



# TERAI TEA COMPANY LIMITED



REGD. OFFICE : 10 GOVERNMENT PLACE (EAST), 1ST FLOOR, KOLKATA-700 069 INDIA

033-46039789 Telephones : (91) (33) ~~4621 4441~~, Fax : (91) (33) 2248 9182

E-mail : teraitea@gmail.com • Website : www.teraigroup.com

CIN : L51226WB1973PLC029009

Date: 05.10.2018

To,  
The Secretary  
**Bombay Stock Exchange Ltd.**  
Phiroza jeejeebhoy Towers  
25<sup>th</sup> Floor, Dalal Street, Mumbai 400 001  
The Secretary  
**Calcutta Stock Exchange Association Ltd.**  
7, Lyons Range, Kolkata-700001  
The Secretary  
**Ahmedabad Stock Exchange,**  
Kamdhenu Complex, opp: Sahjanand College  
Panjaraple Ahmedabad-380015  
The Secretary  
**Jaipur Stock Exchange Ltd.**  
Indra Place, J.L.N. Marg.  
Malviya Nagar, Jaipur-302017

## Sub: Annual Report For F.Y. 2017-18

Dear sir,

In compliance with the requirements under Regulation 34(1) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report of the Company for the year 2017-18, duly approved and adopted in the 45<sup>th</sup> Annual General Meeting held on Saturday 29<sup>th</sup> September, 2018 at 10, Government Place (East), 1<sup>st</sup> Floor Kolkata-700069 at 10.30 A.M. as per the provisions of the Companies Act, 2013.

Please acknowledge the receipt.

Thanking You

FOR TERA TEA COMPANY LIMITED

**ROSHAN DAVE**

**Company Secretary**



# TERAI TEA COMPANY LIMITED

*45<sup>th</sup> Annual Report*

*2017-18*

# Corporate Social Responsibility



## SILIGURI TERAI LIONS BLOOD BANK

( A project of Lions Club of Siliguri Terai, Dist. 322F )



presents

### *Certificate of Excellence*

to

## **Amit Agarwala Foundation**

Siliguri

for their outstanding contribution towards the society by giving

**1579 Units of Blood** through

**9 Mega Blood Donation Camps till 30.04.2018**

*आभार*

1st May 2018



Free Education/ Musical Training / Computer Education is given to visually impaired Children at "Amit Agarwala School for Blind" at Kolkata.



# Corporate Information

## BOARD OF DIRECTORS

**Mr. Ajit Kumar Agarwala**

*Managing Director*

DIN No. : 00265775

**Mrs. Shashikala Agarwala**

*Non-Independent Director*

DIN No. : 00260171

**Mr. Milan Krisna Sarkar**

*Independent Director*

DIN No. : 05272885

**Mr Jayantakumar Natwarlal Raja**

*Independent Director*

DIN No. : 06884343

**Mr. Rajendra Kanodia**

*Non-Independent Director & CFO*

DIN No. : 00175574

**Mr. Hemant Kumar Agarwal**

*Independent Director*

DIN No. : 02308200

## KEY MANAGERIAL PERSONNEL

**Mr. Ajit Kumar Agarwala**

*Managing Director*

**Mr. Rajendra Kanodia**

*Chief Financial Officer*

**Mr. Roshan Dave**

*Company Secretary*

## COMPANY SECRETARY & COMPLIANCE OFFICER

**Mr. Roshan Dave**

## BOARD COMMITTEE :-

### a) AUDIT COMMITTEE

**Mr. Hemant Kumar Agarwal** (*Chairman*)

**Mr. Jayantakumar Natwarlal Raja**

**Mr. Milan Krisna Sarkar**

### b) NOMINATION & REMUNERATION COMMITTEE

**Mr. Milan Krisna Sarkar** (*Chairman*)

**Mr. Jayantakumar Natwarlal Raja**

**Mr. Hemant Kumar Agarwal**

### c) STAKEHOLDERS RELATIONSHIP COMMITTEE

**Mr. Jayantakumar Natwarlal Raja** (*Chairman*)

**Mr. Milan Krisna Sarkar**

**Mr. Hemant Kumar Agarwal**

## AUDITOR

**Saha & Majumder**

*Chartered Accountants.*

Hill Cart Road,

Siliguri - 734001

Dist. Darjeeling

## SECRETARIAL AUDITOR

**MR & Associates**

Company Secretaries

46, B. B. Ganguly Street

Kolkata - 700012

## COST AUDITOR

**Mr. Debabroto Banerjee**

63, Radha Bazar Street

2nd Floor, Kolkata - 700001

## BANKERS

**Central Bank of India**

**Bank of India**

**Corporation Bank**

**Yes Bank**

## REGISTERED OFFICE

10, Government Place (East),

1st Floor, Kolkata - 700069

Ph. : (033) 460-13789/39789/19789, 406-45789

Fax : (033) 2248-9182

Email : [teraitea@gmail.com](mailto:teraitea@gmail.com)

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

## CORPORATE OFFICE

**“Agarwala House”**

Sevoke Road, 2nd Mile

Siliguri - 734 001

Phone : (0353) 2543-857/8

Fax : (0353) 2542-656

E-mail : [slg\\_teraitea@sancharnet.in](mailto:slg_teraitea@sancharnet.in)

[teraisiliguri@gmail.com](mailto:teraisiliguri@gmail.com)

## SHARE TRANSFER AGENT

**Maheshwari Datamatics Pvt. Ltd.**

23, R.N. Mukherjee Road

5th Floor, Kolkata - 700001

Ph. : (033) 2248-2248, 2343-5029

Fax : (033) 2248-4787

E-mail : [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com)

## SOLICITORS & LEGAL ADVISORS

**Jhunjhunwala & Co.**

*Solicitors & Advocates*

7C, K.S.Roy Road,

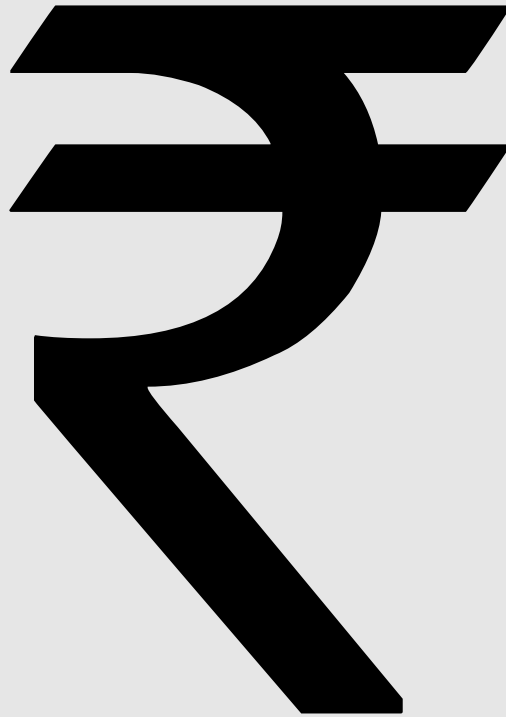
Kolkata - 700001

## CIN :

L51226WB1973PLC029009



## FINANCIAL INFORMATION



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# TERAI TEA COMPANY LIMITED

REGD. OFFICE : EZRA MANSION, 10, GOVERNMENT PLACE (EAST), 1ST FLOOR, KOLKATA- 700069  
Phone : (033) 460-13789 / 39789 • E-mail : [teraitea@gmail.com](mailto:teraitea@gmail.com) • Website : [www.terraigroup.com](http://www.terraigroup.com)  
CIN : L51226WB1973PLC029009

## Notice

NOTICE is hereby given that the 45th Annual General Meeting of the members of “**TERAI TEA COMPANY LIMITED**” will be held on **Saturday, the 29th September, 2018 at 10.30 A.M.** at its **Registered Office - 10 Government Place (East), 1st Floor, Kolkata – 700069** to transact the following business:

### ORDINARY BUSINESS:

- 1) To receive, consider and adopt :
  - a) The Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2018 with the reports of the Board of Directors' and Auditors thereon.
  - b) The Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2018 together with report of the Auditors thereon.
- 2) To appoint a Director in place of Mr. Ajit Kumar Agarwala (DIN: 00265775), who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

#### 3) Approval of the Remuneration of the Cost Auditors of the Company for the year ended 2018-19:

To consider and, if thought fit, to pass with the or without modifications, the following resolutions as an **Ordinary Resolutions**:

“**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, the Cost Auditor appointed by the Board of Directors of the Company, to conduct the

audit of the cost records of the Company for the financial year 2018-19 be paid the remuneration as set out in the statement annexed hereto.”

#### 4) Recommendation for Revision of Remuneration payable to Mr. Ajit Kumar Agarwala, Managing Director:

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

“**RESOLVED THAT** in partial modification to Resolution No. 5 passed by the members at 43rd Annual General Meeting of the Company, approving the terms of remuneration of Mr. Ajit Kumar Agarwala (DIN: 00265775), as the Managing Director, the company here by approved in accordance with the provisions of 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014. The increase in remuneration of Mr. Ajit Kumar Agarwala, (DIN: 00265775), for the remaining period of his tenure of the office, w.e.f. April 1, 2017 as set out in the statement pursuant to sec 102 of the Companies Act, 2013 annexed to the notice convening this meeting.

“**RESOLVED FURTHER THAT** all other terms and conditions of re-appointment of Mr. Ajit Kumar Agarwala as approved by the Members, shall remain unchanged.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps to give effect to the above resolution.”

By order of the Board  
**For Terai Tea Company Limited**

Sd/-

**Roshan Dave**

Company Secretary

ACS - 27185

### Registered Office:

10, Government Place (East)

Kolkata – 700 069

Dated, 14th August, 2018



# Notice (Contd.)

## NOTES:

- 1) ***A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a member of the Company. The proxy forms should be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before commencement of the meeting.***

***In terms of Rules 19 of the Companies (Management and Administration) Rules, 2014, a person can act as proxy on behalf of members not exceeding 50 (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 carrying voting rights may appoint single person as proxy and such persons cannot act a proxy for any other person or shareholder.***

- 2) A Statement pursuant to Section 102(1) of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
- 3) The Equity Share transfer Registers of the Company will remain closed from September 21st, 2018 to September 29th, 2018 (both days inclusive) for the purpose of Annual General Meeting.
- 4) Additional information, pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as required under the provisions of Secretarial Standard-2 issued by The Institute of Company Secretaries of India, in respect of the directors seeking appointment/ re-appointment at the AGM, is furnished as annexure to the Notice. The Directors have furnished consent/ declaration for their appointment / re-appointment as required under the Companies Act, 2013 and the Rules thereunder.
- 5) Members are requested to update their e-mail address to [teraitea@gmail.com](mailto:teraitea@gmail.com) or [mdplds@yahoo.com](mailto:mdplds@yahoo.com) to support the "Green Initiative" in the Corporate Governance.
- 6) Members desiring any information as regard accounts are requested to intimate the company at least ten days before the meeting to enable the management to keep the information required readily available at the meeting.
- 7) The Company's shares are enlisted with NSDL and CDSL for participation into Electronic Depository System operated by them. Its shares are compulsorily to be traded in Electronic Form and the security bears Code ISIN INE 390D1011.
- 8) Members are requested to notify immediately any change of their address, if any, to the Company in

case shares are held in physical form or to the DP's, where the account is maintained, if held in demat form.

- 9) To comply with the provision of Section 88 of the Companies Act, 2013 read with Rule 3 of the Companies (Management and Administration) Rules 2014, the Company shall be required to update its database by incorporating members' designated e-mail ID in its records.
- 10) Members are requested to quote folio numbers in all their correspondence. Equity Share of the Company are under compulsory Demat trading by all investors. Considering the advantage of scripts trading, members are encouraged to consider dematerialization of their shareholding so as to avoid inconvenience in future.
- 11) Members/Proxies should bring the attendance slip duly filled in for attending the Meeting.
- 12) Corporate members intending to send their authorized representative to attend the meeting are requested to send to the Company a certified copy of Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- 13) Electronic copies of the Annual Report are being sent to all the members whose e-mail id are registered with Company/ Depository Participant(s) for communication purpose unless any members has requested for a hard copy of the same, for members who have not registered their email address, physical copies of Annual Report is being sent in the permitted mode.
- 14) Electronic copy of the Notice of this Meeting of the Company inter alia indicating the process and manner of e-voting along with attendance slip and proxy form is being sent to all the members whose e-mail IDs are registered with the Company/ Depository Participant(s) for communication purpose unless any members has requested for a hard copy of the same. For members who have not registered their e-mail address, physical copies of the Notices of the 45th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode. Members may also note that Notice of this meeting and the Annual Report will also be available on Company's website [www.teraigroup.com](http://www.teraigroup.com) for their download.
- 15) All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (11.00 AM to 1.00 PM) on all working days except Saturdays, up to the date of the Annual General Meeting of the Company.
- 16) Proxy holders are requested to carry valid ID proof such as PAN Card, Voter Card, Passport, Driving

# Notice (Contd.)

Licence, Aadhar Card etc. along with the printed attendance slip.

## 17) Voting through electronic means :

**e- voting to enable the shareholders to cast their vote electronically.**

- I. Pursuant to section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide its members the facility to exercise their right to vote at the 45th Annual General Meeting (AGM) by electronic means. The business may be transacted through e-voting services provided by Central Depository Services Limited (CDSL). The Company has signed an agreement with CDSL for e-voting facility -

### The instructions for e- voting are as under:

The voting period begins on 26th September, 2018 at 10.00 A.M and ends on 28th September, 2018 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 22nd, September, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. The facility for voting through ballot paper shall be made available at the Annual General Meeting and the members as on the "cut off date" i.e. 22nd September, 2018, attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right to vote at the meeting through ballot paper.

In Case of members receiving e-mails:

- (i) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period.
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "Terai Tea Co Ltd" from the drop down menu and click on "SUBMIT"
- (iv) 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.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) 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.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)- Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. – Sequence number is communicated in the Attendance Slip/ Covering Letter.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.  • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

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



# Notice (Contd.)

- (xi) Click on the EVSN for the relevant "Terai Tea Co. Ltd". on which you choose to vote.
- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

#### (xviii) Note for Institutional Shareholders

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details they have to create a compliance user using the admin login and password. The Compliance user would be able to link the account(s) for which the wish to vote on.
- The list of accounts 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.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same. In his mail ID : [goenka.mohan@gmail.com](mailto:goenka.mohan@gmail.com)

#### In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on Wednesday, the 26th September, 2018 from 10.00 A.M (IST) and ends on Friday, 28th September, 2018 at 5.00 P.M (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22nd September, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

- 18. The shareholders shall have one vote per equity share held by them as on the cut-off date, i.e., 22nd September, 2018. The facility of e-voting would be provided once for every folio/client id, irrespective of the number of joint holders.
- 19. Shri Mohan Ram Goenka, Practicing Company Secretary, (FCS-4515) of MR Associates, Company Secretaries, Kolkata has been appointed as the Scrutinizer to scrutinize the e- voting process in a fair and transparent manner. The scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblocks the votes in the presence of at least two(2) witness not in the employment and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- 20. The results shall be declared on or after the AGM, but not later than three days from the conclusion of the date of the AGM. The results declared alongwith the Scrutinizer's Report shall be placed on the website of CDSL within and will be communicated to the Stock Exchange where the Company's Shares are listed.
- 21. In case of any queries/grievances relating to e-voting process, the Members may contact Mr, Agrhya Majumder, Central Depository Services Limited, 22, Camac Street, Block A, 1st Floor, Kolkata-16, at e-mail ID: [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com), at Toll Free No. 1800-200-5533 who will address the grievances connected with the electronic voting. Members may also write to the Company Secretary at [teraitea@gmail.com](mailto:teraitea@gmail.com) or Registered Office address.
- 22. **Updation of Members details :**

The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Act, requires the Company/Registrar and Share Transfer Agents

# Notice (Contd.)

to record additional details of Members, including their PAN details, e-mail address, bank details for payment of dividend etc. A form for capturing additional details is appended at the end of this Annual Report. Members holding shares in physical form are requested to submit the filled in the form to the Company or RTA in physical mode or in electronic mode, as per instructions mentioned on the form. Members holding shares in electronic form are requested to submit the details to their respective DP only and not to the Company or RTA.

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

### Item No. 4

In pursuance of section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board shall appoint an individual who is a Cost Accountant in practice on the recommendations of the Audit Committee, which shall also recommend remuneration for such Cost Auditors. The Remunerations recommended by Audit Committee shall be considered and approved by the Board of Directors and ratified by the shareholders.

On recommendation of Audit Committee and its meeting held on 30th day of May, 2018, the Board has considered and approved appointment of Mr. Debabroto Banerjee, Cost Accountant, for conducting the Cost Audit of the Company at a remuneration of ₹ 15,000/- plus GST applicable and reimbursement of actual travel and out of pocket expenses for the financial year ended March 31, 2019.

The Resolution at Items No. 4 of the notice is set out as an Ordinary Resolution for approval and ratification by the members in term of section 148 of the Companies Act, 2013.

None of the Directors or Key Managerial Personnel or their relatives is concerned or interested in the Resolution mentioned at item No. 4 in the notice.

### Item No. 5

In the shareholders meeting held on 30th September 2016, the shareholders had re-appointed Mr. Ajit Kumar Agarwala as the Managing Director for a period of 3 years effective from 13th August, 2016 to 12th August, 2019. The tenure of his appointment expires on 12th August, 2019.

Keeping in view the vast experience of Mr. Ajit Kumar Agarwala, the Board in its meeting held on 30th day of May, 2017, subject to the approval of the members of the company in the Annual General Meeting has decided revision of remuneration payable to Managing Director of the company for the remaining period of his tenure of the office w.e.f 01.04.2017 on the remuneration and terms and conditions as set out herein. Accordingly this resolution is being proposed for the approval of the members.

## TERMS & CONDITION

- A. **Salary:** Not exceeding ₹ 500,000/- per month with the authority granted to the Board of Directors (hereinafter referred to as "the Board" which terms shall include a Committee of Directors) to determine the salary and grant increases from time to time within the aforesaid limit.
- B. **Commission:** Not exceeding 0.50% of net profit in an accounting year as may be decided by the Board from time to time.
- C. **Allowance & Perquisites:** In addition to salary and commission, he will be entitled to allowance, perquisites, benefits, facilities and amenities (collectively "allowances and perquisites") such as Furnished residential accommodation or House Rent Allowance in lieu thereof, maintenance of such accommodation, Gas, Electricity & Power, Water, Furnishings, Utility Allowance, Medical Reimbursement, Foreign Travel, Leave Travel Assistance / Allowances, Membership fees for Clubs, Hospitalization and Accident Insurance, Security at residence and any other "Allowance and Perquisites" as per the policy / rules of the company in force and / or as may be approved by the Board from time to time provided that aggregate value of such allowances & perquisites shall not exceed ₹ 12 lakhs per annum. "Allowances & Perquisites" to be valued as per the income Tax Rules, wherever applicable and at actual cost of the company in other cases.

In addition to the above, he will also be entitled to the following benefits as per policy/rules of the company in force or as may be approved by the Board from time to time.

- (i) Company maintained car(s) with drivers(s); (ii) Telephone(s) and fax at residence; (iii) company's contribution to Provident Fund and Super – Annuation Fund; (iv) Payment of Gratuity and other retail benefit; (v) Encashment of Leave and (vi) Long Service Award; (vii) Key Man Insurance Premium. The Board is authorized to fix actual remuneration and revise it from time to time within the aforesaid ceilings.
- D. The total remuneration including allowances and perquisites shall not exceed the limits specified in Schedule V to the companies Act, 2013.
- E. **Minimum Remuneration:** Notwithstanding anything to the contrary herein where in any financial year, during the currency of the tenure of the appointees, the company has no profits or its profits are inadequate, the company will pay remuneration as above shall be paid to him as minimum remuneration subject to the limit as set out in section 196 and 197 and any other applicable provisions of companies Act,

# Notice (Contd.)

2013 read with schedule V of the Companies Act, 2013, to the appointees by way of salary, perquisites, allowances and incentives remuneration as specified above.

## **OTHER TERMS :**

Apart from the above term & conditions governing remuneration, the terms of appointment provide for the term of office, the reimbursement of expenses incurred for the business of the company, provisions of earlier determination of the appointment by either party by giving

not less than three months notice in writing. The agreement also provides for variations in the terms of appointment/ agreement in accordance with the Companies Act 2013, in force from time to time.

The directors recommend the resolution set out in item No. 5 in the notice.

None of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives except Mr. Ajit Kumar Agarwala and Mrs. Shashikala Agarwala, wife of Mr. Ajit Kumar Agarwala are concerned or interested in the said Resolution mentioned at item No. 5 in the notice.

**Registered Office:**  
10, Government Place (East)  
Kolkata – 700 069  
Dated, 14th August, 2018

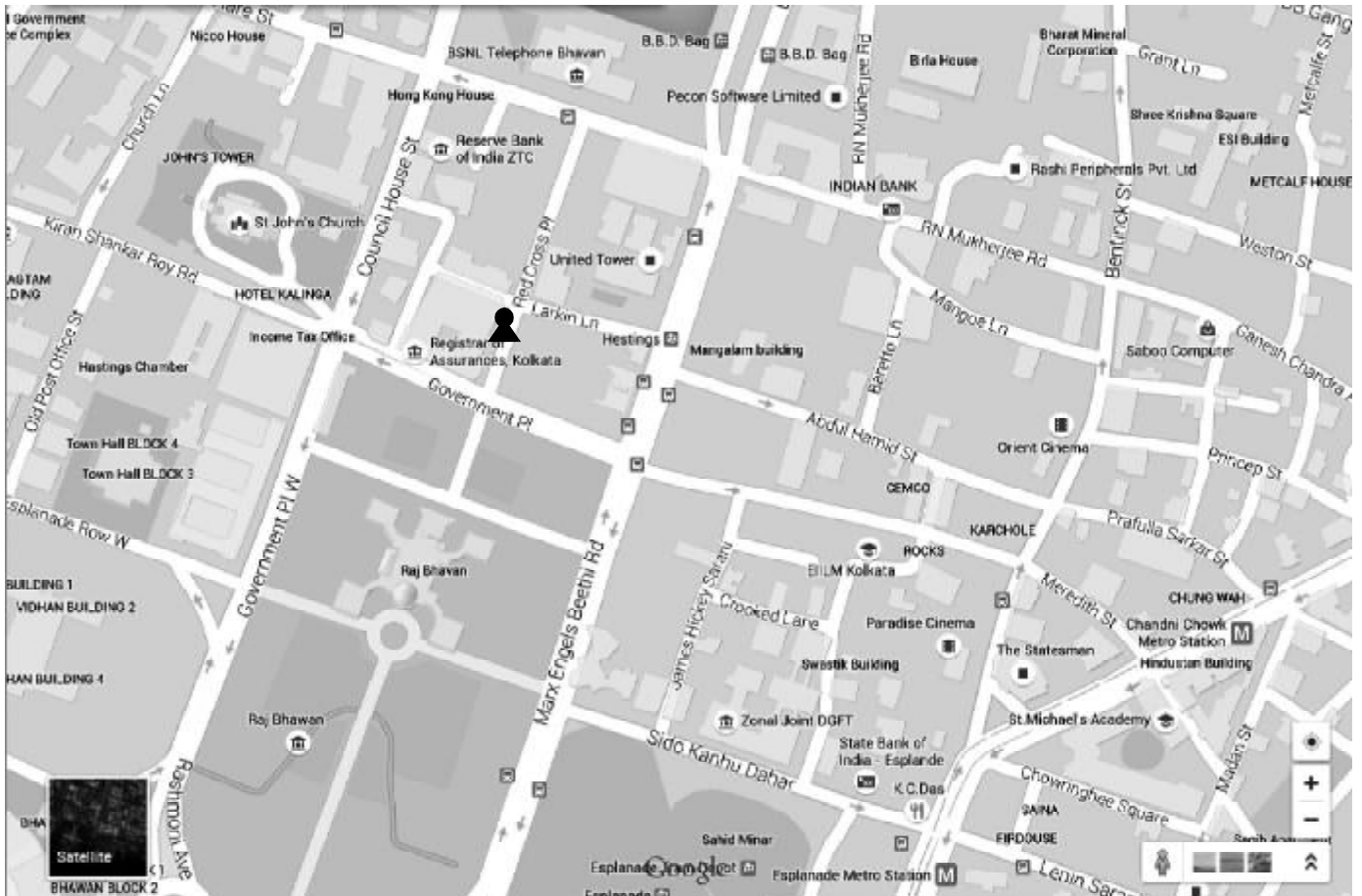
By order of the Board  
**For Terai Tea Company Limited**  
Sd/-  
**Roshan Dave**  
Company Secretary  
ACS - 27185

## DETAILS OF THE DIRECTOR SEEKING APPOINTMENT / REAPPOINTMENT IN THE 45th ANNUAL GENERAL MEETING

(Pursuant to Regulation 36 (3) of SEBI (Listing Obligations and  
Disclosure Requirements) Regulations, 2015 & Secretarial Standard-2)

Name of Director	Mr. Ajit Kumar Agarwala
DIN	0265775
Date of Birth / Age	January 29, 1955
Date of First Appointment on the Board of the Company	January 28, 1987
Brief resume of Director	He Completed his Graduation in Arts & Doctor of Philosophy in Business Management from Burkes University, U.K. He has more than 40 Years experience in Tea Plantation, Marketing Business and Financial Business.
Nature of Expertise in Specific Functional Areas	Overall Management
The Remuneration Last Drawn, if applicable	Basic Salary : Rs. 60.72 Lacs P.a.
List of Other Public Companies in which Directorship held (excluding in Foreign Companies)	A) The Kharibari Tea Co. Ltd., B) Terai Infrastructures Ltd. C) East Indian Produce Ltd., D) Terai Tea Resorts Ltd. E) New Darjeeling Union Tea Co. Ltd. F) Sayedabad Tea Co. Ltd.
List of other listed entities in which Directorship held	NIL
Chairman / Member of the Committees of the Board of Directors of Other Companies in which he is a Director (excluding in Foreign Companies)	NIL
Chairman / Member of the Committees of the Board of Directors of Other Listed Companies	NIL
Disclosure of Relationship between Directors inter-se and Key Managerial Personnel	Mr. Ajit Kumar Agarwala is related with Mrs. Shashikala Agarwala, Wife of Mr. Ajit Kumar Agarwala in terms of the Definition of "Relative" under the Companies Act, 2013
Details of Shareholding, if any in the Company	25,76,800 Nos of Equity Shares held
The number of Meetings of the Board attended during the financial year	Mr. Ajit Kumar Agarwala attend 10 Board Meetings out of Total 10 Board Meetings held during the year.

## Road Map to the Venue of 45th AGM of “Terai Tea Co. Ltd.”



  
**TERAI TEA COMPANY LTD.**  
10, Government Place (East)  
1st Floor, Kolkata - 700 069

# Directors' Report

For the year ended 31st March, 2018

## Dear Shareholders,

The Board of Directors of your Company have pleasure in presenting their **45<sup>th</sup> Annual Report** on the business and operation of the Company together with Audited Financial Statement for the year ended 31st March, 2018.

### 1. CORPORATE OVERVIEW

**Terai Tea Company Ltd.** (Your Company) is a leading Tea Manufacturing Company of West Bengal. The Group has its Corporate Head Quarter at Siliguri, Sevoke Road, West Bengal.

### 2. ADOPTION OF INDIAN ACCOUNTING STANDARDS (IND AS)

The Company has adopted Indian Accounting standard (IND AS) w.e.f 1<sup>st</sup> April, 2017 pursuant to the notification issued of Ministry of Corporate Affairs dated 16<sup>th</sup> February, 2015, notifying the Companies (Indian Accounting Standard) Rules, 2015. The Financial Statement for the year ended as on 31<sup>st</sup> March 2018 have been prepared following the Ind-AS and Financial Statement for the year ended 31<sup>st</sup> March 2017 has been re-stated to comply with Ind-AS to make them comparable.

### 3. REVIEW OF PERFORMANCE

(` In lacs)

Particulars	STANDALONE		CONSOLIDATED	
	2017-18	2016-17	2017-18	2016-17
Revenue from Operation	12912.10	12962.06	12912.10	12962.62
Other Income	128.41	161.09	128.41	161.09
Profit/(Loss) before Depreciation, Financial Cost & Taxation	658.08	757.06	658.08	757.06
Less: Financial Cost	376.73	400.45	376.73	400.45
Profit/(Loss) before Depreciation	281.35	356.61	281.35	356.61
Less: Depreciation	160.01	175.81	160.01	175.81
Profit/(Loss) before Taxation	121.34	180.80	121.34	180.80
Less: Taxation				
a) Current Tax Expenses	22.52	23.98	22.52	23.98
b) Deferred Tax	10.16	15.59	10.16	15.59
Profit after Taxation	88.66	141.23	88.66	141.23
Add: Share of Profit in Associate Company	—	—	(96.50)	91.20
Profit for the Year	88.66	141.23	(7.08)	232.42
Basic and Diluted Earning Per Share	1.29	2.05	(0.11)	3.38

### 4. PERFORMANCE REVIEW

All India Production in 2017 was higher at 1322 million Kg. compared to 1267 million kg. in 2016. Kenya crop was down by 33 mn. Kg. Bangladesh by 5 mn.kg. Srilanka crop was up by 15 mn. Kg. So the world crop was higher compared to last year. With fall in

Kenya crop prices in Mombassa auction improved from USD 2.29 to USD 2.81. This helped Indian Tea to find greater market share in Egypt, Pakistan, UAE, etc. Prices in Colombo auction increased further to USD 4.06 level compared to 3.21 in 2016.

# Directors' Report (Contd.)

All India production is enumerated below :

(Quantity in million kg.)

District	All India Production* (January to December)		
	2017	2016	Increase/Decrease (%)
Darjeeling	3.21	8.13	(-)60.52
Dooars	219.58	204.47	7.39
Terai	161.72	143.7	12.54
<b>Total West Bengal</b>	<b>384.51</b>	<b>356.3</b>	<b>7.92</b>
Cachar	47.19	51.18	(-)7.80
Assam Valley	627.98	618.34	1.56
<b>Total Assam</b>	<b>675.17</b>	<b>669.52</b>	<b>0.84</b>
Others	27.43	28.69	(-)4.39
<b>Total North India</b>	<b>1,087.11</b>	<b>1,054.51</b>	<b>3.09</b>
Tamilnadu	166.90	146.04	14.28
Kerala	62.35	61.4	1.55
Karnataka	5.40	5.41	(-)0.18
<b>Total South India</b>	<b>234.65</b>	<b>212.85</b>	<b>10.24</b>
<b>Total Production</b>	<b>1,321.76</b>	<b>1,267.36</b>	<b>4.29</b>

\* All India figures on calendar tear basis and estimated for 2017.

## Operation Review

Your Company is engaged in the Manufacturing and Selling of Tea and Trading in Agri Merchandise. Your Company is having the following units under its fold

- a) **Bagdogra Tea Estate** : The tea garden is in Terai Region of North Bengal, about 15 kms. From Siliguri and adjacent to Bagdogra Airport. The total grant area is 687.17 acres and produces 20 lacs kgs. of made tea annually out of its own leaves and brought tea leaves.
- b) **CTC Tea Factory (Terai Tea Factory Unit)** : The company has set up this unit in the month of November, 1997 with an objective to produce CTC tea from the green leaf purchased from different suppliers. The unit produces 20 lacs kgs. of tea annually.
- c) **CTC Tea Factory Unit (Adhikari Tea Factory Unit)**: This unit was commissioned on 17th February 2002. The present installed capacity of the unit 25 lacs kgs. of CTC tea per annum. The unit is at present running smoothly at 80% capacity.
- d) **CTC Tea Factory Unit (Karjeepara Tea Factory Unit)** : This unit is being set up by the company to manufacture CTC teas out of bought leaves. The unit has stated commercial

production on and from 1st week of July 2003. The Installed Capacity of the unit is 25 lacs kgs of made tea per annum.

The combined annual production capacity of Terai Tea Company is 7 Million Kgs.

During the year under review, the Company's total tea production was marginally lower at 60.17 Lacs Kg. of Black Tea compared to 61.98 Lacs Kg. last year. The decline in production was mainly due to mushroom growth of bought leaf factories and low yield in small growers section. The average price realization was ` 93.33 per kg. against realization of ` 101.55 Per kg in previous year. Indian tea market expected to be buoyant for good quality teas as there is a shortage in this segment. However medium and ordinary teas are likely to struggle and could sell at lower realizations..

Your company is committed for regular developmental work in the field through uprooting & replanting of old bushes and modernizing its factories by replacing obsolete plant & machineries with latest technology plant & machineries with a view of making quality tea and to optimise the cost. Every effort is being made by your company to improve its performance in the coming years.

# Directors' Report (Contd.)

## Financial Review

### Standalone Financial Performance:

During the current financial year your company's turnover was marginally down to ` 12,912.10 lacs as against ` 12,962.06 lacs in the previous year. The company has achieved profit before tax during the current financial year of ` 121.34 lakh as against ` 180.80 lakh in the previous year as per "IND AS" Accounting.

Your Company has successfully implemented and migrated to GST with effect from 1st July, 2017 and changes across IT Systems, and operations have been made keeping in mind the sweeping changes that GST has brought in.

### Consolidated Financial Performance

#### Performance OF Associates Companies

##### East Indian Produce Ltd:

The Company is engaged in the manufacturing and selling of Tea. This company owns one tea garden namely Lohagarh Tea Estate. The Tea Estate is situated in the foothills of Himalayan range of mountains having plantation areas of 814.37 acres and produces about 5.5 lacs kgs. of tea.. During the FY 2018 the total Gross Revenue including other income of the Company stood at ` 836.47 lacs (Previous year ` 956.99 lacs). The Company reported a profit before tax of ` (40.23) lacs during FY 2018 (Previous year ` 47.56 lacs)

##### New Darjeeling Union Tea Co. Ltd.

The Company is engaged in the manufacturing and selling of Tea. This company is the owner of Kiranchandra Tea Estate near to Bagogra Airport, in the District of Darjeeling having an area of 878.41 acres and produces 8 lacs kgs. of CTC made tea annually. The company has set up a new fully automatic Green Tea factory in the month of September, 2017 with an objective to produce high quality of green tea. During the FY 2018 the total Gross Revenue including other income of the Company stood at ` 1180.38 lacs (Previous year ` 892.53 lacs). The Company reported a profit before tax of ` (115.65) lacs during FY 2018 (Previous year ` 31.80 lacs)

##### Sayedabad Tea Co. Ltd.

The Company is engaged in the manufacturing and selling of Tea. This company owns Sayedabad Tea Estate having 900 acres of tea plantation and produces 10 lacs kgs. of tea annually. The Company is also owning a bought leaf factory within the premises of Sayedabad Tea Estate which produce 15 Lacs Kg. CTC Tea. During the FY 2018 the total Gross Revenue including other income of the Company stood at ` 2430.13 lacs (Previous year ` 2209.40 lacs). The Company reported a profit before

tax of ` (14.10) lacs during FY 2018 (Previous year ` 12.95 lacs).

##### Jaldacca Tea Plantations Pvt. Ltd.

The Company is engaged in the manufacturing and selling of Tea. This company is the owner of Jaldacca Altadanga Tea Estate having gross grant area of 1001 acres and produces 4 lacs kgs. of Green Tea. The Company is engaged in the manufacturing and selling of Tea. During the FY 2018 the total Gross Revenue including other income of the Company stood at ` 743.29 lacs (Previous year ` 700.62 lacs). The Company reported a profit before tax of ` (16.64) lacs during FY 2018 (Previous year ` 8.57 lacs).

##### Abhijit Tea Company Private Ltd.

The Company is engaged in the manufacturing and selling of Tea and real estate business. This company is owning Raja Tea Estate in the heart of Mal Bazar town in the District of Jalpaiguri having an area of 1482.83 acres and produces 15 lacs kgs. of made tea annually out of its own tea garden leaf and brought tea leaves. The company has various real estate projects in the town of Siliguri and Falakata. During the FY 2018 the total Gross Revenue including other income of the Company stood at ` 909.77 lacs (Previous year ` 1094.28 lacs). The Company reported a profit before tax of ` (112.79) lacs during FY 2018 (Previous year ` (70.83) lacs).

##### The Kharibari Tea Company Ltd.

The Company is engaged in the manufacturing and selling of Tea. The Company owns tea garden namely Sachindra Chandra Tea Estate having an area of 882.09 acres with production capacity of 5 lacs kgs. of made tea per annum. The Company is engaged in the manufacturing and selling of Tea. During the FY 2018 the total Gross Revenue including other income of the Company stood at ` 922.78 lacs (Previous year ` 855.19 lacs). The Company reported a profit after tax of ` (1.70) lacs during FY 2018 (Previous year ` 6.22 lacs).

##### Amit Paridhan Pvt. Ltd.

The Company is engaged in the Processing and Bleaching of Hosiery Clothes. It is located in Bira, North 24 Paraganas. It started its Commercial Production on 29th June, 2012. It processes approx 1500 M.T of Fabrics annually. The Company uses state of Art Machineries for manufacturing its Product. The Company produces quality product and is supplying to the leading Manufacturers of the country. During the FY 2018 the total Gross Revenue including other income of the Company stood at ` 947.61 lacs (Previous year ` 1857.89 lacs). The Company reported a profit before tax of ` 6.22 lacs during FY 2018 (Previous year ` 54.48 lacs).



# Directors' Report (Contd.)

## **Terai Doors Tea Company Pvt. Ltd.**

The company has been floated by the Group to set up a bought leaf tea factory to manufacture Black Tea. The installed capacity at present is 15 lacs kgs. CTC Tea per annum. The Company is engaged in the manufacturing and selling of Tea. During the FY 2018 the total Gross Revenue including other income of the Company stood at ` 1167.39 lacs (Previous year ` 1317.93 lacs). The Company reported a profit after tax of ` 11.23 lacs during FY 2018 (Previous year ` 20.41 lacs).

## **Terai Infrastructures Ltd.**

The Company's main objective is to deal in real estate business. During the FY 2018 the total Gross Revenue including other income of the Company stood at ` 8.42 lacs (Previous year ` 30.45 lacs). The Company reported a profit before tax of ` (12.35) lacs during FY 2018 (Previous year ` 0.40 lacs).

## **Terai Ispat & Trading Pvt. Ltd.**

The Company is engaged in the trading of various merchandise. During the FY 2018 the total Gross Revenue including other income of the Company stood at ` 239.60 Crores (Previous year ` 188.69 Crores). The Company reported a profit before tax of ` 29.77 lacs during FY 2018 (Previous year ` 69.27 lacs).

## **Terai Overseas Pvt. Ltd.**

The Company is engaged in the import, export and trading of various merchandise. During the FY 2018. The total Gross Revenue including other income of the Company stood at ` 211.28 Crores lacs (Previous year ` 201.47 Crores). The Company reported a profit before tax of ` 66.11 lacs during FY 2018 (Previous year ` 48.60 lacs).

## **Terai Financial Services Pvt. Ltd.**

This Company is the financial arm of the group engaged in providing financial and investment services. During the FY 2018 the total Gross Revenue including other income of the Company stood at ` 0.18 lacs (Previous year ` 14.63 lacs). The Company reported a profit before tax of ` (24.57) lacs during FY 2018 (Previous year ` 14.55 lacs).

## **Other Reviews**

The matter against compensation for requisition of land by Defence Department in the year 1962 is pending before the sole arbitrator appointed by the Hon'ble High Court, Calcutta and arbitration proceedings are in progress and the Company is hopeful of favourable outcome in the current financial year by way of an award in favour of the Company. The matter of acquisition of Land is pending before Calcutta High Court.

