furnace at Durgapur Steel Plant. We have also commissioned two numbers of gas holders and gas holder export system for TATA Steel. Presently, work relating to erection and civil activities of Coke Oven power distribution system (2X220 KVA transformer) and relining and upgradation activities of E-Blast Furnace are being executed, alongwith technology providers, for Rashtriya Ispat Nigam Limited and TATA Steel respectively.

We are focusing on our core expertise of erection of blast furnace and gasholder technology and are confident of winning more orders in the near future. We have also diversified into Power distribution system and are hopeful of bagging few Orders in this sector.



In spite of stiff competition and cut throat pricing policy of the customers, we expect this Division to do better than last year by adoption of cost reduction and rationalization policy and closure of few prolonged projects.

#### Textile Division

During the year under review, our Textile Division produced 17490 M.T. As already reported in the last year, the overall performance of spinning mills are being adversely affected due to unfavourable market conditions and high fluctuation in prices of raw materials, which are resulting in operational and inventory losses. Demonetization also had a negative impact on the demand of textile products during the second half of the year, further adversely affecting the performance of this sector.

In spite of the above adversities, this Division has shown improved performance due to manufacture of fancy and value added yarns. We are focusing on expanding the market for these yarns, which will have a positive impact on the performance in the current year. However, the current year may witness some uncertainties due to implementation of Goods and Service Tax and readiness of the unorganized sector in textile chain in adopting the same.

The cotton crop in the cotton year 2016-2017 was estimated to be between 340 -350 lakh bales. There is an expectation that the crop for the year 2017-2018 is going to be even higher in view of increased area under sowing, provided monsoon is normal.

With increased focus on production and deeper penetration in fancy and value added yarns markets, we expect the performance of this Division in the coming year to be stable.

#### Property Division

During the year under review, revenue of our Property of ` 715.12 lakhs, was marginally lower than ` 778.94 lakhs, during the previous year. This decrease in revenue is primarily due to vacating of substantial areas of 'Gillander House' by tenants, as they have moved to their own premises / building.

The Real estate sector has not shown any significant recovery, during the year under review, due to continued economic slowdown. It has been observed that even new constructed buildings with modern amenities are lying ideal. We are pleased to inform that comprehensive fire safety policy is rigorously implemented with installation of fire safety equipments and conducting of fire safety drills at regular intervals.

This Division is expected to face severe competition in the coming years. However, with locational advantage of 'Gillander House' and recent repairs & renovation, we expect an increase in occupancy in the coming year. Negotiations are on with existing corporate tenants, banks and others for increase in their occupancy and continuous effort are being made to identify new tenants. We are hopeful that the Division will do reasonably well in the coming year.

#### Internal financial control systems and their adequacy

Your Company has adequate Internal Financial Control Systems in all areas of operation. Your Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its businesses, including adherence to the Company's policies, 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 disclosures. Internal Audits are conducted by Independent firms of Chartered Accountants and the reports are discussed with the operational heads by the CFO and Managing Director & CEO of the Company, and thereafter, placed before the Meetings of the Audit Committee of the Board of Directors. Representatives of the Statutory Auditors, Cost Auditors and Internal Auditors are also invited at the Meetings of the Audit Committee, as and when required. Corrective measures suggested at the Audit Committee Meetings are duly implemented.

The Audit Committee of the Board also reviews the adequacy of Internal Financial Control Systems at regular intervals.

#### Human Resources and Industrial Relations

The Company has laid down the process for attracting, retaining and recognizing talent as it acknowledges the importance of good Human Resource. Company has cordial relation with employees and there is mutual respect and admiration for each other. The Directors wish to record their appreciation for the co-operation received from all employees. Industrial relation was generally good.

#### Caution Statement

Management Discussion and Analysis Report contains forward-looking statements, which are based on certain assumptions and expectations of future events. The Company's actual results and performance may differ from those projected due to unforeseen circumstances viz., political, economic, etc., over which the Company does not have any control. The Company assumes no responsibility to publicly amend, modify or revise any such statements on the basis of subsequent developments, information or events. Readers are advised to apply their diligence and independent judgment.

#### CONSOLIDATED FINANCIAL STATEMENTS

Consolidated financial statements for the financial year ended on 31<sup>st</sup> March, 2017, prepared as per the provisions of the Companies Act, 2013 (hereinafter referred to as 'the Act'), Rules framed therein and the applicable Accounting Standards are provided in the Annual Report.

#### SUBSIDIARY / ASSOCIATE COMPANIES

Gillanders Holdings (Mauritius) Limited, Mauritius, the Direct Foreign Subsidiary, reported a profit of USD 24,472, against a profit of USD 28,009, during the previous year. No significant operational activities have been undertaken by the said Subsidiary during the year under review.

For the financial year ended on 31<sup>st</sup> March, 2017, Group Developments Limited, Malawi (GDL), a step down Foreign





Subsidiary, has reported a profit of MK 2,025.25, million against a reported profit of MK 1,475.20 million, for the previous year.

GDL has three wholly owned Subsidiaries viz., Naming'omba Tea Estates Limited, Mafisi Tea Estates Limited and Group Holdings Limited located at Malawi. GDL and its wholly owned Subsidiaries are engaged in growing and processing of Tea, Macadamia and other crops.

Tea production of GDL for the year under review was 2.07 Million kgs, compared to last year's production of 1.60 million kgs. The Tea price realization during the period was also higher than the previous year.

During the year, Macadamia (N I H) production of GDL was 1.31 million kgs against last year's production of 1.39 million kgs. The fall in production was due to bad weather conditions.

During the year under review, your Company did not have associate / joint venture. A separate section on the performance and financial position of the Subsidiaries in Form AOC-1 is part of the Annual Report and is annexed to the Report.

#### FIXED DEPOSITS

The Company is eligible to invite, accept or renew deposits under the provisions of the Act and the Rules framed therein.

As on 31<sup>st</sup> March, 2017 an amount of ` 4,266.26 lakhs was outstanding as fixed deposits received from the public and Shareholders of your Company. Matured fixed deposit amounting to ` 5.14 lakhs remained unclaimed and outstanding as on 31<sup>st</sup> March, 2017, out of which 3 (Three) numbers of deposits amounting to ` 2.50 lakhs have been claimed and refunded, till date.

#### DIRECTORS

Mr. A. K. Kothari (DIN 00051900) will retire in the ensuing Annual General Meeting, and being eligible, offers himself, for re-appointment. The Board of Directors recommends his re-appointment.

The Company has received declarations from Dr. H. P. Kanoria (DIN 00286685), Mr. H. M. Parekh (DIN 00026530) and Mr. N. Pachisia (DIN 00233768), Independent Directors of the Company, that they meet the criteria of Independence, as prescribed both under the Act and SEBI Listing Regulations.

On the recommendation of the Nomination and Remuneration Committee (NRC) at its meeting held on 14<sup>th</sup> February, 2017, the Board of Directors of the Company at their Meeting held on even date had re-appointed Mr. D. K. Sharda, as the 'Managing Director', designated as 'Managing Director & CEO' of the Company, for a period commencing from 1<sup>st</sup> April, 2017 to 31<sup>st</sup> October, 2017.

However, on further recommendation by the NRC at its meeting held on 9<sup>th</sup> March, 2017, the Board of Directors of the Company at their Meeting held on even date had extended the tenure of Mr. D. K. Sharda, as 'Managing Director', designated as 'Managing Director & CEO' of the Company till, 31<sup>st</sup> March, 2018. The said re-appointment has the consent of the Audit Committee and is

subject to the approval of the Members at the ensuing 83<sup>rd</sup> Annual General Meeting of the Company. Your Directors recommend his re-appointment as 'Managing Director', designated as 'Managing Director & CEO' of the Company till, 31<sup>st</sup> March, 2018.

The details of programmes for familiarization / training of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters can be accessed on the website of the Company at the link: <http://www.gillandersarbuthnot.com/pdf/policy/Familiarization%20Programme%20for%20Independent%20Director.pdf>

#### DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors state that:

- in the preparation of the annual accounts for the financial year ended on 31<sup>st</sup> March, 2017, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- such accounting policies have been selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2017 and of the Profit of the Company for the year ended on that date;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual accounts has been prepared on a 'going concern' basis;
- internal financial controls has been laid down so that the same can be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- proper systems has been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by Securities and Exchange Board of India. The Report on Corporate Governance confirming compliance with the conditions stipulated under the SEBI Listing Regulations, which forms part of the Annual Report, is attached to this Report. Certificate on Corporate Governance, as stipulated in the said Regulations, issued by CS Deepak Kumar Khaitan, Practising Company Secretary (FCS No.5615), is also attached to this Report.



## CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. Since all related party transactions entered into by the Company were in the ordinary course of business and were on an arm's length basis, Form AOC – 2 is not applicable to the Company.

During the year, the Company has not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. The Policy on related party transactions as approved by the Board may be accessed on the Company's website at the link :

<http://www.gillandersarbuthnot.com/pdf/policy/Related%20Party%20Transaction%20Policy.pdf>

Your Directors draw attention of the Members to Note No. 38 to the standalone financial statements which set out related party disclosures.

## CORPORATE SOCIAL RESPONSIBILITY

Your Company believes that growth, success and progress of a Company are not reflected only by its Balance Sheet but also by its ability to make a positive difference in the lives of people and tries to address the needs of people by taking sustainable initiatives in the areas of promoting education, healthcare and setting up homes and hostels for women and orphan.

The Company does not limit itself in using resources only for earnings but also engage in activities which enrich and enhance the lives of everyone around. Company's Corporate Social Responsibility (CSR) initiatives are continuous commitment to contribute to economic development and to improve the quality of life of humankind. Business decisions are based not only on financial factors, but also on social and environmental impact of such decisions.

The Corporate Social Responsibility Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board. The CSR Policy may be accessed on the Company's website at the link : <http://www.gillandersarbuthnot.com/pdf/policy/Corporate%20Social%20Responsibility%20Policy.pdf>

The Company undertakes need based initiatives in compliance with Schedule VII of the Act.

The average net profit made by the Company during the three immediately preceding financial years i.e., 2013-2014, 2014-2015 and 2015-2016 is negative. Therefore, your Company did not spend any amount in CSR activities for the financial year 2016-2017.

However, the Company has spent the balance unspent amount of ₹ 14.65 lakhs relating to the financial year 2015-2016 on CSR activities, in compliance with the provisions of the Act and Rules framed therein. The Annual Report on CSR activities is annexed herewith and marked as Annexure I.

## RISK MANAGEMENT

The Company has laid down a procedure to inform the Board

Members, on a periodic basis, about the identified risks and the steps taken to mitigate and minimize the same. The Company has already identified and assessed major elements of risks, which may adversely affect the various Divisions of the Company. The Executive Management reviews the identified risks, including assessment of the said risks and procedures, which are being implemented for the monitoring, mitigating and minimization of the said risks. 'Risk Champions' have been formally nominated at the operating businesses, whose role is to educate about the identified risks and to develop risk management culture within the businesses.

## AUDITORS

At the 81<sup>st</sup> Annual General Meeting (AGM) of the Company, held on 3<sup>rd</sup> September, 2015, Messrs Singhi & Co., Chartered Accountants, (Firm Registration No. 302049E) was re-appointed as the Statutory Auditor of the Company for a term of 5 (Five) consecutive years up to the conclusion of the 86<sup>th</sup> AGM of the Company to be held in the calendar year 2020.

At the 80<sup>th</sup> AGM of the Company, held on 14<sup>th</sup> August, 2014, Messrs Dutta Ghosh & Associates, Chartered Accountants (Firm Registration No. 309088E) was re-appointed as Branch Auditors of the GIS Cotton Mill (unit of Textile Division) of the Company for a term of 4 (Four) consecutive years, upto the conclusion of the 84<sup>th</sup> AGM of the company to be held in the calendar year 2018.

However, their re-appointments are subject to ratifications at the ensuing 83<sup>rd</sup> Annual General Meeting of the Company scheduled to be held on 1<sup>st</sup> September, 2017.

Messrs Kothari & Company, Chartered Accountants, (Firm Registration-309088E) and the Branch Auditor of the Engineering (MICCO) Division of the Company, who retires after the conclusion of the ensuing 83<sup>rd</sup> AGM, and being eligible, offer themselves, for re-appointment for a term of 5 (Five) consecutive years up to the conclusion of the 88<sup>th</sup> AGM of the Company to be held in the calendar year 2022.

Your Board has obtained written consent from Messrs Kothari & Company, Chartered Accountants, for their re-appointment and a certificate confirming that the re-appointment, if made, shall be in accordance with the conditions as prescribed under Sections 139 and 141 of the Act, and the Rules framed therein. The aforesaid re-appointment has the recommendation of the Audit Committee. Accordingly, Board recommends their re-appointment by way of an Ordinary Resolution.

## AUDITORS' REPORT

Auditors' Report to the Members of the Company does not contain any qualification or adverse remark. Financial Statements and the notes thereon are self-explanatory and need no further explanation.

## COST AUDITORS

On the recommendation of the Audit Committee, and in compliance with the provision of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, your Board had appointed the following Cost Auditors to conduct the audit of the cost records of the Company, as detailed below:



S.N.	Division	Cost Auditors for the financial year ending on 31st March, 2018
1	Tea	M/s. D. Sabyasachi & Co.
2	Textile-North India Spinning Mill Unit	M/s. B. Ray & Associates
	Textile- GIS Cotton Mill Unit	M/s. B. Ray & Associates
3	Engineering (MICCO)	M/s. Rammani Sarkar & Co.

In accordance with the provision of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, appropriate Resolution seeking your ratification of the Remuneration of the said Cost Auditors appointed for the year ending on 31<sup>st</sup> March, 2018, is appearing in the Notice convening the 83<sup>rd</sup> AGM of the Company.

#### SECRETARIAL AUDIT

The Board had appointed CS K. C. Dhanuka, Practising Company Secretary (FCS No. 2204), to conduct Secretarial Audit for the financial year ended on 31<sup>st</sup> March, 2017. The Secretarial Audit Report for the financial year ended on 31<sup>st</sup> March, 2017 is annexed herewith and marked as Annexure II to this Report. The Secretarial Auditor has stated in his Report that few forms have been filed with late fees. The Company makes every endeavor to file all forms with the Ministry of Corporate Affairs on time. However, in few cases due to technical reasons and unavoidable circumstances forms have been filed with late fees.

#### OTHER DISCLOSURES:

##### Composition of Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee of the Company, at present, comprises of Mr. H. M. Parekh as the Chairman of the Committee, Smt. P. D. Kothari and Mr. N. Pachisia as the Members of the said Committee.

##### Composition of Audit Committee

The Audit Committee of the Company, at present, comprises of Mr. H. M. Parekh as the Chairman of the Committee, Mr. A. K. Kothari and Mr. N. Pachisia as the Members of the said Committee. The recommendations made by the Audit Committee were accepted by the Board.

##### Composition of Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Company, at present, comprises of Mr. H. M. Parekh as the Chairman of the Committee, Smt. P. D. Kothari, Dr. H. P. Kanoria and Mr. N. Pachisia as the Members of the said Committee. The criteria for performance evaluation of Board, Committees and the Directors are laid down under the Nomination and Remuneration Policy of the Company. Remuneration Policy for Directors, Key Managerial Personnel and other employees is annexed herewith and marked as Annexure III.

#### Composition of Stakeholders Relationship Committee

The Stakeholders Relationship Committee of the Company, at present comprises of Mr. H. M. Parekh as the Chairman of the Committee, Mr. A. K. Kothari, Smt. P. D. Kothari and Mr. D. K. Sharda as the Members of the said Committee.

#### Whistle Blower Policy

The Company has in place a Whistle Blower Policy in compliance with the provisions of the Act and SEBI Listing Regulations. The said Policy provides for a formal vigil mechanism for all employees and Directors of the Company, to report to the Chairman of the Audit Committee of the Company, genuine concerns or grievances about the unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The Policy on whistle blower may be accessed on the Company's website at the link: <http://www.gillandersarbuthnot.com/pdf/policy/Whistle%20Blower%20Policy.pdf>. Your Board affirms that no person has been denied access to the Chairman of the Audit Committee.

#### Meetings of the Board

Seven Meetings of the Board of Directors were held during the year. For further details, please refer to Clause II D of the report on Corporate Governance, which forms part of this Annual Report.

#### Particulars of Loans given, Investments made, Guarantees given and Securities provided

During the year under review, the Company has not given any loan, guarantee and security. The Company has also not made any Investment.

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

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, is annexed herewith and marked as Annexure IV.

#### Extract of Annual Return

Extract of Annual Return of the Company is annexed herewith and marked as Annexure V.

#### Particulars of Employees and related disclosures

No employee draws Remuneration in excess of the limits provided in the Companies (Appointment and Remuneration of



Managerial Personnel) Amendment Rules, 2016. Rule 5(2) of the said Rules state that the Board's Report shall include a statement showing the names of top ten employees in terms of Remuneration drawn and the name of every employee, who, if employed throughout the financial year, was in receipt of Remuneration for that year, which, in the aggregate, was not less than ` 102 lakhs and if employed, for part of the financial year, was in receipt of Remuneration for any part of that year, at a rate which, in the aggregate, was not less than ` 8.50 lakhs per month.

Disclosures pertaining to Remuneration and a statement showing the names of top ten employees in terms of Remuneration drawn, as required under Section 197(12) of the Act read with Rule 5(1), 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 is annexed herewith and marked as Annexure VI.

#### MATERIAL CHANGES

There have been no material changes and commitments affecting the financial position of the Company since the close of the financial year i.e. 31<sup>st</sup> March, 2017. Further, there has been no change in the nature of business of the Company.

#### GENERAL

Your Directors states that no significant or material orders were passed by the Regulators or Courts or Tribunals which may impact the going concern status and Company's operations in future and that there was no case filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

#### ACKNOWLEDGEMENT

The Directors would like to record their appreciation for the co-operation and support received from the employees, shareholders, banks, government agencies and all stakeholders.

For and on behalf of the Board

A. K. Kothari  
*Chairman*

Kolkata, 29<sup>th</sup> May, 2017



## Annexure I

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year ended on 31<sup>st</sup> March, 2017

1	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	CSR Policy of the Company has been framed in accordance with the provisions of the Companies Act, 2013 and Rules framed therein and the activities are undertaken as per Schedule VII of the said Act. For details please refer to the section 'Other Board Committees' of the Corporate Governance Report. The Company proposes to undertake projects or programs in promotion of education, healthcare and setting up of homes and hostels for women and orphans. The web link for the CSR Policy is <a href="http://www.gillandersarbuthnot.com/pdf/policy/Corporate%20Social%20Responsibility%20Policy.pdf">http://www.gillandersarbuthnot.com/pdf/policy/Corporate%20Social%20Responsibility%20Policy.pdf</a> .
2	The Composition of the CSR Committee.	Mr. H. M. Parekh - Chairman (Independent Director) Smt. P. D. Kothari (Non- Executive Promoter Director) Mr. N. Pachisia (Independent Director)
3	Average net profit of the Company for last three financial years.	₹ (840) lakhs
4	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	Nil Since the average net profits made by the Company during the 3 immediately preceeding financial years (as stated in item 3 above) is negative, the Company did not spend any amount in CSR activities for the financial year 2016-2017.
5	Details of CSR spent during the financial year- (1) Total amount to be spent for the financial year: (2) Amount unspent, if any: (3) Manner in which the amount spent during the financial year :	No amount spent for reasons stated in point No. 4 above.

\*The Company has spent the balance amount of ₹ 14.65 lakhs relating to the previous financial year 2015-2016 on CSR activities. The manner in which the amount has been spent is detailed in Annexure A

D. K. Sharda

H. M. Parekh

Kolkata, 29<sup>th</sup> May, 2017

Managing Director & CEO

Chairman-CSR Committee



## Annexure A

(₹ in lakhs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S.N.	CSR project or activity identified	Sector in which the Project is covered	Projects or Programs (1) Local Area or other (2) State and District where the projects or program was 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 period	Amount spent: Direct or through implementing agency
1	Building of Homes for needy women	Setting, up homes/ hostels for women	Baleswar, Odhisa	₹ 1.40	₹ 1.40	₹ 1.40	₹ 1.40
2	Construction of boundary wall of Dooria Bagicha High School	Promotion of Education	Dooria, Golaghat (Assam)	₹ 2.00	₹ 2.00	₹ 2.00	₹ 2.00
3	Kothari Group CSR Trust - Development and upgradation of the emergency unit of the Kothari Medical Centre, Kolkata	Promotion of healthcare including preventive healthcare	Kolkata, West Bengal	₹ 11.25	₹ 11.25	₹ 11.25	₹ 11.25
	TOTAL	-	-	₹ 14.65	₹ 14.65	₹ 14.65	₹ 14.65

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, 29<sup>th</sup> May, 2017

D. K. Sharda  
Managing Director & CEO

H. M. Parekh  
Chairman-CSR Committee



## Annexure I I

Form No. MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2017

*[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,  
Gillanders Arbuthnot and Company Limited  
C-4, Gillander House, Netaji Subhas Road,  
Kolkata – 700001

1. We have conducted the secretarial audit of Gillanders Arbuthnot and Company Limited having its registered office at C-4, Gillander House, Netaji Subhas Road, Kolkata – 700001 and having CIN L51909WB1935PLC008194 (hereinafter called “The Company”), for the financial year ended on 31<sup>st</sup> March, 2017 (“the period under review”). The aforesaid Secretarial Audit has been conducted pursuant to the provisions of Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, read with the Guidance Note on Secretarial Audit (Release-1.2) of The Institute of Company Secretaries of India, in a manner that provided us a reasonable basis for evaluating the corporate conduct and the process of statutory compliances under various statutes, rules, regulations, guidelines, as indicated here in below in the instant report and as such expressing my 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 31<sup>st</sup> March, 2017 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 secretarial compliance based on the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2017 and as shown to us during our audit, according to the provisions of the following laws:
  - (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
  - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') 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;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 .
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
  - e. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - f. We further report that after considering the compliance system prevailing in the Company, and after carrying out test checks of the relevant records and documents maintained by the Company, we found that it has complied with the following laws that are applicable specifically to the Company :
    - (i) The Factories Act, 1948;
    - (ii) The Food Safety and Standards Act, 2006 and Food Safety and Standard Rules, 2011;
    - (iii) The Tea Act, 1953 and rules thereunder;
    - (iv) Tea Warehouse (Licensing) Order, 1989;
    - (v) The Tea Waste (Control) Order, 1959;
    - (vi) The Tea (Marketing) Control Order, 1984;
    - (vii) Tea Plantations Provident Fund Scheme, 1955;
    - (viii) The Plantations Labour Act, 1951;
    - (ix) The Assam Plantation Labour Rules, 1956;
    - (x) The Assam Agriculture Income Tax Act, 1939;
    - (xi) Air (Prevention and Control of Pollution) Act, 1981 and Water (Preservation and Control of Pollution) Act, 1974;
    - (xii) Directions given by the Office of Textile Commission and Rules made thereunder;
    - (xiii) The Chemicals Act, 2008 and Chemicals (Amendment) Act, 2010;
    - (xiv) The Central Excise Act, 1944;
- (vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company during the period under review:-
  - a. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;



- b. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
  - c. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
4. We have also examined compliance with applicable clauses of Secretarial Standards issued by the Institute of Company Secretaries of India.
  5. During the period under review, the Company has generally filed all forms with MCA within the due date except in few cases where it has been filed with additional fees.
  6. We further report to the best of our understanding that,
    - a) The Board of Directors of the Company is duly constituted as per the provision of Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the time being. No changes in the composition of the Board of Directors took place during the period under review.
    - b) Adequate notice is given to all Directors for the Board and Committee Meetings. Agenda and notes on agenda were sent in advance, and further information and clarifications on the agenda items were provided for meaningful participation at the meeting.
    - c) All decisions at Board Meetings and Committee Meetings are carried out unanimously, as recorded in the minutes of the Meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that during the year under audit:

1. The Company has allotted 12,10,000, 7.75% Cumulative Redeemable Preference Shares of ₹ 100/- each on a Private Placement basis to the Promoter Group Companies.
2. The Board of Directors has reappointed Mr. D. K. Sharda, as the Managing Director, for the period from 01<sup>st</sup> April, 2017, till 31<sup>st</sup> March, 2018, subject to the approval of the shareholders.
3. A scheme of Arrangement between the Company and its subsidiary i.e. Barfani Builder Limited and their respective Shareholders for reconstruction by transfer of Chemical (Waldies) Division of Gillanders Arbuthnot and Company Limited to Barfani Builder Limited was sanctioned and approved by the Hon'ble High Court, Calcutta, vide its order dated 28<sup>th</sup> November, 2016. The certified copies of the said Order was filed with the Registrar of Companies, West Bengal, on 6<sup>th</sup> January, 2017, thereby making the said scheme effective from the said date.
4. Consequently, as per the terms of the said Scheme, Barfani Builder Limited had issued and allotted

1,46,80,000 (One Crore Forty Six Lakhs Eighty Thousand) Equity Shares of ₹ 10/- (Rupees Ten Only) each at par aggregating to ₹ 14,68,00,000/- (Rupees Fourteen Crores Sixty Eight Lakhs Only) to the Company in consideration of the transfer of the Chemical (Waldies) Division.

5. During the year under review, the Company has sold and transferred its entire shareholding of 99.99% i.e. 1,47,29,995 numbers of fully paid up shares of Rs.10/- each in Waldies Compound Limited (formerly known as Barfani Builder Limited), an erstwhile Indian Subsidiary of the Company at a total consideration of ₹ 21,06,38,929/- (Rupees Twenty One Crores Six Lakhs Thirty Eight Thousand Nine Hundred Twenty Nine only).

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.

It is stated that the compliance of all the applicable provisions of the Companies Act, 2013 and other laws is the responsibility of the management. We have relied on the representation made by the Company and its Officers for systems and mechanism set-up by the Company for compliance under applicable laws. Our examination, on a test-check basis, was limited to procedures followed by the Company for ensuring the compliance with the said provisions. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted its affairs. We further state that this is neither an audit nor an expression of opinion on the financial activities / statements of the Company. Moreover, we have not covered any matter related to any other law which may be applicable to the Company except the aforementioned corporate laws of the Union of India.

Place : Kolkata  
Date : 29<sup>th</sup> May, 2017

K. C. Dhanuka  
K.C.Dhanuka & Co.  
Company Secretaries  
FCS - 2204, C.P. No. - 1247





## Annexure III

### NOMINATION AND REMUNERATION POLICY

#### I. PREAMBLE

The Board of Directors of Gillanders Arbuthnot and Company Limited ("the Company") had approved and adopted the Nomination and Remuneration Policy at its meeting held on 13<sup>th</sup> November, 2014. The Securities and Exchange Board of India ("SEBI") vide its Notification dated 2<sup>nd</sup> September, 2015 has issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Regulations"). In order to align with the Regulations, the said Policy is being suitably modified / altered.

#### II. OBJECTIVE

The Nomination and Remuneration Committee and this Policy is in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 of the Regulations. The Key Objectives of the Committee would be:

- a. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- b. To evaluate the performance of the Members of the Board and provide necessary report to the Board for further evaluation of the Board.
- c. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- d. To provide to Key Managerial Personnel and Senior Management Personnel reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- e. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- f. To devise a policy on Board diversity.
- g. To develop a succession plan for the Board and to regularly review the plan.

#### III. DEFINITIONS

- a. "Act" means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- b. "Board" means Board of Directors of the Company.
- c. "Key Managerial Personnel" (KMP) means as defined under according to Section 2(51) of the Companies Act, 2013.
- d. "Senior Management" means Senior Management Personnel of the Company who are 'one level below the Key Managerial Personnel'.

- e. "Independent Director" means as defined under Regulation 16(1) (b) of the Regulations and under Section 149(6) of the Companies Act, 2013.

#### IV. ROLE OF COMMITTEE

##### 1. Matters to be dealt:-

The Committee shall:

- i. Formulate the criteria for determining qualifications, positive attributes and independence of a Director.
- ii. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial Personnel and Senior Management Personnel positions in accordance with the criteria laid down in this policy.
- iii. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.
- iv. Devise a Policy on Diversity of Board of Directors.
2. Policy for appointment and removal
  - a. Appointment
    - i. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management Personnel level and recommend to the Board his / her appointment.
    - ii. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
    - iii. The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of Shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.
  - b. Term / Tenure
    - i. Managing Director/Whole-time Director:
 

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
    - ii. Independent Director:
      - An Independent Director shall hold office for a term up to



five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act and Regulation 25(1) of the Regulations, from time to time.

c. Evaluation Criteria for Directors

Performance evaluation is a key mean by which Board can recognize and correct corporate governance issues and add real value to the Company. The Board determines and discusses the reasons for governance failures and how Board evaluations can help prevent them from occurring. All Board Members are to participate in the evaluation and are encouraged to further discuss and refine their views during meetings. The following criteria are to be followed for reviewing the Directors' performance:-

- a. Accomplishment of the organization's mission, objectives and strategic results for which the Executive Director(s) is responsible.
- b. Ensuring that the Board is well informed on issues affecting the continuing relevance of the mission and the performance and reputation of the Company.
- c. Adequacy of processes which monitor business performance, Board Member interaction with management, adequacy of Board knowledge, adequacy of business strategy, Board being informed, evaluation process for Executives and Directors.
- d. Appropriateness of balance and mix of skills, size of Board, contribution of individual Board Members, adequacy of performance feedback to Board Members, adequacy of procedures dealing with inadequate performance by a Board Member.
- e. Board's effectiveness in use of time, whether Board allowed sufficient opportunity to adequately assess management performance, Board's ability to keep abreast of developments in the wider environment which may affect adequacy of meeting, frequency and duration.

- f. Working relationship between Chairman and Managing Director & Chief Executive Officer, segregation of duties between Board and Management, ability of Directors to express views to each other and to management in a constructive manner, adequacy of Board discussions and management of divergent views.

The evaluation will take place annually as per the requirement of law and Regulation 19 of the Regulations. The Board may undertake more frequent evaluations, if warranted. The performance evaluation will typically address activities, events and accomplishments that took place during the most recently completed fiscal year.

d. Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, Rules and Regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

e. Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

3. Policy relating to the Remuneration

- a. Remuneration to Chairman, Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:

- i. Fixed pay: The Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees, etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

- ii. Minimum Remuneration: If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

- iii. Provisions for excess Remuneration: If any Whole-time Director draws or receives, directly or indirectly by way of



remuneration any sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

b. Remuneration to Non- Executive / Independent Director:

- i. Remuneration: The remuneration / commission shall be fixed as per the terms and conditions mentioned in the Articles of Association of the Company and the Act.
- ii. Sitting Fees: The Non- Executive / Independent Director shall receive remuneration by way of fees for attending meetings of Board or Committee thereof, as may be decided by the Board, from time to time. Provided that the amount of such fees shall not exceed Rupees One Lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.
- iii. Commission: Commission may be paid within the monetary limit approved by Shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Act. 'Differential Commission may be paid to Non - Executive / Independent Directors based on their participation, contribution and active role in the Board and strategic matters of the Company.'
- iv. Stock Options: An Independent Director shall not be entitled to any stock option of the Company.

V. MEMBERSHIP

- a. The Committee shall consist of a minimum three (3) Non-Executive Directors, majority of them being Independent.
- b. Minimum two (2) Members, one of which must be an Independent Director, shall constitute a quorum for the Committee Meeting.
- c. Membership of the Committee shall be disclosed in the Annual Report.
- d. Term of the Committee shall be continued unless terminated by the Board of Directors.

VI. CHAIRPERSON

- a. Chairperson of the Committee shall be an Independent Director.
- b. Chairperson of the Company may be appointed as a Member of the Committee but shall not be a Chairman of the Committee.
- c. In the absence of the Chairperson, the Members of the

Committee present at the meeting shall choose one amongst them to act as Chairperson.

- d. Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other Member to answer the Shareholders' queries.

VII. FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at such intervals as may be required. However, at least one meeting should be held in a financial year.

VIII. COMMITTEE MEMBERS' INTERESTS

- a. A Member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- b. The Committee may invite such Executives, as it considers appropriate, to be present at the meetings of the Committee.

IX. SECRETARY

The Company Secretary of the Company shall act as Secretary of the Committee.

X. VOTING

- a. Matters arising for determination at Committee Meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b. In the case of equality of votes, the Chairman of the meeting will have a casting vote.

XI. NOMINATION DUTIES

The duties of the Committee in relation to nomination matters include:

- a. Ensuring that there is an appropriate induction process in place for new Directors, KMPs and Members of Senior Management Personnel and reviewing its effectiveness.
- b. Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act.
- c. Identifying and recommending Directors who are to be put forward for retirement by rotation.
- d. Determining the appropriate size, diversity and composition of the Board.
- e. Setting a formal and transparent procedure for selecting new Directors for appointment to the Board.
- f. Developing a succession plan for the Board, KMP and Senior Management Personnel and regularly reviewing the plan.
- g. Evaluating the performance of the Board Members, KMP and



Senior Management Personnel in the context of the Company's performance from business and compliance perspective.

- h. Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- i. Delegating any of its powers to one or more of its Members of the Committee.
- j. Recommend necessary changes to the Board.
- k. Consider any other matters, as may be requested by the Board.

#### XII. REMUNERATION DUTIES

The duties of the Committee in relation to remuneration matters include:

- a. To consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate Members of the Board, KMP and Senior Management Personnel and such other factors as the Committee shall deem appropriate all elements of the remuneration of the Members of the Board.
- b. To approve the remuneration of the Senior Management Personnel including Key Managerial Personnel of the Company maintaining a balance between fixed and

incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.

- c. To delegate any of its powers to one or more of its Members of the Committee.
- d. To consider any other matters as may be requested by the Board.
- e. To consider matters relating to Directors & Officers Insurance Policy.

#### XIII. MINUTES OF THE COMMITTEE MEETING

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee within 30 days from the date of the meeting. Minutes of the Committee Meetings will be tabled at the subsequent Board and Committee Meeting.

#### XIV. AMENDMENT(S) / MODIFICATION(S)

The Nomination and Remuneration Committee will review and may amend / modify this Policy from time to time.

For and on behalf of the Board

A. K. Kothari  
*Chairman*

Kolkata, 29<sup>th</sup> May, 2017



## Annexure IV

Information as per Clause(m) of Section 134(3) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ended on 31<sup>st</sup> March, 2017.

### A. CONSERVATION OF ENERGY

#### i) Steps taken or impact on Conservation of Energy

The Company accords great importance to conservation of energy. The Company has taken the following steps:

- a) Conventional tube lights and vapour lamps are being replaced by the energy efficient LED lights.
- b) New Ultra High Efficiency motors are replaced with old motors to save energy.
- c) Overhead compressed air line in Winding Machines to reduce the power losses & CFM.
- d) Timely replacement of power capacitor and equipment for achieving ideal power factor.
- e) The ETP processed water is reused in Power Plant Cooling Tower resulting in less usage of water pumps.
- f) Conversion to spring loaded drafting system from pneumatic drafting system.
- g) Conversion to Inverter drive from Variator drive.
- h) Installation of wind propelled ventilators on factory roof which helps in maintaining the quality of produce and also provide better working environment inside the factory.
- i) Installation of Rain water harvesting system to reduce pumping of ground water, hence, reducing power consumption.

#### ii) Steps taken by the Company for utilizing alternate sources of energy

- a) Risk Husk is used in Captive Power plant at our Textile Unit at Akbarpur. Natural Gases are used at various Tea Estates, wherever possible.
- b) Jute caddies is used in Thermax Boiler and unusable dropping waste of cotton are used as boiler fuel.

#### iii) Capital Investment on energy conservation equipments

Investment has been made for purchase of LED lights, VFBD driers, etc.

### B. TECHNOLOGY ABSORPTION

#### i) Efforts made towards technology absorption:

- a) Installation of latest machines / equipment, viz.,
  - i) Schlafhorst Automatic Package Winder

- ii) Mixing Bale Opener
- iii) LMW Draw Frame
- iv) Knitting Machine
- v) Hi-speed Assembly Winding Machine
- vi) TFO
- vii) Coal Heater
- viii) VFBD Dryer

- b) In-house seminars, discussions with experts and training programme were held for innovative ideas of production. The concerned staff members are also sponsored to attain various seminars and workshops for updating themselves in various aspect of the functioning of the Company.

- c) The Company also uses vermi compost, Bio Humic Spray (BHS) and Indigenous Technical Knowledge (ITK) for improving the organic status of the soil in the Tea Gardens.

#### ii) Benefits derived like, Product improvement cost reduction, product development or Import substitution;

The efforts have helped in improving the productivity, production of high value added products, conservation of power and energy and overall improvement in the quality of products.

#### iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

No technology has been imported by the Company during the last three years.

#### iv) The expenditure incurred on Research and Development

Recurring expenditure of ₹ 17.41 Lakhs was incurred.

