



**KANCO TEA & INDUSTRIES
LIMITED**



ANNUAL REPORT | 2012-2013



KANCO TEA & INDUSTRIES LIMITED
(Formerly : Dhanvaridhi Concerns Limited)

**Annual Report
&
Accounts 2012-2013**

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BOARD OF DIRECTORS

Mr. U. Kanoria
Chairman & Director

Mrs. A. Kanoria
Wholetime Director

Mr. G. Momen
Mr. N. Nayar
Mr. G. R. Banka
Directors

COMPANY SECRETARY
Mr. A. K. Gangopadhyay

AUDITORS
M/s. Jain & Co.
Chartered Accountants

COST AUDITORS
M/s. A. C. Dutta & Co.
Cost Accountants

BANKER
Punjab National Bank

REGISTERED OFFICE
Jasmine Tower, 3rd Floor
31, Shakespeare Sarani,
Kolkata 700 017
Telefax : 2281 5217
Email : contact@kancotea.in
Website : www.kancotea.in

TEA ESTATES
**Mackeypore &
Lakmijan Tea Estate**
P. O. Nazira 785 685
Dist. Sivasagar (Assam)

SHARE REGISTRARS
CB Management Services (P) Ltd.
P-22, Bondel Road, Kolkata 700 019
Phone : 2280 6692/93/94
E-mail : rta@cbmsl.com



NOTICE

Notice is hereby given that the 30th Annual General Meeting of Kanco Tea & Industries Limited will be held at "Bhartiya Bhasha Parishad", 36A, Shakespeare Sarani, Kolkata – 700 017 on Friday, the 26th day of July, 2013, at 2:00 P.M, inter-alia, to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited statement of Profit & Loss for the year ended 31st March, 2013, the Audited Balance Sheet as at that date and the Reports of the Board of Directors and Auditors.
2. To consider declaration of dividend on Preference Shares for the financial year ended 31st March, 2013.
3. To consider declaration of dividend on Equity Shares for the financial year ended 31st March, 2013.
4. To appoint a director in place of Mr. Umang Kanoria, who retires by rotation and being eligible, offers himself for re-appointment.
5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION :

"RESOLVED THAT Messrs Jain & Co., Chartered Accountants (Registration No. 302023E), be and are hereby re-appointed as Auditors of the Company under Section 224 read with Section 224A and other applicable provisions, if any, of the Companies Act, 1956 to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company at such remuneration as may be decided by the Board, inclusive of reimbursement of out-of-pocket expenses, as may be incurred by the Auditors on account of performance of their duties."

Registered Office :

Jasmine Tower, 3rd Floor
31, Shakespeare Sarani, Kolkata – 700 017
Dated : The 13th day of May, 2013

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

A. K. Gangopadhyay
Company Secretary

NOTES :

- A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and on poll to vote instead of himself. The proxy need not be a member of the Company. A blank form of proxy is enclosed herewith and, if intended to be used, it should be returned duly completed at the registered office of the Company not less than forty-eight hours before the scheduled time of the commencement of the Annual General Meeting.
- No person shall be entitled to attend or vote at the meeting as a duly authorized representative of any body corporate which is a shareholder of the Company, unless a copy of the resolution appointing him/her as a duly authorized representative, certified to be a true copy by the Chairman of the meeting at which it was passed, shall have been deposited at the Registered Office of the Company not less than 48 hours before the scheduled time of the commencement of the meeting.
- The Register of Members and Share Transfer Books of the Company will remain closed from 24th of July, 2013 to 26th of July, 2013 (both days inclusive) for the purpose of payment of dividend, if any, approved by the Members. Dividend shall be paid to those persons whose names appear in the register of members on or before 23rd of July, 2013.



NOTICE (Contd.)

- In order to protect the investors from fraudulent encashment of warrants, the members are requested to furnish their Bank Account Number (Current/Savings), the name of the Bank and Branch where they would like to deposit the dividend warrants for encashment, whenever dividend is declared by the Company. These particulars will be printed on the Dividend Warrant besides the name of the shareholders, so that these warrants cannot be encashed by anyone other than the shareholder. The above mentioned details should be furnished by the first/sole holder, directly to their respective Depositories in respect of shares held in electronic form and in case of shares held in physical form to the Compliance officer or Registrar & Share Transfer Agent M/s. C.B. Management Services Pvt. Ltd., P-22, Bondel Road, Kolkata - 700019. The Company is providing the facility of ECS to all shareholders, holding shares in electronic and physical form. This facility could also be used by the shareholders instead of Bank mandate system for receiving the credit of dividends, whenever dividend is declared by the Company.
- Pursuant to Section 205A read with Section 205C of the Companies Act, 1956 as amended, dividend remaining unclaimed and unpaid for a period of seven years from the date of payment, is required to be transferred to the Investor Education and Protection Fund of the Central Government. After that there remains no claim of the members whatsoever on the said amount.
- Members may avail facility of nomination in terms of Section 109A of the Companies Act, 1956, by nominating in the Form-2B any person to whom their shares in the Company shall vest in the event of their death.
- The shares of the Company shall be compulsorily traded in dematerialized mode. The Company has signed agreements with both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depositories Service (India) Limited (CDSL).
- All the documents referred to in the accompanying notice, the Register of Directors' shareholding and the Register of Contracts maintained under Sections 307 and 301 of the Companies Act, 1956 respectively are open for inspection at the registered office of the Company upto the date of Annual General Meeting. Register of Directors' shareholding shall be open for inspection upto 3 days after the Annual General Meeting.
- Shareholders may kindly note that no gifts/coupons will be distributed at the Annual General Meeting.
- In case you have any query relating to the enclosed Annual Accounts or about the operations of the Company, you are requested to forward the same to the Company at the Registered Office at least seven days before the date of Annual General Meeting so that the information can be made available at the meeting.
- Please note that as per the green initiative of the Ministry of Company Affairs, your Company proposes to despatch the Statement of Accounts and the notice of the Annual General Meeting through electronic media to the email addresses of all those members as available in the Register of Members of the Company. Members may register their email address by visiting Website namely www.cbmsl.com/green.php of our Registrars.

**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors present their Annual Report and Audited Accounts for the year ended 31st March, 2013.

FINANCIAL HIGHLIGHTS

Your Company's financial performance was as follows :

Particulars	₹ in Lacs	
	2012-13	2011-12
Profit Before Interest, Depreciation and Tax	750.14	521.24
Less : Interest	<u>123.91</u>	<u>144.80</u>
Gross Profit for the year	626.23	376.44
Less : Depreciation	<u>80.71</u>	<u>75.80</u>
Profit Before Tax	545.52	300.64
Less : Provision For :-		
Net Current Tax	96.10	51.28
Provision for MAT Credit Entitlement	<u>(34.79)</u>	<u>(15.84)</u>
	61.31	35.44
Income Tax for earlier years	3.90	-
Deferred Tax	<u>3.08</u>	<u>(6.72)</u>
	<u>68.29</u>	<u>28.72</u>
Profit/(Loss) After Taxation	477.23	271.92
Add : Balance Brought Forward from Last Account	<u>844.82</u>	<u>702.58</u>
	1322.05	974.50
Less : Transfer to General Reserve	47.72	27.19
Less : Proposed dividend	88.18	88.18
Less : Dividend Distribution Tax	<u>14.31</u>	<u>14.31</u>
Balance Carried to Balance Sheet	<u>1171.84</u>	<u>844.82</u>

DIVIDEND

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

OPERATIONS & FINANCE :

During the year under review, prices of North India teas went up by ₹ 25 per kg compared to previous year. However the prices of your company teas increased by ₹ 33 per kg compared to previous year. The gap between price of quality and non quality teas is widening every year and your company being a producer of top quality teas was able to achieve a better price. The focus on producing good quality teas, constant thrust on improving field practices and increase in price realisation due to favourable market condition resulted in increase in working results. The profit before tax stood at ₹ 545.52 Lacs compared to ₹ 300.64 lacs for the previous year.

Your Company continued to take advantage of the Special Purpose Tea Fund Scheme announced by the Tea Board of India. In the financial year 2012-2013, 21.91 hectares, 23.97 hectares and 24.10 hectares of the plantation area were replanted, rehabilitated and uprooted respectively. We have also added another irrigation set in Mackeypore Tea Estate. Major investment has been made in factory machinery to bring further improvement in quality of teas. Your Company has also built labour quarters and labour latrines to improve the living condition of its workforce.

