

**100TH ANNUAL REPORT  
DHELAKHAT TEA COMPANY LIMITED**



*-----Happiness is A  
Cup of Tea-----*

**2018-2019**

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Mr. Rakesh Macwan, *Non-Executive Independent Director*

Mr. Rajvinder Singh, *Non-Executive Independent Director*

Ms. S. Chakrabortti, *Non-Executive Independent Director*

Mr. Raghav Lall, *Non-Executive Director*

Mr. Kausik Gupta, *Non-Executive Director*

### KEY MANAGERIAL PERSONNEL

Mr. R. K. Majumdar, *Manager*

Mr. K. S. Datta, *Chief Financial Officer*

Ms. Sweta Shah, *Company Secretary*

### REGISTERED OFFICE

4, Dr. Rajendra Prasad Sarani

Kolkata – 700 001

Phone : (033) 2230 4351

Fax : (033) 2230 7555

E-mail: sweta.dhelakhat@gmail.com

Website: www.dhelakhat.com

### CIN

L15492WB1917PLC002894

### BANKER

Indian Overseas Bank

### STATUTORY AUDITORS

M/s. Acharyya Swapan & Co.

Chartered Accountants

53, College Street, 1st Floor,

Kolkata – 700 073

### REGISTRAR AND SHARE TRANSFER AGENTS

Niche Technologies Pvt. Ltd.

3A, Auckland Place

7th Floor, Room No. : 7A & 7B, Kolkata - 700 017

Phone : (033) 2280-6616/17/18

Fax : (033) 2280 6619

E-mail : nichetechpl@nichetechpl.com

Website : www.nichetechpl.com

## CONTENTS

Notice	02
Directors' Report	10
Annexure to the Directors' Report	16
Independent Auditors' Report	32
Balance Sheet	38
Statement of profit & Loss	39
Statement of Changes of Equity	40
Cash Flow Statement	41
Notes on Financial Statements	42

## NOTICE of the 100th Annual General Meeting

To,  
The Members of  
**Dhelakhat Tea Co. Limited**

Notice is hereby given that the 100th Annual General Meeting ('AGM') of the members of Dhelakhat Tea Company Limited will be held on **Thursday, 25th July, 2019 at 1.00 P.M. at Sitaram Seksaria Auditorium, Bhartiya Bhasha Parishad, 36A, Shakespeare Sarani, Kolkata-700 017** to transact the following business:

### ORDINARY BUSINESS:

1. **Adoption of Financial Statements**

To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2019 and the reports of the Board of Directors and the Auditors' thereon.

2. **Appointment of Mr. Kausik Gupta as Director liable to retire by rotation**

To appoint a Director in place of Mr. Kausik Gupta (DIN: 08000780), a Non Executive Director pursuant to the provisions of Section 152 of the Companies Act, 2013, who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

3. **Re-appointment of Mr. Rajvinder Singh (DIN: 06931916) as an Independent Director of the Company for a second term of five consecutive years, in terms of Section 149 of the Companies Act,**

To consider and if thought fit, to pass the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Mr. Rajvinder Singh (DIN: 06931916), who was appointed as an Independent Director of the Company for a term of five years up to July 23, 2019, by the members at the 96th Annual General Meeting, in terms of Section 149 of the Companies Act, 2013, be and is hereby re-appointed as an Independent Director of the Company for a second term of five consecutive years commencing from July 24, 2019 up to July 23, 2024, not liable to retire by rotation."

### Registered Office :

4, Dr. Rajendra Prasad Sarani,  
Kolkata - 700001

**CIN :** L15492WB1917PLC002894

**Phone :** (033) 2230-43515

**Fax :** (033) 2230-7555

**E-mail :** sweta.dhelakhat@gmail.com

**Website :** www.dhelakhat.com

Place : Kolkata

Date : 30th May, 2019

By Order of the Board

For **Dhelakhat Tea Company Limited**

**Sweta Shah**

*Company Secretary*

## NOTICE *(Contd.)*

### NOTES FORMING PART OF THE NOTICE TO MEMBERS :

#### 1. EXPLANATORY STATEMENT

The respective Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013, in respect of the business under Item No. 3 of the accompanying Notice is annexed hereto and forms a part of this Notice.

A brief resume of the Directors as required under Regulation 36 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other requisite information as per Clause 1.2.5 of Secretarial Standards-2 on General Meetings, relating to the Director seeking re- appointment as set out in Resolution at Item No. 2 & 3 are provided in Annexure to this Notice.

#### 2. PROXIES

**A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE 'MEETING') IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

**PURSUANT TO THE PROVISIONS OF SECTION 105 OF THE COMPANIES ACT, 2013 AND RULES FRAMED THEREUNDER A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING 50 (FIFTY) AND HOLDING IN THE AGGREGATE NOT MORE THAN 10 (TEN) PER CENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. HOWEVER, A MEMBER HOLDING MORE THAN 10 (TEN) PER CENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER MEMBER.**

The Instrument appointing the Proxy, in order to be valid and effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 (forty-eight) hours before the commencement of the meeting. Proxies submitted on behalf of companies, societies etc. must be supported by an appropriate resolution / authority, as applicable.

In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote. The Proxy holder shall prove his identity at the time of attending the meeting. Proxies are requested to carry a photo-identification to the venue of the AGM.

#### 3. CORPORATE REPRESENTATION

A Corporate Member shall be deemed to be present personally only if it is represented in accordance with the Section 113 of the Companies Act, 2013, supported by a certified true copy of the resolution passed by the Board of Directors of the Company authorizing the Representative to attend and vote at the meeting on behalf Corporate Member.

#### 4. IMPORTANT DATES FOR MEMBERS

**Cut Off Date:** Cut off Date will be 18th July, 2019 to determine Members entitled to undertake voting.

**Electronic Voting Period:** Electronic voting period begins on Monday, 22nd July, 2019 (9.00 a.m. IST) and ends on Wednesday, 24th July, 2019 (5.00 p.m. IST) both days inclusive.

Voting Facility will also be provided at the venue of AGM on July 25, 2019 to those Members who are eligible to vote but who have not cast their votes through remote e-voting and who are present at the venue of the AGM.

#### 5. INSPECTION BY MEMBERS

The Register of Directors & Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 180 of the Companies Act, 2013, will be available for inspection by the members at the AGM.

#### 6. BOOK CLOSURE

Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from **Friday, 19th July, 2019 to Thursday, 25th July, 2019** (both days inclusive).

## NOTICE *(Contd.)*

### 7. BANK ACCOUNT DETAILS

Regulation 12 and Schedule-I of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, requires all Companies to use the facilities of electronic clearing services for payment of dividend.

You are requested to submit your Bank Details along with an original cancelled cheque or a xerox copy of the cheque to our Registrar, Niche Technologies (P) Ltd. to enable them to update our records, in case you hold shares in physical form and to your Depository Participants in respect of shares held by you in dematerialised form.

### 8. NOMINATION FACILITY

Members holding shares in the physical form and desirous of making / changing Nomination in respect of their shareholdings in the Company, as permitted under Section 72 of the Companies Act, 2013 and Rules made thereunder, are requested to submit an application for this purpose to the Company's Registrar and Share Transfer Agents (RTA), Niche Technologies Pvt. Ltd., who will provide the form on request. In respect of shares held in electronic / demat form, the Members may please contact their respective depository participant.

### 9. COMMUNICATION

All shareholders communication including Notice of the Annual General Meeting ('AGM') along with the Annual Report 2018-2019 of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the Members whose email IDs are registered with the Company's Registrar and Share Transfer Agents / Depository Participants for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their email IDs, physical copies of the Notice of the AGM of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent through permitted mode.

Members may also note that these documents will also be available on the website of the Company at [www.dhelakhat.com](http://www.dhelakhat.com) for their download and all these documents along with all Statutory Registers of the Company as required under Companies Act, 2013 will be open for inspection by the Members at the Registered Office of the Company on all working days except Saturdays, Sundays and Public Holidays, between 9.00 a.m. to 5.00 p.m. upto the date of Annual General Meeting..

For any communication, the shareholders may also send request to the Company Secretary at [sweta.dhelakhat@gmail.com](mailto:sweta.dhelakhat@gmail.com).

### 10. REGISTRAR & SHARE TRANSFER AGENTS

Niche Technologies Pvt. Ltd. is the Registrar and Share Transfer Agent (RTA) of the Company. All investor related communication may be addressed to the following address:

Niche Technologies Pvt. Ltd.

3A, Auckland Place,

7th Floor, Room No. 7A & 7B

Kolkata – 700017

Phone No. : 033 2280 6616 / 17 / 18; Telefax: 033 2280 6619

Email: [nichetechpl@nichetechpl.com](mailto:nichetechpl@nichetechpl.com)

Members holding Shares in physical mode are requested to intimate changes in their address to Niche Technologies Pvt. Ltd. Members holding Shares in electronic mode are requested to send the intimation for change of address to their respective Depository Participants. Any such changes effected by the Depository Participants will automatically reflect in the Company's subsequent records.

### 11. UNCLAIMED DIVIDEND

Members wishing to claim dividends, which remain unclaimed, are requested to correspond with the Share Department of the Company, at the Company's registered office. Pursuant to the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded the details of the unpaid and unclaimed amounts lying with the Company on the website of the Company ([www.dhelakhat.com](http://www.dhelakhat.com)), as also on the website of the Ministry of Corporate Affairs ([www.mca.gov.in](http://www.mca.gov.in)). Those Members, who have not encashed their dividends are requested to correspond with the Registrar & Share Transfer Agents as mentioned above or to the Company Secretary at the Company's Registered Office or via mail at [sweta.dhelakhat@gmail.com](mailto:sweta.dhelakhat@gmail.com).

## NOTICE *(Contd.)*

### 12. TRANSFER OF UNCLAIMED SHARES TO THE IEPF AUTHORITY

Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, ("Rules") as amended from time to time all equity shares of the Company on which dividend has not been paid or claimed for seven consecutive years shall be transferred by the Company to Investor Education and Protection Fund ("IEPF"). No claim shall lie against the Company in respect of these equity shares post their transfer to IEPF. Upon transfer, the Shareholders will be able to claim these equity shares only from the IEPF Authority by making an online application the details of which are available at [www.iepf.gov.in](http://www.iepf.gov.in)

### 13. GO GREEN INITIATIVE

The Company is sending Notice of General Meetings, Financial Statements, etc. through email to the Members whose email IDs are registered with the Company. While going through the Register of Members, it is noticed that there are Members who have not registered their email IDs with the Company. In compliance with provisions of Rule 18 of the Companies (Management and Administration) Rules, 2014 and applicable provisions of the Companies Act, 2013, Members holding Shares in physical form are requested to register their email IDs with the Company's Registrar and Share Transfer Agents (RTA) i.e. Niche Technologies Pvt. Ltd. and Members holding Shares in electronic / demat mode are requested to register their email IDs with their respective Depository Participants (DPs). Copies of the Annual Report will not be distributed at the Meeting. Members are requested to carry their copies of the Annual Report to the Meeting.

### 14. MANDATORY PAN SUBMISSION

The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding Shares in electronic form are, therefore, requested to submit the PAN details to their Depository Participants with whom they are maintaining their demat accounts. Members holding Shares in physical form must submit their PAN details to the Company's Registrar and Share Transfer Agents, Niche Technologies Private Limited.

### 15. DEMATERIALISATION OF SHAREHOLDING

Members are requested to dematerialize their shareholding to avoid inconvenience. Members whose shares are in electronic mode are requested to inform change of address and updates of bank account(s) to their respective Depository Participants. Members are encouraged to use the National Electronic Clearing Services (NECS) for receiving dividends. Dhelakhat Tea Company Limited is registered with Central Depository Services (India) Limited ("CDSL"). ISIN of the Company is **INE594Q01010**.

### 16. INSTRUCTION FOR ELECTRONIC VOTING (E-VOTING)

Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Company is pleased to provide the members the facility to exercise their right to vote by electronic means and all resolutions set forth in this Notice may be transacted through e-Voting Services provided by **Central Depository Services (India) Limited ("CDSL")**.

Similarly, Members opting to vote physically can do the same by remaining present at the meeting and should not exercise the option for e-voting. However, in case Members cast their vote exercising both the options, i.e. physically and e-voting, then votes cast through e-voting shall only be taken into consideration and treated valid whereas votes cast physically at the meeting shall be treated as invalid. The instructions for e-voting are as under. Members are requested to follow the instruction below to cast their vote through e-voting.

The voting period begins on **Monday, 22nd July, 2019 (9:00 a.m. IST) and ends on Wednesday, 24th July, 2019 (inclusive of both days) (5:00 p.m. IST)**. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 18th July, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- A. In case Member receives an e-mail from CDSL (for members whose mail addresses are registered with the Company/ Depositories):
  - i) The shareholders should log on to the e-voting website at [www.evotingindia.com](http://www.evotingindia.com) during the voting period.
  - ii) Click on "Shareholders" tab.

**NOTICE** (Contd.)

- iii) Now enter your User Id:
  - a. For CDSL: 16 digits beneficiary ID;
  - b. For NSDL: 8 characters DP ID followed by 8 digits client ID and
  - c. Members holding shares in Physical Form should enter Folio No. registered with the Company excluding the special character.
- iv) Next enter the Image Verification as displayed and Click on Login.
- v) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

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

For Member holding shares in Demat Form and Physical Form	
PAN	<ul style="list-style-type: none"> <li>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department</li> <li>(Applicable for both demat shareholders as well as physical shareholders)</li> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account with the depository or in the Company records for your folio in dd/mm/yyyy format.
Bank Account Number	Enter the Bank Account Number as recorded in your demat account with the depository or in the Company records for your folio. <ul style="list-style-type: none"> <li>Please enter the DOB or Bank Account Number in order to login.</li> </ul>
(DBD)	<ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company then please enter the member-id / folio number in the Bank Account Number details field as mentioned in above instruction (iii).</li> </ul>

- vi) After entering these details appropriately, click on "SUBMIT" tab.
- vii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach "Password Creation" menu wherein they are required to mandatory enter their login password in the new password field. Kindly note that this password is to be used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- viii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- ix) Click on the EVSN for the relevant Company name i.e., **"DHELAKHAT TEA COMPANY LIMITED"** on which you choose to vote.
- x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option "YES/NO" as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xi) Shareholders holding multiple folios/demat accounts shall choose the voting process separately for each folio / demat account.
- xii) Click on the "RESOLUTION FILE LINK" if you wish to view the entire Resolution details.
- xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK"; else to change your vote, click on "CANCEL" and accordingly modify your vote.

## NOTICE (Contd.)

- xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvi) Notes for Institutional Shareholders:
  - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp & signed of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a compliance user using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xvii) Institutional Members / Bodies Corporate (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote through e-mail at [sweta.dhelakhat@gmail.com](mailto:sweta.dhelakhat@gmail.com) and [aklabhcs@gmail.com](mailto:aklabhcs@gmail.com) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) on or before 18th July, 2019 upto 5:00 pm without which the vote shall not be treated as valid.

