



# TERAI TEA COMPANY LIMITED

SINCE 1973

## 50<sup>th</sup> Annual Report 2022-23



# Glimpses of Activities - Amit Agarwala Foundation



 **BLOOD DONATION CAMP**   
*In Loving Memory of*  
**AMIT AGARWALA**  
**Organiser : Amit Agarwala Foundation**  
*In association with*  
**SILIGURI TERAI LIONS BLOOD BANK**  
VENUE : AMIT AGARWALA SMRITI BHAWAN, MEDICAL COLLEGE ROAD, SILIGURI  
DATE : 26TH OCTOBER, 2011





# Corporate Information

## **BOARD OF DIRECTORS**

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

**Mrs. Shashikala Agarwala**  
*Non-Independent Director*  
DIN : 00260171

**Mr. Rajendra Kanodia**  
*Non-Independent Director & CFO*  
DIN : 00175574

**Dr. Jayanta Kumar Natwarlal Raja**  
*Independent Director*  
DIN : 06884343

**Mr. Ratan Kumar Goel**  
*Independent Director*  
DIN : 01625981

**Mr. Dhruv Bajoria**  
*Independent Director*  
DIN : 07935582

**Mr. Milan Kisna Sarkar\***  
*Independent Director*  
DIN : 05272885

**Mr. Hemant Kumar Agarwal\***  
*Independent Director*  
DIN : 02308200

**Note** : \*Resigned from Directorship w.e.f. 13.01.2023

## **KEY MANAGERIAL PERSONNEL**

**Mr. Ajit Kumar Agarwala**  
*Managing Director*

**Mr. Rajendra Kanodia**  
*Chief Financial Officer*

**Mr. Rajesh Singhania**  
*Company Secretary & Compliance Officer*

## **COMPANY SECRETARY & COMPLIANCE OFFICER**

**Mr. Rajesh Singhania**

## **BOARD COMMITTEE:-**

### **a) AUDIT COMMITTEE**

**Mr. Dhruv Bajoria** (Chairman)  
**Dr. Jayanta Kumar Natwarlal Raja**  
**Mr. Ratan Kumar Goel**

### **b) NOMINATION & REMUNERATION COMMITTEE**

**Mr. Ratan Kumar Goel** (Chairman)  
**Dr. Jayanta Kumar Natwarlal Raja**  
**Mr. Dhruv Bajoria**

### **c) STAKEHOLDERS**

#### **RELATIONSHIP COMMITTEE**

**Dr. Jayanta Kumar Natwarlal Raja** (Chairman)  
**Mr. Dhruv Bajoria**  
**Mr. Ratan KumarGoel**

## **AUDITOR**

**Saha & Majumder**  
Chartered Accountants.  
Hill Cart Road, Siliguri-734001  
Dist. Darjeeling

## **SECRETARIAL AUDITOR**

**Jain Sonesh & Associates**  
*Company Secretaries*  
46/1, College Road  
Oppo. B.E. College (Main Road)  
Kolkata-711103

## **COST AUDITOR**

**Mr. Debabrota Banerjee**  
63, Radha Bazar Street  
2nd Floor, Kolkata-700001

## **BANKERS**

Central Bank of India  
Bank of India  
Union Bank  
Yes Bank Ltd.

## **REGISTERED OFFICE**

10, Government Place (East)  
1st Floor, Kolkata-700069  
Ph. : (033)460-13789 / 39789 / 19789, 406-45789  
E-mail : teraitea@gmail.com  
Website : www.teraignroup.com

## **CORPORATE OFFICE**

"Agarwala House"  
Sevoke Road,  
2nd Mile Siliguri-734001  
Phone : (0353)2543-857/8  
Fax : (0353)2542-656  
E-mail : teraisiliguri@gmail.com

## **SHARE TRANSFER AGENT**

Maheshwari Datamatics Pvt. Ltd.  
23, R.N. Mukherjee Road  
5th Floor, Kolkata-700001  
Ph. : (033)2248-2248,2343-5029  
Fax : (033)2248-4787  
E-mail : mdpldc@yahoo.com

## **SOLICITORS & LEGAL ADVISORS**

Jhunjunwala & Co.  
Solicitors & Advocates  
7C, K.S. Roy Road  
Kolkata-700001

## **CIN:**

L51226WB1973PLC029009

## **GST:**

19AABCT0258P1ZW



## FINANCIAL INFORMATION



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# TERAI TEA COMPANY LIMITED

REGD. OFFICE : EZRA MANSION, 10, GOVERNMENT PLACE (EAST), 1ST FLOOR, KOLKATA- 700069  
Phone : (033) 460-13789 / 39789 • E-mail : teraitea@gmail.com • Website : www.terraigroup.com  
CIN : L51226WB1973PLC029009 • GSTIN : 19AABCT0258P1ZW

## Notice

**NOTICE** is hereby given that the **50th Annual General Meeting** of the members of “**TERAI TEA COMPANY LIMITED**” will be held on **Friday, the 29th September, 2023 at 10.30 A.M.** at its Registered Office - **10, Government Place (East), 1st Floor, Kolkata-700069** to transact the following business :

### ORDINARY BUSINESS :

#### 1) To Receive, Consider and Adopt:

- a) The Audited **Standalone Financial Statements** of the Company for the financial year ended on 31st March, 2023 with the reports of the Board of Directors' and Auditors thereon.
- b) The Audited **Consolidated Financial Statements** of the Company for the financial year ended on 31st March, 2023 together with report of the Auditors thereon.

- 2) To appoint a Director in place of **Mr. Rajendra Kanodia (DIN : 00175574)**, who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS :

#### 3) Approval of Remuneration to the Cost Auditor of the Company for the Financial Year 2023-24.

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

RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013, read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactments thereof or the time being in force), consent of the Company be and is hereby accorded for payment of remuneration of Rs. 15,000/- (Rupees Fifteen thousand only) plus applicable taxes and out of pocket expenses for conducting audit of the cost accounting records of the Company for the financial year 2023-24 as may be applicable to the Company to **M/s. Debabrota Banerjee & Associates**, Cost Accountants (Firm Registration No. 003850) who were re-appointed as Cost Auditors of the Company by the Board of Directors of the Company at its meeting held on 21st August, 2023.

#### Registered Office :

“Ezra Mansion”  
10, Government Place (East)  
1st Floor, Kolkata – 700 069  
Dated, 21st August, 2023

By the order of the Board  
**For Terai Tea Company Limited**  
Sd/-  
**RAJESH SINGHANIA**  
Company Secretary  
FCS - F7746

# Notice (Contd.)

## NOTES:

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

In terms of Rules 19 of the Companies (Management and Administration) Rules, 2014, a person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint single person as proxy and such persons cannot act a proxy for any other person or shareholder.

- 2) The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 and pursuant to relevant Regulations of SEBI (Listing Obligations and Disclosure Requirements) which sets out details relating to Ordinary / Special business to be transacted at the meeting is annexed hereto.
- 3) The Equity Share transfer Registers of the Company will remain closed from September 23rd, 2023 to September 29th, 2023 (both days inclusive) for the purpose of Annual General Meeting.
- 4) Notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those members whose email addresses are registered with the Company/ Depositories for communication purpose unless any members has requested for a hard copy of the same, for members who have not registered their email address, physical copies of Annual Report is being sent in the permitted mode. Members may note that the Notice and Annual Report 2022-23 will also be available on the Company's website <http://www.teraigroup.com>, website of the Stock Exchange, i.e., BSE Limited at [www.bseindia.com](http://www.bseindia.com) and on website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com). Interested Members may download the Notice and Annual Report from the website of the Company and Exchanges as stated above.
- 5) Members desiring any information as regard accounts are requested to intimate the company at least 10 days before the meeting to enable the management to keep the information required readily available at the meeting.
- 6) The Company's shares are enlisted with NSDL and CDSL for participation in to Electronic Depository System operated by them. Its shares are compulsorily to be traded in Electronic Form and the security bears Code ISIN INE390D1011.
- 7) Members are requested to notify immediately any change of their address, if any, to the Company in case shares are held in physical form or to the DP's, where the account is maintained, if held in demat form.
- 8) Information about the Directors seeking re-appointment at the forthcoming Annual General Meeting pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed separately.
- 9) **Registration of Email Addresses** - Eligible members who have not registered their e-mail addresses are requested to register the same with their Depository Participant ('DP'), if the

shares are held in demat form and members holding shares in physical form are requested to provide the same to the Registrar and Transfer Agent by visiting this link - [www.mdpl.in](http://www.mdpl.in).

**Nomination** : As per the provisions of Section 72 of the Companies Act, 2013 the facility for making nomination is available for the members in respect of the shares held by them. Members who have not yet registered their nomination are advised to register the same by submitting Form No. SH13. Members are requested to submit the said details to their Depository Participants in case the shares are held by them in electronic form and to the Company's Registrar and Transfer Agent ('RTA') in case the shares are held by them in physical form, quoting their folio number. If a member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the weblink - [www.mdpl.in](http://www.mdpl.in)

- 10) To comply with the provision of Section 88 of the Companies Act, 2013 read with Rule 3 of the Companies (Management and Administration) Rules 2014, the Company shall be required to update its database by incorporating members' designated e-mail ID in its records.
- 11) Members are requested to quote folio numbers in all their correspondence. Equity Share of the Company are under compulsory Demat trading by all investors. Considering the advantage of scripts trading, members are encouraged to consider dematerialization of their shareholding so as to avoid inconvenience in future.
- 12) Members / Proxies should bring the attendance slip duly filled in for attending the Meeting.
- 13) Corporate members intending to authorize their representatives to attend the Meeting are requested to send a scanned certified copy of the board resolution (pdf/jpeg format) authorizing their representative to attend and vote on their behalf at the Meeting. The said Resolution/Authorization shall be sent to the CDSL by email at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). with a copy marked to [teraitea@gmail.com](mailto:teraitea@gmail.com).
- 14) Electronic copy of the Notice of this Meeting of the Company inter alia indicating the process and manner of e-voting along with attendance slip and proxy form is being sent to all the members whose e-mail IDs are registered with the Company . Depository Participant(s) for communication purpose unless any members has requested for a hard copy of the same. For members who have not registered their e-mail address, physical copies of the Notices of the 50th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode. Members may also note that Notice of this meeting and the Annual Report will also be available on Company's website [www.teraigroup.com](http://www.teraigroup.com) for their download.
- 15) All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (11.00 am to 1.00 pm) on all working days except Saturdays, up to the date of the Annual General Meeting of the Company.
- 16) In terms of Section 152 of the Act, Mr. Rajendra Kanodia (DIN : 00175574) retires by rotation at this meeting and being eligible, offers himself for re-appointment. The Board of Directors of the Company recommends his re-appointment. The Relevant details of the Director proposed to be appointed / re-appointed, as

# Notice (Contd.)

required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) is annexed to this notice

- 17) To prevent fraudulent transactions, members are advised to exercise due diligence and notify the company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat accounts(s) for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and the holding should be verified.
- 18) Proxy holders are requested to carry valid ID proof such as PAN Card, Voter Card, Pass Port, Driving License, Aadhar Card etc. along with the printed attendance slip.

- 19) Voting through electronic means  
**e-voting to enable the shareholders to cast their vote electronically.**

## I. General Information and Instructions Relating to remote e-voting

- a) In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015, Regulation 44 of the Listing Regulations and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the Company is providing its members, the facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means and the business may be transacted through e-voting services. The facility of casting votes by a member using remote e-voting as well as e-voting during the AGM will be provided by CDSL.
- b) The remote e-voting period commences on 26th September, 2023 (9:00 am) and ends on 28th September, 2023 (5:00 pm). During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Friday, 22nd September, 2023 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- (i) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue by physical ballot.
- (ii) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on 'e-Voting facility provided by Listed Companies', e-Voting process has been enabled to all the Individual demat account holders by way of single login credential through their de-mat account(s) / websites of Depositories / Depository Participant(s) (DPs) in order to increase the efficiency of the voting process. Individual de-mat account holders would be able to cast their vote without having to register again with the e-Voting service provider thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process.
- (iii) Shareholders are advised to update their mobile number and email Id in their de-mat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting for Individual shareholders holding securities in De-mat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in De-mat mode with CDSL	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi tab.
	2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by Company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/ NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.
	3) If the user is not registered for Easi/ Easiest, option to register is available at cdsi website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login & New System Myeasi Tab and then click on registration option.
	4) Alternatively, the user can directly access e-Voting page by providing De-mat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the De-mat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in de-mat mode with NSDL	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on Company name or e-Voting service provider name and you will be re-directed to e-Voting service

# Notice (Contd.)

Type of shareholders	Login Method
	provider website for casting your vote during the remote e-Voting period.
	2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nSDL.com">https://eservices.nSDL.com</a> . Select "Register Online for IDeAS" Portal or click at <a href="https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp</a>
	3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nSDL.com/">https://www.evoting.nSDL.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit de-mat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.
<b>Individual Shareholders (holding securities in de-mat mode) login through their Depository Participants</b>	You can also login using the login credentials of your de-mat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

**Important note :** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in de-mat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in De-mat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll Free no. 1800 22 55 33
Individual Shareholders holding securities in De-mat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nSDL.co.in">evoting@nSDL.co.in</a> or call at toll free no.: 022-48867000 and 022-24997000.

(iv) Login method for e-Voting for Physical shareholders and shareholders other than individual holding in De-mat form.

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in de-mat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	<b>For Physical shareholders and other than individual shareholders holding shares in De-mat.</b>
<b>PAN</b>	(i) Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both de-mat shareholders as well as physical shareholders)  (ii) Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
<b>Dividend Bank Details OR Date of Birth (DOB)</b>	(iii) Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your de-mat account or in the company records in order to login.  (iv) If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- (v) After entering these details appropriately, click on "SUBMIT" tab.
- (vi) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in de-mat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the de-mat 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.
- (vii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (viii) Click on the EVSN for the Company name.
- (ix) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the



# Notice (Contd.)

option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- (x) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xi) 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.
- (xii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xiv) If a de-mat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xv) Additional Facility for Non-Individual Shareholders and Custodians - For Remote Voting only.
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
  - 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.
  - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer or to the Company at the email address viz; [teraitea@gmail.com](mailto:teraitea@gmail.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

Process for those shareholders whose email IDs are not registered with the depositories for procuring user ID and password and registration of email IDs for remote e-voting for the resolutions set out in this notice:

1. **For Physical Shareholders** - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company at [teraitea@gmail.com](mailto:teraitea@gmail.com) /RTA email id at [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com)
2. **For De-mat Shareholders** - Please update your email id & mobile no. with your respective Depository Participant (DP)
3. **For Individual De-mat Shareholders** - Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting through Depository.

If you have any queries or issues regarding remote e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 1800 22 55 33.

## OTHER GUIDELINES

- I) Any person, who acquires shares of the Company and becomes a member of the Company after mailing of the Notice and is holding shares as on the cut off date, may obtain the login ID and password by sending an email to [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com).
  - II) A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on cut off date only shall be entitled to avail the facility of remote e-voting or voting at the meeting.
  - III) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542) or contact Mr. Ravi Kumar Bahl, Compliance Officer, M/s. Maheshwari Datamatics Private Limited, 23, R. N. Mukherjee Road, 5th Floor, Kolkata – 700 001, Telephone : (033)22435029, (033)22433809, (033) 22482248, Mobile : 80170 58433, E-mail : [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com).
18. The shareholders shall have one vote per equity share held by them as on the cut-off date, i.e., 22nd September, 2023. The facility of e-voting would be provided once for every folio/client id, irrespective of the number of joint holders.
  19. The Securities and Exchange Board of India ("SEBI") has mandated furnishing of PAN, KYC details (i.e., Postal Address with Pin Code, email address, mobile number, bank account details) and nomination details by holders of securities. Effective from 1 January 2022, any service requests or complaints received from the member, will not be processed by RTA till theafore said details / documents are provided to RTA. On or after 1 October 2023, in case any of the above cited documents/ details are not available in the Folio(s), RTA shall be constrained to freeze such Folio(s). Relevant details and forms prescribed by SEBI in this regard are available on weblink [www.mdpl.in](http://www.mdpl.in).
  20. Members may please note that SEBI vide its circular No. SEBI / HO / MIRSD / MIRSD\_RTAMB / P / CIR / 2022 / 8 dated 25th January 2022 has mandated to issue securities in dematerialized form only while processing service request, viz. issue of duplicate securities certificate, renewal/ exchange of securities certificate, endorsement, sub-division / splitting of securities, certificates, consolidation of securities certificates / folios, transmission and transposition. Further SEBI vide its circular No. SEBI/HO/MIRSD\_RTSMB/P/CIR/2022/65 dated 18th May 2022 has simplified the procedure and standardized the format of documents for transmission of securities. Accordingly members are requested to make service requests by submitting a duly filled and signed Form ISR-4 and ISR-5, as the case may be.
  21. In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, securities of listed companies can only be transferred in dematerialized form. In view of this, members are advised to dematerialize shares held by them in physical form.

# Notice (Contd.)

22. Shri Mohan Ram Goenka, Practicing Company Secretary, (FCS-4515) of MR Associates, Company Secretaries, Kolkata has been appointed as the Scrutinizer to scrutinize the voting at the venue of the AGM and the remote e- voting process in a fair and transparent manner.
23. The results shall be declared on or after the AGM. The results declared along with the Scrutinizer's Report shall be placed on the website of CDSL within and will be communicated to the Stock Exchange where the Company's Shares are listed.
24. **Updation of Members details :**  
The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Act, requires the Company/ Registrar and Share Transfer Agents to record additional details of Members, including their PAN details, e-mail address, bank details for payment of dividend etc. A form for capturing additional details is appended at the end of this Annual Report. Members holding shares in physical form are requested to submit the filled in the form to the Company or RTA in physical mode or in electronic mode, as per instructions mentioned on the form. Members holding shares in electronic form are requested to submit the details to their respective DP only and not to the Company or RTA.

**Registered Office :**

"Ezra Mansion"  
10, Government Place (East)  
1st Floor, Kolkata – 700 069  
Dated, 21st August, 2023

**I. STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.**

**Item No. 3**

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

On recommendation of Audit Committee and its meeting held on 21st day of August, 2023, the Board has considered and approved appointment of Mr. Debabrota Banerjee & Associates, Cost Accountant, for conducting the Cost Audit of the Company at a remuneration of Rs. 15,000/- plus GST applicable and reimbursement of actual travel and out of pocket expenses for the financial year ended March 31, 2024.

The Resolution at Items No. 3 of the notice is set out as an Ordinary Resolution for approval and ratification by the members in term of section 148 of the Companies Act, 2013.

None of the Directors or Key Managerial Personnel or their relatives is concerned or interested in the Resolution mentioned at item No. 3 in the notice.

By the order of the Board  
**For Terai Tea Company Limited**  
Sd/-  
**RAJESH SINGHANIA**  
Company Secretary  
FCS - F7746

## DETAILS OF THE DIRECTOR SEEKING REAPPOINTMENT IN THE 50th ANNUAL GENERAL MEETING

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

<b>Name of The Director</b>	<b>Mr. Rajendra Kanodia</b>
DIN	00175574
Date of Birth/ Age	February 20, 1957
Date of First Appointment on the Board of the Company	January 28, 1987
Brief Resume of Director	He completed his Graduation in Commerce. He has more than 40 years of experience in Tea Plantation, Marketing Business and Financial Business. He has been a member of the Board since 28th January, 1987.
Nature of Expertise in Specific Functional Areas	Overall Management
The Remuneration Last Drawn, if applicable	Basic Salary : 15.00 Lacs P.A.
List of Other Public Companies in which outside Directorship held (excluding in Foreign Companies)	<ol style="list-style-type: none"> <li>1. The Kharibari Tea Co. Ltd.</li> <li>2. Terai Infrastructures Ltd.</li> <li>3. East Indian Produce Ltd.</li> <li>4. Terai Tea Resorts Ltd.</li> <li>5. New Darjeeling Union Tea Co. Ltd.</li> <li>6. Sayedabad Tea Co. Ltd.</li> </ol>
List of Other listed Companies in which Directorship held	NIL
Chairman / Member of the Committees of the Board of Directors of Other Companies in which he is a Director (excluding in Foreign Companies)	NIL
Chairman/ Member of the Committees of the Board of Directors of Other Listed Companies	NIL
Disclosure of Relationship between Directors inter-se and Key Managerial Personnel	N/A
Details of Shareholding, if any in the Company	14,700 Equity Shares Held
The number of Meetings of the Board attended during the Financial Year	Mr. Rajendra Kanodia attended 14 Board Meetings out of total 16 Board Meetings held during the Year.
List of entities from which the person has resigned in the past three years.	NIL

## Road Map to the Venue of 50th AGM of “Terai Tea Co. Ltd.”



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

# Directors' Report

For the year ended 31st March, 2023

## Dear Shareholders,

The Board of Directors of your Company have pleasure in presenting their **50th Annual Report** on the business and operations of the company together with Audited financial statement for the year ended 31st March, 2023.

### 1. CORPORATE OVERVIEW

**Terai Tea Company Ltd.** ('Your Company') is a leading Tea Manufacturing Company of West Bengal. The Group has its Corporate Head Quarter at "Agarwala House", Sevoke Road, 2nd Mile, Siliguri, West Bengal.

### 2. FINANCIAL SUMMARY

(` In Lakhs)

Particulars	STANDALONE		CONSOLIDATED	
	2022-23	2021-22	2022-23	2021-22
Revenue from Operation	9315.60	7,318.38	9315.60	7,318.38
Other Income	472.88	1,532.09	472.88	1,532.09
Profit / (Loss) Before Depreciation Financial Cost and Tax	523.53	1,249.28	523.53	1,249.28
Less : Financial Cost	248.19	149.47	248.19	149.47
Profit / (Loss) Before Depreciation	275.34	1,099.81	275.34	1,099.81
Less : Depreciation	165.92	158.24	165.92	158.24
Profit / (Loss) Before Taxation	109.42	941.57	109.42	941.57
Less :Taxation Expenses				
a) Current Tax	—	—	—	—
b) Mat Credit Entitlements	39.85	—	39.85	—
c) Deferred Tax	(63.20)	(8.30)	(63.20)	(8.30)
Tax Expenses for Earlier Year	0.93	12.12	0.93	12.12
Profit After Taxation	131.84	939.74	131.84	939.74
Add : Share of Profit in Associate Company	—	—	47.19	148.35
Add : Other Comprehensive Income Net of Tax	—	—	—	—
Profit for the Year	131.84	939.74	179.03	1,088.09
Basic and Diluted Earnings Per Share	1.92	13.66	2.59	15.76
Paidup Share Capital	690.29	690.29	690.29	690.29
Reserve	7427.56	7,295.72	13916.65	13,737.61
Net Worth	8115.49	7,983.65	14604.58	14,425.55

### 3. OVERVIEW OF THE COMPANY PERFORMANCE FINANCIAL REVIEW

The Financial Statement of your company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Indian Accounting Standards (IND AS) and the relevant provisions of the Companies Act, 2013 and the rule made therein, as applicable and regulation 48 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Accounting Policies have been consistently applied except where a newly issued accounting standards, if initially adopted or a revision to an existing accounting standard requires a change in the accounting Policy. Your Company discloses unaudited financial results on quarterly basis, which are subjected to limited review, and audited financial results on an annual basis.

#### Standalone Financial Performance :

**Some of the Key Highlights of your Company's performance during the year under review are:**

- Your company's turn over is **Rs. 9315.60 Lakhs** as against Rs. 7318.38 Lakhs in the previous year.
- The Company has achieved profit before tax during the current financial year of **Rs. 109.42 Lakhs** as against Rs. 941.57 Lakhs in the previous year.
- Net profit after taxation is **Rs. 131.84 Lakhs** as against Rs. 939.74 Lakhs in the previous year.
- Earnings per share is **Rs 1.92** as against Rs. 13.66 in the previous year.

#### Consolidated Financial Performance:

On Consolidated basis, your company has achieved consolidated net profit after tax of 179.03 Lakhs as against 1,088.09 in the previous year.

# Directors' Report (Contd.)

## 4. OPERATIONS REVIEW

During the year under review, the Company's total tea production was at 22.78 Lakhs kg. of Black Tea compared to 22.70 Lakhs Kg. in last year. The total sales quantity was 21.72 Lakhs kg as against 23.43 Lakhs kg in last year 2021-22. The average price realization was Rs.135.88 per kg. against realization of Rs. 133 Per kg in previous year. Your Company continued to focus on making quality teas.

Your Company is engaged in the Manufacturing and Selling of Tea and Trading in Agri Merchandise.

Your Company is having the following units under its fold :

- a) **Bagdogra Tea Estate** : The tea garden is in Terai Region of North Bengal, about 15 kms. From Siliguri and adjacent to Bagdogra Airport. The total grant area is 687.17 acres and produces 25 Lakhs kgs. of made tea annually out of its own leaves and bought tea leaves. Total Tea Production during the year 2022-23 is 5.58 Lakhs Kg.
- b) **CTC Tea Factory (Terai Tea Factory Unit)** : The company has set up this unit in the month of November, 1997 with an objective to produce CTC tea from the green leaf purchased from different suppliers. Total Tea Production during the year 2022-23 is 7.17 Lakhs Kg.
- c) **Adhikari Tea Factory Unit** : This unit was commissioned on 17th February 2002. The present installed capacity of the unit 25 Lakhs kgs. of CTC tea per annum. Total Tea Production during the year 2022-23 is 10.03 Lakhs Kg.

## 5. SCENARIO AT TEA INDUSTRY

Tea being an agricultural product, the plantation operations are subject to the fluctuating fortunes of weather. The crop yield depends on the climatic conditions to a very large extent. The steps initiated by the management for increasing the crop yields by implementation of improved agricultural practices are not only necessary, but also important for the sustainability of the Industry. Tea continues to be savoured globally and remains the most popular beverage in the country contributing substantially to the country's income by way of foreign exchange earnings. Indian tea industry provides employment to more than one million people, more than half of whom are women. Tea Industry supports a large population comprising of workers, dependents and others residing in the tea estates. Originally, the tea plantation sector consisted of tea estates with factories to manufacture their teas but over the last decade or so, there has been an emergence of small tea growers and bought leaf factories contributing to almost 50% of the total country's tea production.

The Indian tea crop for the FY 2022-2023 was 1370.83 million kgs as compared to 1344.40 million kgs in FY 2021-22 and 1283.03 million kgs in FY 2020-21. There was a decline in production in the years 2020 and 2021 due to Covid impact and later due to most tea growing areas facing a severe drought and inclement weather throughout the growing season in 2021 and 2022. Climate in the tea growing areas continues to be erratic and it remains to be seen if the crops stabilize to normal levels during 2023-24.

Substantial increase in labour wages, high social cost over most other tea producing countries, high infrastructure costs and increasing energy and other input costs remain the major problems for the Indian Tea Industry. Shortage of labour during peak season in some pockets is also a cause for concern. The Company has made substantial investment in irrigation to minimize the impact on crop due to change in climatic conditions.

Weather is also of prime importance for the industry to achieve desired production levels. Due to erratic weather conditions the production of tea fluctuates within a given range. However, inspite of this scenario the outlook for the tea industry is positive, due to its increasing demand, consumption and acceptance of the same as a wellness drink globally.

## 6. INDIAN ECONOMY AND STATE OF AFFAIRS

Indian economy appears to have moved on after its encounter with the pandemic, staging a full recovery in FY22 ahead of many nations and positioning itself to ascend to the pre-pandemic growth path in FY23. India's economic growth in FY23 has been principally led by private consumption and capital formation and they have helped generate employment as seen in the declining urban unemployment rate and in the faster net registration in Employee Provident Fund. Moreover, World's second-largest vaccination drive involving more than 2 billion doses also served to lift consumer sentiments that may prolong the rebound in consumption. Despite the three shocks of COVID-19, Russian-Ukraine conflict and the Central Banks across economies led by Federal Reserve responding with synchronised policy rate hikes to curb inflation, leading to appreciation of US Dollar and the widening of the Current Account Deficits (CAD) in net importing economies, agencies worldwide continue to project India as the fastest-growing major economy at 6.5-7.0 per cent in FY23.

Global growth is forecasted to slow from 3.2 per cent in 2022 to 2.7 per cent in 2023 as per IMF's World Economic Outlook, October 2022. A slower growth in economic output coupled with increased uncertainty will dampen trade growth. This is seen in the lower forecast for growth in global trade by the World Trade Organisation, from 3.5 per cent in 2022 to 1.0 per cent in 2023.

# Directors' Report (Contd.)

India is the third-largest economy in the world in PPP terms and the fifth-largest in market exchange rates. As expected of a nation of this size, the Indian economy in FY23 has nearly "recouped" what was lost, "renewed" what had paused, and "re-energised" what had slowed during the pandemic and since the conflict in Europe.

## 7. SUBSIDIARY & ASSOCIATES COMPANIES

As on 31st March, 2023 the company had the following Associates Companies, all of them are unlisted :

1. East Indian Produce Ltd.
2. Jaldacca Tea Plantations Pvt. Ltd.
3. Abhijit Tea Co Pvt. Ltd.
4. Terai Infrastructures Ltd.
5. Terai Dooars Tea Co. Pvt. Ltd.
6. Sayedabad Tea Co. Ltd.
7. The Kharibari Tea Co. Ltd.
8. Terai Overseas Pvt. Ltd.
9. Amit Paridhan Pvt. Ltd.
10. New Darjeeling Union Tea Co. Ltd.
11. Terai Ispat & Trading Pvt. Ltd.
12. Terai Financial Services Pvt. Ltd

### Performance and Financial Position of Associates Companies

#### East Indian Produce Ltd:

The Company is engaged in the manufacturing and selling of Tea. This company owns one tea garden namely Lohagarh Tea Estate. The Tea Estate is situated in the foothills of Himalayan range of mountains having plantation areas of 814.37 acres and during the financial year Company produced 3.64 Lakhs kg of Specialty Tea (Green Tea).

**Some of the Key Highlights during the year under review are : ( ` in Lakhs)**

Sl.	Particulars	2022-23	2021-22
1	Total Gross Revenue	981.10	1028.18
2	Profit before Taxation	53.71	58.37
3	Net Profit After Taxation	51.86	55.73
4	Earnings Per Share	35.84	38.51

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

The Company is engaged in the manufacturing and selling of Tea. This company is the owner of Kiran chandra Tea Estate near to Bagogra Airport, in the District of Darjeeling having an area of 878.41 acres. The Company is owing a Green Tea bought leaf factory within the premises of Kiran Chandra Tea Estate. The combined annual production during the financial year was 10.13 Lakhs kg Tea.