The current season started with a droughty condition but at present reasonable rainfall has been received. The prices of teas have been sluggish. The increase in wage rate and inputs like H.S.D. Oil, Pesticides and Manures will hit the bottom line. However, your Company being producer of premium quality teas will try to offset the increase in cost/kg. of made tea by better price realisation. The thrust on irrigation and replanting under SPTF will continue.

DIRECTORS

In accordance with the provisions of the Articles of Association of the Company, Mr. Umang Kanoria, Director of the Company, will retire by rotation at the forthcoming Annual General Meeting and being eligible, has offered himself for re-appointment.

**DIRECTORS' REPORT (Contd.)****DIRECTORS' RESPONSIBILITY STATEMENT**

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

1. that in the preparation of annual accounts for the financial year ended March 31, 2013, the applicable Accounting Standards have been followed along with proper explanations relating to material departures;
2. selected such accounting policies and have applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
3. taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, and
4. prepared the annual accounts on a going concern basis.

FIXED DEPOSITS

The amount outstanding as on 31st March, 2013 on account of Fixed Deposits aggregating ₹ 68.93 lacs is yet to mature and all the deposits that matured during the year were repaid with interest due thereon and nothing remains unclaimed.

AUDITORS

Messrs Jain & Co., Chartered Accountants, Registration No. 302023E retire at the conclusion of the 30th Annual General Meeting and being eligible, have expressed their willingness to continue as Auditors of the Company, if so appointed by the members.

COST AUDIT

For the year under review Messrs A.C.Dutta & Co., Cost Accountants were appointed as Cost Auditors of the Company for conducting Cost Audit for the financial year ended March 31, 2013.

EMPLOYEE PARTICULARS

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

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

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

ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

Kolkata, The 13th day of May, 2013

Umang Kanoria
Chairman

ANNEXURE TO DIRECTORS' REPORT

INFORMATION AS PER SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956, READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2013.

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

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

	<u>Current Year</u>	<u>Previous Year</u>
(a) Purchased (Units)	1169440	947119
Total Amount (₹)	9044256	7510671
Rate / Unit (₹)	7.73	7.93
(b) Own Generation		
Through Diesel Generator		
Units	245655	327405
Unit per ltr.	4.69	4.72
Cost / Unit (₹)	9.71	8.74
(c) Through Steam Turbine/Generator		
Units	526635	557665

**ANNEXURE TO DIRECTORS' REPORT (Contd.)**

(2) Others/Internal Generation		<u>Current Year</u>	<u>Previous Year</u>
Natural Gas : for Tea Processing in Withering & Drying			
Quantity (cm ³)		1582681	1628070
Total Cost (₹)		10574755	11379278
Rate/Unit (₹/cm ³)		6681.55	6989.43
(B) CONSUMPTION PER UNIT OF PRODUCTION		<u>Current Year</u>	<u>Previous Year</u>
	<u>Unit</u>		
Black Tea	Kgs.	1958267	2046849
Electricity	Unit	0.99	0.90
Gas	CM ³	0.81	0.80

For the above, there is no prescribed standard.

RESEARCH & DEVELOPMENT (R&D)

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

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

FOREIGN EXCHANGE EARNINGS AND OUTGO

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

<u>Particulars</u>	<u>Current Year</u>	<u>Previous Year</u>
1. Foreign Exchange Earnings	NA	NA
2. Foreign Exchange Outgo	₹ 37,67,583/-	₹ 34,29,572/-

For and on behalf of the Board of Directors

Kolkata, The 13th day of May, 2013

Umang Kanoria
Chairman

Information required under revised Clause 5A (I) of the Listing Agreement with respect to Shares issued under the Scheme of De-merger, remaining unclaimed and lying in the Escrow Account :-

Aggregate No. of Share Holders whose shares are lying in the Suspense Account as on 01/04/2012	84
Aggregate No. of Shares lying in the Suspense Account as on 01/04/2012	900
Number of shareholders who approached issuer for transfer of shares from Suspense Account during the year	-
Number of shareholders to whom shares were transferred from Suspense Account during the year.	-
**Aggregate No. of Share Holders whose shares are lying in the Suspense Account as on 31/03/2013.	84
**Aggregate No. of Shares lying in the Suspense Account as on 31/03/2013.	900

Note :

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

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

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



AUDITORS' REPORT

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

We have audited the accompanying financial statements of **KANCO TEA & INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- b) in the case of the Statement of Profit and Loss Account, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditors' Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that :
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on March 31, 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Jain & Co.,
Chartered Accountants
Registration No 302023E

P-21/22, Radhabazar Street,
Kolkata-700 001
Dated : The 13th day of May, 2013

M.K. Jain
Partner
Membership No. 055048



ANNEXURE TO THE AUDITORS' REPORT

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

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

- 1) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
c) In our opinion and according to the information and explanations given to us, substantial part of fixed assets has not been disposed off during the year and therefore does not affect the going concern assumption.
- 2) a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.
b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
c) In our opinion and on the basis of our examination of the records, the company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
- 3) a) i) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has granted interest free unsecured loan to a company listed in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year and year end balances amounts to ₹ 4,80,99,994 and ₹ 4,56,62,991 respectively.
ii) The other terms and conditions of such loans are not prejudicial to the interests of the Company;
iii) The company is regular in repaying the principal amounts as stipulated wherever applicable;
b) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Thus sub clauses iii(f) & iii(g) are not applicable to the company.
- 4) In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories, fixed assets and with regards to sale of goods and services. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
- 5) Based on the audit procedures applied by us and according to the information and explanations provided by the management we are of the opinion that there were no contracts or arrangements that need to be entered in the register maintained under section 301 of the Companies Act 1956. Thus clauses v (a) and v (b) are not applicable to the Company;
- 6) The Company has accepted deposits from the public within the meaning of Sections 58A and Section 58AA of the Act and have complied with the rules framed therein.
- 7) As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
- 8) As per information & explanation given by the management, maintenance of cost records has been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete;

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

- 9) a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities.
- b) According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2013 for a period of more than six months from the date they became payable.
- c) According to the information and explanations given to us and on the basis of the documents and records the disputed statutory dues which have not been deposited with the appropriate authorities are as under :

Serial No.	Name of Statute	Nature of Dues	Financial Year to which the matter pertains	Amount in	Forum where dispute is pending
1	Income Tax Act, 1961	Income Tax	2009-2010	2,48,520	Commissioner of Income Tax-Appeals
2	West Bengal Sales Tax Act	Sales Tax	2009-2010	1,15,28,196	Jt. Commissioner of Sales Tax

- 10) The Company does not have any accumulated losses as at 31st March, 2013 and has not incurred cash losses in the current and immediate preceding financial year.
- 11) Based on our audit procedure and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to financial institutions and banks;
- 12) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13) The Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provision of this clause of the Companies (Auditors' Report) Order, 2003 (as amended) is not applicable to the Company.
- 14) According to information and explanations given to us, the Company has maintained proper records of the transactions for dealing in shares, securities and other investments and timely entries have been made therein. The shares, securities and other investments have been held by the company in its own name.
- 15) According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
- 16) Based on our audit procedures and on the information given by the management, we report that the company has applied the money received as term loans during the year for the purposes for which they were obtained;
- 17) Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2013, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
- 18) Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act during the year.
- 19) The Company has not issued any debenture and hence no securities have been created.
- 20) The Company has not raised any money by public issue during the year.
- 21) Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