### B. Other Instructions:

- i) The voting right of the Members shall be in proportion to their shares of the paid up equity share capital of the Company held by them as on cut-off date of 18th July, 2019. The facility of e-voting would be provided once for every folio / client id, irrespective of the number of joint holders. A person who is not a member as on cut-off date should treat this notice for information purpose only.
- ii) The notice of Annual General Meeting will be sent to the members, whose names appear in the register of members / beneficiary owners as at closing hours of business, on **31st May, 2019**.
- iii) Investors who became members of the Company subsequent to the dispatch of the Notice / Email and holds the shares as on the cut-off date i.e. **18th July, 2019** are requested to send the written / email communication to the Company at **[sweta.dhelakhat@gmail.com](mailto:sweta.dhelakhat@gmail.com)** by mentioning their Folio No. / DP ID and Client ID to obtain the Login-ID and Password for e-voting.
- iv) case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact them at **1800 200 5533**.
- v) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.

### 17. SCRUTINIZER

The Company has appointed Mr. Atul Kumar Labh., Practicing Company Secretary (FCS No. 4848/C.P. No. 3238), as Scrutinizer for conducting the electronic voting process (both remote e-voting and voting at the AGM through Insta Poll) in a fair and transparent manner.

## NOTICE *(Contd.)*

### 18. DECLARATION OF RESULTS

The results shall be declared on or after the AGM, but not later than two days from the conclusion of the date of the AGM. The results declared alongwith the Scrutinizer's Report shall be placed on the website of the Company at **www.dhelakhat.com** and on the website of CDSL viz **www.evotingindia.com** within two days of the passing of the resolutions at the 100th Annual General Meeting on 25th July, 2019 and will be communicated to the Stock Exchange where the Company's Shares are listed, i.e. Calcutta Stock Exchange Ltd.

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

#### Item No. 3

Mr. Rajvinder Singh (DIN: 06931916) was initially appointed as an Additional Director of the Company by the Board of Directors with effect from 24th July, 2014 and was reappointed as an Additional Independent Director of the Company by the Board of Directors with effect from 30th October, 2014. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, members of the Company at the 96th Annual General Meeting held on July 30, 2015 approved the appointment of Mr. Rajvinder Singh as an Independent Director of the Company for a period of 5 years up to July 23, 2019.

As per the provisions of Section 149 of the Companies Act, 2013, an Independent Director shall hold office for a term upto five consecutive years on the Board of a Company but shall be eligible for re-appointment, for another term of upto five years, on passing of a special resolution by the shareholders.

Based on the recommendations of the Nomination & Remuneration Committee of the Company and keeping in view the expertise of Mr. Rajvinder Singh, the Board of Directors at its meeting held on February 7, 2019 approved the continuance of office of Mr. Rajvinder Singh as mentioned in the resolution.

The Company has received intimation in Form DIR-8 from Mr. Rajvinder Singh that, he is not disqualified from being re-appointed as an Independent Director in terms of Section 164 of the Act, declaration that he meets with the criteria of independence as prescribed under Section 149 (6) of the Companies Act, 2013 & Regulation 16(1)(b) of SEBI Listing Regulations and his consent to continue as an Independent Director.

The resolution seeks the approval of members for the re-appointment of Mr. Rajvinder Singh as an Independent Director of the Company commencing from July 24, 2019 up to July 23, 2024 in terms of Section 149 and other applicable provisions of the Act and Rules made there under. He is not liable to retire by rotation.

In the opinion of the Board, Mr. Rajvinder Singh fulfills the conditions for his re-appointment as an Independent Director as specified in the Act and the SEBI Listing Regulations and is independent of the management.

No other Director, Key Managerial Personnel or their relatives, except Mr. Rajvinder Singh to whom the resolution relates, are in any way, interested or concerned, financially or otherwise, in respect of the said Resolution.

The Statement of disclosures pursuant to Secretarial Standard-2 on General Meetings and Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, is as under:

<b>Name of the Director</b>	Mr. Kausik Gupta	Mr. Rajvinder Singh
<b>DIN</b>	08000780	06931916
<b>Date of Birth</b>	12.12.1964	13.06.1972
<b>Date of Appointment</b>	30.05.2018	24.07.2014
<b>Qualification</b>	Chartered Accountant & Cost Accountant	Graduate in Economics
<b>Expertise in specific functional areas</b>	Experienced in Finance & Business Management	Experienced in Tea Industry
<b>Directorship held in other entities</b>	<ul style="list-style-type: none"> <li>• Kant &amp; Co. Limited</li> <li>• Bararee Investments &amp; Leasing Company Limited</li> <li>• Sripadam Investments Limited</li> <li>• Jardine Pest Management Limited</li> <li>• Bhulanbararee Coal Co. Ltd.</li> <li>• Diamond Products Printing and Processing Limited</li> <li>• Sangam Investments Limited</li> </ul>	Rydak Syndicate Limited

**NOTICE** (Contd.)

<b>No. of shares held in the Company</b>	Nil	Nil
<b>Relationship with any Director(s) of the Company</b>	Not Applicable	Not Applicable
<b>Number of Meetings of the Board attended</b>	5 out of 5 Board Meetings	5 out of 5 Board Meetings

**Registered Office :**

4, Dr. Rajendra Prasad Sarani,  
Kolkata - 700001

**CIN :** L15492WB1917PLC002894

**Phone :** (033) 2230-43515

**Fax :** (033) 2230-7555

**E-mail :** sweta.dhelakhat@gmail.com

**Website :** www.dhelakhat.com

Place : Kolkata

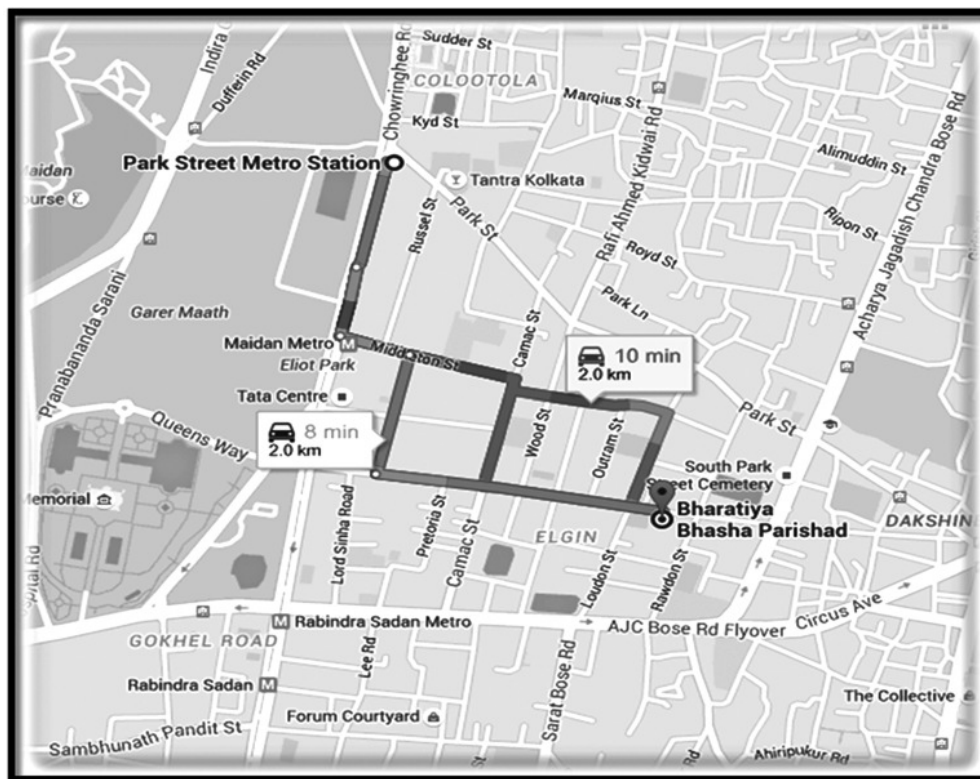
Date : 30th May, 2019

By Order of the Board  
For **Dhelakhat Tea Company Limited**

**Sweta Shah**  
Company Secretary

**ROUTE MAP**

To the venue of 100th Annual General Meeting  
at Sitaram Seksaria Auditorium, Bhartiya Bhasha Parishad  
36A, Shakespeare Sarani, Kolkata-700017



"The Prominent Landmark near the venue is Rani Birla College".

## DIRECTORS' REPORT

**Dear Members,**

Your Directors are pleased to present the 100th Annual Report on the business and operations of the Company together with the Audited Financial Statements for the year ended March 31, 2019.

### 1. Corporate Overview

Dhelakhat Tea Company Limited is a Company with business in manufacturing of black tea. The Company has its registered office in Kolkata and has two tea estates which are located in Assam and Dooar's region.

### 2. Financial Results

A summary of the Company's Financial Results for the Financial Year 2018-19 is as under:

(Amount in ₹)

Particulars	2018-2019	2017-2018
<b>The Profit and Loss Account before taxation for the year shows a balance of Profit of</b>	( 10,154,227)	( 19,295,099)
<b>From which is to be deducted:</b>		
Less : Tax Expenses	152,286	1,883,766
<b>Leaving a balance of Profit after Taxation</b>	( 10,306,513)	( 21,178,866)
To which is added the Balance of Profit Brought forward from the previous year	<b>(1,70,87,767)</b>	<b>88,67,679</b>
Less: Other Comprehensive Income/ (Loss)	191,967	(4,776,582)
Less: Provisions for diminution in investment	-	-
Balance available for appropriation	-	-
Proposed Dividend	-	-
Corporate Tax on Dividend	-	-
Subsidy Transferred to Profit & Loss Account	4,064,504	-
Leaving a Credit Balance in Profit & Loss Account	(2,31,37,809)	(1,70,87,767)
Earnings per share	(26.24)	(53.92)

### 3. Dividend

In view of the inadequacy of profit, your Directors have not recommended any Dividend this year.

### 4. Review of Business Operations and Future Prospects

The Company carries on the business of growing and manufacturing of tea. The Company is having two estates which produced a saleable crop of 8.93 lakh kgs having an average price realization of Rs. 176/- per kg as compared to 7.53 lakh kgs having an average price realization of Rs. 184.06 per kg in the same period last year.

The net sales in the year 2018-2019 was Rs. 1567.2 lakhs as compares to Rs. 1345.85 lakhs during the same period in the year 2017-2018.

### 5. Subsidiary / Joint Ventures / Associates

The Company has no subsidiaries or associated companies therefore disclosures in this regard are not provided in this Report.

### 6. Share Capital

The paid up Equity Share Capital of the Company is Rs. 39, 27,700/-. During the year under review, the Company has not issued any shares with or without differential voting rights.

## DIRECTORS' REPORT *(Contd.)*

### 7. Board of Directors

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Kausik Gupta (DIN: 08000780), will retire by rotation at the forthcoming Annual General Meeting and being eligible, offer himself for re-appointment. The Board recommends his re-appointment for the consideration of the Members of the Company at the ensuing Annual General Meeting.

Mr. Rajvinder Singh (DIN:06931916) has been re-appointed by the Board as an Independent Director of the Company in accordance with the provisions of the Section 149 of the Companies Act, 2013, for a further period of five years w.e.f 24th July, 2019. The Board recommends his re-appointment for the consideration of the Members of the Company at the ensuing Annual General Meeting.

### 8. Declaration By Independent Directors

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

### 9. Key Managerial Personnel

Pursuant to the provisions of Section 203 of the Companies Act, 2013, following are the Key Managerial Personnel (KMP) of the Company as on the date of this report:

- a) Mr. R. K. Majumdar, Manager
- b) Mr. Kumar Shankar Datta, Chief Financial Officer
- c) Ms. Sweta Shah, Company Secretary

### 10. Meetings of Board and of Committees

During the year ended 31st March, 2019, 5 (Five) Board meetings were held i.e. on 30.05.2018, 26.07.2018, 28.09.2018, 08.11.2018 and 07.02.2019. The intervening gap between the meetings was within the prescribed period under the Companies Act, 2013. Attendance of the Directors has been as follows:

Name of the Director	Whether attended the meetings held on				
	30.05.2018	26.07.2018	28.09.2018	08.11.2018	07.02.2019
Mr. Rakesh Macwan	Yes	Yes	Yes	Yes	Yes
Mr. Kausik Gupta	Yes	Yes	Yes	Yes	Yes
Mr. Raghav Lall	No	Yes	Yes	Yes	Yes
Mr. Rajvinder Singh	Yes	Yes	Yes	Yes	Yes
Ms. Suparna Chakrabortti	Yes	Yes	Yes	Yes	Yes

### Audit Committee

#### i) Composition

The Audit Committee of the Company consists of Mr. Rakesh Macwan as Chairman, Mr. Rajvinder Singh, Mr. Raghav Lall and Ms. Suparna Chakrabortti as its Members. Ms. Sweta Shah, Company Secretary acts as the Secretary of the Audit Committee.

**DIRECTORS' REPORT** (Contd.)**ii) Attendance**

During the year ended 31st March, 2019 4 (Four) Audit Committee meetings were held i.e. on 30.05.2018, 26.07.2018, 08.11.2018 & 07.02.2019.

Four Meetings of the Audit Committee were held during the financial year ended March 31, 2019 and the attendance of the members is as follows:

Name of the Director	Whether attended the meetings held on			
	30.05.2018	26.07.2018	08.11.2018	07.02.2019
Mr. Rakesh Macwan	YES	YES	YES	YES
Mr. Kausik Gupta	YES	YES	YES	YES
Mr. Raghav Lall	NO	YES	YES	YES
Mr. Rajvinder Singh	YES	YES	YES	YES
Ms. Suparna Chakrabortti	YES	YES	YES	YES

The details of all related party transactions are placed periodically before Audit Committee. During the year there were no instances where the Board of Directors of the Company had not accepted the recommendations of the Audit Committee.

The Company has formulated a vigil mechanism / whistle blower policy which has been uploaded on the Company's website at [www.dhelakhat.com](http://www.dhelakhat.com). The Company has also provided direct access to the Chairman of the Audit Committee on reporting issues concerning the interests of the employees and the Company.

**Nomination and Remuneration Committee****Composition**

The Nomination and Remuneration ('NRC') Committee of the Company consists of Mr. Rakesh Macwan as Chairman, Mr. Rajvinder Singh, Mr. Raghav Lall and Mr. Kausik Gupta as its Members. Ms. Sweta Shah, Company Secretary acts as the Secretary of the Committee.

The Company's Remuneration Policy is in accordance with Section 178 of the Companies Act, 2013 and is available on the website of the Company at [www.dhelakhat.com](http://www.dhelakhat.com).

One Meetings of the NRC was held during the financial year ended March 31, 2019 on 30.05.2018 and was attended by all the members of the Committee except Mr. Raghav Lall.

**Independent Director's Meeting**

Independent Directors Meeting of the Company was held on 07.02.2019 and was attended by all the Independent Directors of the Company.

**13. Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a structured questionnaire was prepared after taking into consideration the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of the Independent Directors was completed during the year under review. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors and Non-Executive Directors. The Board of Directors expressed their satisfaction with the evaluation process.

**12. Directors' Responsibility Statement**

The Board of Directors acknowledges the responsibilities for ensuring compliance with the provisions of section 134(3) read with section 134(5) of the Companies Act, 2013 in the preparation of the annual accounts for the year ended on 31.03.2019 and confirm that:

## DIRECTORS' REPORT *(Contd.)*

- (i) in the preparation of the Annual Accounts for the year ended March 31, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (ii) the Directors have 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 at the end of the financial year and of the profit of the Company for that period;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors have prepared the annual accounts on a going concern basis;
- (v) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (vi) There is a proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### 13. Conservation of Energy, Technology Absorption, Foreign Exchange Earning and Outgo:

A statement giving details of conservation of energy, technology absorption and foreign exchange earnings and outgo in terms of Rule 8(3) of the Companies (Accounts) Rules, 2014 is marked as "**Annexure-A**" to this Report.