**Some of the Key Highlights during the year under review are : ( ` in Lakhs)**

Sl.	Particulars	2022-23	2021-22
1	Total Gross Revenue	1758.45	2100.46
2	Profit before Taxation	33.84	80.68
3	Net Profit After Taxation	27.16	71.82
4	Earnings Per Share	77.25	204.28

#### Sayedabad Tea Co. Ltd.:

The Company is engaged in the manufacturing and selling of Tea. This company owns Sayedabad Tea Estate having 1,450 acres of grant area. The Company is also owning a bought leaf factory within the premises of Sayedabad Tea Estate. The combined annual production during the year of 14.61 Lakhs Kg. of CTC Tea.

**Some of the Key Highlights during the year under review are : ( ` in Lakhs)**

Sl.	Particulars	2022-23	2021-22
1	Total Gross Revenue	2237.44	2024.67
2	Profit Before Taxation	14.83	(27.77)
3	Net Profit After Taxation	32.73	(26.21)
4	Earnings Per Share	60.19	(48.19)

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

The Company is engaged in the manufacturing and selling of Tea. This company is the owner of Jaldacca Altadanga Tea Estate having gross grant area of 1001 acres and during the financial year the Company produced 2.00 Lakhs kgs. of Specialty Tea (Green Tea).

**Some of the Key Highlights during the year under review are : ( ` in Lakhs)**

Sl.	Particulars	2022-23	2021-22
1	Total Gross Revenue	621.49	776.07
2	Profit Before Taxation	1.89	2.47
3	Net Profit After Taxation	6.68	6.91
4	Earning Per Share	356.47	368.34

#### Abhijit Tea Company Private Ltd. :

The Company is engaged in the manufacturing and selling of Tea and real estate business. This company is owning Raja Tea Estate in the heart of Mal Bazar town in the District of Jalpaiguri having an area of 1482.83 acres. During the financial year Company produced 6.01 Lakhs kg of CTC Tea.

The company has various real estate projects in the city of Siliguri and Falakata town, West Bengal.

# Directors' Report (Contd.)

Some of the Key Highlights during the year under review are : ( ` in Lakhs)

Sl.	Particulars	2022-23	2021-22
1	Total Gross Revenue	1388.47	1508.22
2	Profit Before Taxation	1.27	99.93
3	Net Profit After Taxation	(8.97)	80.90
4	Earning Per Share	(56.32)	507.64

## The Kharibari Tea Company Ltd. :

The Company is engaged in the manufacturing and selling of Tea. The Company owns tea garden namely Sachindra Chandra Tea Estate having an area of 882.09 acres with production capacity of 5 Lakhs kgs. of made tea per annum. During the Current Financial year the Company produced 3.94 Lakhs kgs. Speciality Tea (Green Tea).

Some of the Key Highlights during the year under review are : ( ` in Lakhs)

Sl.	Particulars	2022-23	2021-22
1	Total Gross Revenue	978.05	945.69
2	Profit Before Taxation	53.13	76.48
3	Net Profit After Taxation	46.74	58.13
4	Earnings Per Share	23.37	29.06

## Amit Paridhan Pvt. Ltd. :

The Company is engaged in the Processing and Bleaching of Hosiery Clothes. It is located in Bira, North 24 Paraganas. It started its Commercial Production on 29th June, 2012. It processes approx. 1500 M.T of Fabrics annually. The Company uses state of Art machineries for manufacturing it's Product. The Company produced quality product by way of Job work trading and is supplying to the leading manufacturer of the country.

Some of the Key Highlights during the year under review are : ( ` in Lakhs)

Sl.	Particulars	2022-23	2021-22
1	Total Gross Revenue	782.48	912.51
2	Profit Before Taxation	(103.46)	0.92
3	Net Profit After Taxation	(78.25)	(7.03)
4	Earnings Per Share	(16.13)	(1.45)

## Terai Doars Tea Company Pvt. Ltd. :

The company has owner of bought leaf tea factory and manufacture Black Tea. The Company is engaged in the manufacturing and selling of Tea. During the financial year Company produced 7.33 Lakhs kg of Tea.

Some of the Key Highlights during the year under review are : ( ` in Lakhs)

Sl.	Particulars	2022-23	2021-22
1	Total Gross Revenue	796.34	1202.77
2	Profit Before Taxation	3.70	0.62
3	Net Profit After Taxation	1.79	0.46
4	Earnings Per Share	0.33	0.08

## Terai Infrastructures Ltd. :

The Company's main objective is to deal in real estate business.

Some of the Key Highlights during the year under review are : ( ` inLakhs)

Sl.	Particulars	2022-23	2021-22
1	Total Gross Revenue	2.36	2.67
2	Profit Before Taxation	0.32	0.12
3	Net Profit After Taxation	0.32	0.12
4	Earnings Per Share	0.005	0.002

## Terai Ispat & Trading Pvt. Ltd.:

The Company is engaged in the trading of various merchandise.

Some of the Key Highlights during the year under review are : ( ` in Lakhs)

Sl.	Particulars	2022-23	2021-22
1	Total Gross Revenue	3798.06	246.77
2	Profit Before Taxation	6.71	12.06
3	Net Profit After Taxation	5.33	16.37
4	Earnings Per Share	0.37	1.14

## Terai Overseas Pvt. Ltd. :

The company is engaged in the Import, Export and trading of various merchandise.

Some of the Key Highlights during the year under review are : ( ` in Lakhs)

Sl.	Particulars	2022-23	2021-22
1	Total Gross Revenue	5906.43	1351.68
2	Profit Before Taxation	7.81	9.24
3	Net Profit After Taxation	6.71	4.73
4	Earnings Per Share	1.01	0.71

## Terai Financial Services Pvt. Ltd.:

This Company is the financial arm of the group engaged in providing financial and investment services.



# Directors' Report (Contd.)

Some of the Key Highlights during the year under review are : (₹ in Lakhs)

Sl.	Particulars	2022-23	2021-22
1	Total Gross Revenue	4.38	40.38
2	Profit Before Taxation	4.25	40.23
3	Net Profit After Taxation	4.25	40.23
4	Earnings Per Share	9.23	87.39

## Other Reviews :

- A. The matter of compensation regarding valuation of trees for the plots of Land abandoned by the defense authorities is pending adjudication by the Arbitrator. The matter of rent compensation short paid by the Defense Authorities is pending before the Circuit Bench at Jalpaiguri of the Hon'ble High court, Calcutta.
- B. **Kumlai Tea & Industries Ltd.:** Our company has submitted a Resolution Plan in the Corporate Insolvency Resolution Process (CIRP) of Kumlai Tea & Industries Ltd. which is yet to be considered and approved by Committee of Creditors (COC) and the matter is pending for approval before NCLT, Kolkata Bench.

## Consolidated Financial Statement

In compliance with Section 129(3) of the Companies Act, 2013 and Rules made there under, Indian Accounting Standard (Ind AS) 110 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Consolidated Financial Statement form part of this Annual Report. Consolidated Financial Statement presented by your Company include financial information about its aforesaid associates.

## DHARANIPUR TEA ESTATE

The Company is hopeful to the "Specific Performance Decree" in its favour resulting the revival of the purchase deed of Tea Estate executed by the Bhowmics. The Company has filed a Writ in circuit bench jalpaiguri of Calcutta High Court to allow the Company to run and manage Dharnipur Tea Estate, grant lease in respect thereof and further not to allow anybody else to run and manage Dharnipur Tea Estate.

## TEA TOURISM PROJECT

The Company's application for "Tea Tourism Project" through its sister concern Terai Tea Resorts Ltd on 5 Acres of land at Bagdogra Tea Estate was approved by the State Government and a lease deed for 99 years has already been executed. The company has entered into a Joint Venture Agreement for the development of tourism Project. The said Project has already been approved for finance by Union Bank of India.

## LAND AT BANGALORE

The company is having an agreement to acquire few plots of land at Bangalore for which arbitration proceedings are pending. All the expenses incurred for the litigation in respect of the said land are considered as deemed cost of land as per the agreement.

## COMMERCIAL REAL ESTATE PROJECT

The Company has entered into Amalgamation agreement with other Group Companies for Constructing a Commercial Real Estate Project as Sevoke Road, Siliguri on 174 Kathas of land, in which the Company has land share of about 32%. The Company along with other Group Company partners, are working on bringing the project into reality. LUC is applied with Siliguri Jalpaiguri Development Authority.

## 8. DETAILS OF SUBSIDIARY / JOINT VENTURES ASSOCIATES COMPANIES

The Statement in Form AOC-1 containing the salient features of the financial statement of your company's associates pursuant to first proviso to section 129 (3) of the Companies Act, 2013 (Act) read with rule 5 of the Companies (Accounts) Rules, 2014, forms part of the Annual Report as an "Annexure-D". Further, in line with section 129 (3) of the Act read with the aforesaid Rules, SEBI Listing Regulations, 2015 and in accordance with (Indian Accounting Standards) Rules, 2015 (IND AS rules) of the schedule III of the Companies Act, 2013, Consolidated Financial Statements prepared by your company includes the financial in formations of its associates companies.

## 9. SHARE CAPITAL

The paid-up Equity Share Capital of the Company as at 31st March, 2023 was 6,87,93,000 divided into 68,79,300 Equity Shares of Rs. 10 each. There have not been any changes in the Equity Share Capital of the Company during the Financial Year ended 31st March, 2023. During the year under review, the Company has neither issued shares with differential voting rights nor issued sweat equity or granted stock options or sweat equity.

## 10. DIRECTORS & KEY MANAGERIAL PERSONNEL

Pursuant to Section 150 and 152 of Companies Act, 2013 and Articles of Association of the Company, Shri Rajendra Kanodia (DIN : 00175574) retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment. The brief resume and other details as required under the Secretarial Standard-2 are provided in the Notice of the 50th Annual General Meeting.

During the year, the Company had three Key Managerial Personnel, being Mr. Ajit Kumar Agarwala, Managing Director and Mr. Rajendra Kanodia, CFO & Mr. Rajesh Singhania, Company Secretary of the Com-

# Directors' Report (Contd.)

pany, as per provisions of Section 203 under Companies Act, 2013.

Mr. Dhruv Bajoria and Mr. Ratan Kumar Goel were appointed on the Board as Non-Executive Independent Directors w.e.f. 9th December, 2022 after due consideration of Company's members approval through Special Resolution by Postal Ballot .

Mr. Milan Krisna Sarkar and Mr. Hemant Kumar Agarwal tendered their resignation from Directorship of the company w.e.f. 13th January, 2023. The Board recognizes their valuable services rendered during their tenure of directorship.

## 11. BOARD EVALUATION

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

### Induction and Training of Board Members

The process followed by the Company for induction and training to Board members has been explained in the corporate Governance Report.

## 12. DECLARATION BY INDEPENDENT DIRECTORS

The Company has received the necessary declaration from all the Independent Directors of the Company confirming that they meet the criteria as stipulated in section 149(6) Companies Act, 2013. And Regulation 16 (1) (b) of Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulation, 2015.

## 13. DIRECTORS RESPONSIBILITY STATEMENT

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

- a) In the preparation of the Annual Accounts for the year ended 31st March, 2023, the applicable accounting standards have been followed with proper explanation relating to material departures, if any;
- b) The Accounting Policies adopted in the preparation of the annual accounts have been applied consistently except as otherwise stated in the Notes to Financial Statements and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year 2022-23 and of the profit for the year ended 31st March, 2023.

- c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Annual Accounts for the year ended 31st March, 2023, have been prepared on a going Concern basis.
- e) That proper Internal Financial Control was in place and that the financial controls were adequate and were operating effectively.
- f) That system to ensure compliance with the provisions of all applicable laws was in place and were adequate and operating effectively.

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

Pursuant to provisions of Section 178 of Companies Act, 2013 and pursuant to Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company, based on the recommendation of the Nomination and Remuneration Committee, has formulated a Remuneration Policy.

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

- a) The Board Members shall possess appropriate skills, qualification, characteristics and experience. The objective is to have a Board with diverse background and experience in business, government, academics, technology, human resources, social responsibilities, finance, law etc. and in such other area as may be considered relevant or desirable to conduct the Company's business in a holistic manner.
- b) Independent directors shall be persons of integrity and possess expertise and experience and / or some one who the Committee / Board believes could contribute to the growth / philosophy / strategy of the Company.
- c) In evaluating the suitability of Individual Board Members, the Committee takes into account many factors, including General Understanding of the Company's business dynamics, Global business, Social Perspective, Educational and Professional Background and Personal Achievements.
- d) Directors should possess high level of personal and professional ethics, integrity and values. Each should be able to balance the legitimate interest and concerns of all the Company's stakeholders in arriving at decisions, rather than advancing the interests of a particular constituent.

# Directors' Report (Contd.)

- e) Directors must be willing to devote sufficient time and energy in carrying out their duties and responsibilities effectively. They must have the aptitude to critically evaluate management's working as part of a team in an environment of collegiality and trust.
- f) The Committee evaluates each individual with the objective of having a group that best enables the success of the Company's business and achieve its objectives.

## 15. EXTRACT OF THE ANNUAL RETURN

As per the requirements of 92(3) of the Companies Act, 2013 read with Companies (Management and Administration) Rules 2014, for F.Y. 2022-23, MGT-7 along with MGT-8 shall be made available on the website of the company i.e. <https://www.teraigroup.com/investors/html> on the post 50th Annual General Meeting of the Company.

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

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

## 17. DIVIDEND

Considering the financial requirements towards the funding of the ongoing expansion plan, which we believe will enhance the shareholder's value in the long term, no dividend is recommended by the Directors of your company for the year ended 31st March, 2023.

## 18. TRANSFER TO RESERVE

No amount is proposed to be transferred to General Reserve for the year ended 31st March, 2023.

## 19. DEPOSITS

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

## 20. AUDITORS

### STATUTORY AUDITORS

As per Section 139 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the members of the Company at 49th AGM have approved appointment of M/s. Saha & Majumdar, Chartered Accountants (ICAI Registration No. 303087E) as the Statutory Auditors of the Company for a term of five consecutive years, that is, from conclusion of 49th AGM of the Company till the conclusion of the 54th Annual General Meeting to be held in the year 2027 of the Company.

## SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed **Mr. Sonesh Jain** a proprietor of **M/s. Jain Sonesh & Associates**, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Auditor has submitted an un-qualified Secretarial Audit Report for the Financial year 2022-23. The Report of the Secretarial Audit is annexed herewith as "**Annexure B**".

## COST AUDITOR

Pursuant to Section 148 of the Companies Act, 2013, read with the Companies (Cost Records and Audit) Rules, 2014 the Board of Directors on the recommendation of the Audit Committee appointed **M/s. Debabrota Banerjee & Associates**, Cost Accountant, Kolkata, as the Cost Auditor of the Company for the year under review relating to manufacturing activities by the Company. The remuneration proposed to be paid to the Cost Auditor requires ratification of the shareholders of the Company. In view of this, your ratification for payment of remuneration to the Cost Auditor is being sought at the ensuing Annual General Meeting.

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

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

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

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

The notes to the Accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further comments. The Statutory Auditor M/s. Saha & Majumdar, Chartered Accountants has submitted an Un-qualified Audit Report for the financial year 2022-23.

## 22. FINANCE

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

# Directors' Report (Contd.)

## 23. CREDIT RATING

The Company continues to have the domestic credit rating of BBB -/stable from CRISIL which means sufficient safety with regard to timely payment of financial obligations which is valid upto December 31, 2023.

## 24. INSURANCE

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

## 25. INTERNAL CONTROL SYSTEMS AND AUDIT

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

Your directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively. The Systems have been laid to ensure that all transactions are executed in accordance with management's general and specific authorization. No assets of the Company are allowed to be used for personal purposes, except in accordance with terms of employment or except as specifically permitted.

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

## 26. PARTICULARS OF EMPLOYEES

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

## 27. ENVIRONMENT

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

## 28. DISCLOSURE OF PARTICULARS WITH REGARD TO CONSERVATION OF ENERGY, TECHNOLOGY AND FOREIGN EXCHANGES AND OUT GO

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

## 29. NUMBER OF MEETINGS OF BOARD OF DIRECTORS

The details of the number of meetings of the Board held during the financial year 2022-23 forms part of the Corporate Governance Report.

## 30. VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

## 31. DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

In order to comply with provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder, the Company has formulated and implemented a policy on prevention, prohibition and redressal of complaints related to sexual harassment of women at the workplace. All women employees permanent, temporary or contractual are covered under the above policy. An Internal Complaint Committee (ICC) has been set up in compliance with the said Act and No complaint has been received till date. The said policy is available on your Company's website [www.teraigroup.com](http://www.teraigroup.com) and a link to the said policy has been provided. The Company is committed to provide a safe and conducive work environment to its employees.

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

Prosecution launched by Registrar of Companies, West Bengal under section 205, 209(5), 211(7), 211(8), 629(A), 621(1A) under Companies Act, 1956 under case No C/1740/1995 and C/1741/1995 in the year 1995 for alleged non-disclosure in the prospectus during public issue of shares in the District Court (The Bankshall Court) against the company and the Managing Director were stood discharged on February 6, 2021 by Bankshall Court. Suitable modification in the Master Data records at MCA21 portal is yet to be done by ROC, Kolkata

# Directors' Report (Contd.)

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

The Company's Policy on Materiality of and Dealing with Related Party Transactions was reviewed and revised on 14th August, 2023 to bring it in conformity with the Listing Regulations. The said policy may be referred to at the Company's website at : [www.teraigroup.com](http://www.teraigroup.com).

## 34. OTHER POLICIES

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

## 35. COMMITTEES OF THE BOARD

**The Board of Directors has the following Committees:**

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

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

## 36. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

During the year the company has not come under the purview to form Corporate Social Responsibility Committee pursuant to Section 135 of the Companies Act and Companies (Corporate Social Responsibility) Rules 2014, but Your Company has continued to play its role as a responsible corporate, adding value to society, and addressing the contemporary social needs and challenges. The Company continues to support the "Amit Agarwala Foundation", a Public Charitable Trust with a vision of creating permanent institutes for use by the needy masses in the field of education, medical facilities and other public utilities and to provide quality services in all such institutes in affordable cost. The following projects are running successfully: -

**"Amit Agarwala Smriti Bhawan"** a multipurpose facility which provides various facilities for attendants of patients admitted at North Bengal Medical College & Hospital. The same provides accommodation and food to attendants of such patients at a reasonable cost on per day basis.

**"Amit Agarwala Bang Bhawan"** having constructed area 17000 sq. ft. approx. The Bhawan has multifarious facilities for the residents of the under privileged society of Siliguri. It is located in the heart

of Siliguri Town. This was inaugurated by Late Shri Pranab Mukherjee, Former Finance Minister of India on 13th October, 2011.

**"Amit Agarwala Old Age Recreation Centre"** which provides facilities to the weaker and under privileged citizens of the city of Siliguri and entire North Bengal. There is a library and a reading room basically to provide a meeting Place for elderly persons, who meet, enjoy company of each other reading newspaper and books etc.

**"Amit Agarwala Table Tennis Academy"** is other charitable units in the in the said center apart from vocational training. The Academy provides Table Tennis coaching under the supervision of one of the renowned coaches of Siliguri.

**"Amit Agarwala School for Blind"** to provide the sphere of education and other activities to blind boys and girls free of cost. This was inaugurated by the Governor of West Bengal, Shri M. K. Narayanan on 27th day of January, 2013.

**"Shree Shree Mahamaya Kalibari Naat Mandir, Desbandhu Para"** opposite Amit Agarwala Bang Bhawan. This was inaugurated on 13th September, 2016.

**"Amit Agarwala Learning Cum Resource Centre"** was established having constructed area of 25000 sq.ft. within the premises of Surya Sen Mahavidyalaya at Siliguri and inaugurated on 15th May, 2022 in presence of Ministers of the West Bengal State Government and Mayor of Siliguri Municipal Corporation. The Centre consists of class rooms, library, common room and other educational facilities.

**"Vedic Educational Institute"** at Bagdogra on the banks of Changa river is being set up for giving Vedic education and allied search of the highest standards for the welfare of the society.

## 37. PREVENTION OF INSIDER TRADING

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

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

# Directors' Report (Contd.)

## 38. RELATED PARTY TRANSACTIONS

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

Your directors draw attention of the members to Note 34 to the Notes on Accounts to the Financial Statement which sets out related party disclosures. All Related Party Transactions are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted along with a statement giving details of all related party transactions is placed before the Audit Committee.

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

## 39. RISK MANAGEMENT

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

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

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

## 41. REPORT ON CORPORATE GOVERNANCE

At Terai Tea, we ensure that we evolve and follow the corporate governance guidelines and best practices diligently, not just to boost long-term shareholder value, but also to respect rights of the minority. We consider it our inherent responsibility to disclose timely and accurate information regarding the operations and performance, leadership, and governance of the Company.

In accordance with Regulation 34 (3) and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, a Report on

Corporate Governance together with Practicing Chartered Accountant Certificate regarding Compliance of Conditions of Corporate Governance are attached as "Annexure-E", forming parts of this report.

## 42. MANAGEMENT DISCUSSION & ANALYSIS REPORT

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

## 43. BUSINESS RESPONSIBILITY REPORT

In terms of SEBI (LODR) Regulations 2015, Top 1000 listed entities are required to submit as part of their Annual Reports, Business Responsibility Reports, describing the initiatives taken by them from an environmental, Social and Corporate perspective. Your Company does not fall under this Category. However, BR Report on environment, human resources and principle wise performance in short forms part of the Management discussion and analysis report.

## 44. THE DETAILS OF AN APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016.

During the year under review, there were no applications made or proceedings pending in the name of the Company under the Insolvency and Bankruptcy Code, 2016.

## 45. DETAILS OF THE DIFFERENCE BETWEEN THE VALUATION AMOUNT ON ONE-TIME SETTLEMENT AND THE VALUATION WHILE AVAILING LOAN FROM THE BANKS AND FINANCIAL INSTITUTIONS.

During the year under review, there has been no One-Time Settlement of Loans taken from Banks and Financial Institutions.

## 46. COMPLIANCE WITH THE APPLICABLE SECRETARIAL STANDARDS

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

## 47. FRAUD REPORTING

Pursuant to the provisions of Section 134(3) (ca) of the Companies (Amendment) Act, 2015, no fraud has been reported by the Auditors under sub-section (12) of Section 143 of the Companies Act, 2013 read with Rule 13 of the Companies (Audit and Auditors) Rules, 2014.

By the order of the Board  
For Terai Tea Company Limited

Sd/-

Ajit Kumar Agarwala  
Managing Director  
DIN : 00265775

## Corporate Office :

"Ezra Mansion"

10, Government Place (East)

1st Floor, Kolkata – 700 069

Dated, 21st day of August, 2023

# Annexure “A” to the Directors’ Report

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

## A. CONSERVATION OF ENERGY

### a) Energy Conservation Measures Taken:

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

## B. TECHNOLOGY ABSORPTION

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

## C. FOREIGN EXCHANGE EARNINGS AND OUTGO (₹ in Lakhs)

Sales (FOB Value) : NIL (NIL)  
Expenditure (Others) : NIL (NIL)

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

Form-A

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

		CURRENT YEAR 31st March, 2023	PREVIOUS YEAR 31st March, 2022
<b>(I)</b>	<b>POWER &amp; FUEL CONSUMPTION</b>		
	<b>1. ELECTRICITY</b>		
	Purchased (Units KWH)	32,83,433	29,14,207
	Total Amount (₹ in Lakhs)	279.66	282.94
	Rates / Unit (₹ / KWH)	8.52	9.71
	Own Generation (Unit / KWH)	N.A.	N.A.
	<b>2. COAL</b>		
	Quantity (Tonnes)	1,737.19	1,990.16
	Total Amount (₹ in Lakhs)	318.92	236.27
	Average Rate (₹ / Tonne)	18,359	11,872
	<b>3. FURNACE OIL/H.S.D.</b>		
	Quantity (Ltrs.)	18,900	28,094
	Total Amount (₹ in Lakhs)	17.48	25.02
	Average Rate (₹ / Ltrs.)	92.48	89.05
<b>(II)</b>	<b>CONSUMPTION PER UNIT OF PRODUCTION</b>		
	Total Production of Tea	22,78,492	22,69,787
	Electricity (KWH / Qtls)	144.11	128.39
	Coal (Qtls. / Qtls)	0.76	0.88
	Furnace Oil/H.S.D. (Ltr. / Qtls.)	0.83	1.24

### Corporate Office :

“Ezra Mansion”  
10, Government Place (East)  
1st Floor, Kolkata – 700 069  
Dated, 21st day of August, 2023

By the order of the Board  
For Terai Tea Company Limited

Sd/-  
Ajit Kumar Agarwala  
Managing Director  
DIN : 00265775

# Annexure “B” to the Directors’ Report

Form No. MR - 3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members  
Terai Tea Co. Ltd.  
10, Government Place (East),  
Kolkata -700 069  
West Bengal

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Terai Tea Co. Ltd.** (hereinafter called “the company”) having **CIN : L51226WB19 73PLC029009**, for the **financial year ended 31st March, 2023**. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the **financial year ended on 31st March, 2023** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Terai Tea Co. Ltd.** (“the Company”) for the **financial year ended on 31st March, 2023** according to the provisions of :

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder; and circulars, notifications, clarifications, Removal of Difficulties Orders or such other relevant statutory material issued by Ministry of Corporate Affairs from time to time;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - Not applicable as no Overseas Direct Investment and External Commercial Borrowings as there was no reportable event during the Financial year under Review.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and circulars;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - **Not applicable as there was no reportable event during the financial year under review.**
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits), Regulations, 2014 as amended - **Not applicable as there was no reportable event during the financial year under review.**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - **Not applicable as there was no reportable event during the financial year under review.**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - **Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent and hence there was no reportable event during the financial year under review.**
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 as amended- **Not applicable as there was no reportable event during the financial year under review.**
- (i) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 - **Not applicable as there was no reportable event during the financial year under review.**
- (j) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.





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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange and Calcutta Stock Exchange. The Company is suspended for trading on Calcutta Stock Exchange.

I further report that having regard to the compliance system prevailing in the Company, I have relied upon the representation made by the Management, for compliance with the other applicable laws. The Company had identified following other laws as specifically applicable to the Company namely :

- a) Food Safety and Standard Act, 2006.
- b) Essential Commodities Act, 1955.
- c) Agricultural Produce (Grading and Marketing) Act, 1937.
- d) Plantations Labour Act, 1951.
- e) Tea Act, 1953.
- f) Tea Waste (Control) Order, 1959.
- g) Weight and Measurement Act, 1976
- h) Tea (Marketing) Control Order, 2003.

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

1. During the review period, the Director's ongoing registration process for Independent Directors with the data bank managed by the IICA was successfully concluded. Moreover, in line with this, the company proceeded to appoint Independent Directors who were duly registered with the data bank maintained by the Indian Institute of Corporate Affairs (IICA).
2. The company has delayed in filing of financial results under Reg 33 of SEBI (LODR) for the year ended 31st March 2022 (Delay 1 (one) Day) and Quarter Ended 30th September 2022 (Delay 5 (Five) Days) to the stock exchanges for which company has received notices from BSE.
3. The Bombay Stock Exchange has imposed penalty on the company for delay in filing of Financial Results of

Place : Howrah  
Date : 14th August, 2023

UDIN : F009627E000786667  
PR No: - 1618/2021

31st March 2022 and Quarter ending 30th September 2022. The Company has paid the respective Penalties levied by Bombay Stock Exchange (BSE).

I further report that.

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, and Independent Directors including a Woman Independent Director. During the year Under review, Mr. Dhruv Bajoria and Mr. Ratan Kumar Goel were appointed on the Board as Non-Executive Independent Directors with effect from 9th December, 2022 after due consideration of Company's members approval through Special Resolution by Postal Ballot. Mr. Milan Krishna Sarkar and Mr. Hemant Kumar Agarwal have Resigned from Directorship of the company w.e.f. 13th January 2023.

Adequate notice had been given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance other than those held at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions of the Board and Committees thereof were carried out through with requisite majority.

There were no amendment/modification of the Memorandum and Articles of Association of the Company during the period under report. The Company has filed the e-forms with the Ministry of Corporate Affairs (MCA), wherever applicable during the period under report and paid additional fees in filing few e-forms.

I further report that based on the information provided and representations made by the Company, there were adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that, during the audit period there were no other specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines, etc. having a major bearing on the Company's affairs in pursuance of the above referred laws, rules etc.

This Report is to be read with my letter of even date which is annexed "ANNEXURE - A" and forms an Integral Part of this Report.

For **JAIN SONESH & ASSOCIATES**  
Company Secretaries

**CS SONESH JAIN**  
Proprietor  
Membership No. 9627  
COP: 11865

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

## Annexure “A”

(TO THE SECRETARIAL AUDIT REPORT FOR THE YEAR ENDED 31ST MARCH, 2023)

To,  
The Members  
Terai Tea Co. Ltd.  
10, Government Place (East),  
Kolkata -700 069  
West Bengal

### Auditor Responsibility

Based on audit, my responsibility is to express an opinion on the compliance with the applicable laws and maintenance of records by the Company. I conducted my audit in accordance with the auditing standards prescribed by the Institute of the Company Secretaries of India (ICSI). These standards require that the auditor complies with statutory and regulatory requirements and plans and performs the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of an audit including internal, financial, and operating controls, there may be unavoidable risk that may some misstatements or non-compliance may not be detected, even though the audit is properly planned and performed in accordance with the Auditing Standards. My report of even date is to be read along with this letter.

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

1. Maintenance of Secretarial Records is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the Audit practices and processes as where appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibilities of the management. My examination was limited to the verification of procedures on test basis.
6. As regard the books, papers, forms, reports and returns filed by the Company under the provisions referred to in my Secretarial Audit Report in Form MR-3 the adherence and compliance to the requirements of the said regulations is the responsibility of management. My examination was limited to checking the execution and timeliness of the filing of various forms, reports, returns and documents that need to be filed by the Company with various authorities under the said regulations. I have not verified the correctness and coverage of the contents of such forms, reports, returns and documents.
7. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place : Howrah  
Date : 14th August, 2023

UDIN : F009627E000786667  
PR No: - 1618/2021

For **JAIN SONESH & ASSOCIATES**  
Company Secretaries

**CS SONESH JAIN**  
Proprietor  
Membership No. 9627  
COP: 11865

# Annexure “C” To Directors’ Report

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) AND 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014, AS AMENDED FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023.