For Jain & Co.,
Chartered Accountants
Registration No 302023E

P-21/22, Radhabazar Street,
Kolkata-700 001
Dated : The 13th day of May, 2013

M.K. Jain
Partner
Membership No. 055048

**BALANCE SHEET AS AT 31ST MARCH, 2013**

Particulars	Note No.	For the year ended 31st March, 2013	For the year ended 31st March, 2012
		₹	₹
EQUITY AND LIABILITIES			
Shareholder's Fund			
Share Capital	1	2,10,76,090	2,10,76,090
Reserves & Surplus	2	15,12,97,747	11,38,23,408
		17,23,73,837	13,48,99,498
Non-Current Liabilities			
Long-Term Borrowings	3	3,65,91,858	4,95,01,553
Deferred Tax Liabilities (Net)	4	25,63,688	22,55,070
Other Long Term Liabilities	5	15,40,095	14,88,495
Long Term Provisions	6	94,40,862	1,21,56,922
		5,01,36,503	6,54,02,040
Current Liabilities			
Short-Term Borrowings	7	4,48,10,926	4,94,08,292
Trade Payables	8	1,31,32,978	1,26,54,068
Other Current Liabilities	9	5,31,07,922	6,38,59,060
Short-Term Provisions	10	3,14,66,107	2,35,00,573
		14,25,17,933	14,94,21,993
	TOTAL	36,50,28,273	34,97,23,531
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	11	12,49,84,388	11,30,30,049
Capital Work-in-Progress - Tangible Assets		11,66,357	—
		12,61,50,745	11,30,30,049
Non-Current Investments	12	5,39,24,446	4,73,20,808
Long Term Loans and Advances	13	12,50,82,834	10,16,51,144
Other Non-Current Assets	14	—	91,774
		30,51,58,025	26,20,93,775
Current Assets			
Current Investments	15	29,61,700	61,88,132
Inventories	16	3,11,66,256	4,56,35,509
Trade Receivables	17	26,83,163	12,21,090
Cash and Bank Balances	18	92,69,786	46,45,078
Short-Term Loans and Advances	19	1,37,89,343	2,99,39,947
		5,98,70,248	8,76,29,756
	TOTAL	36,50,28,273	34,97,23,531

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

In terms of our report of even date attached

For Jain & Co

Chartered Accountants

Firm Registration No. 302023E

(M.K.JAIN)

Partner

Membership No. 055048

P-21/22, Radhabazar Street

Kolkata - 700001

Dated : The 13th day of May, 2013

A. K. GANGOPADHYAY
Company Secretary

A. KANORIA Wholetime Director

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

Directors

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013**

Particulars	Note No.	For the year ended 31st March, 2013 ₹	For the year ended 31st March, 2012 ₹
Income			
Revenue from Operations	20	36,93,22,929	28,50,05,270
Other Income	21	1,28,94,044	80,39,579
Total Revenue		38,22,16,973	29,30,44,849
Expenditure			
Cost of Materials Consumed	22	3,30,98,786	2,90,11,866
Changes in Inventories of Finished Goods	23	1,86,49,886	(1,00,23,387)
Employee Benefit Expense	24	13,10,48,246	11,16,06,047
Finance Costs	25	1,23,90,806	1,44,79,867
Depreciation and Amortisation Expense	26	80,70,915	86,72,048
Other Expenses	27	12,44,06,609	10,92,34,434
Total Expenses		32,76,65,248	26,29,80,875
Profit Before Tax		5,45,51,725	3,00,63,974
Tax Expenses			
Current Tax			
Central Income Tax (MAT Payable)		57,36,370	32,48,743
Agricultural Income Tax		38,73,261	18,79,807
MAT Credit Entitlement		(34,79,224)	(15,84,373)
Income Tax for Earlier Years		3,89,809	–
Deferred Tax		3,08,618	(6,72,199)
Total Tax Expenses		68,28,834	28,71,978
Profit After Tax		4,77,22,891	2,71,91,996
Basic & Diluted Earning per equity share [Nominal Value of ₹ 10/- each] (Refer Note No. 36)		27.76	15.73

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

In terms of our report of even date attached
For Jain & Co
Chartered Accountants
Firm Registration No. 302023E
(M.K.JAIN)
Partner
Membership No. 055048

P-21/22, Radhabazar Street
Kolkata - 700001
Dated : The 13th day of May, 2013

A. K. GANGOPADHYAY
Company Secretary

A. KANORIA Wholetime Director

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



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	For the year ended 31st March, 2013 ₹	For the year ended 31st March, 2012 ₹
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax & Extraordinary items	5,45,51,725	3,00,63,974
Finance Costs	1,23,90,806	1,44,79,867
Depreciation	80,70,915	75,80,565
Interest Received	(61,27,040)	(49,53,147)
(Profit)/Loss on Tangible Assets Sold	(2,09,262)	4,63,003
Dividend Received	(16,31,913)	(13,62,145)
Demerger Expenses Written Off	-	10,91,483
Provision for diminution in the value of Current Investments	1,91,289	8,22,253
Profit/(Loss) on sale of Non-Current Investments (Net)	(10,81,025)	2,56,823
Loss of Sale of Current Investment (Net)	35,169	4,20,595
Provision for diminution in the value of Current Investments written back	(8,22,253)	-
Operating Profit Before Working Capital Changes	<u>6,53,68,411</u>	<u>4,88,63,271</u>
ADJUSTMENTS FOR :		
Trade & Other Receivables	(54,73,659)	16,93,106
Inventories	1,44,69,253	(1,10,72,739)
Trade & Other Payables	<u>(99,10,000)</u>	<u>1,84,57,522</u>
Cash Generated From Operations	6,44,54,005	5,79,41,160
Income Tax Paid (Net of Refund)	<u>(85,02,447)</u>	<u>(43,05,964)</u>
Net Cash Flow from Operating Activities	<u>5,59,51,558</u>	<u>5,36,35,196</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(2,36,63,357)	(1,34,04,639)
Fixed Assets Sold	26,73,256	24,96,134
Interest Received	61,27,040	49,53,147
Dividend Received	16,31,913	13,62,145
Purchase of Investments	(81,98,218)	(1,71,19,518)
Sale of Investments	<u>64,97,832</u>	<u>1,51,70,512</u>
Net Cash Flow from Investing Activities	<u>(1,49,31,534)</u>	<u>(65,42,219)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Long Term Borrowings	(1,29,09,695)	(91,06,779)
Long Term Loans & Advances	(1,33,10,000)	(14,05,000)
Short Term and Current borrowings from Banks	(48,23,266)	62,16,907
Short Term Loans & Advances	1,72,87,003	(1,88,66,962)
Finance Costs	(1,23,90,806)	(1,44,79,867)
Dividends Paid	(88,18,045)	(88,18,045)
Dividend Distribution Tax Paid	<u>(14,30,507)</u>	<u>(5,72,203)</u>
Net Cash Used in Financing Activities	<u>(3,63,95,316)</u>	<u>(4,70,31,949)</u>
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	46,45,078	45,84,050
NET INCREASE IN CASH AND CASH EQUIVALENTS	46,24,708	61,028
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	<u>92,69,786</u>	<u>46,45,078</u>

Notes :

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

In terms of our report of even date attached

For Jain & Co

Chartered Accountants

Firm Registration No. 302023E

(M.K.JAIN)

Partner

Membership No. 055048

P-21/22, Radhabazar Street

Kolkata - 700001

Dated : The 13th day of May, 2013

A. K. GANGOPADHYAY
Company Secretary

A. KANORIA Wholtime Director

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



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
1. SHARE CAPITAL		
Details of Authorised, Issued, Subscribed and Fully Paid up Shares		
20,00,000 (Previous Year 20,00,000) Equity Shares of ₹10/- each	2,00,00,000	2,00,00,000
1,00,000 (Previous Year 1,00,000) 7% Non Cumulative Redeemable Preference Shares of ₹100/- each	1,00,00,000	1,00,00,000
	3,00,00,000	3,00,00,000
ISSUED, SUBSCRIBED AND FULLY PAID UP SHARES		
17,07,609 (Previous Year 17,07,609) Equity Shares of ₹10/- each fully paid up	1,70,76,090	1,70,76,090
40,000 (Previous Year 40,000) 7% Non Cumulative Redeemable Preference Shares of ₹100/- Each	40,00,000	40,00,000
Total Issued, Subscribed and Fully Paid up Share Capital	2,10,76,090	2,10,76,090

Reconciliation of Paid up Share Capital	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares	Amount ₹	No. of Shares	Amount ₹
Equity Shares of ₹ 10/- each				
At the beginning of the Year	17,07,609	1,70,76,090	17,07,609	1,70,76,090
Outstanding at the end of the Year	<u>17,07,609</u>	<u>1,70,76,090</u>	<u>17,07,609</u>	<u>1,70,76,090</u>
7% Non Cumulative Redeemable Preference Shares				
At the beginning of the Year	40,000	40,00,000	40,000	40,00,000
Outstanding at the end of the Year	<u>40,000</u>	<u>40,00,000</u>	<u>40,000</u>	<u>40,00,000</u>

Terms and rights attached to Equity Shares

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

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

Terms and rights attached to Preference Shares

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

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

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

	As at 31st March, 2013 Nos.	As at 31st March, 2012 Nos.
Equity shares issued and allotted pursuant to scheme of Arrangement sanctioned by Hon'ble High Court at Calcutta on 17/05/2010.	12,11,609	12,11,609



NOTES ON FINANCIAL STATEMENTS (Contd.)