The Company has obtained orders on the State Government from High Court Calcutta to determine and discuss the compensation of Land under Right to Fair compensation and Transparency in Land Acquisition, Rehabilitation and Transparency Act, 2013, for the Land acquired on behalf of Airport Authority of India and also for Defence of India (Air Force). Your Company is to get substantial compensation in this regard.

## **5. DHARANIPUR TEA ESTATE**

The Company had purchased Dharanipur Tea Estate from its erstwhile owner Sri Dharendra Nath Bhowmick and others in the year 1991 and also took the possession of tea estate. However the deed of conveyance was cancelled by Hon'ble Supreme Court of India and the matter was reverted back to Hon'ble Calcutta High Court for adjudication at the instance of a person and a Company who claimed title of Dharanipur Tea Estate. The legal heirs of Late Dharendra Nath Bhowmick have now won in their suit as against the said person and the Company. Our Company who obtained title of Dharanipur Tea Estate by way of sale deed from Mr. Dharendra Nath Bhowmick is now hopeful of revival of its said sale deed immediately, upon obtaining decree in its specific performance suit. In the mean time the company has also written to the State Government of West Bengal for issuing the lease deed for Dharanipur Tea Estate in favour of the Company and revert for same is pending before the Govt. of West Bengal. The Company is hopeful to get the possession of the Dharnipur Tea Estate very shortly.

## **6. TEA TOURISM PROJECT**

In terms of policy of the State Government, the Company has submitted its proposal for establishing a Resort in 5 acres of vacant land at Bagdogra Tea Estate. The State Government has sanctioned the proposal of the Company in its screening committee meeting held on 5th July, 2016. However, your Company is still waiting for the sanction letter which should be available in current financial year.

## **7. LAND AT BANGALORE**

The Company acquired certain interest in a plot of land at Bangalore for which registration in the name of the Company has not been done. All expenses of litigation in respect of the said land are considered as deemed cost of land.

## **8. CONSOLIDATED FINANCIAL STATEMENTS**

The Consolidated Financial Statements of the Company are prepared in accordance with relevant Provision of Companies Act, 2013 and guideline issued by the Institute of Chartered Accountants of India and forms an integral part of this Report.

# Directors' Report (Contd.)

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of Subsidiaries/Associate Companies/Joint Ventures is given in Form AOC-1 and forms an integral part of this Report.

## 9. SHARE CAPITAL

The paid up Equity Share Capital of the Company as at 31st March, 2018 was ₹ 6,90,29,250 divided into 68,79,300 Equity Shares of ₹ 10 each and including ₹ 2,36,250 received on amount forfeited shares. There has not been any changes in the Equity Share Capital of the Company during the Financial Year ended 31st March, 2018. During the year under review, the Company has neither issued shares with differential voting rights nor issued sweat equity or granted stock options or sweat equity.

## 10. DIRECTORS

Since the last Report there has been no change in the Board of Directors. In accordance with the provisions of the Articles of Association of the Company read with section 152 of Companies Act, 2013, Mr. Ajit Kumar Agarwala (DIN : 00265775) will retire by rotation at forthcoming Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

All the Directors of the Company have confirmed that they are not disqualified from being appointed as directors in terms of section 164 of the Companies Act, 2013.

## 11. DECLARATION BY INDEPENDENT DIRECTORS

Shri Jayantakumar Natwarlal Raja (DIN. 06884343), Shri Milan Krisna Sarkar (DIN. 05272885) and Shri Hemant Kumar Agarwal (DIN. 02308200) are Independent Directors on the Board of the Company. The Company has received declaration from all the Independent Directors of the Company confirming that they meet the criterias as stipulated in section 149(6) Companies Act, 2013.

## 12. KEY MANAGERIAL PERSONNEL

During the year, the Company had three Key Managerial Personnel, being Mr. Ajit Kumar Agarwala, Managing Director and Mr. Rajendra Kanodia, CFO & Mr. Roshan Dave, Company Secretary of the Company, as per provisions of Section 203 under Companies Act, 2013. No appointment/ resignation of KMPs were made during the year.

## 13. COMPANY'S POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

Pursuant to provisions of Section 178 of Companies Act, 2013 and pursuant to Regulation 17 of the SEBI

(Listing Obligations and Disclosure Requirements) Regulations, 2016, the Board of Directors of the Company, based on the recommendation of the Nomination and Remuneration Committee, has formulated a Remuneration Policy.

The criteria for identification of the Board Member including that for determining the qualification, positive attributes, independence etc. are summarily given hereunder

- a) The Board Members shall possess appropriate skills, qualification, characteristics and experience. The objective is to have a Board with diverse background and experience in business, government, academics, technology, human resources, social responsibilities, finance, law etc. and in such other area as may be considered relevant or desirable to conduct the Company's business in a holistic manner.
- b) Independent directors shall be persons of integrity and possess expertise and experience and/or someone who the Committee/Board believes could contribute to the growth/philosophy/strategy of the Company.
- c) In evaluating the suitability of Individual Board Members, the Committee takes into account many factors, including General Understanding of the Company's business dynamics, Global business, Social Perspective, Educational and Professional Background and Personal Achievements.
- d) Directors should possess high level of personal and professional ethics, integrity and values. Each should be able to balance the legitimate interest and concerns of all the Company's stakeholders in arriving at decisions, rather than advancing the interests of a particular constituent.
- e) Directors must be willing to devote sufficient time and energy in carrying out their duties and responsibilities effectively. They must have the aptitude to critically evaluate management's working as part of a team in an environment of collegiality and trust.
- f) The Committee evaluates each individual with the objective of having a group that best enables the success of the Company's business and achieve its objectives.

## 14. EXTRACT OF THE ANNUAL RETURN

An extract of Annual Return as on the financial year ended on March 31, 2018 in Form MGT-9 as required under section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management & Administration) rules 2014, is set out as an "Annexure B" to the Directors' Report.

# Directors' Report (Contd.)

## 15. DETAILS RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND EMPLOYEES

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is marked as **Annexure – D** which is annexed hereto and forms part of the Directors' Report.

## 16. DIVIDEND

Considering the financial requirements towards the funding of the ongoing expansion plan, which we believe will enhance the shareholder's value in the long term, no dividend is recommended by the Directors of your company for the year ended 31st March, 2018.

## 17. TRANSFER TO RESERVE

No amount is proposed to be transferred to General Reserve.

## 18. DEPOSITS

The Company has neither accepted nor renewed any deposits during the year under review.

## 19. AUDITORS

### **STATUTORY AUDITORS**

M/s. Saha & Majumdar, Chartered Accountants, were appointed as the statutory Auditor of the Company in the last Annual General Meeting held on 23rd September, 2017 in terms of Section 139 of the Companies Act, 2013 till the conclusion of Annual General Meeting to be held in 2022.

### **SECRETARIAL AUDIT REPORT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Mohan Ram Goenka a partner of M/s. MR & Associates, 46, B. B. Ganguly Street, Kolkata-700012, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Auditor has submitted an un-qualified Secretarial Audit Report for the Financial year 2017-18. The Report of the Secretarial Audit is annexed herewith as "**Annexure C**".

### **COST AUDIT**

Pursuant to Section 148 of the Companies Act, 2013, read with the Companies (Cost Records and Audit) Rules, 2014 the Board of Directors on the recommendation of the Audit Committee appointed Shri Debabroto Banerjee, Cost Accountant, Kolkata,

as the Cost Auditor of the Company for the year under review relating to manufacturing activities by the Company. The remuneration proposed to be paid to the Cost Auditor requires ratification of the shareholders of the Company. In view of this, your ratification for payment of remuneration to the Cost Auditor is being sought at the ensuing Annual General Meeting.

Shri Debabroto Banerjee has confirmed that his appointment is within the limits of Section 139 of the Companies Act, 2013 and has certified that he is free from any disqualifications specified under Section 148(5) and all other applicable provisions of the Companies Act, 2013.

The Audit Committee has also received a Certificate from the Cost Auditor certifying his independence and arm's length relationship with the Company.

The Company submits its Cost Audit Report with the Ministry of Corporate Affairs within the stipulated time period.

## 20. AUDITORS' OBSERVATIONS, AUDITOR'S REPORT

The notes to the Accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further comments. The Statutory Auditor Messrs Saha & Majumdar, Chartered Accountants has submitted an Un-qualified Audit Report for the financial year 2017-18. The cases filed by ROC, West bengal in 1995 has no material effect and has met its natural death.

## 21. FINANCE

The present bankers of the Company are Central Bank of India, Bank of India, Corporation Bank and Yes Bank providing credit facilities to the Company. The Directors express their appreciation for the assistance and co-operation provided by them.

## 22. CREDIT RATING

The Company continues to have the domestic credit rating of BBB -/stable from CRISIL which means sufficient safety with regard to timely payment of financial obligations.

## 23. DIRECTORS RESPONSIBILITY STATEMENT

As required by Section 134(3)(c) of the Companies Act, 2013 your Directors state that

- a) In the preparation of the annual accounts for the year ended 31st March, 2018, the applicable accounting standards have been followed with proper explanation relating to material departures, if any;
- b) The accounting policies adopted in the preparation of the annual accounts have been applied consistently except as otherwise stated in the Notes to Financial Statements and reasonable and prudent judgments and estimates have been

# Directors' Report (Contd.)

made so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year 2017-18 and of the profit for the year ended 31st March, 2018;

- c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The annual accounts for the year ended 31st March, 2018, have been prepared on a going concern basis.
- e) That proper internal financial control was in place and that the financial controls were adequate and were operating effectively.
- f) That system to ensure compliance with the provisions of all applicable laws was in place and were adequate and operating effectively.

## 24. **INSURANCE**

Adequate insurance cover has been taken for properties of the Company including Buildings, Plant and Machineries and Stocks against fire, and other risks as considered necessary.

## 25. **DETAILS OF SUBSIDIARY/JOINT VENTURES/ ASSOCIATE COMPANIES**

Pursuant to sub-section (3) of Section 129 of the Act, read with Rule 5 of the Companies (Accounts) Rule, 2014, the statement containing the salient feature of the Financial Statement of a Company's subsidiary or subsidiaries (including Associates & Joint Venture) is given in AOC-I as "Annexure-E".

## 26. **INTERNAL CONTROL SYSTEMS AND AUDIT**

Responsibility for the Internal Control system lies with the Board of Directors as a whole, which establishes policies and periodically verifies its adequacy and effective functioning. The internal control system is first of all a "management" tool, in that it is useful and necessary for the Board of Directors, Executive Directors and managers in general for correctly and effectively performing the tasks assigned them. The internal control system permits monitoring of compliance with the rules and procedures governing performance of all the Company's business activities.

Your Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively. The Systems have been laid to ensure that all transactions are executed in accordance with management's general and specific authorization. No assets of the Company are allowed to be used for

personal purposes, except in accordance with terms of employment or except as specifically permitted.

Your Company has appointed an Internal Auditor as Independent Auditor who directly reports to Audit Committee of the Board. An Internal Auditor constantly evaluates the risk management and Internal Control system and also suggests the ways to improve the same. The Report of the Internal Auditor facilitates to take corrective action in respective areas and thereby strengthens the controls.

## 27. **PARTICULARS OF EMPLOYEES**

The prescribed particulars of remuneration of employees pursuant to Section 134(3)(q) and Section 197(12) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are set out as **Annexure 'D'** to the Directors' Report.

## 28. **ENVIRONMENT**

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

## 29. **DISCLOSURE OF PARTICULARS WITH REGARD TO CONSERVATION OF ENERGY, TECHNOLOGY AND FOREIGN EXCHANGES AND OUTGO**

The particulars as prescribed under sub-section (3) of the Section 134 of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, are given at "**Annexure A**" to the Directors' Report.

## 30. **NUMBER OF MEETINGS OF BOARD OF DIRECTORS**

The details of the number of meetings of the Board held during the financial year 2017-18 forms part of the Corporate Governance Report.

## 31. **DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS/TRIBUNALS**

No significant and material order passed by the regulators, courts, tribunal impacting the going concern status and company's operations in future.

## 32. **BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulation 17 (10) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Board has carried out an annual evaluation of its own performance, the Directors individually as well as the evaluation of the working of various Committees. The Independent Directors also carried out the evaluation of the Chairman and the Non-Independent Directors, the details of which are covered in the Corporate Governance Report.

## 33. **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

# Directors' Report (Contd.)

In compliance with provisions of Section 177(9) of the Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Company has framed a Vigil Mechanism/Whistle Blower Policy to deal with unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy, if any. The Vigil Mechanism/Whistle Blower Policy has also been uploaded on the website of the Company [www.teraigroup.com](http://www.teraigroup.com)

## 34. DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORK PLACE

Your Company is committed to provide and promote safe, healthy and congenial atmosphere irrespective of gender, caste, creed or social class of the employees. Your company has put in place a "Policy on Prevention of Sexual Harassment" as per the Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013. The said policy is available on your Company's website [www.teraigroup.com](http://www.teraigroup.com) and a link to the said policy has been provided. No cases have been filed under the act as the company is keeping the working environment healthy.

## 35. POLICY ON MATERIALITY OF AND DEALING WITH THE RELATED TRANSACTIONS

The Company's Policy on Materiality of and Dealing with Related Party Transactions' was reviewed and revised on 30th May, 2018 to bring it in conformity with the Listing Regulations. The said policy may be referred to at the Company's website at : [www.teraigroup.com](http://www.teraigroup.com)

## 36. OTHER POLICIES

Pursuant to the requirement of Listing Regulations, the Board of Directors has adopted a Policy for Preservation of Documents, Archival Policy and Policy for determining Materiality of Events/ Information. The said policy may be referred to at the Company's website at [www.teraigroup.com](http://www.teraigroup.com)

## 37. COMMITTEES OF THE BOARD

The Board of Directors has the following Committees:

1. Audit Committee
2. Remuneration and Nomination Committee
3. Stakeholders' Relationship Committee

The details of the Committees along with their composition, number of meetings and attendance at the meetings are provided in the Corporate Governance Report.

## 38. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

During the year the company has not come under the purview to form Corporate Social Responsibility Committee pursuant to section 134 of the Companies Act and Companies (Corporate Social Responsibility) Rules 2014, but Your Company has continued to pay its role as a responsible corporate, adding value to society, and addressing the contemporary societal needs and challenges. The Company continues to support the "Amit Agarwala Foundation", a Public Charitable Trust with a vision of creating permanent institutes for use by the needy masses in the field of education, medical facilities, and other public utilities and to provide quality services in all such institutes in affordable cost. The following projects are running successfully :-

- a) "Shree Shree Mahamaya Kalibari Naat Mandir, Desbandhu Para" opposite Amit Agarwala Bang Bhawan. This was inaugurated on 13th Sept.2016.
- b) Constructed first "school for blinds" in North Kolkata, i.e "Amit Agarwala School for Blind" to provide the sphere of education and other activities to blind boys and girls free of cost. This was inaugurated by the then Governor of West Bengal, Shri M.K.Narayanan on 27th day of January, 2013.
- c) "Amit Agarwala Smrity Bhawan" a multipurpose facility which provides various facilities for attendants of patients admitted at North Bengal Medical College & Hospital. The same provides accommodation and food to attendants of such patients at a reasonable cost on per day basis.
- d) "Amit Agarwala Bang Bhawan" having constructed area 17000 sq. ft. approx. The Bhawan has multifarious facilities for the residents of the under privileged society of Siliguri. It is located in the heart of Siliguri Town. This was inaugurated by Shri Pranab Mukherjee the then Ex-Finance Minister of India and Ex-President of India on 13th September, 2011.
- e) "Amit Agarwala Old Age Recreation Centre" which provided facilities to the weaker and under privileged citizens of the city of Siliguri and entire North Bengal. There is a library and a reading room basically to provide a meeting Place for elderly persons, who meet, enjoy company of each other reading news paper and books etc. There are other charitable units namely "Amit Agarwala Tennis Academy" also in the said centre apart from vocational training.
- f) A "Vedic Educational Institute" at Bagdogra on the banks of Changa river is being setup for giving

# Directors' Report (Contd.)

Vedic education and allied research of the highest standards for the welfare of the society.

## 39. PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code.

The Board of Directors and the designated employees have confirmed compliance with the Code. The policy on Prevention of Insider Trading as approved by the Board is uploaded on the Co's website [www.teraigroup.com](http://www.teraigroup.com)

## 40. RELATED PARTY TRANSACTIONS

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. During the year, the Company had 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.

Your Directors draw attention of the members to Note 36 to the Notes on Accounts to the Financial Statement which sets out related party disclosures.

All Related Party Transactions are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted along with a statement giving details of all related party transactions is placed before the Audit Committee.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website [www.teraigroup.com](http://www.teraigroup.com).

## 41. RISK MANAGEMENT

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

## 42. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

Details of Loans, Guarantees and Investment covered under the provision of section 186 of the Companies Act, 2013 is given in the Financial Statement forming part of the Annual Report.

## 43. REPORT ON CORPORATE GOVERNANCE

In accordance with Regulation 34 (3) and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, a Report on Corporate Governance together with Practising Company Secretary Certificate regarding Compliance of Conditions of Corporate Governance are attached as "Annexure- F", forming parts of this report.

## 44. MANAGEMENT DISCUSSION & ANALYSIS REPORT

In accordance with Regulation 34 and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 a Management Discussion and Analysis Report is attached as "Annexure-G" forming part of this report.

## 45. BUSINESS RESPONSIBILITY REPORT

In terms of SEBI (LODR) Regulations 2015, Top 500 listed entities are required to submit as part of their Annual Reports, Business Responsibility Reports, describing the initiatives taken by them from an environmental, Social and Corporate perspective. Your Company does not fall under this Category. However, BR Report on environment, human resources and principle wise performance in short forms part of the Management discussion and analysis report.

## 46. APPRECIATION

The Board of Directors take this opportunity to express their sincere appreciation for the excellent support and co-ordination received from Banks and Tea Board authorities for continued enthusiasm, total commitment, dedication and efforts of the executives and employees of the Company at all levels, who contributed to the efficient operation and management of the Company. We are also deeply grateful for the continued confidence and faith reposed in us by the shareholders. **For Terai Tea Company Limited**

### Registered Office :

10, Government Place (East)  
Kolkata – 700 069

Dated, 14th day of August, 2018

Sd/-

**Ajit Kumar Agarwala**  
Managing Director  
DIN : 00265775

# Annexure "A" to the Directors' Report

The Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo, in the manner as prescribed in Rule 8(3) of the Companies (Accounts) Rules, 2014 (Chapter IX)

## A. CONSERVATION OF ENERGY

### a) Energy Conservation Measures Taken:

- Stove tubes of the Coal Fired Heaters are cleaned on regular basis.
- Nozzles and Fuels Injectors are cleaned regularly.
- Bearings and Machines are checked and greased regularly.
- Fuel Filters and Mobil Filters are replaced regularly.

## B. TECHNOLOGY ABSORPTION

Trials were carried out on pruning cycles, growth regulators, optimal fertilizer use etc. The Company is adopting the general expert advices published by TRA.

## C. FOREIGN EXCHANGE EARNINGS AND OUTGO ( ` in Lacs)

Sales (FOB Value) : **NIL** (NIL)  
 Expenditure (Others) : **NIL** ( ` 8.84)

With respect to Conservation of Energy are given in Form-A as attached.

**Form-A**

### Form for Disclosure of Particulars with respect to Conservation of Energy :

	CURRENT YEAR 31st March, 2018	PREVIOUS YEAR 31st March, 2017
<b>(I) POWER &amp; FUEL CONSUMPTION</b>		
<b>1 ELECTRICITY</b>		
Purchased (units KWH)	<b>62,09,505</b>	60,32,745
Total Amount ( ` in Lacs)	<b>596.49</b>	581.72
Rates/ Unit ( ` / KWH)	<b>9.61</b>	9.64
Own Generation (Unit KWH)	<b>N.A</b>	6,000
<b>2 COAL</b>		
Quantity (Tonnes)	<b>5,000</b>	4,755
Total Amount ( ` in Lacs)	<b>476.85</b>	395.99
Average Rate ( ` / Tonne)	<b>9,536.30</b>	8,328.53
<b>3 FURNACE OIL/H.S.D.</b>		
Quantity (Ltrs)	<b>72,440</b>	89,142
Total Amount ( ` in Lacs)	<b>40.76</b>	48.45
Average Rate ( ` / Ltr)	<b>56.27</b>	54.35
<b>(II) CONSUMPTION PER UNIT OF PRODUCTION</b>		
Product Tea (Qtls.)	<b>60,171.41</b>	61,980.12
Electricity (KWH/Qtls.)	<b>103.20</b>	97.33
Coal (Qtls./ Qtls.)	<b>0.83</b>	0.77
Furnace Oil/ H.S.D. (Ltr./ Qtls.)	<b>1.20</b>	1.44

By order of the Board  
For Terai Tea Company Limited

### Registered Office :

10, Government Place (East)  
 Kolkata – 700 069  
 Dated, 14th day of August, 2018

Sd/-  
**Ajit Kumar Agarwala**  
 Managing Director  
 DIN : 00265775

# Annexure “B” To Directors’ Report

Form No. MGT 9

EXTRACT OF ANNUAL RETURN FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2017]

## I. REGISTRATION AND OTHER DETAILS :

i) CIN	L51226WB1973PLC029009
ii) Registration Date	25/09/1973
iii) Name of the Company	TERAI TEA COMPANY LTD
iv.) Category/ Sub-Category of the Company	Company Limited By Shares/ Indian Non-Government Company
v) Address of the Registered office and contact details	10, Government Place (East), 1st Floor, Kolkata (W.B) - 700069
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- 700001 Tel : (033) 2248-2248 / 2343-5021 Fax : (033) 2248-4787 E-mail : mdplds@yahoo.com

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Cultivation, Manufacturing and sale of Tea	01271, 10791	43.47%
2	Wholesale Trading Business	6022	56.53%

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

Sr. No.	Name And Address of The Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	East Indian Produce Ltd. 10, Government Place (East), 1st Floor, Kolkata - 700069	U52226WB1976PLC030490	ASSOCIATE	43.80%	2(6)
2	Jaldacca Tea Plantations Pvt. Ltd. 10, Government Place (East), 1st Floor, Kolkata - 700069	U15491WB1987PTC041815	ASSOCIATE	45.33%	2(6)
3	Abhijit Tea Co Pvt. Ltd. 10, Government Place (East), Kolkata - 700069	U01132WB1978PTC031590	ASSOCIATE	46.04%	2(6)
4	Terai Infrastructures Ltd. 10, Government Place (East) , 1st Floor, Kolkata - 700069	U45309WB2005PLC106062	ASSOCIATE	45.95%	2(6)
5	Terai Dooars Tea Co. Pvt. Ltd. 10, Government Place (East), 1st Floor, Kolkata - 700069	U01132WB2003PTC096894	ASSOCIATE	47.73%	2(6)
6	Sayedabad Tea Co. Ltd. 10, Government Place (East), 1st Floor, Kolkata - 700069	U01132WB1919PLC003439	ASSOCIATE	27.71%	2(6)
7	The Kharibari Tea Co. Ltd. 10, Government Place (East), 1st Floor, Kolkata - 700069	U01132WB1916PLC002716	ASSOCIATE	48.47%	2(6)
8	Terai Overseas Pvt. Ltd. 10, Government Place (East), 1st Floor, Kolkata - 700069	U51909WB1993PLC060946	ASSOCIATE	47.74%	2(6)



## Annexure “B” To Directors’ Report (Contd.)

Sr. No.	Name And Address of The Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
9	Amit Paridhan Pvt. Ltd. 10, Government Place (East), 1st Floor, Kolkata - 700069	U18109WB2009PTC138216	ASSOCIATE	36.08%	2(6)
10	New Darjeeling Union Tea Co. Ltd. 10, Government Place(East), Kolkata-700069	U15491WB1923PLC004753	ASSOCIATE	48.59%	2(6)
11	Terai Financial Services Pvt. Ltd 10, Government Place (East), Kolkata-700069	U65999WB1995PTC067437	ASSOCIATE	49.00%	2(6)
12	Terai Ispat & Trading Pvt. Ltd 10, Government Place (East), Kolkata-700069	U27201WB1989PLC047681	ASSOCIATE	49.00%	2(6)

### 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 01-04-2017]				No of Shares held at the end of the year [As on 31-03-2018]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	44,75,600	–	44,75,600	65.06	<b>44,75,600</b>	–	<b>44,75,600</b>	<b>65.06</b>	–
b) Central Govt.	–	–	–	–	–	–	–	–	–
c) State Govt. (s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	6,27,500	–	6,27,500	9.12	<b>6,27,500</b>	–	<b>6,27,500</b>	<b>9.12</b>	–
e) Banks/Fi	–	–	–	–	–	–	–	–	–
f) Any other	–	–	–	–	–	–	–	–	–
<b>Sub-Total (A)(1)</b>	<b>51,03,100</b>	–	<b>51,03,100</b>	<b>74.18</b>	<b>51,03,100</b>	–	<b>51,03,100</b>	<b>74.18</b>	–
<b>(2) Foreign</b>									
a) NRIs - Individuals	–	–	–	–	–	–	–	–	–
b) Other - Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corp.	–	–	–	–	–	–	–	–	–
d) Banks/FI	–	–	–	–	–	–	–	–	–
e) Any other	–	–	–	–	–	–	–	–	–
<b>Sub-Total (A)(2)</b>	–	–	–	–	–	–	–	–	–
<b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>51,03,100</b>	–	<b>51,03,100</b>	<b>74.18</b>	<b>51,03,100</b>	–	<b>51,03,100</b>	<b>74.18</b>	–
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	–	–	–	–	–	–	–	–	–
b) Banks/FI	–	–	–	–	–	–	–	–	–
c) Central Govt.	–	–	–	–	–	–	–	–	–
d) State Govt. (s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIs	–	–	–	–	–	–	–	–	–
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others (specify)	–	–	–	–	–	–	–	–	–
Alternate Investment Funds	–	–	–	–	–	–	–	–	–
Foreign Portfolio Investors	–	–	–	–	–	–	–	–	–
Provident Funds / Pension Funds	–	–	–	–	–	–	–	–	–
Qualified Foreign Investor	–	–	–	–	–	–	–	–	–
<b>Sub-Total(B)(1):-</b>	–	–	–	–	–	–	–	–	–

## Annexure “B” To Directors’ Report (Contd.)

### i) Category-wise Share Holding (Contd.)

Category of Shareholders	No of Shares held at the beginning of the year [As on 01-04-2017]				No of Shares held at the end of the year [As on 31-03-2018]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2. Non-Institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian	11,84,349	89,000	12,73,349	18.51	11,72,371	89,000	12,61,371	18.34	(0.17)
ii) Overseas	–	–	–	–	–	–	–	–	–
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto ` 1 lakh	3,25,387	69,487	3,94,874	5.74	2,85,407	66,978	3,52,385	5.12	(0.62)
ii) Individual shareholders holding nominal share capital in excess of ` 1 lakh	1,02,215	–	1,02,215	1.49	1,58,224	–	1,58,224	2.30	0.81
c) Others (Specify)	–	–	–	–	–	–	–	–	–
Non Resident Indians	150	–	150	–	345	–	345	–	–
Qualified Foreign Investor	–	–	–	–	–	–	–	–	–
Custodian of Enemy Property	–	–	–	–	–	–	–	–	–
Foreign Nationals	–	–	–	–	–	–	–	–	–
Clearing Members	5,612	–	5,612	0.08	3,875	–	3,875	0.06	(0.023)
Trusts	–	–	–	–	–	–	–	–	–
Foreign Bodies-D R	–	–	–	–	–	–	–	–	–
Foreign Portfolio Investors	–	–	–	–	–	–	–	–	–
NBFCs registered with RBI	–	–	–	–	–	–	–	–	–
Employee Trusts	–	–	–	–	–	–	–	–	–
Domestic Corporate Unclaimed Shares Account	–	–	–	–	–	–	–	–	–
Investor Education and Protection Fund Authority	–	–	–	–	–	–	–	–	–
<b>Sub-Total(B)(2):-</b>	16,17,713	158,487	17,76,200	25.82	16,20,222	1,55,978	17,76,200	25.82	–
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	16,17,713	158,487	17,76,200	25.82	16,20,222	1,55,978	17,76,200	25.82	–
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	–	–	–	–	–	–	–	–	–
<b>Grand Total (A+B+C)</b>	67,20,813	158,487	68,79,300	100.00	67,23,322	1,55,978	68,79,300	100.00	–

### ii) Shareholding of Promoters-

Sl No	Shareholder's Name	Shareholding at the beginning of the year [As on 01-04-2017]			Shareholding at the end of the year [As on 31-03-2018]			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Ajit Kumar Agarwala	25,76,800	37.46	—	25,76,800	37.46	—	—
2	Shashikala Agarwala	18,98,800	27.60	—	18,98,800	27.60	—	—
3	Abhijit Tea Co. (P) Ltd.	4,70,000	6.83	—	4,70,000	6.83	—	—
4	Terai Financial Services (P) Ltd.	1,27,500	1.85	—	1,27,500	1.85	—	—
5	Jaladacca Tea Plantations (P) Ltd.	30,000	0.44	—	30,000	0.44	—	—
	<b>TOTAL</b>	51,03,100	74.18	—	51,03,100	74.18	—	—

## Annexure “B” To Directors’ Report (Contd.)

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

Sl	Shareholder's Name	Shareholding at the beginning of the year [As on 01-04-2017]			Shareholding at the end of the year [As on 31-03-2018]	
		Date	No. of Shares of the Company	% of total Shares	No. of Shares of the Company	% of total Shares
5	Ajit Kumar Agarwala	01/04/2017 31/03/2018	25,76,800 25,76,800	37.46 37.46	25,76,800	37.46
4	Shashikala Agarwala	01/04/2017 31/03/2018	18,98,800 18,98,800	27.60 27.60	18,98,800	27.60
3	Abhijit Tea Co. (P) Ltd.	01/04/2017 31/03/2018	4,70,000 4,70,000	6.83 6.83	4,70,000	6.83
1	Jaldacca Tea Plantations (P) Ltd.	01/04/2017 31/03/2018	30,000 30,000	0.44 0.44	30,000	0.44
2	Terai Financial Services (P) Ltd.	01/04/2017 31/03/2018	1,27,500 1,27,500	1.85 1.85	1,27,500	1.85

### iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.17 to 31.03.18)	
		No. of Shares at the beginning (01.04.17)/end of the year (31.03.18)	% of total shares of the company				No. of shares	% of total shares of the company
1	EXCEL POLISH COMPANY PVT LTD.	20,000	0.2907	01/04/2017				
				30/03/2018	(1,870)	Transfer	18,130	0.2635
				31/03/2018			18,130	0.2635
2	FLEXCO SUPPLIERS PRIVATE LTD	2,90,624	4.2246	01/04/2017				
				31/03/2018			2,90,624	4.2246
3	NIRMAL BANG SEC PVT LTD #	15,472	0.2249	01/04/2017				
				07/04/2017	(2,134)	Transfer	13,338	0.1939
				12/05/2017	449	Transfer	13,787	0.2004
				09/06/2017	(2,081)	Transfer	11,706	0.1702
				21/07/2017	5,251	Transfer	16,957	0.2465
				28/07/2017	(5,250)	Transfer	11,707	0.1702
				04/08/2017	(451)	Transfer	11,256	0.1636
				11/08/2017	(500)	Transfer	10,756	0.1564
				18/08/2017	500	Transfer	11,256	0.1636
				25/08/2017	(500)	Transfer	10,756	0.1564
				15/09/2017	50	Transfer	10,806	0.1571
				22/09/2017	155	Transfer	10,961	0.1593
				06/10/2017	1,002	Transfer	11,963	0.1739
				13/10/2017	(1,000)	Transfer	10,963	0.1594
				27/10/2017	(205)	Transfer	10,758	0.1564
				03/11/2017	112	Transfer	10,870	0.158
				10/11/2017	(114)	Transfer	10,756	0.1564
				17/11/2017	532	Transfer	11,288	0.1641
				24/11/2017	24	Transfer	11,312	0.1644

## Annexure “B” To Directors’ Report (Contd.)

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.17 to 31.03.18)	
		No. of Shares at the beginning (01.04.17)/end of the year (31.03.18)	% of total shares of the company				No. of shares	% of total shares of the company
				01/12/2017	900	Transfer	12,212	0.1775
				08/12/2017	(1,456)	Transfer	10,756	0.1564
				23/02/2018	(6)	Transfer	10,750	0.1655
				09/03/2018	106	Transfer	10,856	0.1578
				16/03/2018	(100)	Transfer	10,756	0.1564
				31/03/2018			10,756	0.1564
4	EVERSAFE DISTRIBUTORS (P) LTD	3,12,702	4.5455	01/04/2017				
				31/03/2018			3,12,702	4.5455
5	MARKET CREATORS LIMITED	—	—	01/04/2017				
				15/09/2017	86	Transfer	86	0.0013
				22/09/2017	(86)	Transfer	—	—
				30/09/2017	7,331	Transfer	7,331	0.1066
				06/10/2017	(7,331)	Transfer	—	—
				03/11/2017	29,470	Transfer	29,470	0.4284
				10/11/2017	(29,465)	Transfer	5	0.0001
				17/11/2017	2,458	Transfer	2,463	0.0358
				24/11/2017	(2,463)	Transfer	—	—
				19/01/2018	1,100	Transfer	1,100	0.016
				02/02/2018	1,100	Transfer	2,200	0.032
				23/02/2018	(2,200)	Transfer	—	—
				09/03/2018	2,200	Transfer	2,200	0.032
				16/03/2018	(2,200)	Transfer	—	—
				30/03/2018	1,330	Transfer	1,330	0.0193
				31/03/2018			1,330	0.0193
6	GANGOTRI VYAPAR PRIVATE LIMITED	2,45,385	3.567	01/04/2017				
				31/03/2018			2,45,385	3.567
7	SHAREKHAN LIMITED	11,335	0.1648	01/04/2017				
				07/04/2017	(194)	Transfer	11,141	0.1619
				14/04/2017	300	Transfer	11,441	0.1663
				21/04/2017	(68)	Transfer	11,373	0.1653
				28/04/2017	(108)	Transfer	11,265	0.1638
				12/05/2017	2,178	Transfer	13,443	0.1954
				19/05/2017	(985)	Transfer	12,458	0.1811
				26/05/2017	(1,183)	Transfer	11,275	0.1639
				02/06/2017	(90)	Transfer	11,185	0.1626
				16/06/2017	50	Transfer	11,235	0.1633
				07/07/2017	326	Transfer	11,561	0.1681
				14/07/2017	(360)	Transfer	11,201	0.1628
				28/07/2017	(550)	Transfer	10,651	0.1548
				11/08/2017	5	Transfer	10,656	0.1549

## Annexure “B” To Directors’ Report (Contd.)

Sl. No.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.17 to 31.03.18)	
		No. of Shares at the beginning (01.04.17)/end of the year (31.03.18)	% of total shares of the company				No. of shares	% of total shares of the company
				18/08/2017	35	Transfer	10,691	0.1554
				25/08/2017	(50)	Transfer	10,641	0.1547
				30/09/2017	7	Transfer	10,648	0.1548
				06/10/2017	36	Transfer	10,684	0.1553
				13/10/2017	(43)	Transfer	10,641	0.1547
				24/11/2017	1,202	Transfer	11,843	0.1722
				01/12/2017	480	Transfer	12,323	0.1791
				08/12/2017	(780)	Transfer	11,543	0.1678
				22/12/2017	(130)	Transfer	11,413	0.1659
				29/12/2017	(15)	Transfer	11,398	0.1657
				16/02/2018	(438)	Transfer	10,960	0.1593
				23/02/2018	(112)	Transfer	10,848	0.167
				02/03/2018	50	Transfer	10,898	0.1677
				30/03/2018	202	Transfer	11,100	0.1614
				31/03/2018			11,100	0.1614
8	ADBHUT SUPPLIERS PVT LTD	2,78,015	4.0413	01/04/2017				
				31/03/2018			2,78,015	4.0413
9	TANVI JIGNESH MEHTA *	—	—	01/04/2017				
				28/07/2017	16,925	Transfer	16,925	0.246
				04/08/2017	6,206	Transfer	23,131	0.3362
				11/08/2017	9,729	Transfer	32,860	0.4777
				25/08/2017	4,585	Transfer	37,445	0.5443
				01/09/2017	582	Transfer	38,027	0.5528
				08/09/2017	3,396	Transfer	41,423	0.6021
				15/09/2017	2,000	Transfer	43,423	0.6312
				27/10/2017	2,198	Transfer	45,621	0.6632
				03/11/2017	9,288	Transfer	54,909	0.7982
				10/11/2017	30,004	Transfer	84,913	1.2343
				17/11/2017	228	Transfer	85,141	1.2376
				24/11/2017	10,446	Transfer	95,587	1.3895
				01/12/2017	16,297	Transfer	1,11,884	1.6264
				08/12/2017	(2,130)	Transfer	1,09,754	1.5954
				29/12/2017	(3,050)	Transfer	1,06,704	1.5511
				05/01/2018	(352)	Transfer	1,06,352	1.546
				12/01/2018	(3,336)	Transfer	1,03,016	1.4975
				19/01/2018	(10,235)	Transfer	92,781	1.3487
				26/01/2018	(1,100)	Transfer	91,681	1.3327
				09/02/2018	(659)	Transfer	91,022	1.3231
				16/02/2018	(425)	Transfer	90,597	1.317
				23/02/2018	(90,597)	Transfer	—	—

## Annexure “B” To Directors’ Report (Contd.)

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.17 to 31.03.18)	
		No. of Shares at the beginning (01.04.17)/end of the year (31.03.18)	% of total shares of the company				No. of shares	% of total shares of the company
				09/03/2018	90,597	Transfer	90,597	1.317
				31/03/2018			90,597	1.317
10	LALITA JALAN *	3,983	0.0579	01/04/2017				
				08/12/2017	1,127	Transfer	5,110	0.0743
				19/01/2018	7,817	Transfer	12,927	0.1879
				31/03/2018			12,927	0.1879
11	SHRINE VANIJYA PVT LTD	87,200	1.2676	01/04/2017				
				31/03/2018			87,200	1.2676
12	SHREYANS JASWANTLAL SHAH	40,000	0.5815	01/04/2017				
				23/02/2018	(40,000)	Transfer	—	—
				09/03/2018	40,000	Transfer	40,000	0.5815
				31/03/2018			40,000	0.5815
13	KANNAN S . #	47,515	0.6907	01/04/2017				
				14/04/2017	(515)	Transfer	47,000	0.6832
				12/05/2017	(1,000)	Transfer	46,000	0.6687
				15/09/2017	(86)	Transfer	45,914	0.6674
				30/09/2017	(7,331)	Transfer	38,583	0.5609
				03/11/2017	(34,470)	Transfer	4,113	0.0598
				10/11/2017	(15)	Transfer	4,098	0.0596
				17/11/2017	(4,098)	Transfer	—	—
				31/03/2018			—	—
14	MUKESH HIMATLAL SHAH	10,000	0.1454	01/04/2017				
				31/03/2018			10,000	0.1454
15	RAJENDRA KANODIA	14,700	0.2137	01/04/2017				
				31/03/2018			14,700	0.2137

\* Not in the list of Top 10 shareholders as on 01/04/2017 The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2018.

# Ceased to be in the list of Top 10 shareholders as on 31/03/2018. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01/04/2017.