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

- i. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2022-23, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2022-23 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under :

Name of the Employee	Designation of the Employee	Remuneration (Amount in Rs. Lakhs)	Nature of Employment, whether contractual or otherwise	Qualification and Experience of the Employee	Date of commencement of employment	% of equity shares held by the Employee	Whether any such Employee is a relative of any director or manager, if so, name of such director or manager
Ajit Kumar Agarwala	Managing Director	60.72	Otherwise	Graduate	28/01/1987	37.46	—
Rajendra Kanodia	Director, CFO	15.00	Otherwise	Graduate	28/01/1987	0.21	—
Rajesh Singhania	Company Secretary	10.80	Otherwise	B.Com.(H), FCA, FCS, FCWA	21/04/2021	—	—
Raj Mohan Bhattacharjee	Manager	8.29	Otherwise	B.Sc. (Agriculture)	27/05/2019	—	—
Suman Roy	Manager	5.73	Otherwise	Graduate	05/03/2010	—	—
Sudip Banerjee	Astt. Manager	4.54	Otherwise	Graduate	01/02/2020	—	—
V.D. Dua	Group Superintendent	4.00	Otherwise	Graduate	01/10/2018	—	—
Sambhu Ghosh	Executive	3.15	Otherwise	Graduate	23/06/2003	—	—
Molay Chakraborti	Manager	2.86	Otherwise	Graduate	28/02/2022	—	—

- ii. The median remuneration of employees of the Company during the financial year was Rs. 5,798/-
- iii. In the financial year, there is increase of 10.51% in the median remuneration of employees.
- iv. There were 301 permanent employees on the rolls of the Company as on March 31, 2023.
- v. Relationship between average increase in remuneration and company performance : The Profit after Tax for the financial year ended March 31, 2023 decreased to 85.97%.
- vi. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

For and on behalf of the Board of Directors  
For Terai Tea Company Limited

**Registered Office :**

“Ezra Mansion”  
10, Government Place (East)  
1st Floor, Kolkata – 700 069  
Dated, 21st day of August, 2023

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

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

Sd/-  
**Rajesh Singhania**  
Company Secretary  
FCS-F7746

# Annexure “D” To Directors’ Report

## Form AOC-I

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

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

#### Part “A”: Subsidiaries

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

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

Not Applicable

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

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

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

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

Sl.	Name of Associates/Joint Ventures	Abhijit Tea Company Pvt. Ltd.	Jaldacca Tea Plantations Pvt. Ltd.	The Kharibari Tea Co. Ltd.
1.	Latest Audited Balance Sheet Date	31/03/2023	31/03/2023	31/03/2023
2.	Shares of Associate/Joint Ventures held by the Company on the year end :-			
	– No.	7,338	850	96,937
	– Amount of Investment in Associates/ Joint Venture	3,32,40,230 —	43,12,500 —	44,22,000 —
	– Extent of Holding %	46.04%	45.33%	48.47%
3.	Description of how there is significant Influence	Associate	Associate	Associate
4.	Reason why the associate/ Joint venture is not consolidated	N.A.	N.A.	N.A.
5.	Networth attributable to Shareholding as per latest audited Balance Sheet (As per IND AS)	28,80,77,420	5,90,19,176	5,95,92,010
6.	Profit / Loss for the year			
	i. Considered in Consolidation	(8,97,590)	6,68,377	46,74,107
	ii. Not Considered in Consolidation	N.A.	N.A.	N.A.

**Notes :**

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

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

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

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

Sl.	Name of Associates/Joint Ventures	Terai Doors Tea Co. Pvt. Ltd.	East Indian Produce Limited	Terai Infrastructures Ltd.
1.	Latest Audited Balance Sheet Date	31/03/2023	31/03/2023	31/03/2023
2.	Shares of Associate/Joint Ventures held by the Company on the year end			
	– No.	2,62,500	63,380	26,09,500
	– Amount of Investment in Associates/ Joint Venture	24,22,500	44,21,863	21,45,000
	– Extent of Holding %	47.73%	43.80%	45.95%
3.	Description of how there is significant Influence	Associate	Associate	Associate
4.	Reason why the associate/ Joint venture is not consolidated	N.A.	N.A.	N.A.
5.	Networth attributable to Shareholding as per latest audited Balance Sheet (As per IND AS)	91,46,935	11,75,24,525	6,70,89,339
6.	Profit / Loss for the year			
	– Considered in Consolidation	1,79,463	51,85,512	31,503
	– Not Considered in Consolidation	N.A.	N.A.	N.A.

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

Sl.	Name of Associates/Joint Ventures	Sayedabad Tea Co. Ltd.	Terai Overseas Pvt. Ltd.	Amit Paridhan Pvt. Ltd.
1.	Latest Audited Balance Sheet Date	31/03/2023	31/03/2023	31/03/2023
2.	Shares of Associate/Joint Ventures held by the Company on the year end			
	– No.	15,070	3,17,460	1,75,000
	– Amount of Investment in Associates/ Joint Venture	1,50,700	28,70,460	3,10,000
	– Extent of Holding %	27.71%	47.74%	36.08%
3.	Description of how there is significant Influence	Associate	Associate	Associate
4.	Reason why the associate/ Joint venture is not consolidated	N.A.	N.A.	N.A.
5.	Networth attributable to Shareholding as per latest audited Balance Sheet (As per IND AS)	2,86,84,688	3,15,61,188	2,47,88,859
6.	Profit / Loss for the year			
	– Considered in Consolidation	32,72,918	6,71,433	(78,25,156)
	– Not Considered in Consolidation	N.A.	N.A.	N.A.

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

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

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

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

Sl.	Name of Associates/Joint Ventures	Terai Financial Services Pvt. Ltd.	New Darjeeling Union Tea Co. Ltd	Terai Ispat & Trading Pvt. Ltd
1.	Latest Audited Balance Sheet Date	31/03/2023	31/03/2023	31/03/2023
2.	Shares of Associate/Joint Ventures held by the company on the year end			
	– No.	22,554	17,085	7,01,273
	– Amount of Investment in Associates/ Joint Venture	22,554	1,24,76,190	22,82,730
	– Extent of Holding %	49.00%	48.59%	49.00%
3.	Description of how there is significant Influence	Associate	Associate	Associate
4.	Reason why the associate/ Joint venture is not consolidated	N.A.	N.A.	N.A.
5.	Networth attributable to Shareholding as per latest audited Balance Sheet (As per IND AS)	56,42,762	5,87,65,140	7,77,44,041
6.	Profit / Loss for the year			
	– Considered in Consolidation	4,24,826	27,16,269	5,33,004
	– Not Considered in Consolidation	N.A.	N.A.	N.A.

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

For and on behalf of the Board of Directors  
**For Terai Tea Company Limited**

**Registered Office :**

“Ezra Mansion”  
10, Government Place (East)  
1st Floor, Kolkata – 700 069  
Dated, 21st day of August, 2023

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

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

Sd/-  
**Rajesh Singhania**  
Company Secretary  
FCS-F7746



## Annexure “E” to the Directors’ Report Report on Corporate Governance

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

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

Terai Tea’s philosophy is based on transparency, professionalism, accountability, integrity, efficient conduct of its operations and in meeting its obligations towards various stakeholders such as Customers, Vendors, Employees, Shareholders and the Society as a whole. Your Board of Directors unequivocally support the principles of Corporate Governance. The Company endeavours to produce quality Tea that consistently commands respect, trust and loyalty throughout the world by way of sustained efforts, research and development in plantation and adoption of latest technology. Your Company believes that good

Corporate Governance emerges from the application of the best and sound management practices and compliance with laws coupled with adherence to the highest standards of professionalism and business ethics; great emphasis is placed on values such as empowerment and integrity of its employees, transparency in decision making process, fairness, honesty, accountability in dealings with its dealers, customers, business associates, government and all its stakeholders.

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

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

The composition of the Board of Directors and also the number of other Board of Directors or Board Committees of Which he/she is a member / Chairperson are as under :

Name of the Director	DIN	Category	No. of other Directorship Excluding Pvt. & Foreign Companies	No. of Membership/ Chairpersonship of other Committee
MR. AJIT KUMAR AGARWALA	00265775	Promoter, Executive	6	NIL
MRS. SHASHIKALA AGARWALA	00260171	Promoter, Non-Executive, Non-Independent	5	NIL
MR. RAJENDRA KANODIA	00175574	Non-Executive, Non-Independent	6	NIL
MR. JAYANTA KR. NATWARLAL RAJA	06884343	Non-Executive, Independent	0	3
MR. RATAN KUMAR GOEL	01625981	Non-Executive, Independent	3	3
MR. DHRUV BAJORIA	07935582	Non-Executive, Independent	6	3
MR. MILAN KRISNA SARKAR*	05272885	Non-Executive, Independent	NIL	3
MR. HEMANT KUMAR AGARWAL*	02308200	Non-Executive, Independent	NIL	3

(\*Resigned from the Board on 13th January, 2023.)

- None of the independent Directors of the Company serves as an independent Director in more than seven listed Companies and where any Independent Director is serving as whole time director in more than three listed companies.
- None of the Directors is a member of more than ten Committees or Chairman of more than five Committees across all Companies.

**b) Details of Directorship in Listed Companies as on 31st March, 2023**

Name of the Director	Name of Listed Company	Category
Shri Ajit Kumar Agarwala	Terai Tea Co. Ltd.	Promoter, Executive
Smt. Shashikala Agarwala	Terai Tea Co. Ltd.	Promoter, Executive, Non-Independent
Shri Rajendra Kanodia	Terai Tea Co. Ltd.	Executive, Non-Independent
Shri Dhruv Bajoria	1. Terai Tea Co. Ltd. 2. Baghmari Tea Co Ltd. 3. The Bormah Jan Tea (1936) Ltd. 4. Teesta Valley Tea Co Ltd. 5. Classique Trade Holdings Ltd. 6. Huldibari Inds. & Plantation Co. Ltd.	Non-Executive, Independent Non-Executive, Non-Independent Non-Executive, Independent Non-Executive, Independent Non-Executive, Non-Independent Non-Executive, Non-Independent
Shri Ratan Kumar Goel	Terai Tea Co. Ltd.	Non-Executive, Independent
Dr. Jayanta Kr. Natwarlal Raja	Terai Tea Co. Ltd.	Non-Executive, Independent

**c) Separate Meetings of Independent Directors**

Independent Directors meeting was held on 14th February, 2023 without the presence of the Managing Director and other Non-Executive, Non-Independent Directors. The meeting was attended by all the Independent Directors and enabled them to:

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

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

NAME	No. of Meetings Attended
Mr. Dhruv Bajoria *	1
Mr. Jayanta Kumar Natwarlal Raja	1
Mr. Ratan Kumar Goel	1

\*Mr. Dhruv Bajoria was unanimously elected as the Chairman of the Meeting.

**d) Familiarizations Programme for IDs**

**i) Induction & Training of Board members**

On appointment, the concerned Director is issued a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. Each newly appointed Independent Director is taken through a formal induction program including the presentation from the Chairman / the Managing Director on the Company's manufacturing, marketing, finance and other important aspects. The Company Secretary briefs the Director about their legal and regulatory responsibilities as a Director. The induction for Independent Directors

include interactive sessions with Executive Committee Members, Business and Functional Heads, visit to the manufacturing site, etc. On the matters of specialised nature, the Company engages outside experts/consultants for presentation and discussion with the Board members.

**ii) Familiarisation Programmes for Independent Directors**

Independent Directors have been explained about their roles, rights, responsibilities in the Company through detailed presentations on the changes in backdrop of Companies Act, 2013 and SEBI (LODR) Regulations, 2015. The Board including all Independent Directors were provided with relevant documents, reports and internal policies to enable them to familiarise with the Company's procedures and practices from time to time. Updates on relevant statutory changes on laws concerning the Company are informed to the entire Board on regular intervals. The Independent Directors are facilitated to meet without the presence of the Company's management to discuss matters pertaining to the Company's affairs. The Board including Independent Directors is also updated periodically on Related Party Transactions and their rational, Litigation update, various Policies and Standard Operating Procedures of the Company, Entity Level Risk, Risk Mitigation Plans, etc.

The details of such familiarization programs for Independent Directors are posted on the website of the Company and can be accessed at [www.terai group.com](http://www.terai group.com).

**iii) Skills / Expertise / Competence of the Board of Directors**

Matrix setting out the list of skills/expertise/competence identified by the board of directors as required in the context of the Company's business(es) and sector(s) for it to function effectively and those actually available with the board are given in below :



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

iv) List of skills/expertise/competence identified by the Board of Directors as required in the context of the Company’s business (es) and sector(s)

Part A : Collective Skills		
Skill Area	Description	Skill/expertise/competence available with the Board
Strategy and Planning	Ability to think strategically; identify and critically assess strategic opportunities and threats. Develop effective strategies in the context of the strategic objectives of Terai Tea Co. Ltd. relevant policies and priorities.	Yes
Policy Development	Ability to identify key issues and opportunities for Terai Tea Co.Ltd. and develop appropriate policies to define the parameters within which the organisation should operate.	Yes
Governance, Risk and Compliance	Experience in the application of corporate governance principles in a commercial enterprise or other regulated entity.	Yes
	Ability to identify key risks to Terai Tea Co. Ltd. in a wide range of areas including legal and regulatory compliance.	Yes
	Experience in the appointment and evaluation of senior executive managers.	Yes
Financial Performance	Qualifications and experience in accounting and/or finance and the ability to :	
	• Analyse key financial statements;	Yes
	• Critically assess financial viability and performance;	Yes
	• Contribute to strategic financial planning;	Yes
	• Oversee budgets and the efficient use of resources;	Yes
	• Oversee funding arrangements and accountability.	Yes
Government Relations (policy & process)	Experience in managing government relations and industry advocacy strategies.	Yes
Member and stakeholder engagement	High level reputation and established networks in the consumer or business groups, and the ability to effectively engage and communicate with key stakeholders.	Yes
Commercial Experience	A broad range of commercial/business experience, in are as including communications, marketing, branding and business systems, practices and improvement.	Yes
Legal	Qualification and experience in legal practice with emphasison :	
	• Tea Industry	Yes
	• Employment Law	Yes
	• Health & Safety Legislation	Yes
Human Resource Management	Qualification and experience in human resource management with an understanding of :	Yes
	• Tea Industry	Yes
	• Employment Law	
Information Technology / Digital Skills	Qualification and experience in IT Digital skills with an ability to apply new technology to the Tea Industries.	Yes

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

Part B : Collective Skills		
Skill Area	Description	Skill/expertise/competence available with the Board
Integrity (ethics)	Acommitment to:	Yes
	<ul style="list-style-type: none"> <li>Understanding and fulfilling the duties and responsibilities of a Director, and maintaining knowledge in this regard through professional development;</li> </ul>	Yes
	<ul style="list-style-type: none"> <li>Putting Terai Tea Co. Ltd. interests before any personal interests;</li> </ul>	Yes
	<ul style="list-style-type: none"> <li>Acting in a transparent manner and declaring any activities or conduct that might be a potential conflict;</li> </ul>	Yes
	<ul style="list-style-type: none"> <li>Maintaining Board confidentiality at all times.</li> </ul>	Yes
Effective Communicator	<ul style="list-style-type: none"> <li>The ability to :</li> <li>Listen to, and constructively and appropriately debate, other people’s view points;</li> </ul>	Yes
	<ul style="list-style-type: none"> <li>Develop and deliver cogent arguments;</li> </ul>	Yes
	<ul style="list-style-type: none"> <li>Communicate effectively with a broad range of stakeholders.</li> </ul>	Yes
Constructive Questioner	The preparedness to ask questions and challenge Terai Tea Co. Ltd. management and peer Directors in a constructive and appropriate way about key issues.	Yes
Contributor and Team Player	The ability to work as part of a team, and demonstrate the passion and time to make a genuine and active contribution to the Terai Tea Co. Ltd. Board.	Yes
Commitment	A visible commitment to the purpose for which the Company has been established and operates, and its on going success.	Yes
Leader	Innate leadership skills, including the ability to :	
	<ul style="list-style-type: none"> <li>Appropriately represent Terai Tea Co. Ltd.</li> </ul>	Yes
	<ul style="list-style-type: none"> <li>Set appropriate Board and organisation culture;</li> </ul>	Yes
	<ul style="list-style-type: none"> <li>Make and take responsibility for decisions and actions.</li> </ul>	Yes

### v) Confirmations of the Board Regarding Independent directors

In the opinion of the Board, the independent directors fulfill the conditions specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

### vi) Evaluation of the Board’s Performance

During the financial year, the Board adopted a formal mechanism for evaluating its performance and as well as that of its Committees and Individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board and Committees, experience and competencies, performance of specific duties and obligations, governance issues, etc. Separate exercise was carried out to evaluate the performance of individual Director, including the Board Chairman who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgement safeguarding of minority shareholders interest, etc. The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and Non-independent Directors were carried out by the Independent Directors. The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

### vii) Code of Conduct

The Company has adopted a Code of Conduct for the Directors and Senior Management of the Company. The same has been posted on the website of the Company. The members of the Board and Senior Management of the Company have submitted their affirmation on compliance with the Code for the effective period. The Declaration by the Chairman to that effect forms part of this Report.

### viii) Prevention of Insider Trading Code

As per SEBI (Prohibition of Insider Trading) Regulation, 2015, the Company has adopted a Code of Conduct for Prevention for Insider Trading. All the Directors, employees at Senior Management and other employees who could have access to the unpublished price sensitive information of the Company are governed by this code. The trading window is closed during the time of declaration of results and occurrence of any material events as per the code. During the financial year under review, there has been due compliance with the said code.

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

### e) MEETINGS

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

NAME OF DIRECTORS	NO. OF BOARD MEETINGS HELD	NO. OF BOARD MEETINGS ATTENDED	ATTENDANCE IN LAST AGM
Shri Ajit Kumar Agarwala	16	13	Present
Smt. Shashikala Agarwala	16	13	Present
Shri Rajendra Kanodia	16	14	Present
Shri Hemant Kumar Agarwal	14	10	Present
Shri Jayanta Kumar Natwarlal Raja	16	10	Present
Shri Milan Krisna Sarkar	14	8	Absent
Shri Dhruv Bajoria	4	4	NA
Shri Ratan Kumar Goel	4	2	NA

i) During the year under review, 16 (Sixteen) Board Meetings were held. The maximum time-gap between any two meetings did not exceed 120 days. The dates on which meetings were held are given below:

19th April ,2022	31st May,2022	07th October,2022	02nd January,2023
03rd May,2022	22nd July,2022	07th November,2022	13th January,2023
19th May,2022	12th August,2022	14th November,2022	14th February,2023
30th May,2022	29th August,2022	09th December,2022	16th March,2023

### f) Skill/expertise/competence of the Board of Directors :

#### • Shri Ajit Kumar Agarwala, Managing Director :

He is one of our Promoter. He completed his Graduation in Arts & Doctor of philosophy in Business Management from Burkes University, U.K. He has more than 44 years experience in Tea Plantation, Marketing Business and Financial Business and is responsible for overall operations of our Company.

#### • Smt. Shashikala Agarwala, Non-Independent, Non-Executive :

She is one of our promoters. She completed her Graduation in Arts. She has more than 40 years experience in Tea Plantation, Marketing Business and Financial Business and she has been member of our Board since 28 January 1987.

#### • Shri Rajendra Kanodia, Non-Independent, Executive:

He has been a member of our Board of Directors since 28 January 1987. He completed his Graduation in Commerce. He has more than 40 years experience in Tea Plantation, Marketing Business and Financial Business.

#### • Shri Hemant Kumar Agarwal, Independent, Non-Executive:

He has been a member of our Board of Directors since 13 August 2015 as Independent Director and

continued on the Board upto 13th January, 2023. He was the Chairman of Audit Committee and member of Nomination & Remuneration committee & Stakeholder relationship Committee before his resignation dated 13th January, 2023. He is a businessman since very early young age and have very wide experience in dealings in food items etc. With his presence in the company, a major upliftment in Profits & Turnover had come into picture.

#### • Shri Jayanta Kumar Natwarlal Raja, Independent, Non-Executive :

He has been a member of our Board of Directors since 26 July 2014 and an Independent Director and Chairman of Stakeholders Committee of the Company. He is an institution by himself having achieved all heights in medical science and who has devoted his life for care of the sick people.

#### • Shri Milan Krisna Sarkar, Independent, Non Executive :

He has been a member since July 26, 2014 as an Independent Director and continued on the Board upto 13th January,2023. He is a very senior Lawyer (LLB) and he used to look forward to protect our properties and legal matters through his experience. He was the Chairman of nomination and Remuneration committee and member of Audit committee & Stakeholder relationship Committee before his resignation dated 13th January, 2023.

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

- **Shri Ratan Kumar Goel, Independent, Non-Executive:**

He has been a member of our Board of Directors since 09th December, 2022 and an Independent Director and Chairman of Nomination & Remuneration Committee of the Company with wide experience in Manufacturing and trading of various commodities. He holds his expertise in Marketing and Administration, which is one of the major requirement for excellence for being a board member.

- **Shri Dhruv Bajoria, Independent, Non-Executive:**

He has been a member of our Board of Directors since 09th December, 2022 and an Independent Director

and Chairman of Audit Committee of the Company. He has several years of experience in Tea Industry. He has also undergone a training of tea testing course of 6 months under Parcon India Pvt. Ltd. in the year 2018. He holds his expertise in accounts and finance, which is one of the major requirement for excellence for being a board member.

- g) **Disclosure of relationship between Directors:**

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

### h) Number of Shares held by Non-Executive Directors

NAME OF DIRECTORS	CATEGORY	No. of Shares Held
Smt. Shashikala Agarwala	Non-Executive, Non-Independent Director and Promoter (Women Director)	18,98,800
Shri Hemant Kumar Agarwal*	Non-Executive and Independent Director	—
Shri Jayanta Kumar Natwarlal Raja	Non-Executive and Independent Director	—
Shri Milan Krishna Sarkar*	Non-Executive and Independent Director	—
Shri Rajendra Kanodia	Non-Executive and Independent Director	14,700
Shri Dhruv Bajoria	Non-Executive and Independent Director	—
Shri Ratan Kumar Goel	Non-Executive and Independent Director	—

\* Resigned from Board w.e.f. 13th January, 2023.

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

#### 1. Conflict of Interest

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

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

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

#### 2. Confidential Information

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

#### 3. Public Disclosures

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

#### 4. Legal Compliance

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

#### 5. Share Transactions

All Board Members & Senior Managers should report their holding in the Company. There should exist a block period of two weeks (before the quarterly results

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

etc.) when one can not trade in the Company’s securities.

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

### 6. Fair Business Practices

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

### 7. Supporting Loyalty & Respect

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

### 8. Open Communication

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

### 9. Corporate Policy Awareness

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

### 10. Company Branding

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

### 11. Black out Period

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

### 12. Amendment of the Code

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

### 13. Violation of the Code of Conduct

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

#### i) AUDIT COMMITTEE

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

#### Composition, Meeting and Attendance During the Year

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

The Audit Committee is constituted by Five Non-Executive Independent Directors (NEID), all of whom are financially knowledgeable and they have accounting or related financial management expertise. The Company Secretary acts as the Secretary of the Audit Committee. During the year, 4 (Four) meetings of the Audit Committee were held on May 30, 2022, August 12,2022, November 14, 2022 and February 14, 2023. The maximum time gap between any two consecutive meetings did not exceed 120 Days. Moreover, the quorum of minimum 2 (Two) Independent Directors, as required by the Listing Regulations, was present in all the meetings of the Audit Committee held during the year. The constitution of the Committee, number of meetings held and attendance of the members are given below:

Names of the Directors	Position Held	Period of Membership	Category	No. of Meetings During the tenure of Membership	
				Held	Attended
Mr. Hemant Kumar Agarwal	Chairman	Upto 13th January,2023	Independent, Non-Executive	3	3
Dr. Jayanta Kr. Natwarlal Raja	Member	Since 26th July,2014	Independent, Non-Executive	4	4
Mr. Milan Krisna Sarkar	Member	Upto 13th January,2023	Independent, Non-Executive	3	3
Mr. Ratan Kumar Goel	Member	From 9th Dec,2022	Independent, Non-Executive	1	1
Mr. Dhruv Bajoria	Chairman	a) From 9th Dec,2022 - Member. b) From 13th Jan., 2023 - Chairman	Independent, Non-Executive	1	1

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

### Terms of Reference:

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

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

### Statutory Audit Observations

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

### j) STAKEHOLDERS RELATIONSHIP COMMITTEE

#### Composition & terms of reference

The Stakeholders Relationship Committee is constituted as per Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 178 (5) of the Companies Act, 2013. Stakeholders Relationship Committee comprises of five (5) Non-Executive Independent Directors. The Committee additionally monitors the relationship with Stakeholders including Shareholders, Employees, Customers, Vendors, Government and Society. Shareholders’ complaints and grievances are reviewed in detail by the Committee and prompt and effective directions are given to the Registrars for proper disposal. During the Financial Year 2022-23 the Company has not received any complaint from the Shareholders / Investors of the Company and no queries are pending to be resolved as on date.

Status of Investors’ Complaints :	
Number of Complaints received during the year	Nil
Number of Complaints resolved upto 31st March, 2023	Nil
Number of Complaints not solved to the satisfaction of shareholders	Nil
Number of Complaints pending as on 31st March, 2023	Nil

### Composition, Meeting and Attendance during the year

During the financial year One (1) meeting of the Stakeholders Relationship Committee were held on December 9, 2022 for the year ended March 31st, 2023 and attendance of the members are given below:

Names of the Directors	Position Held	Period of Membership	Category	No. of Meetings During the tenure of Membership	
				Held	Attended
Mr. Hemant Kumar Agarwal	Member	Upto 13th January,2023	Independent, Non-Executive	1	1
Dr. Jayanta Kr. Natwarlal Raja	Chairman	Since 26th July,2014	Independent, Non-Executive	1	1
Mr. Milan Krisna Sarkar	Member	Upto 13th January,2023	Independent, Non-Executive	1	1
Mr. Ratan Kumar Goel	Member	From 9th Dec. 2022	Independent, Non-Executive	—	—
Mr. Dhruv Bajoria	Member	From 9th Dec,2022	Independent, Non-Executive	—	—

### k) NOMINATION AND REMUNERATION COMMITTEE

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

#### Composition:

The Nomination & Remuneration Committee of the Company comprises of Five (5) Non-Executive Independent Directors and the Company Secretary acts as the Secretary of the Nomination & Remuneration Committee.

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

### Terms of reference:

This Committee recommends and reviews the Compensation packages, commission payable to Directors/ Executives and Managing Director of the company, thereof within the limit approved by the shareholders from time to time.

### The Composition, Attendance of the Nomination & Remuneration Committee Meeting:

During the financial year Two (2) meetings of Nomination and Remuneration Committee were held on 30th May, 2022 & 9th December, 2022 and attendance of the members are given below :

Names of the Directors	Position Held	Period of Membership	Category	No. of Meetings During the tenure of Membership	
				Held	Attended
Mr. Hemant Kumar Agarwal	Member	Upto 13th January, 2023	Independent, Non-Executive	2	2
Dr. Jayanta Kr. Natwarlal Raja	Member	Since 26th July, 2014	Independent, Non-Executive	2	2
Mr. Milan Krisna Sarkar	Chairman	Upto 13th January, 2023	Independent, Non-Executive	2	2
Mr. Ratan Kumar Goel	Chairman	a) From 09th Dec, 2022 -Member. b) From 13th Jan 2023: Chairman	Independent, Non-Executive	—	—
Mr. Dhruv Bajoria	Member	From 09th Dec, 2022	Independent, Non-Executive	—	—

### Remuneration Policy

Remuneration policy of Terai Tea Co. Ltd comprising members of the Board of Directors (“Board”), Key Managerial Personnel and the Senior Management Personnel of the Company. The objective of the remuneration policy is to enable the Company to attract, motivate, and retain qualified industry

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

### Remuneration paid to the Managing Directors

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

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

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

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

should be consistent with recognized best practices. Overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain and motivate Directors aligned to the requirements of the Company, taking into consideration the challenges faced by the Company and its future growth imperative. Contribution of the Non-Executive Directors in Board and Committee Meetings, time devoted by them, participation in strategic decision making, timely guidance to the Board on important policy matters of the Company, performance of the Company and industry practices and bench marks forms the main criteria for determining payments to Non-Executive Directors.

**Sitting Fees :** Non-Executive Directors are paid a sitting fees of 20,000/- for the meeting attended during the financial year 2022-23. These fees have been decided taking into consideration the extend of business transacted at various meetings.

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

### I) GENERAL BODY MEETINGS

#### i) Annual General Meeting:

Annual General Meeting of the Company during the preceding three (3) years were held at the Registered Office of the Company at 10, Government Place (East) Kolkata-700069.

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

LOCATION	DATE	TIME
10, Government Place (East), Kolkata - 700069	September 24, 2022	10.30 A.M.
10, Government Place (East), Kolkata - 700069	October 30, 2021	10.30 A.M.
10, Government Place (East), Kolkata - 700069	December 30, 2020	10.30 A.M.

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

- In the AGM on 24th September, 2022 : Two Special Resolutions was transacted under the provisions of Section 196 & 185 of the Companies Act, 2013.
- In the AGM on 30th October, 2021: No Special Resolution was transacted at the meeting as per Companies Act, 2013.
- In the AGM on 30th December, 2020: No Special Resolution was transacted at the meeting as per Companies Act, 2013.

iii) All the resolutions set out in the respective notices were passed by the shareholders.

iv) Two Resolutions were put through Postal Ballot dated 4th March, 2023. for passing of Special Resolution of Members of the Company regarding appointment of non-Executive Independent Directors to the Board of the Company.

#### m) Subsidiary Companies

During the year under review the company has no subsidiary company but 12 (Twelve) Associate Companies.

#### n) OTHER DISCLOSURES:

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

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and under Listing Regulations, during the financial year were in the ordinary course of business and on an arms length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosures as required by the Accounting Standards (AS18) have been made in the Note No. 34 to the Financial Statements.