Details of Shareholders holding more than 5 percent of Shares in the Company

Name of the Shareholders	As at 31st March, 2013		As at 31st March, 2012	
	No of shares Held	(%) of Holding	No of shares Held	(%) of Holding
Equity Shares of ₹ 10/- Each Fully Paid				
Anuradha Kanoria	1,83,147	10.73	1,68,147	9.85
Umang Kanoria HUF	1,55,535	9.11	1,55,535	9.11
Satvik Welfare Trust	2,49,300	14.60	2,10,000	12.30
E.T.Resources Private Limited	2,79,084	16.34	2,79,084	16.34
Facitcon Investments Private Limited	86,650	5.07	86,650	5.07
Satvik Kanoria	95,541	5.60	—	—
7% Non-Cumulative Redeemable Preference Shares of ₹ 100/- Each Fully Paid				
OCL Investments & Leasing Limited	26,000	65.00	26,000	65.00
Sumitra Devi Pasari	5,200	13.00	5,200	13.00
Stuti Welfare Trust	4,000	10.00	4,000	10.00
Sumitra Nangalia	3,790	9.48	3,790	9.48

2. Reserves & Surplus

	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
General Reserve		
Balance as per Last Financial Statement	2,53,41,328	2,26,22,128
Add : Transfer from Statement of Profit and Loss	47,72,289	27,19,200
Closing Balance	<u>3,01,13,617</u>	<u>2,53,41,328</u>
Preference Share Redemption Reserve	<u>40,00,000</u>	<u>40,00,000</u>
Surplus in Statement of Profit and Loss		
Balance as per Last Financial Statement	8,44,82,080	7,02,57,836
Add : Profit for the Year	4,77,22,891	2,71,91,996
Less : Appropriations		
(i) Transfer to General Reserve	47,72,289	27,19,200
(ii) Proposed Dividend on Preference Shares	2,80,000	2,80,000
(iii) Proposed Dividend on Equity Shares	85,38,045	85,38,045
(iv) Dividend distribution tax on Proposed Dividend	14,30,507	14,30,507
Total Appropriation	<u>1,50,20,841</u>	<u>1,29,67,752</u>
Net Surplus in the Statement of Profit and Loss	<u>11,71,84,130</u>	<u>8,44,82,080</u>
Total	<u>15,12,97,747</u>	<u>11,38,23,408</u>


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

	Non-Current Portion		Current Maturities	
	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2013	As at 31st March, 2012
	₹	₹	₹	₹
LONG TERM BORROWINGS				
Secured				
Term Loan (Secured)				
From Banks	2,05,03,315	2,94,29,810	93,34,360	86,87,065
From Others	54,90,957	54,90,957	–	–
	<u>2,59,94,272</u>	<u>3,49,20,767</u>	<u>93,34,360</u>	<u>86,87,065</u>
Unsecured				
Loans				
From Related Parties (Refer Note No. 35)	12,04,300	51,87,500	4,90,000	–
From Others	25,00,000	25,00,000	–	–
	<u>37,04,300</u>	<u>76,87,500</u>	<u>4,90,000</u>	<u>–</u>
Deposits				
From Related Parties (Refer Note No. 35)	68,93,286	68,93,286	–	–
	<u>1,05,97,586</u>	<u>1,45,80,786</u>	<u>4,90,000</u>	<u>–</u>
Total	<u>3,65,91,858</u>	<u>4,95,01,553</u>	<u>98,24,360</u>	<u>86,87,065</u>
The above includes				
Secured borrowings	2,59,94,272	3,49,20,767	93,34,360	86,87,065
Unsecured borrowings	1,05,97,586	1,45,80,786	4,90,000	–
Amount disclosed under the head Current liabilities	–	–	(98,24,360)	(86,87,065)
Net Amount	<u>3,65,91,858</u>	<u>4,95,01,553</u>	<u>–</u>	<u>–</u>

Nature of security

Term Loan from Bank is secured by hypothecation of green tea leaves, before and after plucking, teas in process, finished tea in stock/transit or tea lying with brokers, book debts (present and future) and by way of equitable mortgage of immovable properties and machineries of tea estates as collateral security and further guaranteed by a director.

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

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

Terms of Repayment of Term Loan

Particulars of Loan	Date of Sanction	Original Loan Amount (₹)	Repayment Schedule
PNB Term Loan-A/C-No-104496	04/06/2003	4,08,00,000	8 Annual Installments of varying amount starting from June, 2008
PNB Term Loan-A/C-No-156161	05/07/2008	2,34,87,000	8 Annual installments of varying amount starting from July, 2013
SPTF Loan	07/08/2009	54,90,957	91 Monthly Installments starting from 1st April, 2015
ICICI Bank Car Loan	05/08/2008	15,00,000	60 Monthly installments starting from 5th August, 2008
HDFC Bank Car Loan	10/12/2007	10,00,000	60 Monthly installments starting from 7th Dec., 2007
HDFC Bank Car Loan	12/11/2009	25,00,000	60 Monthly installments starting from 5th Nov., 2009
ICICI Bank Card Loan	07/03/2013	15,55,000	36 Monthly installments starting from 1st April, 2013


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

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

The maturity period of deposits taken from related parties varies from 12 months and 36 months from the date of their acceptance. All these deposits are renewed by the company on the date of maturity subject to applicable terms & conditions.

	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
4. Deferred Tax Liability		
Deferred Tax Liability being the Tax impact on- Difference of Written Down Value of Tangible Assets as per Income Tax Laws and Books	42,33,776	41,18,878
	<u>42,33,776</u>	<u>41,18,878</u>
Deferred Tax Assets being the Tax impact on- Expenses charged in books but allowance thereof deferred under Income Tax Laws	16,70,088	18,63,808
	<u>16,70,088</u>	<u>18,63,808</u>
Deferred Tax Liability (Net)	<u>25,63,688</u>	<u>22,55,070</u>
5. Other Long Term Liabilities		
(i) Trade Payables (Refer Note No. 30)	60,704	60,704
(ii) Other Payables	14,79,391	14,27,791
	<u>15,40,095</u>	<u>14,88,495</u>
6. Long Term Provisions		
Provision for Employee Benefits (Refer Note No. 33)		
For Gratuity	80,40,087	1,09,74,961
For Leave Encashment	14,00,775	11,81,961
	<u>94,40,862</u>	<u>1,21,56,922</u>
7. Short Term Borrowings		
Cash Credit from Punjab National Bank (Secured)	4,48,10,926	4,94,08,292
	<u>4,48,10,926</u>	<u>4,94,08,292</u>
Cash credits from bank is secured by hypothecation of green tea leaves, before and after plucking, teas in process, finished tea in stock/transit or tea lying with brokers, book debts (present and future) and by way of equitable mortgage of immovable properties and machineries of tea estates as collateral security and further guaranteed by a director.		
8. Other Current Liabilities		
Trade payables (Refer Note No. 30)	1,31,32,978	1,26,54,068
	<u>1,31,32,978</u>	<u>1,26,54,068</u>
9. Other liabilities		
Current Maturities of Long Term Borrowings (Refer Note No. 3)	98,24,360	86,87,065
Interest accrued but not due on borrowings	45,932	20,544
Interest accrued and due on borrowings	49,26,637	63,15,220
Investor Education and Protection Fund will be credited by following amount (as and when due)		
Unpaid dividend	7,00,603	3,99,720
Others Payables (Refer Note (i))	3,76,10,390	4,84,36,511
	<u>5,31,07,922</u>	<u>6,38,59,060</u>
(i) Others Payables		
Advance received from Consignment Agents	1,36,71,561	2,50,08,911
Provision for Bonus & Exgratia	1,34,55,345	1,15,05,884
Brokerage on Sales	41,26,200	38,60,509
Others	63,57,284	80,61,207
	<u>3,76,10,390</u>	<u>4,84,36,511</u>

