



## GOODRICKE GROUP LIMITED

Registered Office :  
"Camellia House" 14, Gurusaday Road, Kolkata - 700 019  
Telephone : 2287-3067, 2287-8737, 2287-1816  
Fax No. (033) 2287-2577, 2287-7089  
E-mail : [goodricke@goodricke.com](mailto:goodricke@goodricke.com)  
visit us at : [www.goodricke.com](http://www.goodricke.com)

CIN-L01132WB1977PLC031054

1<sup>st</sup> July, 2019

To  
The Sr. General Manager  
Dept of Corporate Services  
BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai- 400001  
Email: [corp.relations@bseindia.com](mailto:corp.relations@bseindia.com)/  
Corp. [compliance@bseindia.com](mailto:compliance@bseindia.com)

Uploaded in <http://listing.bseindia.com/>

Scrip Code: 500166

Sub: Annual Report

Dear Sir,

This is further to our letter dated 24th May, 2019 wherein the Company had informed that the Annual General Meeting of the Company is scheduled to be held on 26<sup>th</sup> July, 2019. In terms of the requirements of Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are forwarding herewith the Annual Report for the period 2018-19.

You are requested to kindly take the above information on record.

Yours faithfully,

**GOODRICKE GROUP LIMITED**

**SR. GENERAL MANAGER &  
COMPANY SECRETARY**

Encl: a/a

**ANNUAL REPORT 2018-19**



**GOODRICKE GROUP LIMITED**

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## **BOARD OF DIRECTORS**

Mr. Peter John Field – *Chairman*  
Mr. Arun Narain Singh – *Vice Chairman*  
Mr. Atul Asthana - *Managing Director & CEO*  
Mr. Arjun Sengupta– *Wholetime Director & CFO*  
Mrs. Susan Ann Walker  
Dr. (Mrs.) Sudha Kaul  
Mr. Kantanand Sinha  
Mr. Prodosh Kumar Sen  
(resigned w.e.f. 31.03.2019)  
Mr. Yashpal Levin  
Mr. Sourav Adhikari  
(appointed w.e.f. 24.05.2019)

## **BOARD COMMITTEES**

### **Audit Committee**

Mr. Kantanand Sinha - Chairman  
Mr. Prodosh Kumar Sen – Member  
(resigned w.e.f. 31.03.2019)  
Mrs. Susan Ann Walker – Member  
Dr. (Mrs.) Sudha Kaul - Member  
(appointed w.e.f. 12.02.2019)

### **Corporate Social Responsibility Committee**

Dr. (Mrs.) Sudha Kaul - Chairperson  
Mr. Kantanand Sinha - Member  
Mr. Atul Asthana - Member

### **Nomination & Remuneration Committee**

Mr. Kantanand Sinha – Chairman  
Mr. Peter John Field - Member  
Mr. Prodosh Kumar Sen – Member  
(resigned w.e.f. 31.03.2019)  
Dr. (Mrs.) Sudha Kaul - Member

### **Stakeholders Relationship Committee**

Dr. (Mrs.) Sudha Kaul - Chairperson  
Mr. Kantanand Sinha - Member  
Mr. Atul Asthana – Member

## **KEY MANAGERIAL PERSONNEL**

Mr. Atul Asthana, Managing Director & CEO  
Mr. Arjun Sengupta, Wholetime Director & CFO  
Mr. Subrata Banerjee, Sr. General Manager  
& Company Secretary

## **AUDITORS**

Deloitte Haskins & Sells LLP  
Chartered Accountant  
Building – Omega, Bengal Intilegent Park  
Block – EP & GP, Sector - V, Salt Lake Electronic Complex  
Kolkata 700 091  
(Firm’s Registration No. 117366 W / W-100018)

## **SECRETARIAL AUDITORS**

Anjan Kumar Roy & Co  
GR-1 Gouri Bhaban  
28 A Gurupada Halder Road, Kolkata -700 026  
(CP No. 4557)

## **BANKERS**

Axis Bank Ltd.  
HDFC Bank Ltd.

## **REGISTRARS & SHARE TRANSFER AGENTS**

C.B. Management Services Pvt. Ltd.  
P-22, Bondel Road, Kolkata - 700 019.  
Tele No. (033) 4011 6700/6711/6718  
Fax No. (033) 2287 0263/4011 6739  
Email : rta@cbmsl.com  
Website : www.cbmsl.com

## **REGISTERED OFFICE**

“Camellia House”, 14 Gurusaday Road,  
Kolkata 700 019  
Tele No : (033) 2287 3067/ 8737  
Fax No (033) 2287 2577  
Website :- www.goodricke.com  
CIN : L01132WB 1977 PLC 031054

## NOTICE

NOTICE is hereby given that the Forty-third Annual General Meeting of the Members of Goodricke Group Limited will be held at the Eastern Zonal Cultural Centre, IB 201, Sector – III, Salt Lake City, Kolkata 700 106 on Friday, the 26<sup>th</sup> July, 2019 at 10.00 a.m. to transact the following business :-

### Ordinary Business

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

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March 2019, and the Reports of the Board of Directors and the Auditors thereon.
2. To declare Dividend for the financial year ended 31<sup>st</sup> March, 2019.
3. To appoint a Director in place of Mrs Susan Ann Walker, (Holding DIN 07225692) who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint a Director in place of Mr Arjun Sengupta, (Holding DIN 00631842) who retires by rotation and being eligible, offers himself for re-appointment.

### Special Business

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

**“RESOLVED THAT** Mr. Yashpal Levin (holding DIN 07169755) who was re-appointed as an Additional Director of the Company w.e.f. 1<sup>st</sup> April, 2019 by the Board of Directors under provision of section 161 of the Companies Act, 2013 and pursuant to the Article of Association of the Company and who holds such office upto the date of this Annual General Meeting of the Company, and in respect of whom the Company has received a notice in writing from a shareholder under Section 160 of the Companies Act 2013 proposing his candidature for the office of the Director of the Company be and is hereby appointed as a Director of the Company till 31<sup>st</sup> March 2020.”

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

**“RESOLVED THAT** pursuant to the provisions of Section 149, 150 and 152 and all other applicable provisions, if any, read with Schedule IV of the Companies Act, 2013 and the rules framed thereunder (including any modification(s) or re-enactment thereof for the time being in force) (“the Act”) and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Mr. Saurav Adhikari (holding DIN 08402010) who was appointed as an Additional, Independent Director by the Board of Directors effective 24<sup>th</sup> May, 2019 in terms of the provisions of Section 161 of the Act and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a shareholder under Section 160 of the Companies Act 2013 proposing his candidature for the office of the Director of the Company be and is hereby appointed as an Independent Director not liable to retire by rotation and to hold office for a term of three (3) years effective 24<sup>th</sup> May 2019.

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

**“RESOLVED THAT** in terms of Section 148 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) the remuneration payable to the Cost Auditors namely M/s. Shome & Banerjee, Cost Accountants (Firm Registration No.: 000001) for conducting Audit of Cost Accounting records maintained by the Company as applicable, for the year ending 31<sup>st</sup> March, 2020 as approved by the Board of Directors based on the recommendation

of the Audit Committee, the details of which are given in the Explanatory Statement in respect of this item of business be and is hereby ratified.”

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

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

“**RESOLVED THAT** consent of shareholders of the company be and is hereby accorded, pursuant to Section 180(1)(a) and other applicable provisions if any, of the Companies Act, 2013, to the Board of Directors of the Company to pledge, mortgage, hypothecate and/or charge all or any part of the moveable or immovable properties of the Company and the whole or part of the undertaking of the Company of every nature and kind whatsoever and/or creating a floating charge in all or any movable or immovable properties of the Company and the whole of the undertaking of the Company to or in favour of banks, financial institutions, investors and any other lenders or debenture trustees to secure the amount borrowed by the Company or any third party from time to time for the due payment of the principal and/or together with interest, charges, costs, expenses and all other monies payable by the Company or any third party in respect of such borrowings provided that the aggregate indebtedness secured by the assets of the Company does not exceed Rs. 90 Crores (Rupees Ninety Crores only) at any time.”

“**RESOLVED FURTHER THAT** the Board of Directors of the company be and are hereby authorised to finalise with Banks/Financial Institutions the documents for creating aforesaid mortgage and/or the charge and to do all such acts, deeds, matters and things as may be necessary, proper and expedient or incidental for giving effect to this resolution.”

**Record Date** : Notice is also given under Section 91 of the Companies Act, 2013 read with Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 that the Record Date will be Friday, the 19th July, 2019 to determine those members who will be entitled to receive dividend which will be declared at the Annual General Meeting.

**Cut off Date** : Notice is also given that the Cut off Date will be Friday, the 19th July, 2019 to determine the members entitled to undertake voting electronically on the business and all resolutions set forth in this Notice by remote e-voting and also by voting at the meeting venue.

**By Order of the Board**

**S. Banerjee**  
*Sr. General Manager &*  
*Company Secretary*  
ACS 4359

**Place : Kolkata**

**Dated : 24<sup>th</sup> May, 2019**

## NOTES & INFORMATION TO SHAREHOLDERS

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument of Proxy, in order to be effective, must be received at the Company's Registered Office not less than forty-eight hours before the Meeting.**

**In terms of Rule 19 of the Companies (Management and Administration) Rules, 2014, a person can act as a proxy on behalf of the members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total Share capital of those carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.**

2. The Explanatory Statements pursuant to Section 102 of the Companies Act, 2013 in respect of items of Special Business is annexed hereto.
3. The information as required to be provided in terms of the Listing Regulations with the Stock Exchange regarding the Directors who are proposed to be appointed / re-appointed is annexed.
4. The dividend that may be declared by the Company at the Forty-third Annual General Meeting will be paid on or after 5th August, 2019 (i) to those members holding shares in physical mode whose names appear on the Register of member on Friday, 19 July, 2019 (ii) In respect of the shares held in electronic form the dividend will be paid to the 'beneficial owners' of the shares at the end of business hours on Friday, the 19th July, 2019 as per details provided by the Depositories for this purpose.
5. Dividend in respect of shares held in dematerialized form shall be credited to the owner's bank account directly through National Automated Clearing House (NACH), wherever, NACH facility is available subject to availability of bank account details with 9 digit MICR and 11 digit IFS Code. In case the said details have not been provided to the concerned Depository Participant or there is any change, the same may please be intimated to the concerned Depository Participant immediately.

Securities and Exchange Board of India (SEBI) vide its Circular No. CIR/MRD/DP/10/2013 dated 21<sup>st</sup> March, 2013 has mandated usage of electronic mode for making cash payments such as dividend etc. to the investors of Companies whose securities are listed on the Stock Exchange.

6. Shareholders holding shares in physical form and desirous of having NACH facility, should provide their bank details and 9 digit MICR and 11 digit IFS Code number to the Registrar and Share Transfer Agent of the Company immediately. The shareholders who have already given their bank details should furnish the same only if there is any change.

Members who are holding shares in physical form are requested to notify change in address, if any, to the Company's Share Transfer Agent quoting their Folio Numbers. Shareholders holding shares in dematerialized form, should intimate change of their address, if any, to their Depository Participant.

7. Under Section 124 of the Companies Act, 2013 the amount of dividend remaining unpaid or unclaimed for a period of 7 years from due date is required to be transferred to the Investors Education and Protection Fund, established under corresponding Section 125 of the Companies Act, 2013. In accordance with the Notification of the Ministry of Corporate Affairs any amount of dividend which remained unpaid or unclaimed for a period of seven years from the date such dividend became due for payment have been transferred to the Investor Education and Protection Fund set up by the Government of India.

The Company has uploaded the details of unpaid or unclaimed amounts lying with the Company as on the date of the last AGM (27<sup>th</sup> July 2018) on its website [www.goodricke.com](http://www.goodricke.com).

8. Notice regarding dividend lying unclaimed have been sent to all shareholders concerned on 17th January, 2019.
9. Shares in respect of which dividend has been transferred to the Investor Education and Protection Fund ("IEPF") of the Central Government shall also be transferred to IEPF pursuant to Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules 2016 ("Rules") read with Section 124 of the Companies Act, 2013. Intimations have been sent to Shareholders concerned requesting them to encash their unclaimed dividends failing which the

Corresponding shares will be transferred to IEPF. The list of Shareholders and the corresponding shares are available on the Company's website [www.goodricke.com](http://www.goodricke.com). in respect of whom such shares have already been transferred to IEPF.

10. As per Regulation 40 of Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 except in case of transmission or transposition of securities, request for transfer of securities shall not be processed unless the securities are held in the dematerialised form with a depository. Letters have been sent to shareholders holding shares in physical form advising the contents of the said notification.
11. Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically.

## **12. Instructions for voting**

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015, and Listing Regulation the company is pleased to provide members holding shares either in physical form or in dematerialized form, the facility to exercise their right to vote on all the resolutions set forth in this notice by electronic means. The process and manner of voting by electronic means, the time schedule including the time period during which the votes may be cast and all other necessary instructions and information in this respect have been given in a separate sheet attached hereto forming part of the notice.

The Company has also made available voting through ballot at the venue of the Annual General Meeting and the members attending the Annual General Meeting, who have not cast their votes through electronic means shall be able to exercise the right at the Annual General Meeting through ballot.

## **Explanatory Statement**

(Pursuant to Section 102 of the Companies Act, 2013)

### **ITEM NO. 5**

Mr. Yashpal Levin, (DIN 07169755) aged about 62 years is a Senior Planter.

In terms of the provisions of the Companies Act, 2013 ("The Act"), the Articles of Association of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors had at its meeting held on 12<sup>th</sup> February, 2019 re - appointed Mr. Yashpal Levin, as an additional director of the Company w.e.f. 1<sup>st</sup> April, 2019. Mr. Yashpal Levin, being an additional director holds office upto the date of this Annual General Meeting and as proposed in the resolution shall hold office upto 31<sup>st</sup> March, 2020.

Given his vast experience as a planter the Board considers his appointment to be in the interest of the Company and recommends the resolution contained in Item No. 5 of the convening notice for approval of the members as an ordinary resolution.

Since Mr. Yashpal Levin's appointment is upto 31<sup>st</sup> March 2020 his office shall not be considered to be liable to determination by retirement of directors by rotation. Except Mr. Yashpal Levin none of the Directors, Key Managerial Personnel (KMPs), or relatives of Directors or Key Managerial Personnel are interested or concerned in the said resolution.

### **ITEM NO. 6**

Mr. Saurav Adhikari (DIN 08402010) aged about 62 years is responsible for driving corporate strategy at HCL, a \$8.3bn global technology enterprise. In this role he works closely with HCL Founder & Chairman, Shiv Nadar and the leadership teams across HCL to ideate, incubate and operationalise new businesses.



Mr Adhikari brings over 3 decades of global strategic business insight to the role, from his diverse experience with leading global firms like Unilever, Pepsi and Group SEB, in markets across North America, EMEA, APAC and India. His responsibilities include visioning and execution of HCL's mid to long term business strategy. During his 2 decades with HCL, He has been responsible for incubating new businesses, building high impact relationships with consulting majors, private equity funds, investment banks, partners and customers, that have had significant revenue and profit impact for HCL.

He earlier lead the global positioning and branding exercise for HCL drawing on his marketing heritage.

Mr Adhikari schooled at Mayo College, Ajmer in Rajasthan. He did his B.A. in Economics from Hindu College, Delhi University, an MBA from JBIMS, Bombay University and an AMP from INSEAD Fontainebleau, France. and has a passion for integrating strategic and creative thinking processes into delivering business impact.

Given his vast experience the Board considers his appointment to be in the interest of the Company and recommends the resolution contained in Item No. 6 of the convening notice for approval of the members as an ordinary resolution.

He meets the criteria of Independence and has consented to be appointed as a Director. Except Mr. Adhikari none of the Directors, Key Managerial Personnel (KMPs), or relatives of Directors or Key Managerial Personnel are interested or concerned in the said resolution.

#### **ITEM NO. 7**

In terms of Section 148 of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 ('the Rule'), the Board of Directors of the Company at its Meeting held on 12<sup>th</sup> February, 2019 appointed Messrs Shome & Banerjee, Cost Accountants, (Firm Registration No. 000001) as the Cost Auditors of the Company for the financial year ending 31<sup>st</sup> March, 2020 on the recommendation of the Audit Committee of the Company.

The Board, in terms of the Rule, approved the remuneration of the Cost Auditors as recommended by the Audit Committee, which is subject to ratification by the Members of the Company.

The remuneration fixed by the Board is as under :

Cost Auditors	Remuneration
Shome & Banerjee	Rs. 1,85,000/- for auditing the records of the Company

In addition to above, the Cost Auditors will be reimbursed out of pocket expenses as may be incurred by them on actual basis.

The Resolution set out in Item No. 7 of the convening Notice is to be considered accordingly and the Board recommends the same.

No Director or any Key Managerial Personnel of the Company or any of their relatives are concerned or interested, financially or otherwise, in respect of the said resolution.

#### **ITEM No. 8**

Keeping in view the Company's existing and future financial requirements to support its business operations, the Company needs additional funds. In order to facilitate securing the borrowing made by the Company, it would be necessary to create charge on the assets or whole or part of the undertaking of the Company. Section 180(1)(a) of the Companies Act, 2013 provides for the power to sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking of the Company subject to the approval of members in the General Meeting.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in passing of the Resolution.

The Board recommends that the resolution be adopted by the members.

<b>PARTICULARS RELATING TO DIRECTORS PROPOSED TO BE APPOINTED/RE-APPOINTED</b>				
<b>Name of Director</b>	<b>Mr. Arjun Sengupta</b>	<b>Mrs Susan Ann Walker</b>	<b>Mr. Saurav Adhikari</b>	<b>Mr. Yashpal Levin</b>
<b>Date of Birth</b>	5 <sup>th</sup> December 1957	18 <sup>th</sup> July, 1967	29 <sup>th</sup> July, 1958	18 <sup>th</sup> November 1956
<b>Qualification</b>	Chartered Accountant	Chartered Accountant (UK)	MBA from JBIMS, Bombay University and AMP from INSEAD Fontainebleau, France.	B A
<b>Expertise</b>	Indepth knowledge and experience in the field of Finance & Accounts. Joined the Company in 1987 and become Wholetime Director & CFO from 1 <sup>st</sup> September 2017.	Financial Professional with varied experience in business planning, strategic reviews, Investor Relation, Acquisition, valuation, fund raising(debt and equity including IPO) and reconstructions.	From his diverse experience with leading global firms like Unilever, Pepsi and Group SEB, in markets across North America, EMEA, APAC and India, he imparts global strategic business insight to financial and business development of any organization.	Having varied experience as a senior planter and was involved in various operational activities of the Company. He was inducted in operations department in 2010 and was promoted to Vice President (Operations) in 2014.
<b>Directorship held in other Companies (excluding foreign Companies)</b>	Stewart Holl (India) Limited  Elgin Investments & Trading Company Limited  Goodricke Technical & Management Services Limited  Borbam Investments Ltd.	Stewart Holl (India) Limited  Elgin Investments & Trading Company Limited  Goodricke Technical & Management Services Limited	NIL	NIL
<b>Committee Memberships,if any, with position</b>	NIL	Member- Audit Committee, Goodricke Group Limited	NIL	NIL
<b>Shareholding in the Company</b>	6 shares of Rs. 10/- each	NIL	NIL	NIL

There is no inter-se relationship between the Directors of the Company

## REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSION & ANALYSIS REPORT

The Directors have pleasure in presenting their Forty-Third Annual Report and Accounts for the year ended 31<sup>st</sup> March, 2019.

### FINANCIAL RESULTS

Particulars	(Rs. In Millions)	
	Year ended 31 <sup>st</sup> March 2019	Year ended 31 <sup>st</sup> March, 2018
Revenue from Operations	7487.88	7305.74
Profit before taxation	256.60	488.55
Tax Expense	161.66	171.33
Profit for the year	94.94	317.22
Other Comprehensive Income (net of tax)	18.54	(50.81)
Total Comprehensive Income	113.48	266.41
Other Equity at year end	2848.55	2852.25

### SHARE CAPITAL

During the year ended 31<sup>st</sup> March, 2019 there is no change in the issued, subscribed and paid up share capital of the Company. The paid up capital as on 31<sup>st</sup> March, 2019 stood at Rs. 216 million divided into 21600000 Equity Shares of Rs.10/- each.

### TRANSFER TO RESERVE

Your Directors do not propose to transfer any amount to the General Reserve for the financial year ended 31<sup>st</sup> March 2019.

### DIVIDEND

Your Directors have recommended a dividend of Rs. 4/- per share (40%). On approval at the forthcoming Annual General Meeting, dividend will be paid to those members whose names appear in the Register of the Company on Record date, ie. on Friday, the 19th July, 2019 subject, however to the provision of Section 126 of the of the Companies Act, 2013. This equity dividend has not been included as a liability in the financial statement.

### INDUSTRY STRUCTURE AND DEVELOPMENT, OPPORTUNITIES & THREATS, OUTLOOK, RISK AND CONCERN

The production of World Tea Crop stood at 5856 Million kgs (provisional) in 2018 as compared to 5697 million kgs in 2017. Indian Tea Crop was approx 1348.75 Million kgs; against 1278 million kgs. last year, the increase resulting from well distributed rainfall and better harvesting patterns. (source: International Tea Committee and Indian Tea Association respectively).

India is one of the several major tea producing centres of the world with tea produced in the country being one of the finest in the world. One of the oldest industries, the Indian tea industry has a large network of retailers, distributors, producers, packers, exporters and auctioneers. The reasons behind the popularity of Indian tea are not far to see – Indian tea owe its greatness to a host of factors from a great geographical spread, strong investments in tea processing facilities, calculated market development, constant innovation to a mix of high quality products. Global consumption of tea is likely to grow because of growing population and perception of the Consumer towards tea as natural health and wellness beverage.

Industry is experiencing rising input cost, increase in workers wage and related expenses, which is a challenge. Such increase in cost can only be set off by focused mechanization of estates operations and by improving the quality. This in turn will also result in global demand.

Identifying of risk is a continuous process which then leads to evaluating and managing significant risks faced through risk analysis process and risk mapping. The identified risks are then grouped into “High” “Medium” and “Low” and accordingly dealt with. The system is coordinated and designed to identify the key risk factors. Thereafter, the Audit Committee on a quarterly basis takes up the findings and envisages on the means through which the identified risk can be mitigated. During the financial year under review, no “high risk” were identified.

## **OPERATIONS**

During the financial year under review, your Company recorded own crop of 18.63 Mn kgs. tea as compared to 18.83 Mn kgs. in the previous year, which is by and large similar to previous year which was a record year by itself. The slight shortfall in crop is due to the embargo imposed on plucking as per Tea Board Directive.

However, the total manufactured crop along with purchased leaf for your Company stood at 26.57 Mn kgs. vis-à-vis 24.03 Mn kgs. made last year, which is approximately 10% higher than the previous year.

A new dedicated Bought Leaf factory (Jogopur) was successfully opened at our Danguajhar factory site adding 2 Mn kgs. to the production. Your Company recently acquired Harchurah Tea Estate in Assam, from McLeod Russel India Limited which is expected to add another 1 mn kgs to the total production of the Company.

The season started with higher prices than the previous year, however it declined slightly during the later part due to high volume of production. Darjeeling teas fetched good prices both in auctions and private sales. The average selling price during the year was 5.76% higher than the peers. The interim wage revision in Assam by 18.25% and West Bengal by 21.57% has created a general inflation in the Cost of Production by 11% & 13% respectively, without any compensatory increase in the market price. This has created tremendous pressure on profitability. However, your company has introduced a number of mechanized activities in operations like Plucking, Planting, Uprooting & Spraying to increase the productivity of labour to mitigate the high cost of production.

The Uprooting and Replanting Policy of your Company continued to remain in focus and has further improved the percentage of tea plants below the age of fifty years which is approximately 44.70% of the total area. Height reduction operation has been increased to 3% of total area for better productivity. Uprooting of older tea areas which are unviable and replacing by higher yielding and better quality clones continues @ 2.5% per annum.

As part of a continuous up-gradation and modernization programme, mechanization has been further extended in areas of plucking, spraying, planting and pruning. During the year, 24% & 20% savings were achieved over last year on deployment of mandays on Pruning and Uprooting operations respectively. This has largely contributed in meeting the shortfall caused by scarcity of workers in a given tea season. With prevailing drought conditions every year, additional irrigation equipment were installed on the estates along with creation of new Water Bodies to bring more tea area under irrigation coverage.

The Shade Nurseries and Vegetative Propagation Nurseries in the gardens are of good standard, which is a key factor in developing a healthy plantation. The Afforestation programme was enhanced to maintain good ecological conditions on the estates. It has always been Your Company's endeavor to produce Quality teas, which has continued to command a premium both in the domestic and international market. Production of premium Orthodox Teas was increased with an aim to fetch better prices, Factory infrastructure and machinery was enhanced to meet the requirements.

Pests and disease were better controlled, strictly adhering to the approved chemicals listed under the Plant Protection Code. Usage of Compost and Vermicompost generated in-house for nutrition to the plants has helped in two ways - to reduce usage of inorganic nitrogen and to enrich the soil. This helped your Company to adopt green and eco-friendly measures and to reduce emissions. Being governed by the restrictions for supply of teas to the European Union, your Company has voluntarily upgraded the standard further to all teas produced by it. Twinning, UK has certified your Company to be a “Clean Organisation” and placed it at the top most position in India in terms of MRL compliance.

An experiment was carried out successfully in Thurbo Tea Estate to use gas firing as a replacement of coal firing which is considered as a cleaner fuel. This is to increase the efficiency of the firing as well as to expend on Green / Environment friendly projects. This will be extended to other factories also once found to be successful.

Five factories of your Company are FSSC 22000 certified. Your Company also has 2 estates that have been audited for Fairtrade and the certification is awaited. Three estates are certified under "Rainforest Alliance." Our endeavor to have all our factories certified under the new Indian "Trustea" certification is progressing satisfactorily with several factories already certified. We are also in the process of assisting our Bought Leaf Suppliers to be compliant under this certification. Your Company also participates in the Ethical Tea Partnership, a global initiative.

The Instant Tea Plant at Aibheel Tea estate has largely contributed to the revenue of your Company. Apart from exporting 241 Metric tonnes, it has sold a considerable quantity in the Domestic market as well, with the DTA Sale permission.

The Consumer division has yet again shown good growth and the brands acquired from Godfrey Philips have also been successfully inducted into the division's portfolio.

## SEGMENTWISE OR PRODUCTWISE PERFORMANCE

### DOMESTIC

The domestic sales for this year was 32.53 million kgs compared to previous year's 31.70 million kgs.

The newly acquired Harchurah Tea Estate, in Assam is gradually augmenting into the Group's philosophy of best quality Teas.

Consumer Division of the Company dealing with branded retail business registered a positive growth both in volume and value and maintained its market share. In the Darjeeling category the brands continued to be the market leader. Company continues to be preferred supplier of its teas to AIR India, Jet Airways, Spicejet airline, Costa Coffee besides premium luxury hotels in the country. Your company's foray into lounges show positive result and we continue to explore opportunities to increase the presence.