### v) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Sl No	Name	Date shares	Shareholding at the beginning [01/Apr/17]/end of the year [31/Mar/18]		Cumulative Shareholding during the year [01/Apr/17 to 31/Mar/18]	
			No. of shares of the company	% of total shares	No. of shares of the company	% of total shares
1	SHASHIKALA AGARWALA	01/04/2017 31/03/2018	18,98,800 18,98,800	27.60 27.60	<b>18,98,800</b>	<b>27.60</b>
2	AJIT KUMAR AGARWALA	01/04/2017 31/03/2018	25,76,800 25,76,800	37.46 37.46	<b>25,76,800</b>	<b>37.46</b>

## Annexure “B” To Directors’ Report (Contd.)

### V. INDEBTNESS

Indebtness of the Company including interest outstanding/accrued but not due for payment

(` in Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount as on 31.03.2017	3,907.88	32.00	–	<b>3,939.88</b>
ii) Interest due but not paid	9.33	–	–	<b>9.33</b>
iii) Interest accrued but not due as on 31.03.2017	–	–	–	–
<b>Total (I + ii + iii)</b>	<b>3,917.21</b>	<b>32.00</b>	<b>–</b>	<b>3,949.21</b>
<b>Change in Indebtedness during the financial year</b>				
— ADDITION	–	–	–	–
— REDUCTION	352.25	32.00	–	<b>384.25</b>
— Exchange Difference	–	–	–	–
<b>Net Change</b>	<b>(352.25)</b>	<b>(32.00)</b>	<b>–</b>	<b>(384.25)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount as on 31.03.2018	3,559.51	–	–	<b>3,559.51</b>
ii) Interest due but not paid	5.45	–	–	<b>5.45</b>
iii) Interest accrued but not due as on 31.03.2018	–	–	–	–
<b>Total (I + ii + iii)</b>	<b>3,564.96</b>	<b>–</b>	<b>–</b>	<b>3,564.96</b>

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### A. Remuneration to Managing Director, Whole – Time Directors and / or Manager

Sl. No.	Particulars of Remuneration	Mr. Ajit Kumar Agarwala (Managing Director)	Total Amount (` In Lacs)
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	60.72	60.72
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	---	---
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	---	---
2.	Stock Option	---	---
3.	Sweat Equity	---	---
4.	Commission- as % of profit- Others, specify...	---	---
5.	Others, please specify	---	---
6.	Total (A)	60.72	60.72
	Ceiling as per the Act	The remuneration is well within the limits prescribed under the Companies Act, 2013	

## Annexure “B” To Directors’ Report (Contd.)

### B. Remuneration to other Directors :

Sl. No.	Particulars of Remuneration	Name of Directors			Amount in `
		Mr. Jayanta Kumar Natwarlal Raja	Mr. Milan Krisna Sarkar	Mr. Hemant Kr. Agarwal	
1.	Independent Directors				
	• Fee for attending board/ Committee meetings	20,000	20,000	20,000	60,000
	• Commission	---	---	---	---
	• others	---	---	---	---
	Total (1)	20,000	20,000	20,000	60,000
2.	Other Non-Executive Directors				
	• Fee for attending board/ Committee meetings	---	---	---	---
	• Commission	---	---	---	---
	• others	---	---	---	---
	Total (2)	---	---	---	---
	Total (B)=(1+2)	---	---	---	---
	Total Managerial Remuneration (B1 + B2)	20,000	20,000	20,000	60,000
	Overall Ceiling as per the Act	The remuneration is well within the limit prescribed under the Companies Act, 2013			

### C. Remuneration to Key Managerial Personnel Other than MD/ Manager / WTD :

Sl.	Particulars of Remuneration	Key Managerial Personnel			
		(CEO)	Rajendra Kanodia CFO	Roshan Dave (Company Secretary)	Total Amount (` In Lacs)
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s17(2) Income-taxAct, 1961 (c) Profits in lieu of salary under Sec. 17(3) Income-taxAct, 1961	NOT APPLICABLE	8.50	5.50	14.00
2.	Stock Option		---	---	---
3.	Sweat Equity		---	---	---
4.	Commission- as % of profit		---	---	---
	- Others, specify...		---	---	---
5.	Others, please specify		---	---	---
6.	Total		8.50	5.50	14.00

### VII. DETAILS OF PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :

Type	Section of the companies Act	Brief Description	Details of Penalty/ Punishment/Compounding fees imposed	Authority [RD/NCLT/Court]	Appeal made. If any(give details)
A. Company					
Penalty					
Punishment					
Compounding					
B. Directors					
Penalty					
Punishment					
Compounding					
C. Other Officers In Default					
Penalty					
Punishment					



# Annexure "C" to the Directors' Report

Form No. MR - 3

## SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

[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,  
**TERAI TEA CO.LTD**  
10 GOVERNMENT PLACE (EAST)  
KOLKATA- 700069

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **TERAI TEA CO. LTD** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

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, 2018 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2018 according to the provisions of:

- a. The Companies Act, 2013 (the Act) and the rules made thereunder;
- b. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- c. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- d. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
- iii. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- iv. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable regulations /guidelines/circulars as may be issued by SEBI from time to time to the extent applicable.

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

- a. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- c. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- f. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

We further report that after considering the compliance system prevailing in the Company and on the basis of the relevant records and documents as maintained and having relied upon the representation made by the Management, the following laws are specifically applicable to the Company.

- a) Food Safety And Standard Act, 2006,
- b) Essential Commodities Act, 1955
- c) Agricultural Produce (Grading and Marking) Act, 1937
- d) Plantations Labour Act, 1951
- e) Tea Act, 1953
- f) Tea Waste (Conrol) order, 1959
- g) Weight and Measurement Act, 1976

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India, to the extent amended and notified from time to time.
- (ii) The Listing Agreements entered into by the Company with BSE Limited, Calcutta Stock Exchange Limited, Ahmedabad Stock Exchange Limited and Jaipur Stock Exchange Limited.

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

- a) The Company has a pending case under Section 629A, 211(7), 211(8) and 209(5) or 209(7) of the

Companies Act 1956 filed in 1995 and the matter is subjudice. There is no progress in the matter since 1995, when the case was filed.

**We further report that :-**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There has been no change in the composition of Board of Directors during the period under review and the composition of Board of Directors of the Company is in conformity with the provisions of the Act.

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

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

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

**We further report that** during the audit period, the Company had

1. Obtained approval of shareholders by way of special resolution at the Annual General Meeting of the Company held on 23rd September, 2017 u/s 186 of the Companies Act, 2013.

This report is to be read with our letter of even date which is annexed as “**Annexure A**” and forms an Integral Part of this report.

**For M R & ASSOCIATES**  
Company Secretaries  
sd/-

**[Mohan Ram Goenka]**  
Partner  
FCS No. 4515  
C P No. 2551

Place : Kolkata  
Date : 14.08.2018

## Annexure "C" to the Directors' Report (Contd.)

### Annexure "A" to Secretarial Audit Report for the financial year ended 31st March, 2018

To,  
The Members  
TERAI TEA CO.LTD  
10 GOVERNMENT PLACE (EAST)  
Kolkata- 700069

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

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

**For M R & ASSOCIATES**  
Company Secretaries  
sd/-

**[Mohan Ram Goenka]**  
Partner

FCS No. 4515  
C P No. 2551

Place : Kolkata  
Date : 14.08.2018

# Annexure “D” To Directors’ Report

**DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) AND 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014, AS AMENDED FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018.**

The names of the Top 10 Employees in terms of the remuneration drawn :

- i. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2017-18, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18 and the comparison of remuneration of each Key Managerial Personnel(KMP) against the performance of the Company are as under :

Name of the Employee	Designation of the Employee	Remuneration ( ` In Lakhs)	Nature of Employment, whether contractual or otherwise	Qualification and Experience of the Employee	Date of commencement of employment	Age of the Employee	% of equity shares held by the Employee	Whether any such Employee is a relative of any director or manager, if so, name of such director or manager
Ajit Kumar Agarwala	Managing Director	60.72	Otherwise	Graduate	28/01/1987	63	37.46	--
Rajendra Kanodia	Director, CFO	8.50	Otherwise	Graduate	28/01/1987	62	0.21	--
Roshan Dave	Company Secretary	5.50	Otherwise	C.S. M.Com	01/03/2011	33	--	--
Mahendra Kumar Sharma	Garden Manager	5.01	Otherwise	Graduate	15/12/2016	64	--	--
Ankit Kumar Bihani	Executive	4.07	Otherwise	Graduate	01/04/2017	27	--	--
Biswajit Sen	Tea Taster	2.64	Otherwise	Graduate	01/04/2016	60	--	--
Morris Naveen Joseph	Manager	3.63	Otherwise	Graduate	07/04/2014	52	--	--
Pushpa Rani Mondal	Asst. Manager	2.57	Otherwise	Graduate	07/04/2014	43	--	--
Sambhu Ghosh	Manager	1.06	Otherwise	Graduate	23/06/2003	63	--	--
Suman Sharma	Dy. Manager	3.39	Otherwise	Graduate	15/12/2016	57	--	--
Sekhar Paul	Dy. Manager	1.24	Otherwise	Graduate	01/04/2017	55	--	--

- ii. The median remuneration of employees of the Company during the financial year was ` 46,800/-  
 iii. In the financial year, there is of increase 14.25% in the median remuneration of employees.  
 iv. There were 346 permanent employees on the rolls of the Company as on March 31, 2018.  
 v. Relationship between average increase in remuneration and company performance: The Profit after Tax for the financial year ended March 31, 2018 decreased to 37.22%.  
 vi. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

For and on behalf of the Board of Directors

**Registered Office :**

10, Government Place (East)  
 Kolkata – 700 069  
 Dated : 14th day of August, 2018

Sd/-  
**Ajit Kumar Agarwala**  
*Managing Director*  
 DIN : 00265775

Sd/-  
**Rajendra Kanodia**  
*Director & CFO*  
 DIN : 00175574

Sd/-  
**Roshan Dave**  
*Company Secretary*  
 ACS 27185

# Annexure “E” To Directors’ Report

## Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

### Statement Containing Salient Features of the Financial Statement of Subsidiaries / Associate Companies / Joint Ventures

#### Part “A”: Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs)

1. Sl. No.
2. Name of the Subsidiary
3. Reporting period for the subsidiary concerned, if different from the holding company’s reporting period
4. Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.
5. Share Capital
6. Reserves & Surplus
7. Total Assets
8. Total Liabilities
9. Investments
10. Turnover
11. Profit before Taxation
12. Provision for Taxation
13. Profit after Taxation
14. Proposed Dividend
15. % of Shareholding

Not Applicable

**Notes :** The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations
2. Names of subsidiaries which have been liquidated or sold during the year.

#### Part “B”: Associates and Joint Ventures

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

Sl.	Name of Associates/Joint Ventures	Abhijit Tea Company Pvt. Ltd.	Jaldacca Tea Plantations Pvt. Ltd.	The Kharibari Tea Co. Ltd.
1.	Latest Audited Balance Sheet Date	31/03/2018	31/03/2018	31/03/2018
2.	Shares of Associate/Joint Ventures held by the Company on the year end :-			
	- No.	7,338	850	96,937
	- Amount of Investment in Associates/ Joint Venture	3,32,40,230	43,12,500	44,22,000
	- Extent of Holding %	46.04%	45.33%	48.47%
3.	Description of how there is significant influence	Associate	Associate	Associate
4.	Reason why the associate/joint venture is not consolidated	N.A.	N.A.	N.A.
5.	Networth attributable to Shareholding as per latest audited Balance Sheet (As per IND AS)	27,81,76,292	2,97,90,153	3,15,42,581
6.	Profit / Loss for the year			
i.	- Considered in Consolidation	(1,13,41,017)	(15,73,151)	(1,69,849)
i.	- Not Considered in Consolidation	N.A.	N.A.	N.A.

**Notes:**

1. Names of Associates or Joint Ventures which are yet to commence operations : NIL
2. Names of Associates or Joint Ventures which have been liquidated or sold during the year : NIL

# Annexure “E” To Directors’ Report (Contd.)

## Part “B”: Associates and Joint Ventures (Contd.)

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

Sl.	Name of Associates/Joint Ventures	Terai Dooars Tea Co. Pvt. Ltd.	East Indian Produce Limited	Terai Infrastructures Ltd.
1.	Latest Audited Balance Sheet Date	31/03/2018	31/03/2018	31/03/2018
2.	Shares of Associate/Joint Ventures held by the Company on the year end			
	- No.	2,62,500	63,380	26,09,500
	- Amount of Investment in Associates/Joint Venture	24,22,500	44,21,863	21,45,000
	- Extent of Holding %	47.73%	43.80%	45.95%
3.	Description of how there is significant influence	Associate	Associate	Associate
4.	Reason why the associate/joint venture is not consolidated	N.A.	N.A.	N.A.
5.	Networth attributable to Shareholding as per latest audited Balance Sheet (As per IND AS)	1,72,19,370	9,84,46,339	6,70,39,998
6.	Profit / Loss for the year			
i.	– Considered in Consolidation	10,96,207	(41,87,679)	(12,44,912)
i.	– Not Considered in Consolidation	N.A.	N.A.	N.A.

**Notes :** 1. Names of Associates or Joint Ventures which are yet to commence operations : NIL  
2. Names of Associates or Joint Ventures which have been liquidated or sold during the year : NIL

Sl.	Name of Associates/Joint Ventures	Sayedabad Tea Co. Ltd.	Terai Overseas Pvt. Ltd.	Amit Paridhan Pvt. Ltd.
1.	Latest Audited Balance Sheet Date	31/03/2018	31/03/2018	31/03/2018
2.	Shares of Associate/Joint Ventures held by the Company on the year end			
	- No.	15,070	3,17,460	1,75,000
	- Amount of Investment in Associates/Joint Venture	1,50,700	28,70,460	3,10,000
	- Extent of Holding %	27.71%	47.74%	36.08%
3.	Description of how there is significant influence	Associate	Associate	Associate
4.	Reason why the associate/joint venture is not consolidated	N.A.	N.A.	N.A.
5.	Networth attributable to Shareholding as per latest audited Balance Sheet (As per IND AS)	1,69,56,172	8,33,33,436	1,99,65,289
6.	Profit / Loss for the year			
i.	– Considered in Consolidation	(23,21,930)	65,52,483	4,96,099
i.	– Not Considered in Consolidation	N.A.	N.A.	N.A.

**Notes :** 1. Names of Associates or Joint Ventures which are yet to commence operations : NIL  
2. Names of Associates or Joint Ventures which have been liquidated or sold during the year : NIL

# Annexure “E” To Directors’ Report (Contd.)

## Part “B”: Associates and Joint Ventures (Contd.)

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

Sl.	Name of Associates/Joint Ventures	Terai Financials Services Pvt. Ltd.	New Darjeeling Union Tea Co. Ltd	Terai Ispat & Trading Pvt. Ltd
1.	Latest audited Balance Sheet Date	31/03/2018	31/03/2018	31/03/2018
2.	Shares of Associate/Joint Ventures held by the company on the year end			
	- No.	22,554	17,085	7,01,273
	- Amount of Investment in Associates/Joint Venture	22,554	1,24,76,190	22,82,730
	- Extent of Holding %	49.00%	48.59%	49.00%
3.	Description of how there is significant influence	Associate	Associate	Associate
4.	Reason why the associate/joint venture is not consolidated	N.A.	N.A.	N.A.
5.	Networth attributable to Shareholding as per latest audited Balance Sheet (As per IND AS)	38,37,427	4,57,74,324	3,25,26,071
6.	Profit / Loss for the year			
i.	– Considered in Consolidation	(24,57,180)	(87,09,481)	51,90,236
i.	– Not Considered in Consolidation	N.A.	N.A.	N.A.

**Notes :** 1. Names of Associates or Joint Ventures which are yet to commence operations : NIL  
2. Names of Associates or Joint Ventures which have been liquidated or sold during the year : NIL

For and on behalf of the Board of Directors

**Registered Office :**

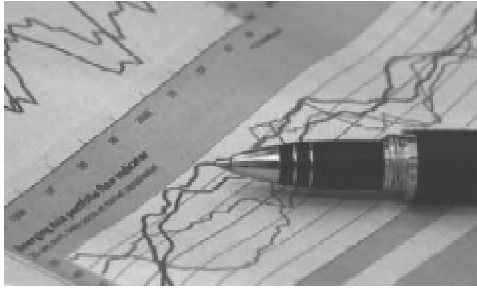
10, Government Place (East)  
Kolkata – 700 069

Dated : 14th day of August, 2018

Sd/-  
**Ajit Kumar Agarwala**  
Managing Director  
DIN : 00265775

Sd/-  
**Rajendra Kanodia**  
Director & CFO  
DIN : 00175574

Sd/-  
**Roshan Dave**  
Company Secretary  
ACS 27185



## Annexure "F" to the Directors' Report

# Report on Corporate Governance

Pursuant to part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 "Listing Regulation."

### **I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

The Company's philosophy on Corporate Governance envisages the attainment of highest level of transparency, accountability and equality, in the functioning of the Company and its relationship with employee, shareholders, creditors, consumers, dealers, lenders and ensuring high degree of regulatory compliance.

The Company is committed to following best Corporate Governance Practices in all its pursuits and is constantly striving to better them and adopt emerging best practices. The Board understands and respects its fiduciary role and responsibility to shareholders and strives hard to meet their expectations. The Board also believes that best board practices, transparent disclosures and shareholder empowerment are necessary for creating shareholder value. Thus at Terai Tea Company Limited, we always endeavour to create an environment of fairness, equity and transparency in transactions with the underlying objective of securing long term shareholder value creation and enhancement while, at the same time, respecting

the rights of all stakeholders of the Company and the society at large.

The Company will continue to focus its resources, strengths and strategies to achieve its vision of becoming the most admired and trusted global Tea producer, while upholding the core values of entrepreneurship, disclosure and transparency, equity, responsibility, sustainability and ethical behavior which are fundamental to the Terai family.

### **II. BOARD OF DIRECTORS**

#### **a) Composition of Category of Directors**

The Board of Directors of the Company have an optimum combination of executive and non-executive directors with at least one woman director and not less than fifty percent of the Board of Directors comprising of non-executive directors, which is in conformity with the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, Our Company has Six(6) Directors among them two(2) are Promoter Directors of which one(1) is an Executive Director who is the Managing Director and Chairman and one(1) Women Director, one (1) Executive Non Independent Director and remaining three(3) Non-Executive Independent Directors. The name and category of each is given below:

NAME OF DIRECTORS	CATEGORY	DIN No
Mr. Ajit Kumar Agarwala	Executive Director and Promoter	00265775
Mrs. Shashikala Agarwala	Non-Executive, Non-Independent Director and Promoter (Women Director)	00260171
Mr. Rajendra Kanodia	Executive and Non-Independent Director	00175574
Mr. Hemant Kumar Agarwal	Non-Executive and Independent Director	02308200
Mr. Jayantakumar Natwarlal Raja	Non-Executive and Independent Director	06884343
Mr. Milan Krisna Sarkar	Non-Executive and Independent Director	05272885



## Annexure “F” to the Directors’ Report (Contd.)

### **Separate Meeting of Independent Directors**

Independent Directors meeting was held on 14th February, 2018 without the presence of the Managing Director and other Non-Executive Non-Independent Director. The meeting was attended by all the Independent Directors and enabled them to:

- Review the performance of Non-Independent Directors and the Board as a whole
- Review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors
- Assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The composition and the attendance of Directors at these meetings are under:

NAME	No. of Meetings Attended
Mr. Hemant Kumar Agarwal *	1
Mr. Jayantkumar Natwarlal Raja	1
Mr. Milan Krisna Sarkar	1

\*Mr. Hemant Kumar Agarwal was unanimously elected as the Chairman of the Meeting.

### **Familiarizations Programme for IDs**

The Company has conducted the Familiarization Programme for Directors including Independent Directors to familiarize them with their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc., through various initiatives. The details of such familiarization programs have been placed on the website of the Company and may be accessed at the [www.teraigroup.com](http://www.teraigroup.com).

### **Performance Evaluation**

The Nomination & Remuneration Committee of your Company has formulated and laid down criteria for Performance Evaluation of the Board (including Committees) and every Director (including Independent Directors) pursuant to provision of Section 134, Section 149 read with Code of Independent Directors (Schedule IV) and Section 178 of the Companies Act, 2013 and (Listing Obligations and Disclosure Requirements) Regulation, 2015.

Based on these criteria, the performance of the Board, various Board Committees viz. Audit Committee, Stakeholder’s Relationship Committee, Nomination and Remuneration Committee, and Individual Directors (including Independent Directors) were evaluated.

During the year under review, the Independent Directors of your Company reviewed the performance of Non-Independent Directors and Managing Director of your Company, taking into account the views of Executive Directors and Non-Executive Directors.

The Board as a whole is an integrated, balanced and cohesive unit where diverse views are expressed and dialogued when required, with each Director bringing professional domain knowledge to the table. All Directors are participative, interactive and communicative.

The information flow between your Company’s Management and the Board is complete, timely with good quality and sufficient quantity.

### **Code of Conduct for Independent Directors**

The Company has adopted additional Code of Conduct for the Independent Directors of the Board, which is as follows:

- (1) Uphold ethical standards of integrity and probity;
- (2) Act objectively and constructively while exercising duties;
- (3) Exercise their responsibilities in a bona fide manner in the interest of the company;
- (4) Devote sufficient time and attention to professional obligations for informed and balanced decision making;
- (5) Not allow any extraneous considerations that would vitiate their interests of the company as a whole, while concurring in or dissenting from the collective judgments of the Board in its decision making;
- (6) Not abuse their position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage for any associated person;
- (7) Refrain from any action that would lead to loss of their independence;
- (8) Where circumstances arise which make an independent director lose the independence, the independent director must immediately inform the Board accordingly;
- (9) Assist the company in implementing the best corporate governance practices.

## Annexure “F” to the Directors’ Report (Contd.)

### MEETINGS

The table below gives the details of Directors’ attendance at the Board Meetings and at the last Annual General Meeting. Attendance of each Director at the Board Meeting and the last Annual General Meetings (AGM)

NAME OF DIRECTORS	NO. OF BOARD MEETINGS HELD	NO. OF BOARD MEETINGS ATTENDED	ATTENDANCE OF LAST AGM
Mr. Ajit Kumar Agarwala	10	10	No
Mrs. Shashikala Agarwala	10	8	No
Mr. Rajendra Kanodia	10	10	Present
Mr. Hemant Kumar Agarwal	10	10	Present
Mr. Jayanta Kumar Natwarlal Raja	10	5	Present
Mr. Milan Krisna Sarkar	10	5	No

- a) During the year under review, 10 (Ten) Board Meetings were held. The maximum time-gap between any two meetings did not exceed four months. The dates on which meetings were held are given below:

May 30, 2017	July 26, 2017	August 18, 2017	September 6, 2017
September 13, 2017	October 12, 2017	December 13, 2017	February 14, 2018
February 26, 2018	March 19, 2018		

- b) Number of other Directorship and Chairmanship/Membership of Committee of each Director in other Companies:

NAME OF DIRECTORS	NO. OF DIRECTORSHIPS IN OTHER COMPANIES (EXCLUDING PRIVATE/ FOREIGN COMPANIES)	NO. OF CHAIRMANSHIP/ MEMBERSHIP IN OTHER BOARD COMMITTEES*
Mr. Ajit Kumar Agarwala	6	NIL
Mrs. Shashikala Agarwala	5	NIL
Mr. Rajendra Kanodia	6	NIL
Mr. Hemant Kumar Agarwal	NIL	NIL
Mr. Jayanta Kumar Natwarlal Raja	NIL	NIL
Mr. Milan Krisna Sarkar	NIL	NIL

- For the purpose of considering the limit of the committees on which a director can serve, all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 shall be excluded.
- In accordance with Regulation 27(2) of the LODR Regulation, Membership / Chairmanship of only Audit Committee and Stakeholders’ Relationship Committee in all public limited companies (excluding Terai Tea Co Limited) have been considered.
- Other directorship includes directorship in public companies only.
- None of the Directors is a member in more than 10 committees or act as a Chairman of more than five committees across all companies in which he is a Director and the same is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 “Listing Regulation.”
- None of the Directors on the Board serve as an Independent Director of more than 7 (Seven) listed companies across all companies in which he/she is a Director. Further, the Director on the Board serving as a Whole Time Director in a listed company is not serving as an Independent Director of more than 3 (Three) listed companies across all companies in which he/she is a Director.

## Annexure “F” to the Directors’ Report (Contd.)

6. Further, in compliance with Section 165 of the Companies Act, 2013, none of the Directors on the Board hold directorship in more than 20 (Twenty) companies at the same time with the directorship in public companies not exceeding 10 (Ten). All the Directors have made necessary disclosures regarding directorship/committee positions occupied by them in other companies in accordance with Regulation 26 (1) & (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

c) **Disclosure of relationship between Directors:**

No Director is related to any other Directors on the Board in term of definition of relatives given under the Companies Act, 2013, except Mrs. Shashikala Agarwala who is the wife of Mr. Ajit Kumar Agarwala.

d) **Number of Shares held by Non Executive Directors**

NAME OF DIRECTORS	CATEGORY	No. of Share Held
Mrs. Shashikala Agarwala	Non-Executive, Non-Independent Director and Promoter (Women Director)	18,98,800
Mr. Hemant Kumar Agarwal	Non-Executive and Independent Director	—
Mr. Jayanta Kumar Natwarlal Raja	Non-Executive and Independent Director	—
Mr. Milan Krisna Sarkar	Non-Executive and Independent Director	—

The Company has adopted a Code of Conduct specifically for the members of the Board of Directors and/or members of the Senior Management of the Company, which sets out as follows:

1. **Conflict of Interest**

- Ø To conduct them ethically and honestly and act in the interests of the Company
- Ø To avoid situations that might lead to a conflict between his personal interests and the interests of the Company.

Although it is difficult to describe all situations, which could create a conflict of interest, the following are some examples:

1. Working for a competitor/ supplier/ client while working for the Company.
2. To serve as a Director/Employee in Top Executive Management of any Company that competes with the Company.
3. One may accept Directorship or Employment of a Company / Supplier or Business Partner only after obtaining approval from the Company’s Legal Department.
4. Accepting gifts/ receiving discounts from competitors
5. Personally taking a business opportunity that arises due to a Senior Manager’s position
6. Receiving a loan or a guarantee or an obligation arising due to his position.

2. **Confidential Information**

- Ø Each Director & Senior Manager is expected to protect the Company’s confidential proprietary business information.

- Ø Each Director & Senior Manager’s commitment is evidenced by a confidentiality agreement.
- Ø Being a Director / Senior Member, one is expected to keep certain information confidential which have been discussed in the Senior Management Meetings.
- Ø Re-enforcing the confidentiality agreement as stated in the appointment terms and conditions as well as in the service rule of the Organization.
- Ø Only authorized Company spokesperson may communicate with the press on behalf of the Company.

3. **Public Disclosures**

The Company is committed to all of its public disclosures and reports being full, fair, accurate, timely and understandable.

4. **Legal Compliance**

The Company recognizes to conduct its business with honesty, integrity and in full compliance with all applicable laws, rules and regulations. All Directors & Senior Managers are required to abide by the statutory requirements.

5. **Share Transactions**

All Board Members & Senior Managers should report their holding in the Company. There should exist a block period of two weeks (before the quarterly results etc.) when one cannot trade in the Company’s securities.

In accordance with the SEBI Guidelines, one is expected to refrain from “Insider trading” by misusing any unpublished price-sensitive information.

## Annexure “F” to the Directors’ Report (Contd.)

### 6. Fair Business Practices

Each Director / Senior Manager of the Organization is committed to conduct business fairly without engaging in corrupt practices and unfair competition. Therefore, manipulation, concealment, abuse of privileged information, misrepresentation of facts is not considered as fair business practice.

### 7. Supporting Loyalty & Respect

Each Director & Senior Manager will abide by and promote Company’s environment of mutual trust and loyalty. If any Director / Senior Member breach this trust, then he/ she will be subject to appropriate corrective action including dismissal or removal from office.

### 8. Open Communication

Each Senior Manager is encouraged to discuss concerns raised by anyone in the Company, or report any suspected breach to CMD. The Company will not tolerate any form of retaliation for reports or concerns that were made in good faith.

### 9. Corporate Policy Awareness

All Senior Managers must be aware of all the corporate policies governing the Code of Conduct of employees and the Company’s Management System.

### 10. Company Branding

All Director & Senior Managers are expected to give responsible views about the Company and its performance.

### 11. Black out Period

All Directors & Senior Managers are expected to adhere to black out policy during which trading window is closed for them.

### 12. Amendment of the Code

The Company recognizes that only the Managing Director of the Company may amend this Code as and when required.

### 13. Violation of the Code of Conduct

If there is a violation of the above-mentioned Code of Conduct by any of the Senior Managers, depending on the seriousness/ severity of the issue will be taken up by a Committee, headed by the MD of the Company for appropriate action as deemed fit.

### B. AUDIT COMMITTEE

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

#### Composition Meeting and Attendance During the Year

The terms of reference, role and scope of Audit Committee are in line with the provisions of Section 177 of the Companies Act, 2013 and Regulations 18 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. The Audit Committee of the Board, inter alia, provides reassurance to the Board on the existence of an effective internal control environment.

The Audit Committee is constituted by three Non-Executive Independent Directors (NEID), all of whom are financial literate and they have accounting or related financial management expertise. Mr. Hemant Kumar Agarwal, Chairman of the Committee is among the Non-Executive Independent Directors. The Company Secretary acts as the Secretary of the Audit Committee. During the year 4 (Four) meetings of the Audit Committee were held on May 30, 2017, September 13, 2017, December 13, 2017 and February 14, 2018. The maximum time gap between any two consecutive meetings did not exceed 4 (Four months). Moreover, the quorum of minimum 2 (Two) Independent Directors, as required by the Listing Regulations, was present in all the meetings of the Audit Committee held during the year. The constitution of the Committee, number of meetings held and attendance of the members are given below:

Names of the Directors	Position Held	Category	No. of Meetings	
			Held	Attended
Mr. Hemant Kumar Agarwal	Chairman	Independent, Non-Executive	4	4
Mr. Jayanta Kumar Natwarlal Raja	Member	Independent, Non-Executive	4	4
Mr. Milan Krisna Sarkar	Member	Independent, Non-Executive	4	4

## Annexure “F” to the Directors’ Report (Contd.)

The Audit Committee functions as a bridge between the administration of the Company and its Board in all financial and accounting matters including budget. The terms of reference for Audit Committee include:

- (i) The recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- (ii) Review and monitor the auditor’s independence and performance, and effectiveness of audit process;
- (iii) Examination of the financial statement and the auditors’ report thereon;
- (iv) Approval or any subsequent modification of transactions of the company with related parties;
- (v) Scrutiny of inter-corporate loans and investments;
- (vi) Valuation of undertakings or assets of the company, wherever it is necessary;
- (vii) Evaluation of internal financial controls;
- (viii) Monitoring the end use of funds raised through public offers and related matters.

### Statutory Audit Observations

While reviewing the financial records for the year under report, the Audit Committee took note that there were no observations of the Statutory Auditors.

## C) STAKEHOLDERS RELATIONSHIP COMMITTEE

### Composition & terms of reference

The Stakeholders Relationship Committee is constituted as per Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 178 (5) of the Companies Act, 2013. Stakeholders Relationship Committee comprises of three (3) Directors namely Mr. Jayantakumar Natwarlal Raja (Non-Executive Independent Director) who is the Chairman of the Committee, Mr. Milan Krisna Sarkar (Non-Executive Independent Director) and Mr. Hemant Kumar Agarwal (Non- Executive Independent Director, Mr. Roshan Dave, Company Secretary acts as the Secretary to the Stakeholders Relationship Committee. This Committee additionally monitors the relationship with Stakeholders including Shareholders, Employees, Customers, Vendors, Government and Society. Such meetings are held on quarterly basis and the Shareholders’ complaints and grievances are reviewed in detail by the Committee and prompt and effective directions are given to the Registrars for proper disposal. During the Financial Year 2017-17 the Company has not received any complaint from the Shareholders / Investors of the Company and no queries are pending to be resolved as on date.

Status of Investors’ Complaints :	
Number of complaints received during the year	Nil
Number of complaints resolved up to 31st March, 2018	Nil
Number of complaints not solved to the satisfaction of shareholders	Nil
Number of complaints pending as on 31st March, 2018	Nil

### Meeting and Attendance during the year

During the financial year Four (4) meetings of the Stakeholders Relationship Committee were held on May 30, 2017, September 13, 2017, December 13, 2017 and February 22, 2018 for the year ended March 31st, 2018 and attendance of the members are given below :

MEMBERS	MEETING HELD	MEETINGS ATTENDED
Mr. Hemant Kumar Agarwal	4	4
Mr. Jayantakumar Natwarlal Raja	4	4
Mr. Milan Krisna Sarkar	4	4

## D) NOMINATION & REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee is constituted as per Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 178 (1) of the Companies Act, 2013.

### Composition:

The Nomination & Remuneration Committee of the Company comprises of three (3) Non-Executive Independent Directors, Mr. Milan Krisna Sarkar is the Chairman of the Committee Mr. Jayantakumar Natwarlal Raja (Non- Executive Independent Director), Mr. Hemant

Kumar Agarwal (Non- Executive Independent Director and the Company Secretary acts as the Secretary of the Nomination & Remuneration Committee.

### Terms of reference:

This Committee recommends and reviews the Compensation packages, commission payable to Directors/ Executives and Managing Director of the company, thereof within the limit approved by the shareholders from time to time. During the financial year one (1) meeting of Nomination and Remuneration Committee was held on September 13, 2017.

## Annexure “F” to the Directors’ Report (Contd.)

### **The Composition and Attendance of the Director’s Remuneration Committee Meeting:**

Names of the Directors	Position Held	Category	No. of Meetings	
			Held	Attended
Mr. Milan Krisna Sarkar	Chairman	Independent, Non-Executive	1	1
Mr. Jayantkumar Natwarlal Raja	Member	Independent, Non-Executive	1	1
Mr. Hemant Kumar Agarwal	Member	Independent, Non-Executive	1	1

### **Remuneration Policy**

Remuneration policy of Terai Tea Co. Ltd comprising members of the Board of Directors (“Board”), Key Managerial Personnel and the Senior Management Personnel of the Company.

The objective of the remuneration policy is to enable the Company to attract, motivate, and retain qualified indus-

try professionals for the Board of Management and other executive level in order to achieve the Company strategic goals. The remuneration policy acknowledges the internal and external context as well as the business needs and long term strategy. The policy is designed to encourage behavior that is focused on long-term value creation, while adopting the highest standards of good Corporate Governance.

### **Remuneration paid to the Managing Directors**

Name of the Director	Gross Salary (` in Lacs)	Value of Perquisites (` In Lacs)	Total Salary (` in Lacs)
Mr. Ajit Kumar Agarwala	60.72	—	60.72

### **Criteria of making payments to Non-Executive Directors**

With changes in the Corporate Governance norms brought by the Company’s Act, 2013 as well as the Listing Regulations, the role of Non-Executive Directors particularly the Independent Directors and the degree and quality of their engagement with the Board and the Company has undergone significant changes. The Company is being hugely benefited from their expertise, advice and inputs. They devote their valuable time in deliberating on the strategic and critical issues in the course of the Board and Committee meetings of the Company and give valuable advice, suggestions and guidance to the management of the Company from time to time.

The Company believes that remuneration paid to its Non-Executive Independent Directors should be reflective of the size of the Company and complexity of the Sector/ Industry/Company’s operations and should be consistent

with recognized best practices. Overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain and motivate Directors aligned to the requirements of the Company, taking into consideration the challenges faced by the Company and its future growth imperative.

Contribution of the Non-Executive Directors in Board and Committee Meetings, time devoted by them, participation in strategic decision making, timely guidance to the Board on important policy matters of the Company, performance of the Company and industry practices and benchmarks forms the main criteria for determining payments to Non-Executive Directors.

### **Sitting fees**

Non-Executive Directors are paid a sitting fees of ` 20,000/- for during the financial year 2017-18.

These fees have been decided taking into consideration the extend of business transacted at various meetings.

## **VII. GENERAL BODY MEETINGS**

### **i) Annual General Meeting :**

Annual General Meeting of the Company during the preceding Three(3) years were held at the Registered Office of the Company at 10, Government Place (East) Kolkata - 700 069.

Date and Time of Annual General Meetings held during the preceding Three (3) years are as follows:

LOCATION	DATE	TIME
10, Government Place (East) , Kolkata – 700 069	September 23, 2017	10.30 A.M.
10, Government Place (East) , Kolkata – 700 069	September 30, 2016	10.30 A.M.
10, Government Place (East) , Kolkata – 700 069	September 29, 2015	10.00 A.M.

## Annexure "F" to the Directors' Report (Contd.)

### ii) **Special Resolution passed in the last three AGM:**

- a) In the AGM on 29th Sept. 2015 : One Special Resolution was transacted to provisions of section 196,197,203 and other applicable provision if any, of the Companies Act, 2013.
- iii) All the resolutions set out in the respective notices were passed by the shareholders.
- iv) No Resolution was put through postal ballot during the year 2015-16.

### **Subsidiary Companies**

During the year under review the company has no subsidiary company.

### **OTHER DISCLOSURES :**

#### **Disclosure on Materially Significant Related Party Transactions :**

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and under Listing Regulation, during the financial year were in the ordinary course of business and on an arms length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosures as required by the Accounting Standards (AS18) have been made in the **Note No. 36** to the Financial Statements.

The Policy on Related Party Transactions as approved by the Board is uploaded on the Company's website and may be accessed at the link [www.teraigroup.com](http://www.teraigroup.com).

#### **Disclosure on Accounting Treatment:**

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

#### **Details of Non-Compliance by the Company, Penalties, Strictures Imposed on the Company by the Stock Exchanges, SEBI or any Statutory Authority on any matter related to Capital Markets:**

The Company has complied with all the requirements of the Listing Regulations, with the Stock Exchanges as well as regulations and guidelines of SEBI. No penalties or strictures were imposed by SEBI, Stock Exchanges or any authority on matters relating to Capital Markets during the last three years.

#### **Risk Management:**

The Company has laid a comprehensive Risk Assessment and Minimization Procedure which was presented to the Audit Committee and reviewed by the Board from time to time. These procedures are reviewed to ensure that executive management controls risk through means of a properly defined framework.

### **Vigil Mechanism/Whistle Blower Policy:**

In compliance with provisions of Section 177(9) of the Companies Act, 2013, the Company has framed a Vigil Mechanism/Whistle Blower Policy and the same has also been placed in the website of the Company. None of the employees of the Company has been denied access to the Audit Committee.

### **Policy on Materiality of and Dealing with Related Party Transactions**

Related Party Transactions can present a potential or actual conflict of interest which may be against the best interest of the Company and its shareholders. Considering the requirements for the approval of related party transactions as prescribed under the Companies Act, 2013 and Regulations 23 of the Listing Regulations, the Company has formulated a 'Policy on Materiality of and Dealing with Related Party Transactions' for identification of related parties, setting out the materiality threshold and the proper conduct and documentation of all laws and regulations. The 'Policy on Materiality of the Dealing with Related Party Transactions' has been put up on the website of the Company at: <http://www.teraigroup.com>

### **Details of Compliance with Mandatory Requirements and adoption of Non-Mandatory Requirements :**

The Company has complied with all the applicable mandatory requirements. The Company has not adopted the non-mandatory requirements of the Listing Agreement.