NOTES ON FINANCIAL STATEMENTS (Contd.)
10. Short Term Provisions

	As at 31st March, 2013	As at 31st March, 2012
	₹	₹
Provision for Employee Benefits (Refer Note No.33)		
For Gratuity	27,52,109	–
For Leave Encashment	1,97,411	1,48,732
	29,49,520	1,48,732
Other Provisions		
Provision for Tax	1,82,68,035	1,31,03,289
Proposed Equity Dividend	85,38,045	85,38,045
Proposed Preference Dividend	2,80,000	2,80,000
Provision for Tax on Proposed Dividend	14,30,507	14,30,507
	2,85,16,587	2,33,51,841
	3,14,66,107	2,35,00,573

11. TANGIBLE ASSETS

(Figures In ₹)

Particulars	Land & Plantation	Building & Water Supply	Machinery & Elec. Installation	Vehicle	Furniture & Fittings	Total
Cost						
At 1st April, 2011	3,03,38,738	1,72,30,492	5,20,59,771	1,06,26,739	1,00,69,971	12,03,25,711
Additions	–	53,32,674	16,91,820	31,67,862	29,65,035	1,31,57,391
Disposals	–	–	(1,64,001)	(9,66,899)	(13,39,437)	(24,70,337)
Other adjustments						
Subsidy	–	–	(19,81,291)	(1,61,892)	–	(21,43,183)
At 31st March, 2012	3,03,38,738	2,25,63,166	5,16,06,299	1,26,65,810	1,16,95,569	12,88,69,582
Additions	–	99,29,133	83,46,915	36,27,326	5,85,874	2,24,89,248
Disposals	–	–	(83,658)	(1,99,639)	(21,300)	(3,04,597)
Other adjustments						
Subsidy	–	–	(23,79,846)	–	–	(23,79,846)
At 31st March, 2013	3,03,38,738	3,24,92,299	5,74,89,710	1,60,93,497	1,22,60,143	14,86,74,387
Depreciation						
At 1st April 2011	–	8,02,813	63,76,812	9,48,795	17,84,931	99,13,351
Charge for the Year	–	4,05,311	48,06,208	14,56,668	9,12,378	75,80,565
Disposals	–	–	(1,22,867)	(9,25,349)	(6,06,167)	(16,54,383)
At 31st March, 2012	–	12,08,124	1,10,60,153	14,80,114	20,91,142	1,58,39,533
Charge for the Year	–	5,85,751	48,04,748	16,59,825	10,20,591	80,70,915
Disposals	–	–	(58,085)	(1,59,068)	(3,296)	(2,20,449)
At 31st March, 2013	–	17,93,875	1,58,06,816	29,80,871	31,08,437	2,36,89,999
Net Block						
As At 31st March, 2012	3,03,38,738	2,13,55,042	4,05,46,146	1,11,85,696	96,04,427	11,30,30,049
As At 31st March, 2013	3,03,38,738	3,06,98,424	4,16,82,894	1,31,12,626	91,51,706	12,49,84,388


NOTES ON FINANCIAL STATEMENTS (Contd.)

12. Non Current Investments	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares	Amount (₹)	No. of Shares	Amount (₹)
Other than Trade				
Investment in Equity Instruments				
(i) Quoted (Valued at Cost)				
Gujarat Nylons Limited ₹ 10/- each	100	3,468	100	3,468
Warren Tea Limited ₹ 10/- each	10	2,133	10	2,133
The Methoni Tea Co. Ltd. ₹ 10/- each	100	12,688	100	12,688
Mangalore Refinery & Petrochemicals Ltd. ₹ 10/- each	200	5,900	200	5,900
Oriental Carbon & Chemicals Ltd. ₹ 10/- each	3,04,954	21,11,924	3,11,179	21,55,035
Kanco Enterprises Ltd. ₹ 10/- each	33,14,291	3,53,55,657	33,14,291	3,53,55,657
Srei Infrastructure Finance Ltd. ₹ 10/- each	3,985	5,20,193	3,985	5,20,193
Electro Steel Castings Ltd. ₹ 1/- each	2,000	1,80,767	2,000	1,80,767
Reliance Industries Limited ₹ 10/- each	4,150	35,57,369	-	-
Andhra Petrochemicals Ltd. ₹ 10/- each	50,000	12,90,774	-	-
Usha Martin Limited ₹ 1/- each	50,000	17,74,348	-	-
Dhampur Sugar Mills Ltd. ₹ 10/- each	15,000	7,03,705	10,000	6,79,447
Total (i)		4,55,18,926		3,89,15,288
(ii) Unquoted (Valued at Cost)				
The Grob Tea Co. Limited ₹ 10/- each	150	12,120	150	12,120
Rydak Syndicate Limited ₹ 10/- each	100	12,688	100	12,688
E. T. Resources Private Limited ₹ 10/- each	81,244	12,54,025	81,244	12,54,025
B. T. Investments Private Limited ₹ 10/- each	81,244	11,06,897	81,244	11,06,897
Cosmos Resources Private Limited ₹ 10/- each	2,68,351	9,63,240	2,68,351	9,63,240
Facitcon Investments Private Limited ₹ 10/- each	3,01,000	12,76,394	3,01,000	12,76,394
S. T. Investment Private Limited ₹ 10/- each	1,59,500	15,98,250	1,59,500	15,98,250
Nidhi Private Limited ₹ 10/- each	1,60,000	4,02,050	1,60,000	4,02,050
Innova Properties Private Limited ₹ 10/- each	77,500	7,78,875	77,500	7,78,875
Suryasakti Commodities Pvt. Ltd. ₹ 10/- each	46,000	4,62,300	46,000	4,62,300
OCL Investments & Leasing Ltd. ₹ 10/- each	5,36,000	5,38,681	5,36,000	5,38,681
Total (ii)		84,05,520		84,05,520
Total Non-Current Investments (i + ii)		5,39,24,446		4,73,20,808
Aggregate Amount of Quoted Investments		4,55,18,926		3,89,15,288
Market Value of Quoted Investments		3,86,00,364		4,28,84,060
Aggregate Amount of Unquoted Investments		84,05,520		84,05,520
13. Long Term Loans and Advances				
		Ast at 31st March, 2013		Ast at 31st March, 2012
		₹		₹
(Unsecured considered good unless otherwise stated)				
(i) Capital Advance		2,55,000		2,47,248
(ii) Security Deposits		90,95,237		90,88,337
(ii) Loans and Advances to Related Parties (Refer Note No. 35)		8,89,90,766		7,56,80,766
(iv) Other Loan & Advances				
(a) Advance Taxes		1,88,25,290		1,19,47,311
(b) Balance with Statutory and Govt. authorities		1,67,950		1,67,715
(c) Housing Subsidy Receivables		53,862		53,862
(d) TDS Receivables		11,87,391		9,18,393
(e) Advances recoverable in cash or kinds or for value to be received		65,07,338		35,47,512
		<u>2,67,41,831</u>		<u>1,66,34,793</u>
		12,50,82,834		10,16,51,144
14. Other Non-Current Assets				
(Unsecured considered good unless otherwise stated)				
Long Term Trade Receivables		-		91,774
		-		91,774


NOTES ON FINANCIAL STATEMENTS (Contd.)

15. Current Investments	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares	Amount (₹)	No. of Shares	Amount (₹)
Investments in Equity Instruments				
Quoted (Valued at cost unless otherwise stated)				
Reliance Industries Limited ₹ 10/- each	500	4,23,802	4,150	35,57,369
Andhra Petrochemicals Ltd. ₹ 10/- each	–	–	50,000	12,90,774
Dhampur Sugar Mills Ltd. ₹ 10/- each	–	–	10,000	3,87,895
Usha Martin Ltd. ₹ 1/- each	–	–	50,000	17,74,347
Balrampur Chini Mills Ltd. ₹ 1/- each	35,000	16,00,615	–	–
ICICI Bank Ltd. ₹ 10/- each	1,000	11,28,572	–	–
Aggregate Amount of quoted Investments		31,52,989		70,10,385
Less - Provision in Diminution in Value of Investments		1,91,289		8,22,253
		29,61,700		61,88,132
Aggregate Market Value of Quoted Investments		29,61,700		62,26,238
16. Inventories		Ast at 31st March, 2013		Ast at 31st March, 2012
		(₹)		(₹)
Finished Goods - Black Tea		1,69,52,806		3,56,02,692
Stores and Spares		1,24,35,526		97,04,103
Stores-in-Transit		17,77,924		3,28,714
		3,11,66,256		4,56,35,509
17. Trade Receivables				
(Unsecured considered good unless otherwise stated)				
Outstanding for more than six months		1,84,876		2,44,639
Others		24,98,287		9,76,451
		26,83,163		12,21,090
18. Cash and Bank Balances				
(i) Cash and Cash Equivalents				
On Current Accounts		21,53,354		22,07,933
On Unpaid Dividend Accounts		6,07,595		3,49,637
Demand Deposits (Less than three months maturity)		18,000		3,04,793
Cash in Hand		4,17,829		7,33,448
		31,96,778		35,95,811
(ii) Other Bank Balances				
Deposits with original maturity for more than 3 months but less than 12 months		60,73,008		10,49,267
		60,73,008		10,49,267
Total (i + ii)		92,69,786		46,45,078

NOTES ON FINANCIAL STATEMENTS (Contd.)