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Total foreign exchange earned and used during the financial year ended on 31<sup>st</sup> March, 2017:

(₹ in lakhs)

Foreign exchange earned	11,079.72
Foreign exchange used	3,572.61

For and on behalf of the Board

A. K. Kothari  
Chairman

Kolkata, 29<sup>th</sup> May, 2017



## Annexure V

FORM No. MGT 9

## EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31<sup>st</sup> March, 2017

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1)  
of the Companies (Management and Administration) Rules, 2014]

## I REGISTRATION AND OTHER DETAILS:

i.	CIN	L51909WB1935PLC008194
ii.	Registration Date	01.02.1935
iii.	Name of the Company	GILLANDERS ARBUTHNOT AND COMPANY LIMITED
iv.	Category/Sub-Category of the Company	PUBLIC COMPANY LIMITED BY SHARES
v.	Address of the Registered office and contact details	C-4, GILLANDER HOUSE, NETAJI SUBHAS ROAD, KOLKATA-700 001, INDIA Phone : 033 2230-2331 (6 lines) Fax : 033 2230 4185 e-mail : gillander@gillandersarbuthnot.com
vi.	Whether listed Company	YES
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	MAHESHWARI DATAMATICS PVT. LTD. 23, R.N. MUKHERJEE ROAD, 5TH FLOOR, KOLKATA-700 001 Phone : 033 2248 2248, 2243 5029, 2231 6839 Fax : 033 2248 4787 e-mail : mdpldc@yahoo.com

II	PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10% or more of the total turnover of the Company)	Attachment A
III	PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES	Attachment B
IV	SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)	
	i) Category-wise Share Holding	Attachment C
	ii) Shareholding of Promoters	Attachment D
	iii) Change in Promoters' Shareholding	Attachment E
	iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)	Attachment F
	v) Shareholding of Directors and Key Managerial Personnel	Attachment G
V	INDEBTEDNESS	
	Indebtedness of the Company including interest outstanding/accrued but due for payment	Attachment H
VI	REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL	
	A. Remuneration to Managing Director, Whole-time Directors and/or Manager	Attachment I
	B. Remuneration to other Directors	Attachment J
	C. Remuneration to Key Managerial Personnel other than Managing Director/ Manager/Whole-time Directors	Attachment K
VII	PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES	Attachment L



## ATTACHMENT A

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10% or more of the total turnover of the Company)

Sl. No.	Name and description of main products	NIC code of the product	% -age to total turnover of the Company
1.	Yarn	13111/13114	55.18%
2.	Cultivation, Manufacture and Sale of Tea	01271/10791/46306	29.25%
3.	Other specialized construction activities	43900	14.50%

## ATTACHMENT B

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1.	Gillanders Holdings (Mauritius) Limited 6th Floor, Tower A, 1 Cyber City, Ebene, Mauritius	NA	Wholly Owned Foreign Subsidiary	100	2(87)
2.	Group Developments Limited P. O. Box 2, Thyolo, Malawi	NA	Wholly Owned Foreign Subsidiary	100	2(87)
3.	Naming'omba Tea Estates Limited* P. O. Box 2, Thyolo, Malawi	NA	Wholly Owned Foreign Subsidiary	100	2(87)
4.	Mafisi Tea Estates Limited* P. O. Box 2, Thyolo, Malawi	NA	Wholly Owned Foreign Subsidiary	100	2(87)
5.	Group Holdings Limited* P. O. Box 2, Thyolo, Malawi	NA	Wholly Owned Foreign Subsidiary	100	2(87)

\* The entire shareholding of the Companies listed in Serial nos. 3, 4 and 5 are held by Group Developments Limited

## Attachment C

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

## i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	295394	0	295394	1.3841	295394	0	295394	1.3841	0.0000
b) Central Govt.									
c) State Govt(s).									
d) Bodies Corp.	14376321	0	14376321	67.3605	14376321	0	14376321	67.3605	0.0000
e) Banks/FIs									
f) Any other									
Sub-total (A)(1)	14671715	0	14671715	68.7446	14671715	0	14671715	68.7446	0.0000



(2) Foreign									
a) NRIs - Individuals									
b) Other - Individuals									
c) Bodies Corp.									
d) Banks/FIs									
e) Any other									
Sub-total (A)(2)	0	0	0	0.0000	0	0	0	0.0000	0.0000
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	14671715	0	14671715	68.7446	14671715	0	14671715	68.7446	0.0000
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	300	0	300	0.0014	300	0	300	0.0014	0.0000
b) Banks/FIs	3437	65543	68980	0.3232	3437	65543	68980	0.3232	0.0000
c) Central Govt.	0	7086	7086	0.0332	0	7086	7086	0.0332	0.0000
d) State Govt(s).									
e) Venture Capital Funds									
f) Insurance Companies	1187278	0	1187278	5.5630	1187278	0	1187278	5.5630	0.0000
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total(B)(1)	1191015	72629	1263644	5.9208	1191015	72629	1263644	5.9208	0.0000
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	689784	39340	729124	3.4163	695561	39340	734901	3.4434	0.7923
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ` 1 lakh	2694835	618976	3313811	15.5269	2535602	606430	3142032	14.7221	-5.1837
ii) Individual shareholders holding nominal share capital in excess of ` 1 lakh	1124900	46866	1171766	5.4903	1290299	46866	1337165	6.2653	14.1154
c) Others (specify)									
Non Resident Indians	92106	32879	124985	0.5856	93101	32879	125980	0.5903	0.7961
Qualified Foreign Investor									
Custodian of Enemy Property									
Foreign Nationals									
Clearing Members	59869	0	59869	0.2805	61053	0	61053	0.2861	1.9777
Trusts	3823	0	3823	0.0179	3823	0	3823	0.0179	0.0000
Foreign Bodies-D R									
Foreign Portfolio Investors									
NBFCs registered with RBI	3609	0	3609	0.0169	2033	0	2033	0.0095	-43.6686
Employee Trusts									
Domestic Corporate Unclaimed Shares Account									
Sub-total(B)(2)	4668926	738061	5406987	25.3345	4681472	725515	5406987	25.3346	0.0000
Total Public Shareholding (B) = (B)(1) + (B)(2)	5859941	810690	6670631	31.2554	5872487	798144	6670631	31.2554	0.0000
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	20531656	810690	21342346	100.00	20544202	798144	21342346	100.00	0.0000





## Attachment D

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

## ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the Year [As on 01-April-2016]			Shareholding at the end of the Year [As on 31-March-2017]			% change in shareholding during the Year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	
1	KOTHARI PHYTOCHEMICALS AND INDUSTRIES LIMITED	5501078	25.7754	0.0000	5501078	25.7754	0.0000	0.0000
2	KOTHARI INVESTMENT & INDUSTRIES PRIVATE LIMITED	2253748	10.5600	0.0000	2253748	10.5600	0.0000	0.0000
3	VISHNUHARI INVESTMENTS & PROPERTIES LIMITED	1707291	7.9995	0.0000	1707291	7.9995	0.0000	0.0000
4	M.D. KOTHARI & COMPANY LIMITED	1521868	7.1307	0.0000	1521868	7.1307	0.0000	0.0000
5	KOTHARI & COMPANY PRIVATE LIMITED	1426199	6.6825	0.0000	1426199	6.6825	0.0000	0.0000
6	COMMERCIAL HOUSE PRIVATE LIMITED	1368212	6.4108	0.0000	1368212	6.4108	0.0000	0.0000
7	BHAKTWATSAL INVESTMENTS LIMITED	498498	2.3357	0.0000	498498	2.3357	0.0000	0.0000
8	ARUN KUMAR KOTHARI	108472	0.5082	0.0000	108472	0.5082	0.0000	0.0000
9	SATYAM FINANCIAL SERVICES LIMITED	88177	0.4132	0.0000	88177	0.4132	0.0000	0.0000
10	ARUN KUMAR KOTHARI (HUF)	75741	0.3549	0.0000	75741	0.3549	0.0000	0.0000
11	PRABHAWATI DEVI KOTHARI	67875	0.3180	0.0000	67875	0.3180	0.0000	0.0000
12	ANAND VARDHAN KOTHARI	43306	0.2029	0.0000	43306	0.2029	0.0000	0.0000
13	KOTHARI CAPITAL AND SECURITIES PRIVATE LIMITED	11250	0.0527	0.0000	11250	0.0527	0.0000	0.0000
	TOTAL	14671715	68.7446	0.0000	14671715	68.7446	0.0000	0.0000



## Attachment E

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

## iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning [As on 01 <sup>st</sup> April-2016]/end of the year [As on 31 <sup>st</sup> March-2017]					Cumulative Shareholding during the year [As on 01 <sup>st</sup> April-2016 to 31 <sup>st</sup> March-2017]	
	Name	No. of Shares	% of total Shares of the Company	Date	Increase/ Decrease in Shareholding	Reason	No. of Shares	% of total Shares of the Company
1.	BHAKTWATSAL INVESTMENTS LIMITED							
		498498	2.3357	01/04/2016	No Change during the year			
		498498	2.3357	31/03/2017			498498	2.3357
2	COMMERCIAL HOUSE PRIVATE LIMITED							
		1368212	6.4108	01/04/2016	No Change during the year			
		1368212	6.4108	31/03/2017			1368212	6.4108
3	KOTHARI CAPITAL AND SECURITIES PRIVATE LIMITED							
		11250	0.0527	01/04/2016	No Change during the year			
		11250	0.0527	31/03/2017			11250	0.0527
4	KOTHARI PHYTOCHEMICALS AND INDUSTRIES LIMITED							
		5501078	25.7754	01/04/2016	No Change during the year			
		5501078	25.7754	31/03/2017			5501078	25.7754
5	KOTHARI & COMPANY PRIVATE LIMITED							
		1426199	6.6825	01/04/2016	No Change during the year			
		1426199	6.6825	31/03/2017			1426199	6.6825
6	VISHNUHARI INVESTMENTS & PROPERTIES LIMITED							
		1707291	7.9995	01/04/2016	No Change during the year			
		1707291	7.9995	31/03/2017			1707291	7.9995
7	KOTHARI INVESTMENT & INDUSTRIES PRIVATE LIMITED							
		2253748	10.5600	01/04/2016	No Change during the year			
		2253748	10.5600	31/03/2017			2253748	10.5600
8	M.D. KOTHARI & COMPANY LIMITED							
		1521868	7.1307	01/04/2016	No Change during the year			
		1521868	7.1307	31/03/2017			1521868	7.1307
9	SATYAM FINANCIAL SERVICES LIMITED							
		88177	0.4132	01/04/2016	No Change during the year			
		88177	0.4132	31/03/2017			88177	0.4132
10	ARUN KUMAR KOTHARI (HUF)							
		75741	0.3549	01/04/2016	No Change during the year			
		75741	0.3549	31/03/2017			75741	0.3549
11	ARUN KUMAR KOTHARI							
		108472	0.5082	01/04/2016	No Change during the year			
		108472	0.5082	31/03/2017			108472	0.5082
12	PRABHAWATI DEVI KOTHARI							
		67875	0.3180	01/04/2016	No Change during the year			
		67875	0.3180	31/03/2017			67875	0.3180
13	ANAND VARDHAN KOTHARI							
		43306	0.2029	01/04/2016	No Change during the year			
		43306	0.2029	31/03/2017			43306	0.2029



## Attachment F

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

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning [As on 01 <sup>st</sup> April-2016]/end of the year [As on 31 <sup>st</sup> March-2017]					Cumulative Shareholding during the year [As on 01 <sup>st</sup> April-2016 to 31 <sup>st</sup> March-2017]	
	Name	No. of Shares	% of total Shares of the Company	Date	Increase/ Decrease in Shareholding	Reason	No. of Shares	% of total Shares of the Company
1	BONANZA PORTFOLIO LTD.							
		75519	0.3538	01/04/2016				
				08/04/2016	-31478	Sale	44041	0.2064
				15/04/2016	-1300	Sale	42741	0.2003
				06/05/2016	-7	Sale	42734	0.2002
				03/06/2016	5173	Purchase	47907	0.2245
				10/06/2016	512	Purchase	48419	0.2269
				17/06/2016	-8021	Sale	40398	0.1893
				24/06/2016	-7763	Sale	32635	0.1529
				30/06/2016	2320	Purchase	34955	0.1638
				08/07/2016	2398	Purchase	37353	0.1750
				15/07/2016	10526	Purchase	47879	0.2243
				22/07/2016	5345	Purchase	53224	0.2494
				29/07/2016	93	Purchase	53317	0.2498
				05/08/2016	2605	Purchase	55922	0.2620
				12/08/2016	-501	Sale	55421	0.2597
				19/08/2016	400	Purchase	55821	0.2616
				26/08/2016	6475	Purchase	62296	0.2919
				02/09/2016	290	Purchase	62586	0.2932
				09/09/2016	1939	Purchase	64525	0.3023
				16/09/2016	9574	Purchase	74099	0.3472
				23/09/2016	2586	Purchase	76685	0.3593
				30/09/2016	1444	Purchase	78129	0.3661
				07/10/2016	-8592	Sale	69537	0.3258
				21/10/2016	1110	Purchase	70647	0.3310
				28/10/2016	2492	Purchase	73139	0.3427
				11/11/2016	6631	Purchase	79770	0.3738
				18/11/2016	386	Purchase	80156	0.3756
				25/11/2016	174	Purchase	80330	0.3764
				09/12/2016	-76	Sale	80254	0.3760
				16/12/2016	-3221	Sale	77033	0.3609
				23/12/2016	-55	Sale	76978	0.3607
				30/12/2016	3760	Purchase	80738	0.3783
				06/01/2017	1310	Purchase	82048	0.3844
				13/01/2017	-1070	Sale	80978	0.3794
				20/01/2017	22543	Purchase	103521	0.4850
				27/01/2017	-3329	Sale	100192	0.4695
				03/02/2017	5273	Purchase	105465	0.4942
				10/02/2017	-26300	Sale	79165	0.3709
				17/02/2017	2808	Purchase	81973	0.3841



				24/02/2017	-112	Sale	81861	0.3836
				03/03/2017	51	Purchase	81912	0.3838
				10/03/2017	100	Purchase	82012	0.3843
				17/03/2017	849	Purchase	82861	0.3882
				24/03/2017	-59	Sale	82802	0.3880
		77245	0.3619	31/03/2017	-5557	Sale	77245	0.3619
2	JAMSON SECURITIES PVT. LTD.							
		105704	0.4953	01/04/2016	No Change during the year			
		105704	0.4953	31/03/2017			105704	0.4953
3.	LIFE INSURANCE CORPORATION OF INDIA							
		1187278	5.5630	01/04/2016	No Change during the year			
		1187278	5.5630	31/03/2017			1187278	5.5630
4	RAVIRAJ DEVELOPERS LIMITED*							
		37319	0.1749	01/04/2016				
				01/04/2016	7000	Purchase	44319	0.2077
				08/04/2016	3654	Purchase	47973	0.2248
				22/04/2016	2410	Purchase	50383	0.2361
				29/04/2016	-837	Sale	49546	0.2321
				17/06/2016	1806	Purchase	51352	0.2406
				08/07/2016	6687	Purchase	58039	0.2719
				05/08/2016	-8150	Sale	49889	0.2338
				28/10/2016	2781	Purchase	52670	0.2468
				20/01/2017	2500	Purchase	55170	0.2585
		55170	0.2585	31/03/2017			55170	0.2585
5.	ATRUN FISCAL PVT. LTD.							
		30657	0.1436	01/04/2016				
				28/10/2016	14100	Purchase	44757	0.2097
		44757	0.2097	31/03/2017			44757	0.2097
6.	MALL COMMERCIAL PVT. LTD.							
		100903	0.4728	01/04/2016	No Change during the year			
		100903	0.4728	31/03/2017			100903	0.4728
7.	PRAKASH JAIN #							
		40597	0.1902	01/04/2016				
				13/01/2017	-2303	Sale	38294	0.1794
				20/01/2017	-38294	Sale	0	0.0000
		0	0.0000	31/03/2017			0	0.0000
8.	JAGDISH AMRITLAL SHAH							
		110740	0.5189	01/04/2016	No Change during the year			
		110740	0.5189	31/03/2017			110740	0.5189
9.	SHIRISH JOSHI							
		34000	0.1593	01/04/2016				
				08/04/2016	460	Purchase	34460	0.1615
				06/05/2016	1377	Purchase	35837	0.1679
				13/05/2016	438	Purchase	36275	0.1700
				20/05/2016	400	Purchase	36675	0.1718
				27/05/2016	2025	Purchase	38700	0.1813
				03/06/2016	785	Purchase	39485	0.1850
				08/07/2016	515	Purchase	40000	0.1874
		40000	0.1874	31/03/2017			40000	0.1874
10.	MUKTILAL GANULAL PALDIWAL							
		51341	0.2406	01/04/2016				
				22/04/2016	550	Purchase	51891	0.2431



				27/05/2016	500	Purchase	52391	0.2455
				22/07/2016	300	Purchase	52691	0.2469
				12/08/2016	200	Purchase	52891	0.2478
				19/08/2016	500	Purchase	53391	0.2502
				26/08/2016	2248	Purchase	55639	0.2607
				02/09/2016	800	Purchase	56439	0.2644
				09/09/2016	2041	Purchase	58480	0.2740
				16/09/2016	1000	Purchase	59480	0.2787
				30/09/2016	3562	Purchase	63042	0.2954
				07/10/2016	4910	Purchase	67952	0.3184
				21/10/2016	2170	Purchase	70122	0.3286
				28/10/2016	79	Purchase	70201	0.3289
				04/11/2016	2021	Purchase	72222	0.3384
				25/11/2016	1482	Purchase	73704	0.3453
				02/12/2016	2153	Purchase	75857	0.3554
				09/12/2016	836	Purchase	76693	0.3593
				23/12/2016	1375	Purchase	78068	0.3658
				30/12/2016	603	Purchase	78671	0.3686
				06/01/2017	525	Purchase	79196	0.3711
				20/01/2017	2000	Purchase	81196	0.3804
				03/02/2017	2713	Purchase	83909	0.3932
				10/02/2017	675	Purchase	84584	0.3963
				10/03/2017	500	Purchase	85084	0.3987
				17/03/2017	500	Purchase	85584	0.4010
				24/03/2017	1967	Purchase	87551	0.4102
		88051	0.4126	31/03/2017	500	Purchase	88051	0.4126
11.	HARIKISHAN JAMANDASS MUNDHRA *							
		17764	0.0832	01/04/2016				
				08/04/2016	10572	Purchase	28336	0.1328
				10/02/2017	18208	Purchase	46544	0.2181
		46544	0.2181	31/03/2017			46544	0.2181
12.	BISHWANATH PRASAD AGRAWAL#							
		37620	0.1763	01/04/2016				
				22/04/2016	-1880	Sale	35740	0.1675
				29/04/2016	-1687	Sale	34053	0.1596
		34053	0.1596	31/03/2017			34053	0.1596
13.	SUVARNA KUMARI AGRAWAL							
		185000	0.8668	01/04/2016	No Change during the year			
		185000	0.8668	31/03/2017			185000	0.8668
14.	BANK OF BARODA							
		54567	0.2557	01/04/2016	No Change during the year			
		54567	0.2557	31/03/2016			54567	0.2557

\*Not in the list of Top 10 Shareholders as on 01/04/2016. The same has been reflected above since the Shareholder was one of the Top 10 Shareholders as on 31/03/2017.

# Ceased to be in the list of Top 10 Shareholders as on 31/03/2017. The same is reflected above since the Shareholder was one of the Top 10 Shareholders as on 01/04/2016.



## Attachment G

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

## v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year [As on 01 <sup>st</sup> April-2016]/ end of the year [As on 31 <sup>st</sup> March-2017]		Cumulative Shareholding during the year [As on 01 <sup>st</sup> April-2016 to 31 <sup>st</sup> March-2017]	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	ARUN KUMAR KOTHARI At the beginning of the year At the end of the year	108472 108472	0.5082 0.5082	108472	0.5082
2	PRABHAWATI DEVI KOTHARI At the beginning of the year At the end of the year	67875 67875	0.3180 0.3180	67875	0.3180
3	PRAVIN KUMAR JAIN At the beginning of the year At the end of the year	501 501	0.0023 0.0023	501	0.0023

Dr. H. P. Kanoria, Mr. H. M. Parekh, Mr. N. Pachisia and Mr. D. K. Sharda, Directors of the Company did not hold any shares during the financial year 2016-2017. Mr. D Karmakar, Company Secretary of the Company did not hold any shares during the financial year 2016-2017.

## Attachment H

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but due for payment (₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year - 1 <sup>st</sup> April, 2016				
i) Principal Amount	22,437.34	11,700.00	3,954.98	38,092.32
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	15.02	225.15	240.17
Total (i + ii + iii)	22,437.34	11,715.02	4,180.13	38,332.49
Change in indebtedness during the financial year				
· Addition	205.30	2,514.05	2,374.29	5,093.64
· Reduction	5,232.71	1,540.32	2,038.50	8,811.23
Net Change	-5,027.41	974.03	335.79	-3,717.59
Indebtedness at the end of the financial year - 31 <sup>st</sup> March, 2017				
i) Principal Amount	17,409.93	12,675.00	4,266.26	34,351.19
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	14.05	249.66	263.71
Total (i + ii + iii)	17,409.93	12,689.05	4,515.92	36,614.90



## Attachment I

## REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

## A. Remuneration to Managing Director &amp; CEO

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Name of the Managing Director & CEO Mr. D. K. Sharda
1	Gross Salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	40.90
	(b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	3.57
	(c) Profits in lieu of salary under Section 17(3) of Income Tax Act, 1961	
2	Stock Option	-
3	Sweat Equity	-
4	Commission	
	- As a percentage of profit	-
	- Others, specify	-
5	Others, please specify	-
	Total Amount (A)	44.47
	Ceiling as per the Act@	

@ The Company has made a standalone profit of ₹ 101.49 lakhs. However, the profit is inadequate and hence, Section II of Part II of Schedule V is applicable. The Effective Capital of the Company is ₹ 28,812.66 lakhs as on 31<sup>st</sup> March, 2016. The Company can pay remuneration to upto ₹ 120 lakhs plus 0.01% of the effective capital in excess of ₹ 250 crores.

## Attachment J

## REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

## B. Remuneration to other Directors

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors*					Total Amount
1	Independent Directors	-	-	HPK	HMP	NP	
	- Fee for attending Board / Committee meetings	-	-	0.15	2.11	2.00	4.26
	- Commission	-	-	-	-	-	-
	- Others, please specify	-	-	-	-	-	-
	Total(1)	-	-	-	-	-	-
2	Other Non-Executive Directors	AKK	PDK				
	- Fee for attending Board / Committee meetings	1.74	2.15	-	-	-	3.89
	- Commission	-	-	-	-	-	-
	- Others, please specify	-	-	-	-	-	-
	Total(2)	1.74	2.15	-	-	-	3.89
	Total(B) = (1+2)	1.74	2.15	0.15	2.11	2.00	8.15
	Total Managerial Remuneration (A+B)						52.62
	Overall Ceiling as per the Act@						

@ The Company has made a standalone profit of ₹ 101.49 lakhs. However, the profit is inadequate and hence, Section II of Part II of Schedule V is applicable. The Effective Capital of the Company is ₹ 28,812.66 lakhs as on 31<sup>st</sup> March, 2016. The Company can pay remuneration to upto ₹ 120 lakhs plus 0.01% of the effective capital in excess of ₹ 250 crores.

\* AKK-Mr. A. K. Kothari, PDK-Smt. P.D. Kothari, HPK-Dr. H.P. Kanoria, HMP-Mr. H.M.Parekh, NP-Mr. Naresh Pachisia.



## Attachment K

**REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****C. Remuneration to Key Managerial Personnel Other Than MD /Manager /WTD****(` in Lakhs)**

Sl. No.	Particulars of Remuneration	Mr. P. K. Jain - Chief Financial Officer	Mr. D. Karmakar - Company Secretary	<b>Total Amount</b>
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	31.07	15.38	46.45
	(b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	3.26	1.01	4.27
	(c) Profits in lieu of salary under Section 17(3) of Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- As a percentage of profit	-	-	-
	- Others, specify	-	-	-
5	Others, please specify	-	-	-
	Total	34.33	16.39	<b>50.72</b>

## Attachment L

## VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES : None

For and on behalf of the Board

A. K. Kothari  
ChairmanKolkata, 29<sup>th</sup> May, 2017





## Annexure VI

Details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016

- Ratio of remuneration of each Director to median remuneration of employees, percentage increase in remuneration of each Director, Chief Executive Officer (CEO), Chief Financial Officer and Company Secretary during the financial year ended on 31<sup>st</sup> March, 2017 :

S.N.	Name of Director and KMP	Designation	Ratio of remuneration of each Director to median remuneration of employees	%age increase in remuneration for the financial year ended on 31 <sup>st</sup> March, 2017
1.	Mr. D. K. Sharda	Managing Director & CEO	1:97.50	7.70%
2.	Mr. P. K. Jain	Chief Financial Officer	Not Applicable	17.60%
3.	Mr. D. Karmakar	Company Secretary	Not Applicable	25.00%

Note: Mr. A. K. Kothari, Non-Executive Promoter Chairman and Smt. P. D. Kothari, Non-Executive Promoter Director received sitting fees only during the financial year ended on 31<sup>st</sup> March, 2017. Dr. H.P. Kanoria, Mr. H. M. Parekh and Mr. N. Pachisia, who are Independent Directors, received sitting fees only in the said financial year.

- In the financial year ended on 31<sup>st</sup> March, 2017, there was increase of 4.96% in the median remuneration of employees.
- There were 8,988 permanent employees on the rolls of the Company as on 31<sup>st</sup> March, 2017.
- Average salary increase of Managerial employee and Non Managerial employee during the financial year ended on 31<sup>st</sup> March, 2017 is 16.80% and 9.10% respectively.
- The remuneration is paid as per the Nomination and Remuneration Policy of the Company.



6. Statement showing Particulars of top ten employees pursuant to Section 197(12) of the Companies Act, 2013 read with Rules 5(2) & 5 (3) of Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016:

Sl. No.	Name	Designation / Nature of Duties	Remuneration received p.a. (₹)	Qualification	Experience	Age in years	Date of commencement of Employment	Last Employment held before joining the Company
1.	Mr. Dev Kishan Sharda	Managing Director & CEO	44,46,196	B.Com, CA (Inter)	48 years	69 years	01.09.1973	Singhi & Co.
2.	Mr. Shakti Prakash Bhatt@	Sr. President & COO-GIS Cotton Mill	43,39,661	B. Tech (Textile)	42 years	62 years	19.08.1998	Shree Bhawani Cotton Mills Ltd.
3.	Mr. Manoj Sodhani	President - Textile	41,39,653	B.Com (Hons.), LLB, ACA,CS	21 years	46 years	01.04.1996	Veneer & NP Saw Mills Ltd.
4.	Mr. Mahesh Sodhani	President - Tea & Property	41,23,243	B.Com (Hons.), ACA, ACS, AICWA	19 years	45 years	01.05.2001	Kothari Plantations and Industries Ltd.
5.	Mr. Sanjib Raha	President-NISM	34,89,570	B.Tech (Textile )	26 years	46 years	18.12.2013	PT. Lotus Indah Textile Industries
6.	Mr. Pravin Kumar Jain	Jt. President & CFO	34,32,339	B.Com (Hons.), LLB, FCA, Certificate in Business & Industrial Administration	39 years	59 years	10.01.1984	Jain & Co., Chartered Accountants
7.	Mr. Santanu Datta \$	President-MICCO	29,81,059	B.E. (Mechanical)	40 years	63 years	18.03.2015	Primetals Technologies India Private Limited
8.	Mr. Subhayan Bhattacharya	Vice President - MICCO Division	26,86,464	B.Com (Hons), CA	19 years	44 years	10.07.2015	Primetals Technologies India Private Limited
9.	Mr. Tapas Kumar Bagchi #	Jt. President	26,74,241	B.E. (Mechanical)	53 years	76 years	20.07.1987	Ardec India Pvt. Ltd.
10.	Mr. Subir Sen	Sr. General Manager-HR	23,03,192	B.Com, PGDPM, PGCHRM	22 years	50 years	02.05.2016	Cement Manufacturing Company Limited

@Mr. Shakti Prakash Bhatt retired from the services of the Company from the close of working hours on 31<sup>st</sup> March, 2017.

# Mr. Tapas Kumar Bagchi was in the capacity of Jt. President- MICCO Division till 31<sup>st</sup> December, 2016.

\$ Mr. Santanu Datta resigned from the services of the Company from close of working hours on 1<sup>st</sup> October, 2016.

Notes:

1. Remuneration includes Basic Salary, HRA, Special Allowance, Ex-gratia, LTA, Medical, Leave Encashment, Employer's contribution to Provident Fund, Employer's contribution to NPS, Incentives and other Perquisites.
2. Nature of Employment and Duties: Contractual and in accordance with terms and conditions as per Company's rules and policies.
3. None of the above employees is a relative of any Director of the Company.

For and on behalf of the Board

A. K. Kothari  
Chairman

Kolkata, 29<sup>th</sup> May, 2017



## REPORT ON CORPORATE GOVERNANCE

*[In accordance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") with Stock Exchanges, the Directors present the Company's Report on Corporate Governance with respect to the financial year ended on 31<sup>st</sup> March, 2017]*

### I. Company's philosophy on Corporate Governance

The Company believes that good Corporate Governance means the adoption of best practices to ensure that the Company operates not only within the regulatory framework but is also guided by the broader business ethics. The Company's policy is reflected by the values of integrity, transparency, professionalism and accountability. The adoption of business and corporate practices based on transparency, professionalism and accountability, besides creating wealth for the shareholders, benefits the customers, creditors, employees, government and society at large.

The Company believes in meaningful policy on Corporate Governance by empowering the executive management and creating a mechanism of checks and balances to ensure that the decision making powers vested in the executive management are used with care and responsibility to meet the stakeholder's aspirations and societal expectations.

The Company is compliant with the provisions of Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paras C, D and E of Schedule V of SEBI Listing Regulations, as applicable, with regard to Corporate Governance.

### II. Board of Directors (hereinafter referred to as the 'Board')

The Board is entrusted with the ultimate responsibility of the management, affairs, directions and performance of the Company and has been vested with requisite powers, authorities and duties.

#### (A) Composition of Board

During the financial year ended on 31<sup>st</sup> March, 2017, your Company's Board was duly constituted in accordance with the requirements laid down under the Companies Act, 2013 (hereinafter referred to as 'the Act') and Regulation 17(1) of SEBI Listing Regulations. As on 31<sup>st</sup> March, 2017, the Board comprised of 6 (Six) Directors, out of which 3 (Three) being Independent Directors, 2 (Two) being Non – Executive Promoter Directors and 1 (One) being Whole time Director with considerable experience in their respective fields. In compliance with the requirements of the Act and SEBI Listing Regulations, the Company has 1 (One) Woman Director on its Board.

The Chairman provides overall direction and guidance to the Board. Concurrently, the Managing Director & CEO of the Company is responsible for the overall implementation. In the operations and functioning of the Company, the Managing Director & CEO is assisted by the operational and functional heads.

As on the date of this report, your Board is duly constituted in compliance with the Act and the SEBI Listing Regulations.

#### (B) Independent Directors

As on 31<sup>st</sup> March, 2017, the Board consisted of following 3 (Three) Independent Directors, in accordance with the provisions of the Act and SEBI Listing Regulations:

S.N.	Name	Date of Appointment
1	Dr. H. P. Kanoria	14 <sup>th</sup> August, 2014
2.	Mr. H. M. Parekh	14 <sup>th</sup> August, 2014
3.	Mr. N. Pachisia	14 <sup>th</sup> August, 2014

In accordance with Clause VIII of Schedule IV to the Act and Regulation 17(10) of SEBI Listing Regulations, the Board of Directors has evaluated the performance of the Independent Directors as per the criteria laid down in the Nomination and Remuneration Policy of the Company.

During the year under review, the Independent Directors, in accordance with Regulation 25(3) of the SEBI Listing Regulations and Clause VII of Schedule IV to the Act, met exclusively for a meeting on 14<sup>th</sup> February, 2017, without the presence of the Managing Director & CEO, Non-Executive Promoter Directors or Managerial Personnel, to review the performance of Non-Independent Directors and Board, as a whole. The Meeting was attended by all the Independent Directors of the Company except Dr. H. P. Kanoria. The Independent Directors also reviewed the performance of the Chairman of the Company, taking into account the views of Executive and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the Management and the Board.

The Board has also laid down a policy for familiarization of the Independent Directors with the operations of the Company, as well as, to make them aware about their rights, responsibilities and liabilities as an Independent Director. The details of the Policy on Familiarization Programme of the Independent Directors are available on the website of the Company and can be accessed at the link: <http://www.gillandersarbuthnot.com/pdf/policy/Familiarization%20Programme%20for%20Independent%20Director.pdf>

Mr. H. M. Parekh was appointed as the Lead Independent Director with effect from 13<sup>th</sup> November, 2014. All Independent



Directors have given necessary disclosures under Section 149(7) of the Act.

#### (C) Non-Executive Directors' Compensation and Disclosures

Remuneration to the Non-Executive Directors and Independent Directors are paid only after the approval of the Board and Members of the Company. At present, the sitting fees paid for attending a Meeting of the Board of Directors is ₹ 15,000/- and its Committees is ₹ 11,000/-, which is subject to deduction of tax at source. Details of sitting fees paid to them are given at respective places in this Report. In accordance with the Resolution passed by the Members at the 82<sup>nd</sup> Annual General Meeting of the Company held on 28<sup>th</sup> December, 2016, the Non-Executive Directors, including the Independent Directors, of the Company, are entitled to remuneration by way of commission in addition to the sitting fees and reimbursement of expenses for attending the said Meetings, as the Board may determine and in such proportion and manner, not exceeding 1% (one percent) of the net profits of the Company for each financial year, as computed in accordance with the provisions of Section 198 of the Act and Rules framed therein. During the financial year ended on 31<sup>st</sup> March, 2017 the Non Executive Directors received sitting fees only.

#### (D) Other Provisions as to Board and Committees

Your Company's Board plays an important role in ensuring good Corporate Governance and functioning of the Company. All information, as applicable and specified in Regulation 17(7) read with Schedule II Part A of SEBI Listing Regulations are regularly placed before the Board. Agenda and Notes on Agenda are

circulated to the Directors in advance before each Meeting of the Board and Committees for facilitating meaningful and focused discussions at the Meetings. In case of exigencies or urgency of matters, resolutions are passed by circulation.

The Members of the Board have complete freedom to express their opinion and the decisions are taken after detailed discussions.

The Board meets at least once in a quarter and at least four times in a year to review and approve the quarterly financial results and operations of the Company. Apart from the above, Board Meetings are convened, as and when required, by giving proper notice. The intervening period between two Board Meetings is well within the maximum gap of 120 days between any two consecutive Meetings as specified in Regulation 17(2) of SEBI Listing Regulations and Section 173(1) of the Act.

During the year under review, the Board met 7 (Seven) times. The details of Board Meetings held during the financial year ended on 31<sup>st</sup> March, 2017 are as under:

S.N.	Date of Board Meeting	City	No. of Directors present
1.	29 <sup>th</sup> May, 2016	Kolkata	5
2.	12 <sup>th</sup> August, 2016	Hooghly	5
3.	5 <sup>th</sup> October, 2016	Kolkata	4
4.	11 <sup>th</sup> November, 2016	Kolkata	4
5.	19 <sup>th</sup> November, 2016	Kolkata	4
6.	14 <sup>th</sup> February, 2017	Kolkata	5
7.	9 <sup>th</sup> March, 2017	Kolkata	5

The details of the Directors with regard to the outside Directorships and Committee positions, as well as Board Meetings/ Annual General Meeting (AGM) as on 31<sup>st</sup> March, 2017 are as follows:

S.N.	Name of Director	Category of Director	Attendance during 2016-2017		No. of Directorship (s)/ Chairperson (s) in other Companies \$	No. of Membership(s)/ Chairmanship(s) in outside Committee*
			Board Meetings	Last AGM held on 28.12.2016		
1.	Mr. A. K. Kothari	Non-Executive Promoter Chairman	5	No	6	5
2	Smt. P. D. Kothari	Non-Executive Promoter	7	Yes	4	2
3.	Dr. H. P. Kanoria	Independent	1	No	11	-
4.	Mr. H. M. Parekh	Independent	6	Yes	9	8 (3 as Chairman)
5.	Mr. N. Pachisia	Independent	6	Yes	6	5
7.	Mr. D. K. Sharda	Managing Director & CEO	7	Yes	1	-

\$ Includes Private Limited Companies, Foreign Companies and Companies under Section 8 of the Act.

\* Excludes Private Limited Companies, Foreign Companies and Companies under Section 8 of the Act. It only includes Audit Committee and Stakeholders Relationship Committee.



None of the above mentioned Directors of the Board hold Directorships in more than ten Public Companies. Further none of them is a member of more than ten Committees or Chairman of more than five Committees as specified in the Regulation 26 of SEBI Listing Regulations, across all the Companies in which he/she is a Director. Necessary disclosures as required under the Act and SEBI Listing Regulations have been made by the Directors.

None of the other Directors is acting as an Independent Director in more than seven listed Companies.

The Independent Directors are also in compliance with proviso to Regulation 25 (1) of SEBI Listing Regulations.

None of the Directors are related to inter-se except for Mr. A. K. Kothari and Smt. P. D. Kothari.

#### (E) Code of Conduct

1. The Code of Conduct as adopted by the Board of Directors is applicable to all its Board Members, Key Managerial Personnel and Senior Management Personnel representing all Executives from the 'General Manager' Grade and above. The Code of Conduct attempts to set forth the guiding principles on which the Company shall operate and, conduct its daily business with its multitudinous stakeholder's viz. shareholders, customers, creditors, employees, government, regulatory agencies, media and society at large. The Code of Conduct also contains the duties of the Independent Directors as laid down in Schedule IV to the Act. The Code may be accessed on the Company's website at the link: <http://www.gillandersarbuthnot.com/pdf/policy/Corporate%20Governance%20-Code%20of%20Conduct.pdf>
2. Declaration as required under Regulation 26(3) of SEBI Listing Regulations with respect to financial year ended on 31<sup>st</sup> March, 2017, signed by the Managing Director & CEO has been provided to the Board and is reproduced as Annexure 1 to this Report.

#### (F) Whistle Blower Policy

The Company has implemented the Whistle Blower Policy by way of forming a vigil mechanism, as required under Section 177 of the Act and Regulation 22 of SEBI Listing Regulations. The said policy provides for adequate safeguards against the victimization of the Directors and employees who avail this mechanism and ensures that the personnel gets direct access to the Chairman of the Audit Committee as defined in the Act and SEBI Listing Regulations. The same has been affirmed by the Board of Directors of the Company. The said policy can be accessed on the Company's website at the link: <http://www.gillandersarbuthnot.com/pdf/policy/Whistle%20Blower%20Policy.pdf>

#### (G) Policy for Determination of Materiality of Events / Information and Archival Policy

In accordance with Regulation 30 of SEBI Listing Regulations, the Company has framed a Policy for Determination of Materiality of Events / Information which provides guidance to the Board, management and staff on the assessment of materiality of events which will have bearing on the performance / operations of the Company. Further the Company has an Archival Policy in line with the requirements of SEBI Listing Regulations to ensure that information relating to the Company is adequately disclosed on its website as required by law. The Policies have been uploaded on the Company's website at the link: <http://www.gillandersarbuthnot.com/policies.php>

#### (H) Policy for Preservation of Documents

In accordance with Regulation 9 of SEBI Listing Regulations, the Company has framed a Policy for preservation of documents which has been approved by the Board of Directors of the Company. This Policy is intended to guide the Company and its officers on maintenance of any documents, their preservation and disposal. The said policy can be accessed on the Company's website at the link: <http://www.gillandersarbuthnot.com/pdf/policy/Policy%20for%20Preservation%20of%20Documents.pdf>

### III. Audit Committee

#### (A) Qualified and Independent Audit Committee

Your Company has a qualified and independent Audit Committee with the powers and the role that are in accordance with Section 177 of the Act and Rules made thereunder and Regulation 18 of SEBI Listing Regulations, which acts as a link between the Management, the Statutory Auditor, Branch Auditors, Cost Auditors, Internal Auditors and the Board of Directors and oversees the financial reporting process.