### 14. Particular of Employees

The prescribed particulars of Employees required under Section 134(3) (q) read with Rule 5 (2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is attached as "**Annexure-B**" and forms a part of this Report of the Directors.

### 15. Auditors

#### Statutory Auditor

M/s. Acharyya Swapan & Co., Chartered Accountants (FRN: 325797E), were appointed as the Statutory Auditors of the Company at the Annual General Meeting of the Company held in the year, 2017, to hold office till the conclusion of the Annual General Meeting of the Company to be held in the year 2022.

Pursuant to the amendments made to Section 139 of the Companies Act, 2013, by the Companies (Amendment) Act, 2017, the requirement of seeking ratification of the members for the appointment of the Statutory Auditors has been withdrawn from the statute. Hence, the resolution seeking ratification is not being sought.

There are no qualifications, adverse remarks or disclaimer made by the Auditors in their Report.

#### Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Board has appointed M/s. Anjan Kumar Roy & Co., a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed as "**Annexure-C**" and forms an integral part of this Report.

### 16. Internal Control Systems

The Company has an effective internal control and risk mitigation system, which is constantly assessed and strengthened with new/revised standard operating procedures. The Company's internal control system is commensurate with its size, scale and complexities of its operations. Detailed procedural manuals are in place to ensure that all the assets are safeguarded, protected against loss and all transactions are authorized, recorded and reported correctly.

The internal audit is entrusted to M/s. Vidya & Co., a reputed firm of Chartered Accountants and their audit reports are periodically reviewed by the Audit Committee of the Board of Directors. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry.

### 17. Corporate Social Responsibility

The Company has not formed any Corporate Social Responsibility Committee because the provisions of Section 135 of the Companies Act, 2013 relating to formation of such a Committee and the formulation of a Corporate Social Responsibility Policy do not apply to the Company.

## DIRECTORS' REPORT *(Contd.)*

### 18. Loans, Guarantees and Investments

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

### 19. Related Party Transaction

All transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business and that the provisions of Section 188 of the Companies Act, 2013 and the Rules made thereunder are not attracted. Thus, disclosure in form AOC-2 in terms of Section 134 of the Companies Act, 2013 is not required. Further, there are no material related party transactions during the year under review with the Promoters, Directors or Key Managerial Personnel.

All Related Party Transactions are placed before the Audit Committee as also before the Board for approval. Omnibus approval was obtained on a yearly basis for transactions which are of repetitive nature. Transactions entered into pursuant to omnibus approval are verified by the respective department and a statement giving details of all Related Party Transactions are placed before the Audit Committee for review and approval on a quarterly basis.

The Policy on Related Party Transactions can be accessed on the website of the Company at [www.dhelakhat.com](http://www.dhelakhat.com).

### 20. Risk Management

- a) The production of tea crop is dependent on the vagaries of weather viz crop, temperature and humidity.
- b) Escalation in world crop affects the price of tea in India
- c) Lower export quantities reflect in the availability of tea in India thereby increasing supply over demand which reflects in the prices of tea.
- d) Tea Crop is also dependent on Pest activity on the estate. The new Protection Code being implemented by Tea Board has reduced the chemicals that can be applied for control of pests and in some cases there is no chemical approved for certain pests which are prevalent in India.
- e) The tea market in India would have to grow in order to get better price realization. At present India has one of the lowest per capita consumption of tea.
- f) To mitigate the above risks, the company has taken a policy of augmenting irrigation and digging of ponds near tea areas to combat lesser rainfall.
- g) To combat the above risks, the company has taken a policy of augmenting irrigation and digging of ponds near tea areas to combat lesser rainfall.
- h) The company is following a strict policy of making quality teas which results in higher price realizations for the tea manufacture.

### 21. Extract of Annual Return

An extract of the Annual Return of the Company in form MGT-9, as required under Section 92 of the Companies Act, 2013, is annexed as "**Annexure- D**" and forms an integral part of this report

### 22. Economic Scenario and Outlook

A detailed examination of the economic outlook for the company and the tea industry is included in Management and Discussion Analysis Report in "**Annexure E**" as required under Regulation 34(2)(e) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

### 23. Deposits

The Company has not accepted nor renewed any deposits from the public, and as such, there are no outstanding deposits in terms of the Companies (Acceptance of Deposits) Rules, 2014.

### 24. Change in the nature of business

There is no change in the nature of the business of the Company.

## DIRECTORS' REPORT *(Contd.)*

### 25. Details of Significant and Material orders passed by the Regulators or Courts or Tribunals

There were no significant and material orders passed by regulators or courts or tribunals impacting the going concern status and Company's operations in future.

### 26. Material Changes and Commitments, if any, affecting the Financial Position of the Company

There are no material changes or commitments that have occurred after the close of the year till the date of this Report, which affect the financial position of the Company.

### 27. Occupational Health and Safety

Occupational Health and Safety remains the management's top priority. Workers are provided with adequate safety equipments while performing their jobs.

### 28. Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

In compliance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 the Company had constituted an Internal Complaint Committee to prevent the sexual harassment on employees especially on women employees.

The Committee has submitted their Annual Report pursuant to Section 22 of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and it was reported that no complaints were received by the Committee pursuant to the provisions of the Act.

### 29. Secretarial Standards

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

### 30. Fraud Reporting

There was no fraud reported by the Auditors of the Company to the Audit Committee or the Board of Directors during the year under review.

### 31. Cautionary Statement

The Board's Report may contain certain statements describing the Company's objectives, expectations or forecasts that appear to be forward-looking within the meaning of applicable securities laws and regulations while actual outcomes may differ materially from what is expressed herein.

### 32. Acknowledgement

Your Directors take the opportunity of placing their sincere appreciation to the Central Government, State Government, Banks, Financial Institutions, employees, associates, consultants and members of the company for their valuable guidance and support.

For and on behalf of the Board

4, Dr. Rajendra Prasad Sarani  
Kolkata-700 001  
Dated: 30th May, 2019

**Rakesh Macwan**  
Director  
(DIN: 01328442)

**Kausik Gupta**  
Director  
(DIN: 08000780)

## ANNEXURE TO THE DIRECTORS' REPORT

### ANNEXURE - A

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

The information pertaining to conservation of energy, technology absorption, Foreign exchange earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Account) Rules, 2014 is furnished below:

Particulars	Year Ended 31st March 2019	Year Ended 31st March 2018
<b>A. POWER &amp; FUEL CONSUMPTION</b>		
a) Purchased Units (in lacs)	6.05	5.65
Amount (Rs. in lacs)	56.95	58.62
Average Cost per Unit (Rs.)	9.41	10.37
b) Own Generation		
i) Through Diesel Generator (Units) (lacs)	1.35	0.99
ii) Unit per litre of Diesel oil	3.57	3.57
iii) Average Cost per Unit (Rs.)	69.17	90.99
c) Through Natural Gas Supply Quantity	4,99,230	4,80,073
Total Amount (in lacs)	54.36	45.85
Average rate/Unit (Rs.)	10.93	18.99

Particulars	Standards (if any)	Current Year	Previous Year
<b>B. CONSUMPTION PER UNIT OF PRODUCTION</b>			
Black Tea (Kgs)	-	8,92,740	7,97,392
Electricity (Unit/kg of tea)	-	1.47	1.57

#### A. CONSERVATION OF ENERGY

- The Company continues to give priority to conservation of energy as an ongoing process.
- To reduce the energy cost the Company has taken considerable energy saving measures through various in-house electrical modifications and the effect the same has been felt.
- The Form of disclosure of Particulars (Form – A) is not applicable to this Company.

#### B. TECHNOLOGY ABSORPTION

##### I. RESEARCH & DEVELOPMENT (R&D)

a) Specific areas in which R & D: carried out by the Company	NIL
b) Benefits derived as a result of: above R & D	The Company makes in-house efforts in order to keep pace with technological developments.
c) Future Plan of Action:	The Company is in the process of organizing and expanding Agency Division in line with the market requirements.
d) Expenditure on R & D:	The Company has not spent any specific amount on Research and Development during the year under review.
i) Capital:	NIL
ii) Recurring:	NIL
iii) Total:	NIL
iv) Total R & D expenditure as a percentage of total turnover	NIL

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

<b>II. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION</b>	
a) Efforts in brief made towards technology absorption, adaptation and innovation	Further to details set out in part 1 above, the Company is endeavoring to update through in-house effects technology in line with industry requirements for its agency division
b) Benefits derived as a result of the above efforts e.g. products improvement, cost reduction, production development, import substitution	
<b>III. FOREIGN EXCHANGE EARNINGS AND OUTGO</b>	(1) Earnings Rs. NIL
	(2) Outgo Rs. NIL

For and on behalf of the Board

4, Dr. Rajendra Prasad Sarani  
Kolkata-700 001  
Dated: 30th May, 2019

**Rakesh Macwan**  
Director  
(DIN: 01328442)

**Kausik Gupta**  
Director  
(DIN: 08000780)

**ANNEXURE TO THE DIRECTORS' REPORT** (Contd.)**ANNEXURE - B**

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

**TOP 10 EMPLOYEES IN TERMS OF REMUNERATION DRAWN DURING THE YEAR**

Name	Designation	Age	Remuneration (p.a.)	Qualification	Experience (years)	Date of Commencement of employment	Nature of Employment	Previous Employment
1. Mr. K. S. Datta	CFO	64	12,04,220	Chartered Accountant; M. Com; and Cost Accountant	24	05.03.2018	Permanent	Haldia Petrochemicals Ltd.
2. Mr. G. C. Baruah	Estate Manager	51	10,14,255	Bachelor of Arts	27	01.01.2018	Permanent	Mokalbari Tea Estate
3. Mr. R. K. Majumdar	Manager	57	8,47,800	Graduate & ICWA Inter	27	01.04.1982	Permanent	-
4. Ms. S. Shah	Company Secretary	26	7,10,196	➤ Member of the Institute of Company Secretaries of India ➤ Bachelor of Commerce (Hons.) ➤ LL.B	4	01.08.2015	Permanent	A.K. Labh & Co.
5. Mr. S. Kumar	Acting Estate Manager	46	6,74,917	Master of Science (Agriculture)	22	15.11.2010	Permanent	Baint Goorie Tea Estates
6. Mr. S. Khound	Acting Estate Manager	48	5,88,017	Bachelor of Science	15	01.02.2009	Permanent	Barmajan Tea Estates
7. Mr. Ravi Baruah	Medical Officer	30	5,67,025	Bachelor of Medicine & Bachelor of Surgery	7	01.05.2016	Permanent	-
8. Mr. A. Kr. Sarmah	Estate Manager	54	5,22,117	Mechanical Engineer	27	01.12.1991	Permanent	Jayshree Tea Industries Ltd.
9. Mr. Kaushik Kr. Sarmah	Acting Estate Manager	43	4,97,717	-	17	01.12.2016	Permanent	Dhekiajuli Tea Estate
10. Dr. Dulen Panging	G.M.O	43	3,96,000	MBBS	16	01.07.2018	Permanent	Under Arunachal Government

**Notes :**

- None of the employee of the Company is holding shares in the Company except Mr. R. K. Majumdar.
- No Employee is a relative of any Director or Manager of the Company. Rule 5(2)(iii) of the captioned rules is not applicable to any employee.

For and on behalf of the Board

4, Dr. Rajendra Prasad Sarani  
Kolkata-700 001  
Dated: 30th May, 2019

**Rakesh Macwan**  
Director  
(DIN: 01328442)

**Kausik Gupta**  
Director  
(DIN: 08000780)

**ANNEXURE TO THE DIRECTORS' REPORT** (Contd.)**ANNEXURE - C****SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED ON 31st 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,  
M/s. Dhelakhat Tea Co. Ltd.  
4, Dr. Rajendra Prasad Sarani,  
Kolkata – 700 001

1. We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Dhelakhat Tea Co. Ltd. (hereinafter called 'the Company') during the financial year ended 31st 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 31st 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 Dhelakhat Tea Co. Ltd. for the financial year ended on 31st 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;
  - (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;
    - d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, to the extent as applicable.
- (II) We have also examined the secretarial compliance on test check basis of the books, papers, forms and returns filed and other records maintained by Dhelakhat Tea Co. Ltd. for the financial year ended on 31st 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;
  1. The Tea Act, 1953.
  2. The Tea Warehouse (Licensing) Order, 1989.

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

3. The Tea Waste Control Order, 1959.
  4. The Tea (Distribution and Export) Control Order, 2005.
  5. Plant Protection Code (Formulated by the Tea Board of India).
  6. Food Safety and Standard Act, 2006.
  7. The Tea (Marketing) Control Order, 2003.
  8. The Tea Board Guidelines and Orders.
  9. Legal Metrology Act, 2009.
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, save and except the observations of the Statutory Auditors of the company in their report for the period under review, if any, 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, save and except;
- (a) Dividend has been transferred to Investor Education and Protection Fund on 05/10/2018 and Form IEPF 1 has been filed on 26/10/2018 but Form IEPF 4 in respect of transfer of shares has been filed belatedly on 28/05/2019.
  - (b) Form CHG 1 (CHG ID – H41963562) has been belatedly filed on 14/01/2019.
7. We have checked the compliance with the provisions of the Standard Listing Agreement entered by the Company with the following Stock Exchanges in India and also with the provisions of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable during the period under review and to the best of our knowledge, belief and understanding, we are of the view that the Company has complied with the secretarial functions and board processes to comply with the applicable provision thereof, during the aforesaid period under review.
- i. The Calcutta Stock Exchange Limited (CSE)
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. There has been no change in the composition of the Board of Directors of the Company during the period under review.
  - b) Adequate notices are given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance.
  - 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 laws, rules, regulations and guidelines, generally applicable to the 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.

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

**ANJAN KUMAR ROY**  
Proprietor  
FCS No. 5684  
CP. No. 4557

Place : Kolkata  
Date : 30/05/2019

**ANNEXURE TO THE DIRECTORS' REPORT** (Contd.)**Annexure A****(To the Secretarial Audit Report of Dhelakhat Tea Co. Ltd. for the financial year ended 31/03/2019)**

To,  
The Members,  
M/s. Dhelakhat Tea Co. Ltd.  
4, Dr. Rajendra Prasad Sarani,  
Kolkata – 700 001

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 : 30/05/2019

**ANNEXURE TO THE DIRECTORS' REPORT** (Contd.)**ANNEXURE - D****INFORMATION PERTAINING TO REMUNERATION OF EMPLOYEES**

[Pursuant to section 197(12) read with Rule 5 of the Companies (Appointment and Remuneration) Rules 2014]

**1. The ratio of remuneration of each Director / KMP to median remuneration of employees of the Company for the financial year 2018-2019**

All employees median remuneration for FY 2018-19	52709.28
The percentage increase in the median remuneration of employees in the FY 2018-2019	-19.61 %
The number of permanent employees on the rolls of the Company as on 31 March 2019	1313

**2. The percentage increase in the remuneration of each Director, Chief Financial Officer, Company Secretary and Manager of the Company in the financial year**

Name of Director/ KMP	Ratio of remuneration to median remuneration of all employees	% increase in remuneration in the FY 2018
<b>DIRECTORS</b>		
➤ Mr. Rakesh Macwan	All the Directors were paid sitting fees for attending the meeting and the same has not been considered as Remuneration.	
➤ Mr. Kausik Gupta		
➤ Mr. Raghav Lall		
➤ Mr. Rajvinder Singh		
➤ Ms. Suparna Chakrabortti		
<b>KEY MANAGERIAL PERSONNEL</b>	<b>% increase in remuneration in the FY 2019</b>	
➤ Mr. K. S. Datta (Chief Financial Officer)	Mr. K. S. Datta was appointed as the CFO of the Company w.e.f 30th May, 2018 and his remuneration detail is given in Annexure-E of the Directors' Report. Hence comparison is not applicable.	
➤ Mr. R. K. Majumdar (Manager)	Mr. R. K. Majumdar was appointed as the Manager of the Company w.e.f 2nd February, 2018 and his remuneration detail is given in Annexure-E of the Directors' Report. Hence comparison is not applicable.	
➤ Ms. Sweta Shah (Company Secretary)	32.15 %	

**3. 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**

Average Salary increase of non managerial employee is -14.96%.