### EXPORT

Total exports for the year stood at 4.91 million kgs as compared to 5.33 million kgs in the previous year.

Instant Tea performed satisfactorily with newer markets being tapped. Markets remain very protective and competitive and the plant continues to look at areas where cost can be reduced.

## FINANCIALS WITH RESPECT TO OPERATIONAL PERFORMANCE

The Company maintained healthy profit and production level. Export sales of bulk tea and instant tea continued to contribute to the growth of the Company's business alongwith an improved margin in branded teas.

### DETAILS OF SIGNIFICANT CHANGES

The SEBI-LODR (Amendment) Regulation, 2018 introduced the requirement of disclosing details of significant changes (i.e., change of 25% or more as compared to the immediately previous financial year) in the key financial ratios, accordingly, such changes are tabled below-

Financial Ratios	Variance	Reasons for Variance
Net Profit Margin	-58%	Operating Costs increased sharply due to substantial wage increase in Assam and West Bengal. Further tea prices also reduced in the later part of the financial year thereby having an adverse effect on the margins. Finance costs increased due to higher borrowings.
Interest Coverage Ratio	-67%	Average working capital borrowing was higher during the year due to sharp rise in wages as well as higher production.
Debt Equity Ratio	169%	Debt position at year end was higher due to higher working capital borrowings and loans taken for acquisition of tea estate in Assam.

## **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

Financial statements (i.e. Balance Sheet, Profit & Loss Statement and Cash-Flow Statement, together with notes) are prepared through the process which has automated as well as manual controls to ensure accuracy of recording all transactions which have taken place during any accounting period, and the resultant financial position at period end. All data pertaining are recorded through ERP systems operating in tea estates as well as head office. All data/transactions entered in systems are checked by various functional personnel on the basis of supporting documents & records, then the accounting entries are checked by accounts personnel and finally those are validated by managerial personnel. At periodic intervals, the accounting data are compiled, and financial statements are prepared. While preparing the financial statements, it is ensured that all transactions pertaining to the accounting period are recorded. Fixed assets, stock of tea, all significant items of stores and monetary assets are physically verified. The Company has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of fraud and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial disclosures. The position is reviewed by the Chief Internal Auditor along with independent firm of chartered Accountants to corroborate proper monitoring.

## **CHANGE IN NATURE OF BUSINESS, IF ANY**

There has been no change in the nature of business and the Company continues to concentrate on its own business with growth plans in short to medium terms.

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Mr Prodosh Kumar Sen, Independent Director resigned with effect from close of business on 31st March 2019 due to personal reasons. He has been associated with the Company since April, 2005 in the capacity of an Independent Director. In 2015, when the Companies Act, 2013 made it mandatory to have a requisite number of Independent Directors on the Board, he was re-appointed for a fresh term of 5 years.

Mr. Saurav Adhikari, has over 3 decades of experience across diverse businesses including International Markets has been inducted as an additional Independent Director with effect from 24<sup>th</sup> May 2019

In accordance with the provisions of the Articles of Association of the Company read with Section 152 of the Companies Act, 2013, Mr. Arjun Sengupta and Mrs Susan Ann Walker will retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. During the year, the Company had three Key Managerial Personnel, being Mr. Atul Asthana, Managing Director & CEO, Mr. Arjun Sengupta, Wholtime Director and CFO and Mr. Subrata Banerjee, Sr. General Manager & Company Secretary.

## **STATEMENT OF DECLARATION GIVEN BY THE INDEPENDENT DIRECTORS**

All the Independent Directors have given declaration as per Section 149 (7) of the Companies Act, 2013 confirming that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013.

## **REPORT ON CORPORATE GOVERNANCE**

The Company has complied with the Corporate Governance requirements under the Companies Act, 2013 and as stipulated in Listing Regulations. A Report on Corporate Governance alongwith the Auditor's Certificate regarding Compliance of Corporate Governance are attached as Annexure I and Annexure II respectively, forming part of this Report.

## **DETAILS OF BOARD MEETINGS**

The Board of Directors met 6 (six) times during the year on 24<sup>th</sup> May, 2018, 7<sup>th</sup> August, 2018, 17<sup>th</sup> September, 2018, 9<sup>th</sup> November, 2018, 12<sup>th</sup> February, 2019 and 29<sup>th</sup> March, 2019. Further details on Board of Directors are provided in the Corporate Governance Report.

## **COMMITTEES OF THE BOARD**

### **a. AUDIT COMMITTEE**

The Audit Committee presently comprises of three Non-Executive Directors, two of whom are Independent Directors. The Chairman of the Committee is an Independent Director. The Managing Director, Chief Financial Officer, the Head of Internal Audit and the representative of the Statutory Auditors are Invitees to meetings of the Audit Committee. The Head of Internal Audit reports to the Audit Committee and the Company Secretary is the Secretary to the Committee. The representatives of the Cost Auditors are also invited to meetings of the Audit Committee whenever matters relating to cost audit are considered. All members of the Committee are financially literate. Further details of Audit Committee are given in the Corporate Governance Report.

Your Company's Whistleblower Policy encourages Directors and employees to bring to the Company's attention, instances of unethical behaviour, actual or suspected incidents of fraud or violation of the Code of Conduct that could adversely impact your Company's operations, business performance and / or reputation. The Policy provides that your Company investigates such incidents, when reported, in an impartial manner and takes appropriate action to ensure that requisite standards of professional and ethical conduct are always upheld. It is your Company's Policy to ensure that no employee is victimised or harassed for bringing such incidents to the attention of the Company. The practice of the Whistleblower Policy is overseen by the Audit Committee and no employee has been denied access to the Committee. The Whistleblower Policy is available on your Company's corporate website and can be accessed at Company's weblink [www.goodricke.com/policies](http://www.goodricke.com/policies).

The details of Programme for familiarization of Independent Directors with the Company, nature of Industry and other related matters are available on the weblink : [www.goodricke.com/policies](http://www.goodricke.com/policies).

### **b. NOMINATION & REMUNERATION COMMITTEE**

The Nomination & Remuneration Committee presently comprises of three Non-Executive Directors, two of whom are Independent Directors. The Chairman of the Committee is an Independent Director. Further details of Nomination and Remuneration Committee are given in the Corporate Governance Report.

The Company's Policy relating to appointment of Directors, payment of managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 and Listing Regulations is attached to this report as Annexure VI.

### **c. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE**

The Committee seeks to guide the Company in integrating its social and environmental objectives with its business strategies and assists in crafting unique models to support creation of sustainable livelihoods. The Committee formulates & monitors the CSR Policy and recommends to the Board the annual CSR Plan of the Company in terms of the Companies Act, 2013. The Corporate Social Responsibility Committee presently comprises two Independent Directors and the Managing Director & CEO who is a Member. The Chairman of the Committee is an Independent Director. The role of the CSR committee inter-alia includes :

- a. To formulate and recommend to the Board, a Corporate Social Responsibility Policy;
- b. To recommend the amount of expenditure to be incurred on the activities undertaken.
- c. To monitor the Corporate Social Responsibility Policy of the Company from time to time.
- d. Review the performance of the Company in the areas of Corporate Social Responsibility activities.
- e. Review the Companies decisions on Corporate Social Responsibility matters.

The names of the members of the Corporate Social Responsibility Committee, including its Chairman, are provided hereinunder along with the number of Meetings and Attendance Details of the Committee Members during the financial year.

Director	Category of Directors	Chairman/ Member	No. of Corporate Social Responsibility Committee Meetings attended
Dr. (Mrs) Sudha Kaul	Non Executive – Independent	Chairperson	1
Mr Kantanand Sinha	Non Executive – Independent	Member	1
Mr Atul Asthana	Managing Director & CEO	Member	1

The Committee has framed and the Board has approved the Company's Corporate Social Responsibility Policy relating to the CSR activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013 and the expenditure thereon, excluding activities undertaken in the normal course of business of the Company. The said CSR policy is available at the company's weblink [www.goodricke.com/policies](http://www.goodricke.com/policies). The details about the policy developed and implemented by the Company on CSR initiatives undertaken during the year are enclosed as Annexure-III to the Board's Report, forming part of this Annual Report.

During the year under review, the CSR Committee met once i.e. on 24<sup>th</sup> May, 2018 and all the members of the Committee were present in the meeting.

#### **d. STAKEHOLDERS RELATIONSHIP COMMITTEE**

The Stakeholder's Relationship Committee presently comprises of three Directors. The Chairman of the Committee is an Independent Director. Further details of Stakeholders Relationship Committee are available in the Report on Corporate Governance.

#### **ANNUAL PERFORMANCE EVALUATION**

The Securities and Exchange Board of India (SEBI) vide its circular No. SEBI/HO/CFD/CMD/CIR/P/2017/004 dated 5th January, 2017 had issued a guidance note on Board Evaluation which contained indicative criterion for evaluation of the Board of Directors, its Committees and the individual members of the Board.

Pursuant to the Evaluation Framework and the Amendment, the Board evaluated the performance of the Board, its Committees and the Individual Directors for the financial year 2018-19. After the evaluation process was complete, the Board was of the view that the performance of the Board as a whole was adequate and fulfilled the parameters stipulated. The Board also ensured that the Committees functioned adequately and independently in terms of the requirements of the Companies Act, 2013 and the Listing Regulations and at the same time supported as well as coordinated with the Board to help in its decision making.

The individual Directors' performance was also evaluated and the Board was of the view that the Directors fulfilled their applicable responsibilities and duties as laid down by the Listing Regulations and the Companies Act, 2013 and at the same time contributed with their valuable knowledge, experience and expertise so as to make the Company well equipped to face the adverse challenges.

Further, the SEBI(Listing Obligations and Disclosure Requirement)(Amendment) Regulations, 2018 dated 9<sup>th</sup> May, 2018, prescribed additional criterion to be included in the evaluation process for Independent Directors which includes performance of Directors, fulfilment of independence and independence from the Management. The Board of Directors additionally evaluated the Independent Directors on such parameters in their meeting held on 24th May, 2019. The Independent Directors who were subject to the evaluation has not participated in the process.

#### **ANNUAL RETURN**

A copy of Annual Return pursuant to the provisions of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 forming a part of this Report, attached as Annexure IV.

#### **DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to the requirement of Clause (c) of sub section 3 of Section 134 of the Companies Act, 2013 your Directors confirm that :

- in the preparation of the annual accounts, for the year ended 31<sup>st</sup> March 2019, the applicable accounting standards have been followed alongwith the proper explanations relating to material departure, if any.



- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the year ended 31<sup>st</sup> March 2019 and of the profit and loss of the Company for that period;
- (c) the Directors had taken proper and sufficient care 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 Directors had prepared the annual accounts on a going concern basis;
- (e) the 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; and
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **AUDITORS AND AUDIT REPORT**

M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018) were appointed as the Statutory Auditors of the Company in the Annual General Meeting held on 28<sup>th</sup> July, 2016 subject to ratification in each year in terms of Section 139 of the Companies Act 2013 till the conclusion of the Annual General Meeting to be held in 2021, subsequently vide the Companies (Amendment) Act 2017 the provision for ratification of appointment has been omitted.

The Statutory Audit Report does not contain any qualification, reservation or adverse remarks.

### **COST AUDITORS**

The Cost accounts and records are maintained by the Company in terms of specifications issued by the Central Government under Section 148(I) of the Companies Act 2013 read with Companies (Account) Rules 2014

In terms of Sub Section (3) of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, M/s. Shome & Banerjee, Cost Accountants (Firm Registration No. 000001) has been appointed by the Board of Directors in its meeting held on 12<sup>th</sup> February, 2019 as the Cost Auditor of the Company for the financial year 2019-20 based on the recommendation of the Audit Committee. The remuneration to be ratified by the Members in the ensuing Annual General Meeting.

The Cost Audit Report for the year ended 31<sup>st</sup> March, 2018 does not contain any qualification, reservation or adverse remarks.

### **SECRETARIAL AUDIT**

In terms of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s. A. K. Roy & Co., Practicing Company Secretaries FCS 5684, CP No. 4557 had been appointed Secretarial Auditors of the Company for the year ended 31<sup>st</sup> March, 2019. The report of the Secretarial Auditors is enclosed as Annexure-V to this report.

The Report does not contain any qualification, reservation or adverse remark or disclaimer, which requires any further comments or explanations.

### **DISCLOSURE AS PER SECRETARIAL STANDARD (SS-1)**

In terms of the requirement of Secretarial Standard (SS-I) at the meetings of the Board of Directors it is confirmed that the Company has complied with applicable Secretarial Standards.

### **PARTICULARS OF COMPLIANCE OF CONTRACTS OR ARRANGMENTS MADE WITH RELATED PARTIES**

The related party transactions entered during the year were in ordinary course of business and also on arm's length basis in compliance with the applicable provisions of the Companies Act, 2013 and Listing

Regulations. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict of interest with the Company at large. All related party transactions are presented to the Audit Committee and the Board, if required for approval. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. The Policy on Related Party Transactions as approved by the Board is uploaded on the Company's website at the web link: [www.goodricke.com/policies](http://www.goodricke.com/policies).

Accordingly, disclosures of related party transactions in terms of Clause (h) of sub section (3) of Section 134 of Companies Act, 2013 read with Rule 8 (2) of the Companies (Accounts) Rules 2014 in Form AOC – 2, is not applicable. Transactions with related parties, as per requirements of Accounting Standard are disclosed in the notes to the accounts annexed to the financial statements.

## **LOANS, GUARANTEES OR INVESTMENTS**

The particulars of loans, guarantees or investments made under section 186 of the Companies Act 2013 are covered in the notes of the financial statement for the year ended 31<sup>st</sup> March, 2019.

## **HUMAN RESOURCES DEVELOPMENT**

Your Company firmly believes that it is its people who energise and make the organisation exceptional, both in driving world-class performance as well as in fostering and enhancing its reputational capital. Integral to your Company's approach to human resource development is its distinctive Strategy of Organisation. Tea Industry is highly labour intensive. Your Company has employed over 23600 personnel at its tea estates and other establishments in India. Employee relations remained satisfactory and the Company would like to record the dedication and support received from the employees at all level in maintaining smooth functioning during the said period.

## **ENABLING A GENDER FRIENDLY WORKPLACE**

As a good corporate citizen, the Company seeks to enhance equal opportunities for men and women, prevent/stop/redress sexual harassment at the workplace and institute good employment practices. Processes and mechanisms are instituted to ensure that issues such as sexual harassment at work place, if any, are effectively addressed. In terms of requirements of Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, Internal Complaints Committee have been constituted in all the establishments to enquire into complaints and to recommend appropriate action, wherever required. Goodricke demands, demonstrates and promotes professional behaviour and respectful treatment of all employees. To sensitise employees and enhance awareness at all establishments, workshops are held at intervals during the year.

Status of complaints in the Financial year 2018-19

No. of Complaints filed during the year	NIL
No. of complaints resolved during the year	NIL
No. of complaints pending as on 31.03.2019	NIL

## **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS**

There is no significant or material order passed by any Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

## **TRANSFER OF SHARES & DIVIDENDS TO INVESTOR EDUCATION AND PROTECTION FUND**

The unclaimed dividend for the financial year 2010 and 2011 aggregating Rs. 713200/- and Rs. 694064/- respectively /- and the corresponding 7279 Equity Shares for 2010 and 17929 Equity Shares for 2011 in respect of which dividend entitlements remained unclaimed for seven consecutive years or more, have been transferred by the Company to the Investor Education and Protection Fund established by the Central Government (IEPF), pursuant to the provisions of Section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

Shareholders may claim their unclaimed dividend for the years prior to and including the financial year 2009-10 and the corresponding shares, from the IEPF Authority by applying in the prescribed Form No. IEPF-5. This Form can be downloaded from the website of the IEPF Authority [www.iepf.gov.in](http://www.iepf.gov.in), the access link of which is also available on the Company's corporate website [www.goodricke.com](http://www.goodricke.com).

The unclaimed dividend for the undernoted years and the corresponding shares will be transferred by the Company to IEPF in accordance with the schedule given below. Communication has been sent to the concerned Shareholders advising them to write to the Company or CB Management Services Private Limited to claim their dividend. Notices in this regard have also been published in newspapers. Details of such unclaimed dividend and corresponding shares are available on the Company's corporate website. Attention in particular is drawn that the unclaimed dividend for the financial year 2012 and the corresponding shares will be due for transfer to IEPF on 26.05.2020.

Financial Year	Date of Declaration of Dividend	Total Dividend	Unclaimed Dividend	Due Date for Transfer to IEPF
2012	20.04.2013	86400000	736672	26.05.2020
2013	11.04.2014	97200000	909743	17.05.2021
2014	30.03.2015	97200000	953397	06.05.2022
2015-16	28.07.2016	86400000	899684	03.09.2023
2016-17	27.07.2017	97200000	1069281	02.09.2024
2017-18	27.07.2018	97200000	679360	02.09.2025

## DEPOSITS

Your Company has not accepted any deposits from public in terms of provisions contained in Chapter V of the Companies Act, 2013.

## PARTICULARS OF EMPLOYEES

The ratio of the remuneration of each Director to the median employees' remuneration and other particulars or details of employees pursuant to Section 197(12) of the Companies Act, 2013 alongwith the names of top 10 employees in terms of remuneration drawn read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended are attached to this Report as Annexure VII.

## POLICY ON PREVENTION OF INSIDER TRADING

Securities and Exchange Board of India, vide its notification dated 15th January, 2015, has notified SEBI (Prohibition of Insider Trading) Regulations, 2015, to enforce with effect from 120th day from the date of its notification. In terms of the said regulation, Company had formulated Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Code of Conduct for Prohibition of Insider Trading. The Board has adopted both the Codes at its meeting held on 12th May, 2015. Further SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 dated 31st December 2018 specified for certain other amendments which has been duly incorporated in the Policy.

These Amendments included a structured digital database to be maintained containing the names of such persons or entities as the case may be with whom information is shared under this regulation along with the Permanent Account Number or any other identifier authorized by law. Where Permanent Account Number is not available, adequate internal controls and checks such as time stamping and audit trails are required to be compounded to ensure non tampering of the database. The Company has successfully formulated such database.

In terms of the regulation, Board has appointed Mr. S. Banerjee, Sr. General Manager & Company Secretary, as the Compliance Officer under the Code to deal with dissemination and disclosures of unpublished price sensitive information. The said regulation is available at company's weblink [www.goodricke.com/policies](http://www.goodricke.com/policies).

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**
**(a) Conservation of energy**

(i) The steps taken or impact on conservation of energy	<ul style="list-style-type: none"> <li>i) Installation of low voltage LED lights to reduce Power Consumption.</li> <li>ii) Installation of Automatic Chasing machines to reduce running hours and to reduce cost.</li> <li>iii) Installation of (Variable Frequency Drive) in machinery in Processing equipments to reduce current amalgamation</li> <li>iv) Installation of higher efficiency CTC machines with energy efficient motors.</li> <li>v) Installation of energy efficient DG Setsvi) Installation of energy efficient Driers</li> </ul>
(ii) The steps taken by the company for utilizing alternate sources of energy	<ul style="list-style-type: none"> <li>i) Effective usage of firewood in boilers of Gandrapara&amp; Aibheel to reduce dependence on fossil fuel.</li> <li>ii) Effective running of CPC Solar unit in ITP.</li> <li>iii) Proposed installation of 100 KW Hydel Project in Badamtam T.G. in 2019.</li> <li>iv) Effective use of Biocompost Pallets in lieu of Coal in heaters.</li> </ul>
(iii) The capital investment on energy conservation equipments	<ul style="list-style-type: none"> <li>i) Proposed installation of 100 KW Hydel Project in 2019 at Badamtam – 20 million</li> <li>ii) Installation of LED lights – 0.5 million</li> <li>iii) Installation of energy efficient motors &amp; CTC machines &amp; Driers, DG Sets -11.60 million</li> <li>iv) Proposed installation of Gas firing in lieu of coal in Turbo/Barnesbeg – Cleaner &amp; cheaper fuel - 3 million</li> </ul>

**(b) Technology absorption**

(i) The efforts made towards technology absorption	<ul style="list-style-type: none"> <li>a) Introduction of VFD in Rotorvane and Irrigation.</li> <li>b) Dependence on Hydro Electric Plant to run factories.</li> <li>c) Installation of high efficiency humidification system.</li> <li>d) Usage of low voltage LED lights.</li> <li>e) Usage of energy efficient Tractors &amp; Lorries.</li> </ul>
(ii) The benefits derived like product improvement, cost reduction, product development or import substitution	<ul style="list-style-type: none"> <li>a) Reduction of Pollution of Air.</li> <li>b) Reduction in Power Cost.</li> <li>c) With the introduction of efficient humidification system, the better quality of teas could be produced.</li> <li>d) With the introduction of VFD, in Rotorvane, Irrigation, Power cost could be reduced.</li> <li>e) With the introduction of Energy efficient DG Set, the consumption of HSD could be reduced.</li> <li>f) With efficient Tractors &amp; Lorries, vehicle fuel has been reduced.</li> </ul>
(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year).  (a) the details of technology imported	

(b) the year of import; (c) whether the technology been fully absorbed (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	NA
(iv) The expenditure incurred on Research and Development	Rs. 14.420 million

**(c) Foreign exchange earnings and Outgo**

During the year, the foreign exchange outgo was Rs. 52.08 Million and the foreign exchange earning was Rs. 1237.85 million.

**MATERIAL CHANGES AND COMMITMENTS**

Your Directors confirm that there are no material changes and commitments, affecting the financial position of the company which has occurred between the end of the financial year of the company and the date of this report.

**CAUTIONARY STATEMENT**

Statements in this Management Discussion and Analysis Report describing the Company's objectives, projections, estimates and expectations may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed or implied due to factors beyond control.

**ACKNOWLEDGEMENT**

At Goodricke, we aim to deliver long-term value for all our stakeholders without compromising on integrity, environmental, and social obligations, or regulatory compliance. We consider stakeholder engagement as one of the fundamental building blocks to a successful sustainability strategy. As a responsible sector, with deep-rooted societal involvement, we engage closely with our valued stakeholder community, which encompasses our consumers, employees, shareholders, local communities, plantation workers, and the natural resources we employ in our business. To ensure continual accountability, Goodricke has clear governance structures, management processes, and policies in place. We maintain transparency and openness at every level of functioning within the company, thereby assigning responsibility and accountability to individuals, Board committees and management teams.

Your Directors place on record their appreciation for employees at all levels, who have contributed to the growth and performance of your Company.

Your Directors also thank the business associates, shareholders and other stakeholders of the Company for their continued support.

On behalf of the Board

Atul Asthana  
Managing Director & CEO  
(DIN 00631932)

Arjun Sengupta  
Wholetime Director & CFO  
(DIN 00631842)

Kantanand Sinha  
Independent Director  
(DIN 00123811)

Place : Kolkata

Dated : 24<sup>th</sup> May, 2019

## REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

Goodricke has put in place a formalised system of Corporate Governance even before the Securities and Exchange Board of India made it mandatory for Listed Companies. Its governance framework enjoins the highest standards of ethical and responsible conduct of business to create value for all stakeholders.

Goodricke defines Corporate Governance as a systemic process by which companies are directed and controlled to enhance their wealth-generating capacity. Since large corporations employ a vast quantum of societal resources, Goodricke believes that the governance process should ensure that these resources are utilised in a manner that meets stakeholders' aspirations and societal expectations. Any meaningful policy on Corporate Governance must empower the management of the Company. At the same time, Governance must create a mechanism of checks and balances to ensure that the decision-making powers vested in the management are used with care and responsibility to meet stakeholders' aspirations and societal expectations.

### 2. BOARD OF DIRECTORS

#### 2.1 Composition and Category of Directors

All statutory and other significant and material information are placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company as trustees of Shareholders. The present strength of the Board is nine, which includes one Independent Director who has been inducted in the Board of Directors of the Company on the date of this report. The Board comprises an optimum combination of Executive, Non-executive, Independent Director and Woman Director which is in conformity with the Listing regulations.

Composition of the Board as on 31st March, 2019 are given below:

Director	Category	DIN
Mr. Peter John Field	Chairman	02634920
Mr. ArunNarain Singh	Vice Chairman	00620929
Mr. Atul Asthana	Managing Director & CEO	00631932
Mr. Arjun Sengupta	Wholetime Director & CFO	00631842
Mrs. Susan Ann Walker	Non Executive Woman Director	07225692
Dr. (Mrs) SudhaKaul	Independent Woman Director	00150593
Mr. Kanatanand Sinha	Independent Director	00123811
Mr. Yashpal Levin	Non Executive Director	07169755
Mr. Prodosh Kumar Sen*	Independent Director	00160160

\*Resigned w.e.f. close of business on 31.03.2019

There is no inter-se relation between the Directors of the Company

#### 2.2 Meetings and Attendance

The Board met 6 times during the year on 24th May, 2018, 7<sup>th</sup> August, 2018, 17<sup>th</sup> September, 2018, 9<sup>th</sup> November, 2018, 12<sup>th</sup> February, 2019 and 29<sup>th</sup> March, 2019. The intervening period between two Board meetings was well within the maximum gap of 120 days prescribed under the Listing Regulations

2015. The Last Annual General Meeting was held on 27<sup>th</sup> July, 2018. The tentative annual calendar of meetings is broadly determined at the beginning of each year. Meetings are governed by a structured agenda. The Board members, in consultation with the Chairman, may bring up any matter for consideration of the Board. All major agenda items are backed by comprehensive background information to enable the Board to take informed decisions. Agenda papers are generally circulated at least seven days prior to the Board meeting.

Details of attendance of Directors are as follows-

<b>Director</b>	<b>No. of Board Meetings Attended</b>	<b>Whether attended the last AGM</b>
Mr Peter John Field	6	YES
Mr Arun Narain Singh	5	YES
Mr. Atul Asthana	6	YES
Mr. Arjun Sengupta	6	YES
Mrs. Susan Ann Walker	6	YES
Dr. (Mrs) Sudha Kaul	5	YES
Mr. Kanatanand Sinha	5	YES
Mr. Yashpal Levin	5	YES
Mr. Prodosh Kumar Sen*	4	YES

\*Resigned w.e.f. close of business on 31.03.2019

### **2.3 Meeting of Independent Directors**

The statutory role of the Independent Directors of the Board is to review the performance of the non-Independent Directors including the Chairman of the Company, and the Board and also to assess the quality, quantity and timeliness of flow of information between the Company management and the Board. The Committee met on 24<sup>th</sup> May, 2019 to evaluate the performance of the Board as a whole and the key contributions made by each Director towards the growth of the Company.

### **2.4 Familiarization programme for Independent Directors:**

Each newly appointed Independent Director is taken through a formal induction programme including the presentation from the Managing Director as well as various Business Heads on the production, marketing, finance and other important aspects. The Company Secretary briefs the Directors about their legal and regulatory responsibilities as a Director. The induction for Independent Directors include interactive sessions with Executive Directors, Business and Functional Heads, visit to the Tea Estates/ plant/ site etc.