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

#### Disclosure on Accounting Treatment:

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

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

The Company has complied with all the requirements of the Listing Regulations, with the Stock Exchanges as well as regulations and guidelines of SEBI. No penalties or stricture were imposed by SEBI, Stock Exchanges or any authority on matters relating to Capital Markets during the last three years except delay in Publication of financial Results during the year 2022-23 as more specified in the Secretarial Audit Report annexed.

#### p) Risk Management:

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

#### q) Vigil Mechanism / Whistle Blower Policy:

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

#### r) Policy on Materiality of and Dealing with Related Party Transactions

Related Party Transactions can present a potential or actual conflict of interest which may be against the best interest of the Company and its shareholders. Considering the requirements for the approval of related



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

party transactions as prescribed under the Companies Act, 2013 and Regulations 23 of the Listing Regulations, the Company has formulated a ‘Policy on Materiality of and Dealing with Related Party Transactions’ for identification of related parties, setting out the materiality threshold and the proper conduct and documentation of all laws and regulations. The ‘Policy on Materiality of the Dealing with Related Party Transactions’ has been put up on the website of the Company at: <http://www.teraigroup.com>.

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

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

**t) Prevention of Insider Trading**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate

trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company’s shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation of the Company and during the period when the Trading Window is closed. The Company Secretary is responsible for implementation of the Code.

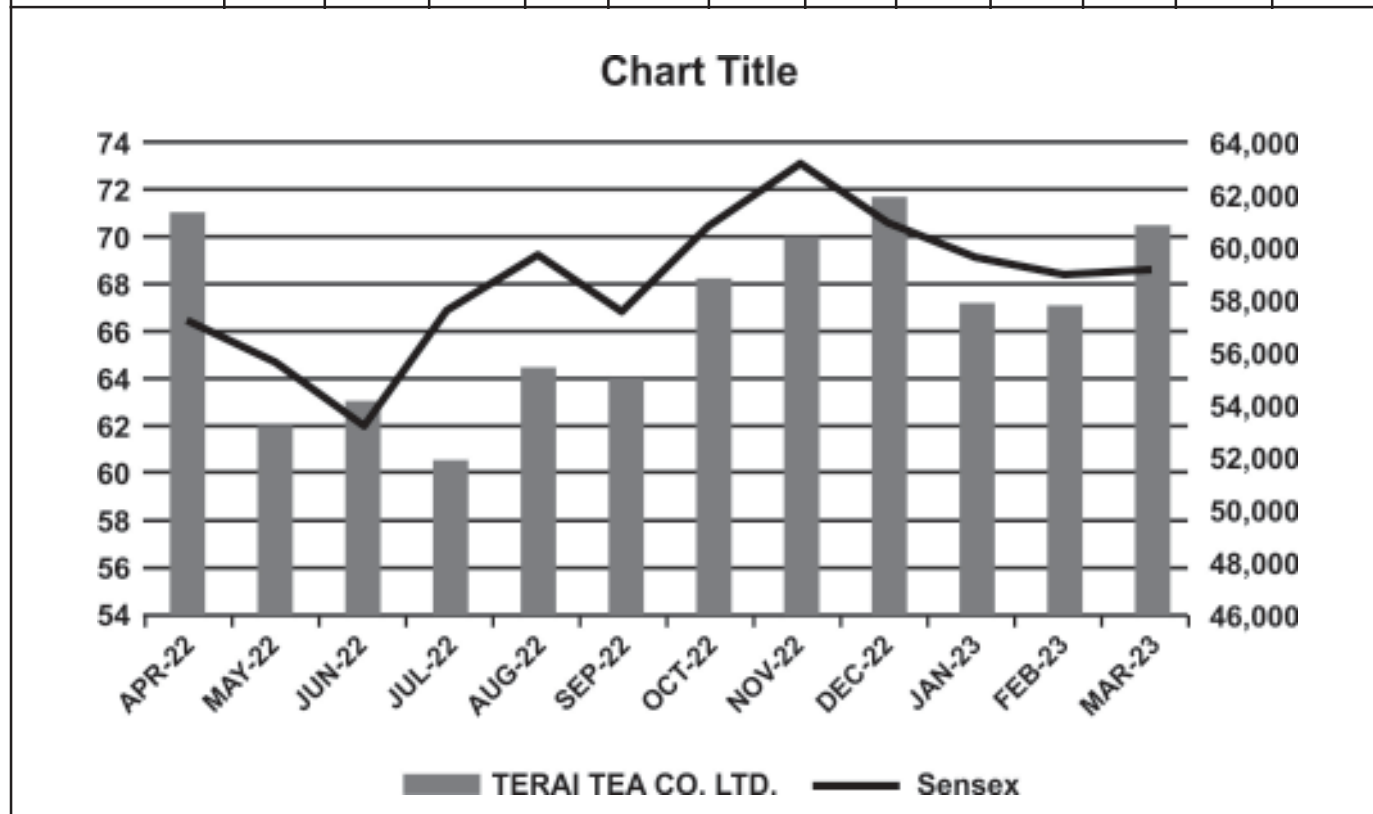
All Board Directors and the designated employees have confirmed compliance with the Code.

**u) MD / CFO CERTIFICATION:**

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

**v) Performance of the Company in Comparison to Sensex :**

Month	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23
Terai Tea Co. Ltd.	70.95	62	63	60.55	64.25	63.95	68.1	70.05	71.65	67.15	67	70.33
Sensex	57,061	55,566	53,019	57,570	59,537	57,427	60,747	63,100	60,841	59,550	58,962	58,992



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

### w) COMPLIANCE CERTIFICATE

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

### x) MEANS OF COMMUNICATION:

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

### y) SHAREHOLDER INFORMATION:

#### 1) Annual General Meeting

Date	<b>September 29, 2023</b>
Time	<b>10.30 A.M.</b>
Venue	<b>Terai Tea Co. Ltd.”Ezra Mansion”, 1st Floor, 10, Government Place (East), Kolkata – 700 069</b>

#### 2) Financial Calendar (Tentative and subject to change)

Particulars	Date of Board meeting for approval
Annual Accounts for 2022-23	4th week of May, 2023
Financial Results for First Quarter	2nd week of August, 2023
Financial Results for Second Quarter	2nd week of November, 2023
Financial Results for Third Quarter	2nd week of February, 2024
Financial Result for the Year ended	Last Week of May, 2024

#### 3) Book Closure

Books shall remained closed from September 23rd, 2023 to September 29th, 2023 (both days inclusive)

#### 4) Listing in Stock Exchange

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

The Stock Exchange	Stock Code
Bombay Stock Exchange Limited Phiroza Jeejeebhoy Tower, 25th Fl., Dalal St., Mumbai-1	530533
Calcutta Stock Exchange Association Limited 7, Lyons Range, Kolkata-700001	30105
ISIN Number for NSDL/CDSL	INE 390D1011
CIN No	L51226WB1973PLC029009
The Company has paid Annual Listing fees to Bombay Stock Exchange for the year 2023-24	
<b>ii) Depositories :</b>	
National Securities Depository Ltd. (NSDL)	Trade World, “A” Wing, 4th Fl., Kamala Mills Compound, Senapati Bapat Marg Lower Parel, Mumbai-400001
Central Depository Services Ltd. (CDSL)	Phiroza Jeejeebhoy Tower, 28th Floor, Dalal Street, Mumbai - 400 001

#### 5) Demat ISIN Numbers:

NSDL	ISIN INE 390D1011
CDSL	ISIN INE 390D1011

#### 6) Registrar and Share Transfer Agents

**Maheshwari Datamatics Pvt. Ltd.**  
23, R. N. Mukherjee Road, 5th Fl., Kolkata-700 001  
Tel. (033) 2248-2248, 2343-5029  
E-mail : mdpldc@yahoo.com

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

### 7) Share Transfer System

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

### 8) Market Price Data

High/low (based on the closing prices) during each month in the financial year 2022-23 on the Bombay Stock Exchange.

Month	BSE SENSEX CLOSE	BSE		
		High Price	Low Price	Close Price
April, 2022	57,061	81.90	65.10	70.95
May, 2022	55,566	72.75	57.20	62.00
June, 2022	53,019	66.95	48.60	63.00
July, 2022	57,570	67.35	55.00	60.55
August, 2022	59,537	66.80	58.00	64.25
September, 2022	57,427	75.00	60.05	63.95
October, 2022	60,747	71.90	61.05	68.10
November, 2022	63,100	82.00	60.05	70.05
December, 2022	60,841	80.75	65.00	71.65
January, 2023	59,550	77.40	58.95	67.15
February, 2023	58,962	72.45	57.90	67.00
March, 2023	58,992	73.90	65.12	70.33

### 10) Distribution of Shareholding As on 31st March, 2023

No. of Shares Held	No. of Holders	% of Holders	No. of Shares	% of Capital
Upto 500	1,831	91.69	1,51,771	2.21
501-1000	75	3.75	60,600	0.88
1001-2000	32	1.60	47,320	0.69
2001-3000	12	0.60	31,188	0.45
3001-4000	9	0.45	31,114	0.45
4001-5000	9	0.45	41,500	0.60
5001-10000	9	0.45	70,453	1.03
10001 and Above	20	1.01	64,45,354	93.69
<b>Total</b>	<b>1,997</b>	<b>100</b>	<b>68,79,300</b>	<b>100</b>

### 11) Shareholding Pattern as on 31st March, 2023

Name of the Shareholders	No. of Shares Held	% Holding
Promoter & Promoter Group	51,03,100	74.18
Non-Promoters Holding :		
- Financials Institutions	Nil	Nil
- Bodies Corporate	10,81,224	15.72
- NRI / Foreign Company	1,769	0.03
- Clearing Member	3,236	0.05
Indian Public	6,89,971	10.02
<b>Total</b>	<b>68,79,300</b>	<b>100</b>

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

### 12) Dematerialization of Shares and Liquidity as on 31st March, 2023

Particulars of Shares	Equity Shares of ₹ 10 Each	
	Number	% of Total
<b>Dematerialized Form</b>		
a) NSDL	64,21,366	93.34
b) CDSL	3,98,787	5.80
Sub Total	68,20,153	99.14
Physical Form	59,147	0.86
<b>Total</b>	<b>68,79,300</b>	<b>100</b>

### 13) Outstanding GDRs/ ADRs/Warrants or any Convertible Instruments:

No GDRs/ADRs/Warrants or Convertible Instruments are issued during the year.

### 14) Details of Public Funding Obtained in Last Three Years:

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

### 15) Plant Locations:

Bagdogra Tea Estate	P.O. Bagdogra, Dist. Darjeeling, West Bengal
Terai Tea Factory Unit	P.O. Kharibari, Dist. Darjeeling, West Bengal
Adhikari Tea Factory	P.O. Adhikari, Dist. Darjeeling, West Bengal

### 16) Address for Correspondence:

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

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

By order of the Board  
For Terai Tea Company Limited

#### Registered Office :

“Ezra Mansion”  
10, Government Place (East)  
1st Floor, Kolkata – 700 069  
Dated, 21st day of August, 2023

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

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

## Independent Auditor Certificate Regarding Compliance of Corporate Governance.

To  
The Board of Directors  
Terai Tea Company Limited  
10, Government Place (East)  
1st Floor, Kolkata - 700069  
West Bengal

To the Members of Terai Tea Company Limited

### Independent Auditor’s Certificate on Compliance of Corporate Governance Report

Terai Tea Company Limited (‘the Company’) requires Independent Auditor’s Certificate on Corporate Governance as stipulated in Regulations 17 to 27, Clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’) for the period 1 April 2022 to 31 March 2023.

### Management Responsibility

The preparation of the Corporate Governance Report is the responsibility of the management of the Company along with the maintenance of all its relevant supporting records and documents. The Management is responsible for ensuring that the Company complies with the requirements as stipulated in Regulations 17 to 27, Clauses (b) to (i) of Regulation 46(2) and paragraphs C and D of Schedule V of the Listing Regulations for the period 1 April 2022 to 31 March 2023. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the report and applying an appropriate basis of preparation and presentation of the report and applying an appropriate basis of preparation.

### Auditor’s Responsibility

Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance as to whether the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations for the period 1 April 2022 to 31 March 2023.

We have examined the compliance of conditions of Corporate Governance by the Company for the period 1 April 2022 to 31 March 2023 as per Regulations 17 to 27, Clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes, Guidance note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India (“the ICAI”) and the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate.

The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements.

### Opinion

In our opinion and to the best of information and according to the explanations given to us and representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as specified in Regulations 17 to 27, Clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations, as applicable. We state that such compliance is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

## Restriction on use

This certificate is issued solely for the purpose of complying with Regulations 17 to 27, Clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations for the period 1 April 2022 to 31 March 2023 and may not be suitable for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or in to whose hands it may come without our prior consent in writing.

Place : Siliguri  
Date : 30th May, 2023

For **SAHA & MAJUMDER**  
Chartered Accountants  
**FRN : 303087E**  
Sd/-  
**S.N. Bhattacharjee**  
Partner  
Membership No. 010767  
ICAI UDIN : 23010767BGZHV3054

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

### Declaration Regarding Code of Conduct:

#### To Whom It May Concern

The Company has framed a specific Code of Conduct to be followed by the members of the Board of Directors and the Senior Management Personnel of the Company. We have incorporated in the conduct, duties of the Independent Directors as laid down in Schedule IV of the Companies Act, 2013 The said “Code” has been circulated to the members of the Board and Senior Management Personnel of the Company, who have confirmed compliance of the same for the year ended 31st March, 2023. The Said “Code” is also been posted on [www.terai group.com](http://www.terai group.com) the website of the Company. Based on the above, it is hereby declared that the code has been complied with by all.

**Registered Office :**

“Ezra Mansion”

10, Government Place (East)

1st Floor, Kolkata – 700 069

Dated, 21st day of August, 2023

**For Terai Tea Co. Limited**

**Sd/-**

**Ajit Kumar Agarwala**

**Managing Director**

**DIN : 00265775**

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

## MD/CFO CERTIFICATION

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

- a) We, Ajit Kumar Agarwala, Managing Director and Rajendra Kanodia, CFO of Terai Tea Co. Ltd. have reviewed Financial Statements and the Cash Flow Statement for the year 2022-23 duly audited by **Saha & Majumder**, Chartered Accountants, Siliguri and that to the best of our knowledge and belief:
- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - These statements together present a true and fair view of the Company’s affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- b) To the best of our knowledge and belief, there are no transactions entered into by the Company during the year 2022-23 which are fraudulent, illegal or violative of the Company’s code of conduct;
- c) We do accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of the internal control, if any, of which we are aware of and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee that -
- There has not been any significant changes in internal control over the financial reporting during the year under review;
  - There has not been any significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and
  - There were no Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company’s internal control system over the financial reporting.

**For Terai Tea Company Limited**

**Registered Office :**

“Ezra Mansion”  
10, Government Place (East)  
1st Floor, Kolkata – 700 069  
Dated : 21st day of August, 2023

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

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



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

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS (Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members,  
Terai Tea Co. Ltd.  
10 Government Place (East)  
Kolkata 700069

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Terai Tea Co. Ltd.** having **CIN No. L51226WB1973PLC029009** and having registered office at 10 Government Place (East), Kolkata 700069 (hereinafter referred to as ‘the Company’), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sl. No.	Name of the Directors	DIN	Date of Appointment in Company
1.	Rajendra Kanodia	00175574	28/01/1987
2.	Shashi Kala Agarwala	00260171	28/01/1987
3.	Ajit Kumar Agarwala	00265775	28/01/1987
4.	Hemant Kumar Agarwal*	02308200	13/08/2014
5.	Milan Krisna Sarkar*	05272885	26/07/2014
6.	Jayanta Kumar Natwarlal Raja	06884343	26/07/2014
7.	Ratan Kumar Goel	01625981	09/12/2022
8.	Dhruv Bajoria	07935582	09/12/2022

\*Resigned from directorship of the company with effect from 13.01.2023.

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

Place : Kolkata  
Date: 21.08.2023

**For MR & Associates**  
Company Secretaries  
A Peer Reviewed Firm  
Peer Review Certificate No.: 720/2020  
Sd/-  
**[M R Goenka]**  
Partner  
FCS No.:4515  
C P No.:2551  
UDIN : F004515E000833805



## Annexure “F” to the Directors’ Report Management Discussion and Analysis Report

Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 stipulates disclosure under specific heads which are given in the following paragraphs and which continue to be followed in the usual course of the Company’s business over the years in discussion amongst the Directors and Senior Management Personnel.

### **INDUSTRY STRUCTURE AND DEVELOPMENT**

India is one of the largest Black Tea producer in the world producing approximately 1371 million kgs during the financial year 2022-23. Markets have been marginally higher for good quality teas whereas common medium teas remained steady resulting in increase in realization than the previous year.

During the year 2022 world tea production dropped marginally to 6422 M. Kgs against last year 6452 M. Kgs – North India’s crop gained by + 25 M. Kgs (+ 2%) - South India crop dropped marginally by 3 M.kgs (-1%) – over all Indian crop touched 1365 M. Kgs out of which STG share 52% and organized growers 48% - the crop increase is mainly in the STG Sector.

After decade’s low export of last year – the export front picked up during 2022 and it touched 227 M.Kgs against last year 196 M. kgs – higher export reduced the retention quantity to 1138 M. Kgs against 1133 M.kgs of 2021.

### **OPPORTUNITIES AND THREATS:**

The continuous promotional efforts and better marketing and brand building initiatives taken jointly by the

Government/Tea Board including TRUSTEA programmes are likely to benefit the industry in the long term.

Erratic weather conditions and shortage of labour are the main threats to the industry. In spite of all technological

advancement tea remain totally a rain dependent crop. Global Warming induced drastic climate change is effecting all agriculture crop including tea.

Climate change have changed the character of monsoon to no rain for long period with heavy rain for short periods.

### **RISK AND CONCERN :-**

Weather plays an important role in the success or failure of any agriculture industry including plantations. Tea is a perennial crop and hence with climate change, repeated erratic rainfall and weather conditions affects the production of tea crops. Further, tea being the labour intensive industry, shortage of labour in peak season and substantial increase in labour costs, high social cost and other input cost remains the major cause of concern for the industry.

### **SEGMENT ANALYSIS AND REVIEW**

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

### **INDIAN TEA MARKET OUTLOOK**

The tea industry in India is being driven by the high penetration of the beverage in the country across socio-economic classes. India’s healthy economic growth and the subsequent rise in the middle-class population are also proving to be catalysts for the industry’s growth as the consumers are preferring premium brands. The rising demand for the packaged variety of the beverage in both urban and rural areas due to lesser chances of adulteration, convenient storage, and their superior quality is further aiding the tea industry in India. The demand for packaged varieties with natural ingredients is also witnessing a growth.

The Tea market is projected to grow at a CAGR of nearly 4.5% in the forecast period of 2023-2028. The market in

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

the country is projected to witness a further growth in the forecast period of 2023-2028, growing at a CAGR of 4.2%. In 2026, the tea industry in India is expected to attain 1.40 million tons.

### FINANCIAL REVIEW & ANALYSIS

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

### INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has laid down guidelines, procedures and policies for better management control which are periodically tested and supplemented by an extensive internal audit programme. Significant findings are placed before the Audit Committee and the corrective measures are recommended for implementation. In the opinion of the management, the existing internal checks and controls are effective and adequate.

### FINANCIAL PERFORMANCE

- a) The report of the Board of Directors may be referred to for Financial Performance.
- b) Details of Significant changes (i.e. changes as compared to the immediately previous financial year) in key financial ratios as as under -
  - i) Inventory Turnover : Increase in sales resulting into higher amount of materials consumed and traded goods purchased.

- ii) Net Profit Margin % : Lower Profit after Tax with higher Turnover due to last year higher non-Operating Income.
- iii) Change in Return / Net-Worth : Higher Profit in 2021-22 due to receipt of compensation not received in 2022-23.

### MATERIAL DEVELOPMENT IN HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The relationships were cordial with the employees throughout the year. Tea Industry being highly labour intensive, prime focus is always on the Labour class. 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 whole hearted support and dedication from employees at all levels in maintaining smooth production and manufacture of tea from all the Tea Estates during the year.

### CAUTIONARY STATEMENT

The forward-looking statements and the views expressed in the Management Discussion and Analysis Report are based on certain assumptions. The actual results, performances or achievements may differ materially from those stated therein. The Company would not be held liable, in any manner, if the future turns out to be quite different, even materially.

### Registered Office :

“Ezra Mansion”  
10, Government Place (East)  
Kolkata 700 069  
Dated, 21st day of August, 2023

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

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

# Financial Highlights : Standalone Balance Sheet

(For Five Years)

(` in Lakh)

	2022-23	2021-22	2020-21	2019-20	2018-19
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Property Plant and Equipment	4,930.08	5,069.98	5,145.44	5,570.58	5,216.47
Capital Work-In-Progress	8.09	14.35	14.35	9.15	159.47
<b>Financial Assets</b>					
(a) Investments	1,723.01	1,708.60	715.42	715.93	717.06
(b) Loans	16.99	10.23	10.17	10.51	10.51
(c) Other Financial Assets	01.00	16.02	18.05	32.06	125.64
Other Non-Current Assets	324.21	321.14	248.34	351.60	327.38
Income-Tax Assets	34.29	37.25	3.16	22.42	-
<b>Total Non-Current Assets</b>	<b>7,037.67</b>	<b>7,177.57</b>	<b>6,154.92</b>	<b>6,712.25</b>	<b>6,556.53</b>
<b>Current Assets</b>					
Inventories	236.47	155.37	262.31	314.46	574.95
<b>Financial Assets</b>					
(a) Investments	2,498.96	3,167.56	1,128.87	887.84	486.01
(b) Trade Receivables	305.43	1,541.11	231.61	1,879.02	2,064.82
(c) Cash and Cash Equivalents	118.73	63.68	42.49	30.37	59.74
(d) Loans					2.07
Other Financial Assets	19.00	19.00	1,932.66	1,157.37	57.36
Other Current Assets	2,163.30	562.43	531.42	1,820.08	1997.7
<b>Total Current Assets</b>	<b>5,341.90</b>	<b>5,509.16</b>	<b>4,129.37</b>	<b>6,089.14</b>	<b>5,240.58</b>
<b>Total Assets</b>	<b>12,379.57</b>	<b>12,686.72</b>	<b>10,248.29</b>	<b>12,801.40</b>	<b>11,797.11</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Equity Share Capital	687.93	687.93	687.93	690.29	690.29
Other Equity	7,427.56	7,295.72	6,355.98	5,925.12	5,783.66
<b>TOTAL EQUITY</b>	<b>8,115.49</b>	<b>7,983.65</b>	<b>7,043.91</b>	<b>6,615.41</b>	<b>6,473.95</b>
<b>Liabilities</b>					
<b>Non-Current Liabilities</b>					
<b>Financial Liabilities</b>					
Borrowings	1,538.56	1,531.75	818.00	2,588.75	2,521.07
Provisions	129.66	119.11	113.72	79.32	83.47
Deferred Tax Liabilities (Net)	16.96	40.31	50.60	6.14	22.16
Other Non-Current Liabilities	59.84	65.96	73.35	120.47	149.03
<b>Total Non-Current Liabilities</b>	<b>1,745.02</b>	<b>1,757.13</b>	<b>1,055.67</b>	<b>2,794.68</b>	<b>2,775.73</b>
<b>Current Liabilities</b>					
<b>Financial Liabilities</b>					
(a) Borrowings	1,969.17	1483.88	1,427.74	1,896.50	775.83
(b) Trade Payables	209.85	1,130.05	243.61	789.48	1,548.43
(c) Other Financial Liabilities	113.74	129.04	131.82	11.10	41.31
Other Current Liabilities	140.83	127.18	302.12	674.07	162.01
Provisions	85.48	75.78	79.42	4.79	4.79
Current Tax Liabilities (Net)	-	-	-	15.36	15.05
<b>Total Current Liabilities</b>	<b>2,519.06</b>	<b>2,945.94</b>	<b>2,184.72</b>	<b>3,391.30</b>	<b>2,547.42</b>
<b>Total Liabilities</b>	<b>4,264.08</b>	<b>4703.07</b>	<b>3,240.39</b>	<b>6,185.98</b>	<b>5,323.15</b>
<b>Total Equity and Liabilities</b>	<b>12,379.57</b>	<b>12,686.72</b>	<b>10,284.29</b>	<b>12,801.40</b>	<b>11,797.11</b>
Net Worth per Equity Shares of Rs. 10/- each (in Rs.)					
<b>Earnings per Equity Share:</b>					
(1) Basic	1.92	13.66	6.23	2.06	1.91
(2) Diluted	1.92	13.66	6.23	1.91	1.29

# Financial Highlights : Standalone Profit & Loss A/c

(For Five Years)

(` In Lakh)

	2022-23	2021-22	2020-21	2019-20	2018-19
1. Revenue from Operations	9,315.60	7,318.38	7,144.91	11,866.21	14,075.13
2. Other Income	472.88	1,532.09	1,714.47	1,178.19	94.35
Total Income	9,788.48	8,850.47	8,859.38	13,044.40	14,169.48
B. Expenditure					
1. Change in Inventories of Finished Goods, Work-in-progress and Stock-in-trade	(116.91)	147.29	(8.56)	224.86	76.41
2. Purchase of Stock-in-trade	6,265.57	4,161.52	453.83	6,546.28	7,024.15
3. Cost of Material Consumed	1,160.58	1,583.81	4,999.88	2,781.65	3,706.99
4. Employee Benefits Expenses	675.98	631.83	624.45	602.24	602.97
5. Consumption of Stores & Spare Parts	201.28	158.91	198.40	239.15	244.37
6. Excise Duty	–	–	–	–	–
7. Power & Fuel	602.47	552.17	768.41	950.93	1,163.23
8. Manufacturing & Other Miscellaneous Exp.	36.30	28.87	27.49	43.50	47.61
9. Selling & Distribution Expenses	59.42	61.92	153.98	161.58	175.31
10. Depreciation and Amortisation Expenses	165.92	158.24	193.18	147.94	164.76
11. Interest (Net)	248.19	149.47	335.25	378.87	376.44
12. Other Expenses	380.25	274.87	581.17	840.95	462.46
Total Expenditure	9,679.06	7,908.90	8,327.50	12,917.95	14,044.70
C. Profit / (Loss) Before Taxation (A-B)	109.42	941.57	531.88	126.45	124.78
D. Tax Expenses					
Current Tax	–	–	51.21	15.36	9.44
MAT Credit Entitlement	39.85	-	(39.85)	(15.36)	–
Tax Adjustment for Earlier Years	0.93	12.12	7.71	(2.95)	–
Provision for Taxation-Deferred Tax	(63.20)	(8.30)	84.32	(12.06)	(15.96)
Total Tax Expenses	(22.42)	1.83	103.39	(15.00)	(6.52)
E. Profit / (Loss) After Taxation (C-D)	131.84	939.74	428.49	141.46	131.30
F. Other Comprehensive Income	–	–	–	–	0.27
G. Total Comprehensive Income (Net of Tax) (E-F)	131.84	939.74	428.49	141.46	131.57

# Independent Auditors' Report

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

## REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

### Opinion

We have audited the Standalone Financial Statements of Terai Tea Company Limited ("the Company") which comprise the Standalone Balance Sheet as at 31st March 2023, the standalone statement of profit and loss (including other comprehensive income), Standalone Statement of Changes in Equity and Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act"), in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023 and its profit, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

### Estimation of Useful Life of Bearer Plants

See note 3(a) to the standalone financial statements-

The key Audit Matter	How the Matter was Addressed in our Audit
Useful life of Bearer Plants requires the management to exercise significant judgement in relation to the estimate thereof. Nature, timing and likelihood of changes to the natural factors may affect the useful life expectancy of the assets and therefore could have a material impact on the depreciation expense for the year.	✓ Assessed the management's estimates of the useful life of Bearer Plants with reference to: (a) the consistency with the Company's pattern of economic benefits embodied in such assets and future operating plans including acquisitions and retirements of the Bearer Plants; (b) the comparison to the useful life estimates adopted by the comparable tea producers; and (3) consideration of the Company's historical experience.
As per Note 4 - "Property, Plant and Equipment", the management reviews the estimated useful life and the residual value of Bearer Plants annually and adjust for changes, where appropriate. Accordingly, the matter has been identified as key audit matter.	✓ Evaluated the assumptions and critical judgements used by the management through testing of underlying documents / details.
The written down value of such Bearer Plants as on 31 March 2023 is Rs. 1,734.30 lakhs.	✓ Assessed the related disclosures included in the standalone financial statements in this regard.

### Information Other than the Standalone Financial Statements and Auditors' Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon. The Company's annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

# Independent Auditors' Report (contd.)

In connection with our audit of the standalone Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

1. As required by the Companies (Auditor's Report) Order, 2020 ("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 paragraphs 3 and 4 of the Order, to the extent applicable.

# Independent Auditors' Report (contd.)

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 Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income), the standalone statement of changes in equity and the standalone cash flow statement dealt with by this report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31st March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2023 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 with reference to these standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - 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 does not have any pending litigations which would impact its financial position.
    - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
    - iv)
      - (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
      - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
      - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
    - v) With respect to the matter to be included in the auditors' report under Section 197(16), In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.
    - vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31st March 2023.