There are no exceptional circumstances in increase in managerial remuneration.

**4. Affirmation that the remuneration is as per the remuneration policy of the Company.**

Remuneration paid during the Financial Year ended 31.03.2019 is as per the Remuneration Policy of the Company.

For and on behalf of the Board

4, Dr. Rajendra Prasad Sarani  
Kolkata - 700 001  
Dated: 30th May, 2019

**Rakesh Macwan**  
Director  
(DIN: 01328442)

**Kausik Gupta**  
Director  
(DIN: 08000780)

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

ANNEXURE - E

Form No. MGT-9

**EXTRACT OF ANNUAL RETURN****as on the financial year ended on 31st March, 2019***[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]***I. REGISTRATION AND OTHER DETAILS :**

<b>CIN</b>	L15492WB1917PLC002894
<b>Registration Date</b>	31/07/1969
<b>Name of the Company</b>	DHELAHAT TEA COMPANY LIMITED
<b>Category/Sub-Category of the Company</b>	PUBLIC COMPANY LIMITED BY SHARES
<b>Address of the Registered office and contact details</b>	4, DR. RAJENDRA PRASAD SARANI KOLKATA - 700 001, PH. NO. (033) 2230 4351
<b>Whether listed company</b>	YES
<b>Name, Address and Contact details of Registrar and Transfer Agent, if any</b>	NICHE TECHNOLOGIES PVT LTD. 3A, AUCKLAND PLACE 7TH FLOOR, ROOM NO. : 7A & 7B, KOLKATA - 700 017 PHONE : (033) 2280-6616/17/18 FAX : (033) 2280 6619

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

<b>Sr. No.</b>	<b>Name and Description of main products/ services</b>	<b>NIC Code of the Product/ service</b>	<b>% to total turnover of the company</b>
1	Tea Manufacturing	01271	100

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

<b>Sr. No.</b>	<b>Name and address of the Company</b>	<b>CIN/GLN</b>	<b>Holding/ Subsidiary/ Associate</b>	<b>% of shares held</b>	<b>Applicable Section</b>
	NIL				

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****I. Category-wise Share Holding**

<b>Category of Shareholders</b>	<b>No. of Shares held at the beginning of the year</b>				<b>No. of Shares held at the end of the year</b>				<b>% Change during the year</b>
	<b>Demat</b>	<b>Physical</b>	<b>Total</b>	<b>% of Total Shares</b>	<b>Demat</b>	<b>Physical</b>	<b>Total</b>	<b>% of Total Shares</b>	
<b>A. PROMOTER</b>									
<b>1) Indian</b>									
a) Individual/ HUF	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
b) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
c) State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
d) Bodies Corp	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
e) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
f) Any Other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
<b>SUB-TOTAL(A)(1):-</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	

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

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2) Foreign</b>									
a) NRIs Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
b) Other-Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
c) Bodies Corp.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
d) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
e) Any Other....	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
<b>Sub total(A)(2):-</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	
<b>B. PUBLIC SHAREHOLDING</b>									
<b>1. Institutions</b>									
a) Mutual Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
b) Banks / FI	8512	740	9252	2.356	8512	740	9252	2.356	0.000
c) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
d) State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
e) Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
f) Insurance Companies	NIL	39030	39030	9.937	NIL	39030	39030	9.937	0.000
g) FIs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
h) Foreign Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
i) Others (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
<b>Sub-total(B)(1)</b>	<b>8512</b>	<b>39770</b>	<b>48282</b>	<b>12.293</b>	<b>8512</b>	<b>39770</b>	<b>48282</b>	<b>12.293</b>	<b>0.00</b>
<b>2. Non Institutions</b>									
a) Bodies Corp.									
(i) Indian	NIL	217241	217241	55.310	NIL	217241	217241	55.310	0.000
(ii) Overseas	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
b) Individuals	2324	96907	99231	25.264	7575	92156	99731	25.392	0.128
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh									
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
c) Others Specify									
i) NRI	NIL	28016	28016	7.133	NIL	27516	27516	7.006	- 0.127
ii) Overseas	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
iii) Corporate Bodies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
iv) Foreign Nationals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
v) Clearing Members	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
vi) Trusts	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
vii) Foreign Bodies D, R.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
<b>Sub-total(B)(2)</b>	<b>2324</b>	<b>342164</b>	<b>344488</b>	<b>87.707</b>	<b>7575</b>	<b>336913</b>	<b>344488</b>	<b>87.707</b>	<b>0.000</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>10836</b>	<b>381934</b>	<b>392770</b>	<b>100.000</b>	<b>16087</b>	<b>376683</b>	<b>392770</b>	<b>100.000</b>	<b>0.000</b>
<b>C. SHARES HELD BY CUSTODIAN FOR GDRS &amp; ADRS</b>	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
<b>Grand Total (A+B+C)</b>	<b>10836</b>	<b>381934</b>	<b>392770</b>	<b>100.000</b>	<b>16087</b>	<b>376683</b>	<b>392770</b>	<b>100.000</b>	<b>0.000</b>

## ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

### II. Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year	Shareholding at the end of the year	% change in share holding during the year
NIL				

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

Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	NIL			
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
At the End of the year				

### IV. Shareholding of top ten shareholders (other than Directors, Promoters and holders of ADRs and GDRs)

Sl. No.	For Each of the Top 10 shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1</b>	<b>CARRITT MORAN &amp; CO.(PVT.) LTD.</b>				
	a) At the Beginning of the Year	14000	3.564		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			14000	3.564
<b>2</b>	<b>J.B. RAM</b>				
	a) At the Beginning of the Year	16234	4.133		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			16234	4.133
<b>3</b>	<b>KANT &amp; CO. LIMITED</b>				
	a) At the Beginning of the Year	60407	15.380		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			60407	15.380
<b>4</b>	<b>LIFE INSURANCE CORPORATION OF INDIA</b>				
	a) At the Beginning of the Year	8512	2.167		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			8512	2.167
<b>5</b>	<b>NATIONAL INSURANCE CO.LTD.</b>				
	a) At the Beginning of the Year	39030	9.937		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			39030	9.937

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

Sl. No.	For Each of the Top 10 shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>6</b>	<b>PRADEEP LAL MEHTA</b>				
	a) At the Beginning of the Year	4456	1.135		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			4456	1.135
<b>7</b>	<b>RYDAK SYNDICATE LTD.</b>				
	a) At the Beginning of the Year	62924	16.021		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			62924	16.021
<b>8</b>	<b>SRIPADAM INVESTMENTS LTD.</b>				
	a) At the Beginning of the Year	54248	13.812		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			54248	13.812
<b>9</b>	<b>AVNISH MEHTA</b>				
	a) At the Beginning of the Year	4600	1.171		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			4600	1.171
<b>10</b>	<b>VIBHA LEASING PVT.LTD.</b>				
	a) At the Beginning of the Year	19800	5.041		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			19800	5.041

**V. Shareholding of Directors and Key Managerial Personnel:**

Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Mr. Ram Krishna Majumdar	0	0.000	25	0.006
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL		Transferred on 07.08.2018	

## ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

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

#### A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(Amount in ₹)

Sl. No.	Particulars of Remuneration	R. K. Majumdar** (Manager) (p.a.)
1.	<b>Gross Salary</b> 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	7,36,800 - 1,11,000
2.	Stock Option	Nil
3.	Sweat Equity	Nil
4.	Commission - as% of profit - others, specify	Nil
5.	Others, please specify	Nil
	Total(A)	8,47,800
	Ceiling as per the Act	Remuneration has being paid as per Schedule V of the companies Act, 2013.

\*Mr. Saradindu Bhattacharya ceased to be the Manager of The Company w.e.f 28.09.2017 due to demise.

\*\*Mr. R.K.Majumdar has been appointed as the Manager of the Company w.e.f 2nd February, 2018.

#### B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount (in Rs.)
		Mr. R. Macwan	Mr. R. Singh	Ms. S. Chakrabortti	
1	<b>Independent Directors</b> Fee for attending Board / Committee meetings • Commission • Others, please specify <b>Total(1)</b>	33,000 N.A <b>33,000</b>	33,000 N.A <b>33,000</b>	30,000 N.A <b>30,000</b>	96,000 N.A <b>96,000</b>
2	<b>Other Non-Executive Directors</b> Fee for attending Board / Committee meetings • Commission • Others, please specify <b>Total(2)</b> <b>Total(B)=(1+2)</b> <b>Total Managerial Remuneration</b> Overall Ceiling as per the Act	Mr. R. Lall 21,000 N.A <b>21,000</b> <b>54,000</b> N.A	Mr. K. Gupta 15,000 N.A <b>15,000</b> <b>48,000</b>	- - <b>30,000</b>	36,000 - <b>36,000</b> <b>1,32,000</b> N.A N.A

**ANNEXURE TO THE DIRECTORS' REPORT** (Contd.)**C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTB**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		S. Shah Company Secretary	K. S. Datta Chief Financial Officer	Total (in Rs.) (p.a.)
1.	<b>Gross salary</b>			
	a. Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	6,17,196	10,43,700	16,60,896
	b. Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil
	c. Profits in lieu of salary under section 17(3) Income-tax Act, 1961	93,000	1,60,520	2,53,520
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission - as% of profit - others, specify...	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil
	<b>TOTAL</b>	<b>7,10,196</b>	<b>12,04,220</b>	<b>19,14,416</b>

**VI. INDEBTEDNESS**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	1,90,46,262	72,25,000		26,271,262
ii) Interest due but not paid				
iii) Interest accrued but not				
<b>Total(i+ii+iii)</b>	<b>1,90,46,262</b>	<b>72,25,000</b>		<b>26,271,262</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	65,01,889	1,45,00,000		2,10,01,889
• Reduction				
<b>Indebtedness at the closing of the financial year</b>				
i) Principal Amount	2,55,48,151	2,17,25,000		4,72,73,151
ii) Interest due but not paid				
iii) Interest accrued but not				
<b>Total(i+ii+iii)</b>	<b>2,55,48,151</b>	<b>2,17,25,000</b>		<b>4,72,73,151</b>

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

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

Type	Section of the Companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority[RD /NCLT/Court]	Appeal made. If any(give details)
<b>A. COMPANY</b>					
Penalty	NIL	NIL	N.A.	N.A.	N.A.
Punishment	NIL	NIL	N.A.	N.A.	N.A.
Compounding	NIL	NIL	N.A.	N.A.	N.A.
<b>B. DIRECTORS</b>					
Penalty	NIL	NIL	N.A.	N.A.	N.A.
Punishment	NIL	NIL	N.A.	N.A.	N.A.
Compounding	NIL	NIL	N.A.	N.A.	N.A.
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NIL				
Punishment					
Compounding					

For and on behalf of the Board

4, Dr. Rajendra Prasad Sarani  
Kolkata-700 001  
Dated: 30th May, 2019

**Rakesh Macwan**  
*Director*  
(DIN: 01328442)

**Kausik Gupta**  
*Director*  
(DIN: 08000780)

**ANNEXURE TO THE DIRECTORS' REPORT** (Contd.)**ANNEXURE-F****MANAGEMENT DISCUSSION AND ANALYSIS REPORT****INDUSTRY STRUCTURE AND DEVELOPMENT**

India is one of the major tea producing centres of the world with tea produced in the country being one of the finest in the world and enjoys worldwide consumer preference. One of the oldest industries, the tea industry has a large network of retailers, distributors, producers, packers, exporters and auctioneers.

The Company carries on the business of growing and manufacturing of tea. The Company is having two estates which produced a saleable crop of 8.93 lakh kgs as compared to 7.53 lakh kgs in the same period last year.

The average price realization of the Company's tea was Rs. 176/- as compared to Rs. 184.06/- in the previous year.

The prospectus for the coming year till the time of writing this report showed an increase in saleable crop due to timely rain and low temperatures.

The net sales in the year 2018-2019 was Rs. 1567.2/- lakhs as compared to Rs. 1345.85/- lakhs during the same period in the year 2017-2018.

Cost in India was substantially higher on account of increase in wages after implementation of new wage agreement and other input costs coupled with loss of crop. This had substantial impact on operating earnings of the year.

**ECONOMIC SCENARIO AND OUTLOOK**

The economic scenario for the growing and manufacturing of teas looks bleak for the following reasons:

1. Tea is dependent on the vagaries of weather. Tea growing has been facing the brunt of climate changes in the form of extreme weather conditions. Either drought like conditions or high intensity rainfall has been playing havoc with the crop. Tea crop loss for a short duration of time every year due to extreme weather conditions has become a normal trend for the tea industry of late.
2. The increase in wages for workmen and the threat of imposing minimum wages on tea companies along with added social costs is a reason for concern, which if implemented, would have lasting effects on the tea industry. In the current scenario most companies would find it difficult to keep their heads above water.
3. World crop is increasing day by day and tea prices are directly related to demand and supply. If the price realization of teas does not increase, it will not be possible to bear the additional costs which the industry has to pay.
4. Government policy not to issue rations from the FCI godowns has resulted in the cost of rations doubling up in Assam as they have to be purchased from the open market and supplied to the workers at substantially reduced costs.
5. Cost of inputs such as coal, fuel oil, gas, transportation etc. has been increasing over the years and the present trend suggests that there will be further increase in inputs which would put pressure on the bottom line.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company implemented internal control systems to ensure that all assets are safeguarded and protected against losses and all transactions are recorded and reported correctly. The internal control system is commensurate with the size and nature of the Company's business. The systems are regularly reviewed for effectiveness.

**SEGMENT WISE OR PRODUCT WISE PERFORMANCE**

The Company is primarily engaged in the business of cultivation, manufacture and sale of tea and is managed organizationally as a single unit. Accordingly, the Company is a single business segment company.

## ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

### RISKS AND CONCERNS

Risks are inevitable in any business. Being aware of this, the Company has a proper risk management system in place to counter them. The Tea Industry is largely dependent on the vagaries of nature:

<b>Industry risk</b>	: The Company invested in producing quality teas as an effective hedge. This helped moderate the impact of price and output volatility, increasing corporate stability.
<b>Climatic risk</b>	: Weather condition largely varied from one geographical region to another and Tea Industry in India facing the brunt of climate change in the form of extreme weather conditions — either a drought-like situation or high-intensity rainfall. This is one of the major risks for our industry as unpredictable climatic conditions could hamper tea production.
<b>Labour risk</b>	: Tea Industry is labour intensive industry which is marked by rising labour costs and man power shortage. The Industry is highly labour intensive and is subject to stringent labour laws. Substantial increase in labour wages, high social cost remains the major problems for the Indian Tea Industry. Shortage of labour during peak season in some pockets is also a cause for concern.  The Government of Assam and West Bengal are all set to implement the maximum wage, if this gets implemented, the industry has to bear the social costs and it would also result in the higher cost of production than the revenue income.
<b>Pests risk</b>	: The Company rigorously enforced an estate wide mechanism to address pest attacks through the use of PPC-prescribed chemicals under the Trustea code. This responsible use of chemicals strengthened the demand for the Company's product.

### FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The details of Financial Performance and Operational Performance have been provided in the Report of the Directors.

### HUMAN RESOURCES

Tea Industry is highly labour intensive. Industrial relation in all tea estates and other units continued to be cordial. The Company carries out various program for development of its executives at all levels. During the year the company carried out restructuring exercise at key level for improvement in plantation activities and overall corporate performance. The Company would like to record appreciation of the wholehearted support and dedication from employees at all levels in maintaining smooth production and manufacture of tea from all the Tea Estates during the year.

The total number of people employed in your Company as on 31st March, 2019 was around 1313.

### CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis Report in regard to projections, estimates and expectations have been made in good faith. Many unforeseen factors may come into play and affect the actual results, which could be different from what the Directors envisage in terms of future performance and outlook.

For and on behalf of the Board

4, Dr. Rajendra Prasad Sarani  
Kolkata-700 001  
Dated: 30th May, 2019

**Rakesh Macwan**  
Director  
(DIN: 01328442)

**Kausik Gupta**  
Director  
(DIN: 08000780)

# INDEPENDENT AUDITOR'S REPORT

To the Members of  
**Dhelakhat Tea Co. Limited**

## Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Dhelakhat Tea Co. Limited ('the Company'), which comprise the Balance sheet as at 31 March 2019, the statement of Profit and Loss (including other comprehensive income), the statement of Cash flows and the statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

### Basis of Opinion:

We conducted the Audit of the Standalone Financial Statement in accordance with the Standards of Auditing issued by the Institute of Chartered Accountants of India. We are independent of the Group in accordance with the code of Ethics issued by ICAI together with the independence requirement

That are relevant to our audit of the financial statements under the provisions of the Act and the Rules made there under and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe that audit evidence we have received is sufficient and appropriate to provide a basis for our opinion on the Financial Statements.

### Key Audit Matters:

1. Adoption of Ind As 115 " Review from Contracts with the Customers" and recognition of Revenue.  
We assessed the Group's process to identify the impact of adoption of the new Accounting Standard and conducted substantive testing and noted that Ind AS 115 is not applicable under the circumstances
2. Amendment of Accounting Policy of disclosure of Government Grants:  
With effect from 1.4.2018 Ind As-20 has been amended as regards recognition of Government Grants. Previously Ind As 20 required that government Grants related to Assets shall be presented by setting up the Grant as deferred Income. The Amendment Rules in Ind As 20 now states that Govt. Grants related to Assets can be presented by deducting from the carrying amount of assets, i.e. Property Plant & Equipment as Non-monetary grants can be recognized at a nominal amount.  
We assessed the changed policy adopted by the Company. Govt. Subsidy received during the year has been considered fully as other income. However the Deferred Income opening balance of 40.64 lacs. has been transferred straightway to Retained Earning.
3. As regards CWIP capitalization in the carrying amount of bearer plants (Harvested), the management according to their consistent Policy has reallocated Gardens' Ordinary Expenditure to Capital work in Progress as per estimation of the Management.  
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 Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued there under.

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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

## INDEPENDENT AUDITOR'S REPORT

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31 March, 2019 and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the balance sheet, the statement of profit and loss, the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
  - (d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued there under;
  - (e) on the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 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 B**"; and
  - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. the Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements .
    - ii. the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts .
    - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**for Acharyya Swapan & Co.**

*Chartered Accountants*

Firm's Registration Number: 325797E

**Aditya Singh**

*Partner*

Membership Number : 068958

Kolkata

30th. May, 2019

## Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2019, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. However updating of the Register is in progress.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties ( Leasehold Lands)are held in the name of the Company.
- (ii) (a) As explained to us , Inventories have been physically verified during the year by the management at reasonable interval.
- (b) In our opinion and according to the information & Explanations given to us, the procedure of physical verification of Inventory followed by the management are reasonable and adequate in relation to size of the company and the nature of the business.
- (c) In our opinion and on the basis of our examination of the records, the company is generally maintaining proper records of its inventories .No material discrepancy was noticed on physical verification of stock by the management as compared to book record.
- (iii) The Company has not granted loans to bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
- (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 Act, with respect to the loans and investments made.
- (v) The Company has not accepted any deposits from the public covered under section 73 to 76 of the Companies Act, 2013.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for the products of the Company .
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess , GST and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.
- (viii) Based on our audit procedure and on the basis of information and explanation given to us, we are of the opinion that , the Company has not defaulted in repayment of dues to Banks.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

## Annexure - A to the Auditors' Report

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

**for Acharyya Swapan & Co.**

*Chartered Accountants*

Firm's Registration Number: 325797E

**Aditya Singh**

*Partner*

Membership Number : 068958

Kolkata

30th. May, 2019

## Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of Dhelakhat Tea Co.Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

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

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

#### Auditors' Responsibility

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

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

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

## Annexure - B to the Auditors' Report

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**for Acharyya Swapan & Co.**

*Chartered Accountants*

Firm's Registration Number: 325797E

**Aditya Singh**

*Partner*

Membership Number : 068958

Kolkata

30th. May, 2019

**BALANCE SHEET** as at 31 March 2019

(All amounts in INR hundreds, unless otherwise stated)

Particulars	Note	31 March 2019	31 March 2018
<b>ASSETS</b>			
(1) <b>Non-current assets</b>			
Property, plant and equipment	3	7,09,667	6,24,086
Capital work-in-progress	4	5,24,113	4,05,314
Financial assets			
(i) Investments	5	97,550	77,121
(ii) Other financial assets	6	13,300	13,300
Non current tax asset (net)	7	78,928	78,928
Deferred tax assets (net)	18	62,964	65,248
Other non-current assets	8	60,677	62,404
<b>Total non-current assets</b>		<b>15,47,199</b>	<b>13,26,401</b>
(2) <b>Current assets</b>			
Inventories	9	2,79,235	3,32,893
Biological assets other than bearer plants	10	10,897	9,727
Financial assets			
(i) Trade Receivables	11	1,08,799	1,09,795
(ii) Cash and Cash Equivalents	12	3,001	9,042
(iii) Other Bank Balances	13	1,931	2,378
Other current assets	14	1,20,002	1,21,501
<b>Total current assets</b>		<b>5,23,865</b>	<b>5,85,336</b>
<b>Total assets</b>		<b>20,71,064</b>	<b>19,11,737</b>
<b>EQUITY AND LIABILITIES</b>			
Equity share capital	15	39,277	39,277
Other equity	16	2,36,842	2,97,343
<b>Total equity</b>		<b>2,76,119</b>	<b>3,36,620</b>
<b>LIABILITIES</b>			
(1) <b>Non-current liabilities</b>			
Financial liabilities			
Provisions	17	2,35,375	1,85,766
Deferred income	19	–	40,109
<b>Total non-current liabilities</b>		<b>2,35,375</b>	<b>2,25,875</b>
(2) <b>Current liabilities</b>			
Financial liabilities			
(i) Borrowings	20	4,72,732	2,62,713
(ii) Trade payables	21	4,28,775	3,98,171
(iii) Other financial liabilities	22	4,95,043	3,63,234
Deferred income	19	–	535
Other current liabilities	23	13,015	1,57,686
Provisions	24	52,421	68,535
Current tax liabilities (net)	25	97,584	98,368
<b>Total current liabilities</b>		<b>15,59,570</b>	<b>13,49,242</b>
<b>Total liabilities</b>		<b>17,94,945</b>	<b>15,75,117</b>
<b>Total equity and liabilities</b>		<b>20,71,064</b>	<b>19,11,737</b>

**ACCOUNTING POLICIES AND NOTES ON ACCOUNTS - 1 & 2**

The notes referred to above form an integral part of the Financial Statements.

In terms of our attached Report of even date

For **Acharyya Swapan & Co.**

Chartered Accountants

Firm's Registration Number: 325797E

**Aditya Singh**

Partner

Membership Number: 068958

Place: Kolkata

Date: 30th May, 2019

For and on behalf of the Board of Directors

**RAKESH MACWAN**

Director

(DIN: 01328442)

**KAUSIK GUPTA**

Director

(DIN: 08000780)

**K. S. DATTA**

Chief Financial Officer

**SWETA SHAH**

Company Secretary

**STATEMENT OF PROFIT AND LOSS** for the year ended 31 March 2019

(All amounts in INR hundreds, unless otherwise stated)

Particulars	Note	31 March 2019	31 March 2018
<b>Income</b>			
Revenue from operations	26	14,78,945	13,45,858
Other income	27	61,325	77,646
<b>Total income</b>		<b>15,40,270</b>	<b>14,23,504</b>
<b>Expenses</b>			
Cost of materials consumed	28	1,75,942	1,18,716
Changes in inventories of finished goods	29	3,969	5,524
Change in fair value of biological assets (gain/(loss))	30	(1,171)	(2,950)
Employee benefits expense	31	10,81,632	10,73,104
Finance costs	32	36,679	49,019
Depreciation expenses	3	33,976	36,182
Other expenses	33	3,10,785	3,36,860
<b>Total expense</b>		<b>16,41,812</b>	<b>16,16,455</b>
<b>Profit/(loss) before tax</b>		<b>(1,01,542)</b>	<b>(1,92,951)</b>
<b>Tax Expenses</b>			
- Current tax	35	–	–
- Deferred tax	35	1,523	18,838
<b>Profit/(loss) for the year</b>		<b>(1,03,065)</b>	<b>(2,11,789)</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurements of post-employment benefit obligations	39	2,681	(66,712)
Income tax relating to these items	35	(761)	18,946
<b>Other comprehensive income for the year, net of tax</b>		<b>1,920</b>	<b>(47,766)</b>
<b>Total comprehensive income for the year</b>		<b>(1,01,145)</b>	<b>(2,59,555)</b>
<b>Earnings per equity share</b>			
Basic and diluted earning per share			
(Nominal value per Share Rs.10)	34	(26.24)	(53.92)

**ACCOUNTING POLICIES AND NOTES ON ACCOUNTS - 1 & 2**

The notes referred to above form an integral part of the Financial Statements.

In terms of our attached Report of even date

For **Acharyya Swapan & Co.**

Chartered Accountants

Firm's Registration Number: 325797E

**Aditya Singh**

Partner

Membership Number: 068958

Place: Kolkata

Date: 30th May, 2019

For and on behalf of the Board of Directors

**RAKESH MACWAN**

Director

(DIN: 01328442)

**K. S. DATTA**

Chief Financial Officer

**KAUSIK GUPTA**

Director

(DIN: 08000780)

**SWETA SHAH**

Company Secretary

**STATEMENT OF CHANGES IN EQUITY** for the year ended 31 March 2019

(All amounts in INR hundreds, unless otherwise stated)

**A. Equity share capital**

Description	Note	Amount
As at 31st March, 2018	15	39,277
Changes in equity share capital		
<b>As at 31 March 2019</b>	<b>15</b>	<b>39,277</b>

**B. Other equity**

Description	Note	Reserve and Surplus			Total other equity
		Capital reserve	General reserve	Retained earnings	
<b>Balance at 01 April 2017</b>	<b>16</b>	<b>256</b>	<b>4,67,965</b>	<b>88,677</b>	<b>5,56,898</b>
Profit for the year		0	0	(2,11,789)	(2,11,789)
Other comprehensive income for the year		0	0	(47,766)	(47,766)
<b>Total comprehensive income for the year</b>		<b>0</b>	<b>0</b>	<b>(2,59,555)</b>	<b>(2,59,555)</b>
Transfer within equity					-
<b>Balance at 31 March 2018</b>	<b>16</b>	<b>256</b>	<b>4,67,965</b>	<b>(1,70,878)</b>	<b>2,97,343</b>
<b>Balance at 01 April 2018</b>	<b>16</b>	<b>256</b>	<b>4,67,965</b>	<b>(1,70,878)</b>	<b>2,97,343</b>
Profit for the year		-	-	(1,03,065)	(1,03,065)
Other comprehensive income for the year		-	-	1,920	1,920
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>(1,01,145)</b>	<b>(1,01,145)</b>
Subsidy transferred to retained earnings				40,644	40,644
<b>Balance at 31 March 2019</b>	<b>16</b>	<b>256</b>	<b>4,67,965</b>	<b>(2,31,379)</b>	<b>2,36,842</b>

In terms of our attached Report of even date

For **Acharyya Swapan & Co.**

Chartered Accountants

Firm's Registration Number: 325797E

**Aditya Singh**

Partner

Membership Number: 068958

Place: Kolkata

Date: 30th May, 2019

For and on behalf of the Board of Directors

**RAKESH MACWAN**

Director

(DIN: 01328442)

**KAUSIK GUPTA**

Director

(DIN: 08000780)

**K. S. DATTA**

Chief Financial Officer

**SWETA SHAH**

Company Secretary

**CASH FLOW STATEMENT** for the year ended 31 March 2019

(All amounts in INR hundreds, unless otherwise stated)

Particulars	31 March 2019	31 March 2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
<b>Net Profit/ (Loss) before taxation</b>	(1,01,542)	(1,92,951)
Adjustments for:		
Depreciation	33,976	36,182
Net gain on financial assets measured at FVTPL	20,378	0
Finance costs	36,679	47,590
<b>OPERATING PROFIT / (LOSS) BEFORE WORKING CAPITAL CHANGES</b>	<b>(10,508)</b>	<b>(1,09,178)</b>
Adjustments for:		
Non-Current/Current financial and other assets	3,052	1,61,563
Inventories	53,658	(14,581)
Non-Current/Current financial and other liabilities/provisions	(11,039)	2,99,495
<b>CASH USED IN OPERATING ACTIVITIES</b>	<b>35,163</b>	<b>3,37,298</b>
Direct Taxes Paid (Net of Refund)	784	(1,500)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>35,947</b>	<b>3,35,798</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, plant and equipment	(2,15,327)	(2,68,618)
Sale of Investments (net)	0	0
Interest Received	0	0
Dividend Received	0	0
<b>NET CASH GENERATED FROM INVESTING ACTIVITIES</b>	<b>(2,15,327)</b>	<b>(2,68,618)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from long term borrowings	0	(24,000)
Proceeds from bank borrowings	2,10,019	35,113
Repayment of dividend & tax thereon	0	0
Interest paid	(36,679)	(79,571)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>1,73,339</b>	<b>(68,459)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(6,040)</b>	<b>(1,278)</b>
<b>CASH AND CASH EQUIVALENTS OPENING BALANCE</b>	<b>9,041</b>	<b>10,320</b>
<b>CASH AND CASH EQUIVALENTS CLOSING BALANCE</b>	<b>3,001</b>	<b>9,041</b>

**Note -**

- 1) The above cashflow statement have been prepared using "Indirect Method" as set out in Ind AS 7 - Statement of cashflows.
- 2) Cash and cash equivalents includes cash on hand, balances with banks in current account. Refer Note 13
- 3) Previous year figures have been regrouped/rearranged whether considered necessary to conform to current years presentation.