The composition of the Audit Committee is as follows:

S.N.	Name of the Director	Category	Designation
1.	Mr. H. M. Parekh	Independent	Chairman
2.	Mr. A. K. Kothari	Non-Executive Promoter	Member
3.	Mr. N. Pachisia	Independent	Member

The Statutory Auditor, Cost Auditors, as well as the Internal Auditors, Managing Director & CEO, Chief Financial Officer and other Executives of the Company were invited to the Audit Committee Meetings, as and when required. The Company Secretary acts as the Secretary to the Committee. The Chairman of the Audit Committee was present at the last Annual General Meeting held on 28<sup>th</sup> December, 2016.

**(B) Meetings of the Audit Committee**

During the year under review, the Audit Committee met 5 (Five) times on 29<sup>th</sup> May, 2016, 12<sup>th</sup> August, 2016, 11<sup>th</sup> November, 2016, 14<sup>th</sup> February, 2017 and 9<sup>th</sup> March, 2017 to deliberate on various matters. The details of the composition, attendance and sitting fees paid are as follows:

S.N.	Name of the Member	No. of Meetings attended	Gross Amount of Sitting fees paid (₹)
1.	Mr. H. M. Parekh	5	55,000
2.	Mr. A. K. Kothari	4	44,000
3.	Mr. N. Pachisia	5	55,000

**(C) Powers of Audit Committee**

The Audit Committee during the year under review was endowed with the following powers:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considered necessary.

**(D) Role of Audit Committee**

The role of the Audit Committee during the year under review includes the following:

1. Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company.
3. Approval of payment to Statutory Auditor for any other services rendered by the Statutory Auditor.
4. Reviewing, with the management, the annual financial statements and Auditors Report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement which are to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Act.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by the management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements.
  - f. Disclosure of any related party transactions; and
  - g. Modified opinion(s) in the draft audit report.

5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency, monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Reviewing and monitoring the Auditor's independence and performance, and effectiveness of audit process.
8. Approval of any subsequent modification of transaction of the Company with any related party.
9. Scrutiny of inter-corporate loans and investments.
10. Valuation of undertakings or assets of the Company, wherever it is necessary.
11. Evaluation of internal financial controls and risk management systems.
12. Reviewing, with the management, performance of Statutory and Internal Auditors, adequacy of the internal control systems.
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
14. Discussion with Internal Auditors of any significant findings and follow up there on.
15. Reviewing the findings of any internal investigation by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control system of a material nature and reporting the matter to the Board.
16. Discussion with Statutory Auditor before the audit commences, about the nature and scope of audit, as well as post-audit discussion, to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
18. To review the functioning of the Whistle Blower Mechanism.
19. Approval of appointment of Chief Financial Officer assessing the qualifications, experience and background, etc. of the candidate.
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.



#### (E) Review of information by Audit Committee

The Audit Committee reviews the following information:

1. Management discussion and analysis of financial condition and results of operations.
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management.
3. Management letters / letters of internal control weaknesses issued by the Statutory Auditor.
4. Internal audit reports relating to internal control weaknesses.
5. The appointment, removal and terms of remuneration of the Internal Auditors; and
6. Statement of deviations, if any.

#### IV. Nomination and Remuneration Committee

Your Company through its Board of Directors has set up a Nomination and Remuneration Committee (NRC). The role of the said Committee is in accordance with Section 178 of the Act read with Rules made thereunder and Regulation 19 of SEBI Listing Regulations. Mr. H. M. Parekh, Chairman of the NRC, was present at the last Annual General Meeting of the Company held on 28<sup>th</sup> December, 2016.

At present, the composition of the NRC is as follows:

S.N.	Name of the Director	Category	Designation
1.	Mr. H. M. Parekh	Independent	Chairman
2.	Smt. P. D. Kothari	Non-Executive Promoter	Member
3.	Dr. H. P. Kanoria	Independent	Member
4.	Mr. N. Pachisia	Independent	Member

The role of the NRC during the year under review includes the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
2. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.
3. Devising a policy on Board diversity of Directors.
4. Identifying persons who are qualified to become Directors and who may be appointed in Key Managerial Personnel and Senior Management positions in accordance with the criteria laid down in the Company's Nomination and Remuneration Policy, and

recommend to the Board their appointment and removal.

During the year under review, the NRC met thrice on 12<sup>th</sup> August, 2016, 14<sup>th</sup> February, 2017 and 9<sup>th</sup> March, 2017 to deliberate on various matters. The details of the composition, attendance and sitting fees paid are as follows:

S.N.	Name of the Member	No. of Meetings Attended	Gross Amount Sitting fees paid of ( ` )
1.	Mr. H. M. Parekh	3	33,000
2.	Smt. P. D. Kothari	3	33,000
3.	Dr. H. P. Kanoria	0	-
4.	Mr. N. Pachisia	3	33,000

#### V. Subsidiary Companies

The Company has a wholly owned direct Foreign Subsidiary at Mauritius by the name Gillanders Holdings (Mauritius) Limited. The Company also has step down Foreign Subsidiary Company at Malawi, viz., Group Developments Limited (GDL). GDL has three wholly owned subsidiaries viz., Naming'omba Tea Estates Limited, Mafisi Tea Estates Limited and Group Holdings Limited, all located at Malawi. The provisions of Regulation 24(1) of SEBI Listing Regulations are not applicable to the said Companies.

The Hon'ble High Court at Calcutta vide their Order dated 28<sup>th</sup> November, 2016 had sanctioned the Scheme of Arrangement between the Company and Barfani Builder Limited (BBL) and their respective Shareholders for reconstruction by transfer of Chemical (Waldies) Division of the Company to BBL, an Indian unlisted subsidiary Company.

The Company has sold and transferred its entire shareholding of 99.99% i.e. 1,47,29,995 numbers of fully paid up shares of ` 10/- each in Waldies Compound Limited (formerly known as Barfani Builder Limited), at a total consideration of ` 21,06,38,929/- (Rupees Twenty One Crores Six Lakhs Thirty Eight Thousand Nine Hundred Twenty Nine Only). Pursuant to Regulation 24 of SEBI Listing Regulations, financial statements of the Unlisted Subsidiary were placed before the Audit Committee of the Company. Minutes of the Meetings of the Board of Directors of the Subsidiary Companies are also placed before the Meeting of the Board of Directors of the Company.

#### VI. Risk Management

The Company has laid down a procedure to inform the Board Members, on a periodic basis, about the identified risks and the steps taken to mitigate and minimize the same. The Company has already identified and assessed major elements of risks, which may adversely affect the various Divisions of the



Company. The Executive Management reviews the identified risks, including assessment of the said risks and procedures, which are being implemented for the monitoring, mitigating and minimization of the said risks. 'Risk Champions' have been formally nominated at the operating businesses, whose role is to educate about the identified risks and to develop risk management culture within the businesses.

#### VII. Related Party Transactions

Your Company places all the details of related party transactions before the Audit Committee periodically. The Audit Committee reviews in its Meetings the details of the related party transactions entered into by the Company. A comprehensive list of related party transactions as required by the Accounting Standard (AS) 18, and as prescribed under the Act, forms part of Note No. 38 to the standalone financial statements in the Annual Report.

The Company's related party transactions include transactions with its Associate / Promoter Group / Sister Companies and are entered into on considerations of various business exigencies, liquidity and capital resources. All related party transactions are negotiated on an arm's length basis. Omnibus approval for related party transactions are granted by the Audit Committee subject to the conditions laid down in the Act and Regulation 23 of SEBI Listing Regulations. These transactions are not likely to have any conflict with the interests of the Company at large. During the period under review, the Company has not entered into any material transaction with any of its related parties.

Details of total remuneration paid to all the Directors of your Company for the year ended on 31<sup>st</sup> March, 2017 are as follows:

(` in lakhs)

S.N.	Name	Salary	Contribution to Provident & Other Funds	Leave Encashment on Retirement	Perquisites	Sitting Fees	Commission	Total
1.	Mr. A. K. Kothari	N.A.	N.A.	N.A.	N.A.	1.74	-	1.74
2.	Smt. P. D. Kothari	N.A.	N.A.	N.A.	N.A.	2.15	-	2.15
3.	Dr. H. P. Kanoria	N.A.	N.A.	N.A.	N.A.	0.15	-	0.15
4.	Mr. H. M. Parekh	N.A.	N.A.	N.A.	N.A.	2.11	-	2.11
5.	Mr. N. Pachisia	N.A.	N.A.	N.A.	N.A.	2.00	-	2.00
7.	Mr. D. K. Sharda	36.81	4.09	N.A.	3.57	N.A.	N.A.	44.47
	Total	36.81	4.09	-	3.57	8.15	-	52.62

#### VIII. Disclosures

##### (A) Related Party Transactions

Your Company has disclosed that no material transactions, with related parties have been entered into in the quarterly compliance report on Corporate Governance and the policy on the Related Party Transactions can be accessed on the Company's website at the link:

<http://www.gillandersarbuthnot.com/pdf/policy/Related%20Party%20Transaction%20Policy.pdf>

##### (B) Disclosure of Accounting Treatment

Your Company has followed all relevant Accounting Standards while preparing the Financial Statements.

##### (C) Remuneration to Directors

Remuneration of the Whole-time Director of the Company is recommended by the Nomination and Remuneration Committee and thereafter approved by the Board subject to the approval of the Members of the Company. The details of the Nomination and Remuneration Committee have been mentioned in Clause IV above.

Non-Executive Directors are entitled to sitting fees for attending the Meetings of the Board and Committees thereof. The present sitting fees is ` 15,000/- and ` 11,000/- for attending Meetings of the Board and Committee respectively. Commission to the Non-Executive Directors, including Independent Directors, are paid depending on the respective involvement of the Non-Executive Directors in the affairs of the Company, subject to the limits laid down in the Act, and as approved by the Members of the Company at the 82<sup>nd</sup> Annual General Meeting of the Company held on 28<sup>th</sup> December, 2016.





On the recommendation of the NRC at its meeting held on 14<sup>th</sup> February, 2017, the Board of Directors of the Company at their Meeting held on even date had re-appointed Mr. D. K. Sharda, as the 'Managing Director', designated as 'Managing Director & CEO' of the Company, for a period commencing from 1<sup>st</sup> April, 2017 to 31<sup>st</sup> October, 2017.

However, on further recommendation of the NRC at its meeting held on 9<sup>th</sup> March, 2017, the Board of Directors of the Company at their Meeting held on even date had extended the tenure of Mr. D. K. Sharda, as 'Managing Director', designated as 'Managing Director & CEO' of the Company till, 31<sup>st</sup> March, 2018. The said re-appointment has the consent of the Audit Committee and is subject to the approval of the Members at the ensuing 83<sup>rd</sup> Annual General Meeting of the Company.

There was no pecuniary relationship or significant/material transactions of the Non-Executive Directors vis-à-vis the Company.

All Non-Executive Directors have disclosed their shareholding in the Company. Details of shareholding of Non-Executive and Independent Directors are as follows:

S.N.	Name of Director	No. of Ordinary (Equity) Shares held as on 31 <sup>st</sup> March, 2017
1.	Mr. A. K. Kothari	1,84,213
2.	Smt. P. D. Kothari	67,875
3.	Dr. H. P. Kanoria	-
4.	Mr. H. M. Parekh	-
5.	Mr. N. Pachisia	-

#### (D) Management

1. The Management Discussion and Analysis Report forms part of the Annual Report and are in accordance with the requirements of Schedule V of SEBI Listing Regulations.
2. No material, financial and commercial transactions have been made by the Senior Management having personal interest, which may have a potential conflict with the interest of the Company at large.
3. The Code of Conduct has been disclosed on the website of the Company.

#### (E) Shareholders

1. The Company has provided the details of the Directors seeking re-appointment (as per the requirement specified in Regulations 26(4) and 36(3) of SEBI Listing Regulations) in the Notice convening the 83<sup>rd</sup> Annual General Meeting of the Company.
2. Out of all the Directors of your Company, only Mr. A. K. Kothari and Smt. P. D. Kothari are related to each other.
3. Quarterly results are regularly sent to Stock Exchanges where the Ordinary Shares of the Company are listed and are also uploaded on the Company's website.

#### 4. Stakeholders Relationship Committee

The Company has a Stakeholders Relationship Committee of the Board, constituted in accordance with the provisions of Section 178(5) of the Act and Regulation 20 of SEBI Listing Regulations, to specifically look into various matters relating to shareholders/investors, including transfer and transmission of shares, as well as, non-receipt of annual report, non-receipt of declared dividends, issue of share certificates (including issue of renewed or duplicate share certificates), share certificates after transfers/transmissions, etc. In addition, the Committee looks into other issues including status of dematerialization/rematerialisation of shares as well as systems and procedures followed to track investor complaints and suggest measures for improvement, from time to time.

At present, the Stakeholders Relationship Committee comprises of the following Directors viz., Mr. H. M. Parekh (Independent Director) as Chairman and Mr. A. K. Kothari, Smt. P. D. Kothari and Mr. D. K. Sharda as Members of the Committee. Mr. D. Karmakar, Company Secretary acts as the Compliance Officer. The said Committee met once during the year on 14<sup>th</sup> February, 2017.

Details of the attendance and sitting fees paid are as follows:

S.N.	Name of the Member	Attendance	Gross Amount of Sitting fees paid (₹)
1.	Mr. H. M. Parekh	Yes	11,000
2.	Mr. A. K. Kothari	Yes	11,000
3.	Smt. P. D. Kothari	Yes	11,000
4.	Mr. D. K. Sharda	Yes	N.A.

During the year, the Company has received 4 (Four) complaints regarding non-receipt of Annual Report/ Share Certificate/Dividend from the shareholders, all of which were attended satisfactorily. There was no investor complaint pending against the Company as on 31<sup>st</sup> March, 2017 on SCORES, the web based complaint redressal system of SEBI.

Pursuant to the authorization of the Board of Directors of the Company, either the Managing Director & CEO or the Chief Financial Officer or the Company Secretary approves the Transfer / Transmission / Sub-division / Consolidation/ Renewal/ Replacement / Issue of Duplicate Share Certificate(s) / Deletion of Name(s) and Dematerialization / Rematerialisation of Shares of the Company. A summary of transfer / transmission, etc. of securities of the Company so approved by the Managing Director & CEO, Chief Financial Officer and the Company Secretary is placed at every Board Meeting / Stakeholders Relationship Committee Meeting. A



certificate from a Practicing Company Secretary is obtained on a half yearly basis, as per the provisions of Regulations 40 (9) & (10) of SEBI Listing Regulations, relating to compliance with the formalities of share transfer and the same is also filed with the Stock Exchanges.

In compliance with Regulations 7(2) & (3) of SEBI Listing Regulations, a Compliance Certificate is filed with the Stock Exchanges where the shares of the Company are listed. The said Certificate is duly signed by both the Company Secretary & Compliance Officer of the Company and the authorised representative of the Share Transfer Agent on a half yearly basis to certify that all activities relating to both physical and electronic share transfer facility of the Company are maintained by 'Maheshwari Datamatics Pvt. Ltd.', Registrar and Share Transfer Agent (RTA) of the Company.

#### 5. Compliances by the Company

No strictures/penalties have been imposed on the Company by the Stock Exchanges or the Securities and Exchange Board of India (SEBI) or any Statutory Authority on any matters related to capital markets during the last 3 years.

This report has been prepared for the financial year ended on 31<sup>st</sup> March, 2017 in accordance with the provisions of the Act read with the Rules framed therein and the SEBI Listing Regulations. Your Board has taken all necessary steps to ensure compliance of the provisions of the above laws, as prescribed.

#### (F) Disclosure of formal letter of appointment

The draft formal letter of appointment issued to the Independent Directors, which contains the terms and conditions relating to their appointment, is available in the Company's website at the link:

[http://www.gillandersarbuthnot.com/pdf/da\\_letter\\_i\\_directors.pdf](http://www.gillandersarbuthnot.com/pdf/da_letter_i_directors.pdf).

#### (G) Disclosure of resignation of Directors

During the year under review, no Director resigned from the directorship of the Company.

#### (H) Proceeds from public issues, rights issues, preferential issues, etc.

During the year, the Company has not raised any proceeds from public issue, right issue or preferential issue. However, the Board of Directors at their Meetings held on 11<sup>th</sup> and 19<sup>th</sup> November, 2016, have issued and allotted respectively on private placement basis, 6,50,000 numbers of 7.75% Cumulative Redeemable Preference Shares of ₹ 100/- each to Kothari Investment & Industries Pvt. Ltd. and 5,60,000 numbers of 7.75% Cumulative Redeemable Preference Shares of ₹ 100/- each to Kothari & Company Pvt. Ltd., being the Promoter Group Companies, at par, aggregating to ₹ 12,10,00,000/-.

#### (I) Prohibition of Insider Trading

GACL – Code of Conduct for Prevention of Insider Trading, as approved by the Board of Directors, inter alia, prohibits purchase or sale of securities of the Company by the 'Specified Persons' while in possession of unpublished price sensitive information in relation to the Company.

#### IX. CEO and CFO Certification

The Managing Director & CEO and the CFO of the Company gives annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of SEBI Listing Regulations. They also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) of SEBI Listing Regulations.

#### X. Report on Corporate Governance

A. This Corporate Governance Report forms part of the Annual Report. The Company is compliant with all the applicable provisions of SEBI Listing Regulations.

B. Your Company regularly submits quarterly compliance report to the Stock Exchanges within 15 days from the close of each quarter, as per the requirement of Regulation 27(2) of SEBI Listing Regulations.

#### XI. Compliance

A. Certificate from CS Deepak Kumar Khaitan, Practising Company Secretary (FCS No. 5615), regarding compliance with the conditions of Corporate Governance, as stipulated in SEBI Listing Regulations, is annexed to the Directors' Report and forms part of the Annual Report.

B. The Company is compliant with all the mandatory requirements of Corporate Governance as specified in the Regulations 17 to 27 and clauses (b) to (i) of sub-regulation 2 of Regulation 46 and paras C, D and E of Schedule V of SEBI Listing Regulation.

C. Non-Mandatory Requirements: In accordance with the Regulation 27 read with Part E of Schedule II of SEBI Listing Regulations, the Company have adopted the following discretionary requirements:

- i) Audit Report: The financial statements are unqualified as there are no audit qualifications on the financial results of the Company for the financial year ended on 31<sup>st</sup> March, 2017.
- ii) Separate Posts of Chairman and Chief Executive Officer: Mr. A. K. Kothari is the Chairman of the Company and Mr. D. K. Sharda is the Chief Executive Officer and Managing Director of the Company. The Company has complied with the requirement of having separate persons to the post of Chairman and Chief Executive Officer.
- iii) Reporting of Internal Auditor: The Internal Auditors of the Company reports directly to the Audit Committee.



## XII. General Body Meetings:

### 1. Location and time of last three Annual General Meetings (AGM):

Financial Year	Date of AGM	Venue	Time
2015-2016 (82 <sup>nd</sup> AGM)	28.12.2016 Registrar of Companies vide its letter dated 8 <sup>th</sup> July, 2016 has allowed extension up to 31 <sup>st</sup> December, 2016 within which AGM for the financial year ended on 31 <sup>st</sup> March 2016, was to be held.	Mini Auditorium Hall of the Science City, J.B.S. Haldane Avenue, Kolkata- 700 046.	11.30 A.M.
2014-2015 (81 <sup>st</sup> AGM)	03.09.2015	Mini Auditorium Hall of the Science City, J.B.S. Haldane Avenue, Kolkata- 700 046.	11.30 A.M.
2013-2014 (80 <sup>th</sup> AGM)	14.08.2014	Williamson Magor Hall of The Bengal Chamber of Commerce & Industry, Kolkata-700001.	11.30 A.M.

2. At the last Annual General Meeting of the Company held on 28<sup>th</sup> December, 2016, one Special Resolution was proposed and passed. One Special Resolution was passed in the Annual General Meeting held on 3<sup>rd</sup> September, 2015 and Five Special Resolutions were passed in the Annual General Meeting held on 14<sup>th</sup> August, 2014.

### 3. Postal Ballot:

During the financial year ended on 31<sup>st</sup> March, 2017, no Special Resolution was passed by the Members of the Company through Postal Ballot. There is no immediate proposal for passing any resolution through Postal Ballot. None of the businesses proposed to be transacted at the ensuing 83<sup>rd</sup> Annual General Meeting of the Company require passing a resolution through Postal Ballot.

## XIII. Means of Communication:

- The quarterly/half-yearly/annual financial results in the proforma prescribed as per the SEBI Listing Regulations are approved by the Board of Directors and thereafter intimated to the Stock Exchanges and also published in the leading newspapers like The Economic Times / Business Standard in English and in Aajkaal / Ekdin in Bengali. The results are also available in the Company's website at <http://www.gillandersarbuthnot.com/financials.php>
- NSE Electronic Application Processing System (NEAPS) - All periodical compliance filings like shareholding pattern, corporate governance report, etc. are also filed electronically on NEAPS.
- BSE Corporate Compliance & Listing Centre (including XBRL Mode) – All periodical compliance filings are also filed electronically on the said centre.
- Quarterly/half yearly reports are not being sent to the shareholders.

## XIV. General Shareholder Information:

1)	Corporate Identity Number (CIN) of the Company	L51909WB1935PLC008194
2)	Date, time and venue of the Annual General Meeting (AGM)	83 <sup>rd</sup> Annual General Meeting of the Company will be held on 1 <sup>st</sup> September, 2017 at 11-00 A.M. at the Mini Auditorium Hall of the Science City at J. B. S. Haldane Avenue, Kolkata - 700 046.
3)	Financial Calendar 2017-2018 (tentative and subject to change)	<ul style="list-style-type: none"> <li>Financial Year: April to March</li> <li>First Quarter Results: by second week of September, 2017*</li> <li>Half Yearly Results: by second week of December, 2017*</li> <li>Third Quarter Results: by second week of February, 2018</li> <li>Audited results for the year ending 31<sup>st</sup> March, 2018 by last week of May, 2018</li> </ul> <p>* Extended in accordance with SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5<sup>th</sup> July, 2016, due to implementation of Ind-AS</p>
4)	Book Closure Period	25 <sup>th</sup> August, 2017 to 1 <sup>st</sup> September, 2017. (both days inclusive)
5)	Dividend Payment Date	No dividend has been recommended.



6)	Listing on Stock Exchanges	<p>i) National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra Kurla Complex, Bandra(E), Mumbai-400051.</p> <p>ii) BSE Limited (BSE) P J Towers, Dalal Street, Mumbai- 400 001.</p> <p>iii) The Calcutta Stock Exchange Limited (CSE) 7, Lyons Range, Kolkata-700 001.</p> <p>The Company has paid the Annual Listing fees to NSE, BSE &amp; CSE for 2017-2018</p>
7)	Stock Code	<p>NSE - GILLANDERS</p> <p>BSE - 532716</p> <p>CSE - 17321 &amp; 10017321</p>

## 8) Stock Market Price and BSE Sensex for the financial year under review #

Months	Stock Price at NSE		Stock Price at BSE		BSE Sensex	
	High (₹)	Low (₹)	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2016	69.90	60.50	72.00	60.45	26,100.54	24,523.20
May, 2016	67.10	53.00	69.00	54.60	26,837.20	25,057.93
June, 2016	69.20	53.15	69.30	53.10	27,105.41	25,911.33
July, 2016	73.40	64.00	73.00	63.40	28,240.20	27,034.14
August, 2016	68.65	58.20	69.00	60.75	28,532.25	27,627.97
September, 2016	64.55	59.00	65.00	57.70	29,077.28	27,716.78
October 2016	72.20	58.80	72.00	59.00	28,477.65	27,488.30
November, 2016	73.15	52.50	71.75	55.20	28,029.80	25,717.93
December, 2016	69.60	58.45	72.00	60.00	26,803.76	25,753.74
January, 2017	70.85	61.70	72.00	62.10	27,980.39	26,447.06
February, 2017	71.20	61.00	72.50	62.00	29,065.31	27,590.10
March, 2017	68.95	60.75	67.90	61.20	29,824.62	28,716.21

# Source NSE &amp; BSE Websites.

9) Registrar & Share Transfer Agent (Both Physical & Demat Segments)	<p>Maheshwari Datamatics Pvt. Ltd. ( Unit : Gillanders Arbuthnot and Company Limited) 23, R. N. Mukherjee Road, 5th Floor, Kolkata - 700001</p>
10) Share Transfer System	<p>Requests for transfer of shares in physical form received either at the office of the Company or at the office of the Registrar are generally approved within a maximum period of 15 days from the date of receipt provided the documents are complete in all respects.</p>

11) Distribution of Shareholding as on 31<sup>st</sup> March, 2017

Ordinary Shares held	Number of Shareholders	Percentage of Shareholders	Number of Shares	Percentage of Shares
1-500	13605	90.0218	1072955	5.0274
501-1000	735	4.8634	571372	2.6772
1001-2000	353	2.3357	516520	2.4202
2001-3000	142	0.9396	361680	1.6947
3001-4000	59	0.3904	210382	0.9857
4001-5000	52	0.3441	236048	1.1060
5001-10000	87	0.5757	607949	2.8486
10001 and above	80	0.5293	17765440	83.2402
Total	15113	100.00	21342346	100.00

12) Categories of Shareholders as on 31<sup>st</sup> March, 2017

Category	Number of shares	Percentage of Shareholdings
Indian Promoters	14671715	68.7446
Mutual Funds	300	0.0014
Banks, Financial Institutions, Insurance Companies	1256258	5.8862
Central Government/State Government(s)	7086	0.0332
Bodies Corporate	734901	3.4434
Indian Public	4479197	20.9873
NBFCs	2033	0.0095
NRI	125980	0.5903
Others - Trusts, Clearing Members	64876	0.3041
Total	21342346	100.00



13) Dematerialisation of Shares and Liquidity	<p>The shares of the Company are available for trading in the dematerialized form under both the Depository Systems in India - National Securities Depository Limited (NSDL) and Central Depository Service (India) Limited (CDSL). The annual custody fees for the financial year 2017-2018 have been paid to NSDL and CDSL. Trading in Company's shares can now be done only in the dematerialized form. As on 31<sup>st</sup> March, 2017, 2,05,44,202 Ordinary Shares representing 96.2603% of the total Ordinary Share Capital of the Company were held in dematerialized form.</p> <p>The International Securities Identification Number (ISIN) of the Company, as allotted by NSDL and CDSL is INE047B01011.</p>												
14) Outstanding ADRs/ GDRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity	Not applicable												
15) Plant Locations as on 31 <sup>st</sup> March, 2017	<p>1. Tea Division:</p> <table border="0"> <tr> <td data-bbox="555 802 993 943">a) Betjan Tea Estate, Post Office: Makum Junction, District: Tinsukia, Assam. Pin - 786170</td><td data-bbox="1008 802 1438 943">f) Borkatonee Tea Estate, Post Office: Golaghat, District: Golaghat, Assam. Pin - 785621</td></tr> <tr> <td data-bbox="555 969 993 1110">b) Jutlibari Tea Estate, Post Office: Hoogrijan, District: Dibrugarh, Assam. Pin - 786601</td><td data-bbox="1008 969 1438 1110">g) Dherai Tea Estate, Post Office: Dhekiajuli, District: Sonitpur, Assam. Pin - 784110</td></tr> <tr> <td data-bbox="555 1137 993 1278">c) Gorunga Tea Estate, Post Office: Golaghat, District: Golaghat, Assam. Pin - 785621</td><td data-bbox="1008 1137 1438 1278">h) Gairkhata Tea Estate, Post Office: Gairkhata, District: Jalpaiguri, W.B. Pin - 735212</td></tr> <tr> <td data-bbox="555 1304 993 1445">d) Arun Tea Estate, Post Office: Dhekiajuli, District: Sonitpur, Assam. Pin - 784110</td><td data-bbox="1008 1304 1438 1445">i) Taipoo Tea Estate, Post Office: Bagdogra, District: Darjeeling, W. B. Pin - 734422</td></tr> <tr> <td data-bbox="555 1471 993 1612">e) Dooria Tea Estate, Post Office: Golaghat, District: Golaghat, Assam. Pin - 785621</td><td data-bbox="1008 1471 1438 1612">j) Tengpani Tea Estate, Post Office: Makum Junction, District: Tinsukia, Assam. Pin - 786170</td></tr> </table> <p>2. Textile Division:</p> <table border="0"> <tr> <td data-bbox="555 1675 993 1816">(i) North India Spinning Mill, Vill.- Akbarpur, Ahmedgarh - 148021 District: Sangrur, Punjab.</td><td data-bbox="1008 1675 1438 1816">(ii) GIS Cotton Mill, 47, G.T. Road, Champdany, P.O. Baidyabati, District: Hooghly, W.B. Pin - 712222</td></tr> </table>	a) Betjan Tea Estate, Post Office: Makum Junction, District: Tinsukia, Assam. Pin - 786170	f) Borkatonee Tea Estate, Post Office: Golaghat, District: Golaghat, Assam. Pin - 785621	b) Jutlibari Tea Estate, Post Office: Hoogrijan, District: Dibrugarh, Assam. Pin - 786601	g) Dherai Tea Estate, Post Office: Dhekiajuli, District: Sonitpur, Assam. Pin - 784110	c) Gorunga Tea Estate, Post Office: Golaghat, District: Golaghat, Assam. Pin - 785621	h) Gairkhata Tea Estate, Post Office: Gairkhata, District: Jalpaiguri, W.B. Pin - 735212	d) Arun Tea Estate, Post Office: Dhekiajuli, District: Sonitpur, Assam. Pin - 784110	i) Taipoo Tea Estate, Post Office: Bagdogra, District: Darjeeling, W. B. Pin - 734422	e) Dooria Tea Estate, Post Office: Golaghat, District: Golaghat, Assam. Pin - 785621	j) Tengpani Tea Estate, Post Office: Makum Junction, District: Tinsukia, Assam. Pin - 786170	(i) North India Spinning Mill, Vill.- Akbarpur, Ahmedgarh - 148021 District: Sangrur, Punjab.	(ii) GIS Cotton Mill, 47, G.T. Road, Champdany, P.O. Baidyabati, District: Hooghly, W.B. Pin - 712222
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16) Address for Communication	<p>Gillanders Arbuthnot and Company Limited, Secretarial Department, C-4, Gillander House, Netaji Subhas Road, Kolkata - 700 001. Phone : (033) 2230 2331 (6 Lines) Fax : 033 - 2230 4185 email: secretarial@gillandersarbuthnot.com</p> <p>(Investors are requested to forward their complaints /grievances, if any to the above e-mail address only)</p> <p>Registrar and Share Transfer Agent Maheshwari Datamatics Pvt. Ltd. (Unit : Gillanders Arbuthnot and Company Limited) 23, R. N. Mukherjee Road, 5th Floor, Kolkata - 700001 Phone : (033) 2248 2248, 2243 5029, 2231 6839 Fax : 033 - 2248 4787 email: mdpldc@yahoo.com</p>	
17) Cost Audit	For the Financial Year 2016-2017	
	Name of Division	Name of Cost Auditor
	Tea	M/s. B. Ray & Associates,
	Textile Division	M/s Rammani Sarkar & Co.
	Chemical (Waldies)	M/s. D. Sabyasachi & Co.
	Engineering (MICCO)	M/s. D. Sabyasachi & Co.

## XV. Other Board Committees

### 1) Finance Committee

The Finance Committee of the Board of Directors of the Company has been delegated powers/authorities by the Board of Directors subject to certain limits. Mr. A. K. Kothari is the Chairman of the Committee, whereas, Smt. P. D. Kothari and Mr. D. K. Sharda are the Members of the said Committee. Mr. P. K. Jain, Chief Financial Officer is a permanent invitee to the Committee and Mr. D. Karmakar, Company Secretary, acts as the Secretary to the Committee. During the year under review, the Finance Committee met 5 (Five) times. The Board of Directors at its Meeting held on 29<sup>th</sup> May, 2017 has appointed Mr. H. M. Parekh as the Member of the said Committee.

### 2) Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee of the Company has been constituted in accordance with the Act. At present, Mr. H. M. Parekh is the Chairman of the Committee, Smt. P. D. Kothari and Mr. N. Pachisia, are the Members of the said Committee. Mr. D. Karmakar, Company Secretary, acts as the Secretary to the Committee. During the year under review, the Corporate Social Responsibility Committee met once i.e. on 11<sup>th</sup> November, 2016.

The Committee is entrusted with the duty to assist the Board in discharging its social responsibilities by recommending Corporate Social Responsibility Policy and the programs in which the Company should undertake Corporate Social Activities.

## XVI. Other Useful information for Shareholders

### 1) Unpaid/Unclaimed Dividends

During the year under review, the Ministry of Corporate Affairs notified the provisions relating to unpaid/unclaimed dividends under Sections 124 and 125 of the Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules. As per the new Rules, dividend not encashed/ claimed within seven years from the date of declaration are to be transferred to the Investor Education and Protection Fund (IEPF) Authority. The new IEPF Rules mandate companies to transfer shares of shareholders whose dividends remain unpaid/ unclaimed for a continuous period of seven years to the account of IEPF Authority. The shareholders whose dividend /shares will be transferred to the IEPF Authority can claim their shares/dividend from the Authority. In accordance with the new IEPF Rules, the Company has sent notices to all the shareholders whose shares are due to be transferred to the IEPF Authority and published requisite advertisement in the newspapers.



Shareholders who have not yet encashed their dividend warrant(s) for the financial year 2009-2010 or any subsequent financial years are requested to submit their claims to the Registered Office of the Company for revalidation/issue of duplicate dividend warrants quoting reference of their Ledger Folio numbers. Unclaimed dividend for the year 2009-2010 is due for transfer to IEPF later during the year.

2) Green Initiative in Corporate Governance

In furtherance of the "Green Initiative in Corporate Governance" initiated by the Ministry of Corporate Affairs, the Company once again requests all the shareholders, holding shares in dematerialized form and who has not yet registered their e-mail address, to register their e-mail address with the Company for receiving notice/documents including Annual Report in electronic mode through their concerned Depository Participants. Shareholders who hold shares in physical form and who has not yet registered their e-mail address are requested to register their e-mail id with Maheshwari Datamatics Pvt. Ltd., Registrar and Share Transfer Agent of the Company.

3) Equity Shares in the Suspense Account

In terms of Regulation 39 (4) of the SEBI Listing Regulations read with Schedule VI of the said Regulation, the Company reports that no shares are lying in the suspense account, which were issued in demat form and physical form.

For and on behalf of the Board

A. K. KOTHARI  
Chairman

Date: 29<sup>th</sup> May, 2017  
Place : Kolkata

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Annexure 1

Declaration as prescribed under Schedule V as required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Members of the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Company's 'Code of Conduct' for the financial year ended on 31<sup>st</sup> March, 2017.

Date : 29<sup>th</sup> May, 2017  
Place : Kolkata

D. K. Sharda  
Managing Director & CEO





COMPLIANCE CERTIFICATE  
REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE  
FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2017

[as prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To the Members of  
Gillanders Arbuthnot and Company Limited  
(CIN L51909WB1935PLC008194)

1. I have reviewed the compliance of conditions of Corporate Governance by Gillanders Arbuthnot and Company Limited (hereinafter referred to as 'the Company'), for the year ended on 31<sup>st</sup> March, 2017, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and paras C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations').
2. In my opinion and to the best of my information and according to the examinations of the relevant records and the explanations given to me and the management representation letter of even date, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) and paras C, D and E of Schedule V of the Listing Regulations, during the year ended on 31<sup>st</sup> March, 2017.
3. The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. I further state that such compliance 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.

Date: 29<sup>th</sup> May, 2017  
Place: Kolkata

CS Deepak Kumar Khaitan  
Practising Company Secretary  
F.C.S. No.: 5615  
C.P. No.: 5207

ICSI Unique Code No. : I2003WB347200



## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF GILLANDERS ARBUTHNOT AND COMPANY LIMITED

#### Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Gillanders Arbuthnot and Company Limited ('the Company'), which comprise the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that

are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

#### Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the 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 31st March 2017, its profit and its cash flows for the year ended on that date.

#### Other Matters

7. We did not audit the financial statements/ information of two units included in the standalone financial statements of the Company whose financial statements reflect total assets of ₹ 36,649.19 lakhs as at 31st March, 2017 and total revenues of ₹ 26,147.95 lakhs for the year ended on that date, as considered in the standalone financial statements. The financial statements/information of these units have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these units, is based solely on the report of such branch auditors.

Our opinion is not modified in respect of this matter.

#### Report on Other Legal and Regulatory Requirements

8. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order.

9. As required by Section 143 (3) of the Act, we report that:

- 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;
- 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;
- The reports on the accounts of Engineering (MICCO) Division and GIS Cotton Mill (a unit of Textile Division) of the Company audited under section 143(8) of the Act has been sent to us and have been properly dealt with us in preparing our report;
- The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016;



- f) On the basis of the written representations received from the directors as on 31st March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2017, 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 and the operating effectiveness of such controls, refer to our separate report in 'Annexure B' to this report; and
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements as stated in Note 31 to the standalone financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
  - iv. The Company has provided requisite disclosures in its Financial Statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 47 of the Standalone Financial Statements.
- c) According to the information and explanations given to us by the management and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. As explained to us, inventories (excluding inventories with third parties) were physically verified during the year by the management or by a firm of Chartered Accountants on behalf of the management at reasonable intervals and no material discrepancies were noticed on such verification. In respect of inventories lying with third parties, those have substantially been confirmed by them.
- iii. According to the information and explanations given to us, the Company has not granted any loan secured/unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Consequently, the provisions of clauses iii (a), iii (b) and iii (c) of the Order are not applicable to the Company and hence not commented upon.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act 2013 in respect of the loans and investments made or guarantees and securities provided by it.
- v. According to information and explanations given to us, the Company has complied with the directives issued by Reserve Bank Of India, and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the Rules framed there under with respect to deposits (from public). According to the information and explanation's given to us no Order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.
- vi. We have broadly reviewed the cost records maintained by the Company relating to its products (Engineering, Tea and Textile) pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 148(1) of the Act, and are of the opinion that prima facie the prescribed Cost Records have been made and maintained. We have, however not made a detailed examination of the cost record with a view to determine whether they are accurate or complete.
- vii. According to the information and explanations given to us and the records of the Company examined by us:
  - a) The Company is generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, duty of customs, duty of excise, value added tax, cess and other statutory dues, as applicable, to the appropriate authorities.  
There are no arrears in respect of the aforesaid dues as at 31st March 2017 for a period of more than six months from the date they became payable.
  - b) The particulars of dues of income tax, sales tax, duty of excise, service tax, duty of customs, and value added tax have not been deposited by the Company on account of disputes are as follows;

For Singhi & Co.