### **PREVENTION OF INSIDER TRADING**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation of the Company and during the period when the Trading Window is closed. The Company Secretary is responsible for implementation of the Code.

All Board Directors and the designated employees have confirmed compliance with the Code.

### **MD / CFO CERTIFICATION :**

The Managing Director and Chief Financial Officer of the Company have issued necessary certificate pursuant to the provisions of Regulations 17 (8) of the Listing Regulations certifying that the financial statement do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs.. The same is attached and forms part of the Annual Report.

## Annexure “F” to the Directors’ Report (Contd.)

### **COMPLIANCE CERTIFICATE**

Certificate from the Independent Auditor Messrs Saha & Majumder, Chartered Accountants, Siliguri, Membership No. 010767, confirming compliance with conditions of Corporate Governance as stipulated of the Listing Regulations is attached and forms part of Annual Report.

### **MEANS OF COMMUNICATION:**

Quarterly / Half-yearly report	The Result of the Company are published in the News-Paper and uploaded on the Website of the Company
Any website, where displayed	Yes, at <a href="http://www.teraigroup.com">www.teraigroup.com</a>
Whether, it also displays official news releases	No
The presentations made to institutional investors the analysts	No
Newspapers in which results are normally	“Eco of India” in English and published in “Arthik Lipi in Bengali.
Whether Management Discussion & Analysis Report is a part of Annual Report or not	Yes

### **SHAREHOLDER INFORMATION:**

#### **a) Annual General Meeting**

Date	<b>September 29, 2018</b>
Time	<b>10.30 A.M.</b>
Venue	<b>Terai Tea Co. Ltd.”Ezra Mansion”, 1st Floor, 10, Government Place (East), Kolkata – 700 069</b>

#### **b) Financial Calendar (Tentative and subject to change)**

<b>Particulars</b>	<b>Date of Board meeting for approval</b>
Annual Accounts for 2017-18	4th week of May, 2018
Financial results for First Quarter	2nd week of September, 2018
Financial results for Second Quarter	2nd week of November, 2018
Financial results for Third Quarter	2nd week of February, 2019
Financial Result for the year ended	Last Week of May, 2019

#### **c) Book Closure**

Books shall remained closed from September 21st, 2018 to September 29th, 2018 (both days inclusive)

#### **d) Listing in Stock Exchange**

i) The shares of the company are listed as detailed below:

<b>The Stock Exchange</b>	<b>Stock Code</b>
Bombay Stock Exchange Limited Phiroza Jeejeebhoy Tower, 25 <sup>th</sup> Floor, Dalal Street, Mumbai-400001	530533
Calcutta Stock Exchange Association Limited 7, Lyons Range, Kolkata-700001	30105
Ahemdabad Stock Exchange Limited Kamdhenu Complex, Ahmedabad-380015	60857
Jaipur Stock Exchange Limited Indra Place, J.L.N. Marg, Jaipur-302018	596
ISIN Number for NSDL/CDSL	INE 390D1011
CIN No	L51226WB1973PLC029009
The Company has paid Annual Listing fees to Bombay Stock Exchange for the year 2018-19.	
<b>ii) Depositories :</b>	
National Securities Depository Ltd. Senapati Bapat Marg Lower Parel, Mumbai-400001	Trade World, 4 <sup>th</sup> Floor, Kamala Mills Compound,
Central Depository Services Ltd. Mumbai-400001	Phiroza Jeejeebhoy Tower, 28 <sup>th</sup> Floor, Dalal Street,

#### **(e) Demat ISIN Numbers:**

NSDL	ISIN INE 390D1011
CDSL	ISIN INE 390D1011

#### **(f) Registrar and Share Transfer Agents**

	<b>Maheshwari Datamatics Pvt. Ltd.</b> 23, R. N. Mukherjee Road, 5th Floor, Kolkata - 700 001 Tel. (033) 2248-2248, 2343-5029 E-mail : mdpldc@yahoo.com
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## Annexure “F” to the Directors’ Report (Contd.)

### g) Share Transfer System

The request for the transfer of shares held in physical mode should be lodged at the Company’s Registrar Share Transfer Agents, Maheshwari Datamatics Pvt. Ltd. The Board of Directors has unanimously delegated the powers of share transfer, transmission, sub-division and consolidation to a Share Transfer Committee in order to expedite transfer, transmission, etc in the physical form. The Committee meets once in every fortnight for approving share transfer and for other related activities. Share transfers are registered and returned in normal course within an average period of 15 days, if the transfer documents are found technically in order and complete in all respects

### h) Market Price Data

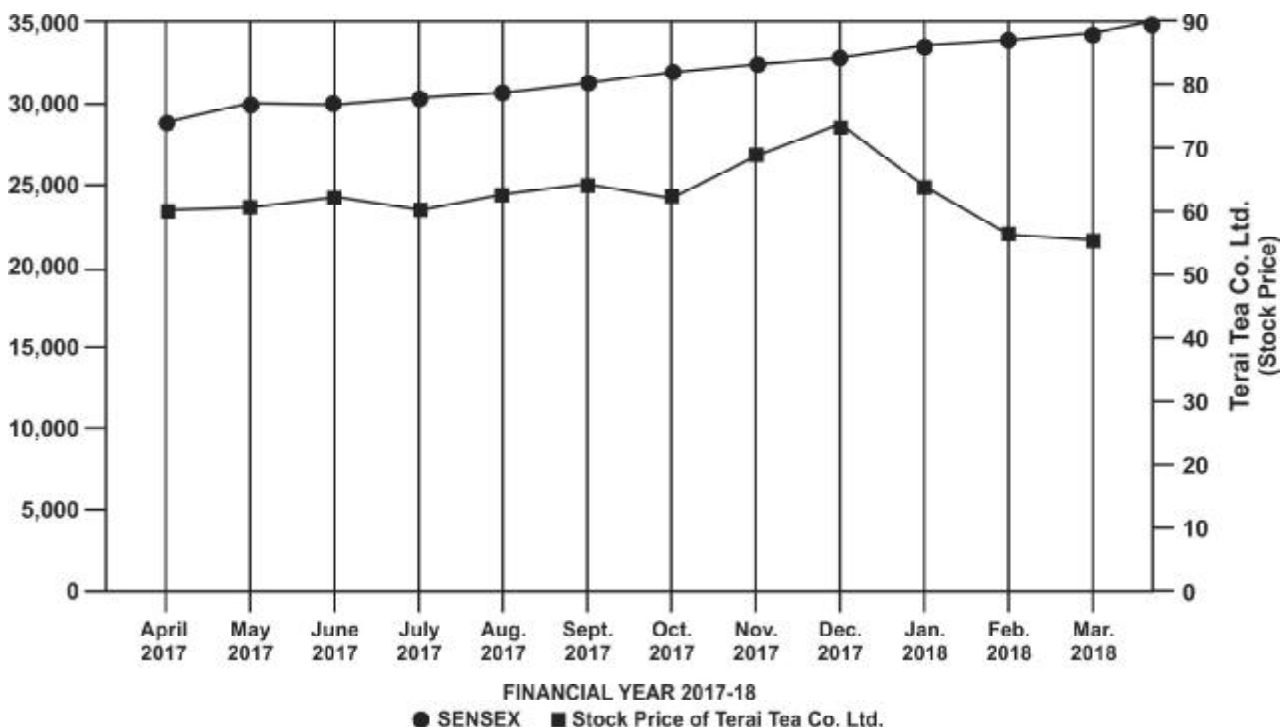
High/low (based on the closing prices) during each month in the financial year 2017-18 on the Bombay Stock Exchange

Month	BSE SENSEX CLOSE	BSE		
		High Price	Low Price	Close Price
April, 2017	29918.40	67.00	57.00	60.85
May, 2017	31145.80	65.10	47.20	55.60
June, 2017	30921.61	70.00	51.10	53.65
July, 2017	32514.94	63.00	50.00	59.50
August, 2017	31730.49	63.95	43.50	59.30
September, 2017	31283.72	65.60	54.10	55.65
October, 2017	33213.13	62.40	50.60	57.95
November, 2017	33149.35	80.00	53.20	76.80
December, 2017	34056.83	80.40	57.50	63.10
January, 2018	35965.02	64.80	55.80	55.80
February, 2018	34184.04	56.45	46.70	49.65
March, 2018	32968.68	54.35	40.65	40.65

### High & Low Market Price

Particulars	Terai Tea Co. Ltd. V/S BSE SENSEX	
	Terai Tea Co. Ltd. Share Price	BSE SENSEX
On 1st April, 2017	61.25	29,910
On 31st March, 2018	40.65	32,968

### i) Performance of the Company in Comparison to Sensex



## Annexure "F" to the Directors' Report (Contd.)

### j) Distribution of Shareholding As On 31st March, 2018

No. of Shares Held	No. of Holders	% of Holders	No. of Shares	% of Capital
Upto 500	1,355	89.32	1,42,527	2.07
501-1000	86	5.67	68,754	1.00
1001-2000	33	2.17	50,694	0.74
2001-3000	13	0.86	34,006	0.50
3001-4000	5	0.33	18,101	0.26
4001-5000	3	0.20	13,981	0.20
5001-10000	6	0.39	47,107	0.68
10001 and above	16	1.06	65,04,130	94.55
<b>Total</b>	<b>1,517</b>	<b>100</b>	<b>68,79,300</b>	<b>100.00</b>

### k) Shareholding Pattern as on 31st March, 2018

Name of the Shareholders	No. of Shares Held	% Holding
Promoter & Promoter Group	51,03,100	74.18
Non-Promoters Holding		
- Financials Institutions	Nil	Nil
- Bodies Corporate	12,61,371	18.34
- NRI/Foreign Company	345	0.01
- Clearing Member	3,875	0.05
Indian Public	5,10,609	7.42
<b>Total</b>	<b>68,79,300</b>	<b>100</b>

### l) Dematerialization of Shares and Liquidity as on 31st March, 2018

Particulars of Shares	Equity Shares of ₹ 10 Each	
	Number	% of Total
<b>Dematerialized Form</b>		
a) NSDL	63,42,283	92.19
b) CDSL	3,81,039	5.54
Sub Total	67,23,322	97.73
Physical Form	1,55,978	2.27
<b>Total</b>	<b>68,79,300</b>	<b>100.00</b>

### m) Outstanding GDRs/ ADRS/Warrants or any Convertible Instruments:

No GDRS/ADRS/Warrants or Convertible Instruments are issued during the year.

### n) Details of public funding obtained in last three years:

No capital has been raised by way of public funding in past three years

### o) Plant Locations:

Bagdogra Tea Estate,	P.O. Bagdogra, Dist. Darjeeling, West Bengal
Terai Tea Factory unit	P.O. Kharibari, Dist. Darjeeling, West Bengal
Karjeepara Tea Factory,	P.O. Das Darga, Dist-Jalpaiguri, west Bengal
Adhikari Tea Factory ,	P.O. Adhikari, Dist. Darjeeling, West Bengal

## Annexure "F" to the Directors' Report (Contd.)

**p) Address for correspondence:**

Any assistance regarding share transfer and transmission, change of address, non- receipt of share certificate/ duplicate share certificate, demat and other matters and for redressal of all share-related complaints and grievances, the Members are requested to write to or contact the Registrar & Share Transfer Agents or the Share Department of the Company for all their queries or any other matter relating to their shareholding in the Company at the addresses given below:

1. <b>The Company's Registered Office :</b>	<b>TERAI TEA COMPANY LIMITED</b> 10, Government Place (East), 1 <sup>st</sup> Floor, Kolkata- 700 069. Tele: (033) 460-13789 / 39789, Fax: (033) 2248-9182, Email: <a href="mailto:teraitea@gmail.com">teraitea@gmail.com</a> , Website: <a href="http://www.teraigroup.com">www.teraigroup.com</a>
2. <b>Registrar and Share Transfer Agent :</b>	<b>Maheshwari Datamatics Pvt. Ltd.</b> 23, R. N. Mukherjee Road, 5th Floor, Kolkata - 700 001 Tel. (033) 2248-2248, 2343-5029 E-mail : <a href="mailto:mdpldc@yahoo.com">mdpldc@yahoo.com</a>
3. <b>Compliance Office :</b>	<b>Mr. Roshan Dave</b> <b>TERAI TEA COMPANY LIMITED</b> 10, Government Place (East), 1 <sup>st</sup> Floor, Kolkata- 700 069. Tele: (033) 460-13789 / 39789, Fax: (033) 2248-9182, Email: <a href="mailto:teraitea@gmail.com">teraitea@gmail.com</a> , Website: <a href="http://www.teraigroup.com">www.teraigroup.com</a>

For and on behalf of the Board

Place: Kolkata

Dated : 14th day of August, 2018

Sd/-  
**Ajit Kumar Agarwala**  
**Managing Director**  
**DIN : 00265775**

## Annexure "F" to the Directors' Report (Contd.)

### Independant Auditor Certificate Regarding Compliance of Corporate Governance.

To  
The Member of  
Terai Tea Co. Ltd.  
10, Govt. Place (East)  
Kolkata-700069

**Re: Certificate regarding compliance of conditions of Corporate Governance**

1. We have examined the compliance of conditions of Corporate Governance by **Terai Tea Company Limited** for the year ended 31<sup>st</sup> March, 2018 as per relevant provision of Securities and Exchange of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulation') as referred to in Regulations for the period 1<sup>st</sup> April 2017 to 31<sup>st</sup> March, 2018.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the certificate of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations.

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

Place : Kolkata  
Date : 14th day of August, 2018

For **SAHA & MAJUMDER**  
Chartered Accountants  
**FRN : 303087E**  
Sd/-  
**S.N. Bhattacharjee**  
Partner  
Membership No. 010767

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### Declaration Regarding Code of Conduct:

#### To Whom It May Concern

The Company has framed a specific Code of Conduct to be followed by the members of the Board of Directors and the Senior Management Personnel of the Company. We have incorporated in the conduct duties of the Independent Directors as laid down in schedule IV of the Companies Act, 2013 The said "Code" has been circulated to the members of the Board and Senior Management Personnel of the Company, who have confirmed compliance of the same for the year ended 31<sup>st</sup> March, 2018. The Said "Code" is also been posted on [www.teraigroup.com](http://www.teraigroup.com) the website of the Company. Based on the above, it is hereby declared that the code has been complied with by all.

For Terai Tea Co. Limited

Place : Kolkata  
Date : 14th day of August, 2018

Sd/-  
**Ajit Kumar Agarwala**  
Managing Director  
DIN : 00265775

## Annexure "F" to the Directors' Report (Contd.)

### **MD/CFO CERTIFICATION**

To  
The Board of Directors  
Terai Tea Co. Ltd.  
10, Government Place (East)  
Kolkata-700069

- a) We have reviewed the Financial Statements and the Cash Flow Statement for the year 2017-18 duly audited by **Saha & Majumder**, Chartered Accountant, Siliguri and that to the best of our knowledge and belief:
- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- b) To the best of our knowledge and belief, there are no transactions entered into by the Company during the year 2017-18 which are fraudulent, illegal or violative of the Company's code of conduct;
- c) We do accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of the internal control, if any, of which we are aware of and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee that -
- There has not been any significant changes in internal control over the financial reporting during the year under review;
  - There has not been any significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and
  - There were no Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over the financial reporting.

**For Terai Tea Company Limited**

Place : Kolkata  
Dated : 14th day of August, 2018

Sd/-  
**Ajit Kumar Agarwala**  
**Managing Director**  
DIN : 00265775

Sd/-  
**Rajendra Kanodia**  
**Director & CFO**  
DIN : 00175574



## Annexure "G" to the Directors' Report

# Management Discussion and Analysis Report

### OVERVIEW OF THE ECONOMY

#### INDIAN ECONOMIC OVERVIEW

After registering GDP growth of over 7% for the third year in succession in 2016-17, the Indian economy headed for slower growth estimated at 6.7% in 2017-18. The year under review was marked by various structural reforms by the Government. In addition to GST introduction, the year witnessed significant resolution of problems associated with bank non-performing assets and FDI liberalization. (Source: ET)

#### OUTLOOK

World Bank projected India's economic growth to accelerate to 7.3% in 2018-19 and 7.5% in 2019-20. Strong private consumption and services are expected to continue to support economic activity.

#### Segment Analysis and Review

The Company is engaged in the Manufacturing of Tea, and Trading of Sugar, Raw Jute and others Merchandise.

#### RISK & CONCERN

##### Factors Affecting the Tea Industry

A number of different factors were highlighted that have the potential to significantly impact the future of the tea industry. There are ten major challenges that we believe are the most significant in terms of their implications for the tea industry:

- Demographic changes
- Resource constraints
- Climate change
- Competition for land and productivity

- Availability of labour and increase in mechanisation
- Balance of power across the supply chain
- Emergence of new business models
- Sustainability leadership in emerging economies
- Improvement in wages and labour welfare in the supply chain
- Consumer attitudes to food value

An evaluation of the future of tea indicates that there is a great deal of uncertainty about what the tea sector could look like by 2030. And this uncertainty is compounded by difficulties in predicting how these different factors might interact with one another.

#### FUTURE PROSPECTS

##### Tea 2030

The numerous sustainability challenges faced by many industries, including the tea industry, are too big for any one company to address alone; rather they need the co-operation of all parts of the value chain working together.

For the first time in history, some of the key players in the tea sector have come together to explore the future for tea in a collaborative project called Tea 2030. They are working jointly to identify the key challenges, forecasting the issues that need to be addressed and combining their knowledge and expertise to deliver new solutions that will overcome the issues facing the sector – creating a shared vision for what the global tea industry can do together to ensure it has a prosperous and sustainable future. They are fully committed to implement this initiative in compliance with all applicable laws.

## Annexure “G” to the Director’s Report (Contd.)

Led and facilitated by Forum for the Future, the leading global sustainability non-profit, this report presents the challenges and opportunities the tea sector will face in the future, including 4 possible future scenarios for the tea industry. The report marks the end of phase II of Tea 2030 which set out to explore the future for tea and the beginning of the implementation phase of Tea 2030.

### **Financial review & Analysis**

The Company’s financial position is strong enough which has helped Company to pass through in turbulent times. The development work in garden is always given top priority for improvement in quality as well as quantity. The surplus fund of the Company is deployed in such a way that reasonable returns are derived.

### **Internal Control System And Their Adequacy**

The company has established suitable internal control system and has laid down policies, guidelines and procedures which form part of its internal control system. The company’s internal control systems are periodically tested and supplemented by an extensive programme of internal audit by independent firms of Chartered Accountants. Audits are finalized and conducted based on internal risk assessment. Reports of the internal auditor are reviewed by senior management and also placed before the audit committee which provides reasonable assurance with regard to safeguarding the Company’s assets, operational efficiency and ensuring compliances with legal and regulatory framework.

### **Registered Office :**

10, Government Place (East)  
Kolkata – 700 069

Dated, 14th day of August, 2018

### **Material Development In Human Resources And Industrial Relations**

Tea Industry is highly labour intensive and human resources form the core of the operations. Human resources are valuable assets of your Company and attention is continuously paid to their development and well being. Industrial relations at all the Estates remain satisfactory, In spite of having a sizable strength. Employee–Management relations remained cordial throughout the year. Continuing education and training of employees at all levels of the Company, particularly at its plantations, contribute to development of human resource. Various welfare measures continue to be carried out, particularly at the Company’s Tea Estates .During the year under review, Welfare Week Programmes have been carried out at all the Estates of your Company.

### **Cautionary Statement**

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

By order of the Board  
**For Terai Tea Company Limited**

Sd/-  
**AJIT KUMAR AGARWALA**  
**Managing Director**  
**DIN : 00265775**

# Financial Highlights : Standalone Balance Sheet

(For Three Years)

(` in Lakh)

	2017-18*	2016-17*	2015-16
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property plant and equipment	5,355.29	5,328.58	5,480.91
Capital work-in-progress	6.41	46.07	1.92
Investment Property			
<b>Financial Assets</b>			
(a) Investments	773.60	771.98	882.49
(b) Trade Receivables			
(c) Loans	8.90	8.90	8.90
(d) Other Financial Assets	119.20	116.260	116.91
Deferred Tax Assets (Net)	—	—	—
Current Tax Assets (Net)	—	—	—
Other Non-current Assets	330.53	331.86	328.56
<b>Total Non-Current Assets</b>	<b>6,593.93</b>	<b>6,603.65</b>	<b>6,819.69</b>
<b>Current Assets</b>			
Inventories	620.57	848.09	705.28
Biological assets other than bearer plants			
<b>Financial Assets</b>			
(a) Investments	791.20	749.59	591.77
(b) Trade Receivables	1,057.78	1,302.83	3,682.36
(c) Cash and cash equivalents	123.90	49.48	60.34
(d) Other Bank Balances	—	—	—
(e) Loans	2.07	3.20	3.92
(f) Other financial assets	795.85	770.31	499.88
Current Tax Assets (Net)	—	—	—
Other Current assets	1,510.95	1,559.35	2,269.36
<b>Total Current Assets</b>	<b>4,902.32</b>	<b>5,282.85</b>	<b>7,812.91</b>
<b>Total Assets</b>	<b>11,496.25</b>	<b>11,886.50</b>	<b>14,632.60</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	690.29	690.29	690.29
Other Equity	5,652.10	5,570.52	5,443.96
<b>TOTAL EQUITY</b>	<b>6,342.39</b>	<b>6,260.81</b>	<b>6,134.25</b>
<b>Laibilities</b>			
<b>Non-Current Liabilities</b>			
Financial Liabilities			
(a) Borrowings	1,139.88	2,214.37	2,340.17
(b) Other Financial Liabilities	—	—	—
Provisions	106.88	96.77	81.69
Deferred Tax Liabilities (Net) 38.12	31.13	15.80	83.28
Other Non-current Liabilities	130.75	192.80	244.95
<b>Total Non-Current Laibilities</b>	<b>1,415.63</b>	<b>2,535.07</b>	<b>2,682.61</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
(a) Borrowings	2,332.00	1,567.25	1,633.45
(b) Trade Payables	1,101.26	557.50	3,463.90
(c) Other Financial liabilities	93.08	147.33	163.82
Other Current liabilities	179.05	803.20	527.96
Provisions	17.88	6.84	8.88
Current Tax Liabilities (Net) 14.95	8.50	17.73	—
<b>Total Current Liabilities</b>	<b>3,738.22</b>	<b>3,090.62</b>	<b>5,815.74</b>
<b>Total Liabilities</b>	<b>5,153.85</b>	<b>5,625.69</b>	<b>8,498.35</b>
<b>Total Equity and Liabilities</b>	<b>11,496.24</b>	<b>11,886.50</b>	<b>14,632.60</b>
<b>Earnings per Equity Share:</b>			
(1) Basic	1.29	2.05	1.57
(2) Diluted	1.29	2.05	1.57

\* Figures for F.Y. 2017-18, 2016-17 and 2015-16 are as per Ind AS compliant financial statements.



# Financial Highlights : Standalone Profit & Loss A/c

(For Five Years)

(` in Lakh)

	2017-18*	2016-17*	2015-16	2014-15	2013-14
<b>A. Income</b>					
1 Revenue from Operations	12,912.10	12,962.06	8,954.82	11,956.84	8,423.34
2 Other Income	128.42	161.09	71.85	97.74	64.46
<b>Total Income</b>	<b>13,040.52</b>	<b>13,123.15</b>	<b>9,026.67</b>	<b>12,054.58</b>	<b>8,487.80</b>
<b>B. Expenditure</b>					
1 Change in Inventories of Finished Goods, Work-in-progress and Stock-in-trade	233.23	(167.57)	162.53	(40.11)	89.47
2 Purchase of Stock-in-trade	—	—	4,191.75	6,498.31	3,610.08
3 Cost of Material Consumed	9,581.50	10,117.59	1,931.61	2,620.08	2,316.74
4 Employee benefits expenses	600.69	527.42	494.32	493.96	404.81
5 Consumption of Stores & Spare Parts	229.37	—	210.39	216.58	204.49
6 Excise Duty	4.97	30.71	—	—	—
7 Power & Fuel	1,159.34	—	861.45	1,083.30	815.32
8 Manufacturing & Other Miscellaneous Exp.	34.30	—	145.54	120.48	171.91
9 Selling & Distribution Expenses	134.31	—	128.09	144.82	122.25
10 Depreciation and amortisation expenses	160.01	175.81	184.84	176.48	193.86
11 Interst (Net)	376.73	400.45	398.4	484.25	347.70
12 Other Expenses	1,962.04	1,857.94	228.81	175.19	129.77
<b>Total Expenditure</b>	<b>12,919.17</b>	<b>12,942.35</b>	<b>8,937.73</b>	<b>11,973.34</b>	<b>8,406.39</b>
<b>C. Profit/(loss) before Taxation (A-B)</b>	<b>121.35</b>	<b>180.80</b>	<b>88.93</b>	<b>81.24</b>	<b>81.41</b>
<b>D. Tax Expenses</b>					
Provision for Taxation-Current Tax	22.52	23.98	25	14.54	17
MAT Credit Entitlement	—	—	—	—	—
Tax Adjustment for earlier years	—	—	—	(0.98)	7.03
Provision for Taxation-Deferred Tax	10.16	15.59	(44.40)	7.82	16.41
<b>Total Tax Expenses</b>	<b>32.68</b>	<b>39.57</b>	<b>(19.40)</b>	<b>12.53</b>	<b>40.44</b>
<b>E. Profit/(loss) after Taxation (C-D)</b>	<b>88.67</b>	<b>141.23</b>	<b>108.33</b>	<b>59.86</b>	<b>40.97</b>
<b>F. Other Comprehensive Income</b>	<b>(7.08)</b>	<b>(0.59)</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>G. Total Comprehensive Income (net of tax) (E-F)</b>	<b>81.59</b>	<b>140.64</b>	<b>—</b>	<b>—</b>	<b>—</b>

\*Figures for F.Y. 2017-18 & 2016-17 are as per Ind AS compliant financial statements. Previous period figures are as per IGAAP financial statements. Figures for previous years have been regrouped/rearranged.

# Independent Auditor's Report

To  
The Members of  
Terai Tea Company Limited  
10, Govt. Place (East)  
Kolkata - 700 069

## REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS

We have audited the accompanying standalone IND AS financial statements of Terai Tea Company Limited ( " the Company") which comprise the Balance Sheet as at March 31, 2018, the statement of Profit & Loss including other comprehensive income, Cash Flow Statement and the Statement of changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

## MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE IND AS FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (" the Act") with respect to the preparation of these standalone IND AS financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income , cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (IND AS) specified under section 133 of the Act, read with the Companies ( Indian Accounting Standards ) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities ; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design , implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone IND AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these standalone IND AS 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 there under. We conducted our audit of the standalone AS financial statements in accordance with the standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone IND AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone IND AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone IND AS 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 standalone IND AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone IND AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone IND AS financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone IND AS 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 March 31, 2018, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

# Independent Auditor's Report (contd.)

## OTHER MATTER

The comparative IND AS financial information of the company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 01, 2016 included in these standalone IND AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with accounting principles generally accepted in India, including the companies (Accounting Standard) Rules, 2006 (as amended) specified under section 133 of the Act, read with the companies (Accounts) Rules 2014, audited by the predecessor Auditor whose report for the year ended March 31, 2017 and March 31, 2016 dated May 30, 2017 and May 30, 2016 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the company on transition to IND As, which have been audited by us.

## REPORT ON THE LEGAL AND REGULATORY REQUIREMENTS

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 1" a statement on the matters specified in paragraphs 3 and 4 of the order.

1. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books;
  - (c) The Balance sheet, Statement of Profit and Loss including other comprehensive income, the Cash Flow Statement and Statement of changes in Equity dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone IND AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with the companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of written representations received from the directors as on March 31, 2018 from and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the company with reference to these standalone IND AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (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. There is no likelihood of any material impact of pending litigations on its financial position which requires disclosure in its financial statements
    - ii. The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the investor Education and protection Fund by the company.

Place : Kolkata  
Date : May 31, 2018\*

For **SAHA & MAJUMDER**  
Chartered Accountants  
**FRN : 303087E**  
Sd/-  
**S.N. Bhattacharjee**  
Partner  
Membership No. 010767

\* Board Meeting held on 30th May 2018 and continued till 31st May 2018

# Independent Auditor's Report (contd.)

## Annexure - "1" to the Independent Auditors' Report

The Annexure referred to in our report to the members of Terai Tea Company Limited for the year ended 31 March 2018.

### 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. Some of the fixed assets have been physically verified by the management in accordance with a program of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us no material discrepancies have been noticed on such verification.
  - c. According to the information and explanations given to us 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. In respect of its inventories as explained to us, the stock of finished products and stores materials of the company have been physically verified by the management during the year except for stock of tea lying at warehouse or consignment agents which has been verified by subsequent sales. The discrepancies between the physical stocks and the book stocks have been dealt with properly and were not material.
- iii. According to the information and explanations given to us, the company has not granted any loans to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 and therefore paragraph 3(iii) of the order is not applicable.
- iv. In our opinion and according to the information and explanations given to us, provisions of Section 185 of the companies Act, 2013 in respect of loans to directors including entities in which they are interested are not applicable to the company and hence not commented upon. In our opinion and according to the information and explanations given to us, provision of Section 186 of the companies Act, 2013 in respect of loans and advances given, investments made and guarantees and securities given have been complied with by the company.
- v. In our opinion and according to the explanations given to us, the company has not accepted Deposits from the public during the year. Therefore, paragraph 3(v) of the Order is not applicable to the company.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to the order made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act related to manufacture of goods and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the same.
- vii. According to the information and explanations given to us in respect of statutory dues:
  - a. The Company has generally been regular in depositing undisputed statutory dues including Provident fund, Income Tax, Sales Tax, Service Tax, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities during the year.
  - b. According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Service Tax, Sales Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it were in arrears as at 31st March, 2018 for a period of more than six months from the date they became payable except sum of ₹ 6,96,092/- outstanding against Agricultural Income Tax.
  - c. According to the information and explanations given to us and in our opinion, there are no material dues of customs duty, Service Tax, Excise Duty, Cess, Wealth Tax and Income Tax which have not been deposited as on 31st March 2018 on account of any dispute. However according to information and explanations given to us the following dues of income tax, agricultural income tax, sales tax and Vat have not been deposited by the Company on account of disputes-

# Independent Auditor's Report (contd.)

Name of statute	Nature of dues	Amount ( ` )	Period for which it relates	Forum where dispute pending
Income Tax Act 1961	Income Tax	2,27,730/-	Assessment year 2013-14	Commissioner (Appeals)
		2,30,169/-	Assessment Year 2014-15	Commissioner (Appeals)
West Bengal Sales Tax Act, 1994	Vat & Sales Tax Disputes	27,24,449/-*	Accounting year 2004-05	Appellate and Revisional Board (High Court)
		55,34,200/-*	Accounting year 2006-07, 2009-10 and 2011-12	Appellate and Revisional Board
		12,61,694/-*	Accounting year 2007-08 & 2008-09	Commissioner (Appeals)
Central Sales Tax Act, 1956	Vat & Sales Tax Disputes	13,10,610/-*	Accounting year 2004-05	Appellate and Revisional Board (High Court)
		35,38,934/-*	Accounting year 2005-06 2006-07 and 2011-12	Appellate and Revisional Board
		10,95,010/-*	Accounting year 2007-08 & 2008-09	Commissioner (Appeals)

\*Demand stayed by High Court

- d. The Company has a pending case under section 629A, 211(7), 211(8) and 209(5) or 209(7) of the companies Act 1956 filed in 1995 and the matter is subjudice . There is no progress in the matter since 1995, when the case was filed.
- viii. In our opinion and according to the information and explanations given to us, the Co. has not defaulted in repayment of loans or borrowings to Banks. Based on our audit procedure and as per the information and explanations given by the management, the Co. did not have any outstanding dues to a Financial Institution or debenture holders.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x. Based upon the audit procedure performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, we report that no material 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 give 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.
- 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 give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- 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.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

Place : Kolkata  
Date : May 31, 2018\*

For **SAHA & MAJUMDER**  
Chartered Accountants  
**FRN : 303087E**  
Sd/-  
**S.N. Bhattacharjee**  
Partner  
Membership No. 010767

\* Board Meeting held on 30th May 2018 and continued till 31st May 2018

# Independent Auditor's Report (Contd.)

## Annexure - "2" to the Independent Auditors' Report

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

We have audited the internal financial controls over financial reporting of **Terai Tea Company Limited** ("the Company") as of 31 March 2018 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

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 Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 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.

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

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

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

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

# Independent Auditor's Report (Contd.)

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

## Opinion

In our opinion, the 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 31 March 2018, 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.

Place : Kolkata  
Date : May 31, 2018\*

For **SAHA & MAJUMDER**  
Chartered Accountants  
**FRN : 303087E**  
Sd/-  
**S.N. Bhattacharjee**  
Partner  
Membership No. 010767

\* Board Meeting held on 30th May 2018 and continued till 31st May 2018

# BALANCE SHEET as at 31st March, 2018

(` in Lakhs)

Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016
<b>ASSETS :</b>				
<b>NON-CURRENT ASSETS</b>				
a) Property Plant and Equipment	2	5,355.29	5,328.58	5,480.91
b) Capital Work-In-Progress	2.1	6.41	46.07	1.92
c) Financial Assets				
i) Investments	3	773.60	771.98	882.49
ii) Loans	4	8.90	8.90	8.90
iii) Other Financial Assets	5	119.20	116.26	116.91
d) Other Non-Current Assets	6	330.53	331.86	328.56
<b>Total Non-Current Assets</b>		<b>6,593.93</b>	<b>6,603.65</b>	<b>6,819.69</b>
<b>CURRENT ASSETS</b>				
a) Inventories	7	620.57	848.09	705.28
b) Financial Assets				
i) Investments	8	791.20	749.59	591.77
ii) Trade Receivables	9	1,057.78	1,302.83	3,682.36
iii) Cash and Cash Equivalents	10	123.90	49.48	60.34
iv) Loans	4	2.07	3.20	3.92
v) Other Financial Assets	5	795.85	770.31	499.88
c) Other Current Assets	6	1,510.95	1,559.35	2,269.36
<b>Total Current Assets</b>		<b>4,902.32</b>	<b>5,282.85</b>	<b>7,812.91</b>
<b>Total Assets</b>		<b>11,496.25</b>	<b>11,886.50</b>	<b>14,632.60</b>
<b>EQUITY AND LIABILITIES :</b>				
<b>EQUITY</b>				
a) Equity Share Capital	11	690.29	690.29	690.29
b) Other Equity	1A	5,652.10	5,570.52	5,443.96
<b>Total Equity</b>		<b>6,342.40</b>	<b>6,260.81</b>	<b>6,134.25</b>
<b>NON-CURRENT LIABILITIES</b>				
a) Financial Liabilities				
Borrowings	12	1,139.88	2,214.37	2,340.17
b) Provisions	13	106.88	96.77	81.69
c) Deferred Tax Liability (Net)	14	38.12	31.13	15.80
d) Other Non-Current Liabilities	15	130.75	192.80	244.95
<b>Total Non-Current Liabilities</b>		<b>1,415.63</b>	<b>2,535.07</b>	<b>2,682.61</b>
<b>CURRENT LIABILITIES</b>				
a) Financial Liabilities				
i) Borrowings	16	2,332.00	1,567.25	1,633.45
ii) Trade Payables	17	1,101.26	557.50	3,463.90
iii) Other Financial Liabilities	18	93.08	147.33	163.82
b) Other Current Liabilities	19	179.05	803.20	527.96
c) Provisions	13.1	17.88	6.84	8.88
d) Current Tax Liabilities (Net)	20	14.95	8.50	17.73
<b>Total Current Liabilities</b>		<b>3,738.22</b>	<b>3,090.62</b>	<b>5,815.74</b>
<b>Total Equity and Liabilities</b>		<b>11,496.25</b>	<b>11,886.50</b>	<b>14,632.60</b>
<b>Significant Accounting Policies</b>	1			
<b>Notes Forming Part of the Financial Statement</b>	2 to 45			

The Accompanying Notes form an integral part of these Financial Statements.

For and on behalf of the Board of Directors

For SAHA & MAJUMDER

Chartered Accountants

FRN 303087E

Sd/-

**S.N. Bhattacharjee**

Partner

Membership No 010767

Place : Kolkata

Dated : 31st day of May, 2018\*

Sd/-

**Ajit Kumar Agarwala**

Managing Director

DIN : 00265775

Sd/-

**Rajendra Kanodia**

Director & CFO

DIN : 00175574

Sd/-

**Roshan Dave**

Company Secretary

ACS 27185

\* Board Meeting held on 30th May 2018 and continued till 31st May 2018



# STATEMENT OF PROFIT & LOSS for the year ended 31st March, 2018

(` in Lakhs)

	Note No.	For the Period ending on 31st March, 2018	For the Period ending on 31st March, 2017
<b>I INCOME</b>			
Revenue from Operations	21	<b>12,912.10</b>	12962.06
Other Income	22	<b>128.42</b>	161.09
<b>Total Income</b>		<b>13,040.52</b>	13123.15
<b>II EXPENSES</b>			
Cost of material Consumed	23	<b>9,581.50</b>	10117.59
Change in Inventories of Finished Goods, Stock-in-Trade and Work-In-Progress	24	<b>233.23</b>	(167.57)
Excise Duty		<b>4.97</b>	30.71
Employee Benefit Expense	25	<b>600.69</b>	527.42
Finance Costs	26	<b>376.73</b>	400.45
Depreciation and Amortisation Expense	27	<b>160.01</b>	175.81
Other Expenses	28	<b>1,962.04</b>	1857.94
<b>Total Expenses</b>		<b>12,919.17</b>	12942.35
<b>III Profit / (Loss) Before Exceptional Items and Tax (I-II)</b>		<b>121.34</b>	180.80
<b>IV Exceptional Items</b>			-
<b>V Profit / (Loss) Before Tax (III – IV)</b>		<b>121.34</b>	180.80
<b>VI Tax Expense :</b>	29		
(1) Current Tax		<b>22.52</b>	23.98
(2) Deferred Tax		<b>10.16</b>	15.59
<b>VII Profit / (Loss) for the Period (V - VI)</b>		<b>88.66</b>	141.23
<b>VIII Other Comprehensive Income</b>			
(i) Items that will not be Reclassified to Profit or Loss Remeasurement of net Defined Benefit Liability		<b>(10.25)</b>	(0.86)
(ii) Income Tax Relating to Items that will not be Reclassified to Profit or Loss		<b>3.17</b>	0.27
Other Comprehensive Income / (Loss) for the Period		<b>(7.08)</b>	(0.59)
<b>IX Total Comprehensive Income for the Period (VII-VIII)</b>		<b>81.58</b>	140.64
<b>X Earnings Per Equity Share :</b>	30		
(1) Basic		<b>1.29</b>	2.05
(2) Diluted		<b>1.29</b>	2.05
<b>Significant Accounting Policies</b>	1		
<b>Notes Forming Part of the Financial Statement</b>	2 to 45		

The Accompanying Notes form an integral part of these Financial Statements.