In terms of our attached Report of even date

For **Acharyya Swapan & Co.**

Chartered Accountants

Firm's Registration Number: 325797E

**Aditya Singh**

Partner

Membership Number: 068958

Place: Kolkata

Date: 30th May, 2019

For and on behalf of the Board of Directors

**RAKESH MACWAN**

Director

(DIN: 01328442)

**KAUSIK GUPTA**

Director

(DIN: 08000780)

**K. S. DATTA**

Chief Financial Officer

**SWETA SHAH**

Company Secretary

## NOTES TO FINANCIAL STATEMENTS for the year ended 31 March 2019

### 1 General Information

Dhelakhat Tea Company Limited is a Company incorporated under the Companies Act, 1913. The Company's shares are listed on the Calcutta Stock Exchange. The Company is engaged in harvesting, manufacturing and selling of tea.

The financial statements as at 31 March 2019 present the current financial position of the Company.

The functional and presentation currency of the Company is Indian Rupee ("INR") which is the currency of the primary economic environment in which the Company operates.

The financial statements for the year ended 31 March 2019 were approved by the Board of Directors and authorised for issue on 30 May 2019.

### 2.0 Significant accounting policies

The significant accounting policies applied by the Company in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements unless otherwise indicated.

#### 2.1 Statement of compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 01, 2016.

These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

#### 2.2 Basis of preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention, except for the following:

- a) certain financial assets and liabilities that are measured at fair value;
- b) certain biological assets (including unplucked green leaves) measured at fair value less cost to sell.

#### 2.3 Use of estimates and critical accounting judgments

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

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

Significant judgments and estimates relating to the carrying amounts of assets and liabilities include useful lives of property, plant and equipment, intangible assets, impairment of property, plant and equipment, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies.

#### 2.4 Property, plant and equipment

An item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. This recognition principle is applied to the costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognised in the statement of profit and loss as incurred. When a replacement occurs, the carrying amount of the replaced part is derecognised. Where an item of property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items. The Company's tea bushes qualify as bearer plants under the definition in Ind AS 41 and are therefore accounted for as a part of property, plant and equipment.

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

## NOTES TO FINANCIAL STATEMENTS for the year ended 31 March 2019

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

### 2.5 Biological assets

Tea leaves growing on tea bushes are measured at fair value less cost to sell with changes in fair value recognised in statement of profit and loss.

### 2.6 Depreciation methods, estimated useful lives and residual value of property, plant and equipment

Depreciation, other than bearer plant, is calculated using written down value method to allocate their cost, net of their residual values on the basis of useful lives prescribed in Schedule II to the Companies Act, 2013, which are also supported by technical evaluation. Bearer plants are depreciated using straight line method from the date when they are ready for commercial harvest.

The estimated useful lives of assets and residual values are reviewed regularly and, when necessary, revised. No further charge is provided in respect of assets that are fully written down but are still in use.

The estimated useful lives for the main categories of property, plant and equipment and other intangible assets are:

Categories of assets	Useful life (in years)
Plant and Machinery	15
Furniture & Fixture	10
Building	60
Bearer plants	77
Vehicles	8 - 10
Software	5

### 2.7 Impairment of non-financial assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash flows from other assets or group of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

### 2.8 Leases

Leases are classified as finance lease where the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

#### **Company as lessee**

- (i) *Operating lease* – 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 another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.
- (ii) *Finance lease* – Finance leases are capitalised at the commencement of lease, at the lower of the fair value of the property or the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest.

### 2.9 Financial Instruments

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

## NOTES TO FINANCIAL STATEMENTS for the year ended 31 March 2019

### Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

### (a) Financial assets

#### Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short term deposits which are readily convertible into known amounts of cash, are subject to an insignificant risk of change in value and have maturities of less than three months from the date of such deposits. These balances with banks are unrestricted for withdrawal and usage.

#### Other bank balances

Other bank balances include balances and deposits with banks that are restricted for withdrawal and usage or having maturities of more than three months from the date of such deposits.

#### Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### Financial assets measured at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### Financial assets measured at fair value through profit or loss

Financial asset not measured at amortized cost or at fair value through other comprehensive income is carried at fair value through profit or loss.

#### Impairment of financial assets

Loss allowance for expected credit losses is recognized for financial assets measured at amortized cost and fair value through other comprehensive income.

The Company recognises life time expected credit losses for all trade receivables that do not constitute a financing transaction.

For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition.

#### De-recognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

### (b) Financial liabilities and equity instruments

#### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

## NOTES TO FINANCIAL STATEMENTS for the year ended 31 March 2019

### Financial liabilities

Financial liabilities such as trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant.

### Borrowings

Interest-bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method.

### Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

## 2.10 Employee benefits

### (a) Post employment obligations

#### Defined contribution plans

The Company makes contributions to government administered provident fund scheme, employee state insurance scheme and pension fund scheme for the employees. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

#### Defined benefit plans - Gratuity

The liability or asset recognised in the balance sheet in respect of gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets, if any. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets, if any. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

### (b) Compensated absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised based on actuarial valuation at the present value of the obligation as on the reporting date.

The obligations are presented as current liabilities in the balance sheet since the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

## 2.11 Government grants

Grants from the government 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 Grant that are receivable as a compensation for expenses or losses incurred for the purpose of giving immediate financial support with no future related cost are recognised in statement of Profit and loss in the year it is received.

## NOTES TO FINANCIAL STATEMENTS for the year ended 31 March 2019

Tea Plantation Subsidy and other subsidies is accounted for on acceptance from the concerned authorities.

### 2.12 Provisions

Provisions are recognised in the balance sheet when the Company has a present obligation (legal or constructive) as a result of a past event, which is expected to result in an outflow of resources embodying economic benefits which can be reliably estimated. Each provision is based on the best estimate of the expenditure required to settle the present obligation at the balance sheet date. When appropriate, provisions are measured on a discounted basis.

Constructive obligation is an obligation that derives from an entity's actions where:

- (a) by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and
- (b) As a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

### 2.13 Income taxes

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

### 2.14 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable net of discounts, taking into account contractually defined terms and excluding taxes or duties collected on behalf of the government.

#### Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognized if there are significant uncertainties regarding recovery of the amount due, associated costs or the possible return of goods.

### 2.15 Income recognition

#### a) Interest income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.

## NOTES TO FINANCIAL STATEMENTS for the year ended 31 March 2019

### b) Dividend income

Dividend income from investments is recognised when the shareholder's rights to receive payment have been established.

### 2.16 Inventories

Raw materials including harvested tea leaves, produced from own gardens are measured at lower of cost and net realisable value. Cost being the fair value less cost to sell at the point of harvest of tea leaves.

Raw materials of purchased green leaves, stores and spare parts and finished goods are stated at lower of cost and net realisable value. Cost of finished goods comprise direct material, direct labour and appropriate portion of variable and fixed overhead expenditure. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Cost are assigned to individual items of inventory on the basis of weighted average method. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

### 2.17 Research and development

Revenue expenditure on research and development is recognised as a charge in the Statement Profit and Loss. Capital expenditure on assets acquired for research and development is added to Property, plant and equipment, if any.

### 2.18 Earnings per share

Earnings per share is calculated by dividing the net profit or loss for the year attributable to equity share holders, by the weighted average numbers of equity shares outstanding during the year.

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

### 2.19 Contingent Liabilities

Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of notes to the accounts.

### 2.20 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest hundreds as per the requirements of Schedule III, unless stated otherwise.

**NOTES TO FINANCIAL STATEMENTS** for the year ended 31 March 2019

(All amounts in INR hundreds, unless otherwise stated)

**Note 3 : Property, plant and equipment**

Particulars	GROSS BLOCK - AT COST				DEPRECIATION				NET BLOCK	
	As at 01 April 2017	Addition/ Adjustments	Deductions/ Adjustments	Closing as at 31 March 2018	As at 01 April 2017	Charge during the year	Deductions/ Adjustments	Closing as at 31 March 2018	As at 31 March 2018	As at 01 April 2017
Land - leasehold	—	—	—	—	—	—	—	—	—	—
Bearer plant	3,91,455	1,22,245	—	5,13,700	9,947	9,256	—	19,203	4,94,497	3,81,508
Buildings	46,133	—	—	46,133	3,371	5,934	—	9,305	36,828	42,762
Plant & Machinery	95,266	3,963	—	99,229	15,410	14,012	—	29,422	69,807	79,856
Furniture & Fixture	879	—	—	879	258	187	—	445	434	621
Motor Vehicles	27,199	9,365	—	36,564	7,327	6,742	—	14,069	22,495	19,872
Computers	163	—	—	163	87	51	—	138	25	76
<b>Total</b>	<b>5,61,095</b>	<b>1,35,573</b>	<b>—</b>	<b>6,96,668</b>	<b>36,400</b>	<b>36,182</b>	<b>—</b>	<b>72,582</b>	<b>6,24,086</b>	<b>5,24,695</b>

Particulars	GROSS BLOCK - AT COST				DEPRECIATION				NET BLOCK	
	As at 01 April 2018	Addition/ Adjustments	Deductions/ Adjustments	Closing as at 31 March 2019	As at 01 April 2018	Charge during the year	Deductions/ Adjustments	Closing as at 31 March 2019	As at 31 March 2019	As at 31 March 2018
Land - leasehold	—	—	—	—	—	—	—	—	—	—
Bearer plant	5,13,700	1,14,427	—	6,28,127	19,203	8,168	—	27,371	6,00,756	4,94,497
Buildings	46,133	—	—	46,133	9,305	3,744	—	13,049	33,084	36,828
Plant & Machinery	99,229	4,977	—	1,04,206	29,422	15,901	—	45,323	58,883	69,807
Furniture & Fixture	879	—	—	879	445	44	—	489	390	434
Motor Vehicles	36,564	—	—	36,564	14,069	6,117	—	20,186	16,378	22,495
Computers	163	153	—	316	138	2	—	140	176	25
<b>Total</b>	<b>6,96,668</b>	<b>1,19,557</b>	<b>—</b>	<b>8,16,225</b>	<b>72,582</b>	<b>33,976</b>	<b>—</b>	<b>1,06,558</b>	<b>7,09,667</b>	<b>6,24,086</b>

**Note 4 : Capital work-in-progress**

Description	As at 01 April 2017	Addition	Sales / Adjustments during the Year	Closing as at 31 March 2018
Bearer plant - young trees	2,19,640	2,94,610	(1,22,245)	3,92,005
Bearer plant - nursery	20,648	13,309	(20,648)	13,309
<b>Total</b>	<b>2,40,288</b>	<b>3,07,919</b>	<b>(1,42,893)</b>	<b>4,05,314</b>

Particulars	As at 01 April 2018	Addition	Deductions / Adjustments	Closing as at 31 March 2019
Bearer plant - young trees	3,92,005	2,33,216	(1,14,427)	5,10,794
Bearer plant - nursery	13,309	13,319	(13,309)	13,319
<b>Total</b>	<b>4,05,314</b>	<b>2,46,535</b>	<b>(1,27,736)</b>	<b>5,24,113</b>

(i) Property, plant and equipment pledged as security

Refer to note 20 for information on property, plant and equipment pledged as security by the Company.

(ii) Contractual obligations

Refer to note 37 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

## NOTES TO FINANCIAL STATEMENTS for the year ended 31 March 2019

### Note 5 : Investments - Non current

(All amounts in INR hundreds, unless otherwise stated)

Particulars	31 March 2019	31 March 2018
<b>Investment in equity shares designated at FVPL - Others (fully paid up) :</b>		
<b>i) Quoted</b>		
10,606 (31 March 2019: 10,606, 31 March 2018: 10,606) equity shares of Rs.100 each fully paid-up in Jardine Henderson Limited	97,500	77,071
<b>ii) Unquoted</b>		
500 (31 March 2019: 500, 31 March 2018: 500) equity shares of Rs.10 each fully paid-up in ABC Tea Workers' Welfare Services (formerly Assam Bengal Cereals Ltd.)	50	50
<b>Total non-current investment</b>	<b>97,550</b>	<b>77,121</b>
(a) Aggregate carrying amount of quoted investments	97,500	77,071
(b) Aggregate market value of quoted investments	97,500	77,071
(c) Aggregate amount of unquoted investments	50	50

### Note 6 : Other financial assets - non current

Particulars	31 March 2019	31 March 2018
Security deposits	13,300	13,300
<b>Total</b>	<b>13,300</b>	<b>13,300</b>

### Note 7 : Non current tax asset (net)

Particulars	31 March 2019	31 March 2018
Advance income tax [net of provision for tax and FBT of Rs. 11,804 (31 March 2019: Rs.11,804, 31 March 2018: Rs. 11,804)]	78,928	78,928
<b>Total</b>	<b>78,928</b>	<b>78,928</b>

### Note 8 : Other non current assets

Particulars	31 March 2019	31 March 2018
Advances to consignor	60,677	62,404
<b>Total</b>	<b>60,677</b>	<b>62,404</b>

### Note 9 : Inventories

Particulars	31 March 2019	31 March 2018
Inventories (valued at lower of cost and net realizable value)		
Stock of tea	2,38,712	2,42,681
Stores and spares	40,523	90,212
<b>Total</b>	<b>2,79,235</b>	<b>3,32,893</b>

### Note 10 : Biological assets other than bearer plants

Particulars	31 March 2019	31 March 2018
Fair value of biological assets other than bearer plants (Unharvested tea leaves)	10,897	9,727
<b>Total</b>	<b>10,897</b>	<b>9,727</b>

**NOTES TO FINANCIAL STATEMENTS** for the year ended 31 March 2019

(All amounts in INR hundreds, unless otherwise stated)

**Reconciliation of changes in the carrying amount of biological assets**

Particulars	31 March 2019	31 March 2018
Opening balance	9,727	6,776
Gain/ (loss) arising from changes in fair value less costs to sell	713	(1,108)
Increases due to purchases/ flushing during the year	10,183	10,835
Decreases due to harvest during the year	(9,726)	(6,776)
<b>Closing balance</b>	<b>10,897</b>	<b>9,727</b>

**Note :** Unharvested tea leaves on bushes as on 31 March 2019 was 1,08,132 kgs (31 March 2018 -94,479 kgs)**Note 11 : Trade receivables**

Particulars	31 March 2019	31 March 2018
Unsecured, considered good	1,08,799	1,09,795
<b>Total</b>	<b>1,08,799</b>	<b>1,09,795</b>

**Note 12 : Cash and cash equivalents**

Particulars	31 March 2019	31 March 2018
Cash in hand	251	415
Balance with banks in current account	2,750	8,627
<b>Total</b>	<b>3,001</b>	<b>9,042</b>

**Note 13 : Other bank balances**

Particulars	31 March 2019	31 March 2018
Balance with banks - unpaid dividend account*	1,931	2,378
<b>Total</b>	<b>1,931</b>	<b>2,378</b>

\* Earmarked for payment of unclaimed dividend

**Note 14 : Other current assets**

Particulars	31 March 2019	31 March 2018
Advance against supply of goods or services	89,607	72,219
Advance to employee	16,182	35,069
Balances with excise and other government authorities	5,466	5,466
Prepaid expenses	8,747	8,747
<b>Total</b>	<b>1,20,002</b>	<b>1,21,501</b>

**Note 15 : Equity share capital**

Particulars	31 March 2019	31 March 2018
<b>Authorized equity share capital</b>		
500,000 (31 March, 2019: 500,000, 31 March 2018: 500,000) equity shares of Rs.10/- each	<b>50,000</b>	<b>50,000</b>
<b>Issued, subscribed and fully paid-up equity share capital</b>		
3,92,770 (31 March, 2019: 3,92,770, 31 March 2018: 3,92,770) equity shares of Rs.10 each fully paid up	39,277	39,277
<b>Total</b>	<b>39,277</b>	<b>39,277</b>

## NOTES TO FINANCIAL STATEMENTS for the year ended 31 March 2019

(All amounts in INR hundreds, unless otherwise stated)

### (i) Movement in equity share capital

Particulars	31 March 2019		31 March 2018	
	No. of shares	Amount	No. of shares	Amount
<b>Equity shares</b>				
At the beginning of the year	3,92,770	39,277	3,92,770	39,277
Issued during the year				
<b>Outstanding at the end of the year</b>	<b>3,92,770</b>	<b>39,277</b>	<b>3,92,770</b>	<b>39,277</b>

### (ii) Terms / rights attached to equity shares

The company has only one class of equity shares having a par value of Rs 10/- per share. Each holder of equity shares is entitled to one vote per share.