*Chartered Accountants*

Firm's registration number: 302049E

Anurag Singhi

*Partner*

Place: Kolkata

Dated: 29<sup>th</sup> May, 2017

Membership number: 066274

#### Annexure - A to the Independent Auditor's Report

(Referred to in paragraph 8 with the heading 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

- i. In respect of its fixed assets:
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) As explained to us, the fixed assets have been physically verified during the year by the management and/or by a firm of Chartered Accountants on behalf of the management at reasonable intervals and no material discrepancies have been noticed on such physical verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.



Name of the Statute	Nature Of Dues	Amount Involved ( ` In lacs)	Period to which the amount relates	Forum where dispute is pending
The Central Sales Tax Act, 1956	Sales Tax	34.60	2003-04 & 2004-05	West Bengal Commercial Taxes Appellate and Revisional Board, Kolkata
		309.25	2006-07 to 2011-12	West Bengal Commercial Taxes Appellate and Revisional Board, Kolkata
		148.56 (Net of amount paid under protest amounting to ` 23.43)	2012-13	The Appellate Joint Commissioner, Sales Tax Kolkata
		48.65 (Net of amount paid under protest amounting to ` 8.74)	2013-14	The Appellate Sr. Joint Commissioner, Sales Tax Kolkata
The West Bengal Sales Tax Act, 1994	Sales Tax	30.25	1996-97 & 1998-99	Deputy Commissioner of Commercial Taxes, Kolkata
		0.10	2003-04 & 2004-05	West Bengal Commercial Taxes Appellate and Revisional Board, Kolkata
		0.82	2001-02	Settlement of Dispute Board
The West Bengal Value Added Tax Act, 2005	Sales Tax	158.30 (Net of amount paid under protest amounting to ` 6.46)	2012-13	The Appellate Joint Commissioner, Sales Tax Kolkata
		29.25 (Net of amount paid under protest amounting to ` 3.28)	2013-14	The Appellate Sr. Joint Commissioner, Sales Tax Kolkata
		347.37	2006-07 to 2007-08	West Bengal Commercial Taxes Appellate and Revisional Board, Kolkata
Bengal Finance (Sales Tax) Act, 1941	Sales Tax	15.66	1985-86	West Bengal Commercial Taxes Appellate and Revisional Board, Kolkata
Orissa Sales Tax Act, 1947	Sales Tax	0.53	1998-99	Additional Commissioner of Sales Tax, Cuttack
Central Sales Tax (Orissa) Rules, 1957	Sales Tax	9.30	1998-99 & 1999-2000	Additional Commissioner of Sales Tax, Cuttack
Jharkhand VAT Act, 2005	VAT	674.33 (Net of amount paid under protest amounting to ` 30.02)	2009-10 to 2012-13	Sales Tax Tribunal, Commissioner of Commercial Taxes, Ranchi
The Central Excise Act, 1944	Excise Duty	34.32	Upto 1987-88	Office of the Commissioner - Central Excise
		22.55	Various periods from 1994-95 to 2007-08	Office of the Additional / Deputy Commissioner of Central Excise
Finance Act, 1994	Service Tax	274.24 (Net of amount paid under Protest ` 81.66)	2003-04 to 2011-12	CESTAT, Kolkata
		35 Lacs(Net of amount paid under Protest ` 4)	June 2005 to September 2010	CESTAT, Chennai
		27.69 Lacs(Net of amount paid under Protest ` 2.24)	October 2010 to June 2012	Commissioner of Central Excise (Appeals)
Income Tax Act, 1961	Income Tax	8.34	2007-08 to 2015-16	Asst. commissioner of I.T -CPC (TDS)
		5.86	1987-88	Hon'ble High Court at Calcutta

- viii. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not defaulted in repayment of loans or borrowings to any financial institution, bank or Government. The Company had neither any outstanding debenture at the beginning of the year nor has it issued any debenture during the year.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. According to the information and explanation given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with

- sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of fully or partly convertible debentures during the year. However, the Company has issued fully paid Cumulative Redeemable Preference Shares on private placement basis during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- xvi. According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable to the Company.

For Singhi & Co.  
Chartered Accountants  
Firm's registration number: 302049E

Anurag Singhi  
Partner

Place: Kolkata  
Dated: 29<sup>th</sup> May, 2017

Membership number: 066274



## Annexure - B to the Independent Auditor's Report

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

(Referred to in paragraph 9(g) with the heading 'Report on Other Legal and Regulatory Requirements' section of our report of even date in respect to statutory audit of Gillanders Arbuthnot and Company Limited for the year ended 31st March 2017)

1. We have audited the internal financial controls over financial reporting of Gillanders Arbuthnot and Company Limited ('the Company') as of 31<sup>st</sup> March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

### 1. Meaning of Internal Financial Controls over Financial Reporting

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

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, 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.
9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the company, insofar as it relates to the branches not audited by us, is based on the corresponding reports of the said branch auditors. Our opinion is not modified in respect of this matter.

For Singhi & Co.  
Chartered Accountants  
Firm's Registration Number: 302049E

Place: Kolkata  
Dated: 29<sup>th</sup> May, 2017

Anurag Singhi  
Partner  
Membership Number: 066274

**BALANCE SHEET** as at 31st March, 2017

		in Lakhs	
Particulars	Note No.	As at 31st March, 2017	As at 31st March, 2016
<b>EQUITY AND LIABILITIES</b>			
Shareholders' Funds			
Share Capital	2	3,544.23	2,334.23
Reserves and Surplus	3	17,444.77	16,752.33
Non-Current Liabilities			
Long Term Borrowings	4	10,637.65	12,545.09
Deferred Tax Liabilities (Net)	5	-	-
Other Long Term Liabilities	6	1,713.94	2,366.29
Current Liabilities			
Short Term Borrowings	7	20,482.42	21,334.56
Trade Payables			
i) Dues to Micro and Small enterprises	8	-	-
ii) Dues to creditors other than Micro and Small enterprises	9	11,272.41	11,469.21
Other Current Liabilities	10	7,298.01	8,030.52
Short Term Provisions	11	2,266.27	2,845.14
<b>TOTAL</b>		<b>74,659.70</b>	<b>77,677.37</b>
<b>ASSETS</b>			
Non-Current Assets			
Fixed Assets	12		
i) Tangible Assets		22,685.88	23,465.14
ii) Intangible Assets		19.85	29.85
iii) Capital Work-in-Progress		62.08	105.41
		22,767.81	23,600.40
Non-Current Investments	13	2,714.25	2,719.25
Long Term Loans and Advances	14	4,422.59	5,025.86
Other Non-Current Assets	15	1,937.31	1,903.00
Current Assets			
Current Investments	16	99.74	99.74
Inventories	17	15,754.36	15,814.48
Trade Receivables	18	10,236.56	12,400.61
Cash and Bank Balances	19	839.43	421.09
Short Term Loans and Advances	20	11,042.32	10,899.43
Other Current Assets	21	4,845.33	4,793.51
<b>TOTAL</b>		<b>74,659.70</b>	<b>77,677.37</b>

Significant Accounting Policies

1

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

As per our report of even date.

For and on behalf of the Board

For Singhi & Co.  
*Chartered Accountants*  
 Firm Registration Number - 302049E  
 Anurag Singhi  
*Partner*  
 Membership No. 066274  
 Kolkata, 29th May, 2017

D. K. Sharda  
*Managing Director & CEO*  
 DIN : 00105406

A. K. Kothari  
*Chairman*  
 DIN : 00051900

D. Karmakar  
*Company Secretary*

P. K. Jain  
*Chief Financial Officer*



# STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2017

₹ in Lakhs

Particulars	Note No.	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Income			
Revenue from Operations (Gross)	22	66,600.59	79,971.26
Less : Excise Duty		31.78	632.92
Revenue from Operations (Net)		66,568.81	79,338.34
Other Income	23	1,151.75	774.23
Total Revenue		67,720.56	80,112.57
Expenses			
Cost of Materials Consumed	24	23,064.86	28,242.53
Purchases of Stock-in-Trade	25	5,423.38	10,080.94
Changes in Inventories of Finished goods, Work-in-Progress and Stock-in-Trade	26	41.82	(653.12)
Employee Benefits Expense	27	13,347.48	13,217.12
Finance Costs	28	4,686.40	4,650.28
Depreciation and Amortisation Expense	12	1,899.31	1,864.92
Other Expenses	29	21,312.59	24,799.41
Total Expenses		69,775.84	82,202.08
Profit/(Loss) before Exceptional Items and Tax		(2,055.28)	(2,089.51)
Exceptional Items	34	2,206.77	-
Profit/(Loss) before Tax		151.49	(2,089.51)
Tax Expense:			
-Current Tax	30	80.00	80.00
-Excess provision made in earlier year		(30.00)	-
Profit/(Loss) from Continuing Operations (A)		101.49	(2,169.51)
Loss from Discontinuing Operations	35	-	(97.41)
Tax expense of Discontinuing Operations		-	-
Profit/(Loss) from Discontinuing operations (B)		-	(97.41)
Profit/(Loss) for the year (A+B)		101.49	(2,266.92)
Earnings per Ordinary Share (Face Value of ₹ 10 per share)			
Basic & Diluted (in ₹)	45	0.24	(10.70)
Significant Accounting Policies	1		

The accompanying notes are an integral part of the standalone financial statements.  
As per our report of even date.

For and on behalf of the Board

For Singhi & Co.  
Chartered Accountants  
Firm Registration Number - 302049E  
Anurag Singhi  
Partner  
Membership No. 066274  
Kolkata, 29th May, 2017

D. K. Sharda  
Managing Director & CEO  
DIN : 00105406

A. K. Kothari  
Chairman  
DIN : 00051900

D. Karmakar  
Company Secretary

P. K. Jain  
Chief Financial Officer



## CASH FLOW STATEMENT for the year ended 31st March, 2017

in Lakhs

	For the year ended 31st March, 2017		For the Year ended 31st March, 2016	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit/(Loss) before tax		151.49		(2,186.92)
Adjustments for :				
Depreciation and Amortisation Expense	1,899.31		1,868.18	
Finance Cost (Net of incentive income)	4,686.40		4,650.28	
Exceptional profit (Refer Note 34)	(2,206.77)			
(Profit)/Loss on Sale of Property, Plant and Equipment (Net)	(435.51)		8.66	
Bad Debts and Advances written off	118.06		100.50	
Provision for Doubtful Debts and advances (Net of written back)	(45.05)		171.52	
Provision for diminution in value of investment written back	-		(0.67)	
Interest Income	(248.80)		(241.08)	
Dividend Income	-		(13.41)	
Liability no longer required written back	(15.14)	3,752.50	(213.48)	6,330.50
Operating profit before Working Capital Changes		3,903.99		4,143.58
Adjustments for :				
Trade and Other Receivables	1,590.17		507.18	
Inventories	(539.30)		(517.05)	
Trade and Other Payables	(770.50)	280.37	392.67	382.80
Cash Generated from Operations		4,184.36		4,526.38
Direct Taxes Paid (Net)		69.86		(388.52)
Interest received on Income Tax Refund		36.77		-
Net Cash from Operating Activities		4,290.99		4,137.86
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Property, Plant and Equipment including Capital Work in Progress	(1,150.39)		(1,047.61)	
Proceeds from Sale of Property, Plant and Equipment	2,184.60		41.46	
Capital Subsidy Received	4.21		33.27	
Proceeds from Sale of shares in subsidiary	2,106.39		-	
Investment in Subsidiaries	-		(5.00)	
Interest Received	225.65		323.31	
Dividend Received	-		13.41	
Net Cash from/(used in) Investing Activities		3,370.46		(641.16)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from issue of Preference Shares	1,210.00			
Repayment of Short Term Borrowings (Net)	(309.90)		(4,595.47)	
Proceeds from Long Term Borrowings	130.00		8,894.74	
Repayment of Long Term Borrowings	(3,814.22)		(3,850.44)	
Proceeds from Fixed Deposits (from Public)	2,125.28		1,873.60	
Repayment of Fixed Deposits (from Public)	(1,814.00)		(867.46)	
Dividend Paid	(2.09)		(9.23)	
Finance Charges Paid	(4,643.07)		(4,646.26)	
Net Cash used in Financing Activities		(7,118.00)		(3,200.52)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)		543.45		296.18





## CASH FLOW STATEMENT (Contd.)

₹ in Lakhs

Cash and Cash Equivalents on Opening date  
Cash and Cash Equivalents transferred as per Scheme of Arrangement  
(Refer Note - 33)  
Cash and Cash Equivalents on Closing date  
[See Note-b below]

For the Year ended 31st March, 2017		For the Year ended 31st March, 2016	
	2,324.09		2,027.91
	(90.80)		-
	2,776.74		2,324.09
	543.45		296.18

### Notes :

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 on 'Cash Flow Statements'.
- Cash and Cash Equivalents includes ₹ 2,579.83 lakhs (Previous Year - ₹ 1,985.86 lakhs) available for restricted use (Refer Note - 19). The restrictions are mainly on account of cash and bank balances held as margin money deposit against bank guarantees, under lien and unclaimed dividends.
- The deposits maintained by the bank comprises of time deposits, which can be withdrawn by the company at any point of time without prior notice or penalty on the principal.
- The following are non-cash transactions:  
Pursuant to the Scheme of Arrangement (Refer Note 33), the assets and liabilities of the Company relating to the Chemical (Waldies) Division has been transferred to Barfani Builders Limited (BBL) on slump exchange basis from 1st April 2015 at the value stated below:

	₹ in lakhs
a) Short-term borrowings	210.93
b) Other liabilities	407.63
c) Property, Plant and Equipments	36.07
d) Other Assets	1,321.83

The summary of cash flows for the period 1st April 2015 to 31st March 2016 are as under:

	₹ in lakhs
Opening Cash and cash equivalents as on 1st April, 2015	73.73
Net cash generated from operating activities	174.27
Net cash generated from investing activities	5.37
Net cash generated from financing activities	(162.57)
Closing cash and cash equivalents as on 31st March, 2016	90.80

Also, pursuant to the Scheme the Company has received 14,680,000 Equity Shares of ₹ 10 each, at par, aggregating to ₹ 1,468 lakhs from BBL.

- Previous year's figures have been rearranged and regrouped, wherever necessary.

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

As per our report of even date.

For Singhi & Co.  
Chartered Accountants  
Firm Registration Number - 302049E  
Anurag Singhi  
Partner  
Membership No. 066274  
Kolkata, 29th May, 2017

D. K. Sharda  
Managing Director & CEO  
DIN : 00105406

D. Karmakar  
Company Secretary

For and on behalf of the Board  
A. K. Kothari  
Chairman  
DIN : 00051900

P. K. Jain  
Chief Financial Officer



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended 31<sup>st</sup> March, 2017

### 1. Significant Accounting Policies

#### 1.1 Basis of Accounting

These financial statements of the Company have been prepared to comply in all material aspects with all the applicable accounting principles in India (Indian GAAP), the applicable accounting standards as prescribed under section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016 and relevant provisions of Companies Act, 2013, to the extent notified. The financial statements have been prepared under the historical cost convention on an accrual basis.

#### 1.2 Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires judgements, estimates and assumptions to be made by the management, that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

#### 1.3 Property, Plant and Equipment

##### i) Tangible Assets (other than bearer plants)

- a) Property, Plant and Equipment are stated at cost less accumulated depreciation and cumulative impairment losses, if any. Cost includes duties, taxes, incidental expenses, erection/commissioning expenses and borrowing cost attributable to qualifying assets up to the date, the asset is put to use. Expenses for the repair of property, plant and equipment are charged against income when incurred.
- b) Land taken on perpetual lease is capitalized together with development expenditure incurred on the same.
- c) An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized in the statement of profit and loss.
- d) Depreciation on property, plant and equipment is provided under Straight Line method at rates determined based on useful life of the respective assets and the residual values in accordance with Schedule II of the Companies Act, 2013 or re-assessed by the Company based on technical evaluation except in respect of the following where Written Down value Method is followed:
  - i) In respect of assets under Company's Engineering (MICCO) Division.
  - ii) In respect of Tea Division, assets acquired from Kothari Plantations and Industries Limited amalgamated with the Company.
- e) In respect of the Plant & Machinery other than continuous process plant under Textile Division, useful life of 30 years has been considered on the basis of technical evaluation, which is different from life specified in Schedule-II.
- f) Land taken on perpetual lease is not amortized.

##### ii) Bearer Plants

- a) Bearer plants comprising of mature tea bushes and shade trees are stated at cost less accumulated depreciation and cumulative impairment losses, if any. Young tea bushes and shade trees, are carried at cost less impairment losses, if any, under capital work-in-progress. Cost includes the uprooting cost, land development, new planting/replanting and upkeep expenses until maturity. On maturity, these costs are classified under bearer plants. Costs incurred for infilling including block infilling are generally recognized in the Statement of Profit and Loss unless there is a significant increase in the yield of the sections, in which case such costs are capitalized and depreciated over the remaining useful life of the respective sections.
- b) Depreciation on matured bearer plants has been provided on straight line basis at the rates determined considering the estimated useful life to be 50 years. The Residual value in case of Bearer plants has been considered as NIL.

#### 1.4 Intangible Assets

- a) Costs incurred on intangible assets, resulting in future economic benefits are capitalised as intangible assets. Intangible assets are stated at cost less accumulated amortisation and cumulative impairment losses, if any
- b) Computer software is amortised over a period of five years.



## Notes to the Standalone Financial Statements (contd.)

### 1.5 Impairment of Assets

The carrying amounts of Property, Plant and Equipment are reviewed at each balance sheet date to determine, if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of the fixed assets of a cash generating unit exceeds its recoverable amount. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of the recoverable amount.

### 1.6 Investments

Long Term Investments are stated at cost with an appropriate provision for diminution in value, other than temporary in nature, in the valuation of long term investments. Current Investments are stated at lower of cost and fair value. Gains/Losses on disposal of investments are recognised as income/expenditure.

### 1.7 Foreign Currency Transactions

Transactions in foreign currencies are recognised at the rate existing at the time of such transactions. Gain or Loss resulting from the settlement of such transactions are recognised in the Statement of Profit and Loss. At the Balance Sheet date, monetary items denominated in foreign currency are translated at year-end rates or the forward cover rates as applicable. The resultant translation differences, if any, are recognised in the Statement of Profit and Loss.

### 1.8 Derivative Instruments

The Company uses forward exchange contracts to hedge its risks associated with foreign currency fluctuations relating to the underlying transactions, highly probable forecast transactions and firm commitments. In respect of forwards exchange contracts with underlying transactions, the premium or discount arising at the inception of such contract is amortized as expense or income over the life of contract. Other forward exchange contracts outstanding at the Balance Sheet date are marked to market and gain/loss (net) result on outstanding contracts are recognised in the Statement of Profit and Loss. Any profit or losses arising on cancellation of forward exchange contracts are recognised as income or expense for the period.

### 1.9 Inventories

Inventories are valued as under: -

- |   |   |
|---|---|
| a) Stores and Spare Parts                                 | - At cost (on weighted average basis) or net realisable value whichever is lower.   |
| b) Raw Materials  | - At cost (on weighted average basis) or net realisable value whichever is lower.   |
| c) Stock in Process                                       | - Is valued with material at lower of weighted average cost and market rate and estimated conversion cost.  |
| d) Finished Goods / Stock in Trade / Contract in Progress | - For long term contracts, contract in progress is valued at realisable value/ contractual rate and provision for losses, as may be estimated for completion thereof. |
|   | - Others - At cost or net realisable value whichever is lower.  |
| e) Waste / Scrap  | - Waste and Scrap are valued at estimated realisable value.   |

### 1.10 Employee Benefits

- a) Short Term Employee Benefits (i.e. benefits payable within one year) are recognized in the period in which employee services are rendered.
- b) Post-employment and other long term employee benefits are recognized as an expense in the Statement of Profit and Loss for the year in which the employee has rendered services. The expense is recognized at the present value of the amounts payable determined using actuarial valuation techniques.
- c) Actuarial gains/losses arising under Defined Benefit Plans are recognized immediately in the Statement of Profit and Loss as income/expense for the year in which they occur.

### 1.11 Provisions, Contingent Liabilities and Contingent Assets

- i) Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if
  - a) the Company has a present obligation as a result of past event;



## Notes to the Standalone Financial Statements (contd.)

- b) a probable outflow of resources is expected to settle the obligation and
  - c) the amount of the obligation can be reasonably estimated.
- ii) Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received. Contingent liability is disclosed in case of
  - a) present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
  - b) present obligation when no reliable estimate is possible; and
  - c) a possible obligation arising from past events where the probability of outflow of resources is not remote.
- iii) Contingent Assets are neither recognised, nor disclosed.

Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

### 1.12 Recognition of Income and Expenditure

Items of income and expenditure are recognised on accrual and prudent basis. Contract Revenue is recognised by reference to the stage of completion of the contract activity at the reporting date of the financial statements on the basis of percentage of completion method. Percentage of completion is the proportion of cost of work performed to-date, to the total estimated contract costs. Expected loss, if any, on the construction/project related activity is recognized as an expense in the period in which it is foreseen, irrespective of the stage of completion of the contract. While determining the amount of foreseeable loss, all elements of costs and related incidental income not included in contract revenue is taken into consideration. Extra work, claim and variation in contracts to the extent that is probable that they will result in revenue and can be reliably measured by the management is also covered. Dividend income is recognised when right to receive is established. Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable.

### 1.13 Taxes on Income

Income tax expense comprises current tax and deferred tax. Current tax is determined as the amount of tax payable in respect of taxable income for the year based on applicable tax rates and laws. Deferred tax is recognised on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognised only if there is reasonable / virtual certainty that sufficient future taxable income will be available against which such deferred tax assets will be realised. Such assets are reviewed as at each Balance Sheet date to reassess the realizability thereof. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantively enacted by the Balance Sheet date.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefit in the form of tax credit against future income tax liability, is recognised in the Balance Sheet if there is convincing evidence to the effect that the Company will pay normal income tax during the specified period.

### 1.14 Leases

For assets acquired under Operating Lease, rentals payable are charged to Statement of Profit and Loss. Assets acquired under Finance Lease are capitalised at lower of the Fair Value and Present Value of Minimum Lease Payments. Lease income from operating leases is recognised in the Statement of Profit and Loss over the period of Lease.

### 1.15 Government Grants

Government Grants related to specific Tangible fixed assets are deducted from gross values of related assets in arriving at their book value. Government Grants related to revenue are recognised in Statement of Profit and Loss.

### 1.16 Borrowing Costs

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.



## Notes to the Standalone Financial Statements (contd.)

### 2. Share Capital

₹ in Lakhs

2.1	Particulars	As at 31st March, 2017	As at 31st March, 2016
	<b>Authorised</b>		
	4,20,00,000 (Previous Year - 4,20,00,000) Ordinary Shares of ₹ 10 each	4,200.00	4,200.00
	32,00,000 (Previous Year - 32,00,000) Preference Shares of ₹ 100 each	3,200.00	3,200.00
		<b>7,400.00</b>	<b>7,400.00</b>
	<b>Issued</b>		
	2,13,42,346 (Previous Year - 2,13,42,346) Ordinary Shares of ₹ 10 each	2,134.23	2,134.23
	2,00,000 (Previous Year - 2,00,000) 8% Cumulative Redeemable Preference Shares of ₹ 100 each	200.00	200.00
	12,10,000 (Previous Year - Nil) 7.75% Cumulative Redeemable Preference Shares of ₹ 100 each	1,210.00	-
		<b>3,544.23</b>	<b>2,334.23</b>
	<b>Subscribed and Fully Paid up</b>		
	2,13,42,346 (Previous Year - 2,13,42,346) Ordinary Shares of ₹ 10 each	2,134.23	2,134.23
	2,00,000 (Previous Year - 2,00,000) 8% Cumulative Redeemable Preference Shares of ₹ 100 each	200.00	200.00
	12,10,000 (Previous Year - Nil) 7.75% Cumulative Redeemable Preference Shares of ₹ 100 each	1,210.00	-
		<b>3,544.23</b>	<b>2,334.23</b>

### 2.2 Reconciliation of number of Shares Outstanding:

Particulars	2016-17		2015-16	
	Ordinary Shares	Preference Shares	Ordinary Shares	Preference Shares
Shares outstanding at the beginning of the year	2,13,42,346	2,00,000	2,13,42,346	2,00,000
Add : 7.75% Cumulative Redeemable Preference Shares issued during the year	-	12,10,000	-	-
Shares outstanding at the end of the year	2,13,42,346	14,10,000	2,13,42,346	2,00,000

### 2.3 Rights, Preferences and Restrictions attached to Shares

#### i) Ordinary Shares

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

#### (ii) Preference Shares

- The shareholders of 8% Cumulative Redeemable Preference Shares having a par value of ₹ 100 per share has a preferential right over the Ordinary shareholders with respect to payment of dividend and repayment of Share Capital in case of liquidation. The said preference shareholder does not have voting powers except in a meeting of said class of shareholder.



## Notes to the Standalone Financial Statements (contd.)

- (b) The 8% Cumulative Redeemable Preference Shares are redeemable at par in 15 (fifteen) years from the date of allotment i.e. 31st March, 2005 with the option to the Company to redeem the same at any time after the expiry of 60 (sixty) months from the said date of allotment at the discretion of the Board of Directors of the Company.
- (c) The 7.75% Cumulative Redeemable Preference Shares having a par value of ₹ 100 per share has a preferential right over the Ordinary shareholders with respect to payment of dividend and repayment of Share Capital in case of liquidation. The said preference shareholder does not have voting powers except in a meeting of said class of shareholders.
- (d) The 7.75% Cumulative Redeemable Preference Shares shall be redeemed at par, in one or more tranches, but not later than a period exceeding eighteen years from the date of their allotment, i.e. 19th November, 2016, with the option to the Company to redeem the same at any time after the expiry of 60 (sixty) months from the date of their allotment at the discretion of the Board of Directors of the Company.

### 2.4 Shares of the Company held by each shareholder holding more than 5% shares

Name of Shareholders	As at 31st March, 2017		As at 31st March, 2016	
	Number of Shares held	% of Shares held	Number of Shares held	% of Shares held
Ordinary Shareholders				
Kothari Phytochemicals & Industries Ltd.	55,01,078	25.78	55,01,078	25.78
Kothari Investment & Industries Pvt. Ltd.	22,53,748	10.56	22,53,748	10.56
Vishnuhari Investments & Properties Ltd.	17,07,291	8.00	17,07,291	8.00
M.D. Kothari & Company Ltd.	15,21,868	7.13	15,21,868	7.13
Kothari & Co. Pvt. Ltd.	14,26,199	6.68	14,26,199	6.68
Commercial House Pvt. Ltd.	13,68,212	6.41	13,68,212	6.41
Life Insurance Corporation of India	11,87,278	5.56	11,87,278	5.56
Preference Shareholder				
8% Cumulative Redeemable Preference Shares Kothari & Co. Pvt. Ltd.	2,00,000	100.00	2,00,000	100.00
7.75% Cumulative Redeemable Preference Shares Kothari & Co. Pvt. Ltd.	5,60,000	46.28	-	-
Kothari Investment & Industries Pvt. Ltd.	6,50,000	53.72	-	-

- 2.5 There are no fully paid up Ordinary Shares issued pursuant to a contract nor any Bonus shares have been issued during the period of five years immediately preceding 31st March 2017.



## Notes to the Standalone Financial Statements (Contd.)

### 3 Reserves & Surplus

₹ in Lakhs

Particulars	As at 31st March, 2017		As at 31st March, 2016	
Capital Reserve				
At the beginning and at the end of the year		3,394.88		3,394.88
Amalgamation Reserve				
At the beginning and at the end of the year		61.93		61.93
Export Profit Reserve				
At the beginning and at the end of the year		0.85		0.85
Preference Shares Redemption Reserve				
At the beginning and at the end of the year		262.47		262.47
General Reserve				
At the beginning and at the end of the year		9,860.07		9,860.07
Surplus in Statement of Profit and Loss				
At the beginning of the year	3,172.13		5,439.05	
Less : Profit for the period from 1st April, 2015 to 31st March, 2016 of Chemical (Waldies) Division adjusted pursuant to the Scheme of Arrangement (Refer Note-33)	(137.71)		-	
Add : Profit on transfer of Chemical (Waldies) Division adjusted pursuant to the Scheme of Arrangement (Refer Note-33)	728.66		-	
Profit/(Loss) for the year	101.49		(2,266.92)	
		3,864.57		3,172.13
Total		17,444.77		16,752.33

### 4 Long Term Borrowings

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
	Non Current Portion		Current Maturities	
Secured				
Term Loans in Indian Rupees				
From Banks				
IDBI Bank Ltd	-	-	-	267.00
State Bank of Patiala	2,690.00	2,940.00	250.00	400.00
State Bank of India	6,129.99	7,703.29	1,698.77	2,118.11
IndusInd Bank Ltd (for Equipment)	-	-	-	44.11
HDFC Bank Ltd (for Vehicles)	46.84	2.18	25.73	23.17
From Others				
Tea Board of India	98.32	122.90	24.58	24.58
	8,965.15	10,768.37	1,999.08	2,876.97
Unsecured				
Fixed Deposits (From Public)	1,672.50	1,276.72	726.90	324.42
YES Bank Ltd.	-	500.00	500	1,000.00
	1,672.50	1,776.72	1,226.90	1,324.42
Total	10,637.65	12,545.09	3,225.98	4,201.39



## Notes to the Standalone Financial Statements (Contd.)

## 4.1 - Terms of Repayment of Term Loans &amp; Other Loans

` in Lakhs

Particulars	Nature of Loan	Amount	Period of Maturity	No. of Instalments due	Instalment Value	Repayment Terms	Rate of Interest p.a.
From Banks:-							
State Bank of India	TUF - III	309.00	Mar -19	8	49.00/Quarter 43.00/Quarter 37.00/Quarter 20.00/Quarter	Jun'17 - Sep'17 Dec'17 Mar'18-Dec'18 Mar'19	MCLR + 2.50 %
	TUF - IV	1,178.19	Dec-18	7	196.00/Quarter  195.00/Quarter 174.23/Quarter 24.96/Quarter	Sep, Dec, Mar quarter of 2017-18 and June 2018-19 June Quarter of 2017-18 Sep'18 Dec'18	MCLR + 2.50 %
State Bank of India	Term Loan(III)	54.00	Mar-19	7	10.00/Quarter 11.00/Quarter  1.00/Quarter 1.00/Quarter	Jun, Sep, Dec quarter of 2017-18 Mar quarter 2017-18 & Jun '18 Sep'18 Mar'19	MCLR + 2.50 %
	Term Loan(IV)	126.35	Dec'17	3	50.00/Quarter 26.35/Quarter	Jun'17 - Sep'17 Dec'17	MCLR + 2.50 %
State Bank of India	Corporate Loan -I	2,820.00	Mar'-23	24	50.00/Quarter 75.00/Quarter 100.00/Quarter 125.00/Quarter 175.00/Quarter 185.00/Quarter	Apr'17 - Mar'18 Apr'18 - Mar'19 Apr'19 - Mar'20 Apr'20 - Mar'21 Apr'21 - Sep'22 Dec'22 - Mar'23	MCLR + 1.20 %
	Corporate Loan-II	2,940.00	Mar'23	24	60.00/Quarter 70.00/Quarter 75.00/Quarter 100.00/Quarter 150.00/Quarter 175.00/Quarter 175.00/Quarter 165.00/Quarter	Apr'17 - Dec'17 Mar'18 Apr'18 - Mar'19 Apr'19 - Mar'20 Apr'20 - Mar'21 Apr'21 - Mar'22 Apr'22 - Dec'22 Mar'23	MCLR + 1.90 %
State Bank of India	Lease Rental Discounting Loan (LRD)	401.22	Mar'-20	36	Equated monthly Installment (EMI)	Apr'17- Mar'20	MCLR + 1.70 %
State Bank of Patiala	Corporate Loan	2,940.00	Mar'23	24	60.00/Quarter 70.00/Quarter 75.00/Quarter 100.00/Quarter 150.00/Quarter 175.00/Quarter 175.00/Quarter 165.00/Quarter	Apr'17 - Dec'17 Mar'18 Apr'18 - Mar'19 Apr'19 - Mar'20 Apr'20 - Mar'21 Apr'21 - Mar'22 Apr'22 - Dec'22 Mar'23	Base rate + 1.70 %
YES Bank Limited	Term Loan	500.00	Apr'-17	1	500.00/Month	April'17	11.00% (fixed)
HDFC Bank Ltd.	Vehicle Loan	0.31 1.55 0.55 13.84 14.43 11.90 8.39 7.20 7.20 7.20	Apr -17 Apr -17 May -17 Dec -19 Jan -20 Dec -19 Dec -19 Dec -19 Dec -19 Dec -19	1 1 2 33 34 33 33 33 33 33	EMI EMI EMI EMI EMI EMI EMI EMI EMI EMI	Apr'17 Apr'17 Apr'17- May'17 Apr'17-Dec'19 Apr'17-Jan'20 Apr'17-Dec'19 Apr'17-Dec'19 Apr'17-Dec'19 Apr'17-Dec'19 Apr'17-Dec'19	10.50% 10.00% 10.75% 9.25% 9.25% 9.25% 9.25% 9.25% 9.25% 9.25%
From Others:-							
Tea Board of India	Special Purpose Tea Fund Scheme	122.90	Mar -22	10	12.29/ Half Yearly	Apr'17 - Jan'22	8.91%





## Notes to the Standalone Financial Statements (Contd.)

### 4.2 Security Clauses

1. The Term Loan from State Bank of India (SBI), Corporate Loan from State Bank of India (SBI) and State Bank of Patiala (SBP) and Letter of Credit facility from SBI for purchase of capital goods are secured/to be secured by first charge by way of Equitable Mortgage by deposit of title deeds of the Company's immovable properties situated at (a) Akbarpur, Punjab, (b) Champdani, West Bengal, (c) Gillander House, West Bengal and also secured by way of 1st charge on entire Property, Plant and Equipments, both present and future of the Company except those pertaining to the Tea Division but subject to prior charge(s) created/to be created on current assets (except Tea Division) in favour of Company's bankers for securing working capital facilities availed from time to time in the ordinary course of business. The mortgage and charge shall rank pari passu with the mortgage and charges created/ to be created in favour of SBP and SBI. The term loans, Corporate Loans and letter of credit for Capital Goods are also secured by guarantee of a Director.
2. Lease Rental Discounting (LRD) Term Loan from SBI is secured by assignment/ hypothecation of current and future lease proceeds, rental receivables and other fees from certain chargeable area of Gillander House and are also secured/to be secured by 1st charge on entire Property, Plant and Equipments, both present and future of the Company except those pertaining to the Tea Division but subject to prior charge(s) created/to be created on current assets (except Tea Division) in favour of Company's bankers. The mortgage and charge shall rank pari passu with the mortgage and charges created/ to be created in favour of State Bank of Patiala and State Bank of India. The term loan is also secured by guarantee of a Director.
3. Term Loan from YES Bank Limited is guaranteed by a Director
4. The Term Loan from HDFC Bank Ltd., are secured by hypothecation of the related vehicles purchased.
5. The Term Loan from Tea Board of India under Special Purpose Tea Fund Scheme (SPTF) is secured by second charge by way of equitable mortgage on Immovable properties situated at the Tea estates and also further secured /to be secured by second charge by way of hypothecation of tea crop of the estates.

- 4.3 Maturity pattern for Fixed Deposit (from Public) having rate of interest varying between 10.25% p.a. - 11.25% p.a. are as set out below :-

in Lakhs

	2017-18	2018-19	2019-20
Maturity Period	726.90	800.60	871.90

### 5 Deferred Tax Liabilities (Net)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Deferred Tax Liabilities		
- Depreciation and Amortisation	2,267.17	2,083.59
Less: Deferred Tax Assets		
- Provision for doubtful debts	177.00	198.47
- Items allowed on actual payment basis under Income Tax Act	790.58	987.62
- Unabsorbed depreciation/Carry forward business losses <sup>#</sup>	1,299.59	897.50
Total	-	-
<sup>#</sup> The recognition of deferred tax asset on unabsorbed depreciation/business losses has been restricted to the extent of deferred tax liability on account of timing difference in respect of depreciation, the reversal of which is virtually certain.		

### 6 Other Long Term Liabilities

Job Advance received from Customers	72.94	688.98
Trade deposit/Security deposit received	1,567.40	1,598.55
Interest Accrued but not due on Fixed Deposits (from Public)	73.60	78.76
Total	1,713.94	2,366.29



## Notes to the Standalone Financial Statements (Contd.)

## 7 Short Term Borrowings

` in Lakhs

Particulars	As at 31st March, 2017	As at 31st March, 2016
7.1 Secured		
Working Capital Facilities from Banks		
- United Bank of India	561.21	982.64
- Other Banks	5,884.49	7,809.36
	6,445.70	8,792.00
7.2 Unsecured		
Short Term Loans		
From Banks	6,500.00	4,000.00
From Other Bodies Corporate	5,675.00	6,150.00
From Related Parties	-	50.00
Fixed Deposits (from Public)	1,861.72	2,342.56
	14,036.72	12,542.56
Total	20,482.42	21,334.56

- (I) The working capital facilities from United Bank of India are secured/to be secured by hypothecation of Tea Crop, Made Tea, Book Debts and all other Current Assets of the Tea Estates and are further secured/to be secured by way of Equitable Mortgage on immovable properties situated at the Tea Estates.
- (ii) Working Capital Facilities from Banks, (except those availed by Tea Division of the Company from United Bank of India) are secured/to be secured by hypothecation of Company's (other than Tea Division) entire current assets, both present and future, ranking pari passu inter-se, and guaranteed by a Director and are further secured/to be secured by way of second charge on the Property, Plants and Equipments of the Company (other than Tea Division) ranking pari passu inter-se.
- (iii) The Working Capital Facilities having interest rate varying between 10.15% p.a. - 11.75% p.a. are repayable on demand.
- (iv) Unsecured Short Term Loan :
- (a) From HDFC Bank Ltd. ` 6500.00 Lakhs having interest rate of 10.50% p.a. is repayable by June 2017.
- (b) From Bodies Corporate having interest varying between 12.50% to 13.50% p.a.
- (v) Fixed Deposit from Public is having interest rate varying between 10.25% p.a. to 11.25% p.a.

## 8. Trade Payable - Dues to Micro and Small Enterprises

Particulars	As at 31st March, 2017	As at 31st March, 2016
i) Principal Amount remaining unpaid to any suppliers under MSMED Act	-	-
ii) Interest due thereon remaining unpaid to any suppliers on above	-	-
iii) Any Payment made to suppliers beyond appointed date (under Section 16 of the Act)	-	-
iv) Interest due and payable to suppliers under MSMED Act	-	-
v) Interest Accrued & remaining unpaid	-	-
vi) Interest remaining due & payable as per section 23 of the Act	-	-
Total	-	-

The Company has compiled this information based on intimation received from the suppliers of their status as Micro or Small Enterprises and/or its registration with appropriate authority under the Micro, Small and Medium Enterprises Act, 2006 ("MSMED Act").