The details of Programme for familiarization of Independent Directors with the Company , nature of Industry and other related matters are available on the weblink : [www.goodricke.com/policies](http://www.goodricke.com/policies)

### **2.5 Number of other Boards/ Committees of the Board where the Director is a Chairperson/ Member**

None of the Directors acts as an Independent Director in more than 7 Listed Companies. Further, none of the Director act as a member of more than 10 committees or act as a chairman of more than 5 committees across all Public Limited Companies in which he is a Director.

The details of the Directorships, Chairmanships and the Committee memberships in other Companies (excluding Private Limited Companies, Foreign Companies and Section 8 Companies) held by the

Directors as on 31st March , 2019, are given below:

Director	Member of the Board	No. of Companies / Board Committees	
		Chairperson	Member
Mr. Peter John Field	1	—	—
Mr. ArunNarain Singh	1	—	3
Mr. Atul Asthana	4	—	1
Mr. Arjun Sengupta	4	—	—
Mrs. Susan Ann Walker	3	—	—
Dr. (Mrs) SudhaKaul	0	—	—
Mr. Kanatanand Sinha	1	—	—
Mr. Yashpal Levin	0	—	—
Mr. Prodosh Kumar Sen*	1	—	—

\*Resigned w.e.f. close of business on 31.03.2019

None of the Directors are associated in the capacity of a Director in any Listed Company.

## 2.6 Evaluation of the Board's Performance

The primary role of the Board is that of trusteeship to protect and enhance shareholder value through strategic supervision. The Board ensures that the Company has clear goals aligned to shareholder value and its growth. The Board sets strategic goals and seeks accountability for their fulfilment. The Board also provides direction and exercises appropriate control to ensure that the Company is managed in a manner that fulfils stakeholders' aspirations and societal expectations. The Board, as part and parcel of its functioning, annually reviews its role and also evaluates the performance of the Directors and the Board Committees. Pursuant to the guidance note issued by SEBI on Board evaluation, the Board evaluated its performance as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out covering various aspects of the Boards functioning such as composition of the Board and Committees, experience and competencies, performance of specific duties and obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Non- Executive Chairman, who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgement, etc.

Further, the SEBI (LODR) (Amendment) Regulations, 2018 dated 9<sup>th</sup> May 2018, prescribed additional criterion to be included in the evaluation process for Independent Directors which includes performance of Directors, fulfilment of independence criteria and independence from the Management. The Board of Directors additionally evaluated the Independent Directors on such parameters and confirmed the same. The Independent Directors who were subject to the evaluation has not participated in the process.

The Company received the resignation of Mr Prodosh Kumar Sen who resigned with effect from 31<sup>st</sup> March 2019 before expiry of his term scheduled to be concluded at the Annual General Meeting of 2020. He tendered his resignation citing personal reasons and also confirmed that there were no other material reason other than the one provided for such resignation.

## 2.7 Skill, Expertise and Competency of Directors

The Board of Directors of the Company are required to have knowledge of the plantation sector alongside a penchant for financials and in depth knowledge of eco-social well being. This triple bottomline makes a corporate sustainable and growth oriented. An optimum combination of experienced planters, brokers, bankers, financially literate professionals and socialist-educationist exists on the Board of Directors. Under their unmatched passion and able guidance, the Company achieves its corporate vision.



## 2.8 Code of Conduct

The Company has laid down a Code of Conduct for its Board Members and all the employees in the Senior Management grade of the Company which is available on the Company's website. All the Board Members and Senior Management personnel have confirmed compliance with the code. A declaration under Regulation 34 (3) of SEBI (LODR) Regulations, 2015 signed by the Managing Director & Chief Executive Officer is attached and forms part of this Annual Report.

## 3. COMMITTEES OF THE BOARD

Currently, there are four Board Committees – the Audit Committee, the Nomination & Remuneration Committee, the Stakeholder's Relationship Committee and the Corporate Social Responsibility Committee. The terms of reference of the Board Committees are determined by the Board from time to time. Meetings of each Board Committee are convened by the respective Committee Chairman. Matters requiring the Board's attention / approval, as emanating from the Board Committee meetings, are placed before the Board with clearance of the Committee Chairman. Minutes of Board Committee meetings are placed before the Board for its information. The role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided below

### 3.1 AUDIT COMMITTEE

#### Brief Description, Composition and Attendance

The Audit Committee of the Company is constituted in terms of Section 177 of the Companies Act, 2013 read with Regulation 18 of SEBI (LODR) Regulations, 2015. It comprises of three non-executive Directors of whom the Chairman and one member are Independent Directors. The committee has been meeting at regular intervals. The committee met on 24th May, 2018, 7th August, 2018, 9th November, 2018 and 12th February, 2019. The Chairman and other members of the Audit committee has in-depth knowledge in the areas of Finance and Accounts. The Audit Committee of the Company is comprised of the following Directors:-

Director	Category of Directors	Chairman/ Member	No. of Audit Committee Meetings attended
Mr Kantanand Sinha	Non Executive – Independent	Chairman	4
Dr. (Mrs) SudhaKaul*	Non Executive – Independent	Member	—
Mrs .Susan Ann Walker	Non Executive	Member	4
Mr. Prodosh Kumar Sen**	Non Executive – Independent	Member	4

\*Appointed w.e.f. 12.02.2019

\*\*Resigned w.e.f 31.03.2019

The Company Secretary acts as the Ex-Officio Secretary to the Committee. Statutory Auditors, Cost Auditors and Internal Auditors attend the Meeting whenever required. The Chairman, Managing Director and other Senior Executives are also invited to attend and deliberate in the Meetings.

#### Terms of Reference of the Audit Committee

The terms of reference of the Audit Committee broadly covers SEBI Listing Regulations and Section 177 of the Companies Act, 2013 and are briefly described below:

- To oversee the Company's financial reporting process and the disclosures of its financial information and ensure that the financial statement is correct, sufficient and credible;
- To recommend the appointment, remuneration and terms of appointment of the Statutory Auditors, Cost Auditors and Internal Auditors of the Company;
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;

- Reviewing, with the Management, the annual financial statements and Auditor's Report thereon before submission to the board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement in the Board's Report in terms of clause (c) of Sub-Section 3 of section 134 of the Companies Act, 2013.
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by Management.
  - Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Disclosure of any related party transactions.
  - Qualifications in the draft Audit Report, if any.
- To review with management, the quarterly financial statements before submission to the Board for taking the same on record;
- Reviewing, with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take steps in the matter;
- To review and monitor the Auditor's Independence, performance and effectiveness of the Audit Process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of Inter-corporate loans and Investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower/ Vigil mechanism;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- The Audit committee also reviews the following information:
  - Management discussion and analysis of financial condition and results of operations;
  - Statement of significant related party transactions (as defined by the Audit Committee), submitted by Management;
  - Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - Internal audit reports relating to internal control weaknesses;
  - Approval of appointment of CFO after assessing the qualification, experience and back ground etc. of the candidate; and
  - The appointment, removal and terms of remuneration of the Chief Internal Auditor.

### 3.2 NOMINATION AND REMUNERATION COMMITTEE

#### Brief Description, Composition and Attendance

The Board has duly constituted Nomination and Remuneration Committee in terms of Section 178 of the Companies Act, 2013 and regulation 19 of SEBI (LODR) Regulations, 2015. It presently comprises of the Chairman of the Company and two other Non-Executive - Independent Directors. The Chairman of the Committee is an Independent Director. During the year under review, two Meetings of the Nomination and Remuneration Committee were held on 24th May, 2018 and 12th February, 2019.

The Nomination and Remuneration Committee of the Company is comprised of the following Directors. :-

Director	Category of Directors	Chairman/ Member	No. of Nomination & Remuneration Committee Meetings attended
Mr. Kantanand Sinha	Non Executive – Independent	Chairman	2
Dr. (Mrs) Sudha Kaul	Non Executive – Independent	Member	2
Mr. Peter John Field	Non Executive	Member	2
Mr. Prodosh Kumar Sen*	Non Executive – Independent	Member	1

\*Resigned w.e.f 31.03.2019

Terms of reference of the Nomination & Remuneration Committee :

The Committee is empowered :-

- To formulate criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of Directors, Key Managerial Personnel and other employees;
- To formulate criteria for evaluation/ performance appraisal of Independent Directors and the Board;
- To devise policy on Board diversity;
- To Identify and assess potential individuals with respect to their expertise, skills, attributes, personal and professional standing for appointment and re-appointment as Directors / Independent Directors on the Board and as Key Managerial Personnel.

#### Remuneration Policy:

The Company follows a policy on remuneration of Directors and Senior Management Employees as formulated by the Nomination and Remuneration Committee detailed hereunder:

- The remuneration of an individual shall depend upon the following parameters concerning an individual:
  - a. Qualifications,
  - b. Experience,
  - c. Core Competence,
  - d. Career advancement,
  - e. Special Skill, if any
  - f. Performance in the context of the duties and responsibilities assigned
  - g. Industry Criteria,
  - h. Other relevant factors.
- The level and composition of remuneration for each individual shall be reasonable and sufficient to attract, retain and motivate the person concerned, whether as Director or Key Managerial Personnel of the quality required to run the Company successfully;
- Relationship of remuneration to performance should be clear and meets appropriate performance benchmarks as may be set up from time to time;

## Details of Remuneration paid to Executive and Non Executive Directors-

### Executive Directors

The Company has entered into separate Agreements with the Executive Directors. The Remuneration is paid in line with the Agreement and in accordance with the Companies Act, 2013

Name of Director	Salary and Allowance	Commission	Retirement Benefits	Value of Perquisites	Total
Mr. A. Asthana, Managing Director & CEO	85,80,000	40,00,000	40,18,079	2,85,886	1,68,83,965
Mr. A. Sengupta, Wholetime Director & CFO.	51,00,000	20,00,000	14,20,259	2,71,447	87,91,706

### Non Executive Directors

The non- Executive Director do not have any pecuniary relationship or have not entered into any transaction with the Company apart from receiving the following sitting fees during the year 2018-19 and their shareholding in the Company are as under :

Non-Executive Directors	Board Fees	Committee	Total	Commission	No. of shares held
Dr. (Mrs.) S.Kaul	1,00,000	34,000	1,34,000	N.A.	—
Mr. K.Sinha	1,00,000	1,06,000	2,06,000	N.A.	—
Mr. P.K.Sen*	80,000	72,000	1,52,000	N.A.	—
Mr. Y. Levin	1,00,000	—	1,00,000	N.A.	—
Mr. A. N. Singh	1,00,000	—	1,00,000	NA	180

\*Resigned w.e.f 31.03.2019

Note: The above Fees excludes Service Tax. There are no stock option plans of the Company.

### 3.3 STAKEHOLDERS' RELATIONSHIP COMMITTEE

#### Brief Description, Composition and Attendance

This Committee is responsible for the satisfactory redressal of investors' complaints and recommends measures for overall improvement in the quality of investor services. The Committee consists of two Non-Executive Independent Directors and the Managing Director & CEO,

Director	Category Directors	Chairman/ Member	No. of Stakeholder's Relationship Committee Meetings attended
Dr. (Mrs) SudhaKaul	Non Executive – Independent	Chairperson	17
Mr Kantanand Sinha	Non Executive – Independent	Member	17
Mr Atul Asthana	Managing Director & CEO	Member	17

#### Name and designation of Compliance Officer :

Mr. Subrata Banerjee, Sr. General Manager & Company Secretary

During the year under review, this Committee had 17 meetings held on 24th April, 2018, 7th May, 2018, 22nd May, 2018, 6th June, 2018, 15th June, 2018, 3rd July, 2018, 21st August, 2018, 12th September, 2018, 23rd October, 2018, 5th November, 2018, 20th November, 2018, 4th December, 2018, 3rd January, 2019, 25th January, 2019, 6th February, 2019, 28th February, 2019 and 25th March, 2019.

The detailed particulars of Investors' Complaints handled by the Company and its Registrar & Share Transfer Agent during the year are as under :

a) No. of complaints at the beging of the year on 01.04.2018	NIL
b) No. of complaints received during the year	1
c) No. of complaints disposed during the year	1
d) No. of complaints remaining unresolved as on 31.03.2019	NIL

Shareholders' grievances are resolved expeditiously. There is no grievance pending as on date.

### 3.4 CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Brief Description, Composition and Attendance of the Committee has been provided in the Director's Report.

## 4. GENERAL BODY MEETINGS

(a) Location and time where last three AGMs were held:

Date	Location	Time
28th July 2016	Eastern Zonal Cultural Centre 1B, 201, Sector- III, Salt Lake City, Kolkata – 700 106	10.00 AM
27th July 2017	- Do -	10.00 AM
27 <sup>th</sup> July, 2018	- Do -	10.00 AM

At the last Annual General Meeting held on 27th July 2018 all the resolutions were adopted by electronic voting.

(b) Special Resolution passed in the previous three AGMs

AGM held on	Special Resolution passed
28 <sup>th</sup> July, 2016	A Special Resolution pursuant to Section 14 of the Companies Act, 2013 for adoption of new set of Articles of Association.
27 <sup>th</sup> July. 2017	None
27 <sup>th</sup> July, 2018	A special resulation for seeking shreholders approval for continuence in office of a director who attained the age of 70 years as per the requirement of SEBI-LODR (AMENDMENT) Regulation 2018.

## 5. OTHER DISCLOSURES

### 5.1 Related party transactions

Disclosures on materially significant related party transactions:

The Company has not entered into any transactions of material nature, with its Promoters, the Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company.

Names of related parties with whom transaction have taken place during the year have been disclosed in Note 32 to the Financial Statements for the year ended 31st March, 2019.

The Board, on recommendation of the Audit Committee, has adopted Company's Policy on Related Party Transactions, at its meeting held on 14th November, 2014. Thereafter, with the new Amendment, the said Policy was accordingly modified and has been placed on the Company's website at [www.goodricke.com/policies](http://www.goodricke.com/policies).

5.2. No penalties / strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority for noncompliance of any laws on any matter related to capital markets, during the last three years.

5.3 Policy on Material Subsidiaries has been formulated by the Company and has been placed on the Company's website at [www.goodricke.com/policies](http://www.goodricke.com/policies).

## **6. WHISTLE BLOWER POLICY - VIGIL MECHANISM**

The Company has duly established vigil mechanism for Directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of Company's code of conduct or ethics policy. The Audit Committee of the Board monitors and oversees such Vigil Mechanism of the Company. It is also confirmed that no personnel has been denied access to the Audit Committee during the year under review.

A detailed policy related to the Whistle Blower – Vigil Mechanism is available at Company's [weblinkwww.goodricke.com/policies](http://weblinkwww.goodricke.com/policies).

## **7. DETAILS OF MANDATORY AND NON-MANDATORY CORPORATE GOVERNANCE REQUIREMENTS**

7.1 The Company has complied with all the mandatory requirement under Schedule II of SEBI (LODR) Regulation 2015.

7.2 a) Special posts of Chairperson and Chief Executive Officer - The Company has a Chairman in non-executive capacity and a Managing Director & CEO.

b) Reporting of Internal Auditor - The Chief Internal Auditor reports to the Audit Committee of the Board

## **8. COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS**

8.1 The Company has complied with all the requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 of SEBI (LODR) Regulations 2015.

8.2 During the year under review there are no shares in the demat suspense account or unclaimed suspense account of the Company.

8.3 The Company is in receipt of a Certificate from Anjan Kumar Roy PCS, certifying that the Directors of the Company have not been debarred or disqualified from being appointed or continuing as Directors of the Company by Securities and Exchange Board of India or by the Ministry of Corporate Affairs or any such statutory authority and is attached as Annexure VA

8.4 There has been no such instance where the recommendation of any of the Committees of the Board has not been accepted by the Board of Directors during the financial year 2018-19.

8.5 The consolidated fees paid to the statutory Auditors for all the services rendered by it during the financial year 2018-19 is Rs. 5.18 million.

8.6 The Company has undertaken an audit for the financial year 2018-19 for all the applicable compliances as per the SEBI Regulations and Circular / Guidance note issued thereunder. The Annual Secretarial Compliance Report has been submitted to the Stock Exchange within 60 days from the end of financial year.

## **9. CODE FOR PREVENTION OF INSIDER TRADING**

Details with regard to code for prevention of Inside Trading has been provided in Directors Report.

## 10. MEANS OF COMMUNICATION

- 10.1 Quarterly results and the half-yearly results are published in leading newspapers such as Business Standard and Aajkal (Bengali) and posted in the Website of the Company, [www.goodricke.com](http://www.goodricke.com). The Shareholding Pattern at the end of each quarter is also posted on the said Website. The Financial Results as well as the Shareholding Pattern are uploaded on the website of Bombay Stock Exchange.
- 10.2 Company's e-mail address: [goodricke@goodricke.com](mailto:goodricke@goodricke.com)
- 10.3 Management discussion and Analysis Report forms a part of the Directors' Report
- 10.4 No presentation was made to any Institutional Investor or Analyst during the year.
- 10.5 Remote e-voting shall commence on Tuesday, the 23rd July, 2019 at 9:00 a.m. and close on Thursday, the 25th July, 2019 at 5:00 p.m.
- 10.6 Relevant official news are displayed in the Company's website.

## 11. GENERAL SHAREHOLDERS' INFORMATION

### 11.1.a AGM date, time and venue :

Friday, the 26<sup>th</sup> July, 2019 at 10:00 A.M.  
Eastern Zonal Cultural Centre  
1B, 201, Sector- III, Salt Lake City,  
Kolkata – 700 106.

### 11.1. b Dividend payment Date

The Dividend , if declared will be paid within 30 days from the date of the Annual General Meeting.

### 11.2 Financial calendar for 2019-20 :

The Financial Year of the Company is from April to March. Publication of Results for the financial year 2019-20 will be as follows:

- Unaudited first quarter financial results- August, 2019
- Unaudited second quarter financial results – November, 2019
- Unaudited third quarter financial results- February, 2020
- Audited Annual Results – May, 2020

### 11.3 Record Date and Cut Off Date:

- a. The Record Date will be Friday, the 19th July, 2019 to determine those members who will be entitled to receive dividend which will be declared at the Annual General Meeting.
- b. The Cut off Date will be Friday, the 19th July, 2019 to determine the members entitled to undertake voting electronically on the business and all resolutions set forth in the Notice by remote e-voting and also by voting at the meeting venue.

### 11.4 Listing on Stock Exchange

The Companies Securities are listed at Bombay Stock Exchange Limited (BSE), PhirozeJeejeebhoy Towers, Dalal Street, Mumbai - 400 001

The Company Scrip Code is 500166.

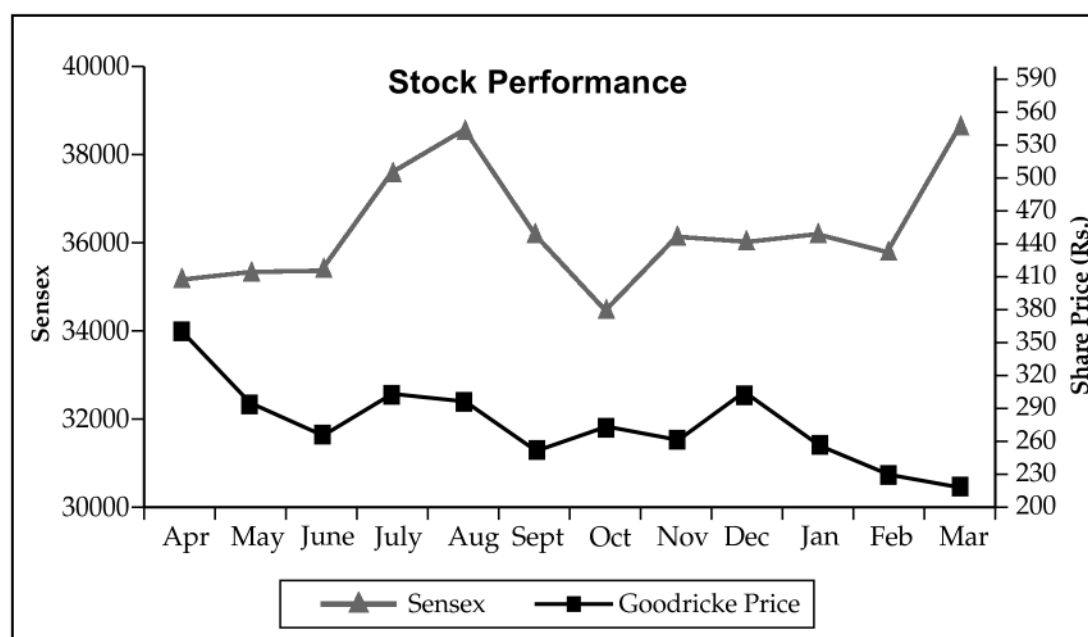
Listing Fees as prescribed have been paid to the aforesaid Stock Exchange upto the Financial Year 2019-20

### 11.5 Stock Price Data - Year 2018-19

Month	The Bombay Stock Exchange Ltd.(BSE)	
	HIGH	LOW
Apr-18	369.50	300.05
May-18	363.85	288.35
Jun-18	298.80	251.05
Jul-18	309.40	260.15
Aug-18	314.75	251.00
Sep-18	350.00	245.05
Oct-18	318.00	249.65
Nov-18	320.00	260.20
Dec-18	308.00	258.05
Jan-19	316.00	245.10
Feb-19	256.30	205.00
Mar-19	253.00	202.30

### 11.6 Stock Performance:

Company's Share Price in relation to BSE Sensex: (April 2018 to March 2019)



### 11.7 Share Transfer System:

The Company's shares are compulsorily traded in the demat form with effect from 21st March, 2000. All transfers are routed through the respective Accounts maintained with the Depository Participants (DPs) of the Investor.

**Code No. allotted by NSDL/CDSL: (ISIN) INE 300A01016**

### 11.8 Registrars and Share Transfer Agents :

CB Management Services Private Limited, Kolkata are acting as the Registrars and Share Transfer Agents, including Depository Registrars for the Equity Shares of the Company.



**11.9 Dematerialisation of Shares:**

As on 31st March, 2019, 21324718 Nos. of Equity Shares, representing 98.73 % of the Equity Capital have been held in dematerialised form with NSDL and CDSL.

**11.10 Distribution of shareholding as on 31st March, 2019**
**A) Distribution of Shareholding as on 31.03.2019.**

Range (No. of shares )	No. of shareholders	% of shareholders	No. of shares	% of shares
1-500	13944	91.49	1565286	7.25
501-1000	637	4.18	488388	2.26
1001-2000	312	2.05	464153	2.15
2001-3000	114	0.75	284151	1.32
3001-4000	61	0.40	218706	1.01
4001-5000	40	0.26	189416	0.88
5001-10000	76	0.50	538948	2.49
10001 -50000	48	0.31	936356	4.33
50001-100000	3	0.02	235035	1.09
And Above	6	0.04	16679561	77.22
<b>TOTAL</b>	<b>15241</b>	<b>100.00</b>	<b>21600000</b>	<b>100.00</b>

**B) Shareholding Pattern as on 31.03.2019**

Category	No of Shareholders	No of shares held	% of Shareholding
Foreign Promoter(Body Corporate)	2	15984000	74.00
FI/Bank*	7	1851	0.01
Mutual Fund	1	300	0.00
FII/Foreign Bank/FPI	1	10000	0.05
Bodies Corporate	284	445165	2.06
Directors/ Relatives	1	180	0.00
Resident Individual ( uptoRs 2 Lakhs)	14744	3859211	17.87
Resident Individual ( Above Rs 2 Lakhs)	17	1072369	4.96
Non- Resident Indians	157	120947	0.56
Clearing Member/Corporates	26	14714	0.07
IEPF	1	91263	0.42
<b>Grand Total(A+B+C)</b>	<b>15241</b>	<b>21600000</b>	<b>100.00</b>

\*FI includes Insurance Company and other Banks

**C) Summary of Shareholding pattern**

Total Number of Equity Shares	21600000	100%
Number of shares held by Promoter Group (Not pledged or encumbered in any manner)	15984000	74%
Number of Shares held by Public	5616000	26%

**11.11 (a) Outstanding GDR/ADR/Warrants or any convertible instruments :** Not applicable

**(b) Commodity price risk or foreign exchange risk and hedging activities.** – Subject to usual market risks. No hedging activities undertaken.

**11.12 Plant Locations:**

The Company operates within Eighteen Tea Gardens each having its own processing factory, one Instant Tea Plant and Four Tea Blending Unit.

<b>TEA GARDENS IN DOOARS (NORTH BENGAL) - IN JALPAIGURI DISTRICT.</b> <ul style="list-style-type: none"> <li>● Aibheel</li> <li>● Chalouni</li> <li>● Chulsa</li> <li>● Danguajhar</li> <li>● Gandrapara</li> <li>● Hope</li> <li>● Jiti</li> <li>● Kumargram</li> <li>● Lakhipara</li> <li>● Leesh River</li> <li>● Meenglas</li> <li>● Sankos</li> </ul>	<b>FOUR BLENDING UNITS</b> <ul style="list-style-type: none"> <li>● Central Packaging Unit, Dewas, Madhya Pradesh</li> <li>● Unity Tea Warehouse &amp; Blending, Kolkata</li> <li>● Northern Packaging Unit, Rajpura, Punjab</li> <li>● Eastern Packaging Unit, Kolkata</li> </ul>
<b>TEA GARDENS IN ASSAM – IN UDALGURI DISTRICT (BTAD)</b> <ul style="list-style-type: none"> <li>● Nonaipara</li> <li>● Orangajuli</li> </ul>	<b>TEA GARDENS IN DARJEELING DISTRICT</b> <ul style="list-style-type: none"> <li>● Badamtam</li> <li>● Barnesbeg</li> <li>● Thurbo</li> </ul>
<b>TEA GARDENS IN ASSAM – IN SONITPUR DISTRICT</b> <ul style="list-style-type: none"> <li>● Harchurah</li> </ul>	<b>INSTANT TEA PLANT – IN JALPAIGURI DISTRICT</b> <ul style="list-style-type: none"> <li>● Aibheel, Dooars</li> </ul>

Note: Particulars of area under Tea, Crop & others given later in the Report.

**11.13 Address for correspondence:**
**A. Registrars & Share Transfer Agents & Depository Registrar**

C.B. Management Services Pvt. Ltd. P-22, Bondel Road, Kolkata – 700 019 Tel: 4011 6700/715/724/729  
email: rta@cbmsl.com

Note: In case of continuing difficulty, the Compliance Officer at the Registered Office to be intimated by e-mail: [subrata@goodricke.com](mailto:subrata@goodricke.com)

**B. Compliance Officer**

Mr. S. Banerjee  
Goodricke Group Limited  
'Camellia House'  
14 Gurusaday Road  
Kolkata – 700 019  
Tel : 2287 3067/2287 8737  
Fax No.: 2287 2577/ 2287 7089  
Email : [subrata@goodricke.com](mailto:subrata@goodricke.com)

On behalf of Board

A.Asthana  
Managing Director & CEO  
(DIN 00631932)

A. Sengupta  
Wholetime Director & CFO  
(DIN 00631842)

K. Sinha  
DIN 00123811  
Director

Place : Kolkata  
Date : 24<sup>th</sup> May, 2019

## CEO AND CFO CERTIFICATION

We, Atul Asthana, Managing Director & CEO and A. Sengupta, WholetimeDirector & CFO certify that:-

- a) We have reviewed the financial statements and cash flow statement for the year ended 31<sup>st</sup> March, 2019 and to the best of our knowledge and belief:
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing Accounting Standards and applicable laws and regulations.
- b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31<sup>st</sup> March 2019 are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d)
  - i) There has not been any significant change in internal control over financial reporting during the year under reference;
  - ii) The Company has voluntarily adopted IndAs from 1<sup>st</sup> April, 2016 and accordingly complied with the relevant accounting policies and disclosures as per the accounting standards.
  - iii) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

**A.Asthana**  
(DIN 00631932)  
**Managing Director & CEO**

**A. Sengupta**  
(DIN 00631842)  
**Wholetime Director & CFO**

Place : Kolkata  
Dated : 24<sup>th</sup> May, 2019

### ANNUAL CERTIFICATE UNDER REGULATION 34 (3) READ WITH PART D OF SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIRMENTS) REGULATIONS, 2015

#### DECLARATION

As required under Regulation 34 (3) read with part D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, I hereby declare that all Members of the Board of Directors of the Company and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the year ended March 31, 2019.