	Ast at 31st March, 2013	Ast at 31st March, 2012
	<u>₹</u>	<u>₹</u>
19. Short Term Loans & Advances		
(Unsecured considered good unless otherwise stated)		
(i) Advances recoverable in cash or kinds or for value to be received	86,48,054	79,16,807
(ii) Loans and Advances to Related Parties (Refer Note No. 35)	22,28,225	1,95,15,228
(iii) Interest Accrued and Due on Deposits	69,953	28,331
(iv) Interest Accrued and Due on Unsecured Loan	1,26,475	2,26,621
(v) Prepaid expenses	27,16,636	22,52,960
	<u>1,37,89,343</u>	<u>2,99,39,947</u>
20. Revenue from Operations		
<u>Sale of Products</u>		
Finished Goods	36,93,22,929	28,50,05,270
	<u>36,93,22,929</u>	<u>28,50,05,270</u>
The Company's revenue from operations is from sale of black tea.		
21. Other Income		
Interest Income (Refer Note (i) below)	61,27,040	49,53,147
<u>Dividend Income on</u>		
Current Investments	72,775	84,200
Non-Current Investments	15,59,138	12,77,945
Profit/(Loss) on sale of Fixed Assets (Net)	2,09,262	(4,63,003)
Speculation Profit on Sale of Shares	-	27,730
Profit/(Loss) on Sale of Non-Current Investments (Net)	10,81,025	(2,56,823)
Tea Board Subsidy	29,50,928	23,40,929
Other non-operating income	71,623	75,454
Provision for diminution in the value of Current Investment written back	8,22,253	-
	<u>1,28,94,044</u>	<u>80,39,579</u>
(i) Interest income comprises :		
Bank Deposits	1,76,829	1,90,610
Non-Current Investments	59,50,211	46,40,716
Interest on overdue trade receivables	-	46,161
Others	-	75,660
	<u>61,27,040</u>	<u>49,53,147</u>
22. Cost of Materials Consumed		
Purchase of Green Tea Leaves	3,30,98,786	2,90,11,866
23. (Increase)/decrease in Inventories		
Finished Goods		
Inventories at Commencement	3,56,02,692	2,55,79,305
Inventories at Close	1,69,52,806	3,56,02,692
(Increase)/Decrease in Inventories	<u>1,86,49,886</u>	<u>(1,00,23,387)</u>
24. Employee Benefit Expense		
Salaries, Wages and Bonus	10,56,90,394	9,00,09,383
Contribution to Provident Fund and Other Funds (Refer Note No. 33)	1,17,49,609	97,28,286
Staff Welfare Expenses	1,36,08,243	1,18,68,378
	<u>13,10,48,246</u>	<u>11,16,06,047</u>
25. Finance Costs		
Interest Expenses	1,21,15,754	1,42,58,245
Other Borrowing Costs	2,75,052	2,21,622
	<u>1,23,90,806</u>	<u>1,44,79,867</u>

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

	Ast at 31st March, 2013	Ast at 31st March, 2012
	₹	₹
26. Depreciation and Amortisation Expense		
Depreciation of Tangible Assets	80,70,915	75,80,565
Amortisation of Intangible Assets	–	10,91,483
	80,70,915	86,72,048
27. Other Expenses		
Consumption of Stores & Spares	4,10,73,787	3,16,43,842
Power & Fuel	2,17,67,594	2,26,67,817
Rent	8,09,200	8,33,100
Repair to Building	51,31,533	47,18,273
Repair to Machinery	32,11,355	31,77,575
Insurance Charges	12,23,172	10,55,767
Rates & Taxes	50,13,310	49,09,883
Loss on sale of Current Investments (Net)	35,169	4,20,595
Provision for diminution in the value of Current Investments	1,91,289	8,22,253
Prior Period Items (Net)	49,598	(3,15,652)
Vehicle Running & Maintenance Charges	61,74,194	53,52,574
Donation	45,50,000	38,14,500
Selling & Distribution Expenses	2,23,99,884	1,80,75,151
Auditors' Remuneration (Refer Note i)	1,53,223	1,51,623
Travelling Expenses	53,85,541	60,29,128
Director Sitting Fees	1,60,000	1,20,000
Miscellaneous Expenditure	70,77,760	57,58,005
	12,44,06,609	10,92,34,434
(i) Auditors' Remuneration		
As Auditor		
Statutory Audit Fees	73,034	73,034
Tax Audit Fees	22,472	22,472
In Other Capacity		
Other Services (Including Reimbursement of Expenses)	57,717	56,117
	1,53,223	1,51,623

NOTES ON FINANCIAL STATEMENTS (Contd.)
28. Contingent Liabilities not provided for in respect of following:

- a) Claims, disputes and demands not acknowledged as debts:
- i) Sales Tax demand of ₹ 1,15,28,196/- (Previous Year ₹ Nil). The Company has filed an appeal before the Joint Commissioner of Sales Tax.
- ii) Income Tax demand ₹ 2,48,520/- (Previous Year ₹ Nil). Against this the Company has deposited ₹ 1,24,260/- under protest. The Company has filed an appeal before Commissioner of Income Tax (Appeals)
- iii) Debit note raised by GAIL (India) Limited ₹ 68,80,820/- (Previous Year ₹ 49,44,429/-). Against this the Company has paid ₹ 24,72,214 (Previous Year ₹ 7,99,000/-) as interim measure as per order of Hon'ble High Court at Guwahati.

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

- b) Outstanding commitment in respect of Irrevocable Stand by Revolving Letter of Credit issued in favour of GAIL (India) Ltd. ₹ 7,19,958/- (Previous Year ₹ 7,43,699/-).

29. Estimated value of contracts on capital account, excluding capital advances, remaining to be executed and not provided for, amount to ₹ 4,81,783/- (Previous Year ₹ 5,76,912/-)

- 30. Sundry Creditors do not include any amount due (Previous Year ₹ Nil/-) from suppliers as defined under the "Micro Small & Medium Enterprises Development Act, 2006" as per the information available with the Company. Further no interest has been paid/payable to such Enterprises.**

31. Value of Raw Materials, Spares and Components Consumed :

	Raw Materials				Components & Spare Parts Consumed			
	2012-2013		2011-2012		2012-2013		2011-2012	
	₹	%	₹	%	₹	%	₹	%
Imported	-	-	-	-	-	-	-	-
Indigenous	3,30,98,786	100	2,90,11,866	100	4,10,73,787	100	3,16,43,842	100
	<u>3,30,98,786</u>		<u>2,90,11,866</u>		<u>4,10,73,787</u>		<u>3,16,43,842</u>	<u>100</u>

32. Expenditure in Foreign Currency :

	2012-2013 (₹)	2011-2012 (₹)
Travelling Expenses	36,30,493	33,19,335
Subscription	1,37,090	1,10,237
	<u>37,67,583</u>	<u>34,29,572</u>

33. Disclosure pursuant to Accounting Standard - 15 (Revised) "Employee Benefits"
a. Defined Contribution Plans :

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

Particulars	2012-2013 (₹)	2011-2012 (₹)
Employer's Contribution to Provident and other Funds	77,82,314	61,91,514

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

Particulars	Gratuity (Funded)	
	2012-2013 (₹)	2011-2012 (₹)
a. Present value of Defined Benefit obligation at the beginning of the year	2,14,95,563	1,87,54,811
b. Interest cost	17,86,914	15,00,385
c. Current service cost	18,34,180	16,69,349
d. Actuarial Losses/(Gains)	13,00,888	11,36,760
e. Benefits paid	(9,46,082)	(15,65,742)
f. Present value of Defined Benefit Obligation at the close of the year	<u>2,54,71,463</u>	<u>2,14,95,563</u>