## Notes to the Standalone Financial Statements (Contd.)

### 9 Trade Payables - Dues to Creditors other than Micro and Small enterprises

in Lakhs

Particulars	As at 31st March, 2017	As at 31st March, 2016
For Goods	4,553.81	5,607.20
For Services & Others	4,132.80	4,225.45
Acceptances	2,585.80	1,636.56
Total	11,272.41	11,469.21

### 10 Other Current Liabilities

Current Maturities of Long- Term Borrowings [Refer Note-4]	3,225.98	4,201.39
Interest Accrued but not due on borrowings	189.23	159.99
Job advance received from Customers	655.95	635.74
Advances from Agents and Customers	96.93	152.38
Unclaimed Dividends	48.34	50.43
Unclaimed matured deposits and interest accrued thereon	6.02	12.70
Statutory Liabilities	406.24	341.36
Trade deposit/Security deposit received	593.52	614.43
Employee's related liabilities	1,496.86	1,525.14
Other payables #	578.94	336.96
Total	7,298.01	8,030.52

# Includes liability for Electricity voltage surcharge, Capital items etc.

### 11 Short Term Provisions

Provision for Employee Benefits		
- Provision for Leave	264.84	283.25
- Provision for Gratuity	2,001.43	2,561.89
Total	2,266.27	2,845.14



## Notes to the Standalone Financial Statements (Contd.)

## 12. Fixed Assets

` in Lakhs

Sl No.	Particulars	Gross Block				Depreciation and Amortisation				Net Block	
		Balance as at 31st March 2016	Additions	Disposals/Adjustments	Adjustment on Demerger (refer note-33)	Balance as at 31st March 2017	For the year ended 31st March 2017	On Disposal / Adjustments	Adjustment on Demerger (refer note-33)	Balance as at 31st March 2017	Balance as at 31st March 2016
A	Property, Plant and Equipments	445.57	47.48	15.23	0.42	477.40	-	-	-	477.40	445.57
	Freehold Land	16.08	-	-	-	16.08	-	-	-	16.08	16.08
	Leasehold Land	8,399.45	168.42	192.84	58.62	8,316.41	3,499.27	93.54	55.35	4,779.97	4,900.18
	Buildings (see note-b below)										
	Bridges, culverts, boundaries, etc	17.14	-	-	-	17.14	6.42	-	-	7.23	10.72
	Roads	339.79	-	-	-	339.79	276.87	-	-	280.34	62.92
	Plant and Machinery	31,992.25	445.11	271.01	212.06	31,954.29	19,274.20	217.46	187.33	20,122.87	12,718.05
	Furniture and Fittings	522.34	8.40	6.39	9.35	515.00	362.24	5.45	8.03	396.55	160.10
	Motor Vehicles	1,140.68	192.90	94.05	7.57	1,231.96	802.73	83.83	6.21	809.83	337.95
	Office Equipment	344.37	6.14	3.64	3.51	343.36	270.37	3.44	3.17	288.23	74.00
	Computers and data processing units	431.81	3.42	8.69	8.79	417.75	394.21	8.44	8.36	384.47	37.60
	Electrical Installations and Equipments	2,470.49	9.93	0.68	-	2,479.74	1,020.35	0.63	-	1,192.63	1,450.14
	Live Stock	80.86	-	-	-	80.86	80.86	-	-	80.86	-
	Bearer Plants	3,251.83	440.05	-	-	3,691.88	-	-	-	96.33	3,251.83
	Total	49,452.66	1,321.85	592.53	300.32	49,881.66	25,987.52	412.79	268.45	27,195.78	23,465.14
	Previous Year	47,820.32	1,832.19	199.85	-	49,452.66	24,266.96	131.65	-	25,987.52	
B	Intangible Assets										
	Computer Softwares	334.74	0.53	0.31	19.38	315.58	304.89	0.13	18.84	295.73	29.85
	Total	334.74	0.53	0.31	19.38	315.58	304.89	0.13	18.84	295.73	29.85
	Previous Year	324.69	10.05	-	-	334.74	288.96	0.04	-	304.89	29.85
C	Capital Work-In-Progress								-		
	Total									62.08	105.41
	Previous Year									62.08	105.41
	Grand Total (A+ B+C)	49,787.40	1,322.38	592.84	319.70	50,197.24	26,292.41	412.92	287.29	27,491.51	23,600.40
	Previous Year	48,145.01	1,842.24	199.85	-	49,787.40	24,555.92	131.69	-	26,292.41	23,600.40

Note: a) Disposals/Adjustments includes ` 4.21 Lakhs (Previous Year ` 33.27 Lakhs) relating to Capital Subsidy received during the year.

b) Refer to Note - 44(b) for Office Premises given on Operating Lease (included under Head 'Building' above).

c) Gross Block includes 'Nil (Previous year ` 229.94 Lakhs) on which depreciation of 'Nil (Previous year ` 3.26 Lakhs) is included in above depreciation on account of discontinuing operations.

d) Pursuant to the requirements of revised Accounting Standard (AS) 10 on 'Property Plant and Equipment (PPE)', effective from 1st April, 2016, depreciation on bearer plants amounting to ` 96.33 lakhs has been provided during the year ended 31st March 2017. Further expenditure on uprooting, replanting and upkeep of young bearer plants have been capitalised to the tune of ` 440.03 lakhs during the year ended 31st March 2017, which was hitherto charged to the Statement of Profit and Loss. As a result, profit/(loss) for the year ended 31st March 2017, is higher by ` 343.71 lakhs.

e) Borrowing cost capitalised during the year ` 19.14 lakhs (Previous year Nil)



## Notes to the Standalone Financial Statements (Contd.)

## 13 Non-Current Investments

` in Lakhs

Particulars	Face Value (`)	Nos	As at 31st March, 2017	As at 31st March, 2016
<b>Long Term Investments (At Cost unless otherwise stated)</b>				
<b>a) Quoted-Other than Trade</b>				
Amarjothi Spinning Mills Ltd.	10	1	*	*
B & A Ltd.	10	1	*	*
Banswara Syntex Ltd.	10	1	*	*
Dhunseri Petrochems Tea Ltd.	10	1	*	*
Duncan Industries Ltd.	10	1	*	*
Era Infra Engineering Ltd.	2	1	*	*
Ginni Filaments Ltd.	10	1	*	*
Goodricke Group Ltd.	10	1	*	*
GTN Industries Ltd.	10	1	*	*
Harrisons Malayalam Ltd.	10	1	*	*
James Warren Tea Ltd.	10	1	-	-
Jay Shree Tea & Industries Ltd.	5	1	*	*
K.P.R. Mill Ltd.	10	1	*	*
Kilburn Engineering Ltd.	10	1	*	*
Kiran Vypar Limited	10	1	*	*
L.G.Balakrishnan & Bros. Ltd.	10	2	*	*
Lambodhara Textiles Ltd.	5	2	*	*
Lanco Infratech Ltd.	1	1	*	*
Maharaja Shree Umaid Mills Ltd.	10	1	*	*
Maral Overseas Ltd.	10	1	*	*
McLeod Russel India Ltd.	5	1	*	*
McNally Bharat Engineering Co. Ltd.	10	1	*	*
Mukand Engineers Ltd.	10	1	*	*
Nahar Industrial Enterprises Ltd.	10	1	*	*
Nahar Spinning Mills Ltd.	5	1	*	*
NCC Ltd.	2	1	*	*
Nitin Spinners Ltd.	10	1	*	*
Patspin India Ltd.	10	1	*	*
Petron Engineering Construction Ltd.	10	1	*	*
Punj Lloyd Ltd.	2	1	*	*
Rajapalayam Mills Ltd.	10	1	*	*
Rajvir Industries Ltd.	10	1	*	*
Rossel India Ltd.	2	1	*	*
RSWM Ltd.	10	1	*	*
Sambandam Spinning Mills Ltd.	10	1	*	*
Sangam (India) Ltd.	10	1	*	*
Shree Rajasthan Syntex Ltd.	10	1	*	*
Shriram EPC Ltd.	10	1	*	*
Simplex Projects Ltd.	10	1	*	*
Stewarts & Llyods of India Ltd.	10	1	*	*
Suryajyoti Spinning Mills Ltd.	10	1	*	*
Suryalata Spinning Mills Ltd.	10	1	*	*
Suryavanshi Spinning Mills Ltd.	10	1	*	*
Sutlej Textiles & Industries Ltd.	10	1	*	*
UB Engineering Ltd.	10	1	*	*
Vardhman Polytex Ltd.	10	1	*	*
Vardhman Textiles Ltd.	10	1	*	*
Warren Tea Ltd.	10	1	*	*
Welspun Enterprises Ltd.	10	1	*	*
Winsome Textile Industries Ltd.	10	1	*	*
Winsome Yarns Ltd.	10	1	*	*
<b>Sub total</b>			<b>0.04</b>	<b>0.04</b>

\* Amount is below the rounding off norm adopted by the Company.



## Notes to the Standalone Financial Statements (Contd.)

## 13 Non-Current Investments (Contd.)

` in Lakhs

Particulars	Face Value (`)	Nos	As at 31st March, 2017	As at 31st March, 2016
b) Unquoted - in Trade Investment in Fully paid Equity Shares of Subsidiary Company Gillanders Holdings (Mauritius) Ltd	1 #	10,000 (10,000)	6.00	6.00
Waldies Compound Ltd. (formerly Barfani Builder Ltd)	10	- (49,995)	-	5.00
c) Unquoted-other than Trade (i) Investment in Fully paid Equity Shares of Others ABC Tea Workers Welfare Services Ltd.	10	7,502 (7,502)	0.75	0.75
Kothari Hi Tech Consultants Pvt. Ltd.	10	95,000 (95,000)	9.50	9.50
Satyam Financial Services Ltd.	10	59,669 (59,669)	7.18	7.18
Bharat Fritz Werner Ltd	2	26,81,811 (26,81,811)	2,694.90	2,694.90
Woodlands Multispeciality Hospital Ltd.	10	8,655 (8,655)	0.87	0.87
Less: Provision of Diminution in value of Investments			2,719.20 5.00	2,724.20 5.00
Sub total			2,714.20	2,719.20
(ii) Investment in Fully paid Debentures 5% 10 years Redeemable Debenture in Shillong Club Ltd.	100	13 (13)	0.01	0.01
Sub total			0.01	0.01
Total			2,714.25	2,719.25
Note:- Figures in the brackets represents previous year figures # In USD				
Aggregate book value of Quoted Investments			0.04	0.04
Aggregate market value of Quoted Investments			0.07	0.06
Aggregate book value of Unquoted Investments			2,719.21	2,724.21
Aggregate provision for diminution in value of Investments			5.00	5.00

## 14 Long Term Loans and Advances

(Unsecured and Considered good)		
Capital Advances	101.50	105.84
Security Deposits Paid	4,321.09	4,920.02
Total	4,422.59	5,025.86

## 15 Other Non-Current Assets

Deposits with Banks (Original maturity with more than 12 months) (Refer Note - 19)	1,937.31	1,903.00
Total	1,937.31	1,903.00



## Notes to the Standalone Financial Statements (Contd.)

16 Current Investments (valued at lower of cost or fair market value, unless otherwise stated) ₹ in Lakhs

Particulars	Face Value (₹)	Nos	As at 31st March, 2017	As at 31st March, 2016
Unquoted - Other Than Trade (At Cost unless otherwise stated)				
(a) Investments in Government and Trust Securities				
6 Years National Saving Certificates (Deposited with Commercial Tax Officer)			0.07	0.07
Sub Total			0.07	0.07
(b) Investments in Mutual Funds				
SBI PSU Fund - Regular Plan-Growth	10	2,50,000 (2,50,000)	25.00	25.00
SBI Premier Liquid Fund- Institutional-Growth	100	4 (4)	0.07	0.07
Goldman Sachs Mutual Fund Gold Benchmark	100	3,100 (3,100)	78.79	78.79
			103.86	103.86
Less :-Provision for Diminution in Value of Investments			4.19	4.19
Sub Total			99.67	99.67
Total			99.74	99.74
<i>Note: - Figures in the brackets represents previous year figures</i>				
Aggregate book value of Unquoted Investments			103.93	103.93
Aggregate provision for diminution in value of investments			4.19	4.19



## Notes to the Standalone Financial Statements (Contd.)

## 17 Inventories

(Refer Note - 1.9 for mode of Valuation)

` in Lakhs

Particulars	As at 31st March, 2017	As at 31st March, 2016
Raw Materials	3,738.07	3,382.19
Stock-in-Process	1,157.95	1,152.88
Finished Goods (Other than Trading Goods)	7,252.51	7,176.99
Stock-in-Trade	132.48	587.76
Contract-in-Progress	1,513.15	1,234.34
Stores and Spare Parts	1,944.17	2,263.44
Waste	10.13	13.94
Scrap	5.90	2.94
<b>Total</b>	<b>15,754.36</b>	<b>15,814.48</b>
<i>Included in above are</i>		
Goods in Transit		
Raw Materials	573.36	142.60
<b>Total</b>	<b>573.36</b>	<b>142.60</b>

## Broad Category of Inventories

Finished Goods		
Tea	1,913.13	1,350.26
Lead Oxide and Metallic Stearates	-	237.43
Cotton and Man - Made Fibre Yarn	5,339.38	5,589.30
<b>Total</b>	<b>7,252.51</b>	<b>7,176.99</b>
Stock-in-Process		
Lead Oxide and Metallic Stearates	-	96.28
Cotton and Man - Made Fibre Yarn	1,157.95	1,056.60
<b>Total</b>	<b>1,157.95</b>	<b>1,152.88</b>
Stock-in-Trade		
Boughtout Goods for Construction Jobs	132.48	587.76
<b>Total</b>	<b>132.48</b>	<b>587.76</b>





## Notes to the Standalone Financial Statements (Contd.)

### 18 Trade Receivables

₹ in Lakhs

Particulars	As at 31st March, 2017	As at 31st March, 2016
(Unsecured and considered good, unless otherwise stated)		
(a) Outstanding for a period exceeding six months from the date they become due for payment		
Considered Good	3,747.52	3,516.76
Considered Doubtful	312.94	421.12
Less: Provision for Doubtful Trade Receivables	312.94	421.12
Sub total	3,747.52	3,516.76
(b) Other Trade Receivables		
Considered Good	6,489.04	8,883.85
Considered Doubtful	-	0.27
Less: Provision for Doubtful Trade Receivables	-	0.27
Sub total	6,489.04	8,883.85
Total	10,236.56	12,400.61

### 19 Cash and Bank Balances

(a) Cash and Cash Equivalents		
Balances with Banks	140.78	302.57
Cheques, Drafts in hand and in Transit	12.63	15.56
Cash in hand	29.94	14.60
Deposit with Banks (Original maturity less than 3 months)	6.70	-
Sub total	190.05	332.73
(b) Other Bank Balances		
Unclaimed Dividend Accounts	48.34	50.43
Margin Money with Banks	601.04	37.93
Deposits with Banks (Original maturity with more than 12 months) #	1,937.31	1,903.00
# includes ₹ 1,930.45 Lakhs (previous year ₹ 1,811.64 Lakhs) under lien with bank (refer note 31.2(iv))		
Sub total	2,586.69	1,991.36
Total	2,776.74	2,324.09
Less : Deposits with Banks disclosed under 'Other Non Current Assets' (Refer Note - 15)	1,937.31	1,903.00
Total	839.43	421.09



## Notes to the Standalone Financial Statements (Contd.)

## 20 Short Term Loans and Advances

` in Lakhs

Particulars	As at 31st March, 2017	As at 31st March, 2016
(Unsecured and Considered Good)		
Security Deposits	5,633.21	5,487.40
Advance for Raw Materials and Stores	282.07	399.69
Balances with Statutory/Government Authorities	2,145.09	1,892.39
Advance Payment of Income Tax (Net of Provision)	1,167.07	1,287.05
Deposit with NABARD	420.18	634.54
Other Advances Recoverable in Cash or in Kind #	1,394.70	1,198.36
Sub total	11,042.32	10,899.43
(Unsecured and Considered Doubtful)		
Balances with Statutory/Government Authorities	12.44	12.44
Other Advances Recoverable in Cash or in Kind #	43.91	72.59
	56.35	85.03
Less: Provision for Doubtful Loans & Advances	56.35	85.03
Sub total	-	-
Total	11,042.32	10,899.43
# includes Prepaid Expenses, Contractor advances, etc.		

## 21 Other Current Assets

(Unsecured and Considered Good)		
Interest Receivable on Loans and Deposits	35.88	49.50
Subsidy/Incentive Receivables	414.10	554.14
Export Incentive Receivables	206.93	145.12
Other Receivables	4,188.42	4,044.75
Total	4,845.33	4,793.51



## Notes to the Standalone Financial Statements (Contd.)

### 22 Revenue From Operations (Gross)

₹ in Lakhs

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Sale of Products		
Cotton and Man - Made Fibre Yarn	35,575.23	33,407.55
Tea	19,127.05	21,410.98
Fabrics	20.85	418.92
Lead Oxide and Metallic Stearates	-	4,962.26
Sub total	54,723.13	60,199.71
Income from Construction Contracts	9,622.43	17,612.75
Other Operating Revenue		
Subsidies	48.04	48.83
Export Incentives	587.91	688.98
Claims	124.70	15.61
Sale of Waste	685.77	580.57
Rental Income	715.12	785.72
Sale of Scrap	93.49	39.09
Sub total	2,255.03	2,158.80
Total	66,600.59	79,971.26



## Notes to the Standalone Financial Statements (Contd.)

## 23 Other Income

` in Lakhs

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Interest Income		
- Interest on Bank and Other Deposits	212.03	239.35
- Interest Received on Income Tax Refund	36.77	-
Dividend Income		
- Long Term Investments	-	13.41
Profit on Sale of Property, Plants and Equipments (Net)	435.51	(7.11)
Insurance Claim Received	16.91	18.82
Foreign Exchange Fluctuations (Net)	66.96	52.87
Provision for Doubtful Trade Receivables and Advances written back	88.34	-
Liabilities no longer required, written back	15.14	185.86
Provision for Diminution in Value of Investment written back	-	0.67
Other Non Operating Income	280.09	270.36
Total	1151.75	774.23

## 24 Cost of Materials Consumed

Opening Stock <sup>#</sup>	3,184.18	3,485.97
Add : Purchases	23,618.75	28,138.75
Less : Closing Stock	3,738.07	3,382.19
Total	23,064.86	28,242.53
Broad Category of Materials Consumed		
i) Green Leaf (Purchased)	2,351.82	2,513.97
ii) Cotton and Man-Made Fibre Yarn	20,367.15	21,773.50
iii) Mild Steel	345.89	323.35
iv) Lead	-	3,631.71
Total	23,064.86	28,242.53

<sup>#</sup> Opening inventory of Raw Materials of ` 198.01 Lakhs has been excluded on account of demerger of Chemicals (Waldies) Division (Refer Note 33).



## Notes to the Standalone Financial Statements (Contd.)

### 25 Purchases of Stock-in-Trade

₹ in Lakhs

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Tea	3,990.00	3,716.53
Boughtout Goods for Construction Jobs	1,433.38	6,364.41
Total	5,423.38	10,080.94

### 26 Changes in Inventories of Finished goods, Stock-in-Process and Stock-in-Trade

Particulars	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
(a) Finished Goods (Manufactured)				
Opening Inventories #	6,939.55	(312.96)	6,465.96	(711.03)
Closing Inventories	7,252.51		7,176.99	
(b) Stock-in-Process				
Opening Inventories #	1,056.60	(101.35)	1,149.28	(3.60)
Closing Inventories	1,157.95		1,152.88	
(c) Stock-in-Trade *				
Opening Inventories	587.76	455.28	643.49	55.73
Closing Inventories	132.48		587.76	
(d) Stock of Scrap				
Opening Inventories	2.94	(2.96)	7.04	4.10
Closing Inventories	5.90		2.94	
(e) Waste				
Opening Inventories	13.94	3.81	15.62	1.68
Closing Inventories	10.13		13.94	
Total		41.82		(653.12)

# Opening Inventories of Finished Goods (Manufactured) and Stock-in-Process of Chemical (Waldies) Division of ₹ 237.44 Lakhs and ₹ 96.28 Lakhs respectively has been excluded on account of demerger of Chemical (Waldies) Division (Refer to Note No. 33)

\* excludes ₹ Nil (previous year ₹ 77.56 Lakhs) from opening inventories on account of Discontinuing Operations.



## Notes to the Standalone Financial Statements (Contd.)

## 27 Employee Benefits Expense

` in Lakhs

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
a) Salaries and Wages		
- Salary and Wages	10,966.34	11,038.58
b) Contribution to Provident and Other Funds		
- Contribution to Gratuity Fund	219.44	192.30
- Contribution to Provident Fund	854.83	850.57
- Contribution to Employee State Insurance Fund	137.09	127.60
c) Staff Welfare Expenses	1,169.78	1,008.07
Total	13,347.48	13,217.12

## 27.1 Information in accordance with the requirements of the Accounting Standard - 15 on 'Employee Benefits':-

## a. Provident Fund

The Company makes a contribution for Provident Fund towards defined contribution plans for eligible employees. In respect of certain employees, Provident Fund contribution is made to Trust Funds administered by the Company towards defined benefit plans. The Company shall make good for deficiency, if any, in the interest rate declared by the trust vis-à-vis statutory rate.

During the year Company has contributed ` 854.83 Lakhs (Previous Year ` 852.30 Lakhs) which includes ` Nil (Previous ` 1.73 Lakhs) for discontinuing operations towards provident fund.

Based on the Guidance Note on measurement of Provident Fund liabilities from The Actuarial Society the actuary has provided the valuation of interest guaranteed on Provident Fund. Accordingly, there is no shortfall of interest required to be provided for as at 31st March, 2017 as well as in the previous year

## b. Employee State Insurance Scheme

The Company make contribution for Employee State Insurance (ESI) Scheme towards defined contribution plan. During the year Company has contributed ` 137.09 Lakhs (Previous year ` 127.94 Lakhs), which includes ` Nil (Previous year ` 0.34 Lakhs) for discontinuing operations.

## c. Gratuity

The Employee's Gratuity Fund Scheme, a defined benefit plan, is administered by Life Insurance Corporation of India (LIC) and SBI Life Insurance Company Ltd. (SBI Life). LIC or SBI Life make payments to vested employees or their nominees upon retirement, death, incapacitation or cessation of employment of an amount based on the respective employee's salary and tenure of employment subject to a maximum limit as prescribed. Vesting occurs upon completion of five years of service. The present value of obligation is determined based on the actuarial valuation using the Projected Unit Credit Method at each balance sheet date.



## Notes to the Standalone Financial Statements (Contd.)

27.2 The following table sets forth the particular in respect of the Defined Benefit Plans of the Company for the year ended 31st March 2017. ` in Lakhs

Description		Gratuity (Funded)	
		2016-17	2015-16
A	Reconciliation of Opening and Closing Balances of the Present Value of the Defined Benefit Obligation		
	Present value of Obligation as on 1st April	2,591.69	2,457.70
	Current Service Cost	138.22	148.07
	Interest Cost	173.41	189.88
	Actuarial (Gain)/Losses	(79.61)	(159.23)
	Benefits Paid	(559.33)	(44.73)
	Present Value of Obligation as on 31st March	2,264.38	2,591.69
B	Reconciliation of the Opening and Closing Balances of the Fair Value of Plan Assets		
	Fair Value of Plan Assets as on 1st April	29.80	71.13
	Expected Return on Plan Assets	2.39	6.22
	Actuarial Gain /(Losses)	10.19	(4.03)
	Contribution	779.90	1.21
	Benefits Paid	(559.33)	(44.73)
	Fair Value of Plan Assets as on 31st March	262.95	29.80
C	Reconciliation of the Present Value of the Defined Benefit Obligation and Fair Value of Plan Assets		
	Present Value of Obligation as on 31st March	2,264.38	2,591.69
	Fair Value of Plan Assets as on 31st March	262.95	29.80
	Assets/ (Liabilities) recognised in the Balance Sheet	(2,001.43)	(2,561.89)
D	Expenses recognised in the Statement of Profit and Loss		
	Current Service Cost	138.22	148.07
	Interest Cost	173.41	189.88
	Expected return on Plan Assets	(2.39)	(6.22)
	Actuarial (Gain)/Losses	(89.80)	(155.20)
	Total Expense recognised #	(219.44)	176.53
E	Category of Plan Assets		
	Fund with LIC	32.07	29.29
	Fund with SBI Life	230.88	0.51
	Total	262.95	29.80
F	Actual return on Plan Assets	12.58	2.19
G	Principal Actuarial Assumptions		
	Discount Rate	7.50%	7.80%
	Salary Escalation	3.00%	3.00%
	Expected return on Assets	8.00%	8.75%
	Mortality Rates	IALM 2006-08 ULTIMATE	IALM 2006-08 ULTIMATE

# includes ` Nil (Previous Year ` 15.77 lakhs) written back for discontinuing operations.



## Notes to the Standalone Financial Statements (Contd.)

## 27.3 Net Assets / (Liability) recognised in Balance Sheet (including experience adjustment impact)

₹ in Lakhs

Description	Gratuity (Funded)				
	2016-17	2015-16	2014-15	2013-14	2012-13
Present Value of Obligation at the end of the year	2,264.38	2,591.69	2,457.70	2,475.30	2,295.79
Fair Value of Plan Assets at the end of the year	262.95	29.80	71.13	519.18	754.00
(Assets)/Liabilities recognised in the Balance Sheet	(2,001.43)	(2,561.89)	(2,386.57)	(1,956.12)	(1,541.79)
Experience adjustment on Plan Liabilities	79.61	159.23	138.67	155.42	125.53
Experience adjustment on Plan Assets	10.19	(4.03)	(20.08)	(15.93)	(12.65)

## Notes:-

- 1) The detail of experience adjustment arising on plan assets and liabilities as required by paragraph 120(n)(ii) of Accounting Standard-15 on 'Employee Benefits' is given to the extent of information provided in the Actuarial Valuation Report.
- 2) The estimate of future salary increases, considered in actuarial valuations takes account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.
- 3) The expected rate of return on plan assets is based on actuarial assumption.
- 4) The company expect to contribute a sum of ₹ 451.72 Lakhs during 2017-18 towards Gratuity Fund.
- 5) The above information is actuarially determined.

## 28 Finance Costs

₹ in Lakhs

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Interest Expenses (net of incentive income)	4,473.78	4,328.26
Other Borrowing Costs	212.62	322.02
Total	4,686.40	4,650.28





## Notes to the Standalone Financial Statements (Contd.)

### 29 Other Expenses

₹ in Lakhs

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Consumption of Stores and Spare Parts	3,275.01	3,211.76
Power and Fuel	5,631.52	6,429.91
Repairs to Buildings	271.83	284.76
Repairs to Machinery	1,228.54	1,303.46
Other Repairs	123.02	140.45
Jobs on Contract	4,780.15	5,637.52
Jobs Outsourcing	409.26	810.07
Machinery Hire Charges	503.81	991.13
Cess on Green Leaf and Made Tea	135.43	130.26
Excise Duty on Closing Stock of Finished Goods (Net)	(10.12)	(29.99)
Freight, Shipping, Delivery and Selling Expenses	1,444.53	1,852.75
Selling Agents' Commission	206.91	270.85
Brokerage and Discount on Sale	451.68	539.72
Auditors' Remuneration		
Statutory Auditor		
- Audit Fees	16.00	16.00
- Other Services	16.55	14.20
- Reimbursement of Expenses	0.40	0.20
Branch Auditors		
- Audit Fees	4.95	4.95
- Tax Audit Fees	1.50	1.50
- Other Services	1.73	1.73
- Reimbursement of Expenses	0.56	0.46
Rent	117.46	97.81
Rates and Taxes, excluding taxes on income	297.36	317.99
Insurance	239.55	278.74
Bad Debts and Advances Written off	118.06	91.59
Provision for Doubtful Debts and Advances	43.29	123.70
Directors Fees & Commission	8.15	9.62
Consultation and Advisory Charges	225.89	217.09
Travelling and Conveyance Expenses	806.06	901.71
CSR Expenditure (Refer Note 36)	14.65	2.61
Other Miscellaneous Expenses	948.86	1,146.86
Total	21,312.59	24,799.41

### 30 Current Tax

Income Tax	25.00	-
Agricultural Income Tax	55.00	80.00
Total	80.00	80.00



## Notes to the Standalone Financial Statements (Contd.)

## 31. Contingent Liabilities and Commitments

` in Lakhs

Particulars	As at 31st March, 2017	As at 31st March, 2016
31.1 Contingent Liabilities		
Claims against the Company not acknowledged as debts		
i) Sales Tax	1,878.67	1,118.31
ii) Cess on Jute Bags/Jute Twine	7.32	7.32
iii) Cess and Excise on Captive Consumption	11.33	11.33
iv) Excise Duty	56.87	114.22
v) Service Tax	424.83	442.58
vi) Income Tax	106.02	106.02
vii) Voltage Surcharge on Electricity consumed	159.32	159.32
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 reimbursement in case of above.		
31.2 Commitments		
i) Estimated amount of contracts remaining to be executed on Capital Account and not provided for [Net of advance ` 101.50 Lakhs (Previous Year ` 105.84 Lakhs)]	167.76	206.65
ii) Arrear Dividend on Cumulative Redeemable Preference Shares: The Board has not declared any dividend on Cumulative Redeemable Preference Shares. Dividend in arrears on Cumulative Preference Shares can be paid in a later year where there are profits to justify such payment.	82.43	32.00
iii) The Company has given counter guarantee to a bank for issue of stand by letter of credit against loan availed by the Wholly Owned subsidiary from a bank:		
a) Amount of guarantee given USD 13.00 million	8,429.02	8,623.28
b) Amount outstanding as on 31st March USD 12.28 million (Previous Year USD 12.45 million)	7,960.05	8,259.58
iv) Deposits with Bank committed to continue till the tenure of stand by letter of credit.	1,930.45	1,811.64

## 32. Information in accordance with the requirements of the Accounting Standard-17 on 'Segment Reporting' :

(a) The Company has identified Four primary business segments viz :

- i) Textile - Manufacture and sale of yarn and fabric made out of Cotton and Man-Made Fibre viz., Acrylic, Polyester, Viscose Staple and Blends thereof.
- ii) Engineering (MICCO) - Manufacture and sale of Steel Structural, Pipes and Equipments and Designing, Supplying, Erection and Commissioning of projects on turnkey basis.
- iii) Tea - Manufacture and sale of tea
- iv) Property - Letting out property on rent

Segments have been identified and reported taking into account nature of products and services, the different risks and returns and the internal business reporting systems. The accounting policies adopted for segment reporting are in line with the accounting policy of the Company with the following additional policies for segment reporting.

- i) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".
- ii) Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related asset and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".



## Notes to the Standalone Financial Statements (Contd.)

### Primary Segment Information (Business Segment):

₹ in Lakhs

Particulars	Textile	Engineering (MICCO)	Tea	Chemical (Waldies) (refer Note-33)	Trading (Discontinuing Operations) (refer Note-35)	Property	Unallocable	Total
Gross Segment Revenue External Turnover	36,729.97 (34,839.22)	9,682.57 (17,631.56)	19,472.93 (21,757.27)	- (4,964.27)	- (182.94)	715.12 (778.94)	- (-)	66,600.59 (80,154.20)
Inter Segment Revenue	- (-)	- (-)	- (-)	- (-)	- (-)	72.93 (101.72)	- (-)	72.93 (101.72)
Total Turnover	36,729.97 (34,839.22)	9,682.57 (17,631.56)	19,472.93 (21,757.27)	- (4,964.27)	- (182.94)	788.05 (880.66)	- (-)	66,673.52 (80,255.92)
Less : Excise Duty	- (-)	31.78 (78.12)	- (-)	- (554.80)	- (-)	- (-)	- (-)	31.78 (632.92)
Segment Revenue (Net of Excise Duty)	36,729.97 (34,839.22)	9,650.79 (17,553.44)	19,472.93 (21,757.27)	- (4,409.47)	- (182.94)	788.05 (880.66)	- (-)	66,641.74 (79,623.00)
Less : Inter Segment Elimination	- (-)	- (-)	- (-)	- (-)	- (-)	72.93 (101.72)	- (-)	72.93 (101.72)
Revenue from Operations (Net)								66,568.81 (79,521.28)
Segment Result	2,149.70 (524.86)	828.63 (-121.15)	402.37 (1,454.20)	- (170.90)	- (-99.12)	547.63 (640.64)		3,928.33 (2,570.33)
Less: " Unallocable Expenditure net of Unallocable Income "							(909.56) (106.97)	(909.56) (106.97)
Finance Costs							4,686.40 (4,650.28)	4,686.40 (4,650.28)
Profit/(Loss) before Tax								151.49 (-2186.92)
Depreciation and Amortisation	1,017.87 (986.41)	249.86 (333.19)	579.75 (488.04)	- (3.65)	- (3.26)	1.98 (1.56)	49.85 (52.07)	1,899.31 (1,868.18)
Non Cash Expenses other than Depreciation and Amortisation	22.00 (-)	129.68 (162.23)	- (47.09)	- (-)	- (56.72)	9.67 (5.98)	- (-)	161.35 (272.02)
Capital Expenditure	369.23 (464.00)	18.30 (31.62)	883.49 (372.15)	- (-)	- (-)	- (3.81)	3.70 (15.68)	1,274.72 (887.26)
Segment Assets	30,323.55 (30,506.84)	24,690.38 (26,888.85)	12,537.70 (11,800.85)	- (1,474.34)	- (266.71)	93.06 (103.28)	7,015.01 (6,636.50)	74,659.70 (77,677.37)
Segment Liabilities	7,899.73 (6,362.82)	6,331.98 (8,256.75)	3,732.08 (4,094.75)	- (557.77)	- (39.57)	517.18 (528.81)	35,189.73 (38,750.34)	53,670.70 (58,590.81)

### b) Secondary Segment Information (Geographical Segment):

The Company operates predominantly within geographical limits of India and therefore the Secondary Segment has been demarcated into 'Within India' and 'Outside India' operations as under:

₹ in Lakhs

	Within India	Outside India	Total
Segment Revenue	55,503.39 (65,310.88)	11,065.42 (14,210.40)	66,568.81 (79,521.28)
Segment Assets	65,511.57 (68,110.10)	2,133.12 (2,930.77)	67,644.69 (71,040.87)
Capital Expenditure	1,271.02 (871.58)	- (-)	1,271.02 (871.58)

Figures in brackets represent particulars for Previous Year



## Notes to the Standalone Financial Statements (Contd.)

33. A Scheme of Arrangement between the Company and its erstwhile Indian Subsidiary i.e. Barfani Builder Limited (BBL) and their respective shareholders for reconstruction by transfer of Chemical (Waldies) Division of the Company to BBL was sanctioned and approved by the Hon'ble High Court, Calcutta vide its order dated 28th November, 2016. The certified copies of the said Orders was filed with the Registrar of Companies, West Bengal on 6th January, 2017, thereby making the said Scheme effective from the said date.

The salient features of the Scheme are as under :

- The reconstruction would be operative from 1st April, 2015 ("the Appointed Date").
- The Scheme is subject, inter alia, to approval of the same by the requisite majorities of the members of the Company and BBL and sanction by the Hon'ble High Court at Calcutta. Accordingly, the Scheme although operative from the Appointed Date would become effective on the Effective Date, being the date or last of the dates on which certified copies of the order of the Hon'ble High Court at Calcutta sanctioning the Scheme is filed with the Registrar of Companies, West Bengal.
- With effect from the Appointed Date the Chemical Division of the Company and all assets, property, rights and powers as well as all debts, liabilities, duties and obligations of the Company relating to the Chemical Division, shall be transferred to BBL subject to the existing charges and in accordance with the modalities for transfer and vesting detailed in the Scheme.
- In consideration of the reconstruction, BBL will issue and allot 1,46,80,000 Equity Shares of ₹ 10/- each credited as fully paid up in BBL.
- Save and except the Chemical Division of the Company and as expressly provided in the Scheme of Arrangement nothing contained in this Scheme of Arrangement shall affect the remaining business of the Company which shall continue to belong to and be vested in and be managed by the Company.

In accordance with the Scheme the excess of the aggregate face value of new Equity Shares over the net book value of the assets and liabilities of the Chemical (Waldies) Division amounting to ₹ 728.66 lakhs and the profit of ₹ 137.71 lakhs for the year from 1st April, 2015 to 31 March, 2016 has been adjusted with opening revenue reserves.

The results for the financial year ended 31st March, 2017 reflect the effect of the Scheme. In view of the above, the figures for the year ended 31st March, 2017 are not comparable.

- During the year, the Company has sold and transferred its entire shareholding of 1,47,29,995 numbers of fully paid equity shares of ₹ 10 each, held in Waldies Compound Limited (formerly Barfani Builder Limited) for a total consideration of ₹ 2,106.29 Lakhs. Profit of ₹ 633.39 Lakhs arising from the sale of said shares, has been shown as 'Exceptional Items'
- During the year, the Company has completed the sale of Land & Building structure of the fabrication factory of its Engineering (MICCO) Division located at Sodepur, West Bengal. Profit of ₹ 1,573.38 Lakhs, arising out of the sale of said assets has also been shown as 'Exceptional Items'.

### 35. Discontinuing Operations

The Company has discontinued the operation with respect to its Trading Division with effect from the close of business hours of 31st March, 2016.

The following statement shows the revenue and expenditure of the discontinuing operations of Trading Division –

₹ in Lakhs		
Particulars	2016-17	2015-16
Revenue	-	217.13
Less: Expenses	-	311.28
Less: Finance cost	-	-
Less: Depreciation and amortization expense	-	3.26
Loss Before Tax	-	97.41
Tax Expense	-	-
Loss after Tax	-	97.41



The carrying amounts of the total assets and liabilities of the division are as follows:

Particulars	2016-17	2015-16
Total Assets	-	266.71
Total Liabilities	-	47.37
Net assets	-	219.34

Net cash flow attributable to the division are as below:

Particulars	2016-17	2015-16
Revenue	-	217.13
Operating activities	-	(30.62)
Investing activities	-	5.70
Financing activities	-	7.79
Net cash flows	-	(17.13)

36. A Corporate Social Responsibility (CSR) committee has been formed by the Company as per provisions of Section 135 of the Companies Act, 2013. The areas for CSR activities are promoting education, healthcare, animal welfare and projects ensuring environment sustainability. Disclosures of Corporate Social Responsibility expenditure are in line with the requirement of Guidance Note on "Accounting for Expenditure on Corporate Social Responsibility Activities".