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

### (iii) Details of shareholders holding more than 5% shares in the company

Particulars	31 March 2019		31 March 2018	
	No. of shares	% of holding	No. of shares	% of holding
<b>Equity shares of Rs. 10 each fully paid-up</b>				
1. Rydak Syndicate Ltd.	62,924	16.02%	62,924	16.02%
2. Kant & Co. Ltd.	60,407	15.38%	60,407	15.38%
3. Sripadam Investments Ltd.	54,248	13.81%	54,248	13.81%
4. National Insurance Co. Ltd.	39,030	9.94%	39,030	9.94%
5. Vibha Leasing Co. Ltd	19,800	5.04%	2,700	0.69%

(iv) During the period of 5 years immediately preceding the balance sheet date, no shares were issued for consideration other than cash. Also, no bonus shares were issued and no shares were bought back by the company during the said period.

### Note 16 : Other equity

Particulars	31 March 2019	31 March 2018
<b>Reserves and surplus</b>		
a) Capital reserve	256	256
b) General reserve	4,67,965	4,67,965
c) Retained earnings	(2,31,379)	(1,70,878)
<b>Total reserves and surplus</b>	<b>2,36,842</b>	<b>2,97,343</b>

### Note 16(a) : Other equity

Particulars	31 March 2019	31 March 2018
<b>Reserves and surplus</b>		
<b>a) Capital reserve</b>		
Opening balance	256	256
<b>Closing balance</b>	<b>256</b>	<b>256</b>
<b>b) General reserve</b>		
Opening balance	4,67,965	4,67,965
Amount transferred from retained earnings	–	–
<b>Closing balance</b>	<b>4,67,965</b>	<b>4,67,965</b>

**NOTES TO FINANCIAL STATEMENTS** for the year ended 31 March 2019

(All amounts in INR hundreds, unless otherwise stated)

Particulars	31 March 2019	31 March 2018
<b>c) Retained earnings</b>		
Opening balance	(1,70,878)	88,677
Net profit/ (loss) for the year	(1,03,065)	(2,11,789)
<i>Items of other comprehensive income recognised directly in retained earnings</i>		
- Remeasurements of post-employment benefit obligation, net of tax	1,920	(47,766)
Remeasurement of Subsidy	40,644	-
Dividend paid	-	-
Dividend distribution tax paid	-	-
Transfer to General reserve	-	-
<b>Closing balance</b>	<b>(2,31,379)</b>	<b>(1,70,878)</b>
<b>Total reserves and surplus</b>	<b>2,36,842</b>	<b>2,97,343</b>

**Nature and purpose of other reserves****General reserve**

Under the erstwhile Indian Companies Act, 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act, 2013, the requirement to mandatory transfer a specified percentage of the net profit to general reserve has been withdrawn though the Company may transfer such percentage of its profits for the financial year as it may consider appropriate. Declaration of dividend out of such reserve shall not be made except in accordance with rules prescribed in this behalf under the Act.

**Retained earnings**

Retained earnings are the profits that the Company has earned till date, less any transfer to general reserve, dividends or other distributions paid to shareholders.

**Note 17 : Provisions - Non current**

Particulars	31 March 2019	31 March 2018
<b>Provision for employee benefits</b>		
Provision for gratuity (Refer note 39)	2,35,375	1,85,766
<b>Total</b>	<b>2,35,375</b>	<b>1,85,766</b>

**Note 18 : Deferred tax Assets (net)**

Particulars	31 March 2019	31 March 2018
<b>Deferred tax liability</b>		
Property, plant and equipment	12,171	8,965
MAT credit entitlement		
Investments	17,763	13,573
Others		
<b>Gross deferred tax liability</b>	<b>29,934</b>	<b>22,538</b>
<b>Deferred tax asset</b>		
Property, plant and equipment	242	242
Expenses allowable on payment basis	77,333	72,221
Provisions	-	-
Biological asset other than bearer plant and inventories	15,323	15,323
Others	-	-
<b>Gross deferred tax assets</b>	<b>92,898</b>	<b>87,786</b>
<b>Net deferred tax liabilities/(asset)</b>	<b>(62,964)</b>	<b>(65,248)</b>

## NOTES TO FINANCIAL STATEMENTS for the year ended 31 March 2019

(All amounts in INR hundreds, unless otherwise stated)

### Note 19 : Deferred income

Particulars	31 March 2019	31 March 2018
Opening balance	40,644	22,192
Grants received during the year	–	18,865
Less: Released to Retained Earnings	(40,644)	–
Less : Released to Profit & Loss Account	–	(413)
<b>Closing balance</b>	<b>–</b>	<b>40,644</b>

Particulars	31 March 2019	31 March 2018
Current portion	–	535
Non-current portion	–	40,109

### Note 20 : Borrowings - Current

Particulars	31 March 2019	31 March 2018
<b>Loans repayable on demand</b>		
<b>Unsecured</b>		
Inter-corporate deposit	2,17,250	72,250
<b>Secured</b>		
Term Loan	54,534	–
Cash credit from banks (secured)	2,00,948	1,90,463
<b>Total</b>	<b>4,72,732</b>	<b>2,62,713</b>

Cash credit from banks are secured against first charge on the entire current assets of the Company and are repayable on demand. The above loans carry interest @ 10.55% p.a. (31 March 2018 :@ 10.90% p.a.)

### Note 21 : Trade payables

Particulars	31 March 2019	31 March 2018
Trade payables	4,28,775	3,98,171
<b>Total</b>	<b>4,28,775</b>	<b>3,98,171</b>

### Note 22 : Other financial liabilities - Current

Particulars	31 March 2019	31 March 2018
Unpaid dividend	1,931	2,379
Others payables	4,93,112	3,60,855
<b>Total</b>	<b>4,95,043</b>	<b>3,63,234</b>

### Note 23 : Other Current Liabilities

Particulars	31 March 2019	31 March 2018
Advance from customers	–	1,51,059
Statutory dues payable	13,015	6,627
<b>Total</b>	<b>13,015</b>	<b>1,57,686</b>

**NOTES TO FINANCIAL STATEMENTS** for the year ended 31 March 2019

(All amounts in INR hundreds, unless otherwise stated)

**Note 24 : Provisions - current**

Particulars	31 March 2019	31 March 2018
<b>Provision for employee benefits</b>		
Provision for gratuity (Refer note 39)	46,744	66,089
Provision for compensated absences (Refer note 39)	5,677	2,446
<b>Total</b>	<b>52,421</b>	<b>68,535</b>

**Note 25 : Current tax liability (net)**

Particulars	31 March 2019	31 March 2018
Provision for tax and FBT [net of advance income tax net of Rs. 30,12,107 (31 March 2018 : Rs.29,33,727, 01 April 2016: Rs. 26,55,635)]	97,584	98,368
<b>Total</b>	<b>97,584</b>	<b>98,368</b>

**Note 26: Revenue from operation**

Particulars	31 March 2019	31 March 2018
<b>Sale of goods:</b>		
Manufactured goods (Sale of Tea)	14,78,945	13,45,858
<b>Total</b>	<b>14,78,945</b>	<b>13,45,858</b>

**Note 27 : Other income**

Particulars	31 March 2019	31 March 2018
Dividend income on equity investments measured at FVTPL	530	795
Change in fair value of financial assets measured at FVTPL	20,428	–
Sale of tea waste	4,492	5,856
Gain on sale of property, plant and equipment	–	200
Government grant	34,148	14,381
Sundry receipt	1,727	56,414
<b>Total</b>	<b>61,325</b>	<b>77,646</b>

**Note 28 : Cost of materials consumed**

Particulars	31 March 2019	31 March 2018
Inventory at the beginning of the year	66,150	70,107
Add: Purchases	1,54,495	1,14,759
Less: Inventory at the end of the year	44,703	66,150
<b>Total</b>	<b>1,75,942</b>	<b>1,18,716</b>

**Note 29 : Changes in inventories of finished goods**

Particulars	31 March 2019	31 March 2018
Opening Stock of Tea	2,42,681	2,48,205
Closing Stock of Tea	2,38,712	2,42,681
<b>(Increase)/Decrease</b>	<b>3,969</b>	<b>5,524</b>

## NOTES TO FINANCIAL STATEMENTS for the year ended 31 March 2019

(All amounts in INR hundreds, unless otherwise stated)

### Note 30 : Fair value of Biological Assets

Particulars	31 March 2019	31 March 2018
Opening Fair Value of Biological Assests other than bearer plant	9,727	6,777
Closing Fair Value of Biological Assests other than bearer plant	10,898	9,727
<b>(Increase)/Decrease</b>	<b>(1,171)</b>	<b>(2,950)</b>

### Note 31 : Employee benefit expense

Particulars	31 March 2019	31 March 2018
Salaries, Wages & Bonus	9,53,915	9,16,422
Contribution to Provident and other funds	97,422	90,867
Gratuity Expense	-	27,173
Workmen and Staff Welfare	30,295	38,642
<b>Total</b>	<b>10,81,632</b>	<b>10,73,104</b>

### Note 32: Finance costs

Particulars	31 March 2019	31 March 2018
Interest and finance charges on financial liabilities not at fair value through profit or loss	47,698	81,000
Less: Borrowing cost capitalisation	(11,019)	(31,981)
<b>Total</b>	<b>36,679</b>	<b>49,019</b>

The cpaitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the entity's general borrowing during the year, in this case is 10.55%, (31 March 2018: 10.90%)

### Note 33 : Other expenses

Particulars	31 March 2019	31 March 2018
Power and Fuel	1,50,488	1,58,122
Repairs to Buildings	1,542	7,160
Repairs to Machinery	9,283	22,384
Insurance	3,123	2,833
Rates & Taxes	2,443	5,544
Cess/Excise Duty	-	230
Cess on Green Leaf	14,506	14,123
Brokerage and Commission on Tea	6,078	2,759
Freight and Transit Charges	46,234	36,110
Cultiivation Expenses	12,298	13,056
Directors sitting fees	1,320	1,470
<b>Auditors' remuneration:</b>		
Statutory Audit fees	1,200	1,200
Tax Audit fees	300	300
Other Services	195	200
Out of pocket expenses	-	-
Miscellaneous Expenses	61,775	71,369
<b>Total</b>	<b>3,10,785</b>	<b>3,36,860</b>

**NOTES TO FINANCIAL STATEMENTS** for the year ended 31 March 2019

(All amounts in INR hundreds, unless otherwise stated)

**Note 34 : Earnings per share**

Particulars	31 March 2019	31 March 2018
(a) Profit attributable to equity holders of the company used in calculating basic and diluted earnings per share (INR hundreds)	(1,03,065)	(2,11,789)
(b) Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share (in numbers)	3,92,770	3,92,770
(c) Basic and diluted earnings per share (INR)	(26.24)	(53.92)
(d) Nominal value of Equity Share (in Rs.)	10	10

**Note 35 : Income tax expense**

This note provides an analysis of the Company's income tax expense, shows amounts that are recognised in profit or loss or other comprehensive income and how the tax expense is affected by non-assessable and non-deductible items.

Particulars	31 March 2019	31 March 2018
(a) Income tax expense		
Current tax		
Current tax on profits for the year		
Profit and loss	–	–
<b>Total current tax expense</b>	–	–
<b>Deferred tax</b>		
Decrease (increase) in deferred tax assets	3,117	21,517
(Decrease) increase in deferred tax liabilities	(1,594)	(2,679)
<b>Total deferred tax expense/(benefit)</b>	1,523	18,838
<b>Income tax expense</b>	<b>1,523</b>	<b>18,838</b>

Particulars	31 March 2019	31 March 2018
<b>Current tax expense recognised in profit or loss</b>		
Current tax on profits for the year		
Profit and loss	–	–
<b>Total current tax expense (A)</b>	–	–
<b>Deferred tax expense recognised in profit or loss</b>		
Deferred taxes	1,523	18,838
<b>Total deferred tax expense recognised in profit or loss (B)</b>	<b>1,523</b>	<b>18,838</b>
<b>Deferred tax expense recognised in other comprehensive income</b>		
Deferred taxes	(761)	18,946
<b>Total deferred tax expense recognised in other comprehensive income (C)</b>	<b>(761)</b>	<b>18,946</b>
<b>Total deferred tax for the year (B+C)</b>	<b>762</b>	<b>37,784</b>
<b>Total income tax expense recognised in profit or loss (A+B)</b>	<b>1,523</b>	<b>18,838</b>
<b>Total income tax expense recognised in other comprehensive income (C)</b>	<b>(761)</b>	<b>18,946</b>
<b>Total income tax expense (A+B+C)</b>	<b>762</b>	<b>37,784</b>

## NOTES TO FINANCIAL STATEMENTS for the year ended 31 March 2019

(All amounts in INR hundreds, unless otherwise stated)

### (b) Reconciliation of tax expense and the accounting profit multiplied by tax rate:

Particulars	31 March 2019	31 March 2018
Profit before tax	(1,01,542)	(1,92,951)
<b>Tax at the rate of 28.40% (2017-18 – 28.30%)</b>	<b>(28,838)</b>	<b>(54,605)</b>
Income exempt from tax	–	–
Deferred tax not recognised on business losses	52,220	47,295
Effect of impact due to change in tax rates	(29,255)	37,335
Deferred tax recognised at differential rate on fair valuation of investments	4,190	4,462
Depreciation bearer plants	3,206	2,619
MAT credit availment	–	–
Items on which no deferred tax created	–	5,222
Others	–	–
<b>Total income tax expense/(credit)</b>	<b>1,523</b>	<b>42,328</b>

### Note 36: Capital management

#### (a) Risk management

The Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through a mixture of equity, long term borrowings and short term borrowings.

In order to maintain or adjust the Capital Structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The amount maintained under total Equity in Balance Sheet is considered as capital.