For and on behalf of the Board of Directors

For SAHA & MAJUMDER

Chartered Accountants

FRN 303087E

Sd/-

**S.N. Bhattacharjee**

Partner

Membership No 010767

Place : Kolkata

Dated : 31st day of May, 2018\*

\* Board Meeting held on 30th May 2018 and continued till 31st May 2018

Sd/-

**Ajit Kumar Agarwala**

Managing Director

DIN : 00265775

Sd/-

**Rajendra Kanodia**

Director & CFO

DIN : 00175574

Sd/-

**Roshan Dave**

Company Secretary

ACS 27185

# CASH FLOW STATEMENT for the year ended 31st March, 2018

(` in Lakhs)

	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit / (Loss) Before Tax	121.34	180.80
<b>Adjustment to Reconcile Profit Before Tax to Net Cash Flow</b>		
Depreciation	160.01	175.81
Interest Expenses	376.73	400.45
Sundry Balances Written Off	—	—
Provision for Receivables	33.12	12.73
Dividend Received from Investments	(0.05)	(0.61)
Profit on Sale of Investments	(3.46)	(34.59)
Fair Value (Gain) / Loss on Investments	(39.65)	(53.50)
Interest Income	(5.40)	(3.23)
Miscellaneous Adjustment	(10.25)	(14.93)
<b>Operating Profit Before Working Capital Changes</b>	<b>632.40</b>	<b>662.93</b>
<b>Adjustments for :</b>		
(Increase) / Decrease in Trade Receivables	211.92	2,366.81
(Increase) / Decrease in Inventories	227.53	(142.81)
(Decrease) in Trade Payables	543.76	(2,906.40)
(Increase) / Decrease in Loans, Deposits and Other Financial Assets	22.37	437.64
Increase in Other Financial Liabilities	(733.99)	197.37
Increase / (Decrease) in Provisions	21.14	13.05
<b>Cash Generated from Operations</b>	<b>925.13</b>	<b>(34.34)</b>
Interest Paid	(376.73)	(400.45)
Direct Taxes Paid (Net of Refund)	(22.52)	(23.98)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>525.88</b>	<b>204.16</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interest & Dividend Received	5.45	3.83
Profit on Sale of Investments	3.46	34.59
<b>Less:</b>		
Purchase of Property, Plant & Equipment	(147.06)	(67.63)
<b>NET CASH USED FOR INVESTING ACTIVITIES</b>	<b>(141.73)</b>	<b>(23.02)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of Non-Current Borrowings	(309.73)	(192.00)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>(309.73)</b>	<b>(192.00)</b>
<b>D. NET CHANGES IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>74.42</b>	<b>(10.86)</b>
<b>E. CASH &amp; CASH EQUIVALENTS-OPENING BALANCE</b>	<b>49.48</b>	<b>60.34</b>
<b>F. CASH &amp; CASH EQUIVALENTS-CLOSING BALANCE</b>	<b>123.90</b>	<b>49.48</b>

**Notes:**

- The Figures in bracket indicates outflows.
- The above cash flow has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS)7- Statement of Cash Flows.

The above standalone statement of cashflow should be read in conjunction with the accompanying notes.

For and on behalf of the Board of Directors

For **SAHA & MAJUMDER**

Chartered Accountants

FRN 303087E

Sd/-

**S.N. Bhattacharjee**

Partner

Membership No 010767

Place : Kolkata

Dated : 31st day of May, 2018\*

\* Board Meeting held on 30th May 2018 and continued till 31st May 2018

Sd/-

**Ajit Kumar Agarwala**

Managing Director

DIN : 00265775

Sd/-

**Rajendra Kanodia**

Director & CFO

DIN : 00175574

Sd/-

**Roshan Dave**

Company Secretary

ACS 27185

# Notes to Financial Statements (Contd.)

(` in Lakhs)

## Statement of Changes in Equity for the year ended 31st March, 2018

### (A) EQUITY SHARE CAPITAL

Particulars	No. of shares	` in Lakhs
Equity shares of ` 10 each issued, subscribed & Fully Paid <b>As at 1st April 2016</b>	68,79,300	687.93
Issue of share capital <b>As at 31st March 2017</b>	68,79,300	687.93
Issue of share capital <b>As at 31st March 2018</b>	68,79,300	687.93

### NOTE : 1A

### (B) OTHER EQUITY

(` in lakhs)

Particulars	Reserves and Surplus				Other Comprehensive Income	Total Other Equity
	Securities Premium	Retained Earnings	General Reserve	Share Forfeiture Amount		
<b>Balance as at 1st April, 2016</b>	764.56	4,621.60	49.88	9.45	(1.53)	<b>5,443.96</b>
Profit for the Year		141.23				<b>141.23</b>
Reversal of fair valuation of mutual fund due to reclassification from non current to current	--	(14.07)	--	--	--	<b>(14.07)</b>
Other Comprehensive Income					(0.59)	<b>(0.59)</b>
Total Comprehensive Income for the year	--	127.16	--	--	(0.59)	<b>126.57</b>
<b>Balance at 31st March, 2017</b>	764.56	4,748.76	49.88	9.45	(2.12)	<b>5,570.52</b>
<b>Balance at 1st April, 2017</b>	764.56	4,748.76	49.88	9.45	(2.12)	<b>5,570.52</b>
Profit for the year	--	88.66	--	--	--	<b>88.66</b>
Other Comprehensive Income	--	--	--	--	(7.08)	<b>(7.08)</b>
Total Comprehensive Income for the year	--	88.66	--	--	(7.08)	<b>81.58</b>
<b>Balance at 31st March, 2018</b>	<b>764.56</b>	<b>4,837.42</b>	<b>49.88</b>	<b>9.45</b>	<b>(9.20)</b>	<b>5,652.10</b>

The accompanying Notes form an integral part of these Financial Statements.  
As per our report of even date attached.

For and on behalf of the Board of Directors

For **SAHA & MAJUMDER**

Chartered Accountants

FRN 303087E

Sd/-

**S.N. Bhattacharjee**

Partner

Membership No 010767

Place : Kolkata

Dated : 31st day of May, 2018\*

Sd/-

**Ajit Kumar Agarwala**

Managing Director

DIN : 00265775

Sd/-

**Rajendra Kanodia**

Director & CFO

DIN : 00175574

Sd/-

**Roshan Dave**

Company Secretary

ACS 27185

\* Board Meeting held on 30th May 2018 and continued till 31st May 2018

# Notes to Financial Statements

## Corporate Information

**Terai Tea Company Limited** (the “Company”) is a Public Limited Company Incorporated and domiciled in India and has its registered office at 10, Government Place (East), 1st Floor, Kolkata - 700 069, India. The Company is listed on the BSE Limited, Calcutta Stock Exchange Limited, Ahmedabad Stock Exchange Limited and Jaipur Stock Exchange Limited. The company is engaged mainly in production and Distribution of tea and trading in Agri merchandise.

The Financial Statements for the year ended March 31, 2018 were approved by the Board of Directors and authorised for issue on 30th May 2018.

## NOTE : 1 SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

### a) Statement of Compliance

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under the companies (Indian Accounting Standards) Rules, 2015 as amended by companies (Indian Accounting Standards) (Amendment) Rules, 2016, the relevant provisions of Companies Act, 2013 (“the Act”)

The financial statements up to year ended 31 March 2017 were prepared in accordance with the accounting standards notified under the section 133 of the Companies Act, 2013 read together with Rule 7 of Companies (Accounts) rule 2014, (Indian GAAP).

The transition from Previous GAAP to Ind AS has been accounted for in accordance with Ind AS 101 “First Time Adoption of Indian Accounting Standard” with April 1, 2016 being the transition date.

In accordance with Ind AS 101 “First Time Adoption of Indian Accounting Standard” the Company has presented a reconciliation from the presentation of final statements under accounting standards notified under the Companies Accounting Standard Rules, 2006 i.e. “Previous GAAP” to Ind AS of total equity as at April 1, 2016 and March 31, 2017, total comprehensive income and cash flow for the year ended March 31, 2017.

The financial statements are presented in Indian Rupees except otherwise indicated.

### b) Basis of Preparation

The Financial Statements of the Company have been prepared on historical cost convention under accrual method of accounting and as a going concern concept except for certain assets and liabilities which are measured at fair values as required by Ind AS.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities have been classified as per the Company’s normal operating cycle and the other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. The Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

### c) Use of Estimates

In preparation of the financial statements, the Company makes judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, and future periods affected.

### d) Property, Plant and Equipment

An item of property, plant and equipment is recognised as an asset if it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. This recognition principle is applied to the costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognised in the statement of profit and loss as incurred. When a replacement occurs, the carrying value of the replaced part is de-recognised. Where an item of property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items.

# Notes to Financial Statements (Contd.)

Property, plant and equipment including bearer assets are stated at historical cost of acquisition less accumulated depreciation and impairment loss, if any. Historical cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use. Borrowing costs incurred during the period of construction is capitalised as part of cost of the qualifying assets.

The gain or loss arising on disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in the statement of profit and loss.

For transition to Ind AS, the Company has elected to take fair value as deemed cost for land and for all other property, plant and equipment has elected to continue with the carrying value and use that carrying value as the deemed cost.

## (i) Depreciation

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a written down value basis over the useful lives as prescribed under Schedule II to the Companies Act, 2013. Land is not depreciated

Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which PPE is expected to be available for use by the Company, or the number of production or similar units expected to be obtained from the asset by the Company.

Depreciation on additions is provided on a pro-rata basis from the month of installation or acquisition. Depreciation on deductions/disposals is provided on a pro-rata basis up to the month preceding the month of deduction/disposal.

## (ii) Biological Assets

Biological assets are classified as bearer biological assets and consumable biological assets. Consumable biological assets are those that are to be harvested as agricultural produce. Bearer biological assets which are held to bear agricultural produce are classified as bearer plants.

The Company recognises Tea bushes and shade trees as bearer plant, bearer plants with further classification as mature bearer plants and immature bearer plants. Mature bearer plants are those that have attained harvestable stage.

Bearer assets are carried at historical cost of acquisition less accumulated depreciation and impairment loss, if any. Subsequent expenditure on bearer assets are added to its book value only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Cost incurred for new plantations and immature areas are capitalised. The cost of immature areas coming into bearing is transferred to mature plantations and depreciated over their estimated useful life which has been ascribed to be in the range of 90 years.

Tea is designated as agricultural produce at the point of harvest and is measured at their fair value less cost to sell as at each reporting date. Any changes in fair value are recognised in the statement of profit and loss in the year in which they arise.

## e) Assets Held for Sale And Disposal

Non-current assets held for sale and disposal are presented separately in the balance sheet when the following criteria are met:

- the company is committed to Sale the asset;
- the assets are available for sale immediately;
- an active plan of sale has commenced; and
- sale is expected to be completed within 12 months

Assets held for sale and disposal groups are measured at the lower of their carrying amount and fair value less cost to sell. Assets held for sale are no longer amortised or depreciated.

## f) Impairment of Non-Financial Assets

The Company assesses at each reporting date whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating unit may be impaired. If any such indication exists,

# Notes to Financial Statements (Contd.)

the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed, and the asset is reflected at the recoverable amount.

## **g) Inventories**

Raw Materials Traded, and Finished Goods are stated at the lower of cost and net realisable value.

Stores and spares are carried at cost. Provision is made for obsolete, slow-moving and defective stocks, where necessary.

Cost is determined on weighted average method for all categories of inventories other than for stores and spares and auction/private bought teas in which case, cost is determined on FIFO basis and cost is considered as actual cost for each lot respectively. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its present location and condition, where applicable, include appropriate overheads based on normal level of activity. Provision is made for obsolescence and other anticipated losses wherever considered necessary

## **h) Borrowing Costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale and borrowing costs are being incurred. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

## **i) Foreign Currency Transactions and Translations**

Items included in the financial statements are measured using the currency of the primary economic environment in which the company operates (the functional currency). The company's financial statements are presented in Indian rupee (INR), which is also the company's presentation and financial currency. These financial statements are presented in Indian rupees.

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in net profit in the statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cashflow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

## **j) Provisions, Contingent liabilities and Contingent Assets**

Provisions are recognised when there is a present obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made. Provisions are not discounted to its present value and are determined based on the best estimate required to settle the obligation at each Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the best current estimate.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

# Notes to Financial Statements (Contd.)

## k) Government Grant

Government grants including any non-monetary grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with.

Government grants are recognised in the statement of profit and loss on a systematic basis over the periods in which the related costs, for which the grants are intended to compensate, are recognised as expenses. Government grants related to property, plant and equipment are presented at fair value and are recognised as deferred income.

### (i) Revenue Recognition

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and specifics of each arrangement. Revenue is measured at the fair value of the consideration received or receivables.

The specific recognition criteria described below must also be met before revenue is recognized:

## l) (i) Sale of Goods

Revenue from sale of goods in the course of ordinary activities is recognized when all significant risks and rewards of their ownership are transferred to the customer as per the terms of contract and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods and its consideration. Revenue is measured at fair value of consideration received or receivable and includes excise duty till the applicability of the Act and are net of returns and allowances, discounts, volume rebates and sales tax.

### (ii) Interest Income

Income from interest on deposits, loan and interest-bearing securities is recognised on a time Proportion basis taking into account the underlying interest rate.

### (iii) Dividend income

Dividend income is recognised at the time when right to receive the payment is established, which is generally, when the shareholders approve the dividend.

## m) Leases

Leases under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments under operating leases are recognized as an expense on a straight-line basis in net profit in the Statement of Profit & Loss over lease term.

## n) Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities (including MAT) attributable to temporary differences and to unused tax losses.

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at reporting date. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. MAT is recognised as deferred tax assets in the Balance Sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

# Notes to Financial Statements (Contd.)

## **o) Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

## **p) Financial Instruments**

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

### **Financial Assets :**

#### **(i) Initial Recognition**

All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction cost that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition

#### **(ii) Classification and Subsequent Measurement: Financial Assets**

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- entity's business model for managing the financial assets and
- contractual cash flow characteristics of the financial asset.

#### **(iii) Trade Receivables**

A Receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Impairment is made on the expected credit losses, which are the present value of the expected cash shortfalls over the life of financial assets. The estimated impairment losses are recognised in a separate provision for impairment and the impairment losses are recognised in the Statement of Profit and Loss within other expenses.

Subsequent changes in assessment of impairment are recognised in provision for impairment and the change in impairment losses are recognised in the Statement of Profit and Loss within other expenses.

#### **(iv) Debt Instruments**

##### **Amortised Cost**

A financial asset is subsequently measured at amortise cost, if the financial asset is held within a business model, whose objective is to hold the asset in order to collect contractual cash flow and the contractual term of financial asset give rise on specified date to cash flow that are solely payment of principal and interest on principal amount outstanding.

##### **Fair Value Through Other Comprehensive Income**

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

##### **Fair Value Through Profit or Loss**

A financial asset is classified and measured at fair value through profit or loss unless it is measured at amortised cost or at fair valuethrough OCI.



# Notes to Financial Statements (Contd.)

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

## (v) Equity Instruments

All investments in equity instruments classified under financial assets are measured at fair value. The company has measured quoted equity instruments and unquoted mutual fund investment at fair value through profit and loss.

## Financial Liabilities :

### (i) Initial Recognition

Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest method.

### (ii) Classification and Subsequent Measurement: Financial liabilities

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

### (iii) Impairment of Financial Assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. The Company recognises a loss allowance for expected credit losses on financial asset. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

### (iv) Derecognition of Financial Instruments

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the contractual rights to receive the cash flows from the asset.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

### (v) Off Setting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

## q) Fair Value Measurements

The Company measures financial instruments at fair value at each balance sheet date.

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

In the principal market for the asset or liability.

Or

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

The principal or the most advantageous market must be accessible by the Company.

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

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

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

# Notes to Financial Statements (Contd.)

Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

## r) **Employee Benefits :**

### (i) **Defined Contributions Plan**

Contributions to defined contribution schemes such as employees' state insurance, labour welfare fund, superannuation scheme, employee pension scheme etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

### (ii) **Defined Benefit Plans**

The Company's Liabilities on account of Gratuity and Earned Leave on retirement of employees are determined at the end of each financial year on the basis of actuarial valuation certificates obtained from Registered Actuary in accordance with the measurement procedure as per Indian Accounting Standard (Ind AS) -19., 'Employee Benefits'. The gratuity liability is covered through a policy taken by a trust established under the group gratuity scheme with Life Insurance Corporation of India (LIC). The costs of providing benefits under these plans are also determined on the basis of actuarial valuation at each year end. Actuarial gains and losses for defined benefit plans are recognized through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

The Defined Benefit Plan can be short term or Long terms which are defined below:

### (iii) **Short Term Employee benefit**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefits obligations in the balance sheet.

### (iv) **Long Term Employee Benefits**

Compensated absences which are not expected to occur within 12 months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the balance sheet date.

## s) **Segment Reporting**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's chief operating decision maker to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the chief operating decision maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

## t) **Borrowings**

Borrowings are measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the

# Notes to Financial Statements (Contd.)

reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

## u) Earnings Per Share

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity 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 for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

## v) Investment in Associates

Investment in subsidiary is shown at deemed cost. Further where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss, if any. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of profit and loss, if any.

## w) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with the financial institutions, other short term, highly liquid investments with original maturities of three months or less (except the instruments which are pledged) that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

## x) Recent Accounting Pronouncements

**Ind AS 12 - Income Taxes:** The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after 1 April 2018. These amendments are not expected to have any impact on the Company as the Company has no deductible temporary differences or assets that are in the scope of the amendments.

**Ind AS 115- Revenue from Contract with Customers:** On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

**Retrospective approach -** Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors;

**Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)** The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

Notes to Financial Statements for the year ended 31st March, 2018 (Contd.)

NOTE - 2 : PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR 2017-18

( ` In Lakhs)

Description	Gross Block			Accumulated Depreciation			Net Block	Net Block	
	31st March 2017	Additions	Disposals/ Adjustments	31st March 2018	31st March 2017	Additions	Disposals/ Adjustments	31st March 2018	31st March 2017
Freehold Land	2,581.86	—	—	2,581.86	—	—	—	—	2,581.86
Buildings	775.02	9.18	—	784.20	51.47	48.13	—	99.60	723.55
Plant & Machinery	584.07	47.62	—	631.68	81.17	70.24	—	151.41	502.89
Furniture & Fixtures	41.27	115.98	—	157.25	8.24	8.85	—	17.09	33.03
Motor Vehicles	21.12	—	—	21.12	5.92	3.92	—	9.84	15.20
Office Equipment	3.13	0.44	—	3.57	0.77	0.70	—	1.47	2.36
Computer and Data Processing Units	3.94	1.07	—	5.02	1.14	1.08	—	2.22	2.80
Bearer Plants	1,493.98	12.43	—	1,506.40	27.09	27.09	—	54.18	1,466.89
Total	5,504.38	186.72	—	5,691.10	175.80	160.01	—	335.82	5,328.58

PROPERTY, PLANT AND EQUIPMENTS FOR YEAR 2016-17

Description	Gross Block			Accumulated Depreciation			Net Block	Net Block	
	Deemed Cost as on 1st Apr 2016	Additions	Disposals/ Adjustments	31 March 2017	1st April 2016	Additions	Disposals/ Adjustments	31 March 2017	1st April 2016
Freehold Land	2,581.86	—	—	2,581.86	—	—	—	—	2,581.86
Buildings	775.02	—	—	775.02	—	57.56	6.10	51.47	775.02
Plant & Machinery	581.87	2.20	—	584.07	—	87.07	5.90	81.17	581.87
Furniture & Fixtures	37.68	3.59	—	41.27	—	8.24	—	8.24	37.68
Motor Vehicles	21.12	—	—	21.12	—	5.92	—	5.92	21.12
Office Equipment	2.69	0.44	—	3.13	—	0.77	—	0.77	2.69
Computer and Data Processing Units	3.58	0.37	—	3.94	—	1.14	—	1.14	3.58
Bearer Plants	1,477.09	16.88	—	1,493.97	—	27.09	—	27.10	1,477.09
Total	5,480.91	23.48	—	5,504.38	—	187.80	12.00	175.80	5,328.58

2.1. CAPITAL WORK -IN- PROGRESS FOR THE YEAR 2017-18

Description	Gross Block			Accumulated Depreciation			Net Block	Net Block	
	31 March 2017	Additions	Disposals/ Adjustments	31 March 2018	31 March 2017	Additions	Disposals/ Adjustments	31 March 2018	31 March 2017
Machinery under erection	46.07	6.41	46.07	6.41	—	—	—	—	46.07

2.1. CAPITAL WORK -IN- PROGRESS FOR THE YEAR 2016-17

Description	Gross Block			Accumulated Depreciation			Net Block	Net Block	
	Deemed Cost as on 1st April 2016	Additions	Disposals/ Adjustments	31 March 2017	1st April 2016	Additions	Disposals/ Adjustments	31 March 2017	1st April 2016
Building under construction	1.92	44.15	—	46.07	—	—	—	—	1.92

# Notes to Financial Statements (Contd.)

(` in Lacs)

## NOTE - 3 : FINANCIAL ASSETS - Investments

### Non-Current Investments (valued at lower of cost and fair value, unless stated otherwise)

	Face Value	31st March, 2018		31st March, 2017		1st April 2016	
		No. of Shares/Units	Amount	No. of Shares/Units	No. of Amount	Shares/Units	Amount
(a) Investment measured at Fair Value through Profit and Loss							
Quoted							
Equity Instruments							
BAJAJ HINDUSTAN SUGAR LTD.	1	4,000	0.35	4,000	0.53	4,000	0.80
CENTRAL BANK OF INDIA	10	2,388	1.73	2,388	2.53	2,388	1.77
IFCI LTD.	10	2,000	0.39	2,000	0.59	2,000	0.49
JAYSHREE TEA AND INDUSTRIES LTD.	5	1,000	0.86	1,000	1.09	1,000	0.82
			3.33		4.75		3.88
Unquoted							
Investment in Mutual Funds							
BOI AXA CAPITAL PROTECTION ORIENTED FUND		499,990	54.85	4,99,990	51.81	4,99,990	49.23
HDFC CAPITAL PROTECTION ORIENTED FUND		-	-	-	-	3,18,148	35.40
ICICI PRU. CAP. PROTECTION ORIENTED FUND		-	-	-	-	2,47,800	28.05
ICICI PRUDENTIAL MYF SERIES 7-1100D		-	-	-	-	6,86,906	76.02
			54.85		51.81		188.69
Total (a)			58.18		56.56		192.57
(b) Investment Measured at Cost / Deemed Cost							
Unquoted							
Equity Instruments							
Investment in Associates							
ABHIJIT TEA CO. PVT. LTD.	100	7,338	332.40	7,338	332.40	7,338	332.40
AMIT PARIDHAN PVT. LTD.	10	175,000	3.10	1,75,000	3.10	1,60,000	1.60
EAST INDIAN PRODUCE LTD.	10	63,380	44.22	63,380	44.22	63,380	44.22
JALDACCA TEA PLANTATIONS PVT. LTD.	1,000	850	43.13	850	43.13	850	43.13
NEW DARJEELING UNION TEA CO. LTD.	25	17,085	124.76	17,085	124.76	11,085	123.26
SAYEDABAD TEA CO. LTD.	10	15,070	1.51	15,070	1.51	15,070	1.51
TERAI TEA RESORTS LTD.	10	20,000	0.91	20,000	0.91	20,000	0.91
TERAI DOOARS TEA CO. PVT. LTD.	10	262,500	24.23	2,62,500	24.23	2,62,500	24.23
TERAI FINANCIAL SERVICES PVT. LTD.	10	22,554	0.23	22,554	0.23	22,554	0.23
TERAI INFRASTRUCTURES LTD.	10	26,09,500	21.45	26,09,500	21.45	26,09,500	21.45
TERAI ISPAT & TRADING PVT. LTD.	10	7,01,273	22.83	7,01,273	22.83	7,01,273	22.83
TERAI OVERSEAS PVT. LTD.	10	3,17,460	28.70	3,17,460	28.70	3,17,460	28.70
THE KHARIBARI TEA COMPANY LTD.	10	96,937	44.22	96,937	44.22	96,937	44.22
Investment in Others							
TECHNO STEEL INDIA PVT. LTD.	50	2,500	1.25	2,500	1.25	2,500	1.25
DECCAN TRADE LINK PVT. LTD.	10	1,35,000	13.50	1,35,000	13.50	-	-
ELECOM COMMERCIAL PVT. LTD.	10	90,000	9.00	90,000	9.00	-	-
Total (b)			715.42		715.42		689.92
Total (a+b)			773.60		771.98		882.49
Aggregate amount of unquoted investment			770.27		767.23		878.62
Aggregate amount and market value of Quoted investment			3.33		4.75		3.88

# Notes to Financial Statements (Contd.)

(` in Lacs)

## NOTE - 4 : FINANCIAL ASSETS - LOANS

	31-03-2018 Long-term	31-03-2017 Long-term	01-04-2016 Long-term	31-03-2018 Short-term	31-03-2017 Short-term	01-04-2016 Short-term
<b>(Unsecured, considered good unless otherwise stated)</b>						
Security Deposits	8.90	8.90	8.90	-	-	-
Other Loans	-	-	-	2.07	3.20	3.92
	<b>8.90</b>	8.90	8.90	<b>2.07</b>	3.20	3.92

## NOTE - 5 : FINANCIAL ASSETS – OTHER FINANCIAL ASSETS

	31-03-2018 Long-term	31-03-2017 Long-term	01-04-2016 Long-term	31-03-2018 Short-term	31-03-2017 Short-term	01-04-2016 Short-term
<b>(Unsecured, considered good unless otherwise stated)</b>						
Grants Receivable	67.15	67.15	67.15	5.97	17.75	17.75
Interest Receivables	-	-	-	3.01	4.87	3.39
Bank Deposits for Maturity more than 12 months	43.05	40.11	40.11	-	-	-
Others *	9.00	9.00	9.65	786.87	747.69	478.74
	<b>119.20</b>	116.26	116.91	<b>795.85</b>	770.31	499.88

\* Others includes insurance claim and other receivables

## NOTE - 6 : OTHER ASSETS

	31-03-2018 Long-term	31-03-2017 Long-term	01-04-2016 Long-term	31-03-2018 Short-term	31-03-2017 Short-term	01-04-2016 Short-term
<b>(Unsecured, considered good unless otherwise stated)</b>						
Gold and Silver	144.04	144.04	140.74	-	-	-
Advances Against Supply of Goods and Services	7.57	10.57	10.57	1,492.86	1,553.59	2,261.56
Security Deposits	1.61	1.78	1.78	-	-	-
Prepaid Expenses	-	-	-	6.88	4.87	6.86
Balances with Statutory Authorities	-	0.40	0.40	11.21	0.89	0.94
Assets Held for Investment	14.45	14.45	14.45	-	-	-
Assets Held for Sale	103.26	103.26	103.26	-	-	-
Advance Against Land	59.60	57.36	57.36	-	-	-
	<b>330.53</b>	331.86	328.56	<b>1,510.95</b>	1,559.35	2,269.36

## NOTE - 7 : INVENTORIES

(Valued at Lower of Cost or NRV, Unless Otherwise Stated)

	31 March 2018	31 March 2017	01 April 2016
Raw Materials	--	--	1.73
Finished Goods	524.17	757.39	589.83
Stores & Spare Parts (at cost)	96.40	90.70	113.72
	<b>620.57</b>	848.09	705.28

# Notes to Financial Statements (Contd.)

(` in Lacs)

## NOTE - 8 : CURRENT INVESTMENTS

Particulars	Face Value	31 March 2018		31 March 2017		01st April 2016	
		No. of Shares/ Units	Amount Lakhs	No. of Shares/ Units	Amount Lakhs	No. of Shares/ Units	Amount Lakhs
<b>Investment Measured At Fair Value Through Profit And Loss</b>							
<b>Quoted :</b>							
<b>Equity Instruments :</b>							
Bharat Heavy Electricals Limited	2	2,500	2.03	2,500	2.72	2,500	1.90
GOL Offshore Limited	10	5,000	4.32	5,000	0.77	5,000	2.09
Hindalco Industries Limited	1	-	-	-	-	20,000	17.58
Hotel Leela Venture Limited	2	5,000	0.86	5,000	0.82	5,000	0.90
Tata Steel Limited	10	-	-	4,600	22.20	4,600	14.70
Uco Bank	10	5,000	0.99	5,000	1.65	5,000	1.78
United Bank Of India	10	70,000	8.86	70,000	16.17	70,000	13.34
Varun Shipping Company Limited	10	5,000	0.34	5,000	0.67	5,000	0.67
<b>Total (A)</b>			<b>17.40</b>		<b>45.00</b>		<b>52.96</b>
<b>Unquoted :</b>							
<b>Investment In Mutual Funds :</b>							
DSP BR Dynamic Asset Allocation Fund		-	-	-	-	6,63,236	78.34
DSP BR Income Opportunity Fund		1,89,421.20	54.17	189,421.21	50.91	2,74,013	67.07
HSBC MIP Savings Plan		-	-	-	-	1,86,317	55.35
Kotak Income Opportunities Fund (Growth)		2,83,992.50	54.27	283,992.48	50.96	3,72,461	60.76
ICICI Pru Balanced Advantage Fund		-	-	-	-	2,70,005	69.23
ICICI Pru Regular Savings Fund		-	-	-	-	2,54,343	40.16
ICICI Regular Savings Fund		-	-	-	-	1,64,400	25.96
Reliance Regular Savings Fund		9,50,848.00	244.45	901,607.57	204.12	2,42,507	69.99
J M Agri & Infra Fund		-	-	-	-	2,50,000	8.86
Reliance Dynamic Bond Fund		-	-	-	-	3,14,468	63.09
Baroda Pioneer Credit Fund		4,10,128.50	55.24	410,128.53	51.39	-	-
HDFC Capital Protection Oriented Fund		-	-	318,147.64	38.05	-	-
ICICI Pru. Cap. Protection Oriented Fund		-	-	247,800.00	31.27	-	-
ICICI Prudential MYF Series 7-1100d		-	-	686,906.15	84.25	-	-
ICICI Prudential MIP Growth		1,43,736.00	56.60	143,736.00	52.47	-	-
SBI Corporate Bond Fund		1,94,848.20	54.42	194,848.21	51.07	-	-
SBI Magnum MIP RP (G)		1,07,273.00	40.85	107,273.00	39.01	-	-
UTI Mutual Fund		3,43,704.00	54.48	343,704.00	51.09	-	-
ICICI Prudential Equity Income Fund-regular		2,48,997.20	31.90	-	-	-	-
HDFC MIP - Long Term Plan		89,231.10	38.56	-	-	-	-
ICICI Prudential MIP-25 Direct Plan (G)		2,16,670.40	88.86	-	-	-	-
<b>Total (B)</b>			<b>773.80</b>		<b>704.60</b>		<b>538.81</b>
<b>Total (A+B)</b>			<b>791.20</b>		<b>749.59</b>		<b>591.77</b>
<b>Aggregate Amount of Unquoted Investment</b>			<b>773.80</b>		<b>704.60</b>		<b>538.82</b>
<b>Aggregate Amount and Market Value of Quoted Investment</b>			<b>17.39</b>		<b>45.00</b>		<b>52.94</b>

# Notes to Financial Statements (Contd.)

(` in Lacs)

## NOTE - 9 : TRADE RECEIVABLES

(Unsecured, considered good unless otherwise stated)

Particulars	31 March 2018	31 March 2017	01 April 2016
Considered Good	1,090.91	1,315.56	3,707.70
Less: Provision for impairment	33.12	12.73	25.34
	1,057.78	1,302.83	3,682.36

## NOTE - 10 : CASH AND CASH EQUIVALENTS

Particulars	31 March 2018	31 March 2017	01 April 2016
Balances with Banks	103.07	6.38	5.31
Cash on Hand	20.83	43.09	55.03
	123.90	49.48	60.34

## NOTE - 11 : EQUITY SHARE CAPITAL

Particulars	31 March 2018	31 March 2017	1 April 2016
<b>Authorised Capital :</b>			
1,00,00,000 Equity Shares of ` 10 each	1,000.00	1,000.00	1,000.00
	1,000.00	1,000.00	1,000.00
<b>Issued and Subscribed Capital :</b>			
68,79,300 Equity Shares of ` 10 each	687.93	687.93	687.93
<b>Paid-up Capital :</b>			
Fully paid up shares 68,79,300 equity shares of ` 10 each	687.93	687.93	687.93
Add : Shares Forfeited	2.36	2.36	2.36
	690.29	690.29	690.29

### a) Reconciliation of Number of Shares

Particulars	31 March 2018	31 March 2017	1 April 2016
Shares At the Beginning of the Reporting Year	6,879,300	6,879,300	6,879,300
Changes During the Reporting Year	---	---	---
Shares at the closing of the reporting year	68,79,300	68,79,300	68,79,300

### b) Rights / Preferences / Restrictions Attached to Equity Shares

The Company has only one class of equity shares having a par value of ` 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

### c) Details of shareholders holding more than 5% shares in the Company

Particulars	As on 31 March 2018		As on 31 March 2017	
	No of shares	% holding	No of shares	% holding
<b>Equity shares of ` 10 each fully paid up</b>				
Ajit Kumar Agarwala	25,76,800	37.46%	25,76,800	37.46%
Shashikala Agarwala	18,98,800	27.60%	18,98,800	27.60%
Abhijit Tea Company Private Limited	4,70,000	6.83%	4,70,000	6.83%



# Notes to Financial Statements (Contd.)

(` in Lacs)

## NOTE - 12 : BORROWINGS - NON-CURRENT LIABILITIES

Particulars	31 March 2018	31 March 2017	1 April 2016
<b>Secured</b>			
Term loans from banks (INR loan)	1,232.97	2,349.70	2,503.99
Less: Current Maturities of Long Term debt	93.08	147.33	163.82
<b>Unsecured</b>			
From Corporates	--	12.00	--
	<b>1,139.88</b>	<b>2,214.37</b>	<b>2,340.17</b>

### Repayment terms and security disclosure for the outstanding long-term borrowings (excluding current maturities)

Type of Loan	Loan Amount	Repayment Schedule	Security
Term Loan from Corp. Bank	` 39.88 Lakhs	Repayable in 4 equal quarterly installments of ` 10 Lakhs - final payment in 2019-20	Secured against Equitable Mortgage of Company's immovable land & building of one unit and hypothecation of current assets of the same unit ranking pari passu with working capital.
Term Loan	` 1,100 Lakhs	Repayment of the principal amount at the end of 18 months	Negative Lien on certain immovable property and Letter of comfort of Abhijit Tea Company Private Limited, subservient charge on entire current assets of the Company & personal guarantee of Sri Ajit Kr Agarwal and Smt. Shashi Kala Agarwal, Directors.

The rate of interest on the above loans are in the range of 8.45% to 8.95%.

## NOTE - 13 : PROVISIONS - NON-CURRENT LIABILITIES

	31 March 2018	31 March 2017	1 April 2016
Provision for Gratuity	106.88	96.77	81.69
	<b>106.88</b>	<b>96.77</b>	<b>81.69</b>

## NOTE - 13.1 : PROVISIONS - CURRENT LIABILITIES

	31 March 2018	31 March 2017	1 April 2016
Provision for Gratuity	17.88	6.84	8.88
	<b>17.88</b>	<b>6.84</b>	<b>8.88</b>

## NOTE - 14 : DEFERRED TAX LIABILITY (NET) - NON-CURRENT LIABILITIES

	31 March 2018	31 March 2017	1 April 2016
<b>Deferred Tax Liability Arising on Account Of :</b>			
- Difference in tax base of property , plant and equipment	68.31	64.38	65.80
- Fair Valuation of mutual funds through Profit and loss	18.66	13.05	17.25
- Other taxable temporary difference	--	--	--
<b>Deferred Tax Asset Arising on Account Of :</b>			
- Fair Valuation of equity instruments through Profit and loss	22.85	22.00	31.33
- Impairment of trade receivables as per ECL model	10.24	3.93	7.83
- Other taxable temporary difference	15.77	20.37	28.09
	<b>38.12</b>	<b>31.13</b>	<b>15.80</b>

## NOTE - 15 : OTHER NON-CURRENT LIABILITIES

	31 March 2018	31 March 2017	1 April 2016
Deferred Income	130.75	192.80	244.95
Total	<b>130.75</b>	<b>192.80</b>	<b>244.95</b>

# Notes to Financial Statements (Contd.)

(` in Lacs)

## NOTE - 16 : FINANCIAL LIABILITIES - CURRENT BORROWINGS

	31 March 2018	31 March 2017	1 April 2016
<b>Secured</b>			
Working Capital Borrowings from Banks	2,332.00	1,567.25	1,633.45
<b>Total</b>	<b>2,332.00</b>	<b>1,567.25</b>	<b>1,633.45</b>

Working capital borrowings from Banks are secured by first charge by way of hypothecation over entire current assets of the respective units/ tea estate of the Company as primary security and equitable mortgage of immovable properties of company's units/ tea estate. Rate of interest on Working Capital Loans ranges from 8.90% to 9.50% p.a..

## NOTE - 17 : TRADE PAYABLES - CURRENT

	31 March 2018	31 March 2017	1 April 2016
Due to Micro, Small and Medium Enterprises	--	--	--
Due to others	1,101.26	557.50	3,463.90
<b>Total</b>	<b>1,101.26</b>	<b>557.50</b>	<b>3,463.90</b>

## NOTE - 18 : OTHER FINANCIAL LIABILITIES - CURRENT

	31 March 2018	31 March 2017	1 April 2016
Current Maturities of Long Term Debts	93.08	147.33	163.82
<b>Total</b>	<b>93.08</b>	<b>147.33</b>	<b>163.82</b>

## NOTE - 19 : OTHER CURRENT LIABILITIES

	31 March 2018	31 March 2017	1 April 2016
Statutory & Other Dues Payable	26.90	4.75	4.18
Liability For Expenses And Goods	151.36	160.81	125.41
Advance From Debtors	0.79	637.64	398.37
<b>Total</b>	<b>179.05</b>	<b>803.20</b>	<b>527.96</b>

## NOTE - 20 : CURRENT TAX LIABILITIES (NET)

	31 March 2018	31 March 2017	1 April 2016
Provision for Income Tax (Net of Advance)	14.95	8.50	17.73
<b>Total</b>	<b>14.95</b>	<b>8.50</b>	<b>17.73</b>

## NOTE - 21 : REVENUE FROM OPERATIONS

	31 March 2018	31 March 2017
<b>Operating Revenue :-</b>		
Sale of Products	12,912.10	12,962.06
<b>Total</b>	<b>12,912.10</b>	<b>12,962.06</b>

## NOTE - 22 : OTHER INCOME

	31 March 2018	31 March 2017
Interest on Bank Deposits	1.83	3.18
Interest on Loans and deposits	3.56	0.04
Profit on Sale of Mutual Funds	0.28	13.40
Profit on Sale of Shares	3.18	21.19
Government Grant	51.44	52.15
Gain / (Loss) on Fair Valuation of Shares	(6.82)	10.50
Gain on Fair Valuation of Mutual Fund	46.47	42.99
Rental Income	10.31	12.94
Dividend	0.05	0.61
Miscellaneous Income	18.12	4.07
	<b>123.03</b>	<b>157.85</b>
<b>Total</b>	<b>128.42</b>	<b>161.07</b>

# Notes to Financial Statements (Contd.)

(` in Lacs)

## NOTE - 23 : COST OF MATERIAL CONSUMED

	31 March 2018	31 March 2017
Purchases	2,610.46	3,370.61
Purchases of Traded Goods	6,971.04	6,746.98
<b>Total</b>	<b>9,581.50</b>	<b>10,117.59</b>

## NOTE - 24 : CHANGES IN INVENTORIES

	31 March 2018	31 March 2017
<b>Inventories at the Beginning of The Year</b>		
Work-in-Progress	-	-
Finished Goods	757.39	589.83
	<b>757.39</b>	<b>589.83</b>
<b>Inventories at the End of The Year</b>		
Work-in-Progress	-	-
Finished Goods	524.17	757.39
	<b>524.17</b>	<b>757.39</b>
<b>Total</b>	<b>233.23</b>	<b>(167.57)</b>

## NOTE - 25 : EMPLOYEE BENEFITS EXPENSE

	31 March 2018	31 March 2017
Salaries, Wages and Bonus	572.11	501.91
Contribution to Provident and Other Funds	21.65	21.82
Staff Welfare	6.93	3.68
<b>Total</b>	<b>600.69</b>	<b>527.42</b>

## NOTE - 26 : FINANCE COSTS

	31 March 2018	31 March 2017
Interest Expense on		
– Borrowings	366.45	387.50
– Others	0.14	0.20
– Other Borrowing Costs	10.14	12.75
<b>Total</b>	<b>376.73</b>	<b>400.45</b>

## NOTE - 27 : DEPRECIATION AND AMORTISATION

	31 March 2018	31 March 2017
Depreciation and Amortization Expenses	160.01	175.81
<b>Total</b>	<b>160.01</b>	<b>175.81</b>

# Notes to Financial Statements (Contd.)

(` in Lacs)

## NOTE - 28 : OTHER EXPENSES

	31 March 2018	31 March 2017
Stores & Spares Consumed	229.37	271.48
Impairment Loss- Trade Recievables (ECL Model)	20.40	(12.61)
Power & Fuel	1,159.34	1,031.62
Freight & Forwarding Charges	19.45	4.19
Rent	-	15.98
Rates and Taxes	5.40	11.15
Insurance	8.26	7.88
Travelling and Conveyance	54.83	37.09
Repairs & Maintenance-Building	24.01	31.05
Repairs & Maintenance- Plant & Machinery	45.10	45.38
Repairs & Maintenance- Others	189.80	195.06
Professional Fees	27.99	29.99
Miscellaneous Expenses	34.30	35.96
Selling Expenses	134.31	146.15
Prinitng and Stationary	2.62	2.18
Payment to Auditors	2.50	2.29
Subscription and Donation	4.36	3.07
	<b>1,962.04</b>	<b>1,857.94</b>

## NOTE - 29 : TAX EXPENSE

	31 March 2018	31 March 2017
(1) Current Tax		
Provision for Taxation	28.24	23.98
Less: MAT Entitlement	---	---
Income Tax for Earlier Years	(5.72)	---
	22.52	23.98
(2) Deferred Tax	10.16	15.59
	<b>32.68</b>	<b>39.57</b>

# Notes to Financial Statements (Contd.)

(` in Lacs)

## NOTE - 30 : EARNINGS PER EQUITY SHARE

The Company's Earnings Per Share ('EPS') is determined based on the net profit / (loss) attributable to the shareholders' of the . Basic earnings per share is computed using the weighted average number of shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year including share options, except where the result would be anti-dilutive.