Particulars	2016-17	2015-16
Amount of CSR expenditure to be incurred during the year	-	17.26
CSR expenditure (Revenue Nature) incurred during the year	14.65	2.61

37. Revenue expenditure on Research and Development of ` 17.41 Lakhs (Previous Year ` 12.13 Lakhs) represents subscription to Tea Research Association.

### 38. Related Party Disclosure

#### 38.1 Information in accordance with requirements of the Accounting Standard-18 on 'Related Party Disclosures':-

##### A) Subsidiary Companies:

##### i) Direct Subsidiary:

- Gillanders Holdings (Mauritius) Limited, Mauritius (GHML)
- Waldies Compound Limited (WCL) (Formerly Barfini Builder Limited) (upto 9th March, 2017)

##### ii) Indirect Subsidiaries :

- Group Developments Limited, Malawi (a Wholly Owned Subsidiary (WOS) of GHML) (GDL)
- Naming'omba Tea Estates Limited (WOS of GDL)
- Mafisi Tea Estates Limited (WOS of GDL)
- Group Holdings Limited (WOS of GDL)

##### B) Name of the Companies in which Directors/Key Management Personnel and their relatives have significant influence

- M D Kothari and Company Limited (MDKCL)
- Bharat Fritz Werner Ltd. (BFW)
- Kothari and Co Pvt. Limited (KCPL)
- Kothari Investment & Industries Pvt. Limited (KIPL)
- Commercial House Pvt. Limited (CHPL)
- Vishnuhari Investment and Properties Limited (VIPL)
- Kothari Medical Centre (KMC)
- Kothari Phytochemicals Industries Limited (KPIL)

##### C) Key Management Personnel of the Company

Mr. D K Sharda (DKS) – Managing Director & Chief Executive Officer



## Notes to the Standalone Financial Statements (Contd.)

### 38.2 Details of transactions entered into with the related parties

in Lakhs

Nature of Transaction	2016-17											2015-16											
	MDKCL	BFW	KCPL	KIPL	KMC	VIPL	KPIL	CHPL	GHML	WCL	TOTAL	MDKCL	BFW	KCPL	KIPL	KMC	VIPL	KPIL	CHPL	ADL	GHML	WCL	TOTAL
Rent Paid	-	-	1.15	2.25	-	-	-	-	-	-	3.40	-	-	2.40	9.00	-	-	-	-	-	-	-	11.40
Rent Received	-	2.30	0.44	-	0.44	-	0.75	-	-	0.09	4.03	-	2.30	0.44	-	0.44	-	0.75	-	-	-	-	3.93
Guarantee Commission Received	-	-	-	-	-	-	-	-	2.11	-	2.11	-	-	-	-	-	-	-	-	-	2.13	-	2.13
Guarantee Commission Paid	4.30	-	-	-	-	-	-	0.69	-	-	4.99	4.30	-	-	-	-	-	-	0.84	-	-	-	5.14
Unsecured Loans Taken	-	-	170.00	-	-	130.00	-	-	-	-	300.00	30.00	-	45.00	-	-	75.00	-	-	-	-	-	150.00
Unsecured Loans Repaid	-	-	170.00	-	-	180.00	-	-	-	-	350.00	30.00	-	45.00	-	-	25.00	-	-	-	-	-	100.00
Interest on Loans Taken	-	-	1.92	-	-	10.20	-	-	-	-	12.12	0.96	-	3.94	-	-	1.65	-	-	-	-	-	6.55
Equity Contribution/ Investments	-	-	-	-	-	-	-	-	-	1,468.00	1,468.00	-	-	-	-	-	-	-	-	-	-	5.00	5.00
Sale of Investment in Equity	-	-	-	-	-	-	-	-	-	1,473.00	1,473.00	-	-	-	-	-	-	-	-	-	-	-	-
Balance as on 31st March	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Guarantee Commission Receivable	-	-	-	-	-	-	-	-	1.09	-	1.09	-	-	-	-	-	-	-	-	-	3.27	-	3.27
Guarantee Given (Refer Note No. 31.2 (iii))	-	-	-	-	-	-	-	-	8,429.02	-	8,429.02	-	-	-	-	-	-	-	-	-	8,623.28	-	8,623.28
Unsecured Loan Taken	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	50.00	-	-	-	-	-	50.00

### 38.3 Transactions with the Key Management Personnel

in Lakhs

Nature of Transaction	Key Management Personnel of the Company	
	2016-17	2015-2016
	DKS	DKS
Remuneration Paid	44.47	41.31



## Notes to the Standalone Financial Statements (Contd.)

### 39. Imported and Indigenous Material consumed:

in Lakhs

Particulars	2016-17	%	2015-16	%
Raw Materials				
- Imported	3,707.73	16.08	4,045.35	14.32
- Indigenous	19,357.13	83.92	24,197.18	85.68
	23,064.86	100.00	28,242.53	100.00
Stores & Spare Parts (including components)				
- Imported	85.23	2.60	72.04	2.24
- Indigenous	3,189.78	97.40	3,139.72	97.76
	3,275.01	100.00	3,211.76	100.00

### 40. CIF Value of Imports

Particulars	2016-17	2015-16
i) Raw Materials	3,152.28	3,407.64
ii) Capital Equipment	129.15	2.63
iii) Stores, Spare Parts and Components	71.24	59.76
iv) Bought Out goods	-	450.32
Total	3,352.67	3,920.35

### 41. Expenditure in Foreign Currency

Particulars	2016-17	2015-16
i) Commission on Sales/Orders	168.91	78.65
ii) Traveling Expenses	16.45	19.98
iii) Professional & Consultancy Charges	11.93	-
iv) Other Matters	22.65	15.32
Total	219.94	113.95

### 42. Earnings in Foreign Currency

Particulars	2016-17	2015-16
i) Export of Goods calculated on F.O.B. basis	11,077.61	13,826.05
ii) Guarantee Commission	2.11	2.13
Total	11,079.72	13,828.18



## Notes to the Standalone Financial Statements (Contd.)

### 43. Information in accordance with the requirements of the Accounting Standard 7 on 'Construction Contracts':-

₹ in Lakhs

		2016-17	2015-16
a)	Contract revenue recognised for the year	9,682.56	17,631.56
b)	Aggregate amount of contracts costs incurred and recognised Profits (Less recognised losses) up to the year end for all the Contracts-in-Progress.	1,35,068.56	126,537.56
c)	The amount of customer advances outstanding for Contracts-in-Progress as at year end.	728.89	1,324.72
d)	The amount of retention money due from customers for Contracts-in-Progress as at year end.	9,618.04	9,997.25
e)	Gross amount due from customers for Contracts-in-Progress as at year end [included in work-in-progress ₹ 1,513.15 Lakhs (Previous year ₹ 1,234.34 Lakhs), Trade Receivables ₹ 6,035.66 Lakhs (Previous year ₹ 7,290.32 Lakhs)]	7,548.81	8,524.65
f)	Gross amount due to customer for contract work in Progress as at year end	-	-

### 44. Operating Lease Commitments

- The Company has taken various Plant and Machinery for its Engineering (MICCO) Division under cancellable operating lease. Lease range for the period between 3 to 8 months. During the year the Company has charged related lease rental of ₹ 503.81 Lakhs (Previous Year ₹ 991.13 Lakhs) in the Statement of Profit and Loss under the head Machinery Hire Charges.
- The Company has given office premises under cancellable operating leases. These leasing arrangements range between 3 years and 15 years generally or longer and are usually renewable by mutual consent on mutually agreeable terms. Initial Direct costs for such leases are borne by the Company and charged off to revenue. Lease rentals are recognised as income for ₹ 500.32 Lakhs during the year (Previous Year ₹ 555.24 Lakhs). The gross value and accumulated depreciation of such asset as at 31st March, 2017 was ₹ 23.59 Lakhs (Previous Year ₹ 23.59 Lakhs) and ₹ 22.41 Lakhs (Previous Year ₹ 22.41 Lakhs) respectively.
- The Company has certain operating leases for premises (residential, offices and godowns) which are not non-cancellable range between 3 months to 5 years generally and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged in the Statement of Profit and Loss under the head Rent (Refer Note - 29).

### 45. Basic and Diluted Earnings per Share

		2016-17	2015-16
(i)	Profit/(Loss) after tax available for Ordinary Shareholders (₹ in Lakhs) *	51.06	(2,282.92)
(ii)	Weighted average of Ordinary Shares of ₹ 10 each outstanding during the year (Numbers)	2,13,42,346	2,13,42,346
(iii)	Basic and Diluted Earnings per Share [(I) / (ii)] (in ₹)	0.24	(10.70)

\* After adjusting arrear dividend on Preference Shares of ₹ 50.43 Lakhs (Previous Year ₹ 16.00 Lakhs), the Board has not recommended any dividend on Cumulative Redeemable Preference shares for the year 2016-17 and Dividend Distribution Tax thereupon of ₹ Nil (Previous Year ₹ Nil).





## Notes to the Standalone Financial Statements (Contd.)

### 46. Derivative Instruments and Un-hedged Foreign Currency Exposure

- (a) The year-end net monetary foreign currency exposures that have not been hedged by a derivative instrument are given below: in Lakhs

Currency	As at 31st March, 2017 Net (Buy) / Sell*	As at 31st March, 2016 Net (Buy) / Sell*
USD	43.36	317.90

- (b) Category wise outstanding Foreign Currency exposure entered for hedging by way of Forward Contract are as follows:

Currency	As at 31st March, 2017 Net (Buy) / Sell*	As at 31st March, 2016 Net (Buy) / Sell*
USD	616.91	1,023.83

- (c) Forward Contract against firm commitments

Currency	As at 31st March, 2017 Net (Buy) / Sell*	As at 31st March, 2016 Net (Buy) / Sell*
USD	2,324.52	1,931.53

\*Sell indicates Receivable and Buy indicates Payable.

47. Details of specified Bank Notes (SBN) held and transacted during the period from 9th November, 2016 to 30th December, 2016 is provided in the table below : -

Particulars	Specified Bank Notes (SBNs)	Other denomination notes & coins	Total
Closing cash in hand as on 08/11/2016	119.39	22.29	141.68
(+) Permitted receipts	-	1031.00	1031.00
(-) Permitted payments	-	743.37	743.37
(-) Amount deposited in Banks	119.39	0.52	119.91
Closing cash in hand as on 30/12/2016	-	309.40	309.40

48. Previous year's figures have been regrouped and / or reclassified, wherever considered necessary to correspond with the current year's classification and / or disclosure.

As per our report of even date.

For Singhi & Co.

Chartered Accountants

Firm Registration Number - 302049E

Anurag Singhi

Partner

Membership No. 066274

Kolkata, 29th May, 2017

D. K. Sharda

Managing Director & CEO

DIN : 00105406

D. Karmakar

Company Secretary

For and on behalf of the Board

A. K. Kothari

Chairman

DIN : 00051900

P. K. Jain

Chief Financial Officer



# INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

TO THE MEMBERS OF

GILLANDERS ARBUTHNOT AND COMPANY LIMITED

## Report On The Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Gillanders Arbuthnot and Company Limited (hereinafter referred to as 'the Holding Company') and its subsidiaries (the holding company and its subsidiary collectively hereinafter referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31<sup>st</sup> March 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'the Consolidated Financial Statements').

## Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

## Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those standards require that we comply with ethical

requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
5. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 7 on 'Other Matters' below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2017, and their consolidated loss and their consolidated cash flows for the year ended on that date.

## Other Matters

7. We did not audit the financial statements in respect of two branches, two subsidiaries and a step down foreign subsidiary whose financial statements taken together reflect total assets of ` 45,444.97 and net assets of ` 12,489.71 lakhs as at 31<sup>st</sup> March, 2017, total revenues of ` 35,322.29 lakhs and net cash flow amounting to ` 254.14 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of such other auditors. For Waldies Compound Limited (formerly



known as Barfani Builder Limited), a subsidiary incorporated in India, which ceased to be a subsidiary w.e.f 09.03.2017 has been consolidated based on management certified accounts. Total revenues from such subsidiary included in consolidated financial results is Rs. 6038.59 lakhs.

8. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

#### Report on Other Legal and Regulatory Requirements

9. As required by sub-section 3 of Section 143 of the Act, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March 2017 taken on record by the Board of Directors of the Holding Company, none of the Directors of the group's Companies incorporated in India is disqualified as on 31st March 2017 from being appointed as a Director of that company in terms of sub-section 2 of Section 164 of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" to this report; and
- g) 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note No. 32 to the consolidated financial statements

- ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and subsidiary company incorporated in India.
- iv. The Company has provided requisite disclosures in its Financial Statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 47 of the Consolidated Financial Statements.

For SINGHI & Co.

*Chartered Accountants*

Firm Registration No. 302049E

Anurag Singhi

*Partner*

Place : Kolkata

Dated : the 29<sup>th</sup> May, 2017

Membership No. 066274

#### Annexure - A to the Independent Auditor's Report

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

(Referred to in paragraph 9 (f) with the heading 'Report on Other Legal and Regulatory Requirements' section of our report of even date in respect to statutory audit of Gillanders Arbuthnot and Company Limited for the year ended 31st March 2017)

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March 2017, we have audited the internal financial controls over financial reporting of Gillanders Arbuthnot and Company Limited (hereinafter referred to as 'the Holding Company') and its subsidiary company, which is a company incorporated in India, as of that date.

#### Management's Responsibility for Internal Financial Controls

2. The Respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the 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 ('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 Companies Act, 2013.

#### Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence obtained by us 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 internal financial control system over financial reporting.

#### Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the

transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

#### Opinion

8. In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, 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.

#### Other Matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the holding company, insofar as it relates to subsidiary, which is a company incorporated in India, is based on the management certificate for such a subsidiary. Our opinion is not modified in respect of this matter.

For SINGHI & Co.  
Chartered Accountants  
Firm Registration No. 302049E

Anurag Singhi

Partner

Place : Kolkata  
Dated : the 29<sup>th</sup> May, 2017

Membership No. 066274



# CONSOLIDATED BALANCE SHEET as at 31st March, 2017

` in Lakhs

Particulars	Note No.	As at 31st March, 2017	As at 31st March, 2016
<b>EQUITY AND LIABILITIES</b>			
Shareholders' Funds			
Share Capital	2	3,544.23	2,334.23
Reserves and Surplus	3	16,512.89	15,471.52
Minority Interest		-	-
Non-Current Liabilities			
Long Term Borrowings	4	18,247.36	21,639.27
Deferred Tax Liabilities (Net)	5	-	6.95
Other Long Term Liabilities	6	1,713.94	2,366.29
Current Liabilities			
Short Term Borrowings	7	20,964.17	21,956.60
Trade Payables			
i) Dues to Micro and Small enterprises	8	-	-
ii) Dues to creditors other than Micro and Small enterprises	9	11,518.34	11,608.15
Other Current Liabilities	10	8,536.83	8,042.25
Short Term Provisions	11	2,417.72	3,063.85
<b>TOTAL</b>		<b>83,455.48</b>	<b>86,489.11</b>
<b>ASSETS</b>			
Non-Current Assets			
Fixed Assets	12		
i) Tangible Assets		23,430.80	23,931.27
ii) Intangible Assets		19.86	29.81
iii) Capital Work-in-Progress		62.08	428.31
		23,512.74	24,389.39
Goodwill on Consolidation	13	6,882.16	7,040.77
Non-Current Investments	14	2,708.25	2,708.25
Deferred Tax Assets (Net)	5	10.12	-
Long Term Loans and Advances	15	4,422.59	5,025.86
Other Non-Current Assets	16	1,937.31	1,903.00
Current Assets			
Current Investments	17	99.74	99.74
Inventories	18	16,292.46	16,172.66
Trade Receivables	19	10,768.68	12,843.46
Cash and Bank Balances	20	876.35	462.90
Short Term Loans and Advances	21	11,100.84	11,052.84
Other Current Assets	22	4,844.24	4,790.24
<b>TOTAL</b>		<b>83,455.48</b>	<b>86,489.11</b>
Significant Accounting Policies	1		

The accompanying notes are an integral part of the consolidated financial statements.  
As per our report of even date.

For Singhi & Co.  
Chartered Accountants  
Firm Registration Number - 302049E  
Anurag Singhi  
Partner  
Membership No. 066274  
Kolkata, 29th May, 2017

D. K. Sharda  
Managing Director & CEO  
DIN : 00105406

D. Karmakar  
Company Secretary

For and on behalf of the Board  
A. K. Kothari  
Chairman  
DIN : 00051900

P. K. Jain  
Chief Financial Officer



# CONSOLIDATED STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2017

` in Lakhs

Particulars	Note No.	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Income			
Revenue from Operations (Gross)	23	76,440.30	82,379.07
Less : Excise Duty		(784.42)	(632.92)
Revenue from Operations (Net)		75,655.88	81,746.15
Other Income	24	1,239.02	1,064.17
Total Revenue		76,894.90	82,810.32
Expenses			
Cost of Materials Consumed	25	28,289.12	28,242.53
Purchases of Stock-in-Trade	26	5,423.38	10,080.94
Changes in Inventories of Finished goods, Work-in-Process and Stock-in-Trade	27	(257.27)	(391.11)
Employee Benefits Expense	28	14,900.46	14,241.83
Finance Costs	29	5,245.24	5,132.94
Depreciation and Amortisation Expense	12	2,150.12	1,889.70
Unrealised Foreign Exchange Loss	43	390.11	2,851.42
Other Expenses	30	22,709.63	25,965.82
Total Expenses		78,850.79	88,014.07
Profit/(Loss) before Exceptional Items and Tax		(1,955.89)	(5,203.75)
Exceptional Items	35	1,942.50	-
Profit/(Loss) after Exceptional Items but before Tax		(13.39)	(5,203.75)
Tax Expense:			
- Current Tax	31	224.25	154.37
- Deferred Tax		(6.54)	79.93
- Excess provision made in earlier year		(30.00)	-
Profit/(Loss) from Continuing Operations (A)		(201.10)	(5,438.05)
Profit/(Loss) from Discontinuing Operations	36	-	(97.41)
Tax expense of Discontinuing Operations		-	-
Profit/(Loss) from Discontinuing operations (B)		-	(97.41)
Minority Interest		-	-
Profit/(Loss) for the year (A+B)		(201.10)	(5,535.46)
Earnings per Ordinary Share (Face Value of ` 10 per share)			
Basic & Diluted (in `)	46	(1.18)	(26.01)
Significant Accounting Policies	1		

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

As per our report of even date.

For and on behalf of the Board

For Singhi & Co.  
Chartered Accountants  
Firm Registration Number - 302049E  
Anurag Singhi  
Partner  
Membership No. 066274  
Kolkata, 29th May, 2017

D. K. Sharda  
Managing Director & CEO  
DIN : 00105406

A. K. Kothari  
Chairman  
DIN : 00051900

D. Karmakar  
Company Secretary

P. K. Jain  
Chief Financial Officer



# CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March, 2017

in Lakhs

	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit/(Loss) before tax		(13.39)		(5,301.16)
Adjustments for :				
Depreciation and Amortisation Expense	2,150.12		1,892.96	
Finance Cost (Net of incentive income)	5,245.24		5,132.94	
Exceptional Items	(1,942.50)		-	
(Profit)/Loss on Sale of Property, Plant and Equipment (Net)	(435.51)		(221.12)	
Unrealised Exchange Loss	390.11		2,851.42	
Bad Debts and Advances written off	118.86		100.50	
Provision for Doubtful Debts and advances (Net of written back)	(45.05)		171.52	
Provision for diminution in value of investment written back	-		(0.67)	
Interest Income	(248.80)		(241.08)	
Dividend Income	-		(13.41)	
Liability no longer required written back	(23.95)	5,208.52	(213.48)	9,459.58
Operating profit before Working Capital Changes		5,195.13		4,158.42
Adjustments for :				
Trade and Other Receivables	2,060.53		342.76	
Inventories	(105.77)		(495.56)	
Trade and Other Payables	(1,085.88)	868.88	422.32	269.52
Cash Generated from Operations		6,064.01		4,427.94
Direct Taxes Paid (Net)		(108.47)		(393.25)
Net Cash from Operating Activities		5,955.54		4,034.69
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Property, Plant and Equipments including Capital Work in Progress	(1,335.17)		(1,561.32)	
Proceeds from Sale of Property, Plant and Equipments	2,192.36		378.28	
Capital Subsidy Received	4.21		33.27	
Acquisition of a subsidiary Company	-		(5.00)	
Proceeds from Sale of in subsidiary Company Investments	2,106.39		-	
Interest Received	262.42		323.31	
Dividend Received	-		13.41	
Net Cash from / (used in) Investing Activities		3,230.21		(818.05)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from issue of Preference Shares	1,210.00		-	
Repayment of Short Term Borrowings (Net)	(572.99)		(4,392.12)	
Proceeds from Long Term Borrowings	130.00		9,555.63	
Repayment of Long Term Borrowings	(4,522.16)		(3,949.94)	
Proceeds from Fixed Deposits (from Public)	2,125.28		1,873.60	
Repayment of Fixed Deposits (from Public)	(1,814.00)		(867.46)	
Dividend Paid	(2.09)		(9.23)	
Finance Charges Paid	(5,201.23)		(5,163.03)	
Net Cash used in Financing Activities		(8,647.19)		(2,952.55)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)		538.56		264.09



## CONSOLIDATED CASH FLOW STATEMENT (Contd.)

` in Lakhs

Cash and Cash Equivalents on Opening date  
 Cash and Cash Equivalents transferred as per Scheme of Arrangement  
 (Refer Note 34.a)  
 Cash and Cash Equivalents on Closing date  
 [Refer Note-b below]

For the Year Ended 31st March, 2017		For the Year Ended 31st March, 2016	
	2,365.90		2,101.81
	(90.80)		-
	2,813.66		2,365.90
	538.56		264.09

## Notes :

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 on 'Cash Flow Statements'.
- Cash and Cash Equivalents includes ` 2,579.90 Lakhs (Previous Year ` 1,985.86 lakhs) available for restricted use (Refer Note - 20). The restrictions are mainly on account of cash and bank balances held as margin money deposit against bank guarantees, under lien and unclaimed dividends.
- The deposits maintained by the bank comprises of time deposits, which can be withdrawn by the company at any point of time without prior notice or penalty on the principal.
- Previous year's figures have been rearranged and regrouped, wherever necessary.

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

As per our report of even date.

For Singhi & Co.  
*Chartered Accountants*  
 Firm Registration Number - 302049E  
 Anurag Singhi  
*Partner*  
 Membership No. 066274  
 Kolkata, 29th May, 2017

D. K. Sharda  
*Managing Director & CEO*  
 DIN : 00105406  
  
 D. Karmakar  
*Company Secretary*

For and on behalf of the Board

A. K. Kothari  
*Chairman*  
 DIN : 00051900

P. K. Jain  
*Chief Financial Officer*





## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31<sup>st</sup> March, 2017

### 1. Significant Accounting Policies

#### 1.1 Principles of Consolidation

The Consolidated Financial Statements (CFS) relate to Gillanders Arbuthnot and Company Limited (the Company), its subsidiaries and its step-down subsidiaries (the Group). The CFS has been prepared in accordance with Accounting Standard-21 on "Consolidated Financial Statements" (AS-21) and is prepared on the following basis:

- (a) The financial statements of the Group are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions including unrealized profits/losses in period end assets, such as inventories, fixed assets etc. The difference between the Company's cost of investments in the subsidiaries, over portion of equity at the time of acquisition of shares is recognized in the CFS as Goodwill or Capital Reserve, as the case may be.
- (b) In case of foreign subsidiaries, being non-integral foreign operations, revenue items are translated at the average rates prevailing during the period. Assets, liabilities and equity are translated at the closing rate. Any exchange difference arising on translation is recognized in the "Foreign Currency Translation Reserve". The financial statements of the subsidiaries used in consolidation are drawn up to the same reporting date as that of the Company.
- (c) Minority Interest's share of net profit of subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- (d) Minority Interest's share of net assets of subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.
- (e) The CFS is prepared by using uniform accounting policies for like transactions and other events in similar circumstances and necessary adjustments required for deviations, if any and to the extent possible, are made in the CFS and are presented in the same manner as the company's standalone financial statements except otherwise stated.

#### 1.2 Basis of Accounting

These consolidated financial statements of the Group have been prepared to comply in all material aspects with all the applicable accounting principles in India (Indian GAAP), the applicable accounting standards as prescribed under section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016 and the relevant provisions of the Companies Act, 2013, to the extent notified. The consolidated financial statements have been prepared under the historical cost convention on an accrual basis.

#### 1.3 Use of Estimates

The preparation of consolidated financial statements in conformity with Indian GAAP requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

#### 1.4 Property, Plant and Equipment

- i) Tangible Assets (other than bearer plants)
  - a) Property, plant and equipment are stated at cost less accumulated depreciation and cumulative impairment losses, if any. Cost includes duties, taxes, incidental expenses, erection/commissioning expenses and borrowing cost attributable to qualifying assets up to the date, the asset is put to use. Expenses for the repair of property, plant and equipment are charged against income when incurred.
  - b) Land taken on perpetual lease is capitalized together with development expenditure incurred on the same.
  - c) An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized in the statement of profit and loss.
  - d) Depreciation on property, plant and equipment is provided under Straight Line Method at rates determined based on useful life of the respective assets and the residual values in accordance with Schedule II of the Companies Act, 2013 or



## Notes to the Consolidated Financial Statements (contd.)

re-assessed by the Company based on technical evaluation except in respect of the following where Written Down Value Method is followed:

- i) In respect of assets under Company's Engineering (MICCO) Division.
- ii) In respect of Tea Division, assets acquired from Kothari Plantations and Industries Limited amalgamated with the Company.
- e) In respect of the Plant & Machinery other than continuous process plant under Textile Division, useful life of 30 years has been considered on the basis of technical evaluation, which is different from life specified in Schedule-II.
- f) Land taken on perpetual lease is not amortized.
- ii) Bearer Plants
  - a) Bearer plants comprising of mature tea bushes and shade trees are stated at cost less accumulated depreciation and cumulative impairment losses, if any. Young tea bushes and shade trees, are carried at cost less impairment losses, if any, under capital work-in-progress. Cost includes the uprooting cost, land development, new planting/ replanting and upkeep expenses until maturity. On maturity, these costs are classified under bearer plants. Costs incurred for infilling including block infilling are generally recognized in the Statement of Profit and Loss unless there is a significant increase in the yield of the sections, in which case such costs are capitalized and depreciated over the remaining useful life of the respective sections.
  - b) Depreciation on matured bearer plants has been provided on straight line basis at the rates determined considering the estimated useful life to be 50 years. The Residual value in case of Bearer plants has been considered as NIL.

### 1.5 Intangible Assets

- a) Costs incurred on intangible assets, resulting in future economic benefits are capitalised as intangible assets. Intangible assets are stated at cost less accumulated amortisation and cumulative impairment losses, if any.
- b) Computer software is amortised over a period of five years.

### 1.6 Impairment of Assets

The carrying amounts of Property, Plant and Equipment are reviewed at each balance sheet date to determine, if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of the fixed assets of a cash generating unit exceeds its recoverable amount. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of the recoverable amount.

### 1.7 Investments

Long Term Investments are stated at cost with an appropriate provision for diminution in value, other than temporary in nature, in the valuation of long term investments. Current Investments are stated at lower of cost or fair value. Gains/Losses on disposal of investments are recognised as income/expenditure.

### 1.8 Foreign Currency Transactions

Transactions in foreign currencies are recognised at the rate existing at the time of such transactions. Gain or Loss resulting from the settlement of such transactions is recognised in the Statement of Profit and Loss. At the Balance Sheet date, monetary items denominated in foreign currency are translated at year-end rates or the forward cover rates as applicable. The resultant translation differences, if any, are recognised in the Statement of Profit and Loss.

### 1.9 Derivative Instruments

The Group uses forward exchange contracts to hedge its risks associated with foreign currency fluctuations relating to the underlying transactions, highly probable forecast transactions and firm commitments. In respect of forwards exchange contracts with underlying transactions, the premium or discount arising at the inception of such contract is amortized as expense or income over the life of contract. Other forward exchange contracts outstanding at the Balance Sheet date are marked to market and gain/loss (net) on outstanding contract is recognised in the Statement of Profit and Loss. Any profit or losses arising on cancellation of forward exchange contracts are recognised as income or expense for the period.

### 1.10 Inventories

Inventories are valued as under: -

- (a) Stores and Spare Parts - At cost (on weighted average basis) or net realisable value whichever is lower.
- (b) Raw Materials - At cost (on weighted average basis) or net realisable value whichever is lower.



## Notes to the Consolidated Financial Statements (contd.)

- (c) Stock in Process - Is valued with material at lower of weighted average cost and market rate and estimated conversion cost.
- (d) Finished Goods/Stock in Trade /Contract in Progress - For long term contracts, contract in progress is valued at realisable value/contractual rate and provision for losses, as may be estimated for completion thereof.
  - Others - At cost or net realisable value whichever is lower.
- (e) Waste / Scrap - Waste and Scrap are valued at estimated realisable value.

### 1.11 Employee Benefits

- (a) Short Term Employee Benefits (i.e. benefits payable within one year) are recognized in the period in which employee services are rendered.
- (b) Post-employment and other long term employee benefits are recognized as an expense in the Statement of Profit and Loss for the year in which the employee has rendered services. The expense is recognized at the present value of the amounts payable determined using actuarial valuation techniques.
- (c) Actuarial gains/losses arising under Defined Benefit Plans are recognized immediately in the Statement of Profit and Loss as income/expense for the year in which they occur.
- (d) In case of Group Developments Limited (along with its subsidiaries) there is a policy of severance pay as part of long term employee benefits.
- (e) The Group's net obligation in respect of long-term employee benefit is the amount of future benefit that employees have earned in return for their service in the current and prior periods.

### 1.12 Provisions, Contingent Liabilities and Contingent Assets

- i) Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if
  - (a) the Company has a present obligation as a result of past event;
  - (b) a probable outflow of resources is expected to settle the obligation and
  - (c) the amount of the obligation can be reasonably estimated.
- ii) Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received. Contingent liability is disclosed in case of
  - (a) present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
  - (b) present obligation when no reliable estimate is possible; and
  - (c) a possible obligation arising from past events where the probability of outflow of resources is not remote.
- iii) Contingent Assets are neither recognised, nor disclosed.

Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

### 1.13 Recognition of Income and Expenditure

Items of income and expenditure are recognised on accrual and prudent basis. Contract Revenue is recognised by reference to the stage of completion of the contract activity at the reporting date of the consolidated financial statements on the basis of percentage of completion method. Percentage of completion is the proportion of cost of work performed to-date, to the total estimated contract costs. Expected loss, if any, on the construction/project related activity is recognized as an expense in the period in which it is foreseen, irrespective of the stage of completion of the contract. While determining the amount of foreseeable loss, all elements of costs and related incidental income not included in contract revenue is taken into consideration. Extra work, claim and variation in contracts to the extent that is probable that they will result in revenue and can be reliably measured by the management is also covered. Dividend income is recognised when right to receive is established. Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable.

### 1.14 Taxes on Income

Income tax expense comprises current tax and deferred tax. Current income tax expense comprises taxes on income from operations in India and in Foreign Jurisdiction. Income tax payable in India is determined in accordance with the applicable provisions of the Income Tax Act, 1961. Tax expense relating to foreign operations is determined in accordance with tax laws in countries where such operations are domiciled. Deferred tax is recognised on timing differences being the difference



## Notes to the Consolidated Financial Statements (contd.)

between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognised only if there is reasonable/virtual certainty that sufficient future taxable income will be available against which such deferred tax assets will be realised. Such assets are reviewed as at each Balance Sheet date to reassess the realizability thereof. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantively enacted by the Balance Sheet date. Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction for relevant tax paying units and where the Group is able to and intends to settle the asset and liability on a net basis. The Group offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws.

"Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefit in the form of tax credit against future income tax liability, is recognised in the Balance Sheet if there is convincing evidence to the effect that the Group will pay normal income tax during the specified period."

### 1.15 Leases

For assets acquired under Operating Lease, rentals payable are charged to Statement of Profit and Loss. Assets acquired under Finance Lease are capitalised at lower of the Fair Value and Present Value of Minimum Lease Payments. Lease income from operating leases is recognised in the Statement of Profit and Loss over the period of Lease.

### 1.16 Government Grants

Government Grants related to specific Tangible assets are deducted from gross values of related assets in arriving at their book value. Government Grants related to revenue are recognised in the Statement of Profit and Loss.

### 1.17 Borrowing Costs

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.

## 2. Share Capital

₹ in Lakhs

2.1	Particulars	As at 31st March, 2017	As at 31st March, 2016
	<b>Authorised</b>		
	4,20,00,000 (Previous Year - 4,20,00,000) Ordinary Shares of ₹ 10 each	4,200.00	4,200.00
	32,00,000 (Previous Year - 32,00,000) Preference Shares of ₹ 100 each	3,200.00	3,200.00
	<b>Total</b>	<b>7,400.00</b>	<b>7,400.00</b>
	<b>Issued</b>		
	2,13,42,346 (Previous Year - 2,13,42,346) Ordinary Shares of ₹ 10 each	2,134.23	2,134.23
	2,00,000 (Previous Year - 2,00,000) 8% Cumulative Redeemable Preference Shares of ₹ 100 each	200.00	200.00
	12,10,000 (Previous Year - Nil) 7.75% Cumulative Redeemable Preference Shares of ₹ 100 each	1,210.00	-
	<b>Total</b>	<b>3,544.23</b>	<b>2,334.23</b>
	<b>Subscribed and Fully Paid up</b>		
	2,13,42,346 (Previous Year - 2,13,42,346) Ordinary Shares of ₹ 10 each	2,134.23	2,134.23
	2,00,000 (Previous Year - 2,00,000) 8% Cumulative Redeemable Preference Shares of ₹ 100 each	200.00	200.00
	12,10,000 (Previous Year - Nil) 7.75% Cumulative Redeemable Preference Shares of ₹ 100 each	1,210.00	-
		<b>3,544.23</b>	<b>2,334.23</b>



## Notes to the Consolidated Financial Statements (contd.)

### 2.2 Reconciliation of numbers of Shares Outstanding:

Particulars	2016-17		2015-16	
	Ordinary Shares	Preference Shares	Ordinary Shares	Preference Shares
Shares outstanding at the beginning of the year	2,13,42,346	2,00,000	2,13,42,346	2,00,000
Add : 7.75% Cumulative Redeemable Preference Shares issued during the year	-	12,10,000	-	-
Shares outstanding at the end of the year	2,13,42,346	14,10,000	2,13,42,346	2,00,000

### 2.3 Rights, Preferences and Restrictions attached to shares

#### i) Ordinary Shares

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

#### (ii) Preference Shares

- Shareholders of 8% Cumulative Redeemable Preference Shares having a par value of ` 100 per share has a preferential right over said the Ordinary shareholders with respect to payment of dividend and repayment of Share Capital in case of liquidation. The said preference shareholder does not have voting powers except in a meeting of said class of Shareholder.
- The 8% Cumulative Redeemable Preference Shares are redeemable at par in 15 (fifteen) years from the date of allotment i.e. 31st March, 2005 with the option to the Company to redeem the same at any time after the expiry of 60 (sixty) months from the said date of allotment at the discretion of the Board of Directors of the Company.
- The 7.75% Cumulative Redeemable Preference Shares having a par value of ` 100 per share and the holder of Preference shares has a preferential right over the Ordinary shareholders with respect to payment of dividend and repayment of Share Capital in case of liquidation. The said preference shareholder does not have voting powers except in a meeting of said class of shareholder.
- The 7.75% Cumulative Redeemable Preference Shares shall be redeemed at par, in one or more tranches, but not later than a period exceeding 18 (eighteen) years from the date of their allotment i.e. 19th November 2016 with the option to the Company to redeem the same at any time after the expiry of 60 (sixty) months from the date of their allotment at the discretion of the Board of Directors of the Company.



## Notes to the Consolidated Financial Statements (contd.)

### 2.4 Shares of the Company held by each shareholder holding more than 5% shares

Name of Shareholders	As at 31st March, 2017		As at 31st March, 2016	
	Number of Shares held	% of Shares held	Number of Shares held	% of Shares held
Ordinary Shareholders				
Kothari Phytochemicals & Industries Ltd.	55,01,078	25.78	55,01,078	25.78
Kothari Investment & Industries Pvt. Ltd.	22,53,748	10.56	22,53,748	10.56
Vishnuhari Investments & Properties Ltd.	17,07,291	8.00	17,07,291	8.00
M.D. Kothari & Company Ltd.	15,21,868	7.13	15,21,868	7.13
Kothari & Co. Pvt. Ltd.	14,26,199	6.68	14,26,199	6.68
Commercial House Pvt. Ltd.	13,68,212	6.41	13,68,212	6.41
Life Insurance Corporation of India	11,87,278	5.56	11,87,278	5.56
Preference Shareholder				
8% Cumulative Redeemable Preference Shares				
Kothari & Co. Pvt. Ltd.	2,00,000	100.00	2,00,000	100.00
7.75% Cumulative Redeemable Preference Shares				
Kothari investment & Industries Private Limited	6,50,000	53.72	-	-
Kothari & Co. Pvt. Ltd.	5,60,000	46.28	-	-

2.5 There are no fully paid up Ordinary shares issued pursuant to a contract nor any Bonus shares have been issued during the period of five years immediately preceding 31st March 2017.