Place : Kolkata  
Dated : 24<sup>th</sup> May, 2019

**A. Asthana**  
(DIN 00631932)  
**Managing Director & CEO**

**TO THE MEMBERS OF  
GOODRICKE GROUP LIMITED****INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

1. This certificate is issued in accordance with the terms of our engagement letter dated 30<sup>th</sup> July, 2018.
2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of Goodricke Group Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31<sup>st</sup> March 2019, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

**Managements' Responsibility**

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

**Auditor's Responsibility**

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**Opinion**

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31<sup>st</sup> March, 2019.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**A. Bhattacharya**  
(Partner)  
(Membership No. 0541110)

Kolkata, 24<sup>th</sup> May, 2019

## REPORT ON CSR ACTIVITIES / INITIATIVES

[Pursuant to Section 135 of the Act read with Companies (CSR Policy) Rules, 2014]

1.	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and it is placed on the Company's website and the weblink for the same is <a href="http://www.goodricke.com/policies">http://www.goodricke.com/policies</a>
2.	The Composition of the CSR Committee.	i) Dr.(Mrs.) S. Kaul, Chairperson (Independent Director) ii) Mr. K. Sinha, Member (Independent Director) iii) Mr. A.Asthana, Member (Managing Director & CEO)
3.	Average net profit of the company for last three financial years	Rs. 335.83 million
4.	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	Rs. 6.72 million
5.	Details of CSR activities/projects undertaken during the year :	
	a) total amount to be spent for the financial year b) amount un-spent, if any c) manner in which the amount spent during financial year.	Rs. 6.72 million NIL The manner in which the amount spent is given below :-

1	2	3	4	5	6	7	8
Sl. No.	CSR Project/ activity identified	Sector in which the Project is covered	Projects/ Programmes 1. Local area/others 2. Specify the state/ district (name of the District/s, State/s where project/ programme was undertaken	Amount outlay (budget) project/ programme wise( Rs. In million)	Amount spent on the project/ programme (Rs. In million)	Cumulative spend upto the reporting period (Rs. In million)	Amount Spent : Direct/ through implementing agency
1.	Goodricke School for Special Education	Special Education for differently abled children	Siliguri, West Bengal	3.46	3.46	3.46	Through Trust
2.	Interlink	-do-	Kolkata	1.15	1.15	1.15	Direct
3.	Utkarsh	CSR Consultancy	Madhayapradesh	1.20	1.20	1.20	Direct
4.	Computer Room & e-library Garuajhar High School, Udalguri	Education	Assam	0.92	0.92	0.92	Thought Trust

6. In case the Company has failed to spend the two percent, of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report.  
N.A.

### 7. Responsibility Statement

The Chairperson of the CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Place : Kolkata  
Date : May 24<sup>th</sup> 2019

**Dr ( Mrs) Sudha Kaul**  
(DIN 00150593)  
Chairperson of CSR Committee

**Arjun Sengupta**  
(DIN 00631842)  
Wholetime Director & CFO

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**

For the year ended 31st March, 2019

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

<b>I. REGISTRATION &amp; OTHER DETAILS:</b>	
1 CIN	L01132WB1977PLC031054
2 Registration Date	14-06-77
3 Name of the Company	GOODRICKE GROUP LTD
4 Category/Sub-category of the Company	Company limited by Shares/Non-govt company
5 Address of the Registered office & contact details	CAMELLIA HOUSE, 14 GURUSADAY ROAD KOLKATA 700019 WB subrata@goodricke.com
6 Whether listed company	Yes
7 Name, Address & contact details of the Registrar & Transfer Agent, if any.	C.B Management Services Pvt. Ltd P-22 Bondel Road, Kolkata 700 019 Contact Persons: Mr. Rana Roy Chowdhury Telephone: +91-33- 40116700 / 11/18 and 40116723

<b>II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b>			
(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)			
S. 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 teas	1271	100%

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

As per the provisions of Section 2(46), 2(87) and 2(6) of the Companies Act, 2013, the company does not have any holding, subsidiary or associate companies. The Promoters of the Company namely Assam Dooars Investments Limited and Western Dooars Investments Limited collectively hold 74% of the paid up share capital of the Company. The same has been disclosed later in serial No. IV(ii) of this Annexure to the Report.

<b>IV. SHARE HOLDING PATTERN</b>									
<b>(Equity share capital breakup as percentage of total equity)</b>									
<b>(i) Category-wise Share Holding</b>									
Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	% Change during the year
<b>A. Promoters</b>									
(1) <b>Indian</b>									
a) Individual/ HUF			—	0.00%			-	0.00%	0.00%
b) Central Govt			-	0.00%			-	0.00%	0.00%
c) State Govt(s)			-	0.00%			-	0.00%	0.00%
d) Bodies Corp.			-	0.00%			-	0.00%	0.00%
e) Banks / FI			-	0.00%			-	0.00%	0.00%
f) Any other			-	0.00%			-	0.00%	0.00%
<b>Sub Total (A) (1)</b>	-	-	-	0.00%	-	-	-	0.00%	0.00%
(2) <b>Foreign</b>									
a) NRI Individuals			-	0.00%			-	0.00%	0.00%
b) Other Individuals			-	0.00%			-	0.00%	0.00%
c) Bodies Corp.	15,984,000	-	15,984,000	74.00%	15,984,000	-	15,984,000	74.00%	0.00%
d) Any other			-	0.00%			-	0.00%	0.00%
<b>Sub Total (A) (2)</b>	15,984,000	-	15,984,000	74.00%	15,984,000	-	15,984,000	74.00%	0.00%
<b>TOTAL (A)</b>	15,984,000	-	15,984,000	74.00%	15,984,000	-	15,984,000	74.00%	0.00%
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	400	400	0.00%	-	300	300	0.00%	-25.00%
b) Banks / FI	120	1,731	1,851	0.01%	120	1,731	1,851	0.01%	0.00%
c) Central Govt			-	0.00%			-	0.00%	0.00%
d) State Govt(s)			-	0.00%			-	0.00%	0.00%
e) Venture Capital Funds			-	0.00%			-	0.00%	0.00%
f) Insurance Companies			-	0.00%			-	0.00%	0.00%
g) FIs		-	-	0.00%		-	-	0.00%	0.00%
h) Foreign Venture Capital Funds			-	0.00%			-	0.00%	0.00%
i) Others (specify)			-	0.00%			-	0.00%	0.00%
Foreign Portfolio Investors			-	0.00%	10,000	-	10,000	0.05%	0.00%
<b>Sub-total (B)(1):-</b>	120	2,131	2,251	0.01%	10,120	2,031	12,151	0.06%	439.80%
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	397,275	4,985	402,260	1.86%	424,205	4,775	428,980	1.99%	6.64%
ii) Overseas			-	0.00%			-	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.2 lakh	3,610,782	269,629	3,880,411	17.96%	3,591,235	216,812	3,808,047	17.63%	-1.86%
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	1,058,906	30,720	1,089,626	5.04%	1,072,369	50,960	1,123,329	5.20%	3.09%
c) Others (specify)									
Non Resident Indians	113,567	500	114,067	0.53%	120,447	500	120,947	0.56%	6.03%
Overseas Corporate Bodies			-	0.00%			-	0.00%	0.00%
Foreign Nationals			-	0.00%			-	0.00%	0.00%
Clearing Members	41,547	-	41,547	0.19%	14,714	-	14,714	0.07%	-64.58%
Trusts	100		100	0.00%	100		100	0.00%	0.00%
IEPF	83,984		83,984	0.00%	91,263		91,263	0.42%	8.67%
LLP	1,190		1,190	0.00%	16,085		16,085	0.07%	1251.68%
Employees		384	384	0.00%		204	204	0.00%	-46.88%
Directors or Director's Relatives	180		180	0.00%	180		180	0.00%	0.00%
<b>Sub-total (B)(2):-</b>	5,307,531	306,218	5,613,749	25.99%	5,330,598	5479	5,603,849	25.94%	-0.18%
<b>Total Public (B)</b>	5,307,651	308,349	5,616,000	26.00%	5,340,718	7510	5,616,000	26.00%	0.00%
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
			-	0.00%				0.00%	0.00%
<b>Grand Total (A+B+C)</b>	21,291,651	308,349	21,600,000	100.00%	21,324,718	7510	21,600,000	100.00%	0.00%

<b>(ii) Shareholding of Promoter</b>								
SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	Western Doors Investments Ltd.	5,594,400	25.90%	-	5,594,400	0	0	0.00%
2	Assam Doors Investments Ltd.	10,389,600	48.10%	-	10,389,600	0	0	0.00%

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

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	At the beginning of the year	01.04.2018		15,984,000	1	15,984,000	74.00%
2	Changes during the year	no change during the year					
3	At the end of the year	31.03.2019		15,984,000	1	15,984,000	74.00%

**(iv) Shareholding Pattern of top ten Shareholders**

*(Other than Directors, Promoters and Holders of GDRs and ADRs):*

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
<b>1</b>	<b>KALYANI P JAIN</b>						
a	At the beginning of the year	01-04-18		269363	1.25	269363	1.25
b	Changes during the year	22-06-18	Allot	1319	0.01	270682	1.25
		20-07-18	Allot	705	0.00	271387	1.26
		03-08-18	Allot	3000	0.01	274387	1.27
c	At the end of the year	31-03-19				274387	1.27
<b>2</b>	<b>DR RAMESH CHIMANLAL SHAH</b>						
a	At the beginning of the year	01-04-18		168000	0.78	168000	0.78
		04-05-18	Transfer	1100	0.01	166900	0.77
		06-07-18	Transfer	2000	0.01	164900	0.76
		31-08-18	Transfer	1500	0.01	163400	0.76
b	Changes during the year	09-11-18	Transfer	1000	0.00	162400	0.75
		30-11-18	Transfer	407	0.00	161993	0.75
		07-12-18	Transfer	2500	0.01	159493	0.74
		21-12-18	Transfer	1493	0.01	158000	0.73
		15-03-19	Transfer	10000	0.05	148000	0.69
c	At the end of the year	31-03-19				148000	0.69
<b>3</b>	<b>PRAKASH JAIN</b>						
a	At the beginning of the year	01-04-18		131492	0.61	131492	0.61
b	Changes during the year	no change during the year					
c	At the end of the year	31-03-19		131492	0.61		



SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares

<b>4 SHAIL BHUSHAN MEHTA</b>							
a	At the beginning of the year	01-04-18		94029	0.44	94029	0.44
b	Changes during the year	06-04-18	Allot	2958	0.01	96987	0.45
		13-04-18	Allot	1000	0.00	97987	0.45
		20-04-18	Allot	1100	0.01	99087	0.46
		27-04-18	Allot	7156	0.03	106243	0.49
		04-05-18	Allot	579	0.00	106822	0.49
		11-05-18	Allot	200	0.00	107022	0.50
		18-05-18	Allot	150	0.00	107172	0.50
		25-05-18	Allot	541	0.00	107713	0.50
		08-06-18	Allot	1111	0.01	108824	0.50
		22-06-18	Allot	7840	0.04	116664	0.54
		29-06-18	Allot	1672	0.01	118336	0.55
		06-07-18	Allot	1653	0.01	119989	0.56
		13-07-18	Allot	1089	0.01	121078	0.56
		27-07-18	Allot	555	0.00	121633	0.56
		03-08-18	Allot	3304	0.02	124937	0.58
		17-08-18	Allot	849	0.00	125786	0.58
		24-08-18	Allot	3990	0.02	129776	0.60
		31-08-18	Allot	825	0.00	130601	0.60
		14-09-18	Transfer	500	0.00	130101	0.60
		21-09-18	Transfer	500	0.00	129601	0.60
		12-10-18	Allot	500	0.00	130101	0.60
19-10-18	Allot	250	0.00	130351	0.60		
16-11-18	Allot	900	0.00	131251	0.61		
23-11-18	Allot	1000	0.00	132251	0.61		
14-12-18	Allot	5120	0.02	137371	0.64		
21-12-18	Allot	1640	0.01	139011	0.64		
18-01-19	Allot	1061	0.00	140072	0.65		
01-02-19	Allot	1010	0.00	141082	0.65		
22-02-19	Allot	600	0.00	141682	0.66		
c	At the end of the year	31-03-19				141682	0.66

<b>5 INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS</b>							
a	At the beginning of the year	01-04-18		83984	0.39	83984	0.39
b	Changes during the year	11-05-18	Allot	7279	0.03	91263	0.42
c	At the end of the year	31-03-19				91263	0.42

<b>6 STATUS CAPITALS PVT LTD</b>							
a	At the beginning of the year	01-04-18		79676	0.37	79676	0.37
b	Changes during the year	no change during the year					
c	At the end of the year	31-03-19				79676	0.37

<b>7 PRANAV KUMARPAL PAREKH</b>							
a	At the beginning of the year	01-04-18		47664	0.22	47664	0.22
b	Changes during the year	no change during the year					
c	At the end of the year	31-03-19				47664	0.22

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
<b>8</b>	<b>ASHOK BHARADIA</b>						
a	At the beginning of the year	01-04-18		45000	0.21	45000	0.21
b	Changes during the year	17-08-18	Transfer	6283	0.03	38717	0.18
		24-08-18	Allot	293	0.00	39010	0.18
		31-08-18	Transfer	25107	0.12	13903	0.06
		07-09-18	Allot	1097	0.01	15000	0.07
		04-01-19	Transfer	9000	0.04	6000	0.03
c	At the end of the year	31-03-19				6000	0.03
<b>9</b>	<b>RATHINASAMY NARAYANASAMY RUBESH</b>						
a	At the beginning of the year	01-04-18		42572	0.20	42572	0.20
b	Changes during the year	no change during the year					
c	At the end of the year	31-03-19				42572	0.20
<b>10</b>	<b>PRATIK SHAILESH SHAH</b>						
a	At the beginning of the year	01-04-18		40000	0.19	40000	0.19
b	Changes during the year	08-02-19	Transfer	2026	0.01	37974	0.18
		02-02-19	Transfer	2287	0.01	35687	0.17
		01-03-19	Transfer	187	0	35500	0.16
		08-03-19	Transfer	500	0	35000	0.16
		22-03-19	Transfer	9822	0.05	25178	0.12
		29-03-19	Transfer	11266	0.05	13912	0.06
		c	At the end of the year	31-03-19			
<b>11</b>	<b>WALLFORT FINANCIAL SERVICES LTD</b>						
a	At the beginning of the year	01-04-18		32010	0.15	32010	0.15
b	Changes during the year	06-04-18	Transfer	22010	0.1	10000	0.05
		20-04-18	Allot	4	0	10004	0.05
		27-04-18	Transfer	4	0.00	10000	0.05
		25-05-18	Allot	2	0.00	10002	0.05
		08-06-18	Transfer	2	0.00	10000	0.05
		03-08-18	Transfer	1764	0.01	8236	0.04
		17-08-18	Transfer	1951	0.01	6285	0.03
		24-08-18	Transfer	293	0.00	5992	0.03
		31-08-18	Allot	5106	0.02	11098	0.05
		07-09-18	Transfer	11097	0.05	1	0
		12-10-18	Allot	5001	0.02	5002	0.02
		19-10-18	Allot	26621	0.12	31623	0.15
		26-10-18	Allot	13377	0.06	45000	0.21
		02-11-18	Allot	10	0.00	45010	0.21
		09-11-18	Transfer	10	0.00	45000	0.21
		28-12-18	Allot	20144	0.09	65144	0.3
		31-12-18	Allot	4886	0.02	70030	0.32
		08-02-19	Allot	2	0.00	70032	0.32
		22-02-19	Transfer	2	0.00	70030	0.32
		29-03-19	Transfer	30	0.00	70000	0.32
c	At the end of the year	31-03-19				70000	0.32
<b>12</b>	<b>HARIKISHAN JAMANDASS MUNDHRA</b>						
a	At the beginning of the year	01-04-18		37151	0.17	37151	0.17
b	Changes during the year	no change during the year					
c	At the end of the year	31-03-19				37151	0.17

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
<b>(v) Shareholding of Directors and Key Managerial Personnel:</b>							
<b>1</b>	<b>MR P.J. FIELD</b>						
	At the beginning of the year	01-04-18		—	—	—	0.00%
	Changes during the year			—	—	—	0.00%
	At the end of the year	31-03-19		—	—	—	0.00%
<b>2</b>	<b>MS. S.A. WALKER</b>						
	At the beginning of the year	01-04-18		—	—	—	0.00%
	Changes during the year			—	—	—	0.00%
	At the end of the year	31-03-19		—	—	—	0.00%
<b>3</b>	<b>MR. A.N. SINGH</b>						
	At the beginning of the year	01-04-18		180	—	180	0.00%
	Changes during the year			—	—	—	0.00%
	At the end of the year	31-03-19		—	—	180	0.00%
<b>4</b>	<b>DR S KAUL</b>						
	At the beginning of the year	01-04-18		—	—	—	0.00%
	Changes during the year			—	—	—	0.00%
	At the end of the year	31-03-19		—	—	—	0.00%
<b>5</b>	<b>MR K SINHA</b>						
	At the beginning of the year	01-04-18		—	—	—	0.00%
	Changes during the year			—	—	—	0.00%
	At the end of the year	31-03-19		—	—	—	0.00%
<b>6</b>	<b>MR P.K SEN</b>						
	At the beginning of the year	01-04-18		—	—	—	0.00%
	Changes during the year			—	—	—	0.00%
	At the end of the year	31-03-19		—	—	—	0.00%
<b>7</b>	<b>MR A SENGUPTA</b>						
	At the beginning of the year	01-04-18		6	—	6	0.00%
	Changes during the year			—	—	—	0.00%
	At the end of the year	31-03-19		—	—	6	0.00%
<b>8</b>	<b>MR S BANERJEE</b>						
	At the beginning of the year	01-04-18		6	—	6	0.00%
	Changes during the year			—	—	—	0.00%
	At the end of the year	31-03-19		—	—	6	0.00%
<b>9</b>	<b>MR A ASTHANA</b>						
	At the beginning of the year	01-04-18		6	—	6	0.00%
	Changes during the year			—	—	—	0.00%
	At the end of the year	31-03-19		—	—	6	0.00%
<b>10</b>	<b>MR Y LEVIN</b>						
	At the beginning of the year	01/04/2018		—	—	—	0.00%
	Changes during the year			—	—	—	0.00%
	At the end of the year	31/03/2019		—	—	—	0.00%

<b>V. INDEBTEDNESS</b>				
Indebtedness of the Company including interest outstanding/accrued but not due for payment. (Amt. Rs./Lacs)				
Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount		1910	—	1910
ii) Interest due but not paid		30.56	—	30.56
iii) Interest accrued but not due		—	—	—
<b>Total (i+ii+iii)</b>		1940.56	—	1940.56
<b>Change in Indebtedness during the financial year</b>				
* Addition	21345.30	3143.16	—	—
* Reduction	20344.84	768.40	—	—
<b>Net Change</b>	1000.49	2374.60	—	—
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	1000	4270	—	—
ii) Interest due but not paid	0.49	45.32	—	—
iii) Interest accrued but not due	—	—	—	—
<b>Total (i+ii+iii)</b>	1000.49	—	—	—

<b>VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL</b>				
<b>A. Remuneration to Managing Director, Whole-time Directors and/or Manager:</b>				
SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount (Rs/Lac)
		A ASTHANA	A SENGUPTA	
		MANAGING DIRECTOR & CEO	WHOLETIME DIRECTOR & CFO	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (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	85.80 2.85	51 2.71 0	136.80 5.56
2	Stock Option	—	—	—
3	Sweat Equity	—	—	—
4	Commission - as % of profit - others, specify	40	20	60 — —
5	Others, (Retirement Benefit) Total (A) Ceiling as per the Act	40.18	14.20	54.38 256.74 283.20

<b>B. Remuneration to other Directors</b>						
SN.	Particulars of Remuneration	Name of Directors			Total Amount (Rs/Lac)	
		S KAUL	K SINHA	P K SEN		
1	Independent Directors Fee for attending board committee meetings Commission Others, please specify Total (1)	1.34	2.06	1.52	4.92 — — 4.92	
2	Other Non-Executive Directors Fee for attending board committee meetings Commission Others, please specify Total (2) Total (B)=(1+2) Total Managerial Remuneration Overall Ceiling as per the Act	A.N SINGH 1.00 — — 1.00	Y LEVIN 1.00 — — 1.00	P J FIELD — — — —	S A WALKER — — — —	— 2.00 — — 2.00 6.92 263.66 311.50

<b>C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD</b>				
SN.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount (Rs/Lac)
		A SENGUPTA CFO	S BANERJEE CS	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (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	51 2.71	22.35 3	73.35 5.71
2	Stock Option	—	—	—
3	Sweat Equity	—	—	—
4	Commission - as % of profit - others, specify	20 — —	6.26 — —	26.26 — —
5	Others, (Retirement Benefit) Total	14.20 87.91	3.32 34.93	17.52 122.84

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

There were no Penalties/ punishment/ compounding of offence for Breach of any provisions of the Companies Act, 2013, against the Company or its Directors or other officers in default, during the year.

**SECRETARIAL AUDIT REPORT**  
FOR THE FINANCIAL YEAR ENDED ON 31<sup>st</sup> March, 2019  
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of  
the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

**To,  
The Members,  
Goodricke Group Limited  
Camellia House,  
14, Gurusaday Road,  
Kolkata – 700019**

1. We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Goodricke Group Limited (hereinafter called 'the Company') during the financial year ended 31<sup>st</sup> March, 2019. Secretarial Audit was conducted on test check basis, in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.
2. On the basis of aforesaid verification of the secretarial compliance and on the basis of secretarial audit of company's books, papers, minute books, forms and returns filed and other records maintained by the company, as shown to us during the said audit and also based on the information provided by the company, its officers, agents and authorized representatives during the conduct of the aforesaid secretarial audit, we hereby report that in our opinion and to the best of our understanding, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2019, complied with the statutory provisions listed hereunder and also the company has adequate Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:
3. We further report that compliance with applicable laws is the responsibility of the company and our report constitutes an independent opinion. Our report is neither an assurance for future viability of the company nor a confirmation of efficient management by the company.
4. (I) We have examined the secretarial compliance on test check basis of the books, papers, minute books, forms and returns filed and other records maintained by M/s. Goodricke Group Limited for the financial year ended on 31<sup>st</sup> March, 2019, according to the provisions of the following laws and as shown to us during our audit, as also referred in above paragraphs of this report:
  - (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
  - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
  - (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz. :-
    - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
    - d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 and Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018, to the extent as applicable.

(II) We have also examined the secretarial compliance on test check basis of the books, papers, minute books, forms and returns filed and other records maintained by M/s Goodricke Group Limited for the financial year ended on 31<sup>st</sup> March, 2019, according to the provisions of the following laws specifically applicable to the company and as shown to us during our audit, as also referred in above paragraphs of this report;

- a) The Tea Act, 1953 (No. 29 of 1953);
  - b) The Tea Rules, 1954;
  - c) The Tea Board Bye laws, 1955;
  - d) The Tea (Distribution & Export) Control Order, 1957, now being amended by the Tea (Distribution & Export) Control Order, 2005;
  - e) The Tea (Waste) Control Order, 1959;
  - f) The Tea (Regulations of Export Licensing) Order, 1984;
  - g) The Tea (Marketing) Control Order, 1984, Tea (Marketing) Control Order, 2003 & (Amendment) Order, 2015, & Order, 2017.
  - h) The Tea Warehouses (Licensing) Order, 1989.
5. We have also examined compliance with the applicable clauses of the following:
- i. Secretarial Standards issued by The Institute of Company Secretaries of India under Section 118 of the Companies Act, 2013.
6. That on the basis of the audit as referred above, to the best of our knowledge, understanding and belief, we are of the view that during the period under review the company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above in Paragraph 4(I), Paragraph 4(II) and Paragraph 5 of this report.
7. We have checked the standard listing agreement entered by the company with the following Stock Exchange in India and to the best of our understanding, we are of the view that the company has adequately complied with the secretarial functions and board processes to comply with the applicable provision thereof, during the aforesaid period under review.
- i. Bombay Stock Exchange Limited (BSE)
8. We further report that,
- a) The Board of Directors of the company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the applicable provisions of the Act.
  - b) 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.
  - c) Majority decision is carried through and recorded as part of the minutes.
9. 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, such as laws related to taxation, local laws applicable to the area of operation of business and other laws generally applicable to company.
10. 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.

Place : Kolkata  
Date : 24/05/2019

For, **ANJAN KUMAR ROY & CO.**  
Company Secretaries  
**ANJAN KUMAR ROY**  
Proprietor  
FCS No. 5684  
CP. No. 4557

**'Annexure A'**

(To the Secretarial Audit Report of M/s. Goodricke Group Limited for  
the financial year ended 31/03/2019)

**To,  
The Members,  
M/s. Goodricke Group Limited  
Camellia House,  
14, Gurusaday Road,  
Kolkata – 700019**

Our Secretarial Audit Report for the financial year ended 31/03/2019 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is limited to expressing an opinion on existence of adequate board process and compliance management system, commensurate to the size of the company, based on the secretarial records as shown to us during the said audit and also based on the information furnished to us by the officers and agents of the company during the said audit.
2. We have followed the audit practices and processes as were appropriate, to the best of our understanding, to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to check as to whether 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. Where ever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc. and we have relied on such representation, in forming our opinion.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of compliance procedures on test basis. We would not be liable for any business decision or any consequences arising thereof, made on the basis of our report.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness or accuracy with which the management has conducted the affairs of the company.

**For, ANJAN KUMAR ROY & CO.**  
Company Secretaries

**ANJAN KUMAR ROY**  
Proprietor  
FCS No. 5684  
CP. No. 4557  
Place: Kolkata  
Date: 24/05/2019

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015)

To  
The Members of  
Goodricke Group Limited  
Registered Office:  
CAMELLIA HOUSE, 14 GURUSADAY ROAD  
KOLKATA, PIN-700019

I/we have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Goodricke Group Limited having CIN L01132WB1977PLC031054 and having registered office at CAMELLIA HOUSE, 14 GURUSADAY ROAD, KOLKATA, PIN-700019 (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my/our opinion and to the best of my/our information and according to the verifications carried at the portal of the Ministry of Corporate Affairs being [www.mca.gov.in](http://www.mca.gov.in) (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me/us by the Company and its offers. I/we hereby certify that none of the directors on the Board of the Company, as stated below, for the financial year ending on 31<sup>st</sup> March, 2019 have been debarred or disqualified from being appointed or continuing as directors of Companies by the Securities and Exchange Board of India or by the Ministry of Corporate Affairs or any other Statutory Authority.