Place : Siliguri  
Date : 30th May, 2023

For **SAHA & MAJUMDER**  
Chartered Accountants  
FRN : 303087E  
Sd/-

**S.N. Bhattacharjee**  
Partner  
Membership No. 010767  
ICAI UDIN : 23010767BGZHVT6245



# Independent Auditors' Report (Contd.)

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

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that :

- (i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:
  - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
  - (B) The Company does not have any intangible asset. Accordingly, reporting under clause 3(i)(a)(B) of the order is not applicable.
- (b) The Company has a program of physical verification to cover all the items of Property, Plant and Equipment in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were identified on such physical verification.
- (c) According to the information and explanations given to us, and on the basis of our examination of the records provided to us, we report that, the title deeds, comprising all the immovable properties which are freehold, are held in the name of the Company as at the balance sheet date. In respect of leasehold land that have been taken on lease the lease agreements are in the name of the Company. In respect of leasehold land that have been taken on lease, the Company has not recognized as Right of Use asset in Property, Plant and Equipment in the financial statements.
- (d) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventories except stocks lying at warehouse or consignment agents have been physically verified by the Management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stock and the book records were not material and have been appropriately dealt with in the books of accounts. For stocks lying at warehouse or consignment agents at the year-end has been verified on the basis of subsequent sales.
- (b) The Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during the year on the basis of security of current assets and We report that the quarterly statements submitted to the Bank are in agreement with the books of accounts except the value of standing tea crop which is provided on estimate.
- (iii) During the year the Company has made investments in joint venture and granted certain loans and/or advances in the nature of loans-
  - (a) The Company has provided loans or advances in the nature of loans during the year-
    - A. The aggregate amounts of loans/ advances in the nature of loans provided during the year to associates and subsidiaries was Nil.
    - B. The aggregate amounts of loans/ advances in the nature of loans provided to any other entity was Rs. 536.48 Lakhs and the balance outstanding at the year-end was Rs. 1,700.52 Lakhs.
  - (b) According to information and explanations given to us, the terms and conditions of the grant of such advances in the nature of loans is not considered prejudicial to the interest of the Company.
  - (c) According to information and explanations given to us, there was no stipulation as to repayment of principal and interest in respect of advances in the nature of loans.
  - (d) According to information and explanations given to us, there were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties which had fallen due during the year.
  - (e) According to information and explanations given to us, there were no loans or advances in the nature of loans which has fallen due during the year and which has been renewed or extended or for the repayment of which fresh loan has been granted.
  - (f) According to the information and explanations given to us, in terms of Clause 3(iii)(f), we are to report-
    - a. The aggregate of loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment was Rs. 1700.52 Lakhs which is 100% of such advances in the nature of loans.
    - b. Gross amount of loans or advances in the nature of loan granted to Director/relatives as defined in Section 2(76) of the Companies Act 2013 was Rs. 0.50 Lakhs.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act, with respect to the loans given, investments made, guarantees and security given.
- (v) According to information an explanation given to us the Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act

# Independent Auditors' Report (contd.)

and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to manufacture of goods, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(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 / accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees State Insurance, Income-tax, Goods and Services tax, Duty of customs, cess and any other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employee State Insurance, Income-tax, Goods and Services tax, Duty of customs, cess and any other material statutory dues were in arrears, as at 31st March 2023, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues which have not been deposited by the Company on account of disputes, except for the following:

Name of statute	Nature of dues	Amount ( ` )	Period for which it relates	Forum where dispute pending
Income tax Act, 1961	Income tax	24,54,931	AY : 2016-2017	Commissioner (Appeals)
Income tax Act, 1961	Income tax	14,70,210	AY : 2020-2021	Commissioner (Appeals)
Income tax Act, 1961	TDS interest and short deduction claim	2,17,554	Up to Financial year 2021-22	Rectification proceedings initiated and pending
West Bengal Sales Tax Act, 1994	Sales tax/ Value added tax	27,24,449*	FY : 2004-2005	Hon'ble High Court, Calcutta
West Bengal Sales Tax Act, 1994	Sales tax/ Value added tax	55,34,200	FY : 2006-2007, 2009-2010 and 2011-2012	Appellate & Revisional Board
Central Sales Tax Act, 1956	Sales tax/ Value added tax	13,10,610*	FY : 2004-2005	Hon'ble High Court, Calcutta
Central Sales Tax Act, 1956	Sales tax/ Value added tax	35,38,934	FY : 2005-2006, 2006-2007 and 2011-2012	Appellate & Revisional Board
West Bengal Sales Tax Act, 1994	Sales tax/ Value added tax	12,61,694	FY : 2007-2008 and 2008-2009	Commissioner (Appeals)
Central Sales Tax Act, 1956	Sales tax/ Value added tax	10,95,010	FY : 2007-2008 and 2008-2009	Commissioner (Appeals)

\*Demand stayed by Hon'ble High Court, Calcutta.

(viii) According to the information and explanations given to us, the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) In our opinion and according to the information and explanations given to us, the Company did not default on any loans or borrowings or interest thereon due to any lender during the year. Accordingly, the requirement to report on clause ix(a) of the Order is not applicable to the Company.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

(d) In our opinion and according to the information and explanations given to us, the funds raised on short term basis have not been utilised for long term purposes.

(e) On and overall examination of the financial statements of the Company, the Company has not taken funds from any entity or person on account of or to meet the obligations of its Associate Companies.

(f) According to the information and explanations given to us, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instrument) and term loans during the year. Thus, the paragraph 3(x)(a) of the Order is not applicable to the Company.

# Independent Auditors' Report (Contd.)

- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.  
(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.  
(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 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) (a) According to the information and explanations given to us and based on our examination, the Company has an adequate internal audit system commensurate with the size and the nature of its business.  
(b) We have considered the Internal Audit Reports issued to the Company during the year and covering the period up to December 2022 and the final internal audit report issued subsequent to 31st March 2023 covering the period from January 2023 to March 2023.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) According to the information and explanation given to us and in our opinion the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.  
(b) According to the information and explanation given to us and in our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.  
(c) According to the information and explanation given to us and in our opinion, the Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.  
(d) According to the information and explanation given to us and in our opinion, there are no other Company part of the Group which is a Core Investment Company and hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the Standalone Financial Statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) There was no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the Consolidated Financial Statements.

Place : Siliguri  
Date : 30th May, 2023

For **SAHA & MAJUMDER**  
Chartered Accountants  
FRN : 303087E  
Sd/-

**S.N. Bhattacharjee**  
Partner  
Membership No. 010767  
ICAI UDIN : 23010767BGZHVT6245

# Independent Auditors' Report (contd.)

## Annexure B to the Independent Auditors' Report of even date on the Financial Statements of Terai Tea Company Limited

### 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 with reference to the financial statements of Terai Tea Company Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to the financial statements 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 ('Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, 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 ICAI. 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 with reference to the financial statements 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 with reference to the financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to the financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

#### Meaning of Internal Financial Controls with reference to the Financial Statements

A company's internal financial control with reference to the financial statements 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 with reference to the financial statements includes those policies and procedures that:

- (i) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (ii) 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
- (iii) 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 with reference to the financial statements

Because of the inherent limitations of internal financial controls with reference to the financial statements, 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 with reference to the financial statements

# Independent Auditors' Report (Contd.)

to future periods are subject to the risk that the internal financial control with reference to the financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to the financial statements and such internal financial controls with reference to the financial statements were operating effectively as at 31st March 2023, based on the internal control with reference to the financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

Place : Siliguri  
Date : 30th May, 2023

For **SAHA & MAJUMDER**  
Chartered Accountants  
FRN : 303087E  
Sd/-  
**S.N. Bhattacharjee**  
Partner  
Membership No. 010767  
ICAI UDIN : 23010767BGZHVT6245

# BALANCE SHEET (Standalone) as at 31st March, 2023 (₹ in Lakhs)

Particulars	Note No.	As at 31st March, 2023	As at 31st March, 2022
<b>I ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Property, Plant and Equipment	4	4,930.08	5,069.99
(b) Capital Work-in-progress	4	8.09	14.35
(c) Financial Assets			
(i) Investments	5	1,723.01	1,708.60
(ii) Other Financial Assets	6	18.00	26.25
(d) Other Non-current Assets	7	324.21	321.14
(e) Income-Tax Assets	30	34.29	37.25
<b>(A) Total Non-Current Assets</b>		<b>7,037.67</b>	<b>7,177.57</b>
<b>(2) Current Assets</b>			
(a) Inventories	8	236.47	155.37
(b) Financial Assets			
(i) Investments	9	2,498.96	3,167.56
(ii) Trade Receivables	10	305.43	1,541.11
(iii) Cash and Cash Equivalents	11	118.73	63.68
(iv) Other Financial Assets	12	19.00	19.00
(c) Other Current Assets	13	2,163.30	562.43
<b>(B) Total Current Assets (a+b+c)</b>		<b>5,341.90</b>	<b>5,509.16</b>
<b>Total Assets (A+B)</b>		<b>12,379.57</b>	<b>12,686.72</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	14	687.93	687.93
(b) Other Equity	15	7,427.56	7,295.72
<b>(C) Total Equity (a+b)</b>		<b>8,115.49</b>	<b>7,983.65</b>
<b>LIABILITIES</b>			
<b>(1) Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	16	1,538.56	1,531.75
(b) Provisions	17	129.66	119.11
(c) Deferred Tax Liability (Net)	30	16.96	40.31
(d) Other Non-Current Liabilities	18	59.84	65.96
<b>(D) Total Non-Current Liabilities (a+b+c+d)</b>		<b>1,745.02</b>	<b>1,757.13</b>
<b>(2) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	19	2,082.91	1,612.92
(ii) Trade Payables	20	-	-
- Total Outstanding Dues of Micro Enterprises and Small Enterprises		-	-
- Total Outstanding Dues of Creditors Other Than Micro Enterprises and Small Enterprises		209.85	1,130.05
(b) Other Current Liabilities	21	140.83	127.18
(c) Provisions	22	85.48	75.78
<b>(E) Total Current Liabilities (a+b+c)</b>		<b>2,519.06</b>	<b>2,945.94</b>
<b>Total Liabilities (D+E)</b>		<b>4,264.08</b>	<b>4,703.08</b>
<b>Total Equity and Liabilities (C+D+E)</b>		<b>12,379.57</b>	<b>12,686.72</b>
Significant Accounting Policies	3	-	-

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

For SAHA & MAJUMDER

Chartered Accountants

FRN 303087E

Sd/-

**S.N. Bhattacharjee**

Partner

Membership No 010767

ICAI UDIN : 23010767BGZHVT6245

Place : Siliguri

Dated : 30th May, 2023

For and on behalf of the Board of Directors

**Terai Tea Company Limited**

Sd/-

**Shashikala Agarwala**

Director

DIN : 00260171

Sd/-

**Rajendra Kanodia**

Director & CFO

DIN : 00175574

Sd/-

**Rajesh Singhania**

Company Secretary

FCS F7746

# STATEMENT OF PROFIT LOSS (Standalone) for the year ended 31st March, 2023 (₹ in Lakhs)

PARTICULARS	Note No.	For the Year ending on 31st March, 2023	For the Year ending on 31st March, 2022
<b>I Revenue from Operations</b>			
Sale of Goods	23	9,315.60	7,318.38
		<b>9,315.60</b>	<b>7,318.38</b>
<b>II Other Income</b>	24	472.88	1,532.09
<b>III Total Income (I+II)</b>		<b>9,788.48</b>	<b>8,850.47</b>
<b>IV Expenses</b>			
Cost of Material Consumed	25	1,160.58	1,583.81
Purchase of Stock-in-Trade	25	6,265.57	4,161.52
Change in Inventories of Finished Goods and Stock-in-Trade	26	(116.91)	147.29
Employee Benefits Expense	27	675.98	631.83
Finance Costs	28	248.19	149.47
Depreciation Expense	4	165.92	158.24
Other Expenses	29	1,279.72	1,076.74
<b>Total Expenses</b>		<b>9,679.06</b>	<b>7,908.90</b>
<b>V Profit Before tax (III-IV)</b>		<b>109.42</b>	<b>941.57</b>
<b>VI Tax Expense :</b>			
(1) Current Tax	3	—	—
(2) Tax Expense for Earlier Year	30	0.93	12.12
(3) Minimum Alternative Tax	30	39.85	—
(4) Deferred Tax	30	(63.20)	(10.29)
		<b>(22.42)</b>	<b>(1.83)</b>
<b>VII Profit for the Year (V-VI)</b>		<b>131.84</b>	<b>939.74</b>
<b>VIII Other Comprehensive Income</b>			
(i) Items that will not be Reclassified Subsequently to Statement of Profit or Loss		—	—
(ii) Remeasurements of the Net Defined Benefit Liability / Asset		—	—
(iii) Income-Tax Relating to Items not to be Reclassified Subsequently to Statement of Profit or Loss		—	—
<b>Other Comprehensive Income, Net of Tax</b>		—	—
<b>IX Total Comprehensive Income for the period (VII+VIII)</b>		<b>131.84</b>	<b>939.74</b>
<b>Earnings per Share (Nominal Value of Rs. 10 each)</b>			
Basic [in Rs]	32	1.92	13.66
Diluted [in Rs]	32	1.92	13.66
Weighted Average Number of Equity Shares used in Computing Earnings Per Share			
- Basic	32	68,79,300	68,79,300
- Diluted	32	68,79,300	68,79,300

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

For **SAHA & MAJUMDER**

Chartered Accountants

FRN 303087E

Sd/-

**S.N. Bhattacharjee**

Partner

Membership No 010767

ICAI UDIN : 23010767BGZHV76245

Place : Siliguri

Dated : 30th May, 2023

For and on behalf of the Board of Directors

**Terai Tea Company Limited**

Sd/-

**Shashikala Agarwala**

Director

DIN : 00260171

Sd/-

**Rajendra Kanodia**

Director & CFO

DIN : 00175574

Sd/-

**Rajesh Singhania**

Company Secretary

FCS F7746

# CASH FLOW STATEMENT (Standalone) for the year ended 31st March, 2023 ( ` in Lakhs)

	For the Year Ended 31st March, 2023	For the Year Ended 31st March, 2022
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before Tax	109.42	941.57
<b>Adjustments for :</b>		
Depreciation	165.92	158.24
Dividend Income	(0.06)	(0.15)
Provision for Doubtful Debts	0.29	4.27
Profit on Sale of Mutual Fund	(33.14)	(41.62)
Gain on Financial Asset Measured at Fair Value	(14.02)	(130.07)
Interest Income	(11.72)	(0.90)
Interest Expense	248.19	149.47
Provision no Longer Required, Written Back	(5.99)	(5.46)
	<b>458.90</b>	<b>1,075.35</b>
<b>Changes in :</b>		
Trade Receivables	1,235.38	(1,313.77)
Inventories	(81.10)	106.93
Loans, Other Financial Assets and Other Assets	(1,595.69)	1,811.82
Liabilities and Provisions	(886.44)	796.51
<b>CASH GENERATED FROM OPERATIONS</b>	<b>(868.95)</b>	<b>2,476.85</b>
Income Tax Paid, Net of Refund	2.04	(46.21)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>(866.91)</b>	<b>2,430.64</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Acquisition of Property, Plant and Equipment	(19.75)	(82.78)
Purchase / (Sale) of Investments, Net	654.19	(3,031.87)
Profit on Sale of Investments	33.14	41.62
Gain on Financial Asset Measured at Fair Value	14.02	130.07
Dividend Received	0.06	0.15
Interest Received	11.72	0.90
<b>NET CASH PROVIDED USED IN INVESTING ACTIVITIES</b>	<b>693.36</b>	<b>(2,941.91)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds / (Repayment) of Borrowings	476.79	681.93
Interest Paid	(248.19)	(149.47)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>228.60</b>	<b>532.46</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>55.05</b>	<b>21.19</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>63.68</b>	<b>42.49</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>118.73</b>	<b>63.68</b>

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

For **SAHA & MAJUMDER**

Chartered Accountants

FRN 303087E

Sd/-

**S.N. Bhattacharjee**

Partner

Membership No 010767

ICAI UDIN : 23010767BGZHV76245

Place : Siliguri

Dated : 30th May, 2023

For and on behalf of the Board of Directors

**Terai Tea Company Limited**

Sd/-

**Shashikala Agarwala**

Director

DIN : 00260171

Sd/-

**Rajendra Kanodia**

Director & CFO

DIN : 00175574

Sd/-

**Rajesh Singhania**

Company Secretary

FCS F7746



# Notes to Financial Statements (Contd.) ( ₹ in Lakhs)

## Statement of Changes in Equity and Other Equity for the year Ended 31st March, 2022

Particulars	Equity Share Capital	Other Equity				Other Comprehensive Income Other items of OCI	Total Equity Attributable to Equity Holders of the Company
		Reserves and Surplus					
		Securities Premium	Retained Earnings	General Reserve	Share Forfeiture		
Balance as at 1 April 2021	687.93	764.56	5,538.93	49.88	11.81	(9.21)	7,043.90
Remeasurement of the Net Defined Benefit Liability / Asset, net of Tax Effect	-	-	-	-	-	-	-
Profit for the year	-	-	939.74	-	-	-	939.74
Balance as at 31 March 2022	687.93	764.56	6,478.67	49.88	11.81	(9.21)	7,983.64

## Statement of Changes in Equity and Other Equity for the year Ended 31st March, 2023

Particulars	Equity Share Capital	Other Equity				Other Comprehensive Income Other Items of OCI	Total Equity Attributable to Equity Holders of the Company
		Reserves and Surplus					
		Securities Premium	Retained Earnings	General Reserve	Share Forfeiture		
Balance as at 1 April 2022	687.93	764.56	6,478.67	49.88	11.81	(9.21)	7,989.80
Remeasurement of the Net Defined Benefit Liability / Asset, net of Tax Effect	-	-	-	-	-	-	-
Profit for the year	-	-	131.84	-	-	-	131.84
Balance as at 31 March 2023	687.93	764.56	6,610.51	49.88	11.81	(9.21)	8,121.64

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

For **SAHA & MAJUMDER**

Chartered Accountants

FRN 303087E

Sd/-

**S.N. Bhattacharjee**

Partner

Membership No 010767

ICAI UDIN : 23010767BGZHVT6245

Place : Siliguri

Dated : 30th May, 2023

For and on behalf of the Board of Directors

**Terai Tea Company Limited**

Sd/-

**Shashikala Agarwala**

Director

DIN : 00260171

Sd/-

**Rajendra Kanodia**

Director & CFO

DIN : 00175574

Sd/-

**Rajesh Singhania**

Company Secretary

FCS F7746

# Notes to Financial Statements (Contd.)

## **NOTE - 1 : REPORTING ENTITY**

Terai Tea Company Limited (the 'Company') is a Public Limited Company domiciled in India, with its registered office situated at 10, Government Place (East), 1st Floor, Kolkata, West Bengal - 700069. The Company has been incorporated under the provisions of Indian Companies Act, 1956 and its equity shares are listed on the Bombay Stock Exchange (BSE) and Calcutta Stock Exchange Limited in India. The Company is primarily engaged in production, distribution and trading of tea and other agricultural merchandise.

## **NOTE - 2 : BASIS OF PREPARATION**

### **A. Statement of Compliance**

The Financial Statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015, as amended, notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The standalone financial statements were authorised for issue by the Company's Board of Directors on 31st May 2023.

Details of the Company's accounting policies are included in Note 3.

### **B. Functional & Presentation Currency**

These standalone financial statements are presented in Indian Rupees (Rs.), which is also the Company's functional currency. All amounts have been rounded-off to two decimal places to the nearest lakhs, unless otherwise indicated.

### **C. Basis of Measurement**

The standalone financial statements have been prepared on the historical cost basis except for the following items:

<b>Items</b>	<b>Measurement Basis</b>
Certain Financial Assets and Liabilities	Fair Value
Net Defined Benefit (Asset) / Liability	Fair Value of Plan Assets Less Present Value of Defined Benefit Obligations

### **D. Use of Estimates and Judgments**

In preparing these standalone financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

#### **Judgements**

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the standalone financial statements.

#### **Assumptions and Estimation Uncertainties**

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2022 is included in the following notes:

- Note 30 – Recognition of Deferred Tax Assets : Availability of future taxable profit against which tax losses carried forward can be used;
- Note 35 – Measurement of Defined Benefit Obligations : Key Actuarial Assumptions;
- Note 31 – Recognition and Measurement of Provisions and Contingencies : Key Assumptions about the Likelihood and Magnitude of an Outflow of Resources;
- Note 4 – Useful Life of Property, Plant and Equipment;
- Notes 12 – Impairment of Financial Assets.

### **E. Measurement of Fair Values**

Certain accounting policies and disclosures of the Company require the measurement of fair values, for both financial and non financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 – Quoted Prices (Unadjusted) in Active Markets for Identical Assets or Liabilities.
- Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

# Notes to Financial Statements (Contd.)

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into a different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in the measuring fair values is included in the Note 38 - financial instruments.

## **NOTE - 3 : SIGNIFICANT ACCOUNTING POLICIES**

### **(a) Property, Plant and Equipment**

#### ***i. Recognition and Measurement***

Items of property, plant and equipment, are measured at cost (which includes capitalised borrowing costs, if any) less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment includes its non refundable purchase price, duties, taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials, direct labour and any other costs directly attributable to bringing the item to its intended working condition and estimated costs of dismantling, removing and restoring the site on which it is located, wherever applicable.

Bearer Plants which is used in the production or supply of agriculture produce and expected to bear produce and expected to bear produce for more than a period of twelve months are capitalized as a part of Property, Plant and Equipment. The cost of Bearer Plant includes all cost incurred till the plants are ready for commercial harvest. Bearer Plants are depreciated from the date when they are ready for commercial harvest.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

#### ***ii. Subsequent Expenditure***

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

#### ***iii. Depreciation***

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

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

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

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

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

Cost incurred for new plantations and immature areas are capitalised. The cost of immature areas coming into bearing is transferred to mature plantations and depreciated over their estimated useful life.

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

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

#### ***iv. Capital Work-in-Progress***

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

# Notes to Financial Statements (Contd.)

## (b) Assets held for Sale and Disposal

Non - Current assets, or disposals group comprising assets and liabilities are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposals groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any resultant loss on a disposal group is allocated first to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, employee benefit assets, and biological assets, which continue to be measured in accordance with the Group's other accounting policies. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets, property, plant and equipment and investment properties are no longer amortised or depreciated, and any equity- accounted investee is no longer equity accounted.

## (c) Impairment

### (i) Financial Assets

The Company recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in profit or loss.

### (ii) Non-Financial Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units' (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

## (d) Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The Company has adopted Ind AS 116 using the modified retrospective method of adoption under the transitional provisions of the Standards, with the date of initial application on 1st April 2019. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets). Adoption of Ind- AS 116 doesn't have any material impact on the financial statements of the Company.

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### **Company As a Lessee**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

### **Right of Use Assets**

The Company does not recognise right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use).

### **Lease Liabilities**

Lease payments for tea garden land are accounted for on an annual basis and present value of liabilities for long term lease is not provided for.

### **Short-Term Leases and Leases of Low-Value Assets**

The Company applies the short-term lease recognition exemption to its short-term leases of Office, machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of offices, equipment, etc. that are of low value. Lease payments on short term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

# Notes to Financial Statements (Contd.)

## (e) Borrowings

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

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

## (f) Inventories

Raw materials, traded goods and finished goods are stated at the lower of cost and net realisable value.

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

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

## (g) Financial Instruments

### *i. Recognition and Initial Measurement*

The Company initially recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition.

### *ii. Classification and Subsequent Measurement*

#### **Financial Assets**

##### *Financial Assets Carried at Amortised Cost*

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset 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 at Fair Value Through Other Comprehensive Income*

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling 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 at Fair Value Through Profit or Loss*

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

##### *Financial Liabilities*

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Investments representing equity interest in associates are carried at cost in the financial statements.

### *iii. Derecognition*

#### *Financial Assets*

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

# Notes to Financial Statements (Contd.)

If the Company enters into transactions whereby the transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

## *Financial Liabilities*

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognised in the statement of profit and loss.

## **iv. Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

## **(h) Borrowing Costs**

Borrowing costs directly attributable to the acquisition or construction of those property, plant and equipment which necessarily takes a substantial period of time to get ready for their intended use are capitalised. All other borrowing costs are expensed in the period in which they incur in the Statement of Profit and Loss.

## **(i) Foreign Currencies**

Transactions in foreign currencies are initially recorded by the Company at their functional currency spot rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rates are recognised as income or expenses in the period in which they arise. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rates at the date of transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

## **(j) Government Grants**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to revenue, it is recognised in the Statement of Profit and Loss on a systematic basis over the periods to which they relate. When the grant relates to an asset, it is treated as deferred income and recognised in the Statement of Profit and Loss on a systematic basis over the useful life of the asset.

## **(k) Revenue Recognition**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Revenue is measured at the fair value of the consideration received or receivable, net of returns, discounts, volume rebates, outgoing sales taxes including goods and service tax. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company regardless of when the payment is being made.

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

### ***Sale of Products :***

Revenue from sale of goods is recognized when the company transfers the control of goods to the customer as per the terms of contract. The company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price, the company considers the effect of variable consideration , the existence of significant financing component, non-cash consideration and consideration payable to the customer (if any).

### ***Trade Receivables :***

A receivable represents the company's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due).

### ***Rental Income :***

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the Statement of Profit or Loss. The Company has determined that it does not meet criteria for recognition of lease rental income on a basis other than straight-line basis.

# Notes to Financial Statements (Contd.)

## **Interest Income**

Interest Income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income from debt instruments is recognised using the effective interest rate method.

## **Dividends**

Dividend income is recognised in the statement of profit and loss only when the right to receive payment is established, which is generally when shareholders approve the dividend.

## **(l) Income Tax**

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

### **i. Current Tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

### **ii. Deferred Tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for: - temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of transaction. - temporary differences related to investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. MAT is recognised as deferred tax assets in the Balance Sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised. Deferred tax assets recognised or unrecognized are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised. Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The Company offsets, the current tax assets and liabilities (on a year on year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

## **(m) Provisions and Contingent Liabilities**

### **i. General**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### **ii. Contingent Liabilities**

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

### **iii. Onerous Contracts**

Provision for onerous contracts. i.e. contracts where the expected unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

# Notes to Financial Statements (Contd.)

## (n) Employee Benefits

### *i. Short-Term Employee Benefits*

All employee benefits falling due wholly within twelve months of rendering the services are classified as short-term employee benefits, which include benefits like salaries, wages, short-term compensated absences and performance incentives and are recognised as expenses in the period in which the employee renders the related service.

### *ii. Post-Employment Benefits*

Contributions to defined contribution schemes such as Provident Fund, Pension Fund, etc., are recognised as expenses in the period in which the employee Contributions to defined contribution schemes such as Provident Fund, Pension Fund, etc., are recognised as expenses in the period in which the employee renders the related service. In respect of contributions made to government administered Provident Fund, the Company has no further obligations beyond its monthly contributions. The Company also provides for post-employment defined benefit in the form of gratuity and medical benefits. The cost of providing benefit is determined using the projected unit credit method, with actuarial valuation being carried out at each balance sheet date. Remeasurement of the net benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interests) and the effect of the assets ceiling (if any, excluding interest) are recognised in other comprehensive income. The effect of any plan amendments are recognized in the statement of profit and loss.

### *iii. Other Long-Term Employee Benefits*

All employee benefits (other than post-employment benefits and termination benefits) which do not fall due wholly within twelve months after the end of the period in which the employees render the related services are determined based on actuarial valuation or discounted present value method carried out at each balance sheet date.

## (o) Cash and Cash Equivalents

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

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

## (p) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments and has been identified as the Managing Director of the Company. As per Ind AS 108 if a financial report contains both the consolidated financial statements of a parent that is within the scope of this Indian Accounting Standard as well as the parent's separate financial statements, segment information is required only in the consolidated financial statements. Accordingly the company has presented segment only for consolidated financial statements.

## (q) Earnings Per Share

Basic Earnings Per Share ('EPS') is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for the share splits.

## (r) Cash Flow Statement

Cash flows are reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

## (s) Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below :

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.