### 3 Reserves & Surplus ` in Lakhs

Particulars	As at 31st March, 2017		As at 31st March, 2016	
Capital Reserve				
At the beginning and at the end of the year		3,394.88		3,394.88
Amalgamation Reserve				
At the beginning and at the end of the year		61.93		61.93
Foreign Currency Translation Reserve				
At the beginning of the year	2,554.30		314.90	
Addition during the year (net)	513.81		2,239.40	
		3,068.11		2,554.30
Export Profit Reserve				
At the beginning and at the end of the year		0.85		0.85
Preference Share Redemption Reserve				
At the beginning and at the end of the year		262.47		262.47
General Reserve				
At the beginning and at the end of the year		9,860.07		9,860.07
Surplus in Statement of Profit and Loss				
At the beginning of the year	(662.98)		4,872.48	
Add : Profit/(Loss) for the year	(201.10)		(5,535.46)	
Less : Profit on transfer of Chemical (Waldies) Division adjusted pursuant to the Scheme of Arrangement (Refer Note 34.a)		728.66		-
		(135.42)		(662.98)
Total		16,512.89		15,471.52



## Notes to the Consolidated Financial Statements (Contd.)

### 4 Long Term Borrowings

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
	Non Current Portion		Current Maturities	
Secured				
Term Loans in Indian Rupees				
From Banks				
IDBI Bank Ltd	-	-	-	267.00
State Bank of Patiala	2,690.00	2,940.00	250.00	400.00
State Bank of India	6,129.99	7,703.29	1,698.77	2,118.11
IndusInd Bank Ltd (for Equipment)	-	-	-	44.11
HDFC Bank Ltd (for Vehicles)	46.84	2.18	25.73	23.17
Axis Bank Ltd.	6,956.67	8,259.58	1,003.38	-
First Merchant Bank Ltd.	653.04	834.60	163.26	-
From Others				
Tea Board of India	98.32	122.90	24.58	24.58
	16,574.86	19,862.55	3,165.72	2,876.97
Unsecured				
Fixed Deposits (From Public)	1,672.50	1,276.72	726.90	324.42
YES Bank Ltd.	-	500.00	500.00	1,000.00
	1,672.50	1,776.72	1,226.90	1,324.42
Total	18,247.36	21,639.27	4,392.62	4,201.39

#### 4.1 Security Clauses

- The Term Loan from State Bank of India (SBI), Corporate Loan from State Bank of India (SBI), State Bank of Patiala (SBP) and Letter of Credit facility from SBI for purchase of capital goods are secured/to be secured by first charge by way of Equitable Mortgage by deposit of title deeds of the Company's immovable properties situated at (a) Akbarpur, Punjab, (b) Champdani, West Bengal, (c) Gillander House, West Bengal and also secured by way of 1st charge on entire Property, Plant and Equipment, both present and future of the Company except those pertaining to the Tea Division but subject to prior charge(s) created/to be created on current assets (except Tea Division) in favour of Company's bankers for securing working capital facilities availed from time to time in the ordinary course of business. The mortgage and charge shall rank pari passu with the mortgage and charges created/ to be created in favour of SBP and SBI . The term loans, corporate loans and letter of credit for Capital Goods are also secured by guarantee of a Director.
- Lease Rental Discounting (LRD) Term Loan from SBI is secured by assignment/ hypothecation of current and future lease proceeds, rental receivables and other fees from certain chargeable area of Gillander House and are also secured/to be secured by 1st charge on entire Property, Plant and Equipment, both present and future of the Company except those pertaining to the Tea Division but subject to prior charge(s) created/to be created on current assets (except Tea Division) in favour of Company's bankers. The mortgage and charge shall rank pari passu with the mortgage and charges created/to be created in favour of State Bank of Patiala and State Bank of India. The term loan is also secured by guarantee of a Director.
- Term Loan from YES Bank Limited is guaranteed by a Director.
- The Term Loan from HDFC Bank Ltd., are secured by hypothecation of the related vehicles purchased.
- The Term Loan of Gillanders Holdings (Mauritius) Limited, Mauritius from Axis Bank Ltd., Singapore, is secured by Axis Bank Limited, India which has offered a stand by letter of credit of USD 13 Million to Axis Bank Limited, Singapore by creating a pari-passu charge on tea estates in India, of the Holding Company.
- The Term Loan of Group Developments Limited, Malawi from First Merchant Bank Limited, is secured by collateral security by way of mortgage charge on Naming'omba Tea Estate, a unit of a subsidiary of Group Developments Limited.
- The Term Loan from Tea Board of India under Special Purpose Tea Fund Scheme (SPTF) is secured by second charge by way of equitable mortgage on Immovable properties situated at the Tea estates and also further secured/to be secured by second charge by way of hypothecation of tea crop of the estates.

#### 4.2 Maturity pattern for Fixed Deposit (from Public) having rate of interest varying between 10.25% p.a. - 11.25% p.a. are as set out below :- in Lakhs

	2017-18	2018-19	2019-20
Maturity Period	726.90	800.60	871.90



## Notes to the Standalone Financial Statements (Contd.)

## 4.3 - Terms of Repayment of Term Loans &amp; Other Loans

` in Lakhs

Particulars	Nature of Loan	Amount	Period of Maturity	No. of Instalments due	Instalment Value	Repayment Terms	Rate of Interest p.a.
From Banks:-							
State Bank of India	TUF - III	309.00	Mar -19	8	49.00/Quarter 43.00/Quarter 37.00/Quarter 20.00/Quarter	Jun'17 - Sep'17 Dec'17 Mar'18-Dec'18 Mar'19	MCLR + 2.50 %
	TUF - IV	1,178.19	Dec-18	7	196.00/Quarter 195.00/Quarter 174.23/Quarter 24.96/Quarter	Sep, Dec, Mar quarter of 2017-18 and June 2018-19 " June Quarter of 2017-18 " Sep'18 Dec'18	MCLR + 2.50 %
State Bank of India	Term Loan(III)	54.00	Mar-19	7	10.00/Quarter 11.00/Quarter 1.00/Quarter 1.00/Quarter	Jun, Sep, Dec quarter of 2017-18 Mar quarter 2017-18 & Jun '18 Sep'18 Mar'19	MCLR + 2.50 %
	Term Loan(IV)	126.35	Dec'17	3	50.00/Quarter 26.35/Quarter	Jun'17 - Sep'17 Dec'17	MCLR + 2.50 %
State Bank of India	Corporate Loan -I	2,820.00	Mar'-23	24	50.00/Quarter 75.00/Quarter 100.00/Quarter 125.00/Quarter 175.00/Quarter 185.00/Quarter	Apr'17 - Mar'18 Apr'18 - Mar'19 Apr'19 - Mar'20 Apr'20 - Mar'21 Apr'21 - Sep'22 Dec'22 - Mar'23	MCLR + 1.20 %
	Corporate Loan-II	2,940.00	Mar'23	24	60.00/Quarter 70.00/Quarter 75.00/Quarter 100.00/Quarter 150.00/Quarter 175.00/Quarter 175.00/Quarter 165.00/Quarter	Apr'17 - Dec'17 Mar'18 Apr'18 - Mar'19 Apr'19 - Mar'20 Apr'20 - Mar'21 Apr'21 - Mar'22 Apr'22 - Dec'22 Mar'23	MCLR + 1.90 %
State Bank of India	Lease Rental Discounting Loan (LRD)	401.22	Mar-20	36	Equated monthly Installment (EMI)	Apr'17- Mar'20	MCLR + 1.70 %
State Bank of Patiala	Corporate Loan	2,940.00	Mar'23	24	60.00/Quarter 70.00/Quarter 75.00/Quarter 100.00/Quarter 150.00/Quarter 175.00/Quarter 175.00/Quarter 165.00/Quarter	Apr'17 - Dec'17 Mar'18 Apr'18 - Mar'19 Apr'19 - Mar'20 Apr'20 - Mar'21 Apr'21 - Mar'22 Apr'22 - Dec'22 Mar'23	Base rate + 1.70 %
YES Bank Limited	Term Loan	500.00	Apr-17	1	500.00/Month	Apr'17	11.00% (fixed)
HDFC Bank Ltd.	Vehicle Loan	0.31	Apr -17	1	EMI	Apr'17	10.50%
		1.55	Apr -17	1	EMI	Apr'17	10.00%
		0.55	May -17	2	EMI	Apr'17	10.75%
		13.84	Dec -19	33	EMI	Apr'17-Dec'19	9.25%
		14.43	Jan -20	34	EMI	Apr'17-Jan'20	9.25%
		11.90	Dec -19	33	EMI	Apr'17-Dec'19	9.25%
		8.39	Dec -19	33	EMI	Apr'17-Dec'19	9.25%
		7.20	Dec -19	33	EMI	Apr'17-Dec'19	9.25%
		7.20	Dec -19	33	EMI	Apr'17-Dec'19	9.25%
		7.20	Dec -19	33	EMI	Apr'17-Dec'19	9.25%
Axis Bank Ltd. Singapore	Term Loan	7,960.05	Sep-22	6	1003.38/Year 1240.04/Year 1240.04/Year 1240.04/Year 1996.51/Year	Sep'17 Sep'18 Sep'19 Sep'20 Sep'21 Sep'22	3 month LIBOR + 2.90%
First Merchant Bank Limited, Malawi	Term Loan	816.30	Mar-22	60	13.61/Month	Apr'17-Mar-22	7.75%
From Others:-							
Tea Board of India	Special Purpose Tea Fund	122.90	Mar -22	10	12.29/ Half Yearly	Apr'17 - Jan'22'	8.91%





## Notes to the Consolidated Financial Statements (Contd.)

### 5 Deferred Tax Liabilities / (Assets) (Net)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Deferred Tax Liabilities		
- Depreciation and Amortisation	2,267.17	2,090.54
Less: Deferred Tax Assets		
- Provision for doubtful debts	177.00	198.47
- Items allowed on actual payment basis	800.70	987.62
- Unabsorbed depreciation/Carry forward business losses #	1,299.59	897.50
Deferred Tax Liabilities/(Assets) Total	(10.12)	6.95
# The recognition of deferred tax asset on unabsorbed depreciation / business losses has been restricted to the extent of deferred tax liability on account of timing difference in respect of depreciation, the reversal of which is virtually certain.		

### 6 Other Long Term Liabilities

in Lakhs

Particulars	As at 31st March, 2017	As at 31st March, 2016
Job Advance received from Customers	72.94	688.98
Trade deposit/Security deposit received	1,567.40	1,598.55
Interest Accrued but not due on Fixed Deposits (from Public)	73.60	78.76
Total	1,713.94	2,366.29



## Notes to the Consolidated Financial Statements (Contd.)

## 7 Short Term Borrowings

Particulars	As at 31st March, 2017	As at 31st March, 2016
7.1 Secured		
Working Capital Facilities from Banks		
- United Bank of India	561.21	982.64
- First Merchant Bank Ltd.	481.75	622.04
- Other Banks	5,884.49	7,809.36
	6,297.45	9,414.04
7.2 Unsecured		
Short Term Loans		
- From Banks	6,500.00	4,000.00
- From Other Bodies Corporate	5,675.00	6,150.00
- From Related Parties	-	50.00
- Fixed Deposits (from Public)	1,861.72	2,342.56
	14,036.72	12,542.56
Total	20,964.17	21,956.60

- i) The working capital facilities from United Bank of India are secured by hypothecation of Tea Crop, Made Tea, Book Debts and all other Current Assets of the Tea Estates and are further secured by way of Equitable Mortgage on immovable properties situated at the Tea Estates.
- ii) Working capital facilities from First Merchant Bank Ltd., of Group Developments Limited, Malawi carrying an interest of 7.75% p.a., is secured by mortgage charge on Naming'omba Tea Estate, a unit of subsidiary of Group Developments Limited.
- iii) Working Capital Facilities from other Banks, (except those availed by Tea Division of the Company from United Bank of India) are secured by hypothecation of Company's (other than Tea Division) entire current assets, both present and future, ranking pari passu inter-se, and guaranteed by a Director and are further secured by way of second charge on the Property, Plant and Equipment of the Company (other than Tea Division) ranking pari passu inter-se.
- iv) The Working Capital Facilities having interest rate varying between 10.15% p.a. - 12.00% p.a. are repayable on demand.
- v) Unsecured Short Term Loan :
- (a) From HDFC Bank Ltd. ` 6,500.00 Lakhs (Previous year ` 4,000.00 lakhs) having interest rate varying between 10.50% p.a. to 11.00% p.a. is repayable by June 2017.
- (b) From Bodies Corporate and related parties having interest varying between 12.50% p.a. to 13.50% p.a.
- vi) Fixed Deposit (from Public) is having interest rate varying between 10.25% p.a. to 11.25% p.a.



## Notes to the Consolidated Financial Statements (Contd.)

### 8 Trade Payable - Dues to Micro and Small Enterprises

in Lakhs

Particulars	As at 31st March, 2017	As at 31st March, 2016
i) Principal Amount remaining unpaid to any suppliers under MSMED Act	-	-
ii) Interest due thereon remaining unpaid to any suppliers on above	-	-
iii) Any Payment made to suppliers beyond appointed date (under Section 16 of the Act)	-	-
iv) Interest due and payable to suppliers under MSMED Act	-	-
v) Interest Accrued & remaining unpaid	-	-
vi) Interest remaining due & payable as per section 23 of the Act	-	-
Total	-	-

The Group has compiled this information based on intimation received from the suppliers of their status as Micro or Small Enterprises and/or its registration with appropriate authority under the Micro, Small and Medium Enterprises Act, 2006 ("MSMED Act").

### 9 Trade Payable - Dues to Creditors other than Micro and Small Enterprises

For Goods	4,799.74	5,746.11
For Services & Others	4,132.80	4,225.48
Acceptances	2,585.80	1,636.56
Total	11,518.34	11,608.15

### 10 Other Current Liabilities

Current Maturities of Long- Term Borrowings [Refer Note-4]	4,392.62	4,201.39
Interest Accrued but not due on borrowings	196.41	166.49
Job advance received from Customers	655.95	635.74
Advances from Agents and Customers	96.93	152.38
Unclaimed Dividends	48.34	50.43
Unclaimed matured deposits and interest accrued thereon	6.02	12.70
Statutory Liabilities	406.24	341.36
Trade deposit/Security deposit received	593.52	614.43
Employee's related liabilities	1,557.09	1,525.14
Other payables #	583.71	342.19
Total	8,536.83	8,042.25

# Includes liability for Electricity voltage surcharge, Capital items etc.

### 11 Short Term Provisions

Provision for Employee Benefits		
- Provision for Leave	295.39	353.83
- Provision for Gratuity	2,001.43	2,561.89
Provision for Taxation	-	0.32
Others	120.90	147.81
Total	2,417.72	3,063.85



## Notes to the Standalone Financial Statements (Contd.)

## 12. Fixed Assets

in Lakhs

Sl No.	Particulars	Gross Block				Depreciation and Amortisation				Net Block	
		Balance as at 31st March 2016	Additions	Disposals/Adjustments	Adjustment on Demerger (refer note-34.a)	Balance as at 31st March 2017	For the year ended 31st March 2017	On Disposal / Adjustments	Adjustment on Demerger (refer note-34.a)	Balance as at 31st March 2017	Balance as at 31st March 2016
A	Property, Plant and Equipment  Freehold Land Leasehold Land Buildings (see note-c below) Bridges, culverts, boundaries, etc. Roads Plant and Machinery Furniture and Fittings Motor Vehicles Office Equipment Computers and data processing units Electrical Installations and Equipments Live Stock Bearer Plants Biological Assets <b>Total</b> Previous Year <b>Intangible Assets</b> Computer Softwares <b>Total</b> Previous Year <b>Capital Work In Progress</b> Total Previous Year <b>Grand Total (A+B+C)</b> Previous Year	538.29	47.48	32.95	0.42	552.40	-	-	-	552.40	538.29
		16.08	-	-	-	16.08	-	-	-	16.08	16.08
		8,875.70	256.01	199.95	62.23	8,869.53	268.83	101.78	62.23	3,852.38	5,128.14
		17.14	-	-	-	17.14	0.81	-	-	7.23	10.72
		339.79	-	-	-	339.79	3.47	-	-	280.34	62.92
		32,159.11	788.40	263.61	223.22	19,359.41	1,397.70	222.91	223.22	20,310.98	12,799.70
		541.78	19.91	6.83	9.35	376.37	52.20	5.88	9.09	413.60	165.41
		1,231.74	216.91	96.10	7.57	894.11	114.66	86.45	7.08	915.24	337.63
		344.37	6.14	3.64	3.51	270.37	24.52	3.44	3.22	288.23	74.00
		431.81	3.42	8.69	8.79	394.21	7.33	8.39	8.63	384.52	37.60
		2,470.49	9.93	0.68	-	1,020.35	172.91	0.63	-	1,192.63	1,450.14
		80.86	-	-	-	80.86	-	-	-	80.86	-
		3,251.83	440.03	-	-	3,691.86	96.30	-	-	96.30	3,251.83
		58.81	40.78	4.58	-	95.01	1.58	-	-	1.58	93.43
		50,357.80	1,829.01	617.03	315.09	26,426.53	2,140.31	429.48	313.47	27,823.89	23,430.80
		60,321.41	2,116.43	12,080.04	-	50,357.80	1,876.99	374.70	-	26,426.53	23,931.27
		B	Computer Softwares	334.74	0.53	0.31	19.38	304.93	0.18	18.84	295.72
334.74	0.53		0.31	19.38	304.93	9.81	0.18	18.84	295.72	19.86	
324.69	10.05		-	-	288.96	15.97	-	-	304.93	29.81	
C	Capital Work In Progress										
	Total										
	Previous Year										

Note: a) Disposals/Adjustments includes 4.21 Lakhs (Previous Year 33.27 Lakhs) relating to Capital Subsidy received during the year.

b) Disposal/Adjustment to gross block includes net loss of 38.27 Lakhs (previous year 373.11 Lakhs) and disposal/adjustment from accumulated depreciation for the year includes net loss of 16.74 Lakhs (previous year 214.36 Lakhs) on account of translation of property, plant and equipment and depreciation to date, respectively, of foreign subsidiaries, the effect of which is considered in Foreign Currency Translation Reserve.

c) Refer to Note - 45(b) for Office Premises given on Operating Lease (included under Head 'Building' above).

d) Pursuant to the requirements of revised Accounting Standard (AS) 10 on "Property Plant and Equipment (PPE)", effective from 1st April, 2016, depreciation on bearer plants amounting to 97.91 lakhs has been provided during the year ended 31st March 2017. Further, expenditure on uprooting, replanting and upkeep of young bearer plants have been capitalised to the tune of 440.03 lakhs during the year ended 31st March 2017, which was hitherto charged to the Statement of Profit and Loss. As a result, profit/(loss) for the year ended 31st March 2017, is higher by 345.29 lakhs.

e) Gross Block includes Nil (Previous year 229.94 Lakhs) on which depreciation of Nil (Previous year 3.26 Lakhs) is included in above depreciation on account of discontinuing operations.

f) Borrowing cost capitalised during the year 19.14 Lakhs (Previous Year Nil)



## Notes to the Consolidated Financial Statements (Contd.)

### 13 Goodwill on Consolidation

` in Lakhs

Particulars	As at 31st March, 2017	As at 31st March, 2016
At the beginning of the year	7,040.77	6,634.47
Add : Impact of foreign currency translation	(158.61)	406.30
<b>Total</b>	<b>6,882.16</b>	<b>7,040.77</b>

### 14 Non-current Investments

Particulars	Face Value (`)	Nos	As at 31st March, 2017	As at 31st March, 2016
<b>Long Term Investments</b> <b>(At Cost unless otherwise stated)</b>				
<b>a) Quoted-Other than Trade</b>				
Amarjothi Spinning Mills Ltd.	10	1	*	*
B & A Ltd.	10	1	*	*
Banswara Syntex Ltd.	10	1	*	*
Dhunseri Petrochems Tea Ltd.	10	1	*	*
Duncan Industries Ltd.	10	1	*	*
Era Infra Engineering Ltd.	2	1	*	*
Ginni Filaments Ltd.	10	1	*	*
Goodricke Group Ltd.	10	1	*	*
GTN Industries Ltd.	10	1	*	*
Harrisons Malayalam Ltd.	10	1	*	*
James Warren Tea Ltd.	10	1	-	-
Jay Shree Tea & Industries Ltd.	5	1	*	*
K.P.R. Mill Ltd.	10	1	*	*
Kilburn Engineering Ltd.	10	1	*	*
Kiran Vypar Limited	10	1	*	*
L.G.Balakrishnan & Bros. Ltd.	10	2	*	*
Lambodhara Textiles Ltd.	5	2	*	*
Lanco Infratech Ltd.	1	1	*	*
Maharaja Shree Umaid Mills Ltd.	10	1	*	*
Maral Overseas Ltd.	10	1	*	*
McLeod Russel India Ltd.	5	1	*	*
McNally Bharat Engineering Co. Ltd.	10	1	*	*
Mukand Engineers Ltd.	10	1	*	*
Nahar Industrial Enterprises Ltd.	10	1	*	*
Nahar Spinning Mills Ltd.	5	1	*	*
NCC Ltd.	2	1	*	*
Nitin Spinners Ltd.	10	1	*	*
Patspin India Ltd.	10	1	*	*
Petron Engineering Construction Ltd.	10	1	*	*
Punj Lloyd Ltd.	2	1	*	*
Rajapalayam Mills Ltd.	10	1	*	*
Rajvir Industries Ltd.	10	1	*	*
Rossel India Ltd.	2	1	*	*
RSWM Ltd.	10	1	*	*
Sambandam Spinning Mills Ltd.	10	1	*	*
Sangam (India) Ltd.	10	1	*	*
Shree Rajasthan Syntex Ltd.	10	1	*	*
Shriram EPC Ltd.	10	1	*	*
Simplex Projects Ltd.	10	1	*	*
Stewarts & Llyods of India Ltd.	10	1	*	*
Suryajyoti Spinning Mills Ltd.	10	1	*	*
Suryalata Spinning Mills Ltd.	10	1	*	*
Suryavanshi Spinning Mills Ltd.	10	1	*	*
Sutlej Textiles & Industries Ltd.	10	1	*	*
UB Engineering Ltd.	10	1	*	*
Vardhman Polytex Ltd.	10	1	*	*
Vardhman Textiles Ltd.	10	1	*	*
Warren Tea Ltd.	10	1	*	*
Welspun Enterprises Ltd.	10	1	*	*
Winsome Textile Industries Ltd.	10	1	*	*
Winsome Yarns Ltd.	10	1	*	*
<b>Sub total</b>			<b>0.04</b>	<b>0.04</b>

\* Amount is below the rounding off norm adopted by the Company.



## Notes to the Consolidated Financial Statements (Contd.)

## Non-Current Investments (Contd.)

₹ in Lakhs

Particulars	Face Value (₹)	Nos	As at 31st March, 2017	As at 31st March, 2016
b) Unquoted - Other Than Trade				
(i) Investment in Fully paid Equity Shares				
ABC Tea Workers Welfare Services Ltd.	10	7,502 (7,502)	0.75	0.75
Kothari Hi Tech Consultants Pvt. Ltd.	10	95,000 (95,000)	9.50	9.50
Satyam Financial Services Ltd.	10	59,669 (59,669)	7.18	7.18
Bharat Fritz Werner Ltd.	2	26,81,811 (26,81,811)	2,694.90	2,694.90
Woodlands Multispeciality Hospital Ltd.	10	8,655 (8,655)	0.87	0.87
			2,713.20	2,713.20
Less: Provision of Diminution in value of Investments			5.00	5.00
Sub total			2,708.20	2,708.20
(ii) Investment in Fully paid Debentures				
5% 10 years Redeemable Debenture in Shillong Club Ltd.	100	13 (13)	0.01	0.01
Sub total			0.01	0.01
Total			2,708.25	2,708.25
<i>Note : Figures in the brackets represents previous year figures</i>				
Aggregate book value of Quoted Investments			0.04	0.04
Aggregate market value of Quoted Investments			0.07	0.06
Aggregate book value of Unquoted Investments			2,713.21	2,713.21
Aggregate provision for diminution in value of Investments			5.00	5.00

## 15 Long Term Loans and Advances

(Unsecured and Considered good)		
Capital Advances	101.50	105.84
Security Deposits Paid	4,321.09	4,920.02
Total	4,422.59	5,025.86

## 16 Other Non-Current Assets

Deposits with Banks (Original Maturity more than 12 months) (Refer Note - 20)	1,937.31	1,903.00
Total	1,937.31	1,903.00



## Notes to the Consolidated Financial Statements (Contd.)

17 Current Investments (valued at lower of cost or fair market value, unless otherwise stated) ₹ in Lakhs

Particulars	Face Value (₹)	Nos	As at 31st March, 2017	As at 31st March, 2016
Unquoted - Other than Trade (At Cost unless otherwise Stated)				
(a) Investments in Government and Trust Securities				
6 Years National Saving Certificates (Deposited with Commercial Tax Officer)			0.07	0.07
Sub Total			0.07	0.07
(b) Investments in Mutual Funds				
SBI PSU Fund - Regular Plan-Growth	10	2,50,000 (2,50,000)	25.00	25.00
SBI Premier Liquid Fund - Institutional-Growth	100	4 (4)	0.07	0.07
Goldman Sachs Mutual Fund Gold Benchmark	100	3,100 (3,100)	78.79	78.79
			103.86	103.86
Less : Provision for Diminution in Value of Investments			4.19	4.19
Sub Total			99.67	99.67
Total			99.74	99.74
<i>Note : Figures in the brackets represents previous year figures</i>				
Agregate Book value of Unquoted Investments			103.93	103.93
Agregate provision for diminution in value of investments			4.19	4.19



## Notes to the Consolidated Financial Statements (Contd.)

## 18 Inventories

(Refer Note - 1.10 for mode of Valuation)

` in Lakhs

Particulars	As at 31st March, 2017	As at 31st March, 2016
Raw Materials	3,738.07	3,382.19
Stock-in-Process	1,157.95	1,152.88
Finished Goods (Other than Trading Goods)	7,621.14	7,381.54
Stock-in-trade	132.48	587.76
Contract-in-Progress	1,513.15	1,234.34
Stores and Spare Parts	2,113.64	2,417.07
Waste	10.13	13.94
Scrap	5.90	2.94
<b>Total</b>	<b>16,292.46</b>	<b>16,172.66</b>
<i>Included in above are</i>		
Goods in Transit		
Raw Materials	573.36	142.60
<b>Total</b>	<b>573.36</b>	<b>142.60</b>

## Broad Category of Inventories

Finished Goods		
Tea, Macademia Nuts and Other Crops	2,281.76	1,554.81
Lead Oxide and Metallic Stearates	-	237.43
Cotton and Man-Made Fibre Yarn	5,339.38	5,589.30
<b>Total</b>	<b>7,621.14</b>	<b>7,381.54</b>
Stock-in-Process		
Lead Oxide and Metallic Stearates	-	96.28
Cotton and Man-Made Fibre Yarn	1,157.95	1,056.60
<b>Total</b>	<b>1,157.95</b>	<b>1,152.88</b>
Stock-in-Trade		
Boughtout Goods for Construction Jobs	132.48	587.76
<b>Total</b>	<b>132.48</b>	<b>587.76</b>



## Notes to the Consolidated Financial Statements (Contd.)

### 19 Trade Receivables

₹ in Lakhs

Particulars	As at 31st March, 2017	As at 31st March, 2016
(Unsecured considered good, unless otherwise stated)		
(a) Outstanding for a period exceeding six months from the date they become due for payment		
Considered Good	3,747.52	3,516.76
Considered Doubtful	312.94	421.12
Less: Provision for Doubtful Trade Receivables	312.94	421.12
Sub total	3,747.52	3,516.76
(b) Other Trade Receivables		
Considered Good	7,021.16	9,326.70
Considered Doubtful	-	0.27
Less: Provision for Doubtful Trade Receivables	-	0.27
Sub total	7,021.16	9,326.70
Total	10,768.68	12,843.46

### 20 Cash and Bank Balances

(a) Cash and Cash Equivalents		
Balances with Banks	177.70	339.13
Cheques, Drafts in hand and in Transit	12.63	15.56
Cash on hand	29.94	19.85
Deposits with Bank (Original Maturity less than 3 months)	6.70	-
Sub total	226.97	374.54
(b) Other Bank Balances		
Unclaimed Dividend Accounts	48.34	50.43
Margin Money with Banks	601.04	37.93
Deposits with Banks (Original maturity with more than 12 months) #	1,937.31	1,903.00
# includes ₹ 1,930.45 Lakhs (Previous year ₹ 1,811.64 Lakhs) under lien with bank (Refer note 32.2 (iii))		
Sub total	2,586.69	1,991.36
Total	2,813.66	2,365.90
Less : Deposits with Banks disclosed under 'Other Non-Current Assets' (Refer Note - 16)	1,937.31	1,903.00
Total	876.35	462.90



## Notes to the Consolidated Financial Statements (Contd.)

## 21 Short Term Loans and Advances

` in Lakhs

Particulars	As at 31st March, 2017	As at 31st March, 2016
(Unsecured and Considered Good)		
Security Deposits	5,633.21	5,487.40
Advance for Raw Materials and Stores	282.07	399.69
Balances with Statutory/Government Authorities	2,145.09	1,892.39
Advance Payment of Income Tax (Net of Provision)	1,176.55	1,287.05
Deposit with NABARD	420.18	634.54
Other Advances Recoverable in Cash or in Kind #	1,443.74	1,351.77
Sub Total	11,100.84	11,052.84
(Unsecured and Considered Doubtful)		
Other Advances Recoverable in Cash or in Kind #	56.35	85.03
Less: Provision for Doubtful Loans & Advances	56.35	85.03
Sub Total	-	-
Total	11,100.84	11,052.84
# includes Prepaid Expenses, Contractor advances, etc.		

## 22 Other Current Assets

(Unsecured and Considered Good)		
Interest Receivable on Loans and Deposits	35.88	49.50
Subsidy/Incentive Receivables	414.10	554.14
Export Incentive Receivables	206.93	145.12
Other Receivables	4,187.33	4,041.48
Total	4,844.24	4790.24



## Notes to the Consolidated Financial Statements (Contd.)

### 23 Revenue From Operations (Gross)

in Lakhs

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Sale of Products		
Cotton and Man - Made Fibre Yarn	35,575.21	33,407.55
Tea, Macademia Nuts and other Crops	22,185.81	23,818.79
Fabrics	20.85	418.92
Lead Oxide and Mettalic Stearates	6780.78	4,962.26
Sub Total	64,562.65	62,607.52
Income from Constructions Contracts	9,622.44	17,612.75
Other Operating Revenue		
Subsidies	48.04	48.83
Export Incentives	587.91	688.98
Claims	124.70	15.61
Sale of Waste	685.95	580.57
Rental Income	715.12	785.72
Sale of Scrap	93.49	39.09
Sub Total	2,255.21	2,158.80
Total	76,440.30	82,379.07



## Notes to the Consolidated Financial Statements (Contd.)

## 24 Other Income

` in Lakhs

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Interest Income		
- Interest on Bank and Other Deposits	212.03	239.35
- Interest Received on Income Tax Refund	36.77	-
Dividend Income		
- Long Term Investments	-	13.41
Profit on Sale of Property, Plant and Equipment (Net)	435.51	222.67
Insurance Claim Received	16.91	18.82
Foreign Exchange Fluctuations (Net)	66.96	52.87
Provision for Doubtful Trade Receivables and Advances written back	88.34	-
Liabilities no longer required, written back	23.95	185.86
Provision for Diminution in Value of Investment written back	-	0.67
Other Non Operating Income	358.55	330.52
Total	1,239.02	1,064.17

## 25 Cost of Materials Consumed

Opening Stock	3,382.19	3,485.97
Add : Purchases	28,715.20	28,138.75
Less : Closing Stock	3,808.27	3,382.19
Total	28,289.12	28,242.53
Broad Category of Materials Consumed		
i) Green Leaf (Purchased)	2,351.82	2,513.97
ii) Cotton and Man-Made Fibre Yarn	20,367.15	21,773.50
iii) Mild Steel	345.89	323.35
iv) Lead	5,224.26	3,631.71
Total	28,289.12	28,242.53



## Notes to the Consolidated Financial Statements (Contd.)

### 26 Purchases of Stock-in-Trade

₹ in Lakhs

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Tea	3,990.00	3,716.53
Boughtout Goods for Construction Jobs	1,433.38	6,364.41
	5,423.38	10,080.94

### 27 Changes in Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade

Particulars	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
(a) Finished Goods (Manufactured) #				
Opening Inventories	7,383.83		7,088.52	
Closing Inventories	7,885.73	(501.90)	7,381.54	(293.02)
(b) Stock-in-Process #				
Opening Inventories	1,153.42		1,149.28	
Closing Inventories	1,344.09	(190.67)	1,152.88	(3.60)
(c) Stock-in-Trade*				
Opening Inventories	587.76		643.49	
Closing Inventories	132.48	455.28	587.76	55.73
(d) Stock of Scrap				
Opening Inventories	2.94		7.04	
Closing Inventories	5.90	(2.96)	2.94	4.10
(e) Waste				
Opening Inventories	13.94		15.62	
Closing Inventories	10.13	3.81	13.94	1.68
(f) Fluctuation in Exchange Rate Carried to Foreign Exchange Translation Reserve		(20.83)		(156.00)
Total		(257.27)		(391.11)

\* excludes ₹ Nil lakhs (previous year ₹ 77.65 Lakhs) from opening inventories on account of Discontinuing Operations

# Opening Inventories of Finished Goods (Manufactured) and Stock-in-Process of Waldies Compound Limited (Formerly Barfani Builder Limited) of ₹ 237.44 Lakhs and ₹ 96.28 Lakhs has been revalued during the year by ₹ 2.29 Lakhs and ₹ 0.54 Lakhs respectively as per Scheme of Arrangement (Refer to Note No. 34.a). Further, closing stock of finished goods of ₹ 264.59 Lakhs and stock in process of ₹ 186.14 Lakhs has been adjusted for dilution of interest in a subsidiary.



## Notes to the Consolidated Financial Statements (Contd.)

## 28 Employee Benefits Expense

` in Lakhs

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
a) Salaries and Wages	12,387.00	11,951.42
b) Contribution to Provident and Other Funds		
- Contribution to Gratuity Fund	219.44	192.30
- Contribution to Provident Fund	869.33	850.57
- Contribution to Employee State Insurance Fund	140.77	127.60
c) Staff Welfare Expenses	1,283.92	1,119.94
Total	14,900.46	14,241.83

## 28.1 Information in accordance with the requirements of the Accounting Standard - 15 on 'Employee Benefits':-

## a. Provident Fund

The Company makes a contribution for Provident Fund towards defined contribution plans for eligible employees. In respect of certain employees, Provident Fund contribution is made to Trust Funds administered by the Company towards defined benefit plans. The Company shall make good for deficiency, if any, in the interest rate declared by the trust vis-à-vis statutory rate.

During the year Company has contributed ` 869.33 Lakhs (Previous Year ` 852.30 Lakhs) which includes ` Nil (Previous Year ` 1.73 Lakhs) for discontinuing operations towards provident fund.

Based on the Guidance Note on measurement of Provident Fund liabilities from The Actuarial Society the actuary has provided the valuation of interest guaranteed on Provident Fund. Accordingly, there is no shortfall of interest required to be provided for as at 31st March, 2017 as well as in the previous year.

## b. Employee State Insurance Scheme

The Company make contribution for Employee State Insurance (ESI) Scheme towards defined contribution plan. During the year Company has contributed ` 140.77 Lakhs, (Previous year ` 127.94 Lakhs), which includes ` Nil (Previous year ` 0.34 Lakhs) for discontinuing operations.

## c. Gratuity

The Employee's Gratuity Fund Scheme, a defined benefit plan, is administered by Life Insurance Corporation of India (LIC) and SBI Life Insurance Company Ltd. (SBI Life). LIC or SBI Life make payments to vested employees or their nominees upon retirement, death, incapacitation or cessation of employment of an amount based on the respective employee's salary and tenure of employment subject to a maximum limit as prescribed. Vesting occurs upon completion of five years of service. The present value of obligation is determined based on the actuarial valuation using the Projected Unit Credit Method at each balance sheet date.



## Notes to the Consolidated Financial Statements (Contd.)

28.2 The following table sets forth the particular in respect of the Defined Benefit Plans of the Group for the year ended 31st March, 2017. ` in Lakhs

Description	Gratuity (Funded) 2016-17	Gratuity (Funded) 2015-16
<b>A</b> Reconciliation of Opening and Closing Balances of the Present Value of the Defined Benefit Obligation		
Present value of Obligation as on 1st April	2591.69	2,457.70
Current Service Cost	138.22	148.07
Interest Cost	173.41	189.88
Actuarial (Gain) / Losses	(79.61)	(159.23)
Benefits Paid	(559.33)	(44.73)
Present Value of Obligation as on 31st March	2264.38	2,591.69
<b>B</b> Reconciliation of the Opening and Closing Balances of the Fair Value of Plan Assets		
Fair Value of Plan Assets as on 1st April	29.80	71.13
Expected Return on Plan Assets	2.39	6.22
Actuarial Gain / (Losses)	10.19	(4.03)
Contribution	779.90	1.21
Benefits Paid	(559.33)	(44.73)
Fair Value of Plan Assets as on 31st March	226.95	29.80
<b>C</b> Reconciliation of the Present Value of the Defined Benefit Obligation and Fair Value of Plan Assets		
Present Value of Obligation as on 31st March	2,264.38	2,591.69
Fair Value of Plan Assets as on 31st March	262.95	29.80
Assets / (Liabilities) recognised in the Balance Sheet	(2,001.43)	(2,561.89)
<b>D</b> Expenses recognised in the Statement of Profit and Loss		
Current Service Cost	138.22	148.07
Interest Cost	173.41	189.88
Expected return on Plan Assets	(2.39)	(6.22)
Actuarial (Gain) / Losses	(89.80)	(155.20)
Total Expense recognised #	219.44	176.53
<b>E</b> Category of Plan Assets		
Fund with LIC	32.07	29.29
Fund with SBI Life	230.88	0.51
Total	262.95	29.80
<b>F</b> Actual return on Plan Assets	12.58	2.19
<b>G</b> Principal Actuarial Assumptions		
Discount Rate	7.50%	7.80%
Salary Escalation	3.00%	3.00%
Expected return on Assets	8.00%	8.75%
Mortality Rates	IALM 2006-08 ULTIMATE	IALM 2006-08 ULTIMATE

# Includes ` Nil (Previous Year ` 15.77 Lakhs) written back for discontinuing operations.



## Notes to the Consolidated Financial Statements (Contd.)

## 28.3 Net Assets / (Liability) recognised in Balance Sheet (including experience adjustment impact)

₹ in Lakhs

Description	Gratuity (Funded)		
	2016-17	2015-16	2014-15
Present Value of Obligation at the end of the year	2,264.38	2,591.69	2,457.70
Fair Value of Plan Assets at the end of the year	262.95	29.80	71.13
Assets/(Liabilities) recognised in the Balance Sheet	(2,001.43)	(2,561.89)	(2,386.57)
Experience adjustment on Plan Liabilities	79.61	159.23	138.67
Experience adjustment on Plan Assets	10.19	(4.03)	(20.08)

## Notes :-

- 1) The detail of experience adjustment arising on plan assets and liabilities as required by paragraph 120(n)(ii) of Accounting Standard-15 on 'Employee Benefits' is given to the extent of information provided in the Actuarial Valuation Report.
- 2) The estimate of future salary increases, considered in actuarial valuations takes account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.
- 3) The expected rate of return on plan assets is based on actuarial assumption.
- 4) The group expect to contribute a sum of ₹ 451.72 Lakhs (Previous Year ₹ 751.70) during 2017-18 towards Gratuity Fund.
- 5) The above information is actuarially determined.
- 6) Consolidation has commenced from 2014-15, hence figures have been given only for the last three years.