Sr. No.	Name	DIN	Date of appointment as Director
01	KANTANAND SINHA	00123811	01/01/2001
02	SUDHA KAUL	00150593	01/09/2000
03	ARUN NARAIN SINGH	00620929	01/05/2018
04	ARJUN SENGUPTA	00631842	01/09/2017
05	ATUL ASTHANA	00631932	23/05/2017
06	PETER JOHN FIELD	02634920	01/05/2009
07	YASHPAL LEVIN	07169755	01/04/2018
08	SUSAN ANN WALKER	07225692	30/07/2015

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

Place : Kolkata

Name : ANJAN KUMAR ROY

Date : 21/05/2019

Membership No. : 5684

CP No. : 4557



## **REMUNERATION POLICY**

### **1.0 INTRODUCTION**

- 1.1 This Remuneration Policy is based on the requirements of Section 178 of the Companies Act, 2013 and the revised Clause 49 of the Listing Agreement (effective from October 1, 2014) and approved by the Board of Directors of the Company at its meeting held on November 14, 2014. The policy was subsequently updated and approved by the Board by circulation on 19<sup>th</sup> March, 2019.
- 1.2 Remuneration at Goodricke Group Limited [“the Company”] is based on the principles of performance, equitableness and competitiveness. This Remuneration Policy has been designed to reflect these principles and to attract, motivate and retain quality manpower for driving the Company successfully.
- 1.3 This Remuneration Policy applied to the Board of Directors, Key Management Personnel (KMPs) Senior Management Personnel of the Company.
- 1.4 This revised Remuneration Policy shall be effective from 1<sup>st</sup> April, 2019.

### **2.0 OBJECTIVES**

- 2.1 The objectives of this Remuneration Policy are :
  - (a) Formulation of the criteria for determining qualifications, positive attributes of Directors, KMPs and Senior Management Personnel and also independence of Independent Directors.
  - (b) Aligning the remuneration of Directors, KMPs and Senior Management Personnel with the Company’s financial position, remuneration paid by its industry peers etc.;
  - (c) Performance evaluation of the Board, its Committees and directors including Independent Directors;
  - (d) Ensuring Board diversity;
  - (e) Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down;
  - (f) Directors’ induction and continued training.

### **3.0 DEFINITIONS**

- 3.1 “Act” means the Companies Act, 2013.
- 3.2 “Board” means Board of Directors of the Company.
- 3.3 “Director” means Director as defined under Section 2 (34) of the Companies Act, 2013
- 3.4 “Committee” means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board from time to time in accordance with the provisions of Companies Act, 2013 and Clause 49 of the Listing Agreement.
- 3.5 “Company” means Goodricke Group Limited [GOODRICKE].
- 3.6 “Independent Director” means a director referred to in Section 149 (6) of the Companies Act, 2013 read with Clause 49 of the Listing Agreement.
- 3.7 “Key Managerial Personnel” means :
  - (i) The Chief Executive Officer or the Managing Director or the Manager;
  - (ii) The Company Secretary;
  - (iii) The Whole-Time Director
  - (iv) The Chief Financial Officer; and
  - (v) Such other officer as may be prescribed under the Companies Act, 2013.

- 3.8 \*’Senior Management’ means personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the Chief Executive Officer/ Managing Director Wholetime Director/ Manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.’

#### **4.0 GUIDING PRINCIPLES**

- 4.1 The Company shall follow the following guiding principles in order to attract, motivate and retain talent in the Company.
- (a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
  - (b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - (c) Remuneration to Directors, KMPs and Senior Management Personnel involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

#### **5.0 GENERAL**

This Policy is divided in five parts;

Part – A covers criteria for determining qualifications, positive attributes of Directors, KMPs and Senior Management Personnel and also independence of Independent Directors.

Part – B covers Induction and Training of Directors

Part –C covers Performance Evaluation of Board, its Committees and Directors including Independent Directors.

Part – D covers Remuneration of Directors, KMPs and Senior Management Personnel.

Part – E covers Board Diversity

#### **6.0 PART –A**

Criteria for determining qualifications, positive attributes of Directors, KMPs and Senior Management Personnel and also independence of Independent Directors.

1. The Nomination and Remuneration Committee shall identify and ascertain the integrity, qualifications, expertise and experience of the person for appointment as Director, KMP or Senior Management Personnel and recommend to the Board his / her appointment.
2. A person should possess adequate qualifications, expertise and experience for the position he / she is considered for appointment as a Director. The Committee has discretion to decide whether qualifications, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position and are in accordance with the provisions of the Act and Clause 49 of the Listing Agreement.
3. The Committee shall ensure that a person proposed to be appointed as an Independent Director satisfies the criteria laid down under the Act read with Clause 49 of the Listing Agreement.
4. The appointment and tenure of Directors, Independent Directors and KMPs shall be in accordance with the provisions of the Act read with Clause 49 of the Listing Agreement.

## **7.0 PART – B**

### Induction and Training Directors

1. On appointment, Directors shall receive a letter of Appointment setting out in details the terms of appointment, duties, roles and responsibilities. Each newly appointed Director will be taken through a formal induction programme.
2. The induction process should be designed to familiarize them with the Company, their roles, rights, responsibilities in the Company, nature of industry in which the Company operates, business model of the Company etc
3. It shall be ensured that the Directors are updated as and when required of their roles, responsibilities and liabilities.
4. The Company may organize garden visits for Directors from time to time.

## **8.0 PART – C**

### Performance evaluation of Board, its Committees and Directors

The evaluation of the performance of the Board, its Committees and Directors shall be carried out on an annual basis. The performance of the Board and Committees thereof shall be evaluated against their terms of reference. Evaluation of the performance of Directors shall include consideration of their skills, performance and contribution to the Board, Company strategy and Board Committees, their availability and attendance at Board and Committee Meeting.

## **9.0 PART – D**

### Remuneration of Directors, KMPs and Senior Management Personnel

1. The remuneration of the Executive Directors, KMPs and Senior Management Personnel should be based primarily on the Company's financial performance and should be commensurate with the Company's financial position. Reference should be made to industrial trends and remuneration paid by peer companies. The remuneration should be reasonable and sufficient to attract retain and motivate the aforesaid persons.
2. Remuneration to Executive Directors shall be paid by way of salary, perquisites and retirement benefits, based on recommendation of the Committee and approval of the Board and shareholders. The overall managerial remuneration shall be within the ceilings stipulated under Section 197 read with Schedule V of the Act.
3. The non-executive directors shall be paid remuneration by way of sitting fee for attending the meetings of the Board and Committees thereof.
4. The KMPs shall be paid remuneration approved by the Board of Directors. The Senior Management Personnel shall be paid remuneration in line with the Company's internal HR Policy.
5. Increments in the existing remuneration of Executive Directors and KMPs shall be approved by the Committee within the limits prescribed under the Act. Increments in the remuneration of Senior Management Personnel shall be as per Company's HR Policy.

## **10.0 PART – E**

### **Board Diversity**

Board appointments will be based on merit and candidates will be considered on the basis of their skills, knowledge, experience and background, gender and other distinguishing qualities, having due regard to the effectiveness of the Board. It will be ensured that the Board possesses a balance of skills appropriate for the requirements of the business of the Company. The Directors should have a mix of finance, legal, academic and management backgrounds that taken together provide the Company with considerable experience in a range of activities including varied industries, education, government, banking, plantation, investment and other professions.

## **11.0 APPLICABILITY OF THE REMUNERATION POLICY**

This Remuneration Policy shall apply to all future appointments of Directors, KMPs and Senior Management Personnel.

## **12.0 AMENDMENT**

Any modification/amendment in this Remuneration Policy may be carried out by the Board on the recommendation of the Nomination and Remuneration Committee. This policy will be subject to change as per amendment in the Companies Act, 2013, the Listing Agreement, or any other applicable Rules, Regulations and Guidelines.

## **13.0 DISSEMINATION**

The key features of this Remuneration Policy shall be published in the Annual Report and uploaded on the website of the Company in accordance with the Companies Act, 2013 and the revised Clause 49 of the Listing Agreement.

**\*Inserted in accordance with Notification of SEBI (LODR) 2018 dated 9<sup>th</sup> May, 2018.**

**PARTICULARS OF EMPLOYEES  
FOR THE YEAR ENDED ON MARCH 31, 2019**

PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 134(3)(q) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) & 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Name	Age	No. of shares held	Designation	Remuneration (Rs.)	Qualification	Experience (years)	Date of commencement of employment	Previous employment & position held
Top ten employees in terms of remuneration employed during the year and employees in respect of remuneration, aggregating to Rs. 1,02,00,000/- per annum or more.								
Atul Asthana	57	6	Managing Director & CEO	1,68,83,965	BSc & Mech. Engg.	33	04.06.1985	—
Nitesh Asthana	47	—	Head-Modern Trade & Institutional Sales	40,58,717	PGDBM	21	05.03.2018	—
Talat Ahmed	58	—	Dy. Gen. Manager	33,89,703	B. Com	38	28.02.1981	
Subrata Banerjee	64	6	Sr. General Manager	34,94,699	B. Com (H), ACS, LLB	43	01.06.2013	Stewart Holl (India) Limited
Shiv Bhasin	50	50	Vice President	47,30,347	B. Com (H), MBA	28	01.09.2000	Assam Company Ltd.
A H Choudhury	55	—	General Manager (OPS)	35,37,542	M.Sc. Geog.	29	01.08.1990	—
Vikram Singh Gulia*	53	106	Vice President	40,32,640	B. Com (H)	32	11.12.1986	—
P. T. Krishnan	60	6	Vice President	39,88,561	B. Com (H), ACA	32	03.01.2005	Duncan Industries Ltd.
Arjun Sengupta	62	6	Wholetime Director & CFO	87,91,706	BA, Eco (H), ACA	33	15.07.1987	FurminiteNicco Investments Ltd.
Lalit Sinha	55	—	General Manager (OPS)	41,08,502	B. Sc. (Hons)	35	20.05.1985	—

- Notes :
1. Nature of Employment and duties : Contractual and in accordance with terms and conditions as per Company's rules.
  2. Remuneration received includes salary, allowances, retirement benefits and monetary value of other perquisites computed on the basis of the Income Tax Act and Rules.
  3. No employee is a relative of any Director or Key Managerial Personnel of the Company, Rule 5 (2) (iii) of the captioned Rules is not applicable to any employee.

\* employed part of the year.

**ANNEXURE VII TO THE REPORT OF THE BOARD OF DIRECTORS (Contd.)**

Statement of Particulars of employees pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Requirement of Rule 5 (1)	Particulars												
(i) The ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year.	<p>Mr. A. Asthana, Managing Director &amp; CEO</p> <table border="1" data-bbox="767 483 1422 689"> <tr> <td>Ratio of remuneration of each Director to median Remuneration of employees for</td> <td>Ratio of remuneration of each Director to median remuneration of executive grade employees.</td> </tr> <tr> <td>2017-18 = 114.02 : 1</td> <td>7.94 : 1</td> </tr> <tr> <td>2018-19 = 158.04 : 1</td> <td>13.19 : 0</td> </tr> </table> <p>Mr. A. Sengupta, Wholetime Director &amp; CFO</p> <table border="1" data-bbox="767 734 1422 940"> <tr> <td>Ratio of remuneration of each Director to median Remuneration of employees for</td> <td>Ratio of remuneration of each Director to median remuneration of executive grade employees .</td> </tr> <tr> <td>2017-18 = 74:00 : 1</td> <td>5.15 : 1</td> </tr> <tr> <td>2018-19 = 9.83 : 1</td> <td>7.91 : 1</td> </tr> </table> <p>The details of remuneration are provided in Corporate Governance Report.</p>	Ratio of remuneration of each Director to median Remuneration of employees for	Ratio of remuneration of each Director to median remuneration of executive grade employees.	2017-18 = 114.02 : 1	7.94 : 1	2018-19 = 158.04 : 1	13.19 : 0	Ratio of remuneration of each Director to median Remuneration of employees for	Ratio of remuneration of each Director to median remuneration of executive grade employees .	2017-18 = 74:00 : 1	5.15 : 1	2018-19 = 9.83 : 1	7.91 : 1
Ratio of remuneration of each Director to median Remuneration of employees for	Ratio of remuneration of each Director to median remuneration of executive grade employees.												
2017-18 = 114.02 : 1	7.94 : 1												
2018-19 = 158.04 : 1	13.19 : 0												
Ratio of remuneration of each Director to median Remuneration of employees for	Ratio of remuneration of each Director to median remuneration of executive grade employees .												
2017-18 = 74:00 : 1	5.15 : 1												
2018-19 = 9.83 : 1	7.91 : 1												
(ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.	<p>a) Mr. A. Asthana – Managing Director &amp; CEO – 43.83%  b) Mr. A. Sengupta – Wholetime Director &amp; CFO – 4.86%  c) Mr. S. Banerjee -CS - 2.91%.</p>												
(iii) The percentage increase in the median remuneration of employees in the financial year.	<p>The percentage increase for all employees 18.22% and for executives (-) 1.37%</p>												
iv) The number of permanent employees on the rolls of company.	<p>23670 Employees as on 31st March, 2019.</p>												
(viii) Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	<p>Average percentage increase in the salaries of employees other than the Managerial Personnel, in the Financial Year 2018-19 ranged between 10 to 23%.</p>												
(xii) Affirmation that the remuneration is as per the remuneration policy of the company.	<p>YES</p>												

On behalf of Board of Directors

A.Asthana  
Managing Director & CEO  
(DIN 00631932)

A. Sengupta  
Wholetime Director & CFO  
(DIN 00631842)

K. Sinha  
DIN 00123811  
Director

Place : Kolkata  
Date : 24<sup>th</sup> May, 2019

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF GOODRICKE GROUP LIMITED**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the accompanying financial statements of **Goodricke Group Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2019, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

**Basis for Opinion**

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

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p><b>Valuation of biological assets and agricultural produce</b></p> <p>Biological assets of the Company include unharvested green tea leaves which are measured at fair value less costs to sell.</p> <p>The Company's agricultural produce comprises of harvested green leaves and is valued at fair value less cost to sell at the point of harvest.</p>	<p><b>Principal audit procedures performed:</b></p> <p>Our audit approach was a combination of test of internal controls and substantive procedures including:</p> <ul style="list-style-type: none"> <li>• Obtaining an understanding of the fair value measurement methodologies used and assessing the reasonableness and consistency of the significant assumptions used in the valuation.</li> </ul>

Sr. No.	Key Audit Matter	Auditor's Response
	<p>Finished goods produced from agricultural produce are valued at lower of cost arrived at by adding the cost of conversion to the fair value of agricultural produce and the net realisable value.</p> <p>For harvested or unharvested green leaves, since there is no active market for own leaves, significant estimates are used by management in determining the valuation of biological assets and agricultural produce consumed in manufacture of black tea.</p> <p>The principal assumptions and estimates in the determination of the fair value include assumptions about the yields and market prices of green leaf and the stage of transformation.</p> <p>The determination of these assumptions and estimates require careful evaluation by management and could lead to material impact on the financial position and the results of the Company.</p> <p>Refer note no 3(I) and 3(J) to the financial statement.</p>	<ul style="list-style-type: none"> <li>• Evaluating the design and implementation of Company's controls around the valuation of biological assets and agricultural produce.</li> <li>• Assessing the plucking yields to analyse the stage of transformation considered for the fair valuation of biological assets.</li> <li>• Assessing the basis, reasonableness and accuracy of adjustments made to market prices of green leaves considering the quality differential of the Company's production.</li> <li>• Testing the consistency of application of the fair value approaches and models over the years.</li> </ul>

#### **Information Other than the Financial Statements and Auditor's Report Thereon**

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Report of the Directors and Management Discussion & Analysis Report, but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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



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

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

### **Auditor's Responsibility for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes

public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2019 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 30.1(a).
    - 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.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm Registration No. 117366W/W-100018)

**A. Bhattacharya**  
(Partner)  
(Membership No. 054110)

Kolkata, 24<sup>th</sup> May, 2019

## **ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

### **Report on the Internal Financial Controls Over Financial Reporting 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 **Goodricke Group Limited** (“the Company”) as of 31<sup>st</sup> March, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgement, 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.

### **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, to the best of our information and according to the explanations given to us, 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<sup>st</sup> March, 2019, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm Registration No. 117366W/W-100018)

**A. Bhattacharya**  
(Partner)  
(Membership No. 054110)

Kolkata, 24<sup>th</sup> May, 2019

**ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT**

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) The Company has a program of verification of property, plant and equipment to cover all the items in a phased manner over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) With respect to immovable properties of land and buildings that are freehold, according to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed/ transfer deed / conveyance deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date.

In respect of immovable properties of leasehold land and disclosed as Property, Plant and Equipment in the Note 5A to the financial statements, according to the information and explanations given to us and the records examined by us and based on the examination of the sale agreement provided to us, we report that, the lease deed is not in the name of the Company as the lease deed is yet to be executed.

- (ii) As explained to us, the inventories other than stocks lying with third parties (which have substantially been confirmed) were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on such physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and had no unclaimed deposits at the beginning of the year as per the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (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, Employees’ State Insurance, Income-tax, Customs Duty, Goods and Services Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income-tax, Customs Duty, Goods and Services Tax, Cess and other material statutory dues in arrears as at 31<sup>st</sup> March, 2019 for a period of more than six months from the date they became payable.
  - (c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax, which have not been deposited as on 31<sup>st</sup> March, 2019 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is of Pending	Period to which the Amount Relates	Amount (Rs. in Millions)
Income-tax Act, 1961	Central Income-Tax	Commissioner of Income-tax (Appeals)	2001-2005, 2006-2011, 2015-2016	72.37
Bengal Agricultural Income Tax, 1944	Bengal Agricultural Income Tax	Commissioner of Agricultural Income Tax, West Bengal	1984-1985, 1989-1990	16.40
		The West Bengal Commercial Taxes Appellate and Revision Board	1990-1991	13.33
		Agricultural Income Tax officer, West Bengal	2001-2003	5.36
Central Excise Act, 1944	Excise duty	The Customs, Excise and Service Tax Appellate Tribunal	2010-2017	316.60
		Commissioner, Customs, Central Excise and CGST, Siliguri	2016-2018	33.90
		Commissioner (Appeals), CGST and Central Excise, Siliguri	2013-2018	1.17
The West Bengal Value Added Tax Act, 2003	VAT	The West Bengal Commercial Taxes Appellate And Revisional Board	2007-2008	0.32
The Madhya Pradesh VAT Act, 2002	VAT	The Appellate Authority, Additional Commissioner, Commercial Tax, Indore	2014-2015	1.04
The Central Sales Tax Act, 1956	Sales Tax	The West Bengal Commercial Taxes Appellate And Revisional Board	2007-2008	1.18
		The Appellate Authority, Additional Commissioner, Commercial Tax, Indore	2014-2016	3.71

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.
- (ix) In our opinion and according to the information and explanations given to us, the Company has utilized the money raised by way of the term loans during the year for the purposes for which they were raised. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments).
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable. The Company does not have any subsidiary and associate companies.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm Registration No. 117366W/W-100018)

**A. Bhattacharya**  
(Partner)  
(Membership No. 054110)

Kolkata, 24<sup>th</sup> May, 2019

**Balance Sheet as at 31st March, 2019**

	Notes	As at 31st March, 2019 (Rs. in Millions)	As at 31st March, 2018 (Rs. in Millions)
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	5A	2,785.15	2,298.44
(b) Capital work-in-progress	5B	314.10	398.01
(c) Goodwill (Refer Note 30.8)		12.43	—
(d) Other Intangible assets	5C	203.67	204.14
(e) Biological Assets other than bearer plants	6	0.38	0.84
(f) Financial Assets			
(i) Investments	7	—	—
(ii) Loans	8	11.98	13.31
(iii) Others	9	14.39	4.57
(g) Income Tax Assets (Net)	10	22.47	28.94
(h) Other non-current assets	11	64.88	48.81
<b>Current assets</b>			
(a) Biological Assets other than bearer plants	6	34.81	25.85
(b) Inventories	12	1,546.63	1,428.65
(c) Financial Assets			
(i) Trade receivables	13	529.42	737.53
(ii) Cash and cash equivalents	14	107.50	88.62
(iii) Other Bank Balances	15	38.57	43.78
(iv) Loans	8	7.24	6.92
(v) Others	9	137.51	179.41
(d) Other current assets	11	153.79	114.50
<b>Total Assets</b>		<b>5,984.92</b>	<b>5,622.32</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	16	216.00	216.00
(b) Other Equity		2,848.55	2,852.25
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	17	387.00	142.00
(b) Provisions	18	152.38	143.77
(c) Deferred tax liabilities (Net)	19	620.61	502.74
(d) Other non-current liabilities	20	47.63	33.27
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	21	100.00	—
(ii) Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	22	7.62	—
- Total outstanding dues of creditors other than micro enterprises and small enterprises		1,362.99	1,413.80
(iii) Other financial liabilities	23	86.59	72.82
(b) Other current liabilities	20	87.47	109.65
(c) Provisions	18	68.08	136.02
<b>Total Equity and Liabilities</b>		<b>5,984.92</b>	<b>5,622.32</b>

See accompanying notes 1 to 38 to the financial statements

In terms of our report attached  
For Deloitte Haskins & Sells LLP  
Chartered Accountants

On behalf of the Board

A. ASTHANA  
Managing Director &  
Chief Executive Officer  
DIN: 00631932

K. SINHA  
Director  
DIN: 00123811

A. BHATTACHARYA  
Partner  
Kolkata, 24th May, 2019

A. SENGUPTA  
WholeTime Director &  
Chief Financial Officer  
DIN: 00631842

S. BANERJEE  
Senior General Manager &  
Company Secretary  
ACS 4359

**Statement of Profit and Loss for the year ended 31st March, 2019**

	Notes	For the year ended 31st March, 2019 (Rs. in Millions)	For the year ended 31st March, 2018 (Rs. in Millions)
I Revenue From Operations	24	7,487.88	7,305.74
II Other Income	25	151.95	210.61
III <b>Total Income (I+II)</b>		<u>7,639.83</u>	<u>7,516.35</u>
<b>IV EXPENSES</b>			
Cost of materials consumed		1,969.65	1,905.83
Purchases of Stock-in-Trade		698.03	636.40
Changes in inventories of finished goods		(3.08)	61.01
Employee benefits expense	26	2,482.11	2,370.78
Finance costs	27	48.85	21.24
Depreciation and amortization expense		155.57	147.03
Other expenses	28	2,032.10	1,885.51
<b>Total expenses (IV)</b>		<u>7,383.23</u>	<u>7,027.80</u>
V <b>Profit before tax (III- IV)</b>		256.60	488.55
VI <b>Tax expense:</b>			
Current tax	29	52.50	105.00
Deferred tax	29	109.16	66.33
VII Profit for the year (V-VI)		<u>94.94</u>	<u>317.22</u>
<b>Other Comprehensive Income</b>			
(i) Items that will not be reclassified to profit or loss:			
- Remeasurements of defined benefit plans	30.5.I	27.25	(74.70)
- Income tax relating to items that will not be reclassified to profit or loss	29	(8.71)	23.89
VIII <b>Total Other Comprehensive Income</b>		<u>18.54</u>	<u>(50.81)</u>
IX <b>Total Comprehensive Income for the year (VII+VIII)</b>		<u>113.48</u>	<u>266.41</u>
X Earnings per equity share:			
(1) Basic (in Rs.)	30.2	4.39	14.69
(2) Diluted (in Rs.)		4.39	14.69

See accompanying notes 1 to 38 to the financial statements

In terms of our report attached  
For Deloitte Haskins & Sells LLP  
Chartered Accountants

On behalf of the Board

A. ASTHANA  
Managing Director &  
Chief Executive Officer  
DIN: 00631932

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**Statement of changes in equity for the year ended 31st March, 2019**
**A. Equity Share Capital\***

(Rs. in Millions)

	Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
For the year ended 31st March, 2018	216.00	—	216.00
For the year ended 31st March, 2019	216.00	—	216.00

\*Also refer note 16

**B. Other Equity**

(Rs. in Millions)

	Reserves and Surplus						Total
	Capital Reserve	Development Rebate Reserve	Development Allowance Reserve	Investment Allowance (Utilised) Reserve	General Reserve	Retained Earnings	
<b>Balance as at 1st April, 2017</b>	<b>13.56</b>	<b>0.99</b>	<b>0.98</b>	<b>0.90</b>	<b>1,655.34</b>	<b>1,031.06</b>	<b>2,702.83</b>
Profit for the year	—	—	—	—	—	317.22	317.22
Other Comprehensive Income (net of tax)	—	—	—	—	—	(50.81)	(50.81)
<b>Total Comprehensive Income for the year</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>266.41</b>	<b>266.41</b>
Dividends							
- Ordinary Dividend [Rs. 4.50 per share]	—	—	—	—	—	(97.20)	(97.20)
Income tax on Dividend paid	—	—	—	—	—	(19.79)	(19.79)
<b>Balance as at 31st March, 2018</b>	<b>13.56</b>	<b>0.99</b>	<b>0.98</b>	<b>0.90</b>	<b>1,655.34</b>	<b>1,180.48</b>	<b>2,852.25</b>
Profit for the year	—	—	—	—	—	94.94	94.94
Other Comprehensive Income (net of tax)	—	—	—	—	—	18.54	18.54
<b>Total Comprehensive Income for the year</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>113.48</b>	<b>113.48</b>
Dividends							
- Ordinary Dividend [Rs. 4.50 per share]	—	—	—	—	—	(97.20)	(97.20)
Income tax on Dividend paid	—	—	—	—	—	(19.98)	(19.98)
<b>Balance as at 31st March, 2019</b>	<b>13.56</b>	<b>0.99</b>	<b>0.98</b>	<b>0.90</b>	<b>1,655.34</b>	<b>1,176.78</b>	<b>2,848.55</b>

The directors recommended a dividend of Rs. 4.00 per share (for the year ended 31st March, 2018 - Rs. 4.50 per share) be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The total estimated equity dividend to be paid is Rs. 86.40 Millions (for the year ended 31st March, 2018 - Rs. 97.20 Millions). Income tax on proposed dividend being Rs. 17.76 Millions (for the year ended 31st March, 2018 - Rs. 19.98 Millions) has also not been included as a liability in these financial statements.

**Nature and Purpose of Reserves and Surplus:**

- Capital Reserve: This reserve represents the excess of net assets taken over by the Company over the consideration paid for business combinations. This includes Rs. 3.88 Millions on account of pre-acquisition profit.
- Development Rebate Reserve: Transferred from pre-merger reserves.
- Development Allowance Reserve: Transferred from pre-merger reserves.
- Investment Allowance (Utilised) Reserve: Transferred from pre-merger reserves.
- General Reserve: This reserve represents appropriations of profits made from retained earnings and can be distributed / utilized by the Company in accordance with the Companies Act, 2013.
- Retained Earnings: This reserve represents the cumulative profits as well as remeasurement of defined benefit plans and can be distributed / utilized by the Company in accordance with the Companies Act, 2013.