# Notes to Financial Statements (Contd.)

## **Ind AS 16 – Proceeds Before Intended Use**

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

## **Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract**

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

## **Ind AS 109 – Annual Improvements to Ind AS (2021)**

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

## **Ind AS 116 – Annual Improvements to Ind AS (2021)**

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

## **Statement of Profit and Loss:**

Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of Consolidated Financial Statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

## Notes to Financial Statements for the Year ended 31st March, 2023 (Contd.)

**NOTE 4 — PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR 2022-23**

(` in Lakhs)

**Reconciliation of Carrying Amount**

Description	Gross Carrying Amount				Accumulated Depreciation				Carrying Amounts (Net)
	As at 1st April 2022	Additions	Disposals / Adjustment	As at 31st March 2023	As at 1st April 2022	Additions	Disposals	As at 31st March 2023	As at 31st March 2023
Freehold Land	2,557.61	-	-	2,557.61	-	-	-	-	2,557.61
Buildings	673.76	-	-	673.76	269.72	42.79	-	312.52	361.24
Plant and Machinery	532.00	16.54	5.41	543.12	338.52	45.39	4.16	379.75	163.37
Furniture and Fixtures	166.64	3.27	-	169.91	103.95	15.85	-	119.81	50.10
Motor Vehicles	100.19	5.38	-	105.57	20.71	26.85	-	47.56	58.01
Office Equipment	7.58	2.02	-	9.60	4.41	1.36	-	5.77	3.83
Computer and Data Processing units	7.77	0.06	-	7.83	5.60	0.61	-	6.21	1.61
Bearer Plants	1,946.00	-	-	1,946.00	178.64	33.06	-	211.70	1,734.30
<b>Total</b>	<b>5,991.55</b>	<b>27.26</b>	<b>5.41</b>	<b>6,013.40</b>	<b>921.56</b>	<b>165.92</b>	<b>4.16</b>	<b>1,083.32</b>	<b>4,930.08</b>
Capital Work-in-Progress	14.35	8.16	14.41	8.09	-	-	-	-	8.09
<b>Total</b>	<b>6,005.89</b>	<b>35.42</b>	<b>19.82</b>	<b>6,021.49</b>	<b>921.56</b>	<b>165.92</b>	<b>4.16</b>	<b>1,083.32</b>	<b>4,938.17</b>

**NOTE 4 — PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR 2021-22**

Description	Gross Carrying Amount				Accumulated Depreciation				Carrying Amounts (Net)
	As at 1st April 2021	Additions	Disposals / Adjustment	As at 31st March 2022	As at 1st April 2021	Additions	Disposals	As at 31st March 2022	As at 31st March 2022
Freehold Land	2,553.28	4.33	-	2,557.61	-	-	-	-	2,557.61
Buildings	673.76	-	-	673.76	220.53	49.19	-	269.72	404.03
Plant and Machinery	529.58	2.41	-	532.00	284.33	54.20	-	338.52	193.47
Furniture and Fixtures	164.29	2.39	0.04	166.64	88.55	15.45	0.04	103.95	62.69
Motor Vehicles	28.16	72.04	-	100.19	16.45	4.26	-	20.71	79.48
Office Equipment	6.19	1.39	-	7.58	3.18	1.23	-	4.41	3.17
Computer and Data Processing units	7.55	0.22	-	7.77	4.75	0.85	-	5.60	2.17
Bearer Plants	1,946.00	-	-	1,946.00	145.58	33.06	-	178.64	1,767.36
<b>Total</b>	<b>5,908.81</b>	<b>82.78</b>	<b>0.04</b>	<b>5,991.55</b>	<b>763.36</b>	<b>158.24</b>	<b>0.04</b>	<b>921.56</b>	<b>5,069.99</b>
Capital Work-in-Progress	14.35	-	-	14.35	-	-	-	-	14.35
<b>Total</b>	<b>5,923.15</b>	<b>82.78</b>	<b>0.04</b>	<b>6,005.89</b>	<b>763.36</b>	<b>158.24</b>	<b>0.04</b>	<b>921.56</b>	<b>5,084.33</b>

**AGEING ANALYSIS OF CAPITAL WORK-IN-PROGRESS**

Particulars	As on 31st March 2023		As on 31st March 2022	
	Project in progress	Project temporarily suspended	Project in progress	Project temporarily suspended
Less than 1 year	8.16	-	-	-
1-2 years	-	-	-	9.15
2-3- years	-	9.15	-	5.20
More than 3 years	-	5.20	-	-
	<b>8.16</b>	<b>14.35</b>	<b>-</b>	<b>14.35</b>

# Notes to Financial Statements (Contd.)

(` in Lakhs)

## NOTE 5 - NON-CURRENT INVESTMENTS

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

Particulars	Face value per share/ unit	Units/Nos.		Amount	
		As at 31st March 2023	As at 31st March 2022	As at 31st March 2023	As at 31st March 2022
<b>At Cost</b>					
<b><i>Unquoted</i></b>					
<b>Investment in Equity Instruments (fully paid)</b>					
<b>Associates</b>					
Abhijit Tea Company Private Limited	100	7,338	7,338	332.40	332.40
Amit Paridhan Private Limited	10	1,75,000	1,75,000	3.10	3.10
East Indian Produce Limited	10	63,380	63,380	44.22	44.22
Jaldacca Tea Plantations Private Limited	1000	850	850	43.13	43.13
New Darjeeling Union Tea Company Limited	25	17,085	17,085	124.76	124.76
Sayedabad Tea Company Limited	10	15,070	15,070	1.51	1.51
Terai Tea Resorts Limited	10	20,000	20,000	0.91	0.91
Terai Dooars Tea Company Private Limited	10	2,62,500	2,62,500	24.23	24.23
Terai Financial Services Private Limited	10	22,554	22,554	0.33	0.33
Terai Infrastructures Limited	10	26,09,500	26,09,500	21.45	21.45
Terai Ispat & Trading Private Limited	10	7,01,273	7,01,273	22.83	22.83
Terai Overseas Private Limited	10	3,17,460	3,17,460	28.70	28.70
The Kharibari Tea Company Limited	10	96,937	96,937	44.22	44.22
<b>Sub-Total (a)</b>				<b>691.77</b>	<b>691.77</b>
<b>Others</b>					
Techno Steel India Private Limited	10	2,500	2,500	1.25	1.25
Shilpam Dealcom Private Limited	10	2,25,000	2,25,000	22.50	22.50
<b>Sub-Total (b)</b>				<b>23.75</b>	<b>23.75</b>
<b>Joint Venture Investment :</b>					
Terai Tea Resorts Limited*				1007.49	993.08
<b>Sub-Total (c)</b>				<b>1,007.49</b>	<b>993.08</b>
<b>Total Non-Current Investment (A + B+C)</b>				<b>1,723.01</b>	<b>1,708.60</b>
Aggregate Amount of Unquoted Non-Current Investment				1,723.01	1,708.60
Aggregate Market Value of Quoted Non-Current Investment				-	-

Investment in Joint Venture with Terai Tea Resorts Limited for setting up a Tourist Resort under Tea Tourism scheme of the Government of West Bengal made during the year 2021-22:

<u>Names of Parties to the Joint Venture-</u>	<u>Share of Profit</u>
Terai Tea Company Limited	50%
Terai Tea Resorts Limited	50%

# Notes to Financial Statements (Contd.)

(` in Lakhs)

## NOTE 6 - LOANS RECEIVABLE (NON-CURRENT)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>NOTE 6 - OTHER FINANCIAL ASSETS (NON-CURRENT)</b>		
<b>Unsecured</b>		
<i>Considered Good :</i>		
- Security Deposits	16.99	10.23
- Grants Receivable	-	9.51
- Other Receivables	-	6.51
- Fixed Deposits with Banks	1.00	-
	<b>18.00</b>	<b>26.25</b>
<b>NOTE 7 - OTHER NON-CURRENT ASSETS</b>		
<b>Unsecured</b>		
<i>Considered Good:</i>		
- Advance Against Land	113.26	110.20
- Advances Against Supply of Goods and Services	-	-
<i>Others :</i>		
- Assets held for Investment	14.45	14.45
- Assets held for Sale	-	-
- Gold and Silver	196.49	196.49
	<b>324.21</b>	<b>321.14</b>
<b>NOTE 8 - INVENTORIES</b>		
Finished Goods	201.07	84.16
Stores and Spare Parts	35.40	71.21
	<b>236.47</b>	<b>155.37</b>

# Notes to Financial Statements (Contd.)

(` in Lakhs)

## NOTE 9 - CURRENT INVESTMENTS

### At Fair Value Through Profit and Loss

Particulars	Face value per share/ unit	Units/Nos.		Amount	
		As at 31st March 2023	As at 31st March 2022	As at 31st March 2023	As at 31st March 2022
<b>Quoted</b>					
<b>Investment in Equity Instruments (Fully Paid)</b>					
Bharat Heavy Electricals Limited	2	3,750	3,750	1.48	1.48
Vedanta Limited	1	5,000	-	15.58	-
LIC Housing Finance Limited	10	5,000	-	19.36	-
Kotak Mahindra Bank Limited	5	1,000	-	17.60	-
GOL Offshore Limited	10	5,000	5,000	0.50	0.50
Hotel Leela Venture Limited	2	5,000	5,000	0.46	0.46
UCO Bank	10	5,000	5,000	0.59	0.59
Varun Shipping Company Limited	10	5,000	5,000	0.25	0.25
Punjab National Bank	10	8,000	8,000	2.45	2.80
Bajaj Hindustan	10	4,000	4,000	0.57	0.57
Central Bank of India	10	2,388	2,388	0.48	0.48
IFCI	10	2,000	2,000	0.22	0.22
<b>Sub-Total (a)</b>				<b>59.54</b>	<b>7.36</b>
<b>Unquoted</b>					
<b>Investment in Mutual Funds</b>					
Aditya Birla Balanced Advantage Fund (Growth)		5,61,359.958	5,61,359.958	306.89	406.09
Axis Balanced Advantage Fund (Growth)		5,73,522.385	5,73,522.385	80.98	80.81
Axis Equity Saver Fund (Growth)		15,11,580.076	15,11,580.076	253.34	252.28
Axis Growth Opportunities Fund (Growth)		5,13,540.215	5,13,540.215	96.24	105.84
DSP Dynamic Asset Allocation Fund (Growth)		5,22,982.088	5,22,982.088	102.66	102.44
DSP Dynamic Asset Allocation Fund Regular (Growth)		3,51,259.599	3,51,259.599	68.95	70.68
HSBC Equity Hybrid Fund (Growth)		5,20,114.311	5,20,114.311	80.06	81.68
ICICI Prudential Asset Allocation fund (Growth)		-	2,75,996.116	-	218.29
ICICI Prudential Balanced Advantage Fund (Growth)		1,42,877.118	1,42,877.118	75.04	70.80
ICICI Prudential Business Cycle Fund (Growth)		4,99,975.000	4,99,975.000	67.65	64.30
Kotak Balanced Advantage Fund (Growth)		-	24,01,957.788	166.67	346.07
Kotak Equity Hybrid (Growth)		6,43,214.009	6,43,214.009	263.40	256.40
Nippon India Balanced Advantage Fund (Growth)		2,32,763.359	2,32,763.359	291.42	280.63
Nippon India Equity Hybrid Fund (Growth)		49,240.442	49,240.442	0.03	0.03
Nippon India Flexicap Fund (Growth)		10,62,544.657	10,62,544.657	109.12	112.55
SBI Balanced Advantage Fund (Growth)		-	11,24,779.429	-	116.75
Tata Balanced Advantage Fund (Growth)		-	24,35,425.454	261.21	356.68
Tata Digital India Fund Regular (Growth)		2,91,502.144	2,91,502.144	91.44	112.21
UTI Core Equity Fund (Growth)		62,492.904	-	61.81	-
UTI India Consumer Fund		1,70,912.747	-	62.52	-
UTI Multi Assets Fund Growth		-	2,84,096.676	-	125.68
<b>Sub-Total (b)</b>				<b>2,439.42</b>	<b>3,160.20</b>
<b>Total Current Investment (A + B)</b>				<b>2,498.96</b>	<b>3,167.56</b>
Aggregate Amount of Unquoted Current Investment				2,439.42	3,160.20
Aggregate Market Value of Quoted Current Investment				59.54	7.36

# Notes to Financial Statements (Contd.)

(` in Lakhs)

## NOTE 10 - TRADE RECEIVABLES

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Unsecured</b>		
Considered Good*	305.43	1,541.11
Considered Doubtful	119.44	119.14
	424.87	1,660.26
Less : Allowance for Doubtful Debts	(119.44)	(119.14)
	305.43	1,541.11

## AGEWISE TRADE RECEIVABLES-

Particulars	Outstanding for following periods from due date of payment					TOTAL
	Less than 6 months	6 months- 1 Year	1-2 Years	2-3 Years	More than 3 Years	
<b>Year Ended 31st March 2023</b>						
Undisputed Trade Receivable-						
Considered Good	92.10	0.04	27.03	2.66	183.59	305.43
Considered Doubtful	-	-	3.06	0.52	115.85	119.44
	92.10	0.05	30.09	3.19	299.44	424.87
Less - Allowance for Doubtful Debts	-	-	3.06	0.52	115.85	119.44
	92.10	0.04	27.03	2.66	183.59	305.43
<b>Year Ended 31st March 2022</b>						
Undisputed Trade Receivable-						
Considered Good	1,334.90	-	0.61	25.63	179.97	1,541.11
Considered Doubtful	-	-	-	-	119.14	119.14
	1,334.90	-	0.61	25.63	299.12	1,660.25
Less- Allowance for Doubtful Debts	-	-	-	-	119.14	119.14
	1,334.90	-	0.61	25.63	179.97	1,541.11

The Company's exposure to credit and loss allowances related to trade receivables are disclosed in note 36.

## NOTE 11 - CASH AND CASH EQUIVALENTS

Particulars	As at 31st March, 2023	As at 31st March, 2022
- Cash on Hand	17.24	38.24
- Current Accounts	3.01	2.15
- Short Term Deposits	98.48	23.28
	118.73	63.68

## NOTE 12 - OTHER FINANCIAL ASSETS

<b>Unsecured</b>		
<b>Considerd Good</b>		
Grants Receivable	19.00	19.00
	19.00	19.00

## NOTE 13 - OTHER CURRENT ASSETS

<b>Unsecured</b>		
<b>Considerd Good</b>		
Advances for Supply of Goods and Services	438.90	530.01
Prepayments	9.86	8.46
Other Advances	1,700.52	-
Balances with Statutory Authorities	14.02	23.96
	2,163.30	562.43

# Notes to Financial Statements (Contd.)

(` in Lakhs)

## NOTE 14 - EQUITY SHARE CAPITAL

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Authorised</b>	<b>1,000.00</b>	1,000.00
<b>Authorised</b> [1,00,00,000 Equity Shares of Rs. 10 each (31 March 2022 : 1,00,00,000 Equity Shares of Rs. 10 each)]	<b>1,000.00</b>	1,000.00
	<b>1,000.00</b>	<b>1,000.00</b>
<b>Issued and subscribed capital</b> [68,79,300 Equity Shares of Rs. 10 each (31 March 2022 : 68,79,300 Equity Shares of Rs. 10 each)]	<b>687.93</b>	687.93
<b>Paid-up capital</b> [68,79,300 Equity Shares of Rs. 10 each (31 March 2022 : 68,79,300 Equity Shares of Rs. 10 each)]	<b>687.93</b>	687.93
	<b>687.93</b>	<b>687.93</b>

### Notes:-

#### a) Reconciliation of Number of Equity Shares Outstanding at the Beginning and at the End of the Reporting Year :

Particulars	31 March 2023		31 March 2022	
	No of Shares	Amount (in Lakhs)	No of Shares	Amount (in Lakhs)
Opening Balance at the Beginning of the Reporting Year	68,79,300	687.93	68,79,300	687.93
Movement During the Reporting Year	-	-	-	-
<b>Closing Balance at the End of the Reporting Year</b>	<b>68,79,300</b>	<b>687.93</b>	<b>68,79,300</b>	<b>687.93</b>

#### b) Details of Shareholders Holding More Than 5% of the Aggregate Shares in the Company :

Particulars	31 March 2023		31 March 2022	
	No of Shares	% Holding	No of Shares	% Holding
Ajit Kumar Agarwala	25,76,800	37.46%	25,76,800	37.46%
Shashikala Agarwala	18,98,800	27.60%	18,98,800	27.60%
Abhijit Tea Company Pvt. Ltd.	4,70,000	6.83%	4,70,000	6.83%

#### c) Details of Promoters Holding and Changes :

Period Ended on	31.03.2023			31.03.2022		
	Number	% of Shares	% Change	Number	% of Shares	% Change
Equity Shares						
Ajit Kumar Agarwal	25,76,800	37.46%	-	25,76,800	37.46%	-
Shashikala Agarwala	18,98,800	27.60%	-	18,98,800	27.60%	-
Abhijit Tea Company (P) Ltd.	4,70,000	6.83%	-	4,70,000	6.83%	-
Terai Financial Services (P) Ltd.	1,27,500	1.85%	-	1,27,500	1.85%	-
Jaldacca Tea Plantations (P) Ltd.	30,000	0.44%	-	30,000	0.44%	-

#### (d) Rights, Preferences and Restrictions 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. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### e) The Company has not allotted any fully paid up equity shares by of bonus shares during the period of five years immediately preceding the balance sheet date not has issued shares for consideration other than cash.

# Notes to Financial Statements (Contd.)

(` in Lakhs)

## NOTE 15 - OTHER EQUITY

Particulars	As at 31st March, 2023	As at 31st March, 2022
Refer Statement of Changes in Equity for Detailed Movement in Equity Balance		
<b>A. Summary of Other Equity Balance</b>		
Securities Premium	764.56	764.56
Retained Earnings	6,610.51	6,478.67
General Reserve	49.88	49.88
Share Forfeiture	11.81	11.81
Items of Other Comprehensive Income	(9.21)	(9.21)
	<b>7,427.56</b>	<b>7,295.72</b>

### B. Nature and Purpose of Reserves

**Securities Premium Reserve** : Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

**General Reserve** : The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

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

**Items of other Comprehensive Income** : Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in 'Other comprehensive income' and subsequently not reclassified to the statement of profit and loss.

## NOTE 16 - NON-CURRENT BORROWINGS- SECURED

Particulars	As at 31 March 2023			As at 31 March 2022		
	Total Liability	Current	Non-Current	Total Liability	Current	Non-Current
Central Bank Against Plantation	200.00	44.00	156.00	253.89	53.89	200.00
Central Bank Covid 20%	66.08	46.78	19.31	112.71	46.35	66.36
Central Bank of India GECL Loan	123.37	8.07	115.30	-	-	-
Central Bank Covid 10%	-	-	-	4.63	4.63	-
Bank of India Covid 20%	14.03	7.25	6.78	21.07	7.00	14.07
Bank of India Covid 10%	-	-	-	3.61	3.61	-
Punjab National Bank Car Loan	50.96	7.28	43.68	57.78	6.82	50.96
HDFC Vehicle Loan	0.37	0.37	-	1.76	1.39	0.37
Union Bank Covid 10%	-	-	-	5.33	5.33	-
Yes Bank Term Loan	1,000.00	-	1,000.00	1,200.00	-	1,200.00
	<b>1,454.80</b>	<b>113.74</b>	<b>1,341.06</b>	<b>1,660.79</b>	<b>129.04</b>	<b>1,531.75</b>
<b>Unsecured Loans</b>	-	-	197.50	-	-	-
<b>Grand total</b>	<b>1,454.80</b>	<b>113.74</b>	<b>1,538.56</b>	<b>1,660.79</b>	<b>129.04</b>	<b>1,531.75</b>

Note:

Facility Category	Security Details	Rate of Interest	Repayment Terms
Central Bank Plantation Loan	i) Equitable Mortgage on Company's Bagdogra Tea Estate ii) Personal Guarantee of Mr. Ajit Kumar Agarwala and Mrs. Shashikala Agarwala.	MCLR +0.50%	28 Quarterly Instalments to be Liquidated by the year 2027-28
Covid Loans 10% from all Banks	Co extension of all Securities Against Working Capital Limits as per Note below.	1 year MCLR	Repayable in 2022-23
Covid Loan 20% from all Banks	Co extension of all Securities Against Working Capital Limits as per Note below.	RBLR + 1.00% (Max 9.25% p.a.)	Repayable in 18 quarterly Instalments-Final repayment by the year 2025-26
Term Loan Yes Bank	i) Secured against equitable mortgage of Abhijit Tea Company private Limited immovable land and building and personal guarantee of Sri Ajit Kumar Agarwala and Smt. Shashikala Agarwala and Abhijit Tea Company Private Limited	2.32% above Current MIBOR	Repayable in the year 2023-24
Vehicle Loans	Secured by Vehicle	Rate from 7.00% to 8.10%	Repayable in 60 Equal Installments



# Notes to Financial Statements (Contd.)

(` in Lakhs)

## NOTE 17 - PROVISIONS (NON-CURRENT)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for Employee Benefits (Refer Note 35)		
– Gratuity	129.66	119.11
	<b>129.66</b>	<b>119.11</b>
<b>NOTE 18 - OTHER NON-CURRENT LIABILITIES</b>		
Deferred Income	59.84	65.96
	<b>59.84</b>	<b>65.96</b>
<b>NOTE 19 - CURRENT-BORROWINGS</b>		
<b>Secured :</b>		
Working Capital Loan from Bank (Refer Note Below)	1,969.17	1,468.89
Current Maturities of Long Term Debts (Refer Note 16 Above)	113.74	129.04
<b>Unsecured :</b>		
Short Term Inter-Corporate Loans	–	15.00
	<b>2,082.91</b>	<b>1,612.92</b>

Working capital borrowings from Banks are secured by first charge by way of hypothecation over stocks and book debts of the respective units/ Tea Estate of the Company and Equitable Mortgage over the land & plantations of the respective units and guaranteed by Sri Ajit Kumar Agarwala and Smt. Shashi Kala Agarwala, Directors.

Rate of interest on working capital loans ranges from MCLR plus 0.15% to 0.50% and RBLR + 0.45%.

## NOTE 20 - TRADE PAYABLES

Total Outstanding Dues of Micro and Small Enterprises (Refer Note Below)

Total Outstanding Dues of other than Micro and Small Enterprises\*

–	–
<b>209.85</b>	<b>1,130.05</b>
<b>209.85</b>	<b>1,130.05</b>

### Agewise analysis- Trade Payables

Particulars	Outstanding for Following Periods from Due Date of Payment					TOTAL
	Not Due	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
<b>Year Ended 31st March 2023</b>						
<b>Undisputed Dues</b>						
i) MSME	–	–	–	–	–	–
ii) Others	2.50	178.17	24.10	1.22	3.87	209.85
<b>Year Ended 31st March 2022</b>						
<b>Undisputed Dues</b>						
i) MSME	–	–	–	–	–	–
ii) Others	1.50	1,095.39	13.52	12.81	6.83	1,130.05

**Note :** There are no material dues owed by the Company to Micro and Small enterprises, which are outstanding for more than 45 days during the year and as at 31 March 2023. This information as required under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the auditors.

Particulars	As at 31st March, 2023	As at 31st March, 2022
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year:		
– Principal	–	–
– Interest	–	–
The amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006 alongwith the amount of the payment made to the supplier beyond the appointed date during the year	–	–
The amount of the payments made to micro and small suppliers beyond the appointed day during each accounting year	–	–
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	–	–
The amount of interest accrued and remaining unpaid at the end of each accounting year.	–	–
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purposes of disallowance as a deductible expenditure under the MSMED Act, 2006	–	–
The Company's exposure to liquidity risks related to trade payables is disclosed in note 36.		

# Notes to Financial Statements (Contd.)

(` in Lakhs)

## NOTE 21 - OTHER CURRENT LIABILITIES

	As at 31st March, 2023	As at 31st March, 2022
Statutory Dues Payable	3.16	9.34
Liability for Expenses and Goods	61.96	42.13
Advance from Customers	75.71	75.71
	<b>140.83</b>	<b>127.18</b>

## NOTE 22 - PROVISIONS

Provision for Employee Benefits (Refer Note 35)

– Gratuity	9.48	6.78
– Bonus	76.00	69.00
	<b>85.48</b>	<b>75.78</b>

## NOTE 23 - REVENUE FROM OPERATION

Sale of Products	2,958.10	3,080.61
Sale of Traded Goods	6,349.76	4,208.58
Other Sales	7.74	29.19
	<b>9,315.60</b>	<b>7,318.38</b>

## NOTE 24 - OTHER INCOME

Government Grant	6.11	7.39
Dividend	0.06	0.15
Interest Income from Financial Assets Carried at Amortised Cost	11.72	0.90
Profit on Sale of Fixed Assets	6.74	193.00
Liabilities no Longer Required, Written Off	5.99	5.46
Profit on Sale / Redemption of Mutual Fund	33.14	41.62
Sale of Agricultural Land	395.10	-
Gains on Fair Valuation of Investments	14.02	130.07
Rent Compensation	-	1,054.30
Other Compensations	-	97.20
Miscellaneous Receipts	0.00	2.00
	<b>472.88</b>	<b>1,532.09</b>

## NOTE 25 - COST OF MATERIAL CONSUMED & TRADED GOODS

Purchases	1,160.58	1,583.81
Purchases of Traded Goods	6,265.57	4,161.52
	<b>7,426.15</b>	<b>5,745.33</b>

## NOTE 26 - CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS

Opening Inventory		
– Finished Goods	84.16	231.45
	<b>84.16</b>	<b>231.45</b>
Closing Inventory		
– Finished Goods	201.07	84.16
	<b>201.07</b>	<b>84.16</b>
<b>(Increase) / Decrease in Inventory</b>	<b>(116.91)</b>	<b>147.29</b>

# Notes to Financial Statements (Contd.)

(` in Lakhs)

## NOTE 27 - EMPLOYEE BENEFITS EXPENSE

	As at 31st March, 2023	As at 31st March, 2022
Salaries, Wages and Bonus	626.35	586.93
Contribution to Provident and Other Funds (Refer Note 35)	29.18	25.85
Staff Welfare Expenses	20.45	19.05
	<b>675.98</b>	<b>631.83</b>

## NOTE 28 - FINANCE COSTS

Interest Expense on Financial Liability Measured at Amortised Cost	248.19	149.47
	<b>248.19</b>	<b>149.47</b>

## NOTE 29 - OTHER EXPENSES

Consumption of Stores and Spares	201.28	158.91
Allowances for Doubtful Receivables	0.29	4.27
Power and Fuel	602.47	552.17
Rent	2.66	10.65
Rates and Taxes	5.90	12.62
Insurance	8.04	8.37
Travelling and Conveyance	77.07	46.83
Repairs and Maintenance :-		
– Building	5.20	7.72
– Plant and Machinery	11.50	10.86
– Others	3.08	1.91
– Plantation Maintenance	191.63	108.70
Professional Fees (Refer Note 33)	45.34	36.48
Miscellaneous	36.30	28.87
Communication Expense	3.01	2.81
Selling Expenses	59.42	61.92
Printing and Stationery	2.82	2.29
Subscription and Donation	15.40	13.90
Bank Charges	8.32	7.47
	<b>1,279.72</b>	<b>1,076.74</b>

# Notes to Financial Statements (Contd.)

(` in Lakhs)

## NOTE 30 - INCOME-TAX

For the Period Ended	31-03-2023	31-03-2022
<b>(a) Amounts Recognised in Statement of Profit and Loss</b>		
Current Tax	-	-
Tax Expense for Earlier Year	0.93	12.12
Minimum Alternative Tax Credit	39.85	-
Attributable to Origination and Reversal of Temporary Differences	(63.20)	(10.29)
	<b>(22.42)</b>	<b>1.83</b>
<b>(b) Reconciliation of Effective Tax Rate</b>	<b>31-03-2023</b>	<b>31-03-2022</b>
<b>Profit Before Tax</b>	<b>109.42</b>	941.57
<b>Profit / (Loss) Before Tax</b>		
Tax using the Company's Domestic Tax Rate : 26.00%	28.45	244.81
<b>Tax Effect of :</b>		
Agricultural Income	(109.24)	(63.74)
Other Exempt Income	(5.23)	(309.86)
Provisions Disallowed	3.52	2.61
Impact on Account of Depreciation Difference	29.78	29.45
Impact on Account of Lower Rate on Certain Income	-	-
Other Adjustments on Account of Carried Forward Losses	52.73	96.73
Current Tax	-	-

### (c) Recognised Deferred Tax Assets and Liabilities

Deferred Tax Assets and Liabilities are Attributable to the following:

Particulars	Deferred Tax Assets		Deferred Tax Liabilities		Deferred Tax (Liabilities)/Asset, (Net)	
	31-03-2023	31-03-2022	31-03-2023	31-03-2022	31-03-2023	31-03-2022
Property, Plant and Equipment	-	-	(82.04)	(101.98)	(82.04)	(101.98)
Provision for Employee Benefits	35.02	31.69	-	-	35.02	31.69
Other Items	30.06	29.99	-	-	30.06	29.99
	<b>65.08</b>	<b>61.67</b>	<b>(82.04)</b>	<b>(101.98)</b>	<b>(16.96)</b>	<b>(40.31)</b>

### (d) Movement in Temporary Differences

Particulars	As at 1st April 2022	Recognised in Statement of Profit and Loss	As at 31st March 2023	As at 1st April 2021	Recognised in Statement of Profit and Loss	As at 31st March 2022
Property, Plant and Equipment	(101.98)	(19.94)	(82.04)	(125.00)	(23.02)	(101.98)
Provision for Employee Benefits	31.69	(3.33)	35.02	31.23	(0.45)	31.69
Other Items	29.99	(0.07)	30.06	3.31	(26.67)	29.99
	<b>(40.31)</b>	<b>(23.35)</b>	<b>(16.96)</b>	<b>(90.46)</b>	<b>(50.14)</b>	<b>(40.31)</b>

### (e) The Following Table Provides the Details of Income Tax Assets and Income Tax Liabilities

As at	31 March 2023	31 March 2022
Income Tax Assets (Net)	34.29	37.25
Current Tax Liabilities (Net)	-	-
<b>Net Current Income Tax Asset / (Liability) as at 31st March</b>	<b>34.29</b>	<b>37.25</b>

# Notes to Financial Statements (Contd.)

(` in Lakhs)

## NOTE 31 - CONTINGENT LIABILITIES AND COMMITMENTS

### (i) Contingent Liabilities

- (a) Claims against the Company not acknowledged as debt in respect to income tax, sales tax and other matters-
- VAT and Sales Tax Demand on Assessment aggregating **Rs. 154.65 lakhs** (31 March 2022 : Rs.154.65 Lakhs) being disputed.
  - Income Tax Demands - **Rs. 44.45 lakhs** ( 31st March 2022 : Rs. 24.55 Lakhs)
  - Income Tax Demands relating to TDS Compliance - **Rs. 2.18 Lakhs** (31st March 2022 : Rs. 2.53 Lakhs)
- (b) Bank Guarantees Outstanding as at 31st March 2023 : **Rs. 190.75 lakhs** (31 March 2022 : Rs. 80.03 Lakhs)

**Note :** Contingent liabilities disclosed above represent possible obligations where possibility of cash outflow to settle the obligations is not remote.

### (ii) Commitments:

The Company has extended corporate guarantees and equitable mortgage on Company's immovable properties created to secure the loans limit sanctioned in favour of the following Companies:

Name of the Company	Name of the Bank	Limit Sanctioned		Outstanding as at	
		31-03-2023	31-03-2022	31-03-2023	31-03-2022
Abhijit Tea Company Pvt. Ltd	Bank of India	<b>1,079.00</b>	1,079.00	<b>859.65</b>	785.08

Regarding items (i) and (ii) (b) above, it is not practicable to disclose information in respect of the estimate of the financial effect, an indication of the uncertainties relating to outflow and the possibility of any reimbursement as it is determinable only on occurrence of uncertain future events / receipt of judgements pending at various forums.