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

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

Particulars	2012-2013 (₹)	2011-2012 (₹)
a. Fair value of Plan Assets at the beginning of the year	1,05,20,602	1,01,66,562
b. Add : Expected return on Plan Assets	10,85,354	8,91,764
c. Add/Less : Actuarial Losses/(Gains)	(4,469)	(21,579)
d. Add : Contributions	40,23,862	10,49,597
e. Benefits Paid	(9,46,082)	(15,65,742)
f. Fair value of Plan Assets at the close of the year	1,46,79,267	1,05,20,602

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

a. Present value of Defined Benefit obligation	2,54,71,463	2,14,95,563
b. Fair value of plan Assets	1,46,79,267	1,05,20,602
c. Present value of unfunded obligation	(1,07,92,196)	(1,09,74,961)
d. Net Liability/(Asset) recognised in the Balance Sheet	(1,07,92,196)	(1,09,74,961)

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

a. Current Service Cost	18,34,180	16,69,349
b. Interest Cost	17,86,914	15,00,385
c. Expected return on Plan Assets	(10,85,354)	(8,91,764)
d. Actuarial Losses/(Gains)	13,05,357	11,36,760
e. Recognised in the Profit and Loss Account	38,41,097	34,14,730

- v. Actuarial Assumptions at the Balance Sheet date :

a. Discount Rate	8.20%	8.50%
b. Expected rate of return on Plan Assets	9.00%	9.00%
c. Salary Escalation rate-Management Staff	5.00%	5.00%
d. Salary Escalation rate - Non Management Staff	5.00%	5.00%

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

- vi. Amount recognised as an expense in respect of Compensated Leave Absences is ₹ 3,69,415/- and (Previous Year ₹ 4,24,998/-) based on actuarial valuation. During the year ended 31st March, 2013 the company has paid ₹ 1,01,922/- and (Previous Year ₹ 90,957/-) as actual leave encashment.

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

34. Segment Reporting

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

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

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

1. Relationships :

(i) Key Management Personnel and their relatives :

Mrs. Anuradha Kanoria

Mr. Umang Kanoria

Miss Stuti Kanoria

Master Satvik Kanoria

Stuti Welfare Trust

Satvik Welfare Trust

Umang Kanoria H.U.F.

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

B. T. Investments Private Limited

Cosmos Resources Private Limited

E. T. Resources Private Limited

Facitcon Investments Private Limited

Innova Properties Private Limited

Kanco Enterprises Limited

Milan Agencies Private Limited

Nidhi Private Limited

OCL Investments & Leasing Limited

S. T. Investment Private Limited

Suryasakti Commodities Private Limited

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

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

Particulars	2012-2013		2011-2012	
	In Relation to Item 1(i)	In Relation to Item 1(ii)	In Relation to Item 1(i)	In Relation to Item 1(ii)
	Amount in (₹)		Amount in (₹)	
Rent Paid				
Milan Agencies Private Limited	-	3,60,000	-	3,60,000
Innova Properties Private Limited	-	2,52,000	-	2,52,000
Suryasakti Commodities Private Limited	-	3,60,000	-	3,60,000
Maintenance Expenses Reimbursed				
Milan Agencies Private Limited	-	3,25,000	-	2,50,000
Suryasakti Commodities Private Limited	-	3,25,000	-	2,50,000
Electricity Charges Reimbursed				
Milan Agencies Private Limited	-	1,01,650	-	1,27,080
Suryasakti Commodities Private Limited	-	1,40,173	-	1,16,255
Innova Properties Private Limited	-	-	-	1,82,214
Advance Given				
Innova Properties Private Limited	-	24,696	-	-
Advance Realised				
Innova Properties Private Limited	-	5,000	-	-
Rent Realised				
Mrs. Anuradha Kanoria	2,43,000	-	2,16,000	-


NOTES ON FINANCIAL STATEMENTS (Contd.)

Intercorporate Loan Repaid/Given				
B.T. Investments Private Limited	–	7,33,500	–	4,000
Cosmos Resources Private Limited	–	9,43,000	–	19,000
E.T. Resources Private Limited	–	45,24,000	–	10,000
Facitcon Investments Private Limited	–	14,31,000	–	5,000
Innova Properties Private Limited	–	–	–	70,000
Milan Agencies Private Limited	–	10,79,000	–	15,000
Nidhi Private Limited	–	20,000	–	20,000
Suryasakti Commodities Private Limited	–	1,70,000	–	–
S.T.Investment Private Limited	–	–	–	2,50,15,000
Intercorporate Loan Realised/Received				
B.T. Investments Private Limited	–	3,05,000	–	40,000
Cosmos Resources Private Limited	–	1,90,000	–	40,000
E.T.Resources Private Limited	–	39,43,000	–	2,00,000
Facitcon Investments Private Limited	–	6,51,000	–	70,000
Innova Properties Private Limited	–	2,15,000	–	30,000
Milan Agencies Private Limited	–	2,05,000	–	1,10,000
Nidhi Private Limited	–	1,13,300	–	1,20,000
S.T.Investment Private Limited	–	14,75,000	–	86,50,000
Suryasakti Commodities Private Limited	–	–	–	50,000
Interest Free Loan Given				
Kanco Enterprises Limited	–	2,39,588	–	48,75,961
Interest Free Loan Received				
Kanco Enterprises Limited	–	25,26,591	–	10,09,000
Fixed Deposits Received				
Mrs. Anuradha Kanoria	–	–	4,50,000	–
Umang Kanoria H.U.F.	3,50,000	–	3,50,000	–
Stuti Welfare Trust	–	–	2,23,286	–
Satvik Welfare Trust	1,20,000	–	10,13,145	–
Fixed Deposits Paid				
Mrs. Anuradha Kanoria	–	–	9,00,000	–
Umang Kanoria H.U.F.	3,50,000	–	3,50,000	–
Stuti Welfare Trust	–	–	1,50,000	–
Satvik Welfare Trust	1,20,000	–	16,13,145	–
Remuneration Paid				
Mrs. Anuradha Kanoria	34,04,764	–	26,10,198	–
Miss Stuti Kanoria	1,14,000	–	1,14,000	–
Director Fees Paid				
Mr. Umang Kanoria	40,000	–	40,000	–
Interest Paid				
Stuti Welfare Trust	28,210	–	25,441	–
Satvik Welfare Trust	13,200	–	90,521	–
Umang Kanoria H.U.F.	38,500	–	38,500	–
Mrs. Anuradha Kanoria	–	–	21,861	–
B. T. Investments Private Limited	–	31,113	–	51,617
Cosmos Resources Private Limited	–	43,756	–	93,860
E.T.Resources Private Limited	–	2,93,043	–	1,88,747
Facitcon Investments Private Limited	–	59,525	–	96,072
Milan Agencies Private Limited	–	65,696	–	1,05,269
Nidhi Private Limited	–	86,767	–	76,572
Suryasakti Commodities Private Limited	–	20,610	–	17,923
Interest Received				
Innova Properties Private Limited	–	70,732	–	81,653
S.T.Investment Private Limited	–	58,79,479	–	45,59,063


NOTES ON FINANCIAL STATEMENTS (Contd.)