See accompanying notes 1 to 38 to the financial statements

 In terms of our report attached  
 For Deloitte Haskins & Sells LLP  
 Chartered Accountants

On behalf of the Board

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 Kolkata, 24th May, 2019

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 S. BANERJEE  
 Senior General Manager &  
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**Cash Flow Statement for the year ended 31st March, 2019**

	For the year ended 31st March, 2019 (Rs. in Millions)	For the year ended 31st March, 2018 (Rs. in Millions)
<b>A. Cash Flows from Operating Activities</b>		
PROFIT BEFORE TAX	256.60	488.55
ADJUSTMENTS FOR :		
Depreciation and amortization expense	155.57	147.03
Finance costs	48.85	21.24
Allowance for Doubtful Receivables & Advances	7.04	4.30
Interest Income on financial assets at Amortised Cost	(5.05)	(4.28)
Other non-operating income (Liabilities no longer required written back)	(19.70)	(3.52)
Gain on disposal of investments carried at fair value through profit or loss	(0.12)	(2.36)
(Gain) / Loss on disposal of property, plant and equipment	0.45	1.96
Unrealised Foreign Exchange (Gain) / Loss - Net	0.98	(0.37)
Changes in fair value of biological assets - non-current	0.46	0.53
	<u>188.48</u>	<u>164.53</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	445.08	653.08
ADJUSTMENTS FOR :		
Trade Receivables, Loans, Other Financial Assets and Other assets	182.09	(559.76)
Inventories	(117.98)	(112.38)
Trade Payables, Other Financial Liabilities, Provisions and Other liabilities	(66.38)	350.61
	<u>(2.27)</u>	<u>(321.53)</u>
CASH GENERATED FROM OPERATIONS	442.81	331.55
Income taxes paid	(46.03)	(95.65)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>396.78</b>	<b>235.90</b>
<b>B. Cash Flows from Investing Activities</b>		
Payments for Property, Plant and Equipment, Intangibles, etc	(262.92)	(501.07)
Payments made towards acquisition of Tea estate (refer note 30.8)	(292.08)	—
Proceeds from disposal of Property, Plant and Equipment	1.19	4.96
Restricted deposits with banks (placed)/realised	(4.61)	(22.72)
Purchase of Current Investments	(80.00)	(170.00)
Sale of Current Investments	80.12	315.21
Interest Received	5.94	3.50
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(552.36)</b>	<b>(370.12)</b>
<b>C. Cash Flows from Financing Activities</b>		
Proceeds from borrowings	375.00	200.00
Repayment of non-current borrowings	(39.00)	(9.00)
Interest Paid	(47.33)	(18.16)
Dividend Paid	(96.21)	(97.83)
Income Tax on Dividend Paid	(19.97)	(19.79)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>172.49</b>	<b>55.22</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>16.91</b>	<b>(79.00)</b>
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<b>88.62</b>	<b>167.62</b>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>105.53</b>	<b>88.62</b>
<i>Notes :</i>		
1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS - 7 "Statement of Cash Flows".		
2. <b>CASH AND CASH EQUIVALENTS:</b>		
Cash and cash equivalents as above	105.53	88.62
Acquired on account of business combination (Note 30.8)	1.97	—
Cash and cash equivalents (Note 14)	<u>107.50</u>	<u>88.62</u>

See accompanying notes 1 to 38 to the financial statements

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S. BANERJEE  
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## Notes to the Financial Statements

### 1. Company Overview

Goodricke Group Limited is engaged in the manufacture and cultivation of tea. The Company operates within 18 tea estates spread across West Bengal and Assam and sells bulk tea both in domestic and international markets. The Company also produces Instant Tea at its plant located in Dooars, West Bengal primarily for the international market and has got a strong presence in Packet Tea domestic market through its various Brands. The Company is listed on the Bombay Stock Exchange (BSE).

### 2. Statement of Compliance

These financial statements, for the year ended 31st March 2019, have been prepared in accordance with Indian Accounting Standards (Ind ASs) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules 2016. The Company adopted Ind AS from 1st April, 2016.

### 3. Significant Accounting Policies

#### A. Basis of Preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain items which are measured at fair value at the end of each reporting period, as explained in the accounting policies given below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; they are recognised in the period of the revision and future periods if the revision affects both current and future periods.

#### B. Operating Cycle

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 the Schedule III to the Companies Act, 2013 and Ind AS 1. The Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

#### C. Property, Plant and Equipment

##### (i) Tangible Assets (Other than Bearer Plants)

Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes deemed cost as at 1st January, 2015 measured as per the previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006.

Cost is inclusive of incidental expenses related to acquisition. Borrowing costs attributable to the construction or production of qualifying assets are capitalised. Expenses for the repair of Property, Plant and Equipment are charged against income when incurred.

Land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Depreciation of these assets, are on the same basis as other property assets, and commences when the assets are ready for their intended use.

An item of Property, Plant and Equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Items of Property, Plant and Equipment are depreciated in a manner that amortises the cost of the assets less its residual value, over their useful lives on a straight line basis. Estimated useful lives of the assets are as follows-

Buildings	30-60 years
Plant and equipment	5-18 years
Furniture and fixtures	10 years
Vehicles	6-8 years

The above estimated useful lives are also as specified in Schedule II of the Companies Act, 2013.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, and the effect of any changes in estimate is accounted for on a prospective basis.

#### **(ii) Bearer Plants**

Bearer plants comprising of mature tea bushes and shade trees are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes deemed cost as at 1st January, 2015. The Company recognised bearer plants for the first time at fair value as of 1<sup>st</sup> January, 2015 (transition date to Ind AS) and used such fair value as deemed cost.

Immature bearer plants, including the cost incurred for procurement of new seeds and maintenance of nurseries, are carried at cost less any recognised impairment losses under capital work-in-progress. Cost includes the cost of land preparation, new planting and maintenance of newly planted bushes until maturity. On maturity, these costs are classified under bearer plants. Depreciation of bearer plants commence on maturity.

Costs incurred for infilling including block infilling are generally recognised in the Statement of Profit and Loss unless there is a significant increase in the yield of the sections, in which case such costs are capitalised and depreciated over the remaining useful life of the respective sections.

Depreciation on bearer plants is recognised so as to write off its cost over useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

Estimated useful lives of the bearer plants has been determined to be 46 years.

#### **D. Intangible Assets**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight line basis over the estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less impairment losses.

Cost includes deemed cost as at 1st January, 2015 measured as per the previous GAAP, which includes

Standards notified under the Companies (Accounting Standards) Rules, 2006.

The useful life of an intangible asset is considered finite where the rights to such assets are limited to a specified period of time by contract or law (e.g., patents, licences, trademarks, franchise and servicing rights) or the likelihood of technical, technological obsolescence (e.g., computer software, design, prototypes) or commercial obsolescence (e.g., lesser known brands are those to which adequate marketing support may not be provided). If, there are no such limitations, the useful life is taken to be indefinite.

Intangible assets of the Company with finite useful lives comprise acquired computer software. Cost of software is capitalised where it is expected to provide future enduring economic benefits. Capitalisation costs include licence fees and cost of implementation / system integration services. The costs are capitalised in the year in which the relevant software is implemented for use and is amortised across a period not exceeding 5 years. Expenses incurred on upgradation / enhancements is charged off as revenue expenditure unless they bring similar significant additional benefits.

Indefinite life intangibles mainly consist of brands/trademarks. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues, if not, it is impaired or changed prospectively basis revised estimates.

#### **E. Business combinations**

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. Acquisition-related costs are generally recognised in statement of profit and loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their respective fair values. Goodwill is measured as the excess of the sum of the consideration transferred over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

#### **F. Goodwill**

Goodwill arising on acquisition of a business is carried at cost as established at the date of acquisition of the business (see note E above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods. On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

#### **G. Research and Development**

Research and Development expenditure of revenue nature is written off in the Statement of Profit and Loss as incurred. Such expenditure is capitalised as intangible assets only if it meets the criteria of an intangible asset. Internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses.

#### **H. Impairment of Assets**

At the end of each reporting period, the Company reviews the carrying amounts of its tangible (including bearer plants) and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net selling price and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If impairment is no longer justified in future periods due to a recovery in assets' fair value or value in use, the impairment reserve is reversed.

## **I. Biological Assets and Agricultural Produce**

### **(i) Biological Assets**

Biological assets of the Company comprises of unharvested green tea leaves that are classified as current biological assets and livestock for breeding purpose, classified as non-current biological assets. The Company recognises biological assets when, and only when, the Company controls the assets as a result of past events, it is probable that future economic benefits associated with such assets will flow to the Company and the fair value or cost of the assets can be measured reliably. Expenditure incurred on biological assets are measured on initial recognition and at the end of each reporting period at its fair value less costs to sell. The gain or loss arising from a change in fair value less costs to sell of biological assets are included in Statement of Profit and Loss for the period in which it arises.

### **(ii) Agricultural Produce**

The Company recognises agricultural produce when, and only when, the Company controls the assets as a result of past events, it is probable that future economic benefits associated with such assets will flow to the Company and the fair value or cost of the assets can be measured reliably. Agricultural produce harvested from the Company's biological assets are valued at fair value less cost to sell at the point of harvest. A gain or loss arising on initial recognition of agricultural produce at fair value less costs to sell shall be included in Statement of Profit and Loss for the period in which it arises.

The Company's agricultural produce comprises of green leaves plucked from its tea estates.

## **J. Inventories**

Inventories are stated at the lower of cost and net realisable value. Finished goods produced from agricultural produce are valued at lower of cost arrived at by adding the cost of conversion to the fair value of agricultural produce and the net realisable value. Net realisable value represents the estimated selling price for inventories less all selling costs.

Provision is made for obsolete, slow moving and defective inventories, whenever necessary.

## **K. Foreign Currency Transactions**

The presentation currency of the Company is Indian Rupees. Transactions in foreign currency are accounted for at the exchange rate prevailing on the transaction date. Monetary transactions remaining unsettled are translated at the rate of exchange ruling at the end of the year. Exchange gain or loss arising on settlement/translation is recognised in the Statement of Profit and Loss.

## **L. Financial instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issues of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial assets or financial

liabilities. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date when the Company commits to purchase or sell the asset.

## **(i) Financial Assets**

### Recognition and Classification

The financial assets are classified at initial recognition in the following measurement categories as:

- those subsequently measured at amortised cost
- those to be subsequently measured at fair value [either through other comprehensive income (OCI), or through profit or loss]

### Subsequent Measurement

- Financial assets measured at amortised cost - Financial assets which are held within the business model of collection of contractual cash flows and where those cash flows represent payments solely towards principal and interest on the principal amount outstanding are measured at amortised cost. A gain or loss on a financial asset that is measured at amortised cost and is not a part of hedging relationship is recognised in profit or loss when the asset is derecognised or impaired.
- Financial assets measured at fair value through other comprehensive income - Financial assets that are held within a business model of collection of contractual cash flows and for selling and where the assets' cash flow represents solely payment of principal and interest on the principal amount outstanding are measured at fair value through OCI. Movements in carrying amount are taken through OCI, except for recognition of impairment gains or losses. When a financial asset, other than investment in equity instrument, is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to Statement of Profit and Loss.  
  
Classification of equity instruments, not being investments in subsidiaries, associates and joint arrangements, depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through OCI. When investment in such equity instrument is derecognised, the cumulative gains or losses recognised in OCI is transferred within equity on such derecognition.
- Financial assets measured at fair value through profit or loss - Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. Movements in fair value of these instruments are taken in profit or loss.

### Impairment of financial assets

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Impairment losses are recognised in the profit or loss where there is an objective evidence of impairment based on reasonable and supportable information that is available without undue cost or effort. For all financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The Company recognises loss allowances on trade receivables when there is objective evidence that the Company will not be able to collect all the due amounts depending on product categories and the payment mechanism prevailing in the industry.

### Income recognition on financial assets

Interest income from financial assets is recognised in profit or loss using effective interest rate method, where applicable. Dividend income is recognised in profit or loss only when the Company's right to receive payments is established and the amount of dividend can be measured reliably.

## **(ii) Financial Liabilities**

Financial liabilities are classified according to the substance of the contractual arrangements entered

into. Financial liabilities are classified, at initial recognition, as subsequently measured at amortised cost unless they fulfill the requirement of measurement at fair value through profit or loss. Where the financial liability has been measured at amortised cost, the difference between the initial carrying amount of the financial liabilities and their redemption value is recognised in the Statement of Profit and Loss over the contractual terms using the effective interest rate method. Financial liabilities at fair value through profit or loss are carried at fair value with changes in fair value recognised in the finance income or finance cost in the Statement of Profit and Loss.

**(iii) Derecognition of financial assets and financial liabilities**

Financial assets are derecognised when the rights to receive benefits have expired or been transferred, and the Company has transferred substantially all risks and rewards of ownership of such financial asset. Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

**(iv) Offsetting of 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.

**M. Revenue from sale of products**

Revenue is measured at the fair value of the consideration received or receivable and is net off returns and discounts. Revenue from the sale of goods excludes amounts collected on behalf of third parties, such as value added tax and goods and services tax.

Revenue from sale of goods is recognised when the Company perform its obligations to its customers and, the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably. The timing of such recognition is when the control over the same is transferred to the customer, which is mainly upon delivery.

**N. Government Grant**

Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the Company recognises the related costs for which the grants are intended to compensate. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non – current assets are recognised as deferred revenue in the Balance Sheet and transferred to the profit or loss on a systematic and rational basis over the useful lives of the related assets.

**O. Employee Benefits**

The Company operates defined contribution schemes like Provident Fund and defined Contribution Pension Schemes. The Company makes regular contribution to provident funds which are fully funded and administered by Government and are independent of Company's finance. Contributions are recognised in Statement of Profit and Loss on an accrual basis. The Company operates a non-contributory defined contribution pension scheme for certain employees. The Company contributes 15% of the employees' current salary to the above contribution fund which is recognised in the Statement of Profit and Loss.

The Company also operates defined benefit Provident Fund Schemes for certain employees which are fully funded and administered by trustees and are independent of the Company's finance. The Company makes regular contributions to the fund and shortfall if any, determined by annual actuarial valuation, is recognised in the Statement of Profit and Loss.



Defined Benefit Gratuity Plan is maintained by the company for all its eligible employees. The Company also operates a Non Contributory Defined Benefit Pension Scheme for certain employees. The Company contributes to such funds on the basis of actuarial valuation at the end of each year after setting off any net asset in respect of either fund. Both the Pension Fund and gratuity fund are administered by the Trustees and is independent of the Company's finance.

For Schemes where recognised funds have been set up annual contributions determined as payable in the actuarial valuation report are contributed. Gain or Loss on account of remeasurements are recognised immediately through Other Comprehensive Income in the period in which they occur.

Post-retirement medical benefits are provided by the Company for certain category of employees. Liability is determined through independent year end actuarial valuation and recognised in the Statement of Profit and Loss. Provision is made for leave encashment benefit payable to employees on the basis of independent actuarial valuation, at the end of each year and charge is recognised in the Statement of Profit and Loss.

#### **P. Leases**

Leases are recognised as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the term of the relevant lease unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

#### **Q. Taxes on Income**

Taxes on income comprises of current taxes and deferred taxes. Current tax in the Statement of Profit and Loss is provided as the amount of tax payable in respect of taxable income for the period using tax rates and tax laws enacted during the period, together with any adjustment to tax payable in respect of previous years.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

#### **R. Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking in to account the risks and uncertainties surrounding the obligation.

#### **S. Operating Segments**

Operating segments are reported in a manner consistent with the internal reporting provided to the

chief operating decision-maker (CODM). The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer.

#### **4. Key sources of estimation uncertainty**

The following are the key assumptions concerning the future and other key sources of estimating uncertainty as at the balance sheet date that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

##### **A. Useful lives of Property, Plant and Equipment**

The Company has adopted the useful lives as specified in Schedule II of the Companies Act, 2013 for Property, Plant and Equipment other than for bearer plants. For bearer plants, it has determined the useful life to be 46 years. The Company reviews the estimated useful lives at the end of each reporting period. Such useful lives depend upon various factors such as usage, maintenance practices etc. and can involve estimation uncertainty. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised. The carrying amount of the Company's Property, Plant and Equipment at the balance sheet date is disclosed in Note 5A to the financial statements.

##### **B. Impairment of Property, Plant and Equipment**

An impairment exists when the carrying value of an asset exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing the asset. The value in use calculation is based on a discounted cash flow model and requires the Company to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

##### **C. Fair value measurements and valuation processes**

Some of the Company's assets are measured at fair value for financial reporting purposes. Significant estimates are used in fair valuation of agricultural produce (harvested green leaves) and biological assets (unharvested green leaves).

For harvested or unharvested green leaves, since there is no active market, the fair value is arrived at based on the observable market prices of made tea adjusted for manufacturing costs and plucking costs, as applicable.

##### **D. Employee Defined Benefit Plans**

The determination of Company's liability towards defined benefit obligations to employees is made through independent actuarial valuation including determination of amounts to be recognised in the income statement and in the other comprehensive income. Such valuation depend upon assumptions determined after taking into account inflation, promotion and other relevant factors such as supply and demand factors in the employment market. Any changes in these assumptions will impact the carrying amount of defined benefit obligations.

**Notes to the Financial Statements**

Particulars	Gross Block					Depreciation and Amortisation					Net Book Value		
	As at 1st April, 2017	Additions	Disposals and adjustments	As at 31st March, 2018	As at 31st March, 2019	As at 1st April, 2017	For the year upto 31st March, 2018	On Disposals and adjustments	Upto 31st March, 2019	On Disposals and adjustments	Upto 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019
<b>5A. Property, plant and equipment</b>													
Land	0.37	—	—	0.37	0.37	—	—	—	—	—	—	0.37	0.37
Leasehold land	—	—	—	—	115.90	—	—	—	—	—	—	115.90	—
Buildings	567.09	39.44	—	606.53	37.19	66.34	27.32	—	104.16	28.51	132.67	577.39	502.37
Plant and Equipment	521.08	75.77	4.62	592.23	72.11	38.80	43.12	0.68	155.76	47.01	202.77	500.37	436.47
Furniture and Fixtures	17.75	4.14	0.14	21.75	2.89	0.63	2.16	0.04	8.45	2.10	10.52	14.70	13.30
Vehicles	78.63	11.39	1.48	88.54	19.32	1.42	10.72	0.86	31.00	11.64	41.30	65.07	57.54
Office equipment	8.50	3.03	—	11.53	1.55	0.31	1.67	—	5.47	2.03	7.50	5.89	6.06
Bearer Plants	1,313.12	152.44	2.82	1,462.74	214.48	72.51	61.57	0.56	180.41	63.81	243.53	1,505.46	1,282.33
<b>Total</b>	<b>2,506.54</b>	<b>286.21</b>	<b>9.06</b>	<b>2,783.69</b>	<b>347.54</b>	<b>295.91</b>	<b>146.56</b>	<b>2.14</b>	<b>485.25</b>	<b>155.10</b>	<b>638.29</b>	<b>2,785.15</b>	<b>2,298.44</b>
<b>5B. Capital work-in-progress</b>													
<b>5C. Other Intangible Assets (acquired)</b>													
Computer Software	2.34	—	—	2.34	—	—	0.47	—	1.20	0.47	1.67	0.67	1.14
Trademarks / Brands	—	203.00	—	203.00	—	—	—	—	—	—	—	203.00	203.00
<b>Total</b>	<b>2.34</b>	<b>203.00</b>	<b>—</b>	<b>205.34</b>	<b>—</b>	<b>—</b>	<b>0.47</b>	<b>—</b>	<b>1.20</b>	<b>0.47</b>	<b>1.67</b>	<b>203.67</b>	<b>204.14</b>

**Notes:**

1. The amount of expenditure recognised in the carrying amount in the course of construction is Rs. 37.19 millions (2018 - Rs. 39.44 millions)
2. Trademarks have been considered of having an indefinite useful life taking into account that there are no technical, technological or commercial risks of obsolescence or limitations under contract or law.
3. The amortisation expense of other intangible assets have been included under 'Depreciation and amortization expense' in Statement of Profit and Loss.
4. The Leasehold land is on perpetual lease. Lease deed is yet to be executed.
5. Capital work-in-progress includes Rs. 8.31 millions relating to immature bearer plants acquired on account of Business Combination. Also Refer Note 30.8

**Notes to the Financial Statements**
**6. Biological Assets other than bearer plants**

	As at 31st March, 2019 (Rs. in Millions)		As at 31st March, 2018 (Rs. in Millions)	
	Current	Non-current	Current	Non-current
<b>As at Opening date</b>	<b>25.85</b>	<b>0.84</b>	18.59	1.40
Increase due to purchases / physical changes	34.81	—	25.85	—
Decreases due to harvest / physical changes	(25.85)	—	(18.59)	—
Decreases due to sales / write off	—	—	—	(0.03)
Net change in fair value less estimated costs to sell	—	(0.46)	—	(0.53)
<b>As at Closing date</b>	<b>34.81</b>	<b>0.38</b>	25.85	0.84

**7. Non-current investments**

	As at 31st March, 2019 (Rs. in Millions)		As at 31st March, 2018 (Rs. in Millions)	
	Quoted	Unquoted	Quoted	Unquoted
<b>INVESTMENT IN EQUITY INSTRUMENTS (at fair value through profit or loss)</b>				
ABC Tea Workers Welfare Services 20000 Equity Shares of Rs. 10 each, fully paid (Cost Rs 0.20 millions)	—	—	—	—
Duncan Industries Limited 442 Equity Shares of Rs. 10 each, fully paid (Cost Rs 0.66 millions)	—	—	—	—
<b>Aggregate amount of quoted and unquoted Investments</b>	—	—	—	—
<b>TOTAL</b>	—	—	—	—
Aggregate market value of quoted investments	—	—	—	—

**8. Loans**

	As at 31st March, 2019 (Rs. in Millions)		As at 31st March, 2018 (Rs. in Millions)	
	Current	Non-current	Current	Non-current
Other Loans				
Loans to employees - Unsecured, considered good^	7.24	11.98	6.92	13.31
<b>TOTAL</b>	<b>7.24</b>	<b>11.98</b>	6.92	13.31

^Includes Rs 0.73 millions (current portion) acquired on account of business combination.  
Refer Note 30.8

**Notes to the Financial Statements**
**9. Other Financial Assets**

	As at 31st March, 2019 (Rs. in Millions)		As at 31st March, 2018 (Rs. in Millions)	
	Current	Non-current	Current	Non-current
(A) Margin Money deposits with more than 12 months maturity*	—	14.39	—	4.57
(B) Other Financial assets				
Deposits with NABARD	12.08	—	20.00	—
Other deposits^	22.98	—	20.42	—
Interest accrued on Loans, Deposits etc.	6.59	—	7.48	—
Other Receivables#	95.86	—	131.51	—
<b>TOTAL</b>	<b>137.51</b>	<b>14.39</b>	<b>179.41</b>	<b>4.57</b>

\* Kept with banks for issuing bank guarantee

^Includes Rs 0.05 millions acquired on account of business combination. Refer Note 30.8

# Others comprise gratuity recoverable from fund and export benefits receivable.

**10. Income Tax Assets (Net)**

	As at 31st March, 2019 (Rs. in Millions)	As at 31st March, 2018 (Rs. in Millions)
Advance taxation (net of provisions Rs. 2011.66 Millions (2018 - Rs. 2050.66 Millions))	22.47	28.94
<b>TOTAL</b>	<b>22.47</b>	<b>28.94</b>

**11. Other Assets**

	As at 31st March, 2019 (Rs. in Millions)		As at 31st March, 2018 (Rs. in Millions)	
	Current	Non-current	Current	Non-current
Capital Advances	—	13.55	—	9.24
Advances to suppliers other than capital advances	49.37	—	50.92	—
Security Deposits*	—	46.62	—	35.16
Other Advances (including advances with statutory authorities, prepaid expenses, employee etc.)^	104.42	4.71	63.58	4.41
<b>TOTAL</b>	<b>153.79</b>	<b>64.88</b>	<b>114.50</b>	<b>48.81</b>

\*Includes Rs 3.13 millions acquired on account of business combination. Refer Note 30.8

^Includes Rs 0.08 millions (other current assets) acquired on account of business combination. Refer Note 30.8

**Notes to the Financial Statements**
**12. Inventories**

(At lower of cost and net realisable value)

	As at 31st March, 2019 (Rs. in Millions)	As at 31st March, 2018 (Rs. in Millions)
Raw materials	670.43	585.98
Finished goods	482.20	479.12
Packing materials	97.38	102.93
Stores and Spares	296.62	260.62
<b>TOTAL</b>	<b>1,546.63</b>	<b>1,428.65</b>
<b>The above includes goods in transit as under:</b>		
Raw materials	6.54	4.75

The cost of inventories recognised as an expense is Rs. 6461.72 Millions (during 2017-18: Rs. 6235.06 Millions) and includes Rs. 14.29 Millions (during 2017-2018: Rs 13.69 Millions) in respect of write-downs of inventory to net realisable value.

**13. Trade Receivables**

	As at 31st March, 2019 (Rs. in Millions)	As at 31st March, 2018 (Rs. in Millions)
Unsecured, considered good	529.42	737.53
Doubtful	20.00	12.96
	<b>549.42</b>	<b>750.49</b>
Less: Allowance for doubtful receivables	20.00	12.96
<b>TOTAL</b>	<b>529.42</b>	<b>737.53</b>

**14. Cash and cash equivalents**

	As at 31st March, 2019 (Rs. in Millions)	As at 31st March, 2018 (Rs. in Millions)
Balances with Banks		
Current accounts *	86.17	79.56
Cash on hand^	21.33	9.06
<b>TOTAL</b>	<b>107.50</b>	<b>88.62</b>

\* Includes Rs 0.32 Millions acquired on account of business combination (Refer Note 30.8). These are lying in banks accounts in the name of Mcleod Russel India Limited, yet to be transferred in the name of the company.

^Includes Rs 1.65 millions acquired on account of business combination. Refer Note 30.8

**15. Other Bank Balances**

	As at 31st March, 2019 (Rs. in Millions)	As at 31st March, 2018 (Rs. in Millions)
Earmarked balances		
Margin Money deposits*	32.63	38.83
For unpaid dividend	5.94	4.95
<b>TOTAL</b>	<b>38.57</b>	<b>43.78</b>

\* Represents deposits kept with bank for issuing bank guarantee having remaining maturity of less than 12 months from the balance sheet date.