## 29 Finance Costs

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Interest Expenses (net of incentive income)	4,914.47	4,700.37
Other Borrowing Costs	330.77	432.57
Total	5,245.24	5,132.94





## Notes to the Consolidated Financial Statements (Contd.)

### 30. Other Expenses

in Lakhs

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Consumption of Stores and Spare Parts	3,668.45	3,601.39
Power and Fuel	5,915.30	6,578.45
Repairs to Buildings	278.99	293.63
Repairs to Machinery	1,269.06	1,358.18
Other Repairs	190.70	160.86
Jobs on Contract	4,780.15	5,637.52
Jobs Outsourcing	409.26	810.07
Machinery Hire Charges	503.81	991.13
Cess on Green Leaf and Made Tea	135.43	130.26
Excise Duty on Closing Stock of Finished Goods (Net)	(9.32)	(29.99)
Freight, Shipping, Delivery and Selling Expenses	1,604.31	1,953.16
Selling Agents' Commission	208.65	270.85
Brokerage and Discount on Sale	451.68	539.72
Auditors' Remuneration		
Statutory Auditor		
- Audit Fees	16.00	16.00
- Other Services	16.55	14.20
- Reimbursement of Expenses	0.40	0.20
Other Auditors		
- Audit Fees	31.77	44.09
- Tax Audit Fees	1.50	1.50
- Other Services	3.23	1.73
- Reimbursement of Expenses	0.56	0.46
Rent	129.51	97.81
Rates and Taxes, excluding taxes on income	306.46	317.99
Insurance	256.04	297.20
Bad Debts and Advances Written off	118.86	91.59
Provision for Doubtful Debts and Advances	43.29	123.70
Directors Fees & Commission	10.16	11.58
Consultation and Advisory Charges	269.36	226.11
Travelling and Conveyance Expenses	607.87	922.64
CSR Expenditure (Refer Note 40)	14.65	2.61
Other Miscellaneous Expenses	1,476.95	1,501.18
Total	22,709.63	25,965.82

### 31 Current Tax

Income Tax	169.25	74.37
Agricultural Income Tax	55.00	80.00
Total	224.25	154.37



## Notes to the Consolidated Financial Statements (Contd.)

## 32. Contingent Liabilities and Commitments

₹ in Lakhs

Particulars		As at 31st March, 2017	As at 31st March, 2016
32.1	Contingent Liabilities		
	Claims against the Group not acknowledged as debts		
	i) Sales Tax	1,878.67	1,118.31
	ii) Cess on Jute Bags/Jute Twine	7.32	7.32
	iii) Cess and Excise on Captive Consumption	11.33	11.33
	iv) Excise Duty	56.87	114.22
	v) Service Tax	424.83	442.58
	vi) Income Tax	106.02	106.02
	vii) Voltage Surcharge on Electricity consumed	159.32	159.32
	viii) Others	0.77	31.99
	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 reimbursement in case of above.		
32.2	Commitments		
	i) Estimated amount of contracts remaining to be executed on Capital Account and not provided for [Net of advance ₹ 101.50 Lakhs (Previous Year ₹ 105.84 Lakhs)]	167.76	233.97
	ii) Arrear Dividend on Cumulative Redeemable Preference Shares: The Board has not declared any dividend on Cumulative Redeemable Preference Shares. Dividend in arrears on cumulative preference shares can be paid in a later year where there are profits to justify such payment.	82.43	32.00
	iii) Deposits with Bank committed to continue till the tenure of stand by letter of credit	1,930.45	1,811.64



## Notes to the Consolidated Financial Statements (Contd.)

### 33. Information in accordance with the requirements of the Accounting Standard-17 on 'Segment Reporting' :

(a) The Company has identified Four primary business segments viz :

- i) Textile - Manufacture and sale of yarn and fabric made out of Cotton and Man-Made Fibre viz., Acrylic, Polyester, Viscose Staple and Blends thereof.
- ii) Engineering (MICCO) - Manufacture and sale of Steel Structural, Pipes and equipments and Designing, Supplying, erectioning and Commissioning of projects on turnkey basis.
- iii) Tea - Manufacture and sale of tea & Macademia Nuts
- iv) Property - Letting out property on rent

Segments have been identified and reported taking into account nature of products and services, the different risks and returns and the internal business reporting systems. The accounting policies adopted for segment reporting are in line with the accounting policy of the Company with the following additional policies for segment reporting :-

- i) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".
- ii) Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related asset and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

#### Primary Segment Information (Business Segment):

in Lakhs

Particulars	Textile	Engineering (MICCO)	Tea	Chemical (Waldies) [Refer Note 34.a]	Trading (Discontinuing operations) [Refer Note 36]	Property	Unallocable	Total
Gross Segment Revenue External Turnover	36,729.97 (34,839.22)	9,682.57 (17,631.56)	22,531.67 (24,165.07)	6,780.96 (4,964.27)	- (182.95)	715.12 (778.94)	- (-)	76,440.30 (82,562.01)
Inter Segment Revenue	- (-)	- (-)	- (-)	- (-)	- (-)	72.93 (101.72)	- (-)	72.93 (101.72)
Total Turnover	36,729.97 (34,839.22)	9,682.57 (17,631.56)	22,531.67 (24,165.07)	6,780.96 (4,964.27)	- (182.95)	788.05 (880.66)	- (-)	76,513.23 (82,663.73)
Less : Excise Duty	- (-)	31.78 (78.12)	- (-)	752.63 (554.80)	- (-)	- (-)	- (-)	784.42 (632.92)
Segment Revenue (Net of Excise Duty)	36,729.97 (34,839.22)	9,650.79 (17,553.44)	22,531.67 (24,165.07)	6,028.33 (4,409.47)	- (182.95)	788.05 (880.66)	- (-)	75,728.81 (82,030.81)
Less : Inter Segment Elimination	- (-)	- (-)	- (-)	- (-)	- (-)	72.93 (101.72)	- (-)	72.93 (101.72)
Revenue from Operations (Net)								75,655.88 (81,929.09)
Segment Result	2,149.70 (524.86)	828.63 (-121.15)	864.55 (-1177.67)	196.05 (170.90)	- (-99.12)	547.63 (640.64)	- (-)	4,586.56 (-61.54)
Less: Unallocable Expenditure net of Unallocable Income							645.29 (106.68)	645.29 (106.68)
Finance Costs							5,245.24 (-5132.94)	5,245.24 (-5132.94)
Profit/(Loss) before Tax								(13.39) (-5301.16)
Depreciation and Amortisation	1,017.87 (986.41)	249.86 (333.19)	785.54 (512.82)	45.02 (3.65)	- (3.26)	1.98 (1.56)	49.85 (52.07)	2,150.12 (1,892.96)
Non Cash Expenses other than Depreciation and Amortisation	22.00 (-)	129.69 (162.22)	- (47.09)	0.80 (-)	- (56.72)	9.67 (5.98)	- (2,851.42)	162.15 (3,123.43)
Capital Expenditure	369.23 (464.00)	18.30 (31.62)	1,067.77 (913.38)	- (-)	- (-)	- (3.81)	3.70 (15.68)	1,459.00 (1,428.49)
Segment Assets	30,323.55 (30,506.84)	24,690.38 (26,888.85)	14,437.72 (13,577.53)	- (1,474.34)	- (266.71)	93.06 (103.29)	13,910.77 (13,707.05)	83,455.48 (86,524.61)
Segment Liabilities	7,899.73 (6,362.82)	6,331.98 (8,256.75)	4,676.24 (4,457.28)	- (557.78)	- (39.57)	517.18 (528.82)	43,973.23 (48,515.85)	63,398.36 (68,718.88)



## Notes to the Consolidated Financial Statements (Contd.)

### b) Secondary Segment Information (Geographical Segment):

The company operates predominantly within geographical limits of India and therefore the Secondary Segment has been demarcated into 'Within India' and 'Outside India' operations as under: ` in Lakhs

	Within India	Outside India	Total Revenue
Segment Revenue	61,531.70 (65,310.88)	14,124.18 (16,618.21)	75,655.88 (81,929.09)
Segment Assets	65,511.57 (69,443.94)	4,033.15 (3,373.64)	69,544.72 (72,817.58)
Capital Expenditure	1,271.02 (887.31)	184.28 (525.50)	1,455.30 (1,412.81)

*Figures in brackets represent particulars for Previous Year*

- 34.a A Scheme of Arrangement between the Company and its erstwhile Indian Subsidiary i.e. Barfani Builder Limited (BBL) and their respective Shareholders for reconstruction by transfer of Chemical (Waldies) Division of the Company to BBL was sanctioned and approved by the Hon'ble High Court, Calcutta vide its order dated 28th November, 2016. The certified copy of the said Order was filed with the Registrar of Companies, West Bengal on 6th January, 2017, thereby making the said Scheme effective from the said date.

The salient features of the Scheme are as under:

- The reconstruction would be operative from 1st April, 2015 ("the Appointed Date").
- The Scheme is subject, inter alia, to approval of the same by the requisite majorities of the members of the Company and BBL and sanction by the Hon'ble High Court at Calcutta. Accordingly, the Scheme although operative from the Appointed Date would become effective on the Effective Date, being the date or last of the dates on which certified copy of the order of the Hon'ble High Court at Calcutta sanctioning the Scheme is filed with the Registrar of Companies, West Bengal.
- With effect from the Appointed Date the Chemical Division of the Company and all assets, property, rights and powers as well as all debts, liabilities, duties and obligations of the Company relating to the Chemical Division, shall be transferred to BBL subject to the existing charges and in accordance with the modalities for transfer and vesting detailed in the Scheme.
- In consideration of the reconstruction, BBL will issue and allot 1,46,80,000 Equity Shares of ` 10/- each credited as fully paid up in BBL, to the Company.
- Save and except the Chemical Division of the Company and as expressly provided in the Scheme of Arrangement nothing contained in this Scheme of Arrangement shall affect the remaining Business of the Company which shall continue to belong to and be vested in and be managed by the Company.

In accordance with the Scheme the excess of the aggregate face value of new Equity Shares over the net book value of the assets and liabilities of the Chemical (Waldies) Division amounting to ` 728.66 lakhs has been adjusted with opening revenue reserves.

The results for the financial year ended 31st March, 2017 reflect the effect of the Scheme. In view of the above, the figures for the year ended 31st March, 2017 are not comparable.

- 34.b During the year, the Group has sold one of its Subsidiary namely, Waldies Compound Limited (formerly Barfani Builder Limited). The net asset as on the date of sale was ` 1,816.23 Lakhs (Previous Year ` 1,989.67 Lakhs). The net profit after tax of ` 126.56 Lakhs (Previous Year ` 106.43 Lakhs) is included in the financials.

### 35. Exceptional Items

- During the year, the Company has sold and transferred its entire shareholding of 1,47,29,995 numbers of fully paid equity shares of ` 10 each, held in Waldies Compound Limited (formerly Barfani Builder Limited) for a total consideration of ` 2,106.29 Lakhs. Profit arising therefrom amounting to ` 369.12 lakhs, has been shown as 'Exceptional Items'.
- During the year, the Company has completed the sale of Land & Building structure of the fabrication factory of its Engineering (MICCO) Division located at Sodepur, West Bengal. Profit of ` 1,573.38 Lakhs, arising out of the sale of said assets has also been shown as 'Exceptional Items'.

### 36. Discontinuing Operations

The Company has discontinued the operation with respect to its Trading Division with effect from the close of business hours of 31st March, 2016

The following statement shows the revenue and expenditure of the discontinuing operation of Trading Division – ` in Lakhs

Particulars	2016-17	2015-16
Revenue	-	217.13
Less: Expenses	-	311.28
Less: Finance cost	-	-
Less: Depreciation and amortization expense	-	3.26
Loss Before Tax	-	97.41
Tax Expense	-	-
Loss after Tax	-	97.41



## Notes to the Consolidated Financial Statements (Contd.)

The carrying amounts of the total assets and liabilities of the division are as follows:

Particulars	2016-17	2015-16
Total Assets	-	266.71
Total Liabilities	-	47.37
Net assets	-	219.34

Net cash flow attributable to the division are as below:

Particulars	2016-17	2015-16
Revenue	-	217.13
Operating activities	-	(30.62)
Investing activities	-	5.70
Financing activities	-	7.79
Net cash flows	-	(17.13)

### 37. a) Enterprises consolidated as subsidiary in accordance with Accounting Standard 21 on Consolidated Financial Statements (CFS)

Name of the Enterprise	Country of Incorporation	Percentage of ownership interest as at 31st March, 2017	Percentage of voting power as at 31st March, 2017	Percentage of ownership interest as at 31st March, 2016	Percentage of voting power as at 31st March, 2016
Subsidiaries (Held directly)					
Gillanders Holdings (Mauritius) Limited (GHML)	Mauritius	100.00	100.00	100.00	100.00
Waldies Compound Limited (BBL) * (Previously known as Barfani Builder Ltd.)	India	0.00	0.00	99.99	99.99
Subsidiaries (Held indirectly)					
Group Developments Ltd. (GDL) (WOS of GHML)	Malawi	100.00	100.00	100.00	100.00
Naming'omba Tea Estates Limited ( WOS of GDL )	Malawi	100.00	100.00	100.00	100.00
Mafisi Tea Estates Limited ( WOS of GDL)	Malawi	100.00	100.00	100.00	100.00
Group Holdings Ltd. ( WOS of GDL )	Malawi	100.00	100.00	100.00	100.00

\* Sold during the year

### b) The financial statements of GHML and GDL and its subsidiaries are audited in their respective countries as per their respective laws.

### 38. For the purpose of consolidation, the financials of GHML and GDL as at 31st March, 2017 having been prepared in accordance with International Financial Reporting standards have been restated, where considered material, to comply with Generally Accepted Accounting Principles in India and other recognized accounting practices and policies followed by the Company except as disclosed below:

In view of different sets of environment in which foreign subsidiaries operate in their respective countries, provision for depreciation is made to comply with local laws and by use of management estimate. It is not practical to align rates of depreciation of such subsidiaries with those of the Group. The gross value of depreciable tangible assets in Note 12 includes ` 1,373.02 Lakhs (Previous Year ` 905.13 Lakhs).



## Notes to the Consolidated Financial Statements (Contd.)

39. Additional Information, as required under Schedule-III to the Companies Act, 2013, of enterprises consolidated as Subsidiary: ` in Lakhs

Name of the entity	As at 31st March, 2017			
	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
Parent Gillanders Arbuthnot and Company Limited	127%	25,502.53	-81%	(162.79)
Subsidiaries				
<i>Foreign</i>				
1) Gillanders Holdings (Mauritius) Limited (Mauritius)	0%	(28.42)	8%	16.42
2) Group Developments Limited (Malawi)	27%	(5,416.99)	-90%	(181.30)
<i>Indian</i>				
Waldies Compound Limited * (Previously known as Barfani Builder Limited)	-	-	63%	126.57
<b>Total</b>	<b>100%</b>	<b>20,057.12</b>	<b>-100%</b>	<b>(201.10)</b>

\*Sold During the year

40. A Corporate Social Responsibility (CSR) committee has been formed by the holding company as per provisions of Section 135 of the Companies Act, 2013. The areas for CSR activities are promoting education, healthcare, animal welfare and projects ensuring environment sustainability. Disclosures of Corporate Social Responsibility expenditure are in line with the requirement of Guidance Note on "Accounting for Expenditure on Corporate Social Responsibility Activities" ` in Lakhs

Particulars	2016-17	2015-16
Amount of CSR expenditure to be incurred during the year	-	17.26
CSR expenditure (Revenue Nature) incurred during the year	14.65	2.61

41. Revenue expenditure on Research and Development of ` 17.41 Lakhs (Previous Year ` 12.13 Lakhs) represents subscription to Tea Research Association.

42. Related Party Disclosure

42.1 List of related parties and relationships:

Sl. No.	Name of the related party	Relationship
1	Mr. D.K.Sharda (DKS)	Key Management Personnel (KMP)
2	Mr. Sachidananda Payandee Govinda (SPG)	
3	Mr. Vimla Ramsamy (VR) (resigned on 18 October 16)	
4	Mr. Shameel Rumjaun (SR) (appointed on 18 October 16)	
5	M D Kothari and Company Limited (MDKCL)	Company's over which KMP/Directors & their relatives are able to exercise significant influence
6	Bharat Fritz Warner Ltd. (BFW)	
7	Kothari and Co Pvt. Limited (KCPL)	
8	Kothari Investment & Industries Pvt. Limited (KIPL)	
9	Commercial House Pvt. Limited (CHPL)	
10	Vishnuhari Investments and Properties Limited (VIPL)	
11	Kothari Medical Centre (KMC)	
12	Kothari Phytochemicals Industries Limited (KPIL)	



## Notes to the Consolidated Financial Statements (Contd.)

42.2 Details of transactions entered into with the related parties:

in Lakhs

Nature of Transaction	2016-17								2015-16									
	MDKCL	BFW	KCPL	KIPL	KMC	VIPL	KPIL	CHPL	TOTAL	MDKCL	BFW	KCPL	KIPL	KMC	VIPL	KPIL	CHPL	TOTAL
Rent Paid	-	-	1.15	2.25	-	-	-	-	3.40	-	-	2.40	9.00	-	-	-	-	11.40
Rent Received	-	2.30	0.44	-	0.44	-	0.75	-	3.94	-	2.30	0.44	-	0.44	-	0.75	-	3.93
Guarantee Commission Paid	4.30	-	-	-	-	-	-	0.69	4.99	4.30	-	-	-	-	-	-	0.84	5.14
Unsecured Loans Taken	-	-	170.00	-	-	130.00	-	-	300.00	30.00	-	45.00	-	-	75.00	-	-	150.00
Unsecured Loans Repaid	-	-	170.00	-	-	180.00	-	-	350.00	30.00	-	45.00	-	-	25.00	-	-	100.00
Interest on Loans Taken	-	-	1.92	-	-	10.20	-	-	12.12	0.96	-	3.94	-	-	1.65	-	-	6.55
Balance as on 31st March	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unsecured Loan Taken	-	-	-	-	-	-	-	-	-	-	-	-	-	-	50.00	-	-	50.00

## 42.3 Transactions with the Key Management Personnel

in Lakhs

Nature of Transaction	Key Management Personnel of the Company							
	2016-17				2015-16			
	DKS	SR	SPG	VR	DKS	SPG	VR	
Remuneration Paid	44.47	-	-	-	41.31	-	-	-
Remuneration/Sitting Fees Paid	-	1.01	1.01	-	-	0.98	0.98	



## Notes to the Consolidated Financial Statements (Contd.)

43. An unrealised exchange loss of ₹ 390.11 lakhs (previous year ₹ 2,851.42 lakhs) has been provided in the accounts as a result of exchange rate movement on translation of foreign currency loan in Group Developments Limited, Malawi, a step-down subsidiary of the company.

44. Information in accordance with the requirements of the Accounting Standard 7 on 'Construction Contracts':- ₹ in Lakhs

Particulars	2016-17	2015-16
Contract revenue recognised for the year	9,682.57	17,631.56
Aggregate amount of contracts costs incurred and recognised Profits (Less recognised losses) up to the year end for all the Contracts-in-Progress.	1,35,068.56	1,26,537.56
The amount of customer advances outstanding for Contracts-in-Progress as at year end.	728.89	1,324.72
The amount of retention money due from customers for Contracts-in-Progress as at year end.	9,618.04	9,997.25
Gross amount due from customers for Contracts-in-Progress as at year end [included in work-in-progress ₹ 1,513.15 Lakhs (Previous year ₹ 1,234.34 Lakhs), Trade Receivables ₹ 6,035.66 Lakhs (Previous year ₹ 7,290.32 Lakhs)]	7,548.81	8,524.66
Gross amount due to customer for contract work in Progress as at year end	-	-

45. Operating Lease Commitments

- The Group has taken various Plant and Machinery for its Engineering (MICCO) Division under cancellable operating lease. Lease range for the period between 3 to 8 months. During the year the Company has charged related lease rental of ₹ 503.81 Lakhs (Previous Year ₹ 991.13 Lakhs) in the Statement of Profit and Loss under the head Machinery Hire Charges.
- The Group has given office premises under cancellable operating leases. These leasing arrangements range between 3 years and 15 years generally or longer and are usually renewable by mutual consent on mutually agreeable terms. Initial Direct costs for such leases are borne by the Company and charged off to revenue. Lease rentals are recognised as income for ₹ 500.32 Lakhs during the year (Previous Year ₹ 555.24 Lakhs). The gross value and accumulated depreciation of such asset as at 31st March, 2017 was ₹ 23.59 Lakhs (Previous Year ₹ 23.59 Lakhs) and ₹ 22.41 Lakhs (Previous Year ₹ 22.41 Lakhs) respectively.
- The Group has certain operating leases for premises (residential, offices and godowns) which are not non-cancellable range between 3 months to 5 years generally and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged in the Statement of Profit and Loss under the head Rent (Refer Note - 30).

46. Basic and Diluted Earnings per Share

	2016-17	2015-16
(i) Profit/(Loss) after tax available for Ordinary Shareholders (₹ in Lakhs) *	(251.53)	5,551.49
(ii) Weighted average of Ordinary Shares of ₹ 10/- each outstanding during the year (Numbers)	2,13,42,346	2,13,42,346
(iii) Basic and Diluted Earnings per Share [(i) / (ii)] (in ₹)	(1.18)	(26.01)

\* After adjusting arrear dividend on Preference Shares of ₹ 50.43 Lakhs (Previous Year ₹ 16.00 Lakhs), as the Board has not recommended any dividend on Redeemable Preference shares for the year 2016-17 and Dividend Distribution Tax thereupon of ₹ Nil (Previous Year ₹ Nil).





## Notes to the Consolidated Financial Statements (Contd.)

47. Details of Specified Bank Notes (SBN) held and transacted during the period from 9th November, 2016 to 30th December, 2016 is provided in the table below:

Particulars	Specified Bank Notes (SBNs)	Other denomination Notes & Coins	Total
Closing cash in hand as on 08/11/2016	119.39	22.29	141.68
(+) Permitted receipts	-	1,031.00	1,031.00
(-) Permitted payments	-	743.37	743.37
(-) Amount deposited in Banks	119.39	0.52	119.91
Closing cash in hand as on 30/12/2016	-	309.40	309.40

The above includes ` 0.50 Lakhs closing cash balance as on 08.11.2016 for Waldies Compound Limited (formerly Barfani Builder Limited). The permitted receipts and payments for the period were ` 2.36 Lakhs and ` 2.25 Lakhs respectively, included under 'Other denomination notes & Coins'.

48. Information relevant for the group has only been disclosed.
49. Minority interest during the year (previous year-Nil) in Balance Sheet and the Statement of Profit and Loss is below the rounding-off norms adopted by the Group.
50. Previous years' figures have been regrouped and/or reclassified whenever necessary to correspond with the current years' classification for disclosure.

As per our report of even date.

For Singhi & Co.  
Chartered Accountants  
Firm Registration Number - 302049E

Anurag Singhi  
Partner  
Membership No. 066274  
Kolkata, 29th May, 2017

D. K. Sharda  
Managing Director & CEO  
DIN : 00105406

D. Karmakar  
Company Secretary

For and on behalf of the Board

A. K. Kothari  
Chairman  
DIN : 00051900

P. K. Jain  
Chief Financial Officer



## Form AOC-1

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures  
[Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014]

## Part "A" : Subsidiaries

(Information in respect of each subsidiary to be presented with amount in ` Lakh)

1.	Sl. No.	1	2	3
2.	Name of the subsidiary	Gillanders Holdings (Mauritius) Ltd.	Group Developments Ltd. *	Waldies Compound Ltd.
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1st April, 2016 to 31st March, 2017	1st April, 2016 to 31st March, 2017	1st April, 2016 to 9th March, 2017
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	USD Exchange Rate- 64.8386	Malawian Kwacha Exchange Rate - 0.090	Indian Rupee -
5.	Share capital	6.48	1.16	1,473.00
6.	Reserve & surplus	(34.90)	(5,418.17)	343.23
7.	Total assets	7,944.67	1,827.29	2,486.01
8.	Total Liabilities	7,973.09	7,244.28	669.78
9.	Investments	2,400.30	-	-
10.	Turnover	-	3,058.76	6,028.33
11.	Profit before taxation	95.01	(176.64)	185.68
12.	Provision for taxation	78.59	-	59.12
13.	Profit after taxation	16.42	(176.64)	126.56
14.	Proposed Dividend	-	-	-
15.	% of shareholding	100.00%	100.00%	99.99%

Note: There are no subsidiaries which are yet to commence operation

\* Waldies Compound Limited has been sold during the year 2016-17.

Include its three wholly-owned subsidiaries, viz. Naming'omba Tea Estates Ltd., Mafisi Tea Estates Ltd. and Group Holdings Ltd., all located at Malawi.

# The entire share holding of 1,47,29,995 fully paid up equity shares of ` 10 each in Waldies Compound Limited (formerly Barfani Builder Limited) has been disposed off on 9th March 2017.

## Part "B" : Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013

Name of Associate	-
Latest audited Balance Sheet date	-
Shares of Associate held by the company on the year end	
No.	-
Amount of Investment in Associates	-
Extend of Holding %	-
Description of how there is significant influence	
Reason why the associate is not consolidated	-
Networth attributable to Shareholding as per latest audited Balance Sheet	-
Profit/Loss for the year	-
i. Considered in Consolidation	-
ii. Not Considered in Consolidation	-

Notes: 1. There are no associates and joint ventures which are yet to commence operation

2. There are no associates and joint ventures which have been liquidated or sold during the year 2016-17

For and on behalf of the Board

Kolkata, 29th May, 2017

A. K. Kothari  
Chairman

D. K. Sharda  
Managing Director & CEO

D. Karmakar  
Company Secretary

P. K. Jain  
Chief Financial Officer

**GILLANDERS ARBUTHNOT AND COMPANY LIMITED**

Registered Office :

C-4, Gillander House, Netaji Subhas Road, Kolkata – 700 001

CIN: L51909WB1935PLC008194

Phone : +91-33 2230-2331 (6 Lines), 2242-9140 (3 Lines), 3022-4470 (4 Lines), Fax : +91-33-2230-4185

Website : www.gillandersarbuthnot.com; E-mail : gillander@gillandersarbuthnot.com

**ATTENDANCE SLIP**  
**(To be presented at the entrance)**

Serial No.:

Regd. Folio No. / DP ID & Client ID	
Name and Address of the Shareholder	
Joint Holder(s)	
Number of Ordinary Shares held	

1. I hereby record my presence at the 83<sup>rd</sup> Annual General Meeting of the Company being held on Friday, the 1<sup>st</sup> Day of September, 2017 at 11-00 A.M. at the Mini Auditorium Hall of the Science City, J. B. S. Haldane Avenue, Kolkata – 700 046.
2. Signature of the Shareholder / Proxy present \_\_\_\_\_
3. Shareholder / Proxy holder wishing to attend the Meeting must bring the Attendance slip, duly signed, to the Meeting and hand it over at the entrance.
4. Shareholder / Proxy holder desiring to attend the Meeting may bring his / her copy of the Annual Report for reference at the Meeting.

Note: Please cut here and bring the above Attendance Slip to the Meeting.

**ELECTRONIC VOTING PARTICULARS**

EVS (Electronic Voting Sequence Number)	User ID (16 digit Demat Account / Folio No. of Members holding Shares in Physical mode)	Permanent Account Number (PAN) (Original PAN as per point no. viii of the instructions on e-voting.)
170729014		

Note:

The voting period begins on Monday, 28<sup>th</sup> August, 2017 at 9.30 A.M. and ends on Thursday, 31<sup>st</sup> August, 2017 at 5.00 P.M. Thereafter, the voting module shall be disabled by CDSL. Kindly refer to the e-voting instructions on the reverse of this page.

(P.T.O.)

## INTRSUCTIONS ON ELECTRONIC VOTING

- (i) The voting period begins on Monday, 28<sup>th</sup> August, 2017 at 9.30 A.M. and ends on Thursday, 31<sup>st</sup> August, 2017 at 5.00 P.M. During this period Shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 25<sup>th</sup> August, 2017 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 venue.
- (iii) The Shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
1. For CDSL: 16 digits beneficiary ID,
  2. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  3. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<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>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</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. e.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li></ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.</p> <ul style="list-style-type: none"><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) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for Resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the Resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant Gillanders Arbuthnot and Company Limited on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the Resolution, if 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 available for Android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Non – Individual Shareholders and Custodians
- Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be 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.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (xxii) Any person who acquire shares and becomes Member after dispatch of Notice of the 83<sup>rd</sup> Annual General Meeting and holds shares as on the 'cut off' date of 25<sup>th</sup> August, 2017, may obtain the sequence number for remote e-voting by sending a request to the Company's RTA at [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com)


**PROXY FORM**

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

Name of the Member(s) :

Registered Address :

E-mail ID :

Folio No. :

Client Id / DP ID :

I / We, being the Member(s), holding \_\_\_\_\_ Ordinary shares of the above named Company, hereby appoint:

1. Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_ OR failing him/her

2. Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_ OR failing him/her

3. Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 83<sup>rd</sup> Annual General Meeting of the Company, to be held on FRIDAY, the 1<sup>st</sup> DAY OF SEPTEMBER, 2017 at 11-00 A.M. at the Mini Auditorium Hall of the Science City, J. B. S. Haldane Avenue, Kolkata – 700 046 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	#	
Ordinary Businesses		For	Against
1.	Adoption of the audited financial statements of the Company for the financial year ended on 31 <sup>st</sup> March, 2017, the Reports of the Board of Directors and Auditors thereon. - Ordinary Resolution.		
2.	Re-appointment of Mr. A. K. Kothari (DIN 00051900) who retires by rotation, and being eligible, offers himself for re-appointment. - Ordinary Resolution.		
3.	Ratification of re-appointment of M/s. Singhi & Co., Chartered Accountants, Kolkata, (Firm Registration No. 302049E) as Auditor of the Company, to hold office till the conclusion of the 84 <sup>th</sup> Annual General Meeting of the Company and authority to the Board of Directors to fix remuneration. - Ordinary Resolution.		
4.	Ratification of re-appointment of M/s. Dutta Ghosh & Associates, Chartered Accountants, Kolkata, (Firm Registration No. 309088E), as Branch Auditor of GIS Cotton Mill, Champdany, a unit of the Textile Division of the Company, to hold office till the conclusion of the 84 <sup>th</sup> Annual General Meeting of the Company and authority to the Board of Directors to fix remuneration. - Ordinary Resolution.		
5.	Re-appointment of M/s. Kothari & Company, Chartered Accountants, Kolkata, (Firm Registration No. 301178E), as Branch Auditor of Engineering (MICCO) Division of the Company, to hold office for 5 consecutive years from the conclusion of this Annual General Meeting till the conclusion of the 88 <sup>th</sup> Annual General Meeting of the Company and authority to the Board of Directors to fix remuneration. - Ordinary Resolution.		

Special Businesses			
6.	Ratification of remuneration payable to Cost Auditors of Tea, Textile and Engineering (MICCO) Divisions of the Company for the financial year 2017-2017. - Ordinary Resolution.		
7.	Approval of re-appointment of Mr. D. K. Sharda (DIN: 00105406) as Managing Director of the Company, designated as 'Managing Director & Chief Executive Officer (CEO)' of the Company, for a period of one year with effect from 1 <sup>st</sup> April, 2017 till 31 <sup>st</sup> March, 2018. - Special Resolution.		
8.	Approval to invite subscriptions for secured/unsecured redeemable non-convertible debentures, in one or more series/tranches, aggregating up to Rs. 100 crores (Rupees One hundred crores), on private placement.- Special Resolution.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2017

Signature of Shareholder(s): \_\_\_\_\_

Signature of Proxy holder(s): \_\_\_\_\_

Affix  
Revenue  
Stamp

Notes:

1. This form of proxy in order to be effective should be completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Statement and Notes please refer to the Notice of the 83<sup>rd</sup> Annual General Meeting.
3. # It is optional to put a 'X' in the appropriate column against the Resolution indicated in the box. If you leave the 'For' or 'Against' column blank against any or all the Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

To,  
 Maheshwari Datamatics Pvt. Ltd.  
 23, R. N.Mukherjee Road,  
 5th Floor,  
 Kolkata - 700001  
 Phone: (033) 2243-5029/2248-2248  
 Fax: (033) 2248-4787  
 E-mail: [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com)  
 CIN: U20221WB1982PTC034886

Unit: Gillanders Arbuthnot and Company Limited

Particulars	1 <sup>st</sup> /Sole Holder	1 <sup>st</sup> Joint Holder	2 <sup>nd</sup> Joint Holder
E-mail ID (1 <sup>st</sup> holder only)			
PAN No.			
AADHAR No. (UI No)			
Mother's Name/Spouse Name			
Occupation			
PARTICULARS		INFORMATION FURNISHED	
CIN No. (in case member is Body Corporate)			
Name of Guardian (in case member is minor)			
Date of birth of Member (in case of minor)			

Date :  
 Place :

\_\_\_\_\_  
 Signature of Member  
 (Sole/First Member)

Confirmation of Signature of Account Holder (s) by their Bank  
(Bank official to put Bank's Official rubber Stamp giving full Address of the Bank and the Name,  
Designation and Employee Code number of the official signing this form.)

1	Name of the Bank	
2	Full Address of the Bank	
3	STD Code/Telephone No	
4	Type of Account	Current / SB / O/D / Others
5	Name of Account Holder(s)	1)  2)  3)
6	Address of Account Holders(s) as recorded with the Bank	
7	Account Number	
8	Signature of the Holder/s	1) _____  2) _____  3) _____

Place:

Date:

Signature and Address Verified as recorded with the Bank

(Sign) \_\_\_\_\_

Bank Manager:

Emp. Code :

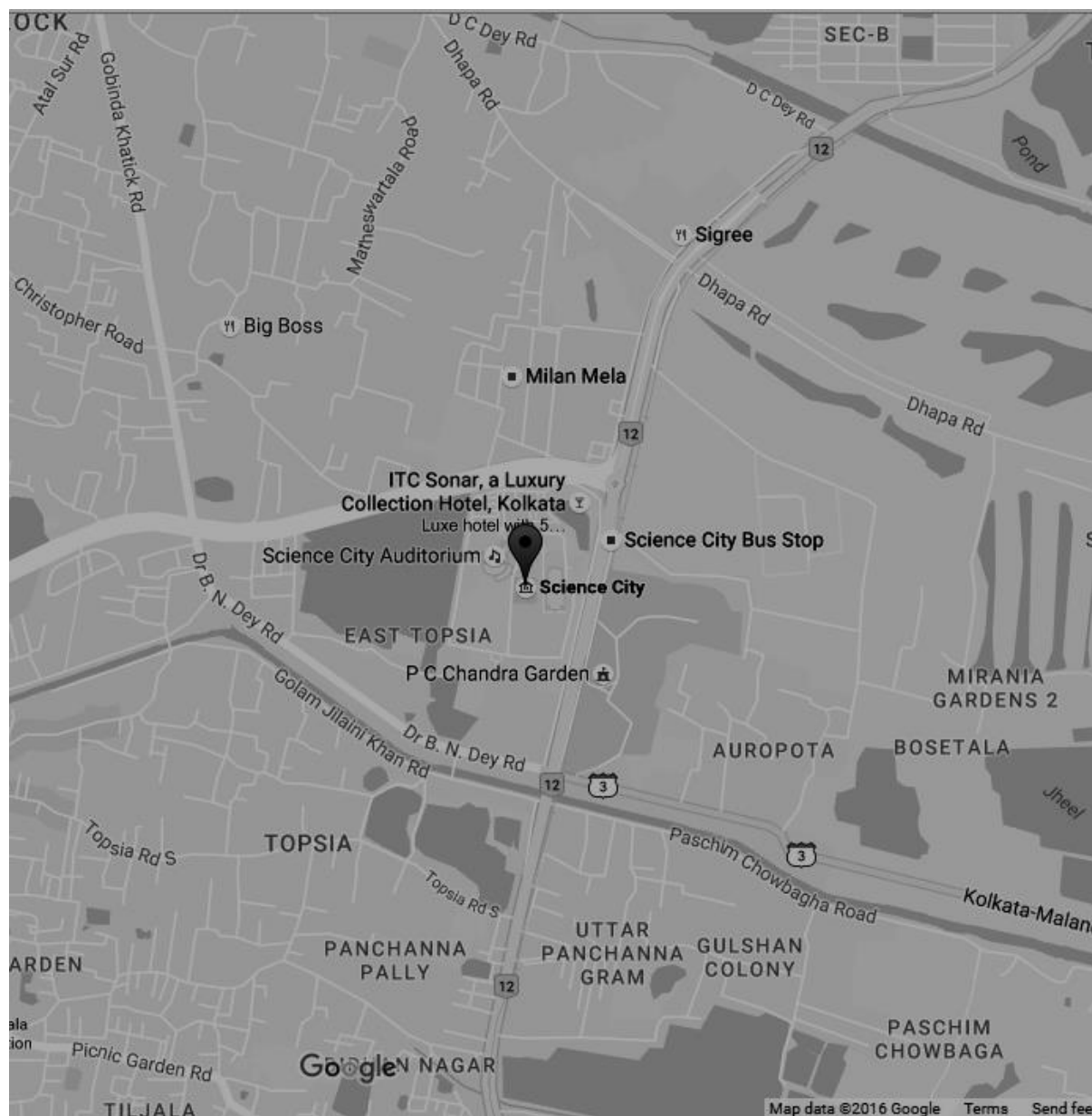
Rubber Stamp of the Bank:

Code No.:

Address:



**Route Map of the Venue of the 83<sup>rd</sup> Annual General Meeting – Mini Auditorium Hall of the Science City, J. B. S. Haldane Avenue, Kolkata – 700 046**







**GILLANDERS ARBUTHNOT AND COMPANY LIMITED**  
CIN: L51909WB1935PLC008194

**Registered Office:**

C-4, Gillander House, Netaji Subhas Road, Kolkata - 700 001

Phone: +91-33 2230-2331 (6 Lines), 2242-9140 (3 Lines)

Fax: +91-33-2230-4185

E-mail: [gillander@gillandersarbuthnot.com](mailto:gillander@gillandersarbuthnot.com)

Website: [www.gillandersarbuthnot.com](http://www.gillandersarbuthnot.com)