## NOTE 32 - EARNINGS PER SHARE

A. Computation of Earnings Per Share is as follows:

For the Period	31-03-2023	31-03-2022
<b>Net Profit Attributable to the Equity Shareholders</b>	<b>131.84</b>	939.74
Nominal Value of Equity Shares	<b>10</b>	10
Number of weighted average shares considered for calculation of Basic and Diluted Earnings Per Share	<b>68,79,300</b>	68,79,300
<b>Earnings per share:</b>		
- Basic	<b>1.92</b>	13.66
- Diluted	<b>1.92</b>	13.66

## NOTE 33 - AUDITOR'S REMUNERATION (INCLUDED IN LEGAL AND PROFESSIONAL FEES, EXCLUDING APPLICABLE TAXES)

For the Period	31-03-2023	31-03-2022
Statutory Audit Fees	<b>2.00</b>	1.20
Tax Audit Fees	<b>0.50</b>	0.30
	<b>2.50</b>	1.50

# Notes to Financial Statements (Contd.)

(` in Lakhs)

## NOTE 34 - RELATED PARTIES

1. Relationships			
	<b>Associate Companies</b>	Abhijit Tea Company Private Limited Amit Paridhan Private Limited East Indian Produce Limited Jaldacca Tea Plantations Private Limited New Darjeeling Union Tea Company Limited Sayedabad Tea Company Limited Terai Dooars Tea Company Private Limited Terai Financial Services Private Limited Terai Infrastructures Limited Terai Ispat & Trading Private Limited Terai Overseas Private Limited The Kharibari Tea Company Limited	
<b>2. Key Management Personnel (KMP):</b>			
	Managing Director Chief Financial Officer Company Secretary	Shri Ajit Kumar Agarwala Shri Rajendra Kanodia Shri Rajesh Singhania	
<b>3. Entities where Key Management Personnel and their relatives are able to exercise significant influence</b>			
		Ajit Kumar Agarwala and Others (HUF) Shilpam Dealcom Private Limited Bagdogra Tea Company Private Limited Kanchanview Resorts Private Limited Terai Tea Resorts Limited Terai Resorts & Country Club Private Limited	
4. The Following are Significant Transactions with Related Parties by the Company.			
Particulars	Relation	31-03-2023	31-03-2022
Sale of Products	Associates	35.07	57.92
Purchase of Goods	Associates	78.34	70.48
Short-Term Employee Benefits	KMP	93.67	75.72
Advances Paid	Significant Influence	63.45	0.10
Advances Realized	Significant Influence	62.35	–
Payment of Inter-Corporate Deposits	Significant Influence	–	110.00
5. The Balance Receivable from and Payable to Related Parties are as follows:			
Particulars		31-03-2023	31-03-2022
Trade Payables		5.72	3.93
Loans and Advances		2.10	0.50
Inter-Corporate Deposits		15.00	15.00

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

# Notes to Financial Statements (Contd.)

(` in Lakhs)

## NOTE 35 - EMPLOYEE BENEFITS

### (a) Defined Contribution Plans

The Company has recognised an amount of **Rs.15.64 Lakhs** (31 March 2022 : Rs.15.65 lakhs) as expenses under the defined contribution plans in the statement of profit and loss for the year:

### (b) Defined Benefit Plans

1. Reconciliation of Net Defined Benefit Asset / (Liability)	31-03-2023	31-03-2022
<b>(i) Reconciliation of Present Value of Defined Benefit Obligation</b>		
Obligations as at 1 April	125.89	120.13
Current Service Cost	9.86	9.45
Interest Cost	8.93	8.29
Benefits Settled	(2.65)	-
Actuarial (gain) / loss due to financial assumptions	(3.15)	(2.02)
Actuarial (gain) / loss due to experience adjustments	(4.47)	(9.96)
Obligations at the year end 31 March	134.41	125.89
<b>(ii) Reconciliation of Present Value of Plan Asset</b>		
Plan assets as at 1 April	-	-
Expected return on plan assets	-	-
Return on assets excluding interest income	-	-
Contributions	2.65	-
Benefits settled	(2.65)	-
Plan assets at 31 March at fair value	-	-
<b>(iii) Reconciliation of Net Defined Benefit Asset / (Liability)</b>		
Present value of obligation as at 31 March	134.41	125.89
Plan assets at 31 March at fair value	-	-
Amount Recognised in Balance Sheet Asset / (Liability)	(134.41)	(125.89)
Non-Current	129.66	119.11
Current	9.48	6.78
<b>2. Expenses Recognised in the Statement of Profit and Loss under Employee Benefit Expense :</b>		
Current Service Cost	9.86	9.45
Gratuity Settled / Provided	4.47	9.89
Interest Cost	8.93	8.29
Changes in Financial Assumptions	(3.15)	(2.02)
Experience Adjustments	(4.47)	(9.96)
Net Cost	15.64	15.65
<b>3. Remeasurements Recognised in Statement of Other Comprehensive Income</b>		
Changes in Financial Assumptions	-	-
Net Loss / (Gain) recognised in statement of other comprehensive income	-	-
<b>4. Principal Actuarial Assumptions</b>		
Discount factor [Refer note (i) below]	7.40%	7.10%
Salary escalation rate [Refer note (iii) below]	6.00%	6.00%
Retirement age (in years)	60	60

**Notes:** (i) The discount rate is based on the prevailing market yield on Government Securities as at the Balance Sheet date for the estimated term of obligations.

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

Sensitivity Analysis	31 March 2023	31 March 2022
<b>A. Discount Rate</b>		
Discount Rate -1%	133.62	136.79
Discount Rate +1%	124.53	116.37
<b>B. Salary Escalation Rate</b>		
Salary Rate -1%	123.75	115.66
Salary Rate +1%	147.16	137.40

# Notes to Financial Statements (Contd.)

(` in Lakhs)

## NOTE 36 - FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

### Accounting Classification and Fair Values

The following table shows the carrying amounts and fair values of Financial Assets and Financial Liabilities as at 31 March 2023, including their levels in the fair value hierarchy.

Particulars	Note	FVTPL	Carrying Amount			Fair Value				
			FVOCI	Other Financial Assets Amortised Cost	Other Financial Liabilities	Total Carrying Amount	Level-1	Level-2	Level-3	Total
<b>Financial Assets Measured at Fair Value</b>										
Investment in Mutual Funds	9	2,439.42				2,439.42	2,439.42			2,439.42
Investment in Equity Shares	9	59.54				59.54	59.54			59.54
		<b>2,498.96</b>				<b>2,498.96</b>	<b>2,498.96</b>			<b>2,498.96</b>
<b>Financial Assets not Measured at Fair Value</b>										
Investment in Equity Shares	5			715.52		715.5		715.52		715.52
Investment in Joint Venture Investment	5			1,007.49		1,007.49			1,007.49	1,007.49
Other Financial Assets	6,7			342.20		342.20				
Trade Receivables	10			305.43		305.43				
Cash and Cash Equivalents	11			118.73		118.73				
				<b>2,489.38</b>		<b>2,489.38</b>	-	715.52	1,007.49	<b>1,723.01</b>
<b>Financial Liabilities not Measured at Fair Value</b>										
Borrowings	16,19					3,621.47				
Trade Payables	20					209.85				
Other Current Liabilities	21					140.83				
						<b>3,972.15</b>				

The following table shows the carrying amounts and fair values of Financial Assets and Financial Liabilities as at 31 March 2022, including their levels in the fair value hierarchy.

Particulars	Note	FVTPL	Carrying Amount			Fair Value				
			FVOCI	Other Financial Assets Amortised Cost	Other Financial Liabilities	Total Carrying Amount	Level-1	Level-2	Level-3	Total
<b>Financial Assets Measured at Fair Value</b>										
Investment in Mutual Funds	9	3,160.20				3,160.20	3,160.20			3,160.20
Investment in Equity Shares	9	7.36				7.36	7.36			7.36
		<b>3,167.56</b>				<b>3,167.56</b>	<b>3,167.56</b>			<b>3,167.56</b>
<b>Financial Assets not Measured at Fair Value</b>										
Investment in Equity Shares	5			715.52		715.52		715.52		715.52
Investment in Joint Venture Investment	5			993.08		993.08			993.08	993.08
Other Financial Assets	6,7			347.38		347.38				
Trade Receivables	10			1,541.11		1,541.11				
Cash and Cash Equivalents	11			63.68		63.68				
				<b>3,660.78</b>		<b>3,660.78</b>		715.52	993.08	<b>1,708.60</b>
<b>Financial Liabilities not Measured at Fair Value</b>										
Borrowings	16,19					3,144.68				
Trade Payables	20					1,130.05				
Other Current Liabilities	21					127.18				
						<b>4,401.91</b>				



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

## **NOTE 36 - FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (Contd.)**

The fair value of cash and cash equivalents, trade receivables, loans, trade payables and other financial assets and liabilities approximate their carrying amount largely due to the short-term nature of these instruments. The Company's loans have been contracted at market rates of interest. Accordingly, the carrying value of such loans approximate fair value. Investments in equity shares in associates is not appearing as financial asset in the table above being investment in associates accounted under Ind AS 27, Separate Financial Statements is scoped out under Ind AS 109, Financial Instruments.

Investments in liquid and short-term mutual funds which are classified as FVTPL are measured using net assets value at the reporting date multiplied by the quantity held.

Investments in equity shares which are classified as FVTPL are measured using market price of share at the reporting date multiplied by the quantity held.

### **Financial Risk Management**

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's management risk policy is set by the Board. The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. A summary of the risks have been given below.

#### **Credit Risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

#### **Financial Assets that are not Credit Impaired**

The Company has financial assets which are in the nature of cash and cash equivalents, other bank balances, loans, security deposits, interest accrued on fixed deposits and other receivables which are not credit impaired. These are contractually agreed where the probability of default is negligible.

#### **Financial Assets that are Credit Impaired**

##### *Trade Receivables*

The Company's exposure to credit risk is influenced mainly by the type of each customer. In monitoring customer credit risk, customers are grouped according to their credit characteristics, industry, trading history with the Company and existence of previous financial difficulties.

The Company has calculated the impairment loss arising on account of past trends in the default rate for time bucket.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information. Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Out of the total Trade Receivables of **Rs. 424.87 Lakhs** (31 March 2022 : Rs.1,660.26 Lakhs), the exposure considered for expected Credit Loss is **Rs. 119.44 Lakhs** (31 March 2022 : Rs. 119.14 Lakhs).

<b>Movement in the Allowance for Impairment in Trade Receivables</b>	<b>31-03-2023</b>	31-03-2022
Opening Balance	<b>119.14</b>	90.63
Amount Provided for	<b>0.29</b>	28.51
<b>Net Remeasurement of Loss Allowance</b>	<b>119.44</b>	119.14

#### **Liquidity Risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

The table below provides details regarding the contractual maturities of Significant Financial liabilities :-

	<b>As at 31 March 2023</b>		As at 31 March 2022	
	Less than 1 year	More than 1 year	Less than 1 year	More than 1 year
<b>Non-Derivative Financial Liabilities</b>				
Trade Payables	<b>180.67</b>	<b>29.18</b>	1,096.89	33.16
Other Current Liabilities	<b>140.83</b>		127.18	-
Borrowings	<b>2,082.91</b>	<b>1,538.56</b>	1,612.92	1,531.75
	<b>2,404.40</b>	<b>1,567.74</b>	2,837.00	1,564.92

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

## NOTE 36 - FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (Contd.)

### Market Risk

Market risk is the risk that changes in market prices – such as interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

### Interest Rate Risk

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligations with floating interest rates. The Company is carrying its borrowings primarily at variable rate. The Company expects the variable rate to decline, accordingly the Company is currently carrying its loans at variable interest rates.

Particulars	31 March 2023	31 March 2022
Variable Rate Borrowings	3,621.47	3,144.68
Fixed Rate Borrowings	—	—
<b>Total</b>	<b>3,621.47</b>	<b>3,144.68</b>

### Sensitivity Analysis

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

31 March 2023	Profit or Loss		Equity, Net of Tax	
	Strengthening	Weakening	Strengthening	Weakening
<b>Movement by 50 Basis Points</b>	<b>18.11</b>	<b>(18.11)</b>	<b>13.40</b>	<b>(13.40)</b>
	18.11	(18.11)	13.40	(13.40)

31 March 2022	Profit or Loss		Equity, Net of Tax	
	Strengthening	Weakening	Strengthening	Weakening
<b>Movement by 50 Basis Points</b>	<b>15.72</b>	<b>(15.72)</b>	<b>11.64</b>	<b>(11.64)</b>
	15.72	(15.72)	11.64	(11.64)

### Agricultural Risk

Cultivation of tea being an agricultural activity, there are certain specific financial risks. These financial risks arise mainly due to adverse weather conditions, logistic problems inherent to remote areas, and fluctuation of selling price of finished goods (tea) due to increase in supply/availability.

The Company manages the above financial risks in the following manner:

- Sufficient inventory levels of chemicals, fertilisers and other inputs are maintained so that timely corrective action can be taken in case of adverse weather conditions.
- Slightly higher level of consumable stores viz. packing materials, coal and HSD are maintained in order to mitigate financial risk arising from logistics problems.
- Sufficient working-capital-facility is obtained from banks in such a way that cultivation, manufacture and sale of tea is not adversely affected even in times of adverse conditions.

**NOTE 37 :** The Company acquired by way of purchase Dharnipur Tea Estate as a "Going Concern" from its owner Sri Dharendra Nath Bhowmick (since deceased) and Dharnipur Tea Industries (P) Ltd. as confirming party and the Deed of conveyance was duly executed and registered in the name of the Company. The said Deed of Conveyance was cancelled in view of certain pending disputes between the seller and another party. However the agreement for purchase of the said Tea Estate subsists and is a subject matter of a specific performance suit pending before Hon'ble Calcutta High Court. The Company is not in possession of the said Tea estate and has accordingly not accounted for the profit and loss on account of the operation or ownership of the said Tea Estate. The value of Dharnipur Tea estate represents the costs paid at the time of purchase and the legal expenses incurred thereafter on behalf of Bhowmicks and/or legal heirs for contesting their suit which was pending. All advocate fees at High Court and at Supreme Court were paid by this Company and capitalized. On the basis of Hon'ble Supreme Court order dated 1.10.91, if Bhowmick's title is confirmed in their pending suit then the rights of this company remains intact. The title of Bhowmicks/legal heirs was confirmed by Hon'ble Calcutta High Court. A SLP for declaration and title in favour of the Company is pending.

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

## NOTE 38

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

## NOTE 39

The Company has considered the possible effects that may result from COVID-19 on the carrying amounts of financial assets, inventory, receivables, loans and advances, property plant and equipment, intangibles etc as well as liabilities accrued. The Company is part of the tea industry which suffered initial crop losses because of the lockdown. The Company took initiative and started its operation to mitigate the production loss and improve quality standard for higher realization. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has used internal and external information. Having reviewed the underlying data and based on current estimates, the Company does not expect any material impact on the carrying amount of these assets and liabilities. The Company has now been able to operate its Tea plantation and Tea factories by mobilizing critical work force and adopting stringent social distancing, safety measures and guidelines issued in this regard. The Company has also evaluated the impact of the same on the aforementioned risks i.e. credit risk, liquidity risk, market risk and interest risk and does not foresee any material impact on account of the same.

## NOTE 40

In accordance with Ind AS 108, Operating segments, segment information has been provided in the consolidated financial statements of the Company and no separate disclosure on segment information is given in these standalone financial statements.

## NOTE 41- WORKING RATIOS-

The ratios for the years ended 31st March 2023 and 31st March 2022 are as follows-

Sl.	Particulars	31st March 2023	31st March 2022	Variance in %	Reasons for change
	Current Ratio	2.12	1.87	13.40%	–
	Debt- Equity Ratio	0.45	0.39	13.29%	–
	Debt Service Coverage Ratio	0.41	1.27	(67.40%)	Due to higher repayment of borrowings as compared to earnings available for debt service
	Return on Equity (ROE)	1.64%	12.51%	(86.90%)	Due to lower net profit after tax during the year
	Inventory Turnover Ratio	37.89	27.49	37.83%	Increase in material consumed with purchase of traded goods has affected this ratio
	Trade Receivables Turnover Ratio	10.09	8.26	22.19%	–
	Trade Payables Turnover Ratio	0.08	0.10	(22.77%)	–
	Net Capital Turnover Ratio	3.46	3.25	6.54%	–
	Net Profit Ratio	1.42%	12.84%	(88.98%)	Lower Net Profit with higher turnover affected the Ratio
	Return on Capital Employed	3.24%	9.79%	(66.92%)	Lower Net Profit with increase in capital employed has affected the Ratio
	Return on Investments Quoted	1.67%	8.00%	(79.17%)	Lower Revaluation Profit on Quoted Investments affected the Ratio
	Unquoted	0.00%	0.00%	0.00%	–

# Notes to Financial Statements (Contd.)

(` in Lakhs)

## **NOTE - 42 : OTHER STATUTORY INFORMATION:**

- i. The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- ii. The Company do not have any transactions with struck off companies under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.
- iii. The Company do not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.
- iv. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- v. The Company has not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries); or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- vi. The Company has not received any fund from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall :
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- vii. The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- viii. The Company has not been declared a wilful defaulter by any bank or financial institution or other lender (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

## **NOTE 43**

The Company has availed of working capital limites from Central Bank of India, Union Bank of India and Bank of India against security of current assets. There was no discrepancy between the figures reported in quarterly statements and the books of account except the value of standing crop which is not recorded in books.

## **NOTE 44**

Raw Materials consumed represent only green tea leaves purchased from the green leaf suppliers.

## **NOTE 45**

Previous year figures have been reclassified / regrouped / rearranged wherever necessary.

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As per our Report of even date attached

For **SAHA & MAJUMDER**

*Chartered Accountants*

FRN 303087E

Sd/-

**S.N. Bhattacharjee**

*Partner*

Membership No 010767

ICAI UDIN : 23010767BGZHVT6245

Place : Siliguri

Dated : 30th May, 2023

For and on behalf of the Board of Directors

**Terai Tea Company Limited**

Sd/-

**Shashikala Agarwala**

*Director*

DIN : 00260171

Sd/-

**Rajendra Kanodia**

*Director & CFO*

DIN : 00175574

Sd/-

**Rajesh Singhania**

*Company Secretary*

FCS F7746

# Independent Auditors' Report on Consolidated Statements

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

## REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Opinion

We have audited the Consolidated Financial Statements of Terai Tea Company Limited ("the Company") which comprise the Consolidated Balance Sheet as at 31 March 2023, the Consolidated Statement of Profit and Loss (including other Comprehensive Income), Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and Notes to the Consolidated Financial Statements, including a Summary of Significant Accounting Policies and Other Explanatory Information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion, and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of each associates, audited by other auditors, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act"), in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at 31st March 2023 and its consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

### Estimation of Useful Life of Bearer Plants

See note 3(a) to the consolidated financial statements

The Key Audit Matter	How the Matter was Addressed in our Audit
<p>Useful life of Bearer Plants requires the management to exercise significant judgement in relation to the estimate thereof. Nature, timing and likelihood of changes to the natural factors may affect the useful life expectancy of the assets and therefore could have a material impact on the depreciation expense for the year.</p> <p>As per the Ind AS 16 - "Property, Plant and Equipment", the management reviews the estimated useful life and the residual value of Bearer Plants annually and adjust for changes, where appropriate. Accordingly, the matter has been identified as key audit matter.</p> <p>The written down value of such Bearer Plants as on 31 March 2023 is Rs. 1,734.30 lakhs.</p>	<ul style="list-style-type: none"> <li>✓ Assessed the management's estimates of the useful life of Bearer Plants with reference to: (a) the consistency with the Company's pattern of economic benefits embodied in such assets and future operating plans including acquisitions and retirements of the Bearer Plants; (b) the comparison to the useful life estimates adopted by the comparable tea producers; and (3) consideration of the Company's historical experience.</li> <li>✓ Evaluated the assumptions and critical judgements used by the management through testing of underlying documents / details.</li> <li>✓ Assessed the related disclosures included in the consolidated financial statements in this regard.</li> </ul>

# Independent Auditors' Report on Consolidated Statements (Contd.)

## Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon. The information included in the annual report is expected to be made available to us after the date of the auditor's report.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

## Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective board of directors of the Company and its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each 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 Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective management and Board of Directors of the Company and its associates are responsible for assessing the ability of each Company to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The respective Board of Directors is also responsible for overseeing the financial reporting process of each Company.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are

## Independent Auditors' Report on Consolidated Statements (Contd.)

based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its associates to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Company and its associates to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

The consolidated financial statements include the share of net profit of Rs.47.19 lakhs for the year ended 31 March 2023, in respect of twelve associates, whose financial statements have not been audited by us. These financial statements of twelve associates and other financial information have been audited by other auditors, whose financial statements, other financial information and auditor's report have been furnished to us by the Management. Our opinion on the consolidated financial statement, in so far as it relates to the amounts and disclosures included in respect of these associates is based solely on the report of the other auditors. Our opinion is not qualified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such associates as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Company as on 31 March 2023 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its associate companies incorporated in India, none of the directors of the Company and its associate companies incorporated in India is disqualified as on 31 March 2023 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 with reference to financial statements of the Company, its associate companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based

## Independent Auditors' Report on Consolidated Statements (Contd.)

on the consideration of the reports of the other auditors on separate financial statements of the associates, as noted in the 'Other Matters' paragraph:

- i) The Company and its associates do not have any significant pending litigations which would impact its financial position.
- ii) The Company and its associates did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv) With respect to the matter to be included in the auditors' report under Section 197(16), in our opinion and according to the information and explanations given to us, the remuneration paid by the Company and its associates to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.
- v) With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by statutory auditors of each Associate Company included in the consolidated financial statements to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in the CARO reports of the said companies included in the consolidated financial statements.

Place : Siliguri  
Date : 30th May, 2023

For **SAHA & MAJUMDER**

Chartered Accountants

FRN : 303087E

Sd/-

**S. N. Bhattacharjee**

Partner

Membership No. 010767

ICAI UDIN : 23010767BGZHVS3428



# Independent Auditors' Report on Consolidated Statements (Contd.)

## Annexure A to the Independent Auditor's Report of even date on the consolidated financial statements of Terai Tea Company Limited

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2023, we have audited the internal financial controls with reference to consolidated financial statements of Terai Tea Company Limited (hereinafter referred to as "the Company") and such companies incorporated in India under the Companies Act, 2013 which are its associate companies, as of that date. In our opinion, the Company and such companies incorporated in India which are its associate companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

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

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

#### Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. 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 with reference to consolidated financial statements were 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant associate companies in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

#### Meaning of Internal Financial Controls with reference to the Consolidated Financial Statements

A company's internal financial control with reference to the financial statements 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 with reference to the financial statements includes those policies and procedures that:

- (i) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (ii) 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
- (iii) Provide reasonable assurance regarding prevention or timely detection of an authorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

# Independent Auditors' Report on Consolidated Statements (Contd.)

## Inherent Limitations of Internal Financial Controls with reference to the financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion to the best of our information and according to the explanations given to us, the Parent and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : Siliguri  
Date : 30th May, 2023

For **SAHA & MAJUMDER**  
Chartered Accountants  
FRN : 303087E  
Sd/-  
**S. N. Bhattacharjee**  
Partner  
Membership No. 010767  
ICAI UDIN : 23010767BGZHVS3428

# BALANCE SHEET (Consolidated) As At 31st March, 2023 (in Lakhs)

Particulars	Note No.	As at 31st March, 2023	As at 31st March, 2022
<b>I ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Property, Plant and Equipment	4	4,930.08	5,069.99
(b) Capital Work-in-progress	4	8.09	14.35
(c) Financial Assets			
(i) Investments	5	8,212.11	8,150.50
(ii) Other Financial Assets	6	18.00	26.25
(d) Other Non-current Assets	7	324.21	321.14
(e) Income-Tax Assets	30	34.29	37.25
<b>(A) Total Non-Current Assets</b>		<b>13,526.76</b>	<b>13,619.47</b>
<b>(2) Current Assets</b>			
(a) Inventories	8	236.47	155.37
(b) Financial Assets			
(i) Investments	9	2,498.96	3,167.56
(ii) Trade Receivables	10	305.43	1,541.11
(iii) Cash and Cash Equivalents	11	118.73	63.68
(iv) Other Financial Assets	12	19.00	19.00
(c) Other Current Assets	13	2,163.30	562.43
<b>(B) Total Current Assets (a+b+c)</b>		<b>5,341.90</b>	<b>5,509.16</b>
<b>Total Assets (A+B)</b>		<b>18,868.66</b>	<b>19,128.62</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	14	687.93	687.93
(b) Other Equity	15	13,916.66	13,737.62
<b>(C) Total Equity (a+b)</b>		<b>14,604.59</b>	<b>14,425.55</b>
<b>LIABILITIES</b>			
<b>(1) Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	16	1,538.56	1,531.75
(b) Provisions	17	129.66	119.11
(c) Deferred Tax Liability (Net)	30	16.96	40.31
(d) Other Non-Current Liabilities	18	59.84	65.96
<b>(D) Total Non-Current Liabilities (a+b+c+d)</b>		<b>1,745.02</b>	<b>1,757.13</b>
<b>(2) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	19	2,082.91	1,612.92
(ii) Trade Payables	20	-	-
- Total Outstanding Dues of Micro Enterprises and Small Enterprises		-	-
- Total Outstanding Dues of Creditors Other Than Micro Enterprises and Small Enterprises		209.85	1,130.05
(b) Other Current Liabilities	21	140.83	127.18
(c) Provisions	22	85.48	75.78
<b>(E) Total Current Liabilities (a+b+c)</b>		<b>2,519.06</b>	<b>2,945.94</b>
<b>Total Liabilities (D+E)</b>		<b>4,264.08</b>	<b>4,703.08</b>
<b>Total Equity and Liabilities (C+D+E)</b>		<b>12,379.57</b>	<b>12,686.72</b>
Significant Accounting Policies	3	-	-

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

For SAHA & MAJUMDER

Chartered Accountants

FRN 303087E

Sd/-

S.N. Bhattacharjee

Partner

Membership No 010767

ICAI UDIN : 23010767BGZHVS3428

Place : Siliguri

Dated : 30th May, 2023

For and on behalf of the Board of Directors

Terai Tea Company Limited

Sd/-

Shashikala Agarwala

Director

DIN : 00260171

Sd/-

Rajendra Kanodia

Director & CFO

DIN : 00175574

Sd/-

Rajesh Singhania

Company Secretary

FCS F7746

# STATEMENT OF PROFIT & LOSS (Consolidated) For The Year Ended 31st March, 2023 (in Lakhs)

PARTICULARS	Note No.	For the Year ending on 31st March, 2023	For the Year ending on 31st March, 2022
<b>I Revenue from Operations</b>			
Sale of Goods	23	9,315.60	7,318.38
		<b>9,315.60</b>	<b>7,318.38</b>
<b>II Other Income</b>	24	472.88	1,532.09
<b>III Total Income (I+II)</b>		<b>9,788.48</b>	<b>8,850.47</b>
<b>IV Expenses</b>			
Cost of Material Consumed	25	1,160.58	1,583.81
Purchase of Stock-in-Trade	25	6,265.57	4,161.52
Change in Inventories of Finished Goods and Stock-in-Trade	26	(116.91)	147.29
Employee Benefits Expense	27	675.98	631.83
Finance Costs	28	248.19	149.47
Depreciation Expense	4	165.92	158.24
Other Expenses	29	1,279.72	1,076.74
<b>Total Expenses</b>		<b>9,679.06</b>	<b>7,908.90</b>
<b>V Profit Before tax (III-IV)</b>		<b>109.42</b>	<b>941.57</b>
<b>VI Tax Expense :</b>			
(1) Current Tax	3	—	—
(2) Tax Expense for Earlier Year	30	0.93	12.12
(3) Minimum Alternative Tax	30	39.85	—
(4) Deferred Tax	30	(63.20)	(10.29)
		<b>(22.42)</b>	<b>1.83</b>
<b>VII Profit for the Year (V-VI)</b>		<b>131.84</b>	<b>939.74</b>
<b>VIII Other Comprehensive Income</b>			
(i) Items that will not be Reclassified Subsequently to Statement of Profit or Loss		47.19	148.35
(ii) Remeasurements of the Net Defined Benefit Liability / Asset		—	—
(iii) Income-Tax Relating to Items not to be Reclassified Subsequently to Statement of Profit or Loss		—	—
<b>Other Comprehensive Income, Net of Tax</b>		<b>47.19</b>	<b>148.35</b>
<b>IX Total Comprehensive Income for the period (VII+VIII)</b>		<b>179.03</b>	<b>1,088.09</b>
<b>Earnings per Share (Nominal Value of Rs. 10 each)</b>			
Basic [in Rs]	32	2.60	15.82
Diluted [in Rs]	32	2.60	15.82
Weighted Average Number of Equity Shares used in Computing Earnings Per Share			
- Basic	32	68,79,300	68,79,300
- Diluted	32	68,79,300	68,79,300

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

For SAHA & MAJUMDER

Chartered Accountants

FRN 303087E

Sd/-

**S.N. Bhattacharjee**

Partner

Membership No 010767

ICAI UDIN : 23010767BGZHV53428

Place : Siliguri

Dated : 30th May, 2023

For and on behalf of the Board of Directors

**Terai Tea Company Limited**

Sd/-

**Shashikala Agarwala**

Director

DIN : 00260171

Sd/-

**Rajendra Kanodia**

Director & CFO

DIN : 00175574

Sd/-

**Rajesh Singhania**

Company Secretary

FCS F7746

# CASH FLOW STATEMENT (Consolidated) For the Year Ended 31st March, 2023 (₹ in Lakhs)

	For the Year Ended 31st March, 2023	For the Year Ended 31st March, 2022
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before Tax	109.42	941.57
<b>Adjustments for :</b>		
Depreciation	165.92	158.24
Dividend Income	(0.06)	(0.15)
Provision for Doubtful Debts	0.29	4.27
Profit on Sale of Mutual Fund	(33.14)	(41.62)
Gain on Financial Asset Measured at Fair Value	(14.02)	(130.07)
Interest Income	(11.72)	(0.90)
Interest Expense	248.19	149.47
Provision no Longer Required, Written Back	(5.99)	(5.46)
	<b>458.90</b>	<b>1,075.35</b>
<b>Changes in :</b>		
Trade Receivables	1,235.38	(1,313.77)
Inventories	(81.10)	106.93
Loans, Other Financial Assets and Other Assets	(1,595.69)	1,811.82
Liabilities and Provisions	(886.44)	796.51
<b>CASH GENERATED FROM OPERATIONS</b>	<b>(868.95)</b>	<b>2,476.85</b>
Income Tax Paid, Net of Refund	2.04	(46.21)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>(866.91)</b>	<b>2,430.64</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Acquisition of Property, Plant and Equipment	(19.75)	(82.78)
Purchase / (Sale) of Investments, Net	654.19	(3,031.87)
Profit on Sale of Investments	33.14	41.62
Gain on Financial Asset Measured at Fair Value	14.02	130.07
Dividend Received	0.06	0.15
Interest Received	11.72	0.90
<b>NET CASH PROVIDED USED IN INVESTING ACTIVITIES</b>	<b>693.36</b>	<b>(2,941.91)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds / (Repayment) of Borrowings	476.79	681.93
Interest Paid	(248.19)	(149.47)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>228.60</b>	<b>532.46</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>55.05</b>	<b>21.19</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>63.68</b>	<b>42.49</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>118.73</b>	<b>63.68</b>

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

For **SAHA & MAJUMDER**

Chartered Accountants

FRN 303087E

Sd/-

**S.N. Bhattacharjee**

Partner

Membership No 010767

ICAI UDIN : 23010767BGZHVS3428

Place : Siliguri

Dated : 30th May, 2023

For and on behalf of the Board of Directors

**Terai Tea Company Limited**

Sd/-

**Shashikala Agarwala**

Director

DIN : 00260171

Sd/-

**Rajendra Kanodia**

Director & CFO

DIN : 00175574

Sd/-

**Rajesh Singhania**

Company Secretary

FCS F7746

# Notes to Consolidated Financial Statements (Contd.) ( ` in Lakhs)

## Statement of Changes in Equity and Other Equity for the year Ended 31st March, 2022

Particulars	Equity Share Capital	Other Equity				Other Comprehensive Income Other items of OCI	Total Equity Attributable to Equity Holders of the Company
		Reserves and Surplus					
		Securities Premium	Retained Earnings	General Reserve	Share Forfeiture		
Balance as at 1 April 2021	687.93	764.56	11832.49	49.88	11.81	(9.21)	13337.46
Remeasurement of Benefit Liability / Asset, Net of Tax Effect	-	-	-	-	-	-	Defined
Profit for the Year	-	-	1,088.09	-	-	-	1,088.09
Balance as at 31 March 2022	687.93	764.56	12,920.58	49.88	11.81	(9.21)	14,425.55

## Statement of Changes in Equity and Other Equity for the year Ended 31st March, 2023

Particulars	Equity Share Capital	Other Equity				Other Comprehensive Income Other Items of OCI	Total Equity Attributable to Equity Holders of the Company
		Reserves and Surplus					
		Securities Premium	Retained Earnings	General Reserve	Share Forfeiture		
Balance as at 1 April 2022	687.93	764.56	12,920.58	49.88	11.81	(9.21)	14,425.55
Remeasurement of the Net Defined Benefit Liability / Asset, Net of Tax Effect	-	-	-	-	-	-	-
Profit for the Year	-	-	179.03	-	-	-	179.03
Balance as at 31 March 2023	687.93	764.56	13,099.61	49.88	11.81	(9.21)	14,604.58

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

For **SAHA & MAJUMDER**

Chartered Accountants

FRN 303087E

Sd/-

**S.N. Bhattacharjee**

Partner

Membership No 010767

ICAI UDIN : 23010767BGZHVS3428

Place : Siliguri

Dated : 30th May, 2023

For and on behalf of the Board of Directors

**Terai Tea Company Limited**

Sd/-

**Shashikala Agarwala**

Director

DIN : 00260171

Sd/-

**Rajendra Kanodia**

Director & CFO

DIN : 00175574

Sd/-

**Rajesh Singhania**

Company Secretary

FCS F7746

# Notes to Consolidated Financial Statements

## **NOTE - 1 : REPORTING ENTITY**

Terai Tea Company Limited (the 'Company') is a Public Limited Company domiciled in India, with its registered office situated at 10, Government Place (East), 1st Floor, Kolkata, West Bengal - 700069. The Company has been incorporated under the provisions of Indian Companies Act, 1956 and its equity shares are listed on the Bombay Stock Exchange (BSE) and Calcutta Stock Exchange Limited in India. The Company is primarily engaged in production, distribution and trading of tea and other agricultural merchandise.