Particulars	31st March 2018	31st March 2017
<b>Net Profit / (Loss) attributable to Equity Shareholders</b>		
Profit / (Loss) after tax ( in lacs)	<b>88.66</b>	141.23
Nominal value of equity share (`)	<b>10.00</b>	10.00
Weighted-average number of equity shares for basic & Diluted EPS	<b>68,79,300</b>	68,79,300
<b>Basic &amp; Diluted earnings per share (`)</b>	<b>1.29</b>	2.05

## NOTE - 31 : SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

**Judgements** in the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

**Depreciation and Amortisation** depreciation and amortisation is based on management's estimate of the future useful lives of the Property, Plant and Equipment and Intangible Assets. Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful life and in the depreciation and amortisation charges.

**Employee Benefits** The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using various assumptions. One of the critical assumptions used in determining the net cost (income) for these obligations include the discount rate. Any changes in these assumptions will impact the carrying amount of retirement benefit obligations.

**Fair Value Measurement of Financial Instruments** When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using other valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial.

**Impairment of Non-Financial Assets** Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

## NOTE - 32 : COMMITMENTS & CONTINGENT LIABILITIES

### (A) Capital commitments

#### Estimated amount of contracts remaining to be executed on capital account and not provided for :

At 31st March 2018 and 31st March 2017, the Company does not have any pending commitments relating to estimated amount of completion of Property, Plant & Equipment-

### (B) Contingent Liabilities

(` in Lacs)

Descriptions	31st March 2018	31st March 2017
(i) Bank Guarantees	<b>142.00</b>	124.00
(ii) Other money for which the company is contingently liable		
a. Corporate Guarantees	<b>3,221.00</b>	2,129.00
b. Agricultural Income Tax demand	<b>6.96</b>	6.96
c. Interest on Agriculture Income Tax	<b>21.82</b>	21.82
d. VAT & Sales Tax Demand	<b>154.65</b>	154.65

# Notes to Financial Statements (Contd.)

(` in Lacs)

(a) The Company had extended corporate guarantees and equitable mortgage on company's immovable properties created to secure the loans limit sanction in favour of the following Companies.

Name of the Company	Bank Name	Limit Sanctioned		Outstanding as on	
		2017-18	2016-17	2017-18	2016-17
Abhijit Tea Company Pvt. Ltd	Bank of India	<b>846.00</b>	1,008.00	<b>560.00</b>	543.00
Terai Overseas Private Limited	Bank of India	<b>5,343.00</b>	5,315.00	<b>2,661.00</b>	1,586.00

- b) Demand for Agricultural Income Tax aggregating ` 6.96 Lakhs payable within April 2019 in terms of scheme of Govt. of West Bengal, excluding the interest portion of ` 21.82 lacs which shall be waived if the demand is paid within April, 2019.
- c) VAT & Sales Tax Demand on Assessment aggregating ` 154.65 Lakhs (` 154.65 Lakhs) being disputed.

## NOTE - 33 : EMPLOYEE BENEFIT OBLIGATIONS

Particulars	31st March 2018		31st March 2017		1st April 2016	
	Current	Non-current	Current	Non-current	Current	Non-current
Gratuity	<b>17.88</b>	<b>106.88</b>	6.84	96.77	8.88	81.69
<b>Total</b>	<b>17.88</b>	<b>106.88</b>	6.84	96.77	8.88	81.69

### Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

The weighted average duration of the defined benefit obligation as at 31 March 2018 is 19.20 years (31 March 2017: 19.93 years).

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Changes in defined benefit obligation	31st March 2018	31st March 2017
Present value obligation as at the start of the year	<b>103.62</b>	90.57
Interest cost	<b>7.85</b>	7.22
Current service cost	<b>7.61</b>	6.59
Past Service Cost	--	--
Benefits Paid	<b>(4.57)</b>	(1.62)
Actuarial loss/(gain) on obligations	<b>10.25</b>	0.86
<b>Present value obligation as at the end of the year</b>	<b>124.76</b>	103.62

Change in fair value of plan assets	31st March 2018	31st March 2017
Fair value of plan assets as at the start of the year	--	--
Return on plan assets	--	--
Interest income	--	--
Contribution	<b>4.57</b>	1.62
Benefits paid	<b>(4.57)</b>	(1.62)
<b>Fair value of plan assets as at the end of the year</b>	--	--

### Breakup of Actuarial gain/loss:

Description	31st March 2018	31st March 2017
Actuarial (gain)/loss on arising from change in financial assumption	<b>(2.13)</b>	4.38
Actuarial (gain)/loss on arising from experience adjustment	<b>12.38</b>	(3.52)
Actuarial loss/(gain) on obligations at the end of the year	<b>10.25</b>	0.86

# Notes to Financial Statements (Contd.)

(` in Lacs)

Reconciliation of present value of defined benefit obligation and the fair value of plan assets	31st March 2018	31st March 2017
Present value obligation as at the end of the year	124.76	103.62
Fair value of plan assets as at the end of the year	---	---
<b>Net liability recognized in balance sheet</b>	<b>124.76</b>	<b>103.62</b>

Amount recognized in the Statement of Profit and Loss	31st March 2018	31st March 2017
Current service cost	7.61	6.59
Past Service Cost	---	---
Interest cost	7.85	7.22
Actuarial (Gain)/Loss recognised during the year	10.25	0.86
<b>Amount recognised in the statement of Profit and Loss</b>	<b>25.71</b>	<b>14.67</b>

## Amount Recognised in the Statement of Other Comprehensive Income

Description	31st March 2018	31st March 2017
Net Cumulative unrecognised actuarial gain/(loss) opening	---	---
Actuarial Gain/(Loss) for the year on PBO	10.25	0.86
Actuarial Gain/(Loss) for the year on Asset	---	---
<b>Unrecognised Actuarial Gain/(Loss) at the end of the year</b>	<b>10.25</b>	<b>0.86</b>

Description	31st March 2018	31st March 2017
Discount rate	7.75%	7.50%
Future salary increase	6.00%	6.00%

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

## Sensitivity Analysis for Present value of Defined Benefit obligation

Description	31st March 2018	31st March 2017
<b>Impact of the change in discount rate</b>		
Present value of obligation at the end of the year	124.76	103.62
a) Impact due to increase of 1 %	123.51	102.58
b) Impact due to decrease of 1 %	126.01	104.65
<b>Impact of the change in salary increase</b>		
Present value of obligation at the end of the year	124.76	103.62
a) Impact due to increase of 1 %	126.01	104.65
b) Impact due to decrease of 1 %	123.51	102.58

## NOTE - 34 : FINANCIAL INSTRUMENTS BY CATEGORY

For amortised cost instruments, carrying value represents the best estimate of fair value.

Particulars	31st March 2018			31st March 2017			1st April 2016		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>Financial Assets</b>									
Investment in Equity Instruments	20.72	---	---	49.75	---	---	56.82	---	---
Investment in Mutual Funds	828.65	---	---	756.41	---	---	727.51	---	---
Trade Receivables	---	---	1,057.78	---	---	1,302.83	---	---	3,682.36
Loans	---	---	10.97	---	---	12.10	---	---	12.82
Cash and Cash Equivalents	---	---	123.90	---	---	49.48	---	---	60.34
Other Financial Assets	---	---	915.05	---	---	886.57	---	---	616.79
<b>Total</b>	<b>849.38</b>	<b>---</b>	<b>2,107.70</b>	<b>806.16</b>	<b>---</b>	<b>2,250.98</b>	<b>784.34</b>	<b>---</b>	<b>4,372.31</b>
<b>Financial Liabilities</b>									
Borrowings	---	---	3,564.97	---	---	3,928.95	---	---	4,137.45
Trade Payable	---	---	1,101.26	---	---	557.50	---	---	3,463.90
<b>Total</b>	<b>---</b>	<b>---</b>	<b>4,666.23</b>	<b>---</b>	<b>---</b>	<b>4,486.45</b>	<b>---</b>	<b>---</b>	<b>7,601.35</b>

# Notes to Financial Statements (Contd.)

(` in Lacs)

## (a) Fair Value Hierarchy

Financial assets and liabilities measured at fair value and amortised cost for which fair values are disclosed

Particulars	31st March 2018			31st March 2017			01st April 2016		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Investment in Equity Instruments	20.72	---	---	49.75	---	---	56.82	---	---
Investment in Mutual Funds	---	828.65	---	---	756.41	---	---	727.51	---
<b>Total Financial Assets</b>	<b>20.72</b>	<b>828.65</b>	<b>---</b>	<b>49.75</b>	<b>756.41</b>	<b>---</b>	<b>56.82</b>	<b>727.51</b>	<b>---</b>
<b>Financial Liabilities</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>
<b>Total</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>

**Level 1 :** Hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

**Level 2 :** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

**Level 3 :** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

## (b) Fair value of financial assets and liabilities measured at amortised cost and FVTPL

Particulars	31st March 2018		31st March 2017		1st April 2016	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets</b>						
<b>Carried at fair value through profit and loss</b>						
Investment in Equity Instruments	20.72	20.72	49.75	49.75	56.82	56.82
Investment in Mutual Funds	828.65	828.65	756.41	756.41	727.51	727.51
<b>Carried at Amortised Cost</b>						
Loan	10.97	10.97	12.10	12.10	12.82	12.82
Trade Receivables	1,090.91	1,057.78	1,315.56	1,302.83	3,707.70	3,682.36
Other Financial Assets	915.05	915.05	886.57	886.57	616.79	616.79
Cash and Cash Equivalents	123.90	123.90	49.48	49.48	60.34	60.34
<b>Total Financial Assets</b>	<b>2,990.20</b>	<b>2,957.07</b>	<b>3,069.87</b>	<b>3,057.14</b>	<b>5,181.98</b>	<b>5,156.64</b>
<b>Financial Liabilities</b>						
<b>Carried at Ammortised Cost</b>						
Borrowings	3,564.97	3,564.97	3,928.95	3,928.95	4,137.45	4,137.45
Trade Payable	1,101.26	1,101.26	557.50	557.50	3,463.90	3,463.90
<b>Total financial liabilities</b>	<b>4,666.23</b>	<b>4,666.23</b>	<b>4,486.45</b>	<b>4,486.45</b>	<b>7,601.35</b>	<b>7,601.35</b>

The carrying amounts of trade payables and cash and cash equivalents are considered to be the same as their fair values, due to short term nature.

The fair values for loans and security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk. The fair values of non-current borrowings are based on discounted cash flows using a current borrowings rate.



# Notes to Financial Statements (Contd.) ( ` in Lacs)

## NOTE - 35 : FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's financial assets include investments in equity instruments and mutual funds, trade and other receivables, and cash & cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The company's senior management oversees the management of these risks. The company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. This financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedure and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each risk, which are summarised as below:

### (A) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk and other price risks. Financial instruments affected by market risk include loans and borrowings and investments in quoted equity instruments.

#### i) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligations with floating interest rates. The Company is carryg its borrowings primarily at variable rate. The Company expects the variable rate to decline, accordingly the Company is currently carrying its loans at variable interest rates.

Particulars	31st March 2018	31st March 2017	1st April 2016
Variable Rate Borrowings	3,565	3,917	4,137
Fixed Rate Borrowings	-	12	-

#### Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variable held constant, the Company's profit/(loss) before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Effect on Profit before tax	
	31st March 2018	31st March 2017
Increase by 50 basis points (31 March 2017: 50 bps)	(17.82)	(19.58)
Decrease by 50 basis points (31 March 2017: 50 bps)	17.82	19.58

### (B) Equity Price Risks

Equity Price Risk is related to the change in market reference price of the investments in equity securities. The company is not an active investor in equity markets; it holds certain investments in equity which are accordingly measured at fair value through Profit and loss. The fair value of Company's investment in quoted equity securities as at March 31, 2018, 2017 and April 1, 2016 was ` 20.72 lacs, ` 49.75 lacs and ` 56.82 lacs, respectively. A 10% change in equity price as at March 31, 2018, 2017 and April 1, 2016 would result in an impact of ` 2.07 lacs, ` 4.96 lacs and ` 5.68 lacs, respectively. ( Note : The impact is indicated on equity before consequential tax impact, if any).

#### (i) Trade Receivables

Customer credit risk is managed by each business location subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed and individual credit limits are defined in accordance with the assessment both in terms of number of days and amount. Any Credit risk is curtailed with arrangements with third parties .An impairment analysis is performed at each reporting date on an individual basis for each client. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 11. The Company does not hold collateral as security.

#### (ii) Financial Instruments and Cash Deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investment of surplus funds are made only with approved counterparties . The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2017 and 1st April 2016 is the carrying amount as illustrated in Note 36.

# Notes to Financial Statements (Contd.)

(` in Lacs)

## (C) Liquidity Risk

Liquidity risk refer to the risk that the Company may not able to meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per the requirement. The Company has obtained adequate fund and non fund based working capital limits from its bankers. The Company maintains its surplus funds, if any, in deposits / balances which carry low market risk. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived. The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments -

Particulars	31st March 2018	31st March 2017	1st April 2016
<b>Less than 1 year</b>			
Contractual Maturities of Borrowings	2,425.08	1,714.58	1,797.28
Contractual Maturities of Trade Payables	1,101.26	557.50	3,463.90
<b>More than 1 year</b>			
Contractual Maturities of Borrowings	1,139.88	2,214.37	2,340.17
Contractual Maturities of Trade Payables	-	-	-

## NOTE - 36 : RELATED PARTY DISCLOSURE (AS PER IND AS-24 - RELATED PARTY DISCLOSURES)

### Relationships:

(a) Party	Relationship
Abhijit Tea Company Private Limited	Associate Companies
Amit Paridhan Private Limited	
East Indian Produce Limited	
Jaldacca Tea Plantations Private Limited	
New Darjeeling Union Tea Company Limited	
Sayedabad Tea Company Limited	
Terai Doars Tea Company Private Limited	
Terai Financial Services Private Limited	
Terai Infrastructures Limited	
Terai Ispat & Trading Private Limited	
Terai Overseas Private Limited	
The Kharibari Tea Company Limited	

### (b) Entities where Key management personnel and their relatives are able to exercise significant influence

Ajit Kumar Agarwala & Others (HUF)
Kanchanview Resorts Pvt. Ltd.
Bagdogra Tea Company Private Limited

### (c) Key Management Personnel:

i) Shri Ajit Kumar Agarwala	Managing Director
ii) Shri Rajendra Kanodia	Director and CFO
iii) Shri Roshan Dave	Company Secretary

Disclosure of Related Party Transactions provides the information about the Company's structure. The following tables provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

### Terms and conditions of transactions with related parties:

The sales and purchase from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balance at the year-end are unsecured and interest free and settlement occurs in cash. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

# Notes to Financial Statements (Contd.)

(` in Lacs)

## (a) Transaction with related parties

Particulars	Associate Companies		Enterprise described in (a) above		Key Management Personnel	
	31-3-2018	31-3-2017	31-3-2018	31-3-2017	31-3-2018	31-3-2017
Purchase of Goods and Services	20.25	38.15	5.40	6.00	---	---
Sale of Goods, Services and Other income	251.53	21.25	---	---	---	---
Remuneration to Key Managerial Personnel	---	---	---	---	74.72	48.22
<b>Outstanding Balance as on 31st March</b>						
Sayedabad Tea Co Ltd.(Debtor)	0.49					
East Indian Produce Limited (Debtor)	40.52					
Kanchanview Resorts Private Limited (Adv.)	0.20					
Bagdogra Tea Company Private Limited (Adv.)	0.20					

## NOTE - 37 : DETAILS OF DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES AS PER MSMED ACT, 2006 :

The Company has not received information from vendors regarding their status under the MSMED Act, 2006 and hence disclosures relating to amounts unpaid as at the year end together with interest paid/ payable under this Act have not been given.

## NOTE - 38 : CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

Particulars	31st March 2018	31st March 2017	1st April 2016
Borrowings (Note - 15, 18 and 20)	3,564.97	3,928.95	4,137.45
Trade payables (Note-19)	1,101.26	557.50	3,463.90
Less: Current Investment (Note-11 )	791.20	749.59	591.77
Less: Cash and Cash Equivalents (Note-11 )	123.90	49.48	60.34
<b>Net Debt</b>	<b>3,751.14</b>	<b>3,687.38</b>	<b>6,949.24</b>
Equity	6,342.40	6,260.81	6,134.25
<b>Capital Gearing Ratio (%)</b>	<b>37.16%</b>	<b>37.07%</b>	<b>53.11%</b>

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018 and 31 March 2017.

## NOTE - 39 : FIRST TIME ADOPTION OF IND AS

These financial statements, for the year ended 31 March 2018, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2018, together with the comparative period data as at and for the year ended 31 March 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2016, the Company's date of transition to Ind AS. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

### Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

#### a) Ind AS Optional exemptions

**Deemed Cost for Property, Plant and Equipment** Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38

# Notes to Financial Statements (Contd.)

(` in Lacs)

Intangible Assets. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying values except for the property viz land situated in India. For the land the Company has considered fair value as deemed cost in accordance with the stipulations of Ind AS 101 with the resultant impact being accounted for in the retained earnings.

## Investment in associates

Ind AS 101 permits a first time adopter to measure its investments in associates at deemed cost. The deemed cost of such an investment could be either (a) its fair value at the date of transition; or (b) previous GAAP carrying amount at that date. The option may be exercised individually and separately for each item of investment. Accordingly, the Company has adopted to measure its investments in associates at deemed cost i.e. previous GAAP carrying amount.

## b) Ind AS Mandatory exceptions

**Estimates :** On assessment of the estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.

**Classification and measurement of financial Assets :** The classification of financial assets to be measured at amortised cost or fair value through profit and loss is made on the basis of the facts and circumstances that existed on the date of transition to Ind AS.

## c) Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Disclosure required by Ind AS 101 - First time adoption of Ind AS

### Reconciliation of Equity as at April 01, 2016 and March, 31, 2017:

Particulars	Total Other Equity	
	31st March 2017	1st April 2016
Total equity (shareholder's funds) as per previous GAAP	4,148.76	4,066.28
Adjustments:		
Effect of fair valuation of Land	2,500.00	2,500.00
Effect of treating Capital subsidy as Government Grant	(192.80)	(244.95)
Effect of measuring Investments at fair value through profit and loss	(28.99)	(45.57)
Effect of Impairment of trade receivables as per ECL model	(12.73)	(25.33)
Effect of other adjustments	(155.32)	(138.57)
Tax impact on above adjustments	1.88	22.39
Total adjustments	2,112.05	2,067.97
<b>Total Equity As Per Ind AS</b>	<b>6,260.82</b>	<b>6,134.25</b>

### Reconciliation of Total comprehensive income for the year ended March 31,2017

Particulars	Total Comprehensive income
<b>Net Profit as reported under Ind AS</b>	<b>82.37</b>
Effect of fair value of Investments through profit and loss	30.77
Effect of Government Grant Amortisation	52.15
Effect of Depreciation on Tea Plants	(15.10)
Effect of Remeasurement of Defined Benefit Liability	(0.85)
Effect of Reversal of Impairment of Trade Receivables as per ECL Model	12.61
Effect of Amortisation of Processing Fees on Long Term Borrowings	(0.20)
Tax Impact on Above	(20.51)
<b>Net Profit as Reported under Ind AS</b>	<b>141.23</b>
<b>Other Comprehensive Income</b>	<b>—</b>
Effect of Remeasurement of Defined Benefit Liability	(0.86)
Tax Impact on Above	0.27
<b>Total Comprehensive Income under IND AS</b>	<b>140.63</b>

### Reconciliation of Cash flow for the year ended March 31,2017

There were no material differences between the statement of Cash Flows presented under Ind AS and the previous GAAP.

# Notes to Financial Statements (Contd.) (` in Lacs)

## NOTES TO FIRST-TIME ADOPTION:

### (i) Note : Fair Valuation of Investments

Under the previous GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments (other than equity instruments designated as at FVOCI) have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended 31st March 2017 and 31st March 2018. Fair value changes with respect to investments in quoted equity instruments, unquoted equity instruments and mutual funds designated as at FVTPL have been recognised in retained earnings at the date of transition and subsequently in the profit and loss account for the year ended 31st March 2017 and 31st March 2018.

### (ii) Note : Property, Plant and Equipment

The Company has elected to consider fair value for property, viz land situated in India, in accordance with stipulations of Ind AS 101 with the resultant impact being accounted for in the reserves. For rest of the property, plant and equipment company had elected to continue with the carrying value of all of its plant and equipment and intangible assets as recognised as of 1st April, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

### (iii) Note : Biological Assets

Under previous GAAP, the Company has not recognised Tea bushes and shade trees as bearer plant and accordingly depreciation has not been charged. Under Ind AS, Tea bushes and shade trees has been recognised as bearer plant and depreciated over their estimated useful life. Consequently, depreciation and the cost of bearer plants has been adjusted and effect of the same has been taken in retained earnings as on 1st April 2016 and in profit and loss as at March 31 2017.

### (iv) Note : Borrowings

Under Indian GAAP, transaction costs incurred in connection with borrowings are amortised upfront and charged to profit or loss for the period. Under Ind AS, transaction costs are included in initial recognition amount of financial liability and charged to profit or loss using the effective interest method.

### (v) Note : Loans/Other Financial Assets/ Other Current Assets

As per Schedule III, Security Deposits are to be classified under Loans or Other Non-current/Current Assets respectively. Accordingly, Security Deposits which are financial in nature are classified under Loans and other deposits are classified under Non-current/ Current Assets respectively. Under IGAAP, Loans and Advances were shown together under Loans and Advances. However, as per Schedule III, Advances are classified under other Non-current/Current Assets.

### (vi) Note : Provision for Expected Credit Loss

Impairment for trade receivable and interest receivable is measured in Ind AS based on life time expected credit losses. Expected credit loss allowance is measured based on historical credit loss experience, defaults, bankruptcy and forward looking information where relevant adjusted for probability of recovery. Under Previous GAAP, provision for trade receivable is measured based on factors such as age of receivables, defaults etc. adjusted for probability of recovery.

### (vii) Note : Defined Benefit Liabilities

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. The entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

### (viii) Note : Deferred Tax

Under Previous GAAP, deferred taxes were recognised for the tax effect of timing differences between accounting profit and taxable profit for the year using the income statement approach. Under Ind AS, deferred taxes are recognised using the balance sheet for future tax consequences of temporary differences between the carrying value of assets and liabilities and their respective tax bases. The above difference, together with the consequential tax impact of the other Ind AS transitional adjustments lead to temporary differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or through other comprehensive income.

### (ix) Note : Government Grant Amortisation

Under previous GAAP, the Company has not recognised Tea plant subsidy as government grant related to property, plant and equipment but under Ind AS, the subsidy received for tea plant has been recognised as government grants and are presented at fair value and booked as deferred income.

# Notes to Financial Statements (Contd.)

(` in Lacs)

## NOTE - 40 : AUDITORS' REMUNERATION (EXCLUDING TAXES) :

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Statutory Audit Fees	2.00	2.04
Tax Audit Fees	0.50	0.25
<b>Total</b>	<b>2.50</b>	<b>2.29</b>

## NOTE - 41 : THE MAJOR COMPONENTS OF INCOME TAX EXPENSE AND THE RECONCILIATION OF EXPENSE BASED ON THE DOMESTIC EFFECTIVE TAX RATE AND THE REPORTED TAX EXPENSE IN PROFIT OR LOSS ARE AS FOLLOWS :-

### Effective Tax Reconciliation

Particulars	31st March 2018	31st March 2017
<b>Accounting Profit Before Income Tax</b>	<b>121.34</b>	180.80
<b>Applicable Tax Rate (Percentage)</b>	<b>31.20</b>	30.90
Expected Income Tax	<b>37.86</b>	55.87
Exempt Income From Tax	<b>(0.05)</b>	(0.61)
Income Tax Different Rate	<b>(5.42)</b>	(16.82)
Tax Reversal of Earlier Years	<b>(5.72)</b>	-
Non Deductible Expenses for Tax Purpose	<b>15.64</b>	4.17
Expenses Allowed on Payment Basis	<b>(10.89)</b>	(0.85)
Other Items	<b>1.26</b>	(2.19)
<b>Income Tax recognised in Profit and Loss account</b>	<b>32.68</b>	39.57

## NOTE - 42 : SEGMENT REPORTING

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's chief operating decision maker to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the chief operating decision maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

# Notes to Financial Statements (Contd.)

(` in Lacs)

## Segment Wise performance

Particulars	Tea Business & Agriculture Income		Trading Merchandise		Total	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
External Revenues (Net of Excise)	<b>5,610.56</b>	6,122.79	<b>7,296.57</b>	6,808.56	<b>12,907.13</b>	12,931.34
Inter Segment Revenue	---	---	---	---	---	---
<b>Total Revenue</b>	<b>5,610.56</b>	6,122.79	<b>7,296.57</b>	6,808.56	<b>12,907.13</b>	12,931.34
<b>Result</b>						
Segment Result	<b>44.13</b>	358.57	<b>325.53</b>	61.59	<b>369.66</b>	420.16
Un-allocable income net of un-allocable expenses	---	---	---	---	---	---
Borrowings Cost (Net)	---	---	---	---	<b>(376.73)</b>	(400.45)
Other un-allocable Expenditure	---	---	---	---	---	---
Other Income	---	---	---	---	<b>128.41</b>	161.09
Profit Before Tax	---	---	---	---	<b>121.34</b>	180.80
Tax Expenses	---	---	---	---	<b>(32.68)</b>	(39.57)
Profit After Tax	---	---	---	---	<b>88.66</b>	141.23
<b>Other Information</b>						
Segment Assets	<b>6,137.55</b>	3,896.39	<b>5,371.99</b>	5,614.41	<b>11,509.54</b>	9,510.79
Segment Liabilities	<b>38.12</b>	11.21	<b>5,129.02</b>	5,412.53	<b>5,167.14</b>	5,423.74
Capital Expenditure during the year	<b>195.37</b>	70.93	---	---	<b>195.37</b>	70.93
Depreciation	<b>132.92</b>	160.71	---	---	<b>132.92</b>	160.71

**NOTE - 43 :** The Company acquired by way of purchase Dharnipur Tea Estate as a "Going Concern" from its owner Sri Dharendra Nath Bhowmick (since deceased) and Dharnipur Tea Industries (P) Ltd. as confirming party and the Deed of conveyance was duly executed and registered in the name of the Company. The said Deed of Conveyance was cancelled in view of pending dispute between the seller and another party. However the agreement for purchase of the said Tea Estate subsists and is subject matter of a specific performance suit pending before Hon'ble Kolkata High Court. The Company is not in possession of the said Tea estate and has accordingly not accounted for the profit and/or loss on account of the operation or ownership of the said Tea Estate. The value of Dharnipur Tea estate represents the costs paid at the time of purchase and the legal expenses incurred thereafter on behalf of Bhowmicks and/or their legal heirs for contesting their suit which was pending. All Advocate fees at High Court and at Supreme Court were paid by this Company and capitalized on the basis of Hon'ble Supreme Court order dated 1.10.91, if Bhowmick's title is confirmed in their pending suit then the rights of this company remains intact. The title of Bhowmicks/legal heirs was confirmed by Hon'ble Calcutta High Court during this financial year.

**NOTE - 44 :** The Company acquired certain interest in a plot of land at Bangalore for which registration in the name of the company has not been done. All expenses of litigation in respect of the said land are considered as deemed cost of land and the same has been accounted as advance given for land.

**NOTE - 45 :** Previous year figures have been reclassified / regrouped / rearranged wherever necessary.

As per our report of even date attached.

For and on behalf of the Board of Directors

For **SAHA & MAJUMDER**

Chartered Accountants

FRN 303087E

Sd/-

**S.N. Bhattacharjee**

Partner

Membership No 010767

Place : Kolkata

Dated : 31st day of May, 2018\*

Sd/-

**Ajit Kumar Agarwala**

Managing Director

DIN : 00265775

Sd/-

**Rajendra Kanodia**

Director & CFO

DIN : 00175574

Sd/-

**Roshan Dave**

Company Secretary

ACS 27185

\* Board Meeting held on 30th May 2018 and continued till 31st May 2018

# Independent Auditor's Report on Consolidated Financial Statements

To  
The Members of  
Terai Tea Company Limited  
10, Govt. Place (East)  
Kolkata - 700 069

## REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

We have audited the accompanying Consolidated IND AS financial statements of Terai Tea Company Limited ( " the Company") which comprise the Balance Sheet as at March 31, 2018, the statement of Profit & Loss including other comprehensive income, Cash Flow Statement and the Statement of changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

## MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (" the Act") with respect to the preparation of these Consolidated IND AS financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income , cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (IND AS) specified under section 133 of the Act, read with the Companies ( Indian Accounting Standards ) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities ; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design , implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated IND AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated IND AS 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 there under. We conducted our audit of the consolidated AS financial statements in accordance with the standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated IND AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated IND AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated IND AS 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 consolidated IND AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone IND AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated IND AS financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated IND AS 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 March 31, 2018, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

## OTHER MATTER

The comparative IND AS financial information of the company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 01, 2016 included in these consolidated IND AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with accounting principles generally accepted



# Independent Auditor's Report (contd.)

in India, including the companies (Accounting Standard) Rules, 2006 (as amended) specified under section 133 of the Act, read with the companies (Accounts) Rules 2014, audited by the predecessor Auditor whose report for the year ended March 31, 2017 and March 31, 2016 dated May 30, 2017 and May 30, 2016 respectively expressed an unmodified opinion on those consolidated financial statements, as adjusted for the differences in the accounting principles adopted by the company on transition to IND As, which have been audited by us.

## REPORT ON THE LEGAL AND REGULATORY REQUIREMENTS

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 1" a statement on the matters specified in paragraphs 3 and 4 of the order.

1. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the company so far as it is appears from our examination of those books;
  - (c) The Balance sheet, Statement of Profit and Loss including other comprehensive income, the Cash Flow Statement and Statement of changes in Equity dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid consolidated IND AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with the companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of written representations received from the directors as on March 31, 2018 from and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the company with reference to these consolidated IND AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 1" to this report;
  - (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. There is no likelihood of any material impact of pending litigations on its financial position which requires disclosure in its financial statements
    - ii. The company did not have any long- term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the investor Education and protection Fund by the company.

Place : Kolkata  
Date : May 31, 2018\*

For **SAHA & MAJUMDER**  
Chartered Accountants  
**FRN : 303087E**  
Sd/-  
**S.N. Bhattacharjee**  
Partner  
Membership No. 010767

\* Board Meeting held on 30th May 2018 and continued till 31st May 2018

# Annexure - A to the Auditors' Report on Consolidated Financial Statements

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

We have audited the internal financial controls over financial reporting of **Terai Tea Company Limited** ("the Company") as of 31 March 2018 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 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.

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

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

### Meaning of Internal Financial Controls over Financial Reporting

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

# Independent Auditor's Report (Contd.)

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

## Opinion

In our opinion, the 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 31 March 2018, 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.

Place : Kolkata  
Date : May 31, 2018\*

For **SAHA & MAJUMDER**  
Chartered Accountants  
**FRN : 303087E**  
Sd/-  
**S.N. Bhattacharjee**  
Partner  
Membership No. 010767

\* Board Meeting held on 30th May 2018 and continued till 31st May 2018

# CONSOLIDATED BALANCE SHEET as at 31st March, 2018 ( in Lakhs)

Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016
<b>ASSETS :</b>				
<b>NON-CURRENT ASSETS</b>				
a) Property Plant and Equipment	2	5,355.29	5,328.58	5,480.91
b) Capital Work-In-Progress	2.1	6.41	46.07	1.92
c) Financial Assets				
i) Investments	3	886.05	977.55	1,088.06
ii) Loans	4	8.90	8.90	8.90
iii) Other Financial Assets	5	119.20	116.26	116.91
d) Other Non-Current Assets	6	330.53	331.86	328.56
<b>Total Non-Current Assets</b>		<b>6,706.38</b>	<b>6,809.22</b>	<b>7,025.26</b>
<b>CURRENT ASSETS</b>				
a) Inventories	7	620.57	848.09	705.28
b) Financial Assets				
i) Investments	8	791.20	749.59	591.77
ii) Trade Receivables	9	1,057.78	1,302.83	3,682.36
iii) Cash and Cash Equivalents	10	123.90	49.48	60.34
iv) Loans	4	2.07	3.20	3.92
v) Other Financial Assets	5	795.85	770.31	499.88
c) Other Current Assets	6	1,510.95	1,559.35	2,269.36
<b>Total Current Assets</b>		<b>4,902.32</b>	<b>5,282.85</b>	<b>7,812.91</b>
<b>Total Assets</b>		<b>11,608.70</b>	<b>12,092.07</b>	<b>14,838.16</b>
<b>EQUITY AND LIABILITIES :</b>				
<b>EQUITY</b>				
a) Equity Share Capital	11	690.29	690.29	690.29
b) Other Equity	1A	5,764.55	5,776.09	5,649.52
<b>Total Equity</b>		<b>6,454.85</b>	<b>6,466.38</b>	<b>6,339.82</b>
<b>NON-CURRENT LIABILITIES</b>				
a) Financial Liabilities				
Borrowings	12	1,139.88	2,214.37	2,340.17
b) Provisions	13	106.88	96.77	81.69
c) Deferred Tax Liability (Net)	14	38.12	31.13	15.80
d) Other Non-Current Liabilities	15	130.75	192.80	244.95
<b>Total Non-Current Liabilities</b>		<b>1,415.63</b>	<b>2,535.07</b>	<b>2,682.61</b>
<b>CURRENT LIABILITIES</b>				
a) Financial Liabilities				
i) Borrowings	16	2,332.00	1,567.25	1,633.45
ii) Trade Payables	17	1,101.26	557.50	3,463.90
iii) Other Financial Liabilities	18	93.08	147.33	163.82
b) Other Current Liabilities	19	179.05	803.20	527.96
c) Provisions	13.1	17.88	6.84	8.88
d) Current Tax Liabilities (Net)	20	14.95	8.50	17.73
<b>Total Current Liabilities</b>		<b>3,738.23</b>	<b>3,090.62</b>	<b>5,815.74</b>
<b>Total Equity and Liabilities</b>		<b>11,608.70</b>	<b>12,092.07</b>	<b>14,838.16</b>
<b>Significant Accounting Policies</b>	1			
<b>Notes Forming Part of the Financial Statement</b>	2 to 45			

The Accompanying Notes form an integral part of these Financial Statements.

For and on behalf of the Board of Directors

For SAHA & MAJUMDER

Chartered Accountants

FRN 303087E

Sd/-

**S.N. Bhattacharjee**

Partner

Membership No 010767

Place : Kolkata

Dated : 31st day of May, 2018\*

Sd/-

**Ajit Kumar Agarwala**

Managing Director

DIN : 00265775

Sd/-

**Rajendra Kanodia**

Director & CFO

DIN : 00175574

Sd/-

**Roshan Dave**

Company Secretary

ACS 27185

\* Board Meeting held on 30th May 2018 and continued till 31st May 2018

# CONSOLIDATED STATEMENT OF PROFIT & LOSS for the year ended 31st March, 2018

(` in Lakhs)

	Note No.	For the Period ending on 31st March, 2018	For the Period ending on 31st March, 2017
<b>I INCOME</b>			
Revenue from Operations	21	12,912.10	12962.06
Other Income	22	128.42	161.09
<b>Total Income</b>		<b>13,040.52</b>	<b>13123.15</b>
<b>II EXPENSES</b>			
Cost of Material Consumed	23	9,581.50	10117.59
Change in Inventories of Finished Goods Stock in Trade and Work -In-Progress	24	233.23	(167.57)
Excise Duty		4.97	30.71
Employee Benefit Expense	25	600.69	527.42
Finance Costs	26	376.73	400.45
Depreciation and Amortisation Expense	27	160.01	175.81
Other Expenses	28	1,962.04	1857.94
<b>Total Expenses</b>		<b>12,919.17</b>	<b>12942.35</b>
<b>III Profit / (Loss) Before Exceptional Items and tax (I-II)</b>		<b>121.34</b>	<b>180.80</b>
<b>IV Exceptional items</b>		<b>—</b>	<b>--</b>
<b>V Profit/(loss) Before Tax (III - IV)</b>		<b>121.34</b>	<b>180.80</b>
<b>VI Tax Expense :</b>	29		
(1) Current Tax		22.52	23.98
(2) Deferred Tax		10.16	15.59
<b>VII Profit/(loss) for the period (V - VI)</b>		<b>88.66</b>	<b>141.23</b>
<b>VIII Share of Profit of Associate and Joint Venture</b>		<b>(96.50)</b>	<b>91.20</b>
<b>IX Profit after Tax, Share of Profit of Associate and Joint Venture</b>		<b>(7.84)</b>	<b>232.42</b>
<b>X Other Comprehensive Income</b>			
(i) Items that will not be reclassified to Profit or Loss			
Remeasurement of net defined benefit liability		(10.25)	(0.86)
(ii) Income tax relating to items that will not be reclassified to profit or loss		3.17	0.27
B (i) Items that will be reclassified to profit or loss			
(ii) Income tax relating to items that will be reclassified to profit or loss		—	--
Other comprehensive income/(loss) for the period		(7.08)	(0.59)
<b>XI Total Comprehensive Income for the period (IX + X)</b>		<b>(14.92)</b>	<b>231.83</b>
<b>XII Earnings per Equity Share : (`)</b>	30		
(1) Basic		(0.11)	3.38
(2) Diluted		(0.11)	3.38
<b>Significant accounting Policies</b>	1		
<b>Notes forming part of the financial statement</b>	2 to 45		

The Accompanying Notes form an integral part of these Financial Statements.