**Notes to the Financial Statements**
**16. Equity share capital**

	As at 31st March, 2019 (No. of Shares)	As at 31st March, 2019 (Rs. in Millions)	As at 31st March, 2018 (No. of Shares)	As at 31st March, 2018 (Rs. in Millions)
<b>Authorised</b>				
Equity Shares of Rs. 10.00 each	22,000,000	220.00	22,000,000	220.00
<b>Issued and Subscribed</b>				
Equity Shares of Rs. 10.00 each, fully paid	21,600,000	216.00	21,600,000	216.00
A) Reconciliation of number of <b>Equity Shares outstanding</b>				
As at beginning and at the end of the year	21,600,000	216.00	21,600,000	216.00

**B) Shareholders holding more than 5% of the Equity Shares in the Company**

	As at 31st March, 2019 (No. of Shares)	As at 31st March, 2019 %	As at 31st March, 2018 (No. of Shares)	As at 31st March, 2018 %
Assam Dooars Investment Limited*	10,389,600	48.10	10,389,600	48.10
Western Dooars Investment Limited*	5,594,400	25.90	5,594,400	25.90

\*Subsidiaries of Camellia Plc, the ultimate holding Company

**C) Rights, preferences and restrictions attached to the Equity Shares**

The Company has only one class of shares referred to as Equity shares having a par value of Rs. 10 per share. Each Shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting. In the event of liquidation, the Equity Shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**17. Non-current Borrowings**

	As at 31st March, 2019 (Rs. in Millions)	As at 31st March, 2018 (Rs. in Millions)
Unsecured - at amortised cost		
Loans from related parties (Refer note (i) below) (see note 32.4)	327.00	191.00
Secured - at amortised cost		
Term Loans from banks (Refer note (ii) below)	100.00	—
Less: Current maturities of long-term debt (Refer Note 23)	40.00	49.00
<b>TOTAL</b>	<b>387.00</b>	<b>142.00</b>

(i) Represents term loans from Lebond Investments Private Limited (Fellow subsidiary company) -  
(a) Rs 135.00 millions (31st March 2018 : Rs 171 millions), at interest rate of 8% p.a., repayable in 15 quarterly instalments of Rs. 0.90 millions from the Balance Sheet date (b) Rs 17.00 millions (31st March 2018 : Rs 20 Millions), at interest rate of 8% p.a., repayable in 17 quarterly instalments of Rs. 0.10 millions from the Balance Sheet date (c) Rs. 175.00 millions (31st March 2018 : Rs Nil), at interest rate of 9% p.a., repayable in 56 quarterly instalments of Rs 3.13 millions from June 2020

(ii) Represents term loan from Axis Bank taken during the year, secured by first charge on the entire property, plant and equipment of Harchurah Tea Estate both movables and immovables. This is payable in 32 equal quarterly installments of Rs 3.12 Millions each starting from June 2020 at interest rate linked to the bank's base lending rate.

**Notes to the Financial Statements**
**18. Provisions**

	As at 31st March, 2019 (Rs. in Millions)		As at 31st March, 2018 (Rs. in Millions)	
	Current	Non-current	Current	Non-current
Provision for employee benefits				
-Retirement Benefits				
Gratuity	39.75	—	71.55	—
Pension	10.00	—	52.57	—
Medical	6.44	120.73	5.98	113.73
Provident Fund	6.32	—	5.09	—
-Other benefits				
Leave encashment	5.57	31.65	0.83	30.04
<b>TOTAL</b>	<b>68.08</b>	<b>152.38</b>	<b>136.02</b>	<b>143.77</b>

**19. Deferred tax liabilities (Net)**

	As at 31st March, 2019 (Rs. in Millions)	As at 31st March, 2018 (Rs. in Millions)
Deferred tax liabilities	684.88	606.33
Deferred tax assets	(64.27)	(103.59)
<b>Total</b>	<b>620.61</b>	<b>502.74</b>

Movement in deferred tax (liabilities) / assets balances

(Rs. in Millions)

2018-19	Opening Balance as on 1st April, 2018	Recognised in profit or loss	Recognised in OCI	Closing Balance as on 31st March, 2019
<b>Deferred Tax (liabilities)/assets in relation to:</b>				
On fiscal allowances on property, plant and equipment, etc.	(583.40)	(73.41)	—	(656.81)
On biological asset fair value	(8.54)	(2.71)	—	(11.25)
On Inventory fair value disallowance	(14.39)	(2.43)	—	(16.82)
<b>Total deferred tax liabilities</b>	<b>(606.33)</b>	<b>(78.55)</b>	—	<b>(684.88)</b>
On employee benefits etc	90.01	(37.66)	(8.71)	43.64
On provision for doubtful debts/advances	4.16	2.24	—	6.40
Other timing differences	9.42	4.81	—	14.23
<b>Total deferred tax assets</b>	<b>103.59</b>	<b>(30.61)</b>	<b>(8.71)</b>	<b>64.27</b>
<b>Deferred tax liabilities (Net)</b>	<b>(502.74)</b>	<b>(109.16)</b>	<b>(8.71)</b>	<b>(620.61)</b>
<b>2017-18</b>	<b>Opening Balance as on 1st April, 2017</b>	<b>Recognised in profit or loss</b>	<b>Recognised in OCI</b>	<b>Closing Balance as on 31st March, 2018</b>
<b>Deferred Tax (liabilities)/assets in relation to:</b>				
On fiscal allowances on property, plant and equipment, etc.	(526.45)	(56.95)	—	(583.40)
On fair value movement of investments	(0.90)	0.90	—	—
On biological asset fair value	(6.37)	(2.17)	—	(8.54)
On Inventory fair value disallowance	(8.68)	(5.71)	—	(14.39)
<b>Total deferred tax liabilities</b>	<b>(542.40)</b>	<b>(63.93)</b>	—	<b>(606.33)</b>
On employee benefits etc	69.33	(3.21)	23.89	90.01
On provision for doubtful debts/advances	3.08	1.08	—	4.16
Other timing differences	9.69	(0.27)	—	9.42
<b>Total deferred tax assets</b>	<b>82.10</b>	<b>(2.40)</b>	<b>23.89</b>	<b>103.59</b>
<b>Deferred tax liabilities (Net)</b>	<b>(460.30)</b>	<b>(66.33)</b>	<b>23.89</b>	<b>(502.74)</b>



**Notes to the Financial Statements**
**20. Other Liabilities**

	As at 31st March, 2019 (Rs. in Millions)	As at 31st March, 2018 (Rs. in Millions)
<b>Non Current</b>		
Deferred income related to Government Grants	43.29	28.51
Deposits from Employees	4.34	4.76
<b>Total Non-Current liabilities</b>	<b>47.63</b>	<b>33.27</b>
<b>Current</b>		
Statutory tax liabilities <sup>^</sup>	52.41	54.82
Advances received from customers	16.86	43.35
Deferred income related to Government Grants	1.29	0.96
Other payables	16.91	10.52
<b>Total Current liabilities</b>	<b>87.47</b>	<b>109.65</b>

<sup>^</sup>Includes Rs 0.27 millions assumed on account of business combination. Refer Note 30.8

**21. Current Borrowings**

	As at 31st March, 2019 (Rs. in Millions)	As at 31st March, 2018 (Rs. in Millions)
Unsecured - at amortised cost		
Loans from related parties (see note 32.4)	100.00	—
<b>GRAND TOTAL</b>	<b>100.00</b>	<b>—</b>

**22. Trade Payables**

	As at 31st March, 2019 (Rs. in Millions)	As at 31st March, 2018 (Rs. in Millions)
Total outstanding dues of micro enterprises and small enterprises (Refer Note 30.6)	7.62	—
Total outstanding dues of creditors other than micro enterprises and small enterprises <sup>^</sup>	1,362.99	1,413.80
<b>TOTAL</b>	<b>1,370.61</b>	<b>1,413.80</b>

<sup>^</sup>Includes Rs 15.03 millions assumed on account of business combination. Refer Note 30.8

**23. Other Financial liabilities**

	As at 31st March, 2019 (Rs. in Millions)	As at 31st March, 2018 (Rs. in Millions)
<b>Current</b>		
Current maturities of long-term debt (Refer Note 17)	40.00	49.00
Interest accrued	4.58	3.06
Unpaid dividend	5.94	4.95
Deposits	4.82	5.84
Other Payables		
Payable towards purchase of property, plant and equipment	31.25	9.97
<b>TOTAL</b>	<b>86.59</b>	<b>72.82</b>

**Notes to the Financial Statements**
**24. Revenue from operations**

	<b>For the year ended 31st March, 2019 (Rs. in Millions)</b>	<b>For the year ended 31st March, 2018 (Rs. in Millions)</b>
Sale of Products*	7,487.88	7,305.74
<b>TOTAL</b>	<b>7,487.88</b>	<b>7,305.74</b>

\* Net of sales returns.

**25. Other Income**

	<b>For the year ended 31st March, 2019 (Rs. in Millions)</b>	<b>For the year ended 31st March, 2018 (Rs. in Millions)</b>
Interest income on Financial Assets at Amortised Cost	5.05	4.28
Government Grants <sup>#</sup>	91.58	166.43
Other non-operating income	51.44	36.97
Other gains and losses*	3.88	2.93
<b>TOTAL</b>	<b>151.95</b>	<b>210.61</b>

<sup>#</sup>Government Grants represents grants received on account of subsidy from tea board and other export incentive schemes.

<b>Other gains and losses*</b>		
Net Foreign Exchange Gains / (Loss)	4.67	3.06
Net Gain / (Loss) on disposal of investments carried at fair value through profit or loss	0.12	2.36
Net Gain / (Loss) on disposal of property, plant and equipment	(0.45)	(1.96)
Changes in fair value of biological assets - non-current	(0.46)	(0.53)
<b>TOTAL</b>	<b>3.88</b>	<b>2.93</b>

**26. Employee Benefits Expense**

	<b>For the year ended 31st March, 2019 (Rs. in Millions)</b>	<b>For the year ended 31st March, 2018 (Rs. in Millions)</b>
Salaries and wages	1,941.17	1,882.94
Contribution to Provident and other funds	299.65	270.15
Workmen & Staff welfare expenses	241.29	217.69
<b>TOTAL</b>	<b>2,482.11</b>	<b>2,370.78</b>

**Notes to the Financial Statements**
**27. Finance Costs**

	For the year ended 31st March, 2019 (Rs. in Millions)	For the year ended 31st March, 2018 (Rs. in Millions)
Interest costs		
- Interest on bank loans	27.36	13.79
- Interest on loans from related parties (refer note 32.4)	21.46	6.61
Interest expense for financial liabilities not classified as FVTPL	48.82	20.40
Interest on Income Tax, etc	0.03	0.84
<b>TOTAL</b>	<b>48.85</b>	<b>21.24</b>

**28. Others Expenses**

	For the year ended 31st March, 2019 (Rs. in Millions)	For the year ended 31st March, 2018 (Rs. in Millions)
Consumption of Stores and Spare Parts <sup>^</sup>	388.43	359.44
Power and Fuel	631.59	549.79
Insurance	14.36	13.48
Rent	49.85	35.47
Rates and Taxes	11.66	13.24
Repairs to Buildings	31.90	30.80
Repairs to Machinery	59.84	51.88
Advertisement	57.06	43.10
Sales Promotion	91.36	98.01
Brokerage and Commission	49.61	67.41
Warehousing and Packing Charges	117.39	122.70
Freight & Shipping Charges	185.41	173.84
Other Selling Expenses	9.45	9.97
Directors Fees	0.69	0.48
Contributions towards Corporate Social Responsibility (See Note 30.4)	6.73	5.44
Allowance for Doubtful Receivables & Advances	7.04	4.30
Miscellaneous Expenses	319.73	306.16
<b>TOTAL</b>	<b>2,032.10</b>	<b>1,885.51</b>
<sup>^</sup> Includes Rs 2.89 millions acquired on account of business combination. Refer Note 30.8		
<b>Miscellaneous expenses include :</b>		
Auditors' remuneration and expenses *		
For audit	2.11	1.88
For Tax audit	0.50	0.50
For other services (including for limited reviews)	2.40	2.35
For reimbursement of expenses	0.17	0.09

\* Excluding taxes

**Notes to the Financial Statements**
**29. Income Tax Expenses**

	For the year ended 31st March, 2019 (Rs. in Millions)	For the year ended 31st March, 2018 (Rs. in Millions)
<b>A. Amount Recognized in profit and loss</b>		
<b>Current tax</b>		
Income tax for the year		
Current tax	52.50	105.00
<b>Total Current Tax</b>	52.50	105.00
Deferred tax		
Deferred tax for the year	109.16	66.33
<b>Total Deferred Tax</b>	109.16	66.33

**B. Amount Recognised in Other Comprehensive Income**

The tax (charge)/credit arising on income and expenses recognised in other comprehensive income is as follows:

	For the year ended 31st March, 2019 (Rs. in Millions)	For the year ended 31st March, 2018 (Rs. in Millions)
Deferred tax		
On items that will not be reclassified to profit or loss		
Remeasurements losses on defined benefit plans	(8.71)	23.89
<b>TOTAL</b>	(8.71)	23.89

**C. Reconciliation of effective tax rate**

The income tax expense for the year can be reconciled to the accounting profit as follows:

	For the year ended 31st March, 2019 (Rs. in Millions)	For the year ended 31st March, 2018 (Rs. in Millions)
<b>Profit before tax</b>	256.60	488.55
Income Tax expense calculated at 34.944% (2018 - 34.608%)	89.67	169.08
Effects of:		
– Expenses that are not deductible in determining taxable profit	5.15	4.29
– Additional deduction under Income-tax Act, 1961	(1.19)	(15.36)
– Income that is exempt from taxation	(0.57)	(1.02)
– Adjustment in respect of tax rates*	—	0.52
– Unrecognised deferred tax assets on tax losses for the year	37.44	—
– Minimum Alternate Taxes in relation to Assam Agricultural tax	3.92	5.63
– Others (on account of acquisition of Harchurah Tea Estate)	27.24	8.19
<b>Income Tax recognised in profit or loss</b>	161.66	171.33

The tax rate used above for the year 2018-19 and 2017-18 is the corporate tax rate payable on taxable profits under the Income Tax Act, 1961.

\*The Company's agricultural income is subject to lower tax rates @ 30% under the respective state tax laws.

### 30. Additional Notes to the Financial Statements

#### 30.1 Contingent liabilities and commitments :

(a) Contingent liabilities

(i) Claims against the Company not acknowledged as debts:

(Rs. in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Income Tax Matters (without considering concomitant liability in respect of Agricultural Income Tax)	78.37	77.42
Central Excise Matters	364.71	361.29
Sales Tax / Entry Tax Matters	25.77	23.41
Disputed Claims	2.52	2.52

Income-tax matters relates to amounts disputed by the Company in relation to issues of disallowances/ additions in computing total income under Income-tax Act, 1961.

Central Excise, Sales Tax and Entry Tax matters relates to amounts disputed by the Company in relation to issues of applicability, classification and determination, as applicable.

Disputed Claims relates to third party claims arising from disputes relating to contracts.

Future cash flows if any, in respect of above cannot be determined at this stage

- (ii) Consequent upon the vesting of the Indian undertakings on 1st January 1978 of the eight Sterling Company's under the scheme of amalgamation, the title in respect of certain tea estates acquired under such scheme, are to be transferred in the name of the Company. The Company has been legally advised that the notification issued by the Government of West Bengal in 1994 for payment of salami for such transfer does not apply to the Company. The matter is subjudice at present. Pending resolution of the same and on the basis of the intimation received from Government of West Bengal, Land & Land Reforms and R.R. & R Department, during the year, the Company has agreed to deposit the salami amount in an agreed manner in order to allow the normal functioning of the estates without prejudice to the Company's stand on applicability of such salami. The sum in dispute stands at Rs. 121.21 Millions (2018 – Rs. 121.21 Millions) as on date. In the event Company's position on Salami is upheld by the court, the sums agreed to be paid by way of deposit will be refunded to the company.

(b) Commitments

Estimated amount of contracts remaining to be executed on capital accounts and not provided for Rs.15.18 Millions (2018 – Rs.16.71 Millions).

#### 30.2 Earnings per share

	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
Earnings per share has been computed as under:		
(a) Profit for the year (Rs. in Millions)	94.94	317.22
(b) Weighted average number of Ordinary shares outstanding for the purpose of basic/diluted earnings per share (Nos.)	21,600,000	21,600,000
(c) Earnings per share on profit for the year (Face Value Rs 10.00 per share)		
- Basic and Diluted [(a)/(b)] (Rs.)	4.39	14.69

30.3 Research and Development expenses for the year charged to revenue amounts to Rs.14.42 Millions (2018 – Rs. 15.24 Millions).

30.4 Corporate Social Responsibility (CSR) - As per Section 135 of the Companies Act, 2013, the Company needs to spend at least 2% of the average net profit earned during the immediately preceding 3 years on CSR activities. The areas for CSR activities identified by the Company are special education for differently abled children, solar project, vocational training for livelihood and environment sustainability.

- (a) Gross amount required to be spent by the Company during the year is Rs. 6.72 Millions (2018 Rs.5.39 Millions)
- (b) Amount spent during the year is Rs. 6.73 Millions (2018 Rs.5.44 Millions)

### **30.5 Employee Benefit Plans:**

#### Defined Contribution Plans

The Company operates defined contribution schemes like provident fund and pension schemes for all qualifying employees. For these schemes, contributions are made by the Company, based on current salaries, to recognised funds maintained by the Company and for certain employees' contributions are made to State Plans.

An amount of Rs. 178.18 Millions (2018 – Rs. 155.69 Millions) has been charged to the Statement of Profit and Loss on account of defined contribution schemes.

### **Defined Benefit Plans**

The Company also operates defined benefit schemes in respect of gratuity, pension, provident fund and post-retirement medical benefit towards its employees. These schemes offer specified benefits to the employees on retirement. The pension benefits and medical benefits are restricted to certain categories of employees. The liabilities arising in the Defined Benefit Schemes are determined in accordance with the advice of independent, professionally qualified actuaries, using the projected unit credit method as at year end. The Company makes regular contributions to these Employee Benefit Plans. Additional contributions are made to these plans as and when required based on actuarial valuation.

Provident Fund, Pension and Gratuity Benefits are funded and Post-Retirement Medical Benefits are unfunded in nature. The funds are administered through approved Trusts, which operate in accordance with the Trust Deeds, Rules and applicable Statutes. The concerned Trusts are managed by Trustees who provide strategic guidance with regard to the management of their investments and liabilities and also periodically review their performance.

### **Risk Management**

The above benefit plans expose the company to actuarial risks such as follows-

- (a) Interest rate risk: The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase
- (b) Salary inflation risk: Higher than expected increases in salary will increase the defined benefit obligation
- (c) Demographic risk: This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

These Plans have a relatively balanced mix of investments in order to manage the above risks. The investment strategy is designed based on the interest rate scenario, liquidity needs of the Plans and pattern of investment as prescribed under various statutes. The Trustees regularly monitor the funding and investments of these Plans. Robust risk mitigation systems are in place to ensure that the health of the portfolio is regularly reviewed and investments do not pose any significant risk of impairment. Pension obligation of the employees is secured by purchasing annuities thereby de-risking the Plans from future payment obligation.

	For the year ended 31st March, 2019 (Rs.in Millions)				For the year ended 31st March, 2018 (Rs. in Millions)			
	Gratuity	Pension	Provident Fund	Medical	Gratuity	Pension	Provident Fund	Medical
	Funded			Unfunded	Funded			Unfunded
<b>I Components of Employer Expense</b>								
- Recognised in Profit or Loss								
1 Current Service Cost	74.64	6.90	33.14	4.84	56.04	8.29	29.39	3.27
2 Past Service Cost	—	—	—	—	17.68	—	—	—
3 Net Interest Expense	2.77	3.77	0.25	9.04	3.39	(0.68)	0.35	6.92
<b>4 Total expense recognised in the Statement of Profit and Loss</b>	<b>77.41</b>	<b>10.67</b>	<b>33.39</b>	<b>13.88</b>	<b>77.11</b>	<b>7.61</b>	<b>29.74</b>	<b>10.19</b>
- Re-measurements recognised in Other Comprehensive Income								
5 (Return) on plan assets (excluding amounts included in Net interest cost)	(7.91)	(3.77)	—	—	(10.64)	(5.38)	—	—
6 Effect of changes in demographic assumptions	—	—	—	—	—	—	—	—
7 Effect of changes in financial assumptions	(77.23)	4.71	0.12	3.71	(49.71)	(10.05)	(0.18)	(7.58)
8 Changes in asset ceiling (excluding interest income)	—	—	—	—	—	—	—	—
9 Effect of experience adjustments	47.53	6.19	4.22	(4.82)	54.85	78.82	0.11	24.46
<b>10 Total re-measurements included in OCI</b>	<b>(37.61)</b>	<b>7.13</b>	<b>4.34</b>	<b>(1.11)</b>	<b>(5.50)</b>	<b>63.39</b>	<b>(0.07)</b>	<b>16.88</b>
<b>11 Total defined benefit cost recognised in Profit and Loss and Other Comprehensive Income (4+10)</b>	<b>39.80</b>	<b>17.80</b>	<b>37.73</b>	<b>12.77</b>	<b>71.61</b>	<b>71.00</b>	<b>29.67</b>	<b>27.07</b>

The current service cost and net interest expense for the year pertaining to Gratuity, Pension and Provident Fund have been recognised in “Contribution to Provident and other funds” and Medical in “Workmen & Staff welfare expenses” under Note 26. The re-measurements of the net defined benefit liability are included in Other Comprehensive Income in Statement of Profit and Loss.

	For the year ended 31st March, 2019 (Rs.in Millions)				For the year ended 31st March, 2018 (Rs. in Millions)			
	Gratuity	Pension	Provident Fund	Medical	Gratuity	Pension	Provident Fund	Medical
	Funded			Unfunded	Funded			Unfunded
<b>II Actual Returns</b>	<b>81.96</b>	<b>29.12</b>	<b>34.48</b>	<b>—</b>	<b>73.73</b>	<b>30.75</b>	<b>31.22</b>	<b>—</b>
<b>III Net Asset/(Liability) recognised in Balance Sheet</b>								
1 Present Value of Defined Benefit Obligation	(1098.15)	(378.83)	(458.07)	(127.17)	(1029.47)	(432.53)	(402.27)	(119.71)
2 Fair Value of Plan Assets	1058.40	368.83	451.75	—	957.92	379.96	397.18	—
3 Status [Surplus/(Deficit)]	(39.75)	(10.00)	(6.32)	(127.17)	(71.55)	(52.57)	(5.09)	(119.71)
4 Restrictions on Asset Recognised	—	—	—	—	—	—	—	—

5 Net Asset/(Liability) recognised in Balance Sheet	As at 31st March, 2019 (Rs.in Millions)		As at 31st March, 2018 (Rs. in Millions)	
	Current	Non-current	Current	Non-current
- Pension	(10.00)	—	(52.57)	—
- Gratuity	(39.75)	—	(71.55)	—
- Provident fund	(6.32)	—	(5.09)	—
- Medical	(6.44)	(120.73)	(5.98)	(113.73)

	For the year ended 31st March, 2019 (Rs.in Millions)				For the year ended 31st March, 2018 (Rs. in Millions)			
	Gratuity	Pension	Provident Fund	Medical	Gratuity	Pension	Provident Fund	Medical
IV Change in Defined Benefit Obligation (DBO)								
1 Present Value of DBO at the beginning of the year	1029.47	432.52	402.27	119.71	949.56	350.29	372.49	98.14
2 Current Service Cost	74.64	6.90	33.14	4.84	56.04	8.29	29.39	3.27
3 Interest Cost	76.82	29.14	34.73	9.04	66.47	24.70	31.57	6.92
4 Past service cost – plan amendments	—	—	—	—	17.68	—	—	—
5 Acquisitions (credit)/cost	—	—	19.49	—	—	—	(3.98)	—
6 Remeasurement gains / (losses):								
Effect of changes in demographic assumptions	—	—	—	—	—	—	—	—
Effect of changes in financial assumptions	(77.23)	4.71	0.12	3.71	(49.71)	(10.05)	(0.18)	(7.58)
Changes in asset ceiling (excluding interest income)	—	—	—	—	—	—	—	—
Effect of experience adjustments	47.53	6.19	4.22	(4.82)	54.85	78.82	0.11	24.46
7 Curtailment Cost / (Credit)	—	—	—	—	—	—	—	—
8 Settlement Cost / (Credits)	—	—	—	—	—	—	—	—
9 Liabilities assumed in business combination	23.32	—	—	—	—	—	—	—
10 Exchange difference on foreign plans	—	—	—	—	—	—	—	—
11 Benefits Paid	(76.40)	(100.63)	(35.90)	(5.31)	(65.42)	(19.53)	(27.13)	(5.50)
12 Present Value of DBO at the end of the year	1098.15	378.83	458.07	127.17	1029.47	432.52	402.27	119.71

(Rs. in Millions)

V Expected Contribution to the Plan for the next year	As at 31st March, 2019	As at 31st March, 2018
- Gratuity	39.75	71.55
- Pension	10.00	52.57
- Provident Fund	6.32	5.09



	For the year ended 31st March, 2019 (Rs.in Millions)				For the year ended 31st March, 2018 (Rs. in Millions)			
	Gratuity	Pension	Provident Fund	Medical	Gratuity	Pension	Provident Fund	Medical
<b>VI Change in Fair Value of Plan Assets</b>								
1 Plan Assets at the beginning of the year	957.92	379.95	397.18	—	856.00	350.83	367.27	—
2 Acquisition Adjustment	—	—	23.30	—	—	—	(3.98)	—
3 Interest Income on Plan Assets	74.05	25.37	34.48	—	63.08	25.38	31.22	—
4 Actual Company Contributions	71.60	60.37	32.69	—	93.62	17.89	29.80	—
5 Return on Plan Assets Greater/(lesser) than discount rate	7.91	3.77	—	—	10.64	5.38	—	—
6 Assets acquired in a business combination	23.32	—	—	—	—	—	—	—
7 Benefits Paid	(76.40)	(100.63)	(35.90)	—	(65.42)	(19.53)	(27.13)	—
8 <b>Plan Assets at the end of the year</b>	<b>1058.40</b>	<b>368.83</b>	<b>451.75</b>	<b>—</b>	<b>957.92</b>	<b>379.95</b>	<b>397.18</b>	<b>—</b>

VII Actuarial Assumptions	As at 31st March, 2019		As at 31st March, 2018	
	Discount Rate (%)	Salary Escalation Rate (%)	Discount Rate (%)	Salary Escalation Rate (%)
1 Gratuity	7.50%	3.00% to 6.00%	7.75%	3.00% to 7.00%
2 Pension	7.50%	6.00%	7.75%	6.00%
3 Provident fund	7.50%	—	7.75%	—
4 Medical	7.50%	6.00%	7.75%	6.00%

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

VIII Major Categories of Fair Value of Plan Assets	As at 31st March, 2019			As at 31st March, 2018		
	Gratuity	Pension	Provident Fund	Gratuity	Pension	Provident Fund
1 Government of Indian Securities (Central and State)	94.67%	93.46%	93.61%	94.00%	80.74%	94.09%
2 Mutual Funds	4.93%	3.50%	2.47%	4.17%	3.04%	2.16%
3 Others	0.40%	3.04%	3.92%	1.83%	16.22%	3.75%

The fair value of the above equity instruments are determined based on quoted market prices in active markets.