#### (b) Dividends paid and proposed

Particulars	31 March 2019	31 March 2018
<b>(i) Equity shares</b>		
Final dividend for the year ended 31 March, 2019 - Nil (31 March 2018 - Nil) per fully paid share	–	–
Dividend Distribution Tax	–	–

**NOTES TO FINANCIAL STATEMENTS** for the year ended 31 March 2019

(All amounts in INR hundreds, unless otherwise stated)

**Note 37 : Fair value measurements****Financial instruments by category**

Particulars	31 March 2019		31 March 2018	
	FVPL	Amortised cost	FVPL	Amortised cost
<b>Financial assets</b>				
Investments in equity instruments	97,550	–	77,121	–
Trade receivables	–	1,08,799	–	1,09,795
Cash and cash equivalents	–	3,001	–	9,041
Other bank balances	–	1,931	–	2,378
Other financial assets	–	13,300	–	13,300
<b>Total financial assets</b>	<b>97,550</b>	<b>1,27,031</b>	<b>77,121</b>	<b>1,34,515</b>
<b>Financial liabilities</b>				
Borrowings	–	4,72,732	–	2,62,713
Trade payable	–	4,28,775	–	3,98,171
Other financial liabilities	–	4,95,043	–	3,63,234
<b>Total financial liabilities</b>	<b>–</b>	<b>13,96,550</b>	<b>–</b>	<b>10,24,118</b>

**(i) Fair value hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

**Level 1 :** hierarchy includes financial instruments measured using quoted prices. .

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

**Level 3 :** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data

The entire financial assets and liabilities of the Company is classified as Level 3 in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

**Note :**

- There have been no transfers between Level 1 and Level 2 for the years ended March 31, 2019 and March 31, 2018.
- Costs of unquoted equity instruments has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.
- Fair value of borrowings which do not have an active market or are unquoted is estimated by discounting expected future cash flows using a discount rate equivalent to the risk-free rate of return adjusted for credit spread considered by lenders for instruments of similar maturities which is categorised as level 3 in the fair value hierarchy.

**(ii) Valuation technique used to determine fair value**

Specific valuation techniques used to value financial instruments include:

- the fair value of the financial instruments is determined using discounted cash flow analysis.

The carrying amounts of remaining financial assets and liabilities are considered to be the same as their fair values, due to their short-term nature.

The fair values for financial instruments were calculated based on cash flows discounted using current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

## NOTES TO FINANCIAL STATEMENTS for the year ended 31 March 2019

(All amounts in INR hundreds, unless otherwise stated)

### Fair value of biological assets other than bearer plants

Particulars	31 March 2019	31 March 2018
Fair value of biological assets other than bearer plants (Unharvested tea leaves) for which fair value (less cost to sell) are disclosed	10,897	9,727
<b>Total</b>	<b>10,897</b>	<b>9,727</b>

**Note :** The fair value of biological assets other than bearer plants are to be considered as Level 2 fair values

### Note 38 : Financial Risk Management

The Company's activities are exposed to a variety of financial risks: credit risk, liquidity risk and market risk (i.e. foreign currency risk, interest rate risk and price risk).

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk:

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables and financial assets measured at amortised cost.	Ageing analysis Credit ratings	Diversification of bank deposits and credit limits, quality customer selection
Liquidity risk	Financial liabilities that are settled by delivering cash or another financial asset.	Cash flow forecasts	Projecting cash flows and considering the level of liquid assets necessary to meet the liabilities
Market risk – a) security prices	Investments in equity securities	Sensitivity analysis	Portfolio diversification

#### (A) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) including deposits with banks and financial institutions and other financial instruments carried at amortised cost and financial guarantees.

##### i) Trade receivables

Customer credit risk is managed by the Company through established policy and procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally carrying 45 to 90 days credit terms. The Company has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation. The Company's exposure to customers is diversified and no single customer contributes to more than 10% of outstanding trade receivables as at 31 March 2019, (31 March 2018).

The ageing of trade receivables as of balance sheet date is given below. The age analysis have been considered from the due date:

Particulars	Less than six months	More than six months	Total
Trade receivable as on 31 March 2019 (Gross)	1,08,799	-	1,08,799
Less: Provision for impairment loss	-	-	-
<b>Trade receivable as on 31 March 2019 (Net)</b>	<b>1,08,799</b>	<b>-</b>	<b>1,08,799</b>

Particulars	Less than six months	More than six months	Total
Trade receivable as on 31 March 2018 (Gross)	1,09,795	-	1,09,795
Less: Provision for impairment loss	-	-	-
<b>Trade receivable as on 31 March 2018 (Net)</b>	<b>1,09,795</b>	<b>-</b>	<b>1,09,795</b>

**NOTES TO FINANCIAL STATEMENTS** for the year ended 31 March 2019*(All amounts in INR hundreds, unless otherwise stated)*

The requirement for impairment is analysed at each reporting date. Refer note 11 for details on the impairment of trade receivables. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 36. The Company does not hold collateral as security.

**ii) Financial instruments and deposits**

Financial instruments that are subject to credit risk and concentration thereof principally consist of trade receivables, loans receivables, investments and cash and cash equivalents held by the Company. None of the financial instruments of the Company result in material concentration of credit risk.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was Rs. 1,27,47,885 as at 31 March 2019, Rs. 1,34,51,481 as at 31 March 2018, being the total of the carrying amount of trade receivables and other financial assets.

**(B) Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. This is generally performed in accordance with practice and limits set by the Company.

**(i) Maturities of financial liabilities**

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

- all financial liabilities

The amount disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

<b>Contractual maturities of financial liabilities 31 March 2019</b>	<b>Less than 1 year</b>	<b>1 - 3 years</b>	<b>Total</b>
Borrowings	4,72,732	–	4,72,732
Trade payable	4,28,775	–	4,28,775
Other financial liabilities	4,95,043	–	4,95,043
<b>Total financial liabilities</b>	<b>13,96,550</b>	<b>–</b>	<b>13,96,550</b>

<b>Contractual maturities of financial liabilities 31 March 2018</b>	<b>Less than 1 year</b>	<b>1 - 3 years</b>	<b>Total</b>
Borrowings	2,62,713	–	2,62,713
Trade payable	3,98,171	–	3,98,171
Other financial liabilities	3,63,234	–	3,63,234
<b>Total financial liabilities</b>	<b>10,24,118</b>	<b>–</b>	<b>10,24,118</b>

**(C) Market risk****(i) Foreign currency risk**

Foreign Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's transactions are denominated only in INR and hence the Company is not exposed to any foreign currency risk.

**(ii) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to the risk of changes in market interest rates because it does not have any floating rate borrowings nor does it have any variable rate financial assets.

**(iii) Price risk****(a) Exposure**

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market.

## NOTES TO FINANCIAL STATEMENTS for the year ended 31 March 2019

(All amounts in INR hundreds, unless otherwise stated)

The company's exposure to equity securities price risk arises from investments held by the company in equity securities and classified in the balance sheet as at fair value through profit and loss account.

### (b) Sensitivity

The table below summarises the impact of increases/decreases of the prices of respective securities on company's equity and profit before tax for the period. The analysis is based on the assumption that the price of the respective securities had increased by 5% or decreased by 5% with all other variables held constant:

Particulars	Impact on profit before tax		Impact on other component of equity	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Increase by 5% (2018: 5%)*	4,87,748	3,85,607	3,37,034	2,66,454
Decrease by 5% (2018: 5%)*	(4,87,748)	(3,85,607)	(3,37,034)	(2,66,454)

\* Holding all other variables constant

### Note 39 : Employee benefit obligations

#### (i) Defined contribution plan

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident fund which is defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are recognised in the Statement of Profit and Loss as they accrue. The amount recognised as an expense towards contribution to Provident fund for the year aggregates to Rs. 35,167 (2017-18: Rs. 90,867).

#### (ii) Post-employment obligations

##### a) Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic (including dearness allowance) salary per month computed proportionately for 15 days (reckoning 26 days for a month) salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to recognised funds in India.

Based on actuarial valuation, a provision is recognised in full for the projected obligation over and above the funds held in scheme.

#### (iii) Balance sheet recognition

##### a) Gratuity

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

Particulars	Present value of obligation	Fair value of plan assets	Net amount
<b>1 April 2017</b>	2,40,119	9,284	2,30,835
Current service cost	12,107	-	12,107
Interest expense/(income)	15,786	720	15,066
<b>Total amount recognised in profit or loss</b>	<b>27,893</b>	<b>720</b>	<b>27,173</b>
<i>Remeasurements</i>			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(187)	187
Actuarial (gain)/loss from change in financial assumptions	(7,207)	-	(7,207)
Actuarial (gain)/loss from unexpected experience	73,733	-	73,733
<b>Total amount recognised in other comprehensive income</b>	<b>66,525</b>	<b>(187)</b>	<b>66,712</b>
Employer contributions/ premium paid	-	72,865	(72,865)
Benefit payments	(72,865)	(72,865)	-
<b>31 March 2018</b>	<b>2,61,672</b>	<b>9,817</b>	<b>2,51,855</b>

**NOTES TO FINANCIAL STATEMENTS** for the year ended 31 March 2019

(All amounts in INR hundreds, unless otherwise stated)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
<b>1 April 2018</b>	2,61,672	9,817	2,51,854
Current service cost	18,644	-	18,644
Interest expense/(income)	19,960	756	19,204
<b>Total amount recognised in profit or loss</b>	<b>38,604</b>	<b>756</b>	<b>37,848</b>
<i>Remeasurements</i>			
Return on plan assets, excluding amounts included in interest expense/(income)	-	82	(82)
Actuarial (gain)/loss from change in financial assumptions	905	-	905
Actuarial (gain)/loss from unexpected experience	(3,502)	-	(3,502)
<b>Total amount recognised in other comprehensive income</b>	<b>(2,599)</b>	<b>82</b>	<b>(2,681)</b>
Employer contributions/ premium paid	-	4,902	(4,902)
Benefit payments	(4,902)	(4,902)	-
<b>31 March 2019</b>	<b>2,92,774</b>	<b>10,655</b>	<b>2,82,119</b>

**(iv) Significant estimates: actuarial assumptions**

The significant actuarial assumptions were as follows :

Particulars	31 March 2019	31 March 2018
Discount rate	-	-
Salary growth rate	-	-
Mortality rate	IALM (2006-08) Table	IALM (2006-08) Table
Disability Rate	5% of Mortality Rate	5% of Mortality Rate
Withdrawal rate	1% to 8%	1% to 8%
Retirement Age	58 Years	58 Years
Average Future Service	17	13

**(v) Sensitivity analysis**

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions are :

Particulars	Impact on defined benefit obligation			
	31 March 2019		31 March 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (-/+ 1%)	(17,191)	19,424	(13,153)	14,642
Salary growth rate (-/+ 1%)	20,250	(17,988)	15,326	(13,862)
Withdrawal rate (-/+ 1%)	5,847	(6,465)	3,863	(4,216)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied while calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

## NOTES TO FINANCIAL STATEMENTS for the year ended 31 March 2019

(All amounts in INR hundreds, unless otherwise stated)

### (vi) The major categories of plan assets

The defined benefit plans are funded with insurance companies of India. The Company does not have any liberty to manage the funds provided to insurance companies. Thus the composition of each major category of plan assets has not been disclosed.

### (vii) Risk exposure

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

#### Investment risk :

The defined benefit plans are funded with insurance companies of India. The Company does not have any liberty to manage the funds provided to insurance companies.

The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the Government of India bonds. If the return on plan asset is below this rate, it will create a plan deficit.

#### Interest risk :

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

#### Life expectancy :

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.

#### Salary growth risk

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

### (viii) Defined benefit liability and employer contributions

Expected contributions to post-employment benefit plans for the year ending 31 March, 2019 are Rs. 1,04,01,386.

The weighted average duration of the defined benefit obligation is 4.67 years (31 March, 2017 – 7.76 years, 1 April, 2016 – 4.74 years). The expected maturity analysis of undiscounted gratuity benefits are as follows:

Particulars	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years
<b>31 March, 2018</b>				
Defined benefit obligation (gratuity)	81,19,242	40,17,023	46,35,767	1,16,77,005
<b>Total</b>	<b>81,19,242</b>	<b>40,17,023</b>	<b>46,35,767</b>	<b>1,16,77,005</b>
Particulars	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years
<b>31 March, 2018</b>				
Defined benefit obligation (gratuity)	14,14,276	11,55,573	37,72,650	10,94,46,244
<b>Total</b>	<b>14,14,276</b>	<b>11,55,573</b>	<b>37,72,650</b>	<b>10,94,46,244</b>

### (ix) Compensated absences

Compensated absences cover the Company's liability for sick and earned leave. As the Company does not have an unconditional right to defer the payment beyond 12 months the entire amount has been treated as current.

### Note 40 : Other notes to accounts

#### a. Contingent liability is not provided for and includes :

Particulars	31 March 2019	31 March 2018
Income Tax demand disputed and under Appeal	–	–

- b. The Company is engaged in the business of growing, manufacturing and sale of black tea and is having its manufacturing facilities located in India. The performance of the Company is assessed and reviewed by the Chief Operating Decision Maker ('CODM') as a single operating segment and accordingly growing, manufacturing and sale of black tea is the only operating segment.

**NOTES TO FINANCIAL STATEMENTS** for the year ended 31 March 2019

(All amounts in INR hundreds, unless otherwise stated)

The Company is domiciled in India and sells its products in India.

The Company has no customers from whom it derives more than 10% of total revenue.

**c. Related party disclosure****Key Managerial Personnel :**

Mr. R. K. Majumder - Manager  
 Mr. Kumar Shankar Datta - CFO  
 Ms. Sweta Shah - CS

**Key management personnel compensation :**

Particulars	31 March 2019	31 March 2018
Short-term employee benefits	24,024	23,766
Post-employment benefits	–	–
Long-term employee benefits	–	–
Termination benefits	–	–

- d. There were no dues to the Micro, Small and Medium Enterprises outstanding as on 31st March, 2017. This information as required, has been determined to the extent such parties have been identified on the basis of information available to the Company.

**e. Quantitative information**

(In kgs)

Year	Licensed Capacity	Installed Capacity	Production (Saleable Tea)
2018-19	Not Applicable	13,00,000	8,92,740
2017-18		13,00,000	7,53,331

**Financial Instrument by Category**

Year	Sales		Opening Stock		Closing Stock	
	Quantity (Kg.)	Amount	Quantity (Kg.)	Amount	Quantity (Kg.)	Amount
2018-19	8,77,871	15,24,495	1,48,877	3,06,363	1,63,746	2,38,712
2017-18	7,74,243	13,45,858	1,69,789	2,85,853	1,48,877	3,06,363

The above figures includes the sales as a result of Young tree of Rs. 45,55,057 (26,687 kgs)

**f. Value of Imported, indigenous stores, spare parts consumed :**

Particulars	2018-19	2017-18
Indigenous	1,75,942	1,18,716
	100%	100%

In terms of our attached Report of even date

For **Acharyya Swapan & Co.**

Chartered Accountants

Firm's Registration Number: 325797E

**Aditya Singh**

Partner

Membership Number: 068958

Place: Kolkata

Date: 30th May, 2019

For and on behalf of the Board of Directors

**RAKESH MACWAN**

Director

(DIN: 01328442)

**K. S. DATTA**

Chief Financial Officer

**KAUSIK GUPTA**

Director

(DIN: 08000780)

**SWETA SHAH**

Company Secretary

*If undelivered, please return to :*

**DHELAKHAT TEA COMPANY LIMITED**

CIN : L15492WB1917PLC002894

4, Dr. Rajendra Prasad Sarani

Kolkata - 700 001