For and on behalf of the Board of Directors

For SAHA & MAJUMDER

Chartered Accountants

FRN 303087E

Sd/-

**S.N. Bhattacharjee**

Partner

Membership No 010767

Place : Kolkata

Dated : 31st day of May, 2018\*

\* Board Meeting held on 30th May 2018 and continued till 31st May 2018

Sd/-

**Ajit Kumar Agarwala**

Managing Director

DIN : 00265775

Sd/-

**Rajendra Kanodia**

Director & CFO

DIN : 00175574

Sd/-

**Roshan Dave**

Company Secretary

ACS 27185

# CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March, 2018

(₹ in Lakhs)

	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit / (Loss) Before Tax	121.34	180.80
<b>Adjustment to Reconcile Profit Before Tax to Net Cash Flow</b>		
Depreciation	160.01	175.81
Interest Expenses	376.73	400.45
Sundry Balances Written Off		
Provision for Receivables	33.12	12.73
Dividend Received from Investments	(0.05)	(0.61)
Profit on Sale of Investments	(3.46)	(34.59)
Fair Value (Gain) / Loss on Investments	(39.65)	(53.50)
Interest Income	(5.40)	(3.23)
Miscellaneous Adjustment	(10.25)	(14.93)
<b>Operating Profit Before Working Capital Changes</b>	<b>632.40</b>	<b>662.93</b>
<b>Adjustments for :</b>		
(Increase) / Decrease in Trade Receivables	211.92	2,366.81
(Increase) / Decrease in Inventories	227.53	(142.81)
(Decrease) in Trade Payables	543.76	(2,906.40)
(Increase) / Decrease in Loans, Deposits and Other Financial Assets	22.37	437.64
Increase in Other Financial Liabilities	(733.99)	197.37
Increase / (Decrease) in Provisions	21.14	13.05
<b>Cash Generated from Operations</b>	<b>925.13</b>	<b>(34.34)</b>
Interest Paid	(376.73)	(400.45)
Direct Taxes Paid (Net of Refund)	(22.52)	(23.98)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>525.88</b>	<b>204.16</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interest & Dividend Received	5.45	3.83
Profit on Sale of Investments	3.46	34.59
<b>Less:</b>		
Purchase of Property, Plant & Equipment	(147.06)	(67.63)
Increase in Investment	(3.58)	6.18
<b>NET CASH USED FOR INVESTING ACTIVITIES</b>	<b>(141.73)</b>	<b>(23.02)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of Non-Current Borrowings	(309.73)	(192.00)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>(309.73)</b>	<b>(192.00)</b>
<b>D. NET CHANGES IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>74.42</b>	<b>(10.86)</b>
<b>E. CASH &amp; CASH EQUIVALENTS-OPENING BALANCE</b>	<b>49.48</b>	<b>60.34</b>
<b>F. CASH &amp; CASH EQUIVALENTS-CLOSING BALANCE</b>	<b>123.90</b>	<b>49.48</b>

**Notes:**

- The Figures in bracket indicates outflows.
- The above cash flow has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS)7- Statement of Cash Flows.

The above standalone statement of cashflow should be read in conjunction with the accompanying notes.

For and on behalf of the Board of Directors

For SAHA & MAJUMDER

Chartered Accountants

FRN 303087E

Sd/-

**S.N. Bhattacharjee**

Partner

Membership No 010767

Place : Kolkata

Dated : 31st day of May, 2018\*

\* Board Meeting held on 30th May 2018 and continued till 31st May 2018

Sd/-

**Ajit Kumar Agarwala**

Managing Director

DIN : 00265775

Sd/-

**Rajendra Kanodia**

Director & CFO

DIN : 00175574

Sd/-

**Roshan Dave**

Company Secretary

ACS 27185

# Consolidated Notes to Financial Statements (Contd.) (` in Lakhs)

## Statement of Changes in Equity for the year ended 31st March, 2018

### (A) EQUITY SHARE CAPITAL

Particulars	No. of shares	` in Lakhs
Equity shares of ` 10 each issued, subscribed & Fully Paid <b>As at 1st April 2016</b>	68,79,300	<b>687.93</b>
Issue of share capital <b>As at 31st March 2017</b>	68,79,300	<b>687.93</b>
Issue of share capital <b>As at 31st March 2018</b>	68,79,300	<b>687.93</b>

### NOTE 1A

### (B) OTHER EQUITY

(` in lakhs)

Particulars	Reserves and Surplus				Other Comprehensive Income	Total Other Equity
	Securities Premium	Retained Earnings	General Reserve	Share Forfeiture Amount		
<b>Balance as at 1st April, 2016</b>	764.56	4,827.16	49.88	9.45	(1.53)	<b>5,649.52</b>
Profit for the Year		141.23				<b>141.23</b>
Reversal of fair valuation of mutual fund due to reclassification from non current to current	---	(14.07)	---	---	---	<b>(14.07)</b>
Other Comprehensive Income					(0.59)	<b>(0.59)</b>
Share of Networth in Associate	---	205.57	---	---	---	<b>205.57</b>
Total Comprehensive Income for the year	---	127.16	---	---	(0.59)	<b>126.57</b>
<b>Balance at 31st March, 2017</b>	764.56	4,954.33	49.88	9.45	(2.12)	<b>5,776.09</b>
<b>Balance at 1st April, 2017</b>	764.56	4,954.33	49.88	9.45	(2.12)	<b>5,776.09</b>
Profit for the year	---	(795.04)	---	---	---	<b>(795.04)</b>
Other Comprehensive Income	---	---	---	---	(7.08)	<b>(7.08)</b>
Share of Networth in Associate	---	112.45	---	---	---	<b>112.45</b>
Total Comprehensive Income for the year	---	(795.04)	---	---	(7.08)	<b>(689.67)</b>
<b>Balance at 31st March, 2018</b>	<b>764.56</b>	<b>4,159.28</b>	<b>49.88</b>	<b>9.45</b>	<b>(9.20)</b>	<b>5,086.42</b>

The accompanying Notes form an integral part of these Financial Statements.  
As per our report of even date attached.

For and on behalf of the Board of Directors

For **SAHA & MAJUMDER**

Chartered Accountants

FRN 303087E

Sd/-

**S.N. Bhattacharjee**

Partner

Membership No 010767

Place : Kolkata

Dated : 31st day of May, 2018\*

Sd/-

**Ajit Kumar Agarwala**

Managing Director

DIN : 00265775

Sd/-

**Rajendra Kanodia**

Director & CFO

DIN : 00175574

Sd/-

**Roshan Dave**

Company Secretary

ACS 27185

\* Board Meeting held on 30th May 2018 and continued till 31st May 2018

# Consolidated Notes to Financial Statements

## The Company Information

**Terai Tea Company Limited** (the “Company”) is a public limited company incorporated and domiciled in India and has its registered office at 10, Government Place (East), 1st Floor, Kolkata - 700 069, India. The Company is listed on the BSE Limited, Calcutta Stock Exchange Limited, Ahmedabad Stock Exchange Limited and Jaipur Stock Exchange Limited. The company is engaged mainly in production and Distribution of tea and trading in Agri merchandise.

The Consolidated financial statements for the year ended March 31, 2018 were approved by the Board of Directors and authorised for issue on 30th May 2018.

## Note 1: Basis of Consolidation and Significant Accounting Policies

### Basis of Consolidation

The consolidated financial statements relate to Terai Tea Company Limited (the Company) and its associate companies. The Company and its associates constitute the Group.

#### a. Basis of Accounting and Preparation of the Consolidated Financial Statements

The consolidated financial statements of the group have been prepared in accordance with the Accounting Principles generally accepted in India (“Indian GAAP”), the INDAS as specified under section 133 of the Companies Act, 2013 (“the 2013 Act”) read with Rule 7 of the Companies’ (Accounts) Rules 2014. The consolidated financial statements of the Group are prepared under the historical cost convention using the accrual method of accounting. The accounting policies adopted in the preparation of consolidated financial statements are consistent with those of the previous year. All assets and liabilities have been classified as current or non-current as per the company’s normal operating cycle and other criteria set out in Schedule III to the 2013 Act.

These financial statements are the first financial statements of the group under IndAS. Refer Note 38 for an explanation of how transition from previous GAAP to IndAS has affected the Group’s financial position, financial performance and cash flows.

#### b. Use of Estimates

The preparation of the financial statements, in conformity with Indian GAAP including the IndAS, requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

#### c. Principal of Consolidation

The financial statements of the associates used in the consolidation are drawn up to the same reporting dates of the Company, i.e. for the year ended 31st March, 2018.

- I. An associate is an enterprise in which the Company has significant influence and which is neither a subsidiary nor a joint venture of the investor. The consolidated financial statements include the share of profit/ loss of the associate company which has been accounted as per the ‘equity method’ as per IndAS 28 Accounting for Investments in Associates in Consolidated Financial Statements, and accordingly, the share of profit/ loss of the associate company (the loss being restricted to the cost of investment) has been added to/ deducted from the cost of investments. The difference between the cost of investment in the associate and the share of net assets at the time of acquisition of shares in the associates is recognized in the consolidated financial statements as goodwill or capital reserve as the case may be, which is included in the carrying amount of the investments.
- II. The consolidated financial statements are presented, to the extent applicable, in accordance with the requirements of Schedule III of the 2013 Act as applicable to the Company’s separate financial statements. Differences if any, in the accounting policies have been disclosed separately.



# Consolidated Notes to Financial Statements (Contd.)

## d. Particulars of Associates have been Considered in the Preparation of the Consolidated Financial Statements

Name of the Company	Percentage of Voting Power as at	
	31.03.2018	31.03.2017
Amit Paridhan Private Limited	36.08%	36.08%
Sayedabad Tea Company Limited	27.71%	27.71%
Terai Overseas Private Limited	47.74%	47.74%
Jaldacca Tea Plantation Private Limited	45.33%	45.33%
East Indian Produce Limited	43.80%	43.80%
Terai Infrastructures Limited	45.95%	45.95%
Terai Financial Services Private Limited	49.00%	49.00%
The Kharibari Tea Company Limited	48.47%	48.47%
Terai Ispat & Trading Private Limited	49.00%	49.00%
Abhijit Tea Co. Private Limited	46.04%	46.04%
Terai Dooars Tea Company Private Limited	47.73%	47.73%
New Darjeeling Union Tea Co. Ltd.	48.59%	48.59%

### Note: 2 Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these Consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### a) Statement of Compliance

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under the companies (Indian Accounting Standards) Rules, 2015 as amended by companies (Indian Accounting Standards) (Amendment) Rules, 2016, the relevant provisions of Companies Act, 2013 ("the Act")

The financial statements up to year ended 31 March 2017 were prepared in accordance with the accounting standards notified under the section 133 of the Companies Act, 2013 read together with Rule 7 of Companies (Accounts) rule 2014, (Indian GAAP).

The transition from Previous GAAP to Ind AS has been accounted for in accordance with Ind AS 101 "First Time Adoption of Indian Accounting Standard" with April 1, 2016 being the transition date.

In accordance with Ind AS 101 "First Time Adoption of Indian Accounting Standard" the Company has presented a reconciliation from the presentation of final statements under accounting standards notified under the Companies Accounting Standard Rules, 2006 i.e. "Previous GAAP" to Ind AS of total equity as at April 1, 2016 and March 31, 2017, total comprehensive income and cash flow for the year ended March 31, 2017.

The financial statements are presented in Indian Rupees except otherwise indicated.

#### b) Basis of Preparation

The Financial Statements of the Company have been prepared on historical cost convention under accrual method of accounting and as a going concern concept except for certain assets and liabilities which are measured at fair values as required by Ind AS.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

# Consolidated Notes to Financial Statements (Contd.)

All assets and liabilities have been classified as per the Company's normal operating cycle and the other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. The Company has ascertained its operating cycle as 12 months for the purpose of current and noncurrent classification of assets and liabilities.

## c) Use of Estimates

In preparation of the financial statements, the Company makes judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, and future periods affected.

## d) Property, Plant and Equipment

An item of property, plant and equipment is recognised as an asset if it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. This recognition principle is applied to the costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognised in the statement of profit and loss as incurred. When a replacement occurs, the carrying value of the replaced part is de-recognised. Where an item of property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items.

Property, plant and equipment including bearer assets are stated at historical cost of acquisition less accumulated depreciation and impairment loss, if any. Historical cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use. Borrowing costs incurred during the period of construction is capitalised as part of cost of the qualifying assets.

The gain or loss arising on disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in the statement of profit and loss.

For transition to Ind AS, the Company has elected to take fair value as deemed cost for certain freehold land and for all other property, plant and equipment has elected to continue with the carrying value and use that carrying value as the deemed cost.

### Depreciation

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a written down value basis over the useful lives as prescribed under Schedule II to the Companies Act, 2013. Land is not depreciated

Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which PPE is expected to be available for use by the Company, or the number of production or similar units expected to be obtained from the asset by the Company.

Depreciation on additions is provided on a pro-rata basis from the month of installation or acquisition. Depreciation on deductions/disposals is provided on a pro-rata basis up to the month preceding the month of deduction/disposal.

### Biological Assets

Biological assets are classified as bearer biological assets and consumable biological assets. Consumable biological assets are those that are to be harvested as agricultural produce. Bearer biological assets which are held to bear agricultural produce are classified as bearer plants.

The Company recognises Tea bushes and shade trees as bearer plant, bearer plants with further classification as mature bearer plants and immature bearer plants. Mature bearer plants are those that have attained harvestable stage.

Bearer assets are carried at historical cost of acquisition less accumulated depreciation and impairment loss, if any. Subsequent expenditure on bearer assets are added to its book value only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

# Consolidated Notes to Financial Statements (Contd.)

Cost incurred for new plantations and immature areas are capitalised. The cost of immature areas coming into bearing is transferred to mature plantations and depreciated over their estimated useful life which has been ascribed to be in the range of 90 years.

## e) **Assets held for Sale and Disposal**

Non-current assets held for sale and disposal are presented separately in the balance sheet when the following criteria are met:

- the company is committed to selling the asset;
- the assets are available for sale immediately;
- an active plan of sale has commenced; and
- sale is expected to be completed within 12 months

Assets held for sale and disposal groups are measured at the lower of their carrying amount and fair value less cost to sell. Assets held for sale are no longer amortised or depreciated.

## f) **Impairment of Non-Financial Assets**

The Company assesses at each reporting date whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating unit may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed, and the asset is reflected at the recoverable amount.

## g) **Inventories**

Raw materials, traded goods and finished goods are stated at the lower of cost and net realisable value.

Stores and spares are carried at cost. Provision is made for obsolete, slow-moving and defective stocks, where necessary.

Cost is determined on weighted average method for all categories of inventories other than for stores and spares and auction/private bought teas in which case, cost is determined on FIFO basis and cost is considered as actual cost for each lot respectively. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its present location and condition, where applicable, include appropriate overheads based on normal level of activity. Provision is made for obsolescence and other anticipated losses wherever considered necessary

## h) **Borrowing Costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale and borrowing costs are being incurred. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

## i) **Foreign Currency Transactions and Translations**

Items included in the financial statements are measured using the currency of the primary economic environment in which the company operates (the functional currency). The company's financial statements are presented in Indian rupee (INR), which is also the company's presentation and financial currency. These financial statements are presented in Indian rupees.

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in net profit in the statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

# Consolidated Notes to Financial Statements (Contd.)

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

## **j) Provisions, Contingent liabilities and Contingent Assets**

Provisions are recognised when there is a present obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made. Provisions are not discounted to its present value and are determined based on the best estimate required to settle the obligation at each Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the best current estimate.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non -occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

## **k) Government Grant**

Government grants including any non-monetary grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with.

Government grants are recognised in the statement of profit and loss on a systematic basis over the periods in which the related costs, for which the grants are intended to compensate, are recognised as expenses. Government grants related to property, plant and equipment are presented at fair value and are recognised as deferred income.

## **l) Revenue Recognition**

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and specifics of each arrangement. Revenue is measured at the fair value of the consideration received or receivables.

The specific recognition criteria described below must also be met before revenue is recognized:

### **(i) Sale of Goods**

Revenue from sale of goods in the course of ordinary activities is recognized when all significant risk and rewards of their ownership are transferred to the customer as per the terms of contract and no significant uncertainty exist regarding the amount of the consideration that will be derived from the sale of goods and its consideration. Revenue is measured at fair value of consideration received or receivable and includes excise duty till the applicability of the Act and are net of returns and allowances, discounts, volume rebates and sales tax.

### **(ii) Interest Income**

Income from interest on deposits, loan and interest-bearing securities is recognised on a time Proportionbasis taking into account the underlying interest rate.

### **(iii) Dividend income**

Dividend income is recognised at the time when right to receive the payment is established, which is generally, when the shareholders approve the dividend.

## **m) Leases**

Leases under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments under operating leases are recognized as an expense on a straight-line basis in net profit in the Statement of Profit & Loss over lease term.

# Consolidated Notes to Financial Statements (Contd.)

## n) Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities (including MAT) attributable to temporary differences and to unused tax losses.

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at reporting date. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. MAT is recognised as deferred tax assets in the Balance Sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

## o) Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

## p) Financial instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

### **Financial Assets**

#### (i) Initial Recognition

All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction cost that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition

#### (ii) Classification and Subsequent Measurement: Financial Assets

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- entity's business model for managing the financial assets and
- contractual cash flow characteristics of the financial asset.

#### (iii) Trade Receivables

A Receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Impairment is made on the expected credit losses, which are the present value of the expected cash shortfalls over the life of financial assets. The estimated impairment losses are recognised in a separate provision for impairment and the impairment losses are recognised in the Statement of Profit and Loss within other expenses.

Subsequent changes in assessment of impairment are recognised in provision for impairment and the change in impairment losses are recognised in the Statement of Profit and Loss within other expenses.

# Consolidated Notes to Financial Statements (Contd.)

## Debt Instruments

### (i) **Amortised Cost**

A financial asset is subsequently measured at amortised cost, if the financial asset is held within a business model, whose objective is to hold the asset in order to collect contractual cash flow and the contractual term of financial asset give rise on specified date to cash flow that are solely payment of principal and interest on principal amount outstanding.

### (ii) **Fair Value through Other Comprehensive Income**

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

### (iii) **Fair Value through Profit or Loss**

A financial asset is classified and measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through OCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

### (iv) **Equity Instruments**

All investments in equity instruments classified under financial assets are measured at fair value. The company has measured quoted equity instruments and unquoted mutual fund investment at fair value through profit and loss.

## Financial Liabilities

### (i) **Initial Recognition**

Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest method.

### (ii) **Classification and Subsequent Measurement: Financial liabilities**

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

### (iii) **Impairment of financial assets**

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. The Company recognises a loss allowance for expected credit losses on financial asset. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

### (iv) **De-recognition of financial instruments**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the contractual rights to receive the cash flows from the asset.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

### (v) **Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

# Consolidated Notes to Financial Statements (Contd.)

## q) Fair value measurements

The Company measures financial instruments at fair value at each balance sheet date.

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

?In the principal market for the asset or liability.

Or

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

The principal or the most advantageous market must be accessible by the Company.

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

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

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

Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

## r) Employee Benefits

### (i) Defined contributions plan

Contributions to defined contribution schemes such as Provident Fund, employees' state insurance, labour welfare fund, superannuation scheme, employee pension scheme etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

### (ii) Defined benefit plans

The Company's Liabilities on account of Gratuity are determined at the end of each financial year on the basis of actuarial valuation certificates obtained from Registered Actuary in accordance with the measurement procedure as per Indian Accounting Standard (Ind AS) -19., 'Employee Benefits'. Actuarial gains and losses for defined benefit plans are recognized through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

The Defined Benefit Plan can be short term or Long terms which are defined below:

#### (a) Short term Employee benefit

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefits obligations in the balance sheet.

#### (b) Long term Employee benefits

Compensated absences which are not expected to occur within 12 months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the balance sheet date.

# Consolidated Notes to Financial Statements (Contd.)

## s) Segment Reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's chief operating decision maker to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the chief operating decision maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

## t) Borrowings

Borrowings are measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

## u) Earnings Per Share

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity 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 for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

## v) Investment in Associates

Investment in subsidiaries shown at deemed cost. Further where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss, if any. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of profit and loss, if any.

## w) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with the financial institutions, other short term, highly liquid investments with original maturities of three months or less (except the instruments which are pledged) that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

## x) Recent Accounting Pronouncements

Ind AS 12 - Income Taxes: The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings



# Consolidated Notes to Financial Statements (Contd.)

(or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after 1 April 2018. These amendments are not expected to have any impact on the Company as the Company has no deductible temporary differences or assets that are in the scope of the amendments.

**Ind AS 115- Revenue from Contract with Customers:** On March 28, 2018, Ministry of Corporate Affairs (“MCA”) has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity’s contracts with customers.

The standard permits two possible methods of transition:

**Retrospective approach -** Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors;

**Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)** The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

Notes to Consolidated Financial Statements for the year ended 31st March, 2018 (Contd.)

NOTE - 2 : PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR 2017-18

( ` In Lakhs)

Description	Gross Block			Accumulated Depreciation			Net Block			
	31st March 2017	Additions	Disposals/ Adjustments	31st March 2018	31st March 2017	Additions	Disposals/ Adjustments	31st March 2018	Net Block 31st March 2017	Net Block 31st March 2018
Freehold Land	2,581.86	—	—	2,581.86	—	—	—	—	2,581.86	2,581.86
Buildings	775.02	9.18	—	784.20	51.47	48.13	—	99.60	723.55	684.60
Plant & Machinery	584.07	47.62	—	631.68	81.17	70.24	—	151.41	502.89	480.27
Furniture & Fixtures	41.27	115.98	—	157.25	8.24	8.85	—	17.09	33.03	140.16
Motor Vehicles	21.12	—	—	21.12	5.92	3.92	—	9.84	15.20	11.28
Office Equipment	3.13	0.44	—	3.57	0.77	0.70	—	1.47	2.36	2.09
Computer and Data Processing Units	3.94	1.07	—	5.02	1.14	1.08	—	2.22	2.80	2.79
Bearer Plants	1,493.98	12.43	—	1,506.40	27.09	27.09	—	54.18	1,466.89	1,452.23
Total	5,504.38	186.72	—	5,691.10	175.80	160.01	—	335.82	5,328.58	5,328.58

PROPERTY, PLANT AND EQUIPMENTS FOR YEAR 2016-17

Description	Gross Block			Accumulated Depreciation			Net Block			
	Deemed Cost as on 1st Apr 2016	Additions	Disposals/ Adjustments	31 March 2017	1st April 2016	Additions	Disposals/ Adjustments	31 March 2017	Net Block 31 March 2017	Net Block 1st April 2016
Freehold Land	2,581.86	—	—	2,581.86	—	—	—	—	2,581.86	2,581.86
Buildings	775.02	—	—	775.02	—	57.56	6.10	51.47	723.55	775.02
Plant & Machinery	581.87	2.20	—	584.07	—	87.07	5.90	81.17	502.89	581.87
Furniture & Fixtures	37.68	3.59	—	41.27	—	8.24	—	8.24	33.03	37.68
Motor Vehicles	21.12	—	—	21.12	—	5.92	—	5.92	15.20	21.12
Office Equipment	2.69	0.44	—	3.13	—	0.77	—	0.77	2.36	2.69
Computer and Data Processing Units	3.58	0.37	—	3.94	—	1.14	—	1.14	2.80	3.58
Bearer Plants	1,477.09	16.88	—	1,493.97	—	27.09	—	27.10	1,466.89	1,477.09
Total	5,480.91	23.48	—	5,504.38	—	187.80	12.00	175.80	5,328.58	5,480.91

2.1. CAPITAL WORK -IN- PROGRESS FOR THE YEAR 2017-18

Description	Gross Block			Accumulated Depreciation			Net Block			
	31 March 2017	Additions	Disposals/ Adjustments	31 March 2018	31 March 2017	Additions	Disposals/ Adjustments	31 March 2018	Net Block 31 March 2017	Net Block 31 March 2018
Machinery under erection	46.07	6.41	46.07	6.41	—	—	—	—	46.07	46.07

2.1. CAPITAL WORK -IN- PROGRESS FOR THE YEAR 2016-17

Description	Gross Block			Accumulated Depreciation			Net Block			
	Deemed Cost as on 1st April 2016	Additions	Disposals/ Adjustments	31 March 2017	1st April 2016	Additions	Disposals/ Adjustments	31 March 2017	Net Block 31 March 2016	Net Block 1st April 2016
Building under construction	1.92	44.15	—	46.07	—	—	—	—	46.07	1.92

# Notes to Consolidated Financial Statements (Contd.)

(` in Lacs)

## NOTE - 3 : FINANCIAL ASSETS - Investments

### Non-Current Investments (valued at lower of cost and fair value, unless stated otherwise)

	Face Value	31st March, 2018		31st March, 2017		1st April 2016	
		No. of Shares/Units	Amount	No. of Shares/Units	No. of Amount	Shares/Units	Amount
(a) Investment measured at Fair Value through Profit and Loss							
Quoted							
Equity Instruments							
BAJAJ HINDUSTAN SUGAR LTD.	1	4,000	0.35	4,000	0.53	4,000	0.80
CENTRAL BANK OF INDIA	10	2,388	1.73	2,388	2.53	2,388	1.77
IFCI LTD.	10	2,000	0.39	2,000	0.59	2,000	0.49
JAYSHREE TEA AND INDUSTRIES LTD.	5	1,000	0.86	1,000	1.09	1,000	0.82
			3.33		4.75		3.88
Unquoted							
Investment in Mutual Funds							
BOI AXA CAPITAL PROTECTION ORIENTED FUND		4,99,990	54.85	4,99,990	51.81	4,99,990	49.23
HDFC CAPITAL PROTECTION ORIENTED FUND		--	--	--	--	3,18,148	35.40
ICICI PRU. CAP. PROTECTION ORIENTED FUND		--	--	--	--	2,47,800	28.05
ICICI PRUDENTIAL MYF SERIES 7-1100D		--	--	--	--	6,86,906	76.02
			54.85		51.81		188.69
Total (a)			58.18		56.56		192.57
(b) Investment Measured at Cost / Deemed Cost							
Unquoted							
Equity Instruments							
Investment in Associates							
ABHIJIT TEA CO. PVT. LTD.	100	7,338	332.40	7,338	332.40	7,338	332.40
AMIT PARIDHAN PVT. LTD.	10	175,000	3.10	1,75,000	3.10	1,60,000	1.60
EAST INDIAN PRODUCE LTD.	10	63,380	44.22	63,380	44.22	63,380	44.22
JALDACCA TEA PLANTATIONS PVT. LTD.	1,000	850	43.13	850	43.13	850	43.13
NEW DARJEELING UNION TEA CO. LTD.	25	17,085	124.76	17,085	124.76	11,085	123.26
SAYEDABAD TEA CO. LTD.	10	15,070	1.51	15,070	1.51	15,070	1.51
TERAI TEA RESORTS LTD.	10	20,000	0.91	20,000	0.91	20,000	0.91
TERAI DOOARS TEA CO. PVT. LTD.	10	262,500	24.23	2,62,500	24.23	2,62,500	24.23
TERAI FINANCIAL SERVICES PVT. LTD.	10	22,554	0.23	22,554	0.23	22,554	0.23
TERAI INFRASTRUCTURES LTD.	10	26,09,500	21.45	26,09,500	21.45	26,09,500	21.45
TERAI ISPAT & TRADING PVT. LTD.	10	7,01,273	22.83	7,01,273	22.83	7,01,273	22.83
TERAI OVERSEAS PVT. LTD.	10	3,17,460	28.70	3,17,460	28.70	3,17,460	28.70
THE KHARIBARI TEA COMPANY LTD.	10	96,937	44.22	96,937	44.22	96,937	44.22
Add : Share of Profit of Associates		--	112.45	--	205.57	--	205.57
Investment in Others							
TECHNO STEEL INDIA PVT. LTD.	50	2,500	1.25	2,500	1.25	2,500	1.25
DECCAN TRADE LINK PVT. LTD.	10	1,35,000	13.50	1,35,000	13.50	--	--
ELECOM COMMERCIAL PVT. LTD.	10	90,000	9.00	90,000	9.00	--	--
Total (b)			827.87		920.99		895.49
Total (a+b)			886.05		977.55		1,088.06
Aggregate amount of unquoted investment			882.72		972.80		1,084.18
Aggregate amount and market value of Quoted investment			3.33		4.75		3.88

# Notes to Consolidated Financial Statements (Contd.)

(` in Lacs)

## NOTE - 4 : FINANCIAL ASSETS - LOANS

	31-03-2018 Long-term	31-03-2017 Long-term	01-04-2016 Long-term	31-03-2018 Short-term	31-03-2017 Short-term	01-04-2016 Short-term
<b>(Unsecured, considered good unless otherwise stated)</b>						
Security Deposits	8.90	8.90	8.90	-	-	-
Other Loans	-	-	-	2.07	3.20	3.92
	<b>8.90</b>	8.90	8.90	<b>2.07</b>	3.20	3.92

## NOTE - 5 : FINANCIAL ASSETS – OTHER FINANCIAL ASSETS

	31-03-2018 Long-term	31-03-2017 Long-term	01-04-2016 Long-term	31-03-2018 Short-term	31-03-2017 Short-term	01-04-2016 Short-term
<b>(Unsecured, considered good unless otherwise stated)</b>						
Grants Receivable	67.15	67.15	67.15	5.97	17.75	17.75
Interest Receivables	-	-	-	3.01	4.87	3.39
Bank Deposits for Maturity more than 12 months	43.05	40.11	40.11	-	-	-
Others *	9.00	9.00	9.65	786.87	747.69	478.74
	<b>119.20</b>	116.26	116.91	<b>795.85</b>	770.31	499.88

\* Others includes insurance claim and other receivables

## NOTE - 6 : OTHER ASSETS

	31-03-2018 Long-term	31-03-2017 Long-term	01-04-2016 Long-term	31-03-2018 Short-term	31-03-2017 Short-term	01-04-2016 Short-term
<b>(Unsecured, considered good unless otherwise stated)</b>						
Gold and Silver	144.04	144.04	140.74	-	-	-
Advances against Supply of Goods and Services	7.57	10.57	10.57	1,492.86	1,553.59	2,261.56
Security Deposits	1.61	1.78	1.78	-	-	-
Prepaid Expenses	-	-	-	6.88	4.87	6.86
Balances with Statutory Authorities	-	0.40	0.40	11.21	0.89	0.93
Assets held for Investment	14.45	14.45	14.45	-	-	-
Assets held for Sale	103.26	103.26	103.26	-	-	-
Advance against Land	59.60	57.36	57.36	-	-	-
	<b>330.53</b>	331.86	328.56	<b>1,510.95</b>	1,559.35	2,269.35

## NOTE - 7 : INVENTORIES

(Valued at Lower of Cost or NRV, Unless Otherwise Stated)

	31 March 2018	31 March 2017	01 April 2016
Raw Materials	--	--	1.73
Finished Goods	524.17	757.39	589.83
Stores & Spare Parts (at cost)	96.40	90.70	113.72
	<b>620.57</b>	848.09	705.28

# Notes to Consolidated Financial Statements (Contd.)

(` in Lacs)

## NOTE - 8 : CURRENT INVESTMENTS

Particulars	Face Value	31 March 2018		31 March 2017		01st April 2016	
		No. of Shares/ Units	Amount Lakhs	No. of Shares/ Units	Amount Lakhs	No. of Shares/ Units	Amount Lakhs
<b>Investment Measured At Fair Value Through Profit And Loss</b>							
<b>Quoted :</b>							
<b>Equity Instruments :</b>							
Bharat Heavy Electricals Limited	2	2,500	2.03	2,500	2.72	2,500	1.90
GOL Offshore Limited	10	5,000	4.32	5,000	0.77	5,000	2.09
Hindalco Industries Limited	1	-	-	-	-	20,000	17.58
Hotel Leela Venture Limited	2	5,000	0.86	5,000	0.82	5,000	0.90
Tata Steel Limited	10	-	-	4,600	22.20	4,600	14.70
Uco Bank	10	5,000	0.99	5,000	1.65	5,000	1.78
United Bank Of India	10	70,000	8.86	70,000	16.17	70,000	13.34
Varun Shipping Company Limited	10	5,000	0.34	5,000	0.67	5,000	0.67
<b>Total (A)</b>			<b>17.40</b>		<b>45.00</b>		<b>52.96</b>
<b>Unquoted :</b>							
<b>Investment In Mutual Funds :</b>							
DSP BR Dynamic Asset Allocation Fund		-	-	-	-	6,63,236	78.34
DSP BR Income Opportunity Fund		1,89,421.20	54.17	189,421.21	50.91	2,74,013	67.07
HSBC MIP Savings Plan		-	-	-	-	1,86,317	55.35
Kotak Income Opportunities Fund (Growth)		2,83,992.50	54.27	283,992.48	50.96	3,72,461	60.76
ICICI Pru Balanced Advantage Fund		-	-	-	-	2,70,005	69.23
ICICI Pru Regular Savings Fund		-	-	-	-	2,54,343	40.16
ICICI Regular Savings Fund		-	-	-	-	1,64,400	25.96
Reliance Regular Savings Fund		9,50,848.00	244.45	901,607.57	204.12	2,42,507	69.99
J M Agri & Infra Fund		-	-	-	-	2,50,000	8.86
Reliance Dynamic Bond Fund		-	-	-	-	3,14,468	63.09
Baroda Pioneer Credit Fund		4,10,128.50	55.24	410,128.53	51.39	-	-
HDFC Capital Protection Oriented Fund		-	-	318,147.64	38.05	-	-
ICICI Pru. Cap. Protection Oriented Fund		-	-	247,800.00	31.27	-	-
ICICI Prudential MYF Series 7-1100d		-	-	686,906.15	84.25	-	-
ICICI Prudential MIP Growth		1,43,736.00	56.60	143,736.00	52.47	-	-
SBI Corporate Bond Fund		1,94,848.20	54.42	194,848.21	51.07	-	-
SBI Magnum MIP RP (G)		1,07,273.00	40.85	107,273.00	39.01	-	-
UTI Mutual Fund		3,43,704.00	54.48	343,704.00	51.09	-	-
ICICI Prudential Equity Income Fund-regular		2,48,997.20	31.90	-	-	-	-
HDFC MIP - Long Term Plan		89,231.10	38.56	-	-	-	-
ICICI Prudential MIP-25 Direct Plan (G)		2,16,670.40	88.86	-	-	-	-
<b>Total (B)</b>			<b>773.80</b>		<b>704.60</b>		<b>538.81</b>
<b>Total (A+B)</b>			<b>791.20</b>		<b>749.59</b>		<b>591.77</b>
<b>Aggregate Amount of Unquoted Investment</b>			<b>773.80</b>		<b>704.60</b>		<b>538.82</b>
<b>Aggregate Amount and Market Value of Quoted Investment</b>			<b>17.39</b>		<b>45.00</b>		<b>52.94</b>

# Notes to Consolidated Financial Statements (Contd.)

(` in Lacs)

## NOTE - 9 : TRADE RECEIVABLES

(Unsecured, considered good unless otherwise stated)

Particulars	31 March 2018	31 March 2017	01 April 2016
Considered Good	1,090.91	1,315.56	3,707.70
Less: Provision for impairment	33.12	12.73	25.34
	1,057.78	1,302.83	3,682.36

## NOTE - 10 : CASH AND CASH EQUIVALENTS

Particulars	31 March 2018	31 March 2017	01 April 2016
Balances with Banks	103.07	6.38	5.31
Cash on Hand	20.83	43.09	55.03
	123.90	49.48	60.34

## NOTE - 11 : EQUITY SHARE CAPITAL

Particulars	31 March 2018	31 March 2017	1 April 2016
<b>Authorised Capital :</b>			
1,00,00,000 Equity Shares of ` 10 each	1,000.00	1,000.00	1,000.00
	1,000.00	1,000.00	1,000.00
<b>Issued and Subscribed Capital :</b>			
68,79,300 Equity Shares of ` 10 each	687.93	687.93	687.93
<b>Paid-up Capital :</b>			
Fully paid up shares 68,79,300 equity shares of ` 10 each	687.93	687.93	687.93
Add : Shares Forfeited	2.36	2.36	2.36
	690.29	690.29	690.29

### a) Reconciliation of Number of Shares

Particulars	31 March 2018	31 March 2017	1 April 2016
Shares at the beginning of the reporting year	6,879,300	6,879,300	6,879,300
Changes during the reporting year	---	---	---
Shares at the closing of the reporting year	68,79,300	68,79,300	68,79,300

### b) Rights / Preferences / Restrictions Attached to Equity Shares

The Company has only one class of equity shares having a par value of ` 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

### c) Details of shareholders holding more than 5% shares in the Company

Particulars	As on 31 March 2018		As on 31 March 2017	
	No of shares	% holding	No of shares	% holding
<b>Equity shares of ` 10 each fully paid up</b>				
Ajit Kumar Agarwala	25,76,800	37.46%	25,76,800	37.46%
Shashikala Agarwala	18,98,800	27.60%	18,98,800	27.60%
Abhijit Tea Company Private Limited	4,70,000	6.83%	4,70,000	6.83%

# Notes to Consolidated Financial Statements (Contd.)

(` in Lacs)

## NOTE - 12 : BORROWINGS - NON-CURRENT LIABILITIES

Particulars	31 March 2018	31 March 2017	1 April 2016
<b>Secured</b>			
Term loans from banks (INR loan)	<b>1,232.97</b>	2,349.70	2,503.99
Less: Current Maturities of Long Term debt	<b>93.08</b>	147.33	163.82
<b>Unsecured</b>			
From Corporates	--	12.00	--
	<b>1,139.88</b>	2,214.37	2,340.17

### Repayment terms and security disclosure for the outstanding long-term borrowings (excluding current maturities)

Type of Loan	Loan Amount	Repayment Schedule	Security
Term Loan from Corp. Bank	` 39.88 Lakhs	Repayable in 4 equal quarterly installments of ` 10 Lakhs - final payment in 2019-20	Secured against Equitable Mortgage of Company's immovable land & building of one unit and hypothecation of current assets of the same unit ranking pari passu with working capital.
Term Loan	` 1,100 Lakhs	Repayment of the principal amount at the end of 18 months	Negative Lien on certain immovable property and Letter of comfort of Abhijit Tea Company Private Limited, subservient charge on entire current assets of the Company & personal guarantee of Sri Ajit Kr Agarwala and Smt. Shashi Kala Agarwala, Directors.

The rate of interest on the above loans are in the range of 8.45% to 8.95%.