## IX. Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

(Rs. in Millions)

	DBO as at 31st March, 2019 Increase / (Decrease)				DBO as at 31st March, 2018 Increase / (Decrease)			
	Gratuity	Pension	Provident Fund	Medical	Gratuity	Pension	Provident Fund	Medical
1 Discount Rate + 100 basis points	(105.19)	(18.25)	(0.40)	(13.81)	(88.36)	(18.78)	(0.34)	(13.84)
2 Discount Rate - 100 basis points	123.92	19.92	0.45	16.89	103.64	20.58	0.38	16.04
3 Salary Increase Rate + 1%	123.98	19.46	-	1.11	102.65	20.11	-	1.91
4 Salary Increase Rate - 1%	(107.08)	(18.13)	-	(1.04)	(89.24)	(18.66)	-	(1.10)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

## X. Maturity profile of the benefit payments

	As at 31st March, 2019 (Rs. in Millions)			As at 31st March, 2018 (Rs. in Millions)		
	Gratuity	Pension	Medical	Gratuity	Pension	Medical
Within 1 year	25.72	32.65	6.68	75.89	113.73	6.20
1-2 Year	33.67	62.27	7.15	69.88	16.84	6.57
2-3 Year	74.17	35.01	7.53	81.98	65.34	7.16
3-4 Year	102.38	22.20	8.15	83.07	22.32	7.55
4-5 Year	101.81	42.75	8.43	85.57	22.15	8.06
5-10 Years	619.41	258.38	52.38	533.66	295.07	45.59

30.6 There are no Micro, Small and Medium Enterprises to whom the Company owes dues, which are outstanding for more than 45 days during the year and also as at 31st March, 2019. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

30.7 The Company's significant leasing arrangements are in respect of operating leases for premises and tea estates. These leasing arrangements are not non-cancellable range between 11 months and 30 years generally, or longer, and are usually renewable by statute or mutual consent on mutually agreeable terms as applicable. The aggregate lease rentals payable are charged as 'Rent' under Note 28.

### 30.8 Business Combination:

On 30 March 2019, the Company entered into an agreement with Mcleod Russell India Limited ('acquiree'), a listed company based in Kolkata to acquire the estates & bearer plants and specified assets comprised in its Harchurah Tea Estate, in exchange for cash consideration. The acquisition is in line with the overall strategy adopted by the Company to scale up the operations in Assam. The

Company accepted control and started its operations in the said tea estate with effect from 1 February 2019 ('the acquisition date'). The transfer of leasehold land is subject to approval of the Competent Authority of the Government of Assam. The aforesaid acquisition has been accounted for in the books of the Company under Indian Accounting Standard -103 "Business Combination".

- i. The Business Combination accounting resulted in the following fair values being allocated to the identifiable assets and liabilities of the Company at the acquisition date

Particulars	Amount (Rs. in Millions)
<i>Non-current assets</i>	
Property, Plant and Equipment	304.22
Other Assets	3.13
<i>Current Assets</i>	
Cash and cash equivalents	1.97
Inventories	2.89
Other assets	0.86
<i>Current Liabilities</i>	
Trade payables	15.03
Other liabilities	0.27
<b>Total identifiable net assets at fair value</b>	<b>297.77</b>
Goodwill arising on Acquisition*	12.43
Purchase Consideration #	310.20

\*expected to be deductible for tax purposes

#Rs 18.12 millions is yet to be paid

- ii. Acquisition-related costs amounting to Rs.0.79 millions have been excluded from the consideration transferred and have been recognised as an expense in Statement of Profit and Loss in the current year, within the 'Other expenses' line item in Note 28.
- iii. Included in the profit for the year is loss of Rs. 7.55 millions loss attributable to Harchurah estate acquired. Revenue for the year includes Rs. Nil in respect of same.

### 31. Segment Information

31.1 Consequent to the adoption of Ind AS, the Company has identified one operating segment viz, “Tea” which is consistent with the internal reporting provided to the chief executive officer, who is the chief operating decision maker.

31.2 The Company deals in only one product i.e., Tea. The products and their applications are homogenous in nature.

### 31.3 Geographical Information

(Rs. in Millions)

	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>1. Revenue from external customers</b>		
- India	5,948.41	5,764.50
- Outside India	1,539.47	1,541.24
<b>Total</b>	<b>7,487.88</b>	<b>7,305.74</b>
	<b>As at</b>	<b>As at</b>
	<b>31st March, 2019</b>	<b>31st March, 2018</b>
<b>2. Non-Current Assets*</b>		
- India	3,403.08	2,979.18
- Outside India	—	—
<b>Total</b>	<b>3,403.08</b>	<b>2979.18</b>

\* excludes financial assets, deferred tax assets, post-employment benefit assets.

31.4 The Company is not reliant on revenues from transactions with any single external customer and does not receive 10% or more of its revenues from transactions with any single external customer.

### 32. Related Party Disclosures

#### 1. Parent information

Western Dooars Investment Limited and Assam Dooars Investment Limited together hold 74% of the Equity Share Capital of the Company. Camellia Plc is the ultimate holding company.

#### 2 Key Managerial Personnel (KMP):

Atul Asthana - Managing Director and CEO\*  
 Arun Narain Singh - Managing Director and CEO^  
 Arjun Sengupta- Wholetime Director and CFO  
 Subrata Banerjee- Company Secretary

\*w.e.f. 01.04.2018. Whole time director and COO w.e.f 01.06.2017 till 31.03.2018

^till 31.03.2018.

#### 3 Other related parties with whom transactions have taken place during the year:

##### a) Fellow Subsidiary Companies:

Stewart Holl (India) Limited  
 Amgoorie India Limited  
 Koomber Properties & Leasing Company Private Limited  
 Goodricke Technical & Management Services Limited  
 Koomber Tea Company Private Limited  
 Lebong Investments Private Limited

##### b) Post employment benefit plan:

Goodricke Group Limited Gratuity Fund  
 Goodricke Group Limited Executive Staff Pension Fund  
 Goodricke Group Limited Executive Staff Provident Fund  
 Goodricke Group Limited Employees Provident Fund

**32. Related Party Disclosures (Contd.)**
**4. DISCLOSURE OF TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES AND THE STATUS OF OUTSTANDING BALANCES AS AT 31st March, 2019**

(Rs. in Millions)

RELATED PARTY TRANSACTIONS SUMMARY	Parent		Fellow subsidiaries		Key Management Personnel		Total	
	For the year ended 31st March, 2019	For the year ended 31st March, 2018	For the year ended 31st March, 2019	For the year ended 31st March, 2018	For the year ended 31st March, 2019	For the year ended 31st March, 2018	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>1 Sale of Goods</b>	—	—	5.11	1.56	—	—	5.11	1.56
Amgoorie India Limited	—	—	4.72	1.48	—	—	4.72	1.48
Koomber Tea Company Private Limited	—	—	0.38	0.08	—	—	0.38	0.08
Stewart Holl (India) Limited	—	—	0.01	—	—	—	0.01	—
<b>2 Purchase of Goods/ Services</b>	—	—	972.98	824.35	—	—	972.98	824.35
Amgoorie India Limited	—	—	460.58	325.75	—	—	460.58	325.75
Stewart Holl (India) Limited	—	—	392.79	392.08	—	—	392.79	392.08
Koomber Tea Company Private Limited	—	—	111.46	97.88	—	—	111.46	97.88
Goodricke Technical & Management Services Limited	—	—	8.15	8.64	—	—	8.15	8.64
<b>3 Sale of Property, Plant and Equipments</b>	—	—	—	3.94	—	—	—	3.94
Koomber Tea Company Private Limited	—	—	—	3.94	—	—	—	3.94
<b>4 Remuneration to Key Management Personnel</b>	—	—	—	—	29.16	58.07	29.16	58.07
Atul Asthana	—	—	—	—	16.88	7.41	16.88	7.41
Arun Narain Singh	—	—	—	—	—	38.99	—	38.99
Arjun Sengupta	—	—	—	—	8.79	7.89	8.79	7.89
Subrata Banerjee	—	—	—	—	3.49	3.78	3.49	3.78
<b>5 Rent Paid</b>	—	—	6.18	5.64	—	—	6.18	5.64
Koomber Properties & Leasing Company Private Limited	—	—	6.18	5.64	—	—	6.18	5.64
<b>6 Dividend Payments</b>	71.92	71.92	—	—	—	—	71.92	71.92
Western Dooars Investment Limited	25.17	25.17	—	—	—	—	25.17	25.17
Assam Dooars Investment Limited	46.75	46.75	—	—	—	—	46.75	46.75
<b>7 Interest Paid</b>	—	—	21.46	6.61	—	—	21.46	6.61
Lebong Investments Private Limited	—	—	21.46	6.61	—	—	21.46	6.61
<b>8 Expenses Reimbursed / (Recovered) (Net)</b>	—	—	8.50	0.62	—	—	8.50	0.62
Amgoorie India Limited	—	—	(8.80)	(11.54)	—	—	(8.80)	(11.54)
Stewart Holl India Limited	—	—	15.81	9.59	—	—	15.81	9.59
Koomber Tea Company Private Limited	—	—	1.49	2.57	—	—	1.49	2.57
<b>9 Loans Taken</b>	—	—	295.00	260.00	—	—	295.00	260.00
Lebong Investments Private Limited	—	—	295.00	260.00	—	—	295.00	260.00
<b>10 Payment towards Loan Repayment</b>	—	—	59.00	69.00	—	—	59.00	69.00
Lebong Investments Private Limited	—	—	59.00	69.00	—	—	59.00	69.00

**4. DISCLOSURE OF TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES AND THE STATUS OF OUTSTANDING BALANCES AS AT 31st March, 2019 (Contd..)**

(Rs. in Millions)

Compensation of key management personnel*	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Short term employee benefits	23.40	48.38
Post employee benefits	3.85	6.02
Other-long term benefits	1.91	3.67
	<b>29.16</b>	<b>58.07</b>

\*Remuneration includes salary, performance bonus, allowances & other benefits/ applicable perquisites except contribution to the Gratuity Funds which are actuarially determined on an overall Company basis. The term 'remuneration' has the meaning assigned to it under the Companies Act, 2013.

Refer Note 30.5 for transactions with post employment benefit plans

(Rs. in Millions)

RELATED PARTY BALANCES SUMMARY	Fellow subsidiaries		Key Management Personnel		Total	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
<b>Balances (unsecured)</b>						
<b>Payables</b>	<b>300.49</b>	<b>168.87</b>	<b>6.00</b>	<b>24.55</b>	<b>306.49</b>	<b>193.42</b>
Amgoorie India Limited	33.18	13.70	—	—	33.18	13.70
Stewart Holl India Limited	218.70	141.34	—	—	218.70	141.34
Koomber Tea Company Private Limited	44.11	10.77	—	—	44.11	10.77
Lebong Investments Private Limited	4.50	3.06	—	—	4.50	3.06
Atul Asthana	—	—	4.00	1.00	4.00	1.00
Arun Narain Singh	—	—	—	22.95	—	22.95
Arjun Sengupta	—	—	2.00	0.60	2.00	0.60
<b>Receivables</b>	<b>5.58</b>	<b>6.36</b>	<b>—</b>	<b>—</b>	<b>5.58</b>	<b>6.36</b>
Amgoorie India Limited	5.57	1.81	—	—	5.57	1.81
Koomber Tea Company Private Limited	—	4.55	—	—	—	4.55
Stewart Holl India Limited	0.01	—	—	—	0.01	—
<b>Loan Payable</b>	<b>427.00</b>	<b>191.00</b>	<b>—</b>	<b>—</b>	<b>427.00</b>	<b>191.00</b>
Lebong Investments Private Limited	427.00	191.00	—	—	427.00	191.00

Refer Note 30.5 for balances with post employment benefit plans

### 33. Financial Instruments and Related Disclosures

#### 1. Capital Management

The Company aims at maintaining a strong capital base, maximising shareholders' wealth, safeguarding business continuity and augments its internal generations with a judicious use of borrowing facilities to fund spikes in working capital that arise from time to time as well as requirements to finance business growth. The Company determines the capital management requirement based on annual operating plans and long term and other strategic investment plans. The funding requirements are met through equity, borrowings and operating cash flows.

The Company's Debt to Equity ratio at 31<sup>st</sup> March 2019 was as follows:

(Rs. in Millions)

Particulars	March 31, 2019	March 31, 2018
Total Debt	527	191
Total Equity	3065	3068
Debt Equity Ratio	0.17:1	0.06:1

#### 2. Categories of Financial Instruments

(Rs. in Millions)

Particulars	Note	As at 31st March, 2019		As at 31st March, 2018	
		Carrying Value	Fair Value	Carrying Value	Fair Value
<b>A. Financial assets</b>					
<b>a) Measured at amortised cost</b>					
i) Cash and Cash Equivalents	14	107.50	107.50	88.62	88.62
ii) Other Bank Balances	15	38.57	38.57	43.78	43.78
iii) Loans	8	19.22	19.22	20.23	20.23
iv) Trade Receivables	13	529.42	529.42	737.53	737.53
v) Other Financial assets	9	151.90	151.90	183.98	183.98
<b>Sub - total</b>		<b>846.61</b>	<b>846.61</b>	<b>1074.14</b>	<b>1074.14</b>
<b>b) Measured at Fair value through Profit or Loss</b>					
i) Equity shares	7	—	—	—	—
<b>Sub - total</b>		<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total financial assets</b>		<b>846.61</b>	<b>846.61</b>	<b>1074.14</b>	<b>1074.14</b>
<b>B. Financial liabilities</b>					
<b>a) Measured at amortised cost</b>					
i) Borrowings	17,21 & 23	527.00	527.00	191.00	191.00
ii) Trade Payables	22	1370.61	1370.61	1413.80	1413.80
iii) Other financial liabilities	23	46.59	46.59	23.82	23.82
<b>Total financial liabilities</b>		<b>1944.20</b>	<b>1944.20</b>	<b>1628.62</b>	<b>1628.62</b>

### 3. Financial risk management objectives

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company continues to focus on a system-based approach to business risk management. The Company's financial risk management process seeks to enable the early identification, evaluation and effective management of key risks facing the business. Backed by strong internal control systems, the current Risk Management System rests on policies and procedures issued by appropriate authorities; process of regular reviews / audits to set appropriate risk limits and controls; monitoring of such risks and compliance confirmation for the same.

#### a) Market risk

The Company's business primarily agricultural in nature, exposes it to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of adverse weather conditions and lack of future markets. The Company closely monitors the changes in market conditions and select the sales strategies to mitigate its exposure to risk.

#### i. Foreign currency risk

The Company undertakes transactions denominated in foreign currency which results in exchange rate fluctuations. Such exchange rate risk primarily arises from transactions made in foreign exchange and reinstatement risks arising from recognised assets and liabilities, which are not in the Company's functional currency (Indian Rupees). A significant portion of these transactions are in US Dollar, euro, etc.

The carrying amounts of the Company's foreign currency denominated financial assets and financial liabilities, at the end of the reporting period are as follows:

(In Millions)

<b>As at 31st March, 2019</b>	<b>USD</b>	<b>EURO</b>	<b>GBP</b>
Financial Assets	0.46	—	0.04
Financial Liabilities	—	—	—
<b>As at 31st March, 2018</b>	<b>USD</b>	<b>EURO</b>	<b>GBP</b>
Financial Assets	0.90	0.24	0.02
Financial Liabilities	—	—	—

#### Foreign currency sensitivity

The impact of sensitivity analysis on account of outstanding foreign currency denominated assets and liabilities is insignificant.

#### ii. Interest rate risk

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The objectives of the Company's interest rate risk management processes are to lessen the impact of adverse interest rate movements on its earnings and cash flows and to minimise counter party risks.

The Company is exposed to interest rate volatilities primarily with respect to its short terms borrowings from banks as well as financial institutions which are taken and squared off during the year. Such volatilities primarily arise due to changes in money supply within the economy and/or liquidity in banking system due to asset/liability mismatch, poor quality assets etc. of banks. The Company manages such risk by operating with banks having superior credit rating in the market as well as financial institutions.

#### Interest rate sensitivity

The table below shows the sensitivity of the Company's profitability related to change in rate of borrowings by 100 basis points on loans outstanding as at 31<sup>st</sup> March, 2019.



(Rs. in Millions)		
	2018-19	2017-18
Increase / (Decrease) in 100 bps	3.59	0.80

The above impact is based on only on change in interest rate, keeping all other business factors constant

### iii. Price risk

The Company invests its surplus funds primarily in debt mutual funds measured at fair value through profit or loss. Aggregate value of such investments as at 31<sup>st</sup> March, 2019 is Rs Nil (2018 – Rs. Nil).

Investments in the mutual fund schemes are measured at fair value. Accordingly, these do not pose any significant price risk.

### b) Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulty, including seasonality in meeting its obligations. The Company mitigates its liquidity risks by ensuring timely collections of its trade receivables, close monitoring of its credit cycle and ensuring optimal movements of its inventories.

The table below provides details regarding the remaining contractual maturities of significant financial liabilities at the reporting date.

(Rs. in Millions)

As at 31 <sup>st</sup> March 2019	Carrying value	Less than 1 year	Beyond 1 year	Total
Trade Payables	1370.61	1370.61	—	1370.61
Other Financial Liabilities	46.59	46.59	—	46.59
Borrowings	527.00	140.00	387.00	527.00
	1944.20	1557.20	387.00	1944.20
As at 31 <sup>st</sup> March 2018	Carrying value	Less than 1 year	Beyond 1 year	Total
Trade Payables	1413.80	1413.80	—	1413.80
Other Financial Liabilities	23.82	23.82	—	23.82
Borrowings	191.00	49.00	142.00	191.00
	1628.62	1486.62	142.00	1628.62

### c) Credit risk

Credit risk is the risk that counterparty will not meet its obligations leading to a financial loss. The Company has its policies to limit its exposure to credit risk arising from outstanding receivables. Management regularly assess the credit quality of its customer's basis which, the terms of payment are decided. Credit limits are set for each customer which are reviewed on periodic intervals. The credit risk of the Company is low as the Company largely sells its teas through the auction system which is on cash and carry basis and through exports which are mostly backed by letter of credit or on advance basis. There is no significant financing component involved.

The movement of the expected loss provision made by the Company are as under:

(Rs in Millions)

Particulars	Expected Loss Provision	
	2019	2018
Opening Balance	12.96	9.66
Add: Provisions Made	7.04	4.30
Less: Utilisation for impairment / de-recognition	—	1.00
<b>Closing Balance</b>	<b>20.00</b>	<b>12.96</b>

#### 4. Fair value measurements

##### Fair value hierarchy

Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels:

**Level 1:** Quoted prices (unadjusted) in active market for identical assets or liabilities

**Level 2:** Inputs other than quoted price including within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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 significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

**Level 3:** Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparty. This is the case with listed instruments where market is not liquid and for unlisted instruments.

The management consider that the carrying amounts of financial assets (other than those measured at fair values) and liabilities recognised in the financial statements approximate their fair value as on 31st March, 2019 and 31st March, 2018.

There has been no change in the valuation methodology for Level 3 inputs during the year. The Company has not classified any material financial instruments under Level 3 of the fair value hierarchy. There were no transfers between Level 1 and Level 2 during the year.

#### 34. Fair value measurements for biological assets other than bearer plants:

The following table gives the information about how the fair value of the biological assets are determined:

Biological Asset	Fair value as at (Rs. in Millions)		Fair value hierarchy	Valuation techniques and key inputs
	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018		
Unharvested tea leaves	34.81	25.85	Level 2	Fair value is being arrived at based on the observable market prices of made tea adjusted for manufacturing costs. The same is applied on quantity of the tea leaves unharvested using plucking averages of various fields.
Livestock	0.38	0.84	Level 1	

35. The financial risk associated to agriculture would include climate change, price fluctuation, currency fluctuation and input cost increases. Being dependent on rainfall, any shortfall would directly impact the production. The sale of tea being largely through the auction system, any price fluctuation would impact profitability. Increased wages also has a direct impact on the cost of production because of labour intensive nature of the business operations.

Management is continuously monitoring all the above factors. Investment in irrigation, a planned replanting programme to ensure higher yields and improving efficiency of labour and modernisation are some of the measures taken by the management to mitigate the risks.

36. The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) (Amendment) Rules, 2019 on 30th March, 2019:

- notifying Ind AS 116, 'Leases' and
- amending Ind AS 12 'Income Taxes' and Ind AS 19 'Employee Benefits'.

The same are applicable for financial statements pertaining to annual periods beginning on or after 1st April, 2019. The Company is in the process of assessing the detailed impact on the financial statements resulting from the implementation of these standards/amendments.

37. Effective 1st April, 2018 the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method. The effect on adoption of the Standard was not material.

38. The financial statements were approved for issue by the Board of Directors on 24th May, 2019.

On behalf of the Board

A. ASTHANA  
Managing Director & Chief Executive Officer  
DIN: 00631932

K. SINHA  
Director  
DIN: 00123811

A. SENGUPTA  
Wholetime Director & Chief Financial Officer  
DIN: 00631842

S. BANERJEE  
Senior General Manager  
& Company Secretary  
ACS 4359

## Financial, Production and Other Statistics

	(Rs. in millions)					
	2013	2014	2016 (15 Months ended 31.03.2016)	2017	2018	2019
Fixed Assets (at cost less depreciation)	992.95	1,022.72	2,415.97	2,537.96	2,900.59	3,315.35
Investments	0.02	0.02	0.02	142.85	—	—
Current Assets (Less current liabilities)	1,112.13	1,134.71	771.95	735.72	892.97	842.72
Non Current Assets (Less non current liabilities)	(9.79)	(16.70)	13.88	(37.40)	(222.57)	(472.91)
Deferred Tax Assets/ (Liabilities)	6.00	70.49	(466.23)	(460.30)	(502.74)	(620.61)
<b>TOTAL ASSETS EMPLOYED</b>	<b>2,101.31</b>	<b>2,211.24</b>	<b>2,735.59</b>	<b>2,918.83</b>	<b>3,068.25</b>	<b>3,064.55</b>
Equity shares	216.00	216.00	216.00	216.00	216.00	216.00
Reserves and Surplus	1,809.62	1,915.77	2,519.59	2,702.83	2,852.25	2,848.55
<b>SHAREHOLDERS' FUND (NET WORTH)</b>	<b>2,025.62</b>	<b>2,131.77</b>	<b>2,735.59</b>	<b>2,918.83</b>	<b>3,068.25</b>	<b>3,064.55</b>
Secured and Unsecured loans	75.69	79.46	—	—	191.00	427.00
<b>TOTAL FUNDS</b>	<b>2,101.31</b>	<b>2,211.23</b>	<b>2,735.59</b>	<b>2,918.83</b>	<b>3,259.25</b>	<b>3,491.55</b>
Sales	5,783.11	6,001.63	7,332.42	6,803.69	7,305.74	7,487.88
Profit before tax	486.18	290.39	28.45	488.99	488.55	256.60
Provision for tax	152.61	68.00	149.85	157.67	171.33	161.66
Profit/ (Loss) after tax	333.57	222.39	(121.40)	331.32	317.22	94.94
Total comprehensive Income			(126.03)	287.23	266.41	113.48
Earning per share (Rs.)	15.44	10.31	(5.62)	15.34	14.69	4.39
Net worth per Equity Share (Rs.)	93.78	98.69	126.64	135.13	142.05	141.88
<b>DIVIDEND</b>						
Percentage	45.00	45.00	40.00	45.00	45.00	40.00
Amount	97.20	97.20	86.40	97.20	97.20	86.40
<b>TOTAL NO. OF SHAREHOLDERS</b>	<b>13,862</b>	<b>13,943</b>	<b>14,287</b>	<b>14,549</b>	<b>15,114</b>	<b>15,241</b>
<b>PLANTED AREA &amp; PRODUCTION:</b>						
Area under Mature Tea (hectares)	8,490.94	8,529.61	8,567.13	8,591.02	8,593.08	8,595.07
Area under Young Tea (hectares)	1,108.85	1,115.78	1,145.24	1,114.57	1,064.23	1,066.03
Total planted area (hectares)	9,599.79	9,645.39	9,712.37	9,705.59	9,657.31	9,661.10
Production-Kgs. (millions) (own crop)	17.99	17.50	18.52	18.78	18.96	18.75
<b>NUMBER OF EMPLOYEES</b>	<b>24,321</b>	<b>24,466</b>	<b>24,491</b>	<b>23,744</b>	<b>23,400</b>	<b>23,670</b>

**STATISTICS - Area and Crop (2018-19)**

GARDENS	Mature Tea Area (in Has.)	Young Tea Area (in Has.)	Total Planted Area (in Has.)	Own Crop (Gross) (Kgs)	Yield per Hectare (Kgs)
<b>DOOARS</b>					
DANGUAJHAR	594.44	66.01	660.45	1,409,534	2,371
LEESH RIVER	523.64	74.20	597.84	1,370,642	2,618
MEENGLAS	559.58	70.19	629.77	1,590,066	2,842
AIBHEEL	709.49	114.52	824.01	1,771,268	2,497
CHULSA	350.06	69.73	419.79	825,133	2,357
CHALOUNI	488.19	52.26	540.45	928,440	1,902
HOPE	375.89	42.77	418.66	949,375	2,526
JITI	461.43	85.07	546.50	1,321,481	2,864
GANDRAPARA	688.06	114.78	802.84	1,578,355	2,294
LAKHIPARA	529.53	74.08	603.61	1,423,513	2,688
KUMARGRAM	539.51	96.45	635.96	1,198,240	2,221
SANKOS	596.23	69.19	665.42	1,335,656	2,240
<b>TOTAL</b>	<b>6,416.05</b>	<b>929.25</b>	<b>7,345.30</b>	<b>15,701,703</b>	<b>2,447</b>
PREVIOUS YEAR	6,402.94	926.06	7,329.00	16,320,288	2,459
<b>ASSAM</b>					
ORANGAJULI	641.72	79.37	721.09	1,417,470	2,209
NONAIPARA	632.76	25.47	658.23	1,250,993	1,977
<b>TOTAL</b>	<b>1,274.48</b>	<b>104.84</b>	<b>1,379.32</b>	<b>2,668,463</b>	<b>2,094</b>
PREVIOUS YEAR	1,291.41	103.61	1,395.02	2,506,456	1,941
<b>DARJEELING</b>					
THURBO	469.44	19.00	488.44	221,829	473
BADAMTAM	311.04	5.00	316.04	111,295	358
BARNESBEG	124.06	7.94	132.00	50,168	404
<b>TOTAL</b>	<b>904.54</b>	<b>31.94</b>	<b>936.48</b>	<b>383,292</b>	<b>424</b>
PREVIOUS YEAR	898.73	34.56	933.29	139,586	155
<b>GRAND TOTAL</b>	<b>8,595.07</b>	<b>1,066.03</b>	<b>9,661.10</b>	<b>18,753,458</b>	<b>2,182</b>
PREVIOUS YEAR	8,593.08	1,064.23	9,657.31	18,966,330	2,207

ROUTE MAP TO THE AGM VENUE OF GOODRICKE GROUP LIMITED TO BE HELD ON  
FRIDAY, JULY 26, 2019, AT 10:00 A.M.