Equity Dividend Paid				
Mr. Umang Kanoria	–	–	2,79,780	–
Mrs. Anuradha Kanoria	8,40,735	–	91,645	–
Umang Kanoria H.U.F.	7,77,675	–	2,77,675	–
Miss Stuti Kanoria	3,42,870	–	2,12,870	–
Master Satvik Kanoria	3,31,705	–	86,705	–
Satvik Welfare Trust	10,50,000	–	–	–
B.T. Investments Private Limited	–	–	–	12,47,600
Cosmos Resources Private Limited	–	–	–	11,46,710
E.T.Resources Private Limited	–	13,95,420	–	13,95,420
Facitcon Investments Private Limited	–	4,33,250	–	4,33,250
Innova Properties Private Limited	–	60,000	–	60,000
Nidhi Private Limited	–	1,55,000	–	1,55,000
OCL Investments & Leasing Limited	–	64,720	–	64,720
S.T.Investment Private Limited	–	1,35,030	–	1,35,030
Preference Dividend Paid				
Stuti Welfare Trust	28,000	–	28,000	–
OCL Investments & Leasing Limited	–	1,82,000	–	1,82,000
Purchase of Tangible Assets				
Mr. Umang Kanoria	–	–	10,00,000	–
Outstanding Balances at the end of the F.Y.				
Security Deposit				
Innova Properties Private Limited	–	40,00,000	–	40,00,000
Milan Agencies Private Limited	–	30,00,000	–	30,00,000
(Payable)/Receivable (Net)				
Mrs. Anuradha Kanoria	–	–	–	–
Umang Kanoria H.U.F.	–	–	(3,50,000)	–
Satvik Welfare Trust	–	–	(1,20,000)	–
Stuti Welfare Trust	–	–	(2,23,286)	–
B.T. Investments Private Limited	–	–	–	(4,28,500)
Cosmos Resources Private Limited	–	–	–	(7,53,000)
E.T. Resources Private Limited	–	(12,37,739)	–	(15,55,000)
Facitcon Investments Private Limited	–	–	–	(7,80,000)
Innova Properties Private Limited	–	5,13,659	–	7,38,488
Kanco Enterprises Limited	–	4,56,62,991	–	4,79,49,994
Milan Agencies Private Limited	–	–	–	(8,74,000)
Nidhi Private Limited	–	(7,98,390)	–	(6,27,000)
S.T.Investment Private Limited	–	4,51,06,000	–	4,65,81,000
Suryasakti Commodities Private Limited	–	–	–	(70,000)

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

Particulars	For the year ended 31st March, 2013 (₹)	For the year ended 31st March, 2012 (₹)
Profit After Tax	4,77,22,891	2,71,91,996
Less : Dividend Payable to Preference Share Holders	2,80,000	2,80,000
Dividend Distribution Tax on Preference Dividend	45,423	45,423
Profit Available to Equity Shareholders	4,73,97,468	2,68,66,573
Weighted Average Number of Equity Shares of ₹ 10/- each Fully Paid up	17,07,609	17,07,609
Earning Per Share on Profit for the year (in ₹)		
Basic & Diluted	27.76	15.73



NOTES ON FINANCIAL STATEMENTS (Contd.)

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

38 Corporate Information

Kanco Tea & Industries Limited (the company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on two stock exchanges in India. The company is engaged in the manufacturing and selling of black tea. The company caters to only the domestic market. The food safety system and the quality management system of Mackeypore Tea Estate has been assessed and found to meet the requirement of HACCP (Hazard Analysis and Critical Point and ISO 9001:2008)

39 Significant Accounting Policies

a. Basis of Preparation of Financial Statements

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

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

b. Use of estimates

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

c. Tangible Fixed Assets

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

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

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

d. Depreciation on Tangible Fixed Assets

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

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

e. Intangible Assets

Intangible assets like preliminary expenses are written off in the year in which they are incurred.

NOTES ON FINANCIAL STATEMENTS (Contd.)

f. Impairment of Tangible and Intangible Assets

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

g. Investments

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

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

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

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

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

h. Inventories

Stores and spares are valued at Weighted Average Cost basis.

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

i. Exchange fluctuations

Initial Recognition

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

Conversion

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

Exchange Differences

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

j. Revenue recognition

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

Sale of goods

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

Interest

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

Other Items of Income

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

k. Government Grants and Subsidies

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



NOTES ON FINANCIAL STATEMENTS (Contd.)

Capital grants and subsidies relating to specific assets are reduced from the gross value of the fixed assets. Revenue grants and subsidies are credited to Profit & Loss Account or deducted from the related expenses.

I. Employee Benefits

Defined Contribution Plan :

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

Defined Benefit Plan:

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

m. Research & Development Expenses

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

n. Borrowing Cost

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

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

o. Taxes on Income

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

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

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

p. Earning per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such

NOTES ON FINANCIAL STATEMENTS (Contd.)

as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

q. Provisions

A provision is recognised when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

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

r. Contingent Liabilities

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

s. Prior Period Items

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

t. Cash and cash equivalents

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

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

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

In terms of our report of even date attached

For Jain & Co

Chartered Accountants

Firm Registration No. 302023E

(M.K.JAIN)

Partner

Membership No. 055048

P-21/22, Radhabazar Street

Kolkata - 700001

Dated : The 13th day of May, 2013

A. K. GANGOPADHYAY

Company Secretary

A. KANORIA Wholetime Director

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



KANCO TEA & INDUSTRIES LIMITED

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

Please complete the Attendance Slip and hand it over at the entrance of the Meeting Hall. Please also bring your copy of the Annual Report.

ATTENDANCE SLIP

I hereby record my presence at the THIRTIETH ANNUAL GENERAL MEETING of the Company being held at Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, Kolkata - 700 017 on Friday, the 26th July, 2013 at 2:00 P.M.

REGD. FOLIO/BENEFICIARY ID NO. :	NO. OF SHARES :
NAME OF THE MEMBER (IN BLOCK CAPITALS)	
SIGNATURE OF THE MEMBER OR PROXY	



KANCO TEA & INDUSTRIES LIMITED

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

PROXY FORM

REGD. FOLIO / BENEFICIARY ID NO. :

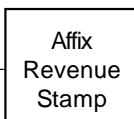
NO. OF SHARES :

I/We
of being a Member/Members of KANCO TEA & INDUSTRIES LIMITED
hereby appoint of
or failing him/her of
or failing him/her of

as my/our Proxy to attend and vote for me/ us and on my/our behalf at the THIRTIETH ANNUAL GENERAL MEETING of the Company to be held on Friday, the 26th July, 2013 at 2:00 P.M. and at any adjournment thereof.

Signed this day of 2013.

Signature _____



Note : The Proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.



NOTE

Pursuant to Circular No.CIR/MRD/DP/10/2013 dated 21st March, 2013 issued by the Securities and Exchange Board of India (SEBI) all cash payments including dividend should be made by means of approved electronic mode such as ECS / LECS (Local ECS) / RECS (Regional ECS) / NECS (National ECS) / NEFT, etc. Accordingly, Shareholders are requested to inform the correct bank details as mentioned below to enable the Company to comply with the requirements of SEBI and make payment within the stipulated time

In cases where either the bank details that are required for making electronic payment are not available or the electronic payment instructions have failed or have been rejected by the bank, physical payment instruments for making cash payments including Dividend to the shareholders may be used. However, Bank account details of the shareholders are to be printed on such payment instruments.

BANK DETAILS

1. Name of the Shareholder (s) :
2. Folio No./DP ID/CL ID :
3. Number of Shares :
4. Contact No. :
5. Email Id :
6. Name of the Bank :
7. Bank A/c No :
8. Account Type :
9. Branch Name and Address :
10. IFSC(Indian Financial System Code) :
11. 9 digit MICR(Magnetic Ink Character Recognition) :

.....
Signature of Shareholder(s)



KANCO TEA & INDUSTRIES LIMITED

(FORMERLY KNOWN AS DHANVARIDHI CONCERNS LIMITED)

Registered Office : "Jasmine Tower", 3rd Floor

31 Shakespeare Sarani, Kolkata - 700 017, India, Telefax : 2281-5217

E-mail : contact@kancotea.in, Website : www.kancotea.in

Corporate Identity Number (CIN)-LI5491WB1983PLC035793

FORM A

1	Name of the Company:	KANCO TEA & INDUSTRIES LIMITED
2	Annual financial statements for the year ended	31st March 2013
3	Type of Audit observation	Un-qualified/Matter of Emphasis- Not Applicable
4	Frequency of observation	Whether appeared first time/repetitive/since how long period Since the Audit Report is unqualified, the clarification on this point is not required.
5	To be signed by-	Kanco Tea & Industries Ltd.
	• CEO/Managing Director/Wholetime Director - Mrs. Anuradha Kanoria	<i>Anuradha Kanoria</i> Wholetime Director
	• CFO ✓	Since Clause 49 is not applicable to the Company. The Company has not appointed Chief Financial Officer.
	• Auditor of the company- Jain & Co. Mr. M K Jain, Partner P-21/22, Radha Bazar Street, Kolkata- 700001	For JAIN & CO. Chartered Accountants <i>M. K. Jain</i> M. K. JAIN (Partner) Membership No. 55048
	• Audit Committee Chairman	The paid up share capital of of the Company is less than Rs. 3 crores and the net worth of the Company is less than Rs. 25 crores. Hence Clause 49 is not applicable to the Company and the Company has not formed Audit Committee.