## NOTE - 13 : PROVISIONS - NON-CURRENT LIABILITIES

	31 March 2018	31 March 2017	1 April 2016
Provision for Gratuity	<b>106.88</b>	96.77	81.69
	<b>106.88</b>	96.77	81.69

## NOTE - 13.1 : PROVISIONS - CURRENT LIABILITIES

	31 March 2018	31 March 2017	1 April 2016
Provision for Gratuity	<b>17.88</b>	6.84	8.88
	<b>17.88</b>	6.84	8.88

## NOTE - 14 : DEFERRED TAX LIABILITY (NET) - NON - CURRENT LIABILITIES

	31 March 2018	31 March 2017	1 April 2016
<b>Deferred Tax Liability Arising on Account Of :</b>			
- Difference in tax base of property , plant and equipment	<b>68.31</b>	64.38	65.80
- Fair Valuation of mutual funds through Profit and loss	<b>18.66</b>	13.05	17.25
- Other taxable temporary difference	--	--	--
<b>Deferred Tax Asset Arising on Account Of :</b>			
- Fair Valuation of equity instruments through Profit and loss	<b>22.85</b>	22.00	31.33
- Impairment of trade receivables as per ECL model	<b>10.24</b>	3.93	7.83
- Other taxable temporary difference	<b>15.77</b>	20.37	28.09
	<b>38.12</b>	31.13	15.80

## NOTE - 15 : OTHER NON-CURRENT LIABILITIES

	31 March 2018	31 March 2017	1 April 2016
Deferred Income	<b>130.75</b>	192.80	244.95
Total	<b>130.75</b>	192.80	244.95

# Notes to Consolidated Financial Statements (Contd.)

(` in Lacs)

## NOTE - 16 : FINANCIAL LIABILITIES - CURRENT BORROWINGS

	31 March 2018	31 March 2017	1 April 2016
<b>Secured</b>			
Working Capital Borrowings from Banks	2,332.00	1,567.25	1,633.45
<b>Total</b>	<b>2,332.00</b>	<b>1,567.25</b>	<b>1,633.45</b>

Working capital borrowings from Banks are secured by first charge by way of hypothecation over entire current assets of the respective units/ tea estate of the Company as primary security and equitable mortgage of immovable properties of company's units/ tea estate. Rate of interest on Working Capital Loans ranges from 8.90% to 9.50% p.a..

## NOTE - 17 : TRADE PAYABLES - CURRENT

	31 March 2018	31 March 2017	1 April 2016
Due to micro, small and medium enterprises	--	--	--
Due to others	1,101.26	557.50	3,463.90
<b>Total</b>	<b>1,101.26</b>	<b>557.50</b>	<b>3,463.90</b>

## NOTE - 18 : OTHER FINANCIAL LIABILITIES - CURRENT

	31 March 2018	31 March 2017	1 April 2016
Current maturities of long term debts	93.08	147.33	163.82
<b>Total</b>	<b>93.08</b>	<b>147.33</b>	<b>163.82</b>

## NOTE - 19 : OTHER CURRENT LIABILITIES

	31 March 2018	31 March 2017	1 April 2016
Statutory & Other Dues Payable	26.90	4.75	4.18
Liability For Expenses And Goods	151.36	160.81	125.41
Advance From Debtors	0.79	637.64	398.37
<b>Total</b>	<b>179.05</b>	<b>803.20</b>	<b>527.96</b>

## NOTE - 20 : CURRENT TAX LIABILITIES (NET)

	31 March 2018	31 March 2017	1 April 2016
Provision for Income Tax (Net of Advance)	14.95	8.49	17.72
<b>Total</b>	<b>14.95</b>	<b>8.49</b>	<b>17.72</b>

## NOTE - 21 : REVENUE FROM OPERATIONS

	31 March 2018	31 March 2017
<b>Operating Revenue :-</b>		
Sale of Products	12,912.10	12,962.06
<b>Total</b>	<b>12,912.10</b>	<b>12,962.06</b>

## NOTE - 22 : OTHER INCOME

	31 March 2018	31 March 2017
Interest on Bank Deposits	1.83	3.18
Interest on Loans and deposits	3.56	0.04
Profit on Sale of Mutual Funds	0.28	13.40
Profit on Sale of Shares	3.18	21.19
Government Grant	51.44	52.15
Gain / (Loss) on Fair Valuation of Shares	(6.82)	10.50
Gain on Fair Valuation of Mutual Fund	46.47	42.99
Rental Income	10.31	12.94
Dividend	0.05	0.61
Miscellaneous Income	18.12	4.07
	<b>123.03</b>	<b>157.85</b>
<b>Total</b>	<b>128.41</b>	<b>161.09</b>



# Notes to Consolidated Financial Statements (Contd.)

(` in Lacs)

## NOTE - 23 : COST OF MATERIAL CONSUMED

	31 March 2018	31 March 2017
Purchases	2,610.46	3,370.61
Purchases of Traded Goods	6,971.04	6,746.98
<b>Total</b>	<b>9,581.50</b>	<b>10,117.59</b>

## NOTE - 24 : CHANGES IN INVENTORIES

	31 March 2018	31 March 2017
<b>Inventories at the Beginning of The Year</b>		
Work-in-Progress	-	-
Finished Goods	757.39	589.83
	<b>757.39</b>	<b>589.83</b>
<b>Inventories at the End of The Year</b>		
Work-in-Progress	-	-
Finished Goods	524.17	757.39
	<b>524.17</b>	<b>757.39</b>
<b>Total</b>	<b>233.23</b>	<b>(167.57)</b>

## NOTE - 25 : EMPLOYEE BENEFITS EXPENSE

	31 March 2018	31 March 2017
Salaries, Wages and Bonus	572.11	501.91
Contribution to Provident and Other Funds	21.65	21.82
Staff Welfare	6.93	3.68
<b>Total</b>	<b>600.69</b>	<b>527.42</b>

## NOTE - 26 : FINANCE COSTS

	31 March 2018	31 March 2017
Interest Expense on		
– Borrowings	366.45	387.50
– Others	0.14	0.20
– Other Borrowing Costs	10.14	12.75
<b>Total</b>	<b>376.73</b>	<b>400.45</b>

## NOTE - 27 : DEPRECIATION AND AMORTISATION

	31 March 2018	31 March 2017
Depreciation and Amortization Expenses	160.01	175.81
<b>Total</b>	<b>160.01</b>	<b>175.81</b>

# Notes to Consolidated Financial Statements (Contd.)

(` in Lacs)

## NOTE - 28 : OTHER EXPENSES

	31 March 2018	31 March 2017
Stores & Spares Consumed	229.37	271.48
Impairment Loss- Trade Recievables (ECL Model)	20.40	(12.61)
Power & Fuel	1,159.34	1,031.62
Freight & Forwarding Charges	19.45	4.19
Rent	-	15.98
Rates and Taxes	5.40	11.15
Insurance	8.26	7.88
Travelling and Conveyance	54.83	37.09
Repairs & Maintenance-Building	24.01	31.05
Repairs & Maintenance- Plant & Machinery	45.10	45.38
Repairs & Maintenance- Others	189.80	195.06
Professional Fees	27.99	29.99
Miscellaneous Expenses	34.30	35.96
Selling Expenses	134.31	146.15
Prinitng and Stationary	2.62	2.18
Payment to Auditors	2.50	2.29
Subscription and Donation	4.36	3.07
	<b>1,962.04</b>	<b>1,857.94</b>

## NOTE - 29 : TAX EXPENSE

	31 March 2018	31 March 2017
(1) Current Tax		
Provision for Taxation	28.24	23.98
Less: MAT Entitlement	--	--
Income Tax for Earlier Years	(5.72)	--
	<b>22.52</b>	<b>23.98</b>
(2) Deferred Tax	10.16	15.59
	<b>32.68</b>	<b>39.57</b>

# Notes to Consolidated Financial Statements (Contd.) (` in Lacs)

## NOTE - 30 : EARNINGS PER EQUITY SHARE

The Company's Earnings Per Share ('EPS') is determined based on the net profit / (loss) attributable to the shareholders' of the . Basic earnings per share is computed using the weighted average number of shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year including share options, except where the result would be anti-dilutive.

Particulars	31st March 2018	31st March 2017
<b>Net Profit / (Loss) attributable to Equity Shareholders</b>		
Profit / (Loss) after tax ( in lacs)	<b>(7.84)</b>	232.42
Nominal value of equity share (`)	<b>10.00</b>	10.00
Weighted-average number of equity shares for basic & Diluted EPS	<b>68,79,300</b>	68,79,300
<b>Basic &amp; Diluted earnings per share (`)</b>	<b>(0.11)</b>	3.38

## NOTE - 31 : SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

**Judgements** in the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

**Depreciation and Amortisation** depreciation and amortisation is based on management's estimate of the future useful lives of the Property, Plant and Equipment and Intangible Assets. Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful life and in the depreciation and amortisation charges.

**Employee Benefits** The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using various assumptions. One of the critical assumptions used in determining the net cost (income) for these obligations include the discount rate. Any changes in these assumptions will impact the carrying amount of retirement benefit obligations.

**Fair value measurement of financial instruments** When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using other valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial.

**Impairment of non-financial assets** Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

## NOTE - 32 : COMMITMENTS & CONTINGENT LIABILITIES

### (A) Capital commitments

#### Estimated amount of contracts remaining to be executed on capital account and not provided for :

At 31st March 2018 and March 2017, the Company does not have any pending commitments relating to estimated amount of completion of Property, Plant & Equipment-

### (B) Contingent Liabilities

(` in Lacs)

Descriptions	31st March 2018	31st March 2017
(i) Bank Guarantees	<b>142.00</b>	124.00
(ii) Other money for which the company is contingently liable		
a. Corporate Guarantees	<b>3,221.00</b>	2,129.00
b. Agricultural Income Tax demand	<b>6.96</b>	6.96
c. Interest on Agriculture Income Tax	<b>21.82</b>	21.82
d. VAT & Sales Tax Demand	<b>154.65</b>	154.65

# Notes to Consolidated Financial Statements (Contd.) (` in Lacs)

- (a) The Company had extended corporate guarantees and equitable mortgage on company's immovable properties created to secure the loans limit sanction in favour of the following Companies.

Name of the Company	Bank Name	Limit Sanctioned		Outstanding as on	
		2017-18	2016-17	2017-18	2016-17
Abhijit Tea Company Pvt. Ltd	Bank of India	<b>846.00</b>	1,008.00	<b>560.00</b>	543.00
Terai Overseas Private Limited	Bank of India	<b>5,343.00</b>	5,315.00	<b>2,661.00</b>	1,586.00

- b) Demand for Agricultural Income Tax aggregating ` 6.96 Lakhs payable within April 2019 in terms of scheme of Govt. of West Bengal, excluding the interest portion of ` 21.82 lacs which shall be waived if the demand is paid within April, 2019.
- c) VAT & Sales Tax Demand on Assessment aggregating ` 154.65 Lakhs (` 154.65 Lakhs) being disputed.

## NOTE - 33 : EMPLOYEE BENEFIT OBLIGATIONS

Particulars	31st March 2018		31st March 2017		1st April 2016	
	Current	Non-current	Current	Non-current	Current	Non-current
Gratuity	<b>17.88</b>	<b>106.88</b>	6.84	96.77	8.88	81.69
<b>Total</b>	<b>17.88</b>	<b>106.88</b>	6.84	96.77	8.88	81.69

### Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

The weighted average duration of the defined benefit obligation as at 31 March 2018 is 19.20 years (31 March 2017: 19.93 years).

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Changes in defined benefit obligation	31st March 2018	31st March 2017
Present value obligation as at the start of the year	<b>103.62</b>	90.57
Interest cost	<b>7.85</b>	7.22
Current service cost	<b>7.61</b>	6.59
Past Service Cost	--	--
Benefits Paid	<b>(4.57)</b>	(1.62)
Actuarial loss/(gain) on obligations	<b>10.25</b>	0.86
<b>Present value obligation as at the end of the year</b>	<b>124.76</b>	103.62

Change in fair value of plan assets	31st March 2018	31st March 2017
Fair value of plan assets as at the start of the year	--	--
Return on plan assets	--	--
Interest income	--	--
Contribution	<b>4.57</b>	1.62
Benefits paid	<b>(4.57)</b>	(1.62)
<b>Fair value of plan assets as at the end of the year</b>	--	--

### Breakup of Actuarial gain/loss:

Description	31st March 2018	31st March 2017
Actuarial (gain)/loss on arising from change in financial assumption	<b>(2.13)</b>	4.38
Actuarial (gain)/loss on arising from experience adjustment	<b>12.38</b>	(3.52)
Actuarial loss/(gain) on obligations at the end of the year	<b>10.25</b>	0.86

# Notes to Consolidated Financial Statements (Contd.)

(` in Lacs)

Reconciliation of present value of defined benefit obligation and the fair value of plan assets	31st March 2018	31st March 2017
Present value obligation as at the end of the year	124.76	103.62
Fair value of plan assets as at the end of the year	--	--
<b>Net liability recognized in balance sheet</b>	<b>124.76</b>	<b>103.62</b>

Amount recognized in the Statement of Profit and Loss	31st March 2018	31st March 2017
Current service cost	7.61	6.59
Past Service Cost	--	--
Interest cost	7.85	7.22
Actuarial (Gain)/Loss recognised during the year	10.25	0.86
<b>Amount recognised in the statement of profit and loss</b>	<b>25.71</b>	<b>14.67</b>

Amount Recognised in the Statement of Other Comprehensive Income		
Description	31st March 2018	31st March 2017
Net Cumulative unrecognised actuarial gain/(loss) opening	--	--
Actuarial Gain/(Loss) for the year on PBO	10.25	0.86
Actuarial Gain/(Loss) for the year on Asset	--	--
<b>Unrecognised Actuarial Gain/(Loss) at the end of the year</b>	<b>10.25</b>	<b>0.86</b>

Description	31st March 2018	31st March 2017
Discount rate	7.75%	7.50%
Future salary increase	6.00%	6.00%

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

## Sensitivity Analysis for Present value of Defined Benefit obligation

Description	31st March 2018	31st March 2017
<b>Impact of the change in discount rate</b>		
Present value of obligation at the end of the year	124.76	103.62
a) Impact due to increase of 1 %	123.51	102.58
b) Impact due to decrease of 1 %	126.01	104.65
<b>Impact of the change in salary increase</b>		
Present value of obligation at the end of the year	124.76	103.62
a) Impact due to increase of 1 %	126.01	104.65
b) Impact due to decrease of 1 %	123.51	102.58

## NOTE - 34 : FINANCIAL INSTRUMENTS BY CATEGORY

For amortised cost instruments, carrying value represents the best estimate of fair value.

Particulars	31st March 2018			31st March 2017			1st April 2016		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>Financial Assets</b>									
Investment in Equity Instruments	20.72	--	--	49.75	--	--	56.82	--	--
Investment in Mutual Funds	828.65	--	--	756.41	--	--	727.51	--	--
Trade Receivables	--	--	1,057.78	--	--	1,302.83	--	--	3,682.36
Loans	--	--	10.97	--	--	12.10	--	--	12.82
Cash and Cash Equivalents	--	--	123.90	--	--	49.48	--	--	60.34
Other Financial Assets	--	--	915.05	--	--	886.57	--	--	616.79
<b>Total</b>	<b>849.38</b>	<b>--</b>	<b>2,107.70</b>	<b>806.16</b>	<b>--</b>	<b>2,250.98</b>	<b>784.34</b>	<b>--</b>	<b>4,372.31</b>
<b>Financial Liabilities</b>									
Borrowings	--	--	3,564.97	--	--	3,928.95	--	--	4,137.45
Trade Payable	--	--	1,101.26	--	--	557.50	--	--	3,463.90
<b>Total</b>	<b>--</b>	<b>--</b>	<b>4,666.23</b>	<b>--</b>	<b>--</b>	<b>4,486.45</b>	<b>--</b>	<b>--</b>	<b>7,601.35</b>

# Notes to Consolidated Financial Statements (Contd.)

(` in Lacs)

## (a) Fair Value Hierarchy

Financial assets and liabilities measured at fair value and amortised cost for which fair values are disclosed

Particulars	31st March 2018			31st March 2017			01st April 2016		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Investment in Equity Instruments	20.72	---	---	49.75	---	---	56.82	---	---
Investment in Mutual Funds	---	828.65	---	---	756.41	---	---	727.51	---
<b>Total Financial Assets</b>	<b>20.72</b>	<b>828.65</b>	<b>---</b>	<b>49.75</b>	<b>756.41</b>	<b>---</b>	<b>56.82</b>	<b>727.51</b>	<b>---</b>
<b>Financial Liabilities</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>
<b>Total</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>

**Level 1 :** Hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

**Level 2 :** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

**Level 3 :** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

## (b) Fair value of financial assets and liabilities measured at amortised cost and FVTPL

Particulars	31st March 2018		31st March 2017		1st April 2016	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets</b>						
<b>Carried at fair value through profit and loss</b>						
Investment in Equity Instruments	20.72	20.72	49.75	49.75	56.82	56.82
Investment in Mutual Funds	828.65	828.65	756.41	756.41	727.51	727.51
<b>Carried at Amortised Cost</b>						
Loan	10.97	10.97	12.10	12.10	12.82	12.82
Trade Receivables	1,090.91	1,057.78	1,315.56	1,302.83	3,707.70	3,682.36
Other Financial Assets	915.05	915.05	886.57	886.57	616.79	616.79
Cash and Cash Equivalents	123.90	123.90	49.48	49.48	60.34	60.34
<b>Total Financial Assets</b>	<b>2,990.20</b>	<b>2,957.07</b>	<b>3,069.87</b>	<b>3,057.14</b>	<b>5,181.98</b>	<b>5,156.64</b>
<b>Financial Liabilities</b>						
<b>Carried at Ammortised Cost</b>						
Borrowings	3,564.97	3,564.97	3,928.95	3,928.95	4,137.45	4,137.45
Trade Payable	1,101.26	1,101.26	557.50	557.50	3,463.90	3,463.90
<b>Total financial liabilities</b>	<b>4,666.23</b>	<b>4,666.23</b>	<b>4,486.45</b>	<b>4,486.45</b>	<b>7,601.35</b>	<b>7,601.35</b>

The carrying amounts of trade payables and cash and cash equivalents are considered to be the same as their fair values, due to short term nature.

The fair values for loans and security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk. The fair values of non-current borrowings are based on discounted cash flows using a current borrowings rate.

# Notes to Consolidated Financial Statements (Contd.) (` in Lacs)

## NOTE - 35 : FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's financial assets include investments in equity instruments and mutual funds, trade and other receivables, and cash & cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The company's senior management oversees the management of these risks. The company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. This financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedure and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each risk, which are summarised as below:

### (A) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk and other price risks. Financial instruments affected by market risk include loans and borrowings and investments in quoted equity instruments.

#### i) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligations with floating interest rates. The Company is carryg its borrowings primarily at variable rate. The Company expects the variable rate to decline, accordingly the Company is currently carrying its loans at variable interest rates.

Particulars	31st March 2018	31st March 2017	1st April 2016
Variable Rate Borrowings	3,565	3,917	4,137
Fixed Rate Borrowings	-	12	-

#### Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variable held constant, the Company's profit/(loss) before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Effect on Profit before tax	
	31st March 2018	31st March 2017
Increase by 50 basis points (31 March 2017: 50 bps)	(17.82)	(19.58)
Decrease by 50 basis points (31 March 2017: 50 bps)	17.82	19.58

### (B) Equity Price Risks

Equity Price Risk is related to the change in market reference price of the investments in equity securities. The company is not an active investor in equity markets; it holds certain investments in equity which are accordingly measured at fair value through Profit and loss. The fair value of Company's investment in quoted equity securities as at March 31, 2018, 2017 and April 1, 2016 was ` 20.72 lacs, ` 49.75 lacs and ` 56.82 lacs, respectively. A 10% change in equity price as at March 31, 2018, 2017 and April 1, 2016 would result in an impact of ` 2.07 lacs, ` 4.96 lacs and ` 5.68 lacs, respectively. ( Note : The impact is indicated on equity before consequential tax impact, if any).

#### (i) Trade Receivables

Customer credit risk is managed by each business location subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed and individual credit limits are defined in accordance with the assessment both in terms of number of days and amount. Any Credit risk is curtailed with arrangements with third parties. An impairment analysis is performed at each reporting date on an individual basis for each client. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 11. The Company does not hold collateral as security.

#### (ii) Financial Instruments and Cash Deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investment of surplus funds are made only with approved counterparties. The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2017 and 1st April 2016 is the carrying amount as illustrated in Note 36.

# Notes to Consolidated Financial Statements (Contd.)

(` in Lacs)

## (C) Liquidity Risk

Liquidity risk refer to the risk that the Company may not able to meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per the requirement. The Company has obtained adequate fund and non fund based working capital limits from its bankers. The Company maintains its surplus funds, if any, in deposits / balances which carry low market risk. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived. The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments -

Particulars	31st March 2018	31st March 2017	1st April 2016
<b>Less than 1 year</b>			
Contractual Maturities of Borrowings	<b>2,425.08</b>	1,714.58	1,797.28
Contractual Maturities of Trade Payables	<b>1,101.26</b>	557.50	3,463.90
<b>More than 1 year</b>			
Contractual Maturities of Borrowings	<b>1,139.88</b>	2,214.37	2,340.17
Contractual Maturities of Trade Payables	-	-	-

## NOTE - 36 : RELATED PARTY DISCLOSURE (AS PER IND AS-24 - RELATED PARTY DISCLOSURES)

### Relationships:

(a) Party	Relationship
Abhijit Tea Company Private Limited	Associate Companies
Amit Paridhan Private Limited	
East Indian Produce Limited	
Jaldacca Tea Plantations Private Limited	
New Darjeeling Union Tea Company Limited	
Sayedabad Tea Company Limited	
Terai Doars Tea Company Private Limited	
Terai Financial Services Private Limited	
Terai Infrastructures Limited	
Terai Ispat & Trading Private Limited	
Terai Overseas Private Limited	
The Kharibari Tea Company Limited	

### (b) Entities where Key management personnel and their relatives are able to exercise significant influence

Ajit Kumar Agarwala & Others (HUF)
Kanchanview Resorts Pvt. Ltd.
Bagdogra Tea Company Private Limited

### (c) Key Management Personnel:

i) Shri Ajit Kumar Agarwala	Managing Director
ii) Shri Rajendra Kanodia	Director and CFO
iii) Shri Roshan Dave	Company Secretary

Disclosure of Related Party Transactions provides the information about the Company's structure. The following tables provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

### Terms and conditions of transactions with related parties:

The sales and purchase from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balance at the year-end are unsecured and interest free and settlement occurs in cash. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.



# Notes to Consolidated Financial Statements (Contd.)

(` in Lacs)

## (a) Transaction with related parties

Particulars	Associate Companies		Enterprise described in (a) above		Key Management Personnel	
	31-3-2018	31-3-2017	31-3-2018	31-3-2017	31-3-2018	31-3-2017
Purchase of Goods and Services	20.25	38.15	5.40	6.00	---	---
Sale of Goods, Services and Other income	251.53	21.25	---	---	---	---
Remuneration to Key Managerial Personnel	---	---	---	---	74.72	48.22
<b>Outstanding Balance as on 31st March</b>						
Sayedabad Tea Co Ltd.(Debtor)	0.49					
East Indian Produce Limited (Debtor)	40.52					
Kanchanview Resorts Private Limited (Adv.)	0.20					
Bagdogra Tea Company Private Limited (Adv.)	0.20					

## NOTE - 37 : DETAILS OF DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES AS PER MSMED ACT, 2006 :

The Company has not received information from vendors regarding their status under the MSMED Act, 2006 and hence disclosures relating to amounts unpaid as at the year end together with interest paid/ payable under this Act have not been given.

## NOTE - 38 : CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

Particulars	31st March 2018	31st March 2017	1st April 2016
Borrowings (Note - 15, 18 and 20)	3,564.97	3,928.95	4,137.45
Trade payables (Note-19)	1,101.26	557.50	3,463.90
Less: Current Investment (Note-11 )	791.20	749.59	591.77
Less: Cash and Cash Equivalents (Note-11 )	123.90	49.48	60.34
<b>Net Debt</b>	<b>3,751.14</b>	<b>3,687.38</b>	<b>6,949.24</b>
Equity	6,454.85	6,466.38	6,339.82
<b>Capital Gearing Ratio (%)</b>	<b>36.75%</b>	<b>36.32%</b>	<b>52.29%</b>

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018 and 31 March 2017.

## NOTE - 39 : FIRST TIME ADOPTION OF IND AS

These financial statements, for the year ended 31 March 2018, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2018, together with the comparative period data as at and for the year ended 31 March 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2016, the Company's date of transition to Ind AS. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

### Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

#### a) Ind AS Optional exemptions

**Deemed Cost for Property, Plant and Equipment** Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38

# Notes to Consolidated Financial Statements (Contd.) (` in Lacs)

Intangible Assets. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying values except for the property viz land situated in India. For the land the Company has considered fair value as deemed cost in accordance with the stipulations of Ind AS 101 with the resultant impact being accounted for in the retained earnings.

## Investment in associates

Ind AS 101 permits a first time adopter to measure its investments in associates at deemed cost. The deemed cost of such an investment could be either (a) its fair value at the date of transition; or (b) previous GAAP carrying amount at that date. The option may be exercised individually and separately for each item of investment. Accordingly, the Company has adopted to measure its investments in associates at deemed cost i.e. previous GAAP carrying amount.

## b) Ind AS Mandatory exceptions

**Estimates :** On assessment of the estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.

**Classification and measurement of financial Assets :** The classification of financial assets to be measured at amortised cost or fair value through profit and loss is made on the basis of the facts and circumstances that existed on the date of transition to Ind AS.

## c) Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Disclosure required by Ind AS 101 - First time adoption of Ind AS

### Reconciliation of Equity as at April 01, 2016 and March, 31, 2017:

Particulars	Total Other Equity	
	31st March 2017	1st April 2016
Total Equity (Shareholders' Funds) as per previous GAAP	4,347.60	4,137.43
Adjustments:		
Share of Differences in Share of Associates on Conversion to IND AS	6.73	134.41
Effect of fair valuation of Land	2,500.00	2,500.00
Effect of treating Capital subsidy as Government Grant	(192.80)	(244.95)
Effect of measuring Investments at fair value through profit and loss	(28.99)	(45.57)
Effect of Impairment of trade receivables as per ECL model	(12.73)	(25.33)
Effect of other adjustments	(155.32)	(138.57)
Tax impact on above adjustments	1.88	22.39
Total adjustments	2,118.78	2,202.38
<b>Total Equity As Per Ind AS</b>	<b>6,466.38</b>	<b>6,339.81</b>

### Reconciliation of Total comprehensive income for the year ended March 31, 2017

Particulars	Total Comprehensive income
<b>Net Profit as reported under GAAP</b>	<b>162.21</b>
Additional Shares of Profit from Associate on IND AS Conversion	11.35
Effect of fair value of Investments through profit and loss	30.77
Effect of Government Grant Amortisation	52.15
Effect of Depreciation on Tea Plants	(15.10)
Effect of Remeasurement of Defined Benefit Liability	(0.85)
Effect of Reversal of Impairment of Trade Receivables as per ECL Model	12.61
Effect of Amortisation of Processing Fees on Long Term Borrowings	(0.20)
Tax Impact on Above	(20.51)
<b>Net Profit as Reported under Ind AS</b>	<b>232.42</b>
<b>Other Comprehensive Income</b>	
Effect of Remeasurement of Defined Benefit Liability	(0.86)
Tax Impact on Above	0.27
<b>Total Comprehensive Income under IND AS</b>	<b>231.82</b>

### Reconciliation of Cash flow for the year ended March 31, 2017

### Reconciliation of Cash Flow for the Year Ended 31st March, 2018

There were no material differences between the statement of Cash Flows presented under Ind AS and the previous GAAP.

**NOTES TO FIRST-TIME ADOPTION:****(i) Note : Fair Valuation of Investments**

Under the previous GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments (other than equity instruments designated asat FVOCI) have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended 31st March 2017 and 31st March 2018. Fair value changes with respect to investments in quoted equity instruments, unquoted equity instruments and mutual funds designated as at FVTPL have been recognised in retained earning at the date of transition and subsequently in the profit and loss account for the year ended 31st March 2017 and 31st March 2018.

**(ii) Note : Property, Plant and Equipment**

The Company has elected to considered fair value for property, viz land situated in india, in accordance with stipulations of Ind AS 101 with the resultant impact being accounted for in the reserves. For rest of the property, plant and equipment company had elected to continue with the carrying value of all of its plant and equipment and intangible assets as recognised as of 1st April, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

**(iii) Note : Biological Assets**

Under previous GAAP, the Company has not recognised Tea bushes and shade trees as bearer plant and accordingly depreciation has not been charged. Under Ind AS, Tea bushes and shade trees has been recognised as bearer plant and depreciated over their estimated useful life. Consequently, depreciation and the cost of bearer plants has been adjusted and effect of the same has been taken in retained earnings as on 1st April 2016 and in profit and loss as at March 31 2017.

**(iv) Note : Borrowings**

Under Indian GAAP, transaction costs incurred in connection with borrowings are amortised upfront and charged to profit or loss for the period. Under Ind AS, transaction cost are included in initial recognition amount of financial liability and charged to profit or loss using the effective interest method.

**(v) Note : Loans/Other Financial Assets/ Other Current Assets**

As per Schedule III, Security Deposits are to be classified under Loans or Other Non-current/Current Assets respectively. Accordingly, Security Deposits which are financial in nature are classified under Loans and other deposits are classified under Non-current/ Current Assets respectively. Under IGAAP, Loans and Advances were shown together under Loans and Advances. However, as per Schedule III, Advances are classified under other Non-current/Current Assets.

**(vi) Note : Provision for Expected Credit Loss**

Impairment for trade receivable and interest receivable is measured in Ind AS based on life time expected credit losses. Expected credit loss allowance is measured based on historical credit loss experience, defaults, bankruptcy and forward looking information where relevant adjusted for probability of recovery. Under Previous GAAP, provision for trade receivable is measured based on factors such as age of receivables, defaults etc. adjusted for probability of recovery.

**(vii) Note : Defined Benefit Liabilities**

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. The entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

**(viii) Note : Deferred Tax**

Under Previous GAAP, deferred taxes were recognised for the tax effect of timing differences between accounting profit and taxable profit for the year using the income statement approach. Under Ind AS, deferred taxes are recognised using the balance sheet for future tax consequences of temporary differences between the carrying value of assets and liabilities and their respective tax bases. The above difference, together with the consequential tax impact of the other Ind AS transitional adjustments lead to temporary differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or through other comprehensive income.

**(ix) Note : Government Grant Amortisation**

Under previous GAAP, the Company has not recognised Tea plant subsidy as government grant related to property, plant and equipment but under Ind AS, the subsidy received for tea plant has been recognised as government grants and are presented at fair value and booked as deferred income.

# Notes to Consolidated Financial Statements (Contd.)

(` in Lacs)

## NOTE - 40 : AUDITORS' REMUNERATION (EXCLUDING TAXES) :

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Statutory Audit Fees	2.00	2.04
Tax Audit Fees	0.50	0.25
<b>Total</b>	<b>2.50</b>	<b>2.29</b>

## NOTE - 41 : THE MAJOR COMPONENTS OF INCOME TAX EXPENSE AND THE RECONCILIATION OF EXPENSE BASED ON THE DOMESTIC EFFECTIVE TAX RATE AND THE REPORTED TAX EXPENSE IN PROFIT OR LOSS ARE AS FOLLOWS :-

### Effective Tax Reconciliation

Particulars	31st March 2018	31st March 2017
<b>Accounting Profit Before Income Tax</b>	<b>121.34</b>	180.80
<b>Applicable Tax Rate (Percentage)</b>	<b>31.20</b>	30.90
Expected Income Tax	37.86	55.87
Exempt Income From Tax	(0.05)	(0.61)
Income Tax Different Rate	(5.42)	(16.82)
Tax Reversal of Earlier Years	(5.72)	-
Non Deduction Expenses for Tax Purpose	15.64	4.17
Expenses Allowed on Payment Basis	(10.89)	(0.85)
Other Items	1.26	(2.19)
<b>Income Tax recognised in Profit and Loss account</b>	<b>32.68</b>	39.57

## NOTE - 42 : SEGMENT REPORTING

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's chief operating decision maker to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the chief operating decision maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

# Notes to Consolidated Financial Statements (Contd.)

(` in Lacs)

## Segment Wise performance

Particulars	Tea Business & Agriculture Income		Trading Merchandise		Total	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
External Revenues (Net of Excise)	<b>5,610.56</b>	6,122.79	<b>7,296.57</b>	6,808.56	<b>12,907.13</b>	12,931.34
Inter Segment Revenue	---	---	---	---	---	---
<b>Total Revenue</b>	<b>5,610.56</b>	6,122.79	<b>7,296.57</b>	6,808.56	<b>12,907.13</b>	12,931.34
<b>Result</b>						
Segment Result	<b>44.13</b>	358.57	<b>325.53</b>	61.59	<b>369.66</b>	420.16
Un-allocable income net of un-allocable expenses	---	---	---	---	---	---
Borrowings Cost (Net)	---	---	---	---	<b>(376.73)</b>	(400.45)
Other un-allocable Expenditure	---	---	---	---	---	---
Other Income	---	---	---	---	<b>128.41</b>	161.09
Profit Before Tax	---	---	---	---	<b>121.34</b>	180.80
Tax Expenses	---	---	---	---	<b>(32.68)</b>	(39.57)
Profit After Tax	---	---	---	---	<b>88.66</b>	141.23
<b>Other Information</b>						
Segment Assets	<b>6,137.55</b>	3,896.39	<b>5,371.99</b>	5,614.41	<b>11,509.54</b>	9,510.79
Segment Liabilities	<b>38.12</b>	11.21	<b>5,129.02</b>	5,412.53	<b>5,167.14</b>	5,423.74
Capital Expenditure during the year	<b>195.37</b>	70.93	---	---	<b>195.37</b>	70.93
Depreciation	<b>132.92</b>	160.71	---	---	<b>132.92</b>	160.71

**NOTE - 43 :** The Company acquired by way of purchase Dharnipur Tea Estate as a "Going Concern" from its owner Sri Dharendra Nath Bhowmick (since deceased) and Dharnipur Tea Industries (P) Ltd. as confirming party and the Deed of conveyance was duly executed and registered in the name of the Company. The said Deed of Conveyance was cancelled in view of pending dispute between the seller and another party. However the agreement for purchase of the said Tea Estate subsists and is subject matter of a specific performance suit pending before Hon'ble Kolkata High Court. The Company is not in possession of the said Tea estate and has accordingly not accounted for the profit and/or loss on account of the operation or ownership of the said Tea Estate. The value of Dharnipur Tea estate represents the costs paid at the time of purchase and the legal expenses incurred thereafter on behalf of Bhowmicks and/or their legal heirs for contesting their suit which was pending. All Advocate fees at High Court and at Supreme Court were paid by this Company and capitalized on the basis of Hon'ble Supreme Court order dated 1.10.91, if Bhowmick's title is confirmed in their pending suit then the rights of this company remains intact. The title of Bhowmicks/legal heirs was confirmed by Hon'ble Calcutta High Court during this financial year.

**NOTE - 44 :** The Company acquired certain interest in a plot of land at Bangalore for which registration in the name of the company has not been done. All expenses of litigation in respect of the said land are considered as deemed cost of land and the same has been accounted as advance given for land.

**NOTE - 45 :** Previous year figures have been reclassified / regrouped / rearranged wherever necessary.

As per our report of even date attached.

For and on behalf of the Board of Directors

For **SAHA & MAJUMDER**

Chartered Accountants

FRN 303087E

Sd/-

**S.N. Bhattacharjee**

Partner

Membership No 010767

Place : Kolkata

Dated : 31st day of May, 2018\*

Sd/-

**Ajit Kumar Agarwala**

Managing Director

DIN : 00265775

Sd/-

**Rajendra Kanodia**

Director & CFO

DIN : 00175574

Sd/-

**Roshan Dave**

Company Secretary

ACS 27185

\* Board Meeting held on 30th May 2018 and continued till 31st May 2018

# TERAI TEA COMPANY LIMITED

Regd. Office : "Ezra Mansion", 10, Government Place (East), 1st Floor, Kolkata- 700 069, Ph: (033) 460-13789 / 39789 Fax : (033) 2248-9182,  
Website: [www.teraignroup.com](http://www.teraignroup.com), E-mail: [teraitea@gmail.com](mailto:teraitea@gmail.com) CIN: L51226WB1973PLC029009

## ATTENDANCE SLIP

Name of the Members(S) :

Registered Address :

Folio No. / Client ID No. & DP ID

No. of Share(s) held

I/We here by record my/our presence at the 45th Annual General Meeting held on Saturday, September 29, 2018 at 10.30 AM. at, Ezra Mansion, 10 Government Place (East), 1st Floor, Kolkata 700 069.

Member's /Proxy Name in Block Letters

Signature of Member's /Proxy

(Please cut here and bring the attendance slip duly signed, to the meeting and hand it over at the entrance. Duplicate Slip will not be issued at the venue of the meeting.)

# TERAI TEA COMPANY LIMITED

Regd. Office : "Ezra Mansion", 10, Government Place (East), 1st Floor, Kolkata- 700 069, Ph: (033) 460-13789 / 39789 Fax : (033) 2248-9182,  
Website: [www.teraignroup.com](http://www.teraignroup.com), E-mail: [teraitea@gmail.com](mailto:teraitea@gmail.com) CIN: L51226WB1973PLC029009

## PROXY FORM - MGT 11

(Pursuant of section 105(6) of the Companies Act 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2018)

45th Annual General Meeting to held on Saturday, September 29, 2018 at 10.30 AM. at, Ezra Mansion, 10 Government Place (East), 1st Floor, Kolkata 700 069.

Name of the Members(S) :

Registered Address :

E-mail ID :

Folio No. / Client ID No. & DP ID

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

1. Name .....  
Address .....  
E-mail ID ..... Signature : \_\_\_\_\_ or failing him;
2. Name .....  
Address .....  
E-mail ID ..... Signature : \_\_\_\_\_ or failing him;
3. Name .....  
Address .....  
E-mail ID ..... Signature : \_\_\_\_\_ or failing him;

as my/our proxy to attend and vote (on poll) for me /us and on my / our behalf at the 45th Annual General Meeting of the Company to be held at Ezra Mansion, 10, Govt. Place (East), Kolkata-69 on Saturday, September 29, 2018 at 10.30 AM and at any adjournment thereof in respect of such resolutions as are indicated below.

Resolution No.	Resolution	Optional* For	Against
<b>Ordinary Business</b>			
1	To receive, consider and adopt : a) The Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2018 with the reports of the Board of Directors' and Auditors thereon and b) The Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2018 together with report of the Auditors thereon.		
2	Appoint a Director in place of Shri Ajit Kumar Agarwala (DIN : 00265775) who Retires by Rotation and being eligible, offers himself for re-appointment.		
<b>Special Business</b>			
3	Approval of the remuneration of the Cost Auditor for Financial Year 2018-19.		
4	Revision of remuneration of Managing Director		

Signed this.....day of ....., 2018

Signature of the Share Holder

Signature of the Proxy Holder

Affix  
Revenue  
Stamp

**Notes :** (1) This form of Proxy in order to be effective should be duly stamped, completed, signed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting. (2) For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 45th Annual General Meeting. (3) It is optional to put a 'X' in the appropriate column against the Resolutions indicated to the Box. If you leave the 'For' or 'Against' column blank against any or all 'Resolution' your proxy will be entitled to vote in the manner as he/ she thinks appropriate.

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