## **NOTE - 2 : BASIS OF PREPARATION**

### **A. Statement of Compliance**

The Financial Statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015, as amended, notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The standalone financial statements were authorised for issue by the Company's Board of Directors on 30th May 2023.

Details of the Company's accounting policies are included in Note 3.

### **B. Functional & Presentation Currency**

These standalone financial statements are presented in Indian Rupees (Rs.), which is also the Company's functional currency. All amounts have been rounded-off to two decimal places to the nearest lakhs, unless otherwise indicated.

### **C. Basis of Measurement**

The standalone financial statements have been prepared on the historical cost basis except for the following items:

<b>Items</b>	<b>Measurement Basis</b>
Certain Financial Assets and Liabilities	Fair Value
Net Defined Benefit (Asset) / Liability	Fair Value of Plan Assets Less Present Value of Defined Benefit Obligations

### **D. Use of Estimates and Judgments**

In preparing these standalone financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

#### **Judgements**

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the standalone financial statements.

#### **Assumptions and Estimation Uncertainties**

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2022 is included in the following notes:

- Note 30 – Recognition of Deferred Tax Assets : Availability of future taxable profit against which tax losses carried forward can be used;
- Note 35 – Measurement of Defined Benefit Obligations : Key Actuarial Assumptions;
- Note 31 – Recognition and Measurement of Provisions and Contingencies : Key Assumptions about the Likelihood and Magnitude of an Outflow of Resources;
- Note 4 – Useful Life of Property, Plant and Equipment;
- Notes 12 – Impairment of Financial Assets.

### **E. Measurement of Fair Values**

Certain accounting policies and disclosures of the Company require the measurement of fair values, for both financial and non financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 – Quoted Prices (Unadjusted) in Active Markets for Identical Assets or Liabilities.
- Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

# Notes to Consolidated Financial Statements (Contd.) (₹ in Lakhs)

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into a different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in the measuring fair values is included in the Note 38 - financial instruments.

## NOTE - 3 : SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of Consolidation

**Non-Controlling Interest (NCI) :** NCI are measured at their proportionate share of the acquirers net identifiable assets on the date of acquisition

**Associates :** These are entities over which the group has significant influence but not control or joint control over the financial and operating policies.

Interests in associates are accounted using the equity method. They are initially recognised at cost which includes transaction cost. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and other comprehensive income of equity accounted investees until the date on which significant influence ceases.

**Equity Method :** Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associate or joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

### Associate Companies considered in the Consolidated Financial Statements:

Name of the Company	Country of Incorporation	Ownership interest (in %)	
		31-03-2023	31-03-2022
Abhijit Tea Company Private Limited	India	46.04%	46.04%
Amit Paridhan Private Limited	India	36.08%	36.08%
East Indian Produce Limited	India	43.80%	43.80%
Jaldacca Tea Plantations Private Limited	India	45.33%	45.33%
New Darjeeling Union Tea Co. Limited	India	48.59%	48.59%
Sayedabad Tea Company Limited	India	27.71%	27.71%
Terai Dooars Tea Co. Private Limited	India	47.73%	47.73%
Terai Financial Services Private Limited	India	49.00%	49.00%
Terai Infrastructures Limited	India	45.95%	45.95%
Terai Ispat and Trading Private Limited	India	49.00%	49.00%
Terai Overseas Private Limited	India	47.74%	47.74%
The Kharibari Tea Company Limited	India	48.47%	48.47%

### (b) Property, Plant and Equipment

#### i. Recognition and Measurement

Items of property, plant and equipment, are measured at cost (which includes capitalised borrowing costs, if any) less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment includes its non refundable purchase price, duties, taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials, direct labour and any other costs directly attributable to bringing the item to its intended working condition and estimated costs of dismantling, removing and restoring the site on which it is located, wherever applicable.

Bearer Plants which is used in the production or supply of agriculture produce and expected to bear produce and expected to bear produce for more than a period of twelve months are capitalized as a part of Property, Plant and Equipment. The cost of Bearer Plant includes all cost incurred till the plants are ready for commercial harvest. Bearer Plants are depreciated from the date when they are ready for commercial harvest.



# Notes to Consolidated Financial Statements (Contd.) (₹ in Lakhs)

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

## ii. **Subsequent Expenditure**

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

## iii. **Depreciation**

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

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

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

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

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

Cost incurred for new plantations and immature areas are capitalised. The cost of immature areas coming into bearing is transferred to mature plantations and depreciated over their estimated useful life.

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

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

## iv. **Capital Work-in-Progress**

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the Balance Sheet date.

## (c) **Assets held for Sale and Disposal**

Non - Current assets, or disposals group comprising assets and liabilities are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposals groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any resultant loss on a disposal group is allocated first to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, employee benefit assets, and biological assets, which continue to be measured in accordance with the Group's other accounting policies. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets, property, plant and equipment and investment properties are no longer amortised or depreciated, and any equity- accounted investee is no longer equity accounted.

## (d) **Impairment**

### (i) **Financial Assets**

The Company recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in profit or loss.

### (ii) **Non-Financial Assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units' (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of

# Notes to Consolidated Financial Statements (Contd.) (₹ in Lakhs)

those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

## (e) Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The Company has adopted Ind AS 116 using the modified retrospective method of adoption under the transitional provisions of the Standards, with the date of initial application on 1st April 2019. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets). Adoption of Ind- AS 116 doesn't have any material impact on the financial statements of the Company.

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### **Company As a Lessee**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

### **Right of Use Assets**

The Company does not recognise right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use).

### **Lease Liabilities**

Lease payments for tea garden land are accounted for on an annual basis and present value of liabilities for long term lease is not provided for.

### **Short-Term Leases and Leases of Low-Value Assets**

The Company applies the short-term lease recognition exemption to its short-term leases of Office, machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of offices, equipment, etc. that are of low value. Lease payments on short term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

## (f) Borrowings

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

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

## (g) Inventories

Raw materials, traded goods and finished goods are stated at the lower of cost and net realisable value.

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

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

# Notes to Consolidated Financial Statements (Contd.) (₹ in Lakhs)

## (h) Financial Instruments

### i. Recognition and Initial Measurement

The Company initially recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition.

### ii. Classification and Subsequent Measurement

#### Financial Assets

##### *Financial Assets Carried at Amortised Cost*

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset 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 at Fair Value Through Other Comprehensive Income*

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling 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 at Fair Value Through Profit or Loss*

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

##### *Financial Liabilities*

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Investments representing equity interest in associates are carried at cost in the financial statements.

### iii. Derecognition

#### *Financial Assets*

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby the transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

#### *Financial Liabilities*

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognised in the statement of profit and loss.

### iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

## (i) Borrowing Costs

Borrowing costs directly attributable to the acquisition or construction of those property, plant and equipment which necessarily takes a substantial period of time to get ready for their intended use are capitalised. All other borrowing costs are expensed in the period in which they incur in the Statement of Profit and Loss.

## (j) Foreign Currencies

Transactions in foreign currencies are initially recorded by the Company at their functional currency spot rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rates are recognised as income or expenses in the period in which they arise. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rates at the date of transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

# Notes to Consolidated Financial Statements (Contd.) (₹ in Lakhs)

## (k) Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to revenue, it is recognised in the Statement of Profit and Loss on a systematic basis over the periods to which they relate. When the grant relates to an asset, it is treated as deferred income and recognised in the Statement of Profit and Loss on a systematic basis over the useful life of the asset.

## (l) Revenue Recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Revenue is measured at the fair value of the consideration received or receivable, net of returns, discounts, volume rebates, outgoing sales taxes including goods and service tax. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company regardless of when the payment is being made.

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

### **Sale of Products :**

Revenue from sale of goods is recognized when the company transfers the control of goods to the customer as per the terms of contract. The company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price, the company considers the effect of variable consideration , the existence of significant financing component, non-cash consideration and consideration payable to the customer (if any).

### **Trade Receivables :**

A receivable represents the company's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due).

### **Rental Income :**

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the Statement of Profit or Loss. The Company has determined that it does not meet criteria for recognition of lease rental income on a basis other than straight-line basis.

### **Interest Income**

Interest Income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income from debt instruments is recognised using the effective interest rate method.

### **Dividends**

Dividend income is recognised in the statement of profit and loss only when the right to receive payment is established, which is generally when shareholders approve the dividend.

## (m) Income Tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

### **i. Current Tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

### **ii. Deferred Tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for: - temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of transaction. - temporary differences related to investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. MAT is recognised as deferred tax assets in the Balance Sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised. Deferred tax assets recognised or unrecognized are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised. Deferred tax is measured at the tax rates that are expected to

## Notes to Consolidated Financial Statements (Contd.) (₹ in Lakhs)

apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The Company offsets, the current tax assets and liabilities (on a year on year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

### (n) Provisions and Contingent Liabilities

#### *i. General*

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

#### *ii. Contingent Liabilities*

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

#### *iii. Onerous Contracts*

Provision for onerous contracts, i.e. contracts where the expected unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

### (o) Employee Benefits

#### *i. Short-Term Employee Benefits*

All employee benefits falling due wholly within twelve months of rendering the services are classified as short-term employee benefits, which include benefits like salaries, wages, short-term compensated absences and performance incentives and are recognised as expenses in the period in which the employee renders the related service.

#### *ii. Post-Employment Benefits*

Contributions to defined contribution schemes such as Provident Fund, Pension Fund, etc., are recognised as expenses in the period in which the employee Contributions to defined contribution schemes such as Provident Fund, Pension Fund, etc., are recognised as expenses in the period in which the employee renders the related service. In respect of contributions made to government administered Provident Fund, the Company has no further obligations beyond its monthly contributions. The Company also provides for post-employment defined benefit in the form of gratuity and medical benefits. The cost of providing benefit is determined using the projected unit credit method, with actuarial valuation being carried out at each balance sheet date. Remeasurement of the net benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interests) and the effect of the assets ceiling (if any, excluding interest) are recognised in other comprehensive income. The effect of any plan amendments are recognized in the statement of profit and loss.

#### *iii. Other Long-Term Employee Benefits*

All employee benefits (other than post-employment benefits and termination benefits) which do not fall due wholly within twelve months after the end of the period in which the employees render the related services are determined based on actuarial valuation or discounted present value method carried out at each balance sheet date.

### (p) Cash and Cash Equivalents

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

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

### (q) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments and has been identified as the Managing Director of the Company. As per Ind AS 108 if a financial report

# Notes to Consolidated Financial Statements (Contd.) (₹ in Lakhs)

contains both the consolidated financial statements of a parent that is within the scope of this Indian Accounting Standard as well as the parent's separate financial statements, segment information is required only in the consolidated financial statements. Accordingly the company has presented segment only for consolidated financial statements.

## (r) Earnings Per Share

Basic Earnings Per Share ('EPS') is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for the share splits.

## (s) Cash Flow Statement

Cash flows are reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

## (t) Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below :

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

### Ind AS 16 – Proceeds Before Intended Use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

### Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

### Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

### Ind AS 116 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

### Statement of Profit and Loss:

Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of consolidated financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

## Notes to Consolidated Financial Statements (Contd.)

### NOTE 4 — PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR 2022-23

(` in Lakhs)

#### Reconciliation of Carrying Amount

Description	Gross Carrying Amount				Accumulated Depreciation				Carrying Amounts (Net)
	As at 1st April 2022	Additions	Disposals / Adjustment	As at 31st March 2023	As at 1st April 2022	Additions	Disposals	As at 31st March 2023	As at 31st March 2023
Freehold Land	2,557.61	-	-	2,557.61	-	-	-	-	2,557.61
Buildings	673.76	-	-	673.76	269.72	42.79	-	312.52	361.24
Plant and Machinery	532.00	16.54	5.41	543.12	338.52	45.39	4.16	379.75	163.37
Furniture and Fixtures	166.64	3.27	-	169.91	103.95	15.85	-	119.81	50.10
Motor Vehicles	100.19	5.38	-	105.57	20.71	26.85	-	47.56	58.01
Office Equipment	7.58	2.02	-	9.60	4.41	1.36	-	5.77	3.83
Computer and Data Processing units	7.77	0.06	-	7.83	5.60	0.61	-	6.21	1.61
Bearer Plants	1,946.00	-	-	1,946.00	178.64	33.06	-	211.70	1,734.30
<b>Total</b>	<b>5,991.55</b>	<b>27.26</b>	<b>5.41</b>	<b>6,013.40</b>	<b>921.56</b>	<b>165.92</b>	<b>4.16</b>	<b>1,083.32</b>	<b>4,930.08</b>
Capital Work-in-Progress	14.35	8.16	14.41	8.09	-	-	-	-	8.09
<b>Total</b>	<b>6,005.89</b>	<b>35.42</b>	<b>19.82</b>	<b>6,021.49</b>	<b>921.56</b>	<b>165.92</b>	<b>4.16</b>	<b>1,083.32</b>	<b>4,938.17</b>

### NOTE 4 — PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR 2021-22

Description	Gross Carrying Amount				Accumulated Depreciation				Carrying Amounts (Net)
	As at 1st April 2021	Additions	Disposals / Adjustment	As at 31st March 2022	As at 1st April 2021	Additions	Disposals	As at 31st March 2022	As at 31st March 2022
Freehold Land	2,553.28	4.33	-	2,557.61	-	-	-	-	2,557.61
Buildings	673.76	-	-	673.76	220.53	49.19	-	269.72	404.03
Plant and Machinery	529.58	2.41	-	532.00	284.33	54.20	-	338.52	193.47
Furniture and Fixtures	164.29	2.39	0.04	166.64	88.55	15.45	0.04	103.95	62.69
Motor Vehicles	28.16	72.04	-	100.19	16.45	4.26	-	20.71	79.48
Office Equipment	6.19	1.39	-	7.58	3.18	1.23	-	4.41	3.17
Computer and Data Processing units	7.55	0.22	-	7.77	4.75	0.85	-	5.60	2.17
Bearer Plants	1,946.00	-	-	1,946.00	145.58	33.06	-	178.64	1,767.36
<b>Total</b>	<b>5,908.81</b>	<b>82.78</b>	<b>0.04</b>	<b>5,991.55</b>	<b>763.36</b>	<b>158.24</b>	<b>0.04</b>	<b>921.56</b>	<b>5,069.99</b>
Capital Work-in-Progress	14.35	-	-	14.35	-	-	-	-	14.35
<b>Total</b>	<b>5,923.15</b>	<b>82.78</b>	<b>0.04</b>	<b>6,005.89</b>	<b>763.36</b>	<b>158.24</b>	<b>0.04</b>	<b>921.56</b>	<b>5,084.33</b>

#### AGEING ANALYSIS OF CAPITAL WORK-IN-PROGRESS

Particulars	As on 31st March 2023		As on 31st March 2022	
	Project in progress	Project temporarily suspended	Project in progress	Project temporarily suspended
Less than 1 year	8.16	-	-	-
1-2 years	-	-	-	9.15
2-3- years	-	9.15	-	5.20
More than 3 years	-	5.20	-	-
<b>Total</b>	<b>8.16</b>	<b>14.35</b>	<b>-</b>	<b>14.35</b>

# Notes to Consolidated Financial Statements (Contd.) ( ` in Lakhs)

## NOTE 5 - NON-CURRENT INVESTMENTS

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

Particulars	Face value per share/ unit	Units/Nos.		Amount	
		As at 31st March 2023	As at 31st March 2022	As at 31st March 2023	As at 31st March 2022
<b>At Cost</b>					
<b><i>Unquoted</i></b>					
<b>Investment in Equity Instruments (fully paid)</b>					
<b>Associates</b>					
Abhijit Tea Company Private Limited	100	7,338	7,338	332.40	332.40
Amit Paridhan Private Limited	10	1,75,000	1,75,000	3.10	3.10
East Indian Produce Limited	10	63,380	63,380	44.22	44.22
Jaldacca Tea Plantations Private Limited	1000	850	850	43.13	43.13
New Darjeeling Union Tea Company Limited	25	17,085	17,085	124.76	124.76
Sayedabad Tea Company Limited	10	15,070	15,070	1.51	1.51
Terai Tea Resorts Limited	10	20,000	20,000	0.91	0.91
Terai Dooars Tea Company Private Limited	10	2,62,500	2,62,500	24.23	24.23
Terai Financial Services Private Limited	10	22,554	22,554	0.33	0.33
Terai Infrastructures Limited	10	26,09,500	26,09,500	21.45	21.45
Terai Ispat & Trading Private Limited	10	7,01,273	7,01,273	22.83	22.83
Terai Overseas Private Limited	10	3,17,460	3,17,460	28.70	28.70
The Kharibari Tea Company Limited	10	96,937	96,937	44.22	44.22
Add : Share of Profit in Associates				6,489.09	6,441.90
<b>Sub-Total (A)</b>				<b>7,180.87</b>	<b>7,133.67</b>
<b>Others</b>					
Techno Steel India Private Limited	10	2,500	2,500	1.25	1.25
Shilpam Dealcom Private Limited	10	2,25,000	2,25,000	22.50	22.50
<b>Sub-Total (B)</b>				<b>23.75</b>	<b>23.75</b>
<b>Joint Venture Investment :-</b>					
Terai Tea Resorts Limited*				1007.49	993.08
<b>Sub-Total (C)</b>				<b>1,007.49</b>	<b>993.08</b>
<b>Total Non-Current Investment (A + B+C)</b>				<b>8,212.11</b>	<b>8,150.50</b>
Aggregate Amount of Unquoted Non-Current Investment				8,212.11	8,150.50
Aggregate Market Value of Quoted Non-Current Investment				-	-

Investment in Joint Venture with Terai Tea Resorts Limited for setting up a Tourist Resort under Tea Tourism scheme of the Government of West Bengal made during the year 2021-22.

<b>Names of Parties to the Joint Venture-</b>	<b>Share of Profit</b>
Terai Tea Company Limited	50%
Terai Tea Resorts Limited	50%



# Notes to Consolidated Financial Statements (Contd.) (` in Lakhs)

## NOTE 6 - LOANS RECEIVABLE (NON-CURRENT)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>NOTE 6 - OTHER FINANCIAL ASSETS (NON-CURRENT)</b>		
<b>Unsecured</b>		
<i>Considered Good :</i>		
- Security Deposits	16.99	10.23
- Grants Receivable	-	9.51
- Other Receivables	-	6.51
- Fixed Deposits with Banks	1.00	-
	<b>18.00</b>	<b>26.25</b>
<b>NOTE 7 - OTHER NON-CURRENT ASSETS</b>		
<b>Unsecured</b>		
<i>Considered Good:</i>		
- Advance Against Land	113.26	110.20
- Advances Against Supply of Goods and Services	-	-
<i>Others :</i>		
- Assets held for Investment	14.45	14.45
- Assets held for Sale	-	-
- Gold and Silver	196.49	196.49
	<b>324.21</b>	<b>321.14</b>
<b>NOTE 8 - INVENTORIES</b>		
Finished Goods	201.07	84.16
Stores and Spare Parts	35.40	71.21
	<b>236.47</b>	<b>155.37</b>

# Notes to Consolidated Financial Statements (Contd.) (` in Lakhs)

## NOTE 9 - CURRENT INVESTMENTS

### At Fair Value Through Profit and Loss

Particulars	Face value per share/ unit	Units/Nos.		Amount	
		As at 31st March 2023	As at 31st March 2022	As at 31st March 2023	As at 31st March 2022
<b>Quoted</b>					
<b>Investment in Equity Instruments (Fully Paid)</b>					
Bharat Heavy Electricals Limited	2	3,750	3,750	1.48	1.48
Vedanta Limited	1	5,000	-	15.58	-
LIC Housing Finance Limited	10	5,000	-	19.36	-
Kotak Mahindra Bank Limited	5	1,000	-	17.60	-
GOL Offshore Limited	10	5,000	5,000	0.50	0.50
Hotel Leela Venture Limited	2	5,000	5,000	0.46	0.46
UCO Bank	10	5,000	5,000	0.59	0.59
Varun Shipping Company Limited	10	5,000	5,000	0.25	0.25
Punjab National Bank	10	8,000	8,000	2.45	2.80
Bajaj Hindustan	10	4,000	4,000	0.57	0.57
Central Bank of India	10	2,388	2,388	0.48	0.48
IFCI	10	2,000	2,000	0.22	0.22
<b>Sub-Total (a)</b>				<b>59.54</b>	<b>7.36</b>
<b>Unquoted</b>					
<b>Investment in Mutual Funds</b>					
Aditya Birla Balanced Advantage Fund (Growth)		5,61,359.958	5,61,359.958	306.89	406.09
Axis Balanced Advantage Fund (Growth)		5,73,522.385	5,73,522.385	80.98	80.81
Axis Equity Saver Fund (Growth)		15,11,580.076	15,11,580.076	253.34	252.28
Axis Growth Opportunities Fund (Growth)		5,13,540.215	5,13,540.215	96.24	105.84
DSP Dynamic Asset Allocation Fund (Growth)		5,22,982.088	5,22,982.088	102.66	102.44
DSP Dynamic Asset Allocation Fund Regular (Growth)		3,51,259.599	3,51,259.599	68.95	70.68
HSBC Equity Hybrid Fund (Growth)		5,20,114.311	5,20,114.311	80.06	81.68
ICICI Prudential Asset Allocation fund (Growth)		-	2,75,996.116	-	218.29
ICICI Prudential Balanced Advantage Fund (Growth)		1,42,877.118	1,42,877.118	75.04	70.80
ICICI Prudential Business Cycle Fund (Growth)		4,99,975.000	4,99,975.000	67.65	64.30
Kotak Balanced Advantage Fund (Growth)			24,01,957.788	166.67	346.07
Kotak Equity Hybrid (Growth)		6,43,214.009	6,43,214.009	263.40	256.40
Nippon India Balanced Advantage Fund (Growth)		2,32,763.359	2,32,763.359	291.42	280.63
Nippon India Equity Hybrid Fund (Growth)		49,240.442	49,240.442	0.03	0.03
Nippon India Flexicap Fund (Growth)		10,62,544.657	10,62,544.657	109.12	112.55
SBI Balanced Advantage Fund (Growth)		-	11,24,779.429	-	116.75
Tata Balanced Advantage Fund (Growth)			24,35,425.454	261.21	356.68
Tata Digital India Fund Regular (Growth)		2,91,502.144	2,91,502.144	91.44	112.21
UTI Core Equity Fund (Growth)		62,492.904	-	61.81	-
UTI India Consumer Fund		1,70,912.747	-	62.52	-
UTI Multi Assets Fund Growth		-	2,84,096.676	-	125.68
<b>Sub-Total (b)</b>				<b>2,439.42</b>	<b>3,160.20</b>
<b>Total Current Investment (A + B)</b>				<b>2,498.96</b>	<b>3,167.56</b>
Aggregate Amount of Unquoted Current Investment				2,439.42	3,160.20
Aggregate Market Value of Quoted Current Investment				59.54	7.36

# Notes to Consolidated Financial Statements (Contd.) (` in Lakhs)

## NOTE 10 - TRADE RECEIVABLES

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Unsecured</b>		
Considered Good*	305.43	1,541.11
Considered Doubtful	119.44	119.14
	<b>424.87</b>	<b>1,660.26</b>
Less : Allowance for Doubtful Debts	<b>(119.44)</b>	<b>(119.14)</b>
	<b>305.43</b>	<b>1,541.11</b>

## AGEWISE TRADE RECEIVABLES-

Particulars	Outstanding for following periods from due date of payment					TOTAL
	Less than 6 months	6 months- 1 Year	1-2 Years	2-3 Years	More than 3 Years	
<b>Year Ended 31st March 2023</b>						
Undisputed Trade Receivable-						
Considered Good	92.10	0.04	27.03	2.66	183.59	305.43
Considered Doubtful	-	-	3.06	0.52	115.85	119.44
	<b>92.10</b>	<b>0.05</b>	<b>30.09</b>	<b>3.19</b>	<b>299.44</b>	<b>424.87</b>
Less - Allowance for Doubtful Debts	-	-	3.06	0.52	115.85	119.44
	<b>92.10</b>	<b>0.04</b>	<b>27.03</b>	<b>2.66</b>	<b>183.59</b>	<b>305.43</b>
<b>Year Ended 31st March 2022</b>						
Undisputed Trade Receivable-						
Considered Good	1,334.90	-	0.61	25.63	179.97	1,541.11
Considered Doubtful	-	-	-	-	119.14	119.14
	<b>1,334.90</b>	<b>-</b>	<b>0.61</b>	<b>25.63</b>	<b>299.12</b>	<b>1,660.25</b>
Less- Allowance for Doubtful Debts	-	-	-	-	119.14	119.14
	<b>1,334.90</b>	<b>-</b>	<b>0.61</b>	<b>25.63</b>	<b>179.97</b>	<b>1,541.11</b>

The Company's exposure to credit and loss allowances related to trade receivables are disclosed in note 36.

## NOTE 11 - CASH AND CASH EQUIVALENTS

Particulars	As at 31st March, 2023	As at 31st March, 2022
- Cash on Hand	17.24	38.24
- Current Accounts	3.01	2.15
- Short Term Deposits	98.48	23.28
	<b>118.73</b>	<b>63.68</b>

## NOTE 12 - OTHER FINANCIAL ASSETS

<b>Unsecured</b>		
<b>Considerd Good</b>		
Grants Receivable	19.00	19.00
	<b>19.00</b>	<b>19.00</b>

## NOTE 13 - OTHER CURRENT ASSETS

<b>Unsecured</b>		
<b>Considerd Good</b>		
Advances for Supply of Goods and Services	438.90	530.01
Prepayments	9.86	8.46
Other Advances	1,700.52	-
Balances with Statutory Authorities	14.02	23.96
	<b>2,163.30</b>	<b>562.43</b>

# Notes to Consolidated Financial Statements (Contd.) (` in Lakhs)

## NOTE 14 - EQUITY SHARE CAPITAL

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Authorised</b>	<b>1,000.00</b>	1,000.00
<b>Authorised</b> [1,00,00,000 Equity Shares of Rs. 10 each (31 March 2022 : 1,00,00,000 Equity Shares of Rs. 10 each)]	<b>1,000.00</b>	1,000.00
	<b>1,000.00</b>	<b>1,000.00</b>
<b>Issued and subscribed capital</b> [68,79,300 Equity Shares of Rs. 10 each (31 March 2022 : 68,79,300 Equity Shares of Rs. 10 each)]	<b>687.93</b>	687.93
<b>Paid-up capital</b> [68,79,300 Equity Shares of Rs. 10 each (31 March 2022 : 68,79,300 Equity Shares of Rs. 10 each)]	<b>687.93</b>	687.93
	<b>687.93</b>	<b>687.93</b>

### Notes:-

#### a) Reconciliation of Number of Equity Shares Outstanding at the Beginning and at the End of the Reporting Year :

Particulars	31 March 2023		31 March 2022	
	No of Shares	Amount (In Lakhs)	No of Shares	Amount (In Lakhs)
Opening Balance at the Beginning of the Reporting Year	68,79,300	687.93	68,79,300	687.93
Movement During the Reporting Year	-	-	-	-
<b>Closing Balance at the End of the Reporting Year</b>	<b>68,79,300</b>	<b>687.93</b>	<b>68,79,300</b>	<b>687.93</b>

#### b) Details of Shareholders Holding More Than 5% of the Aggregate Shares in the Company :

Particulars	31 March 2023		31 March 2022	
	No of Shares	% Holding	No of Shares	% Holding
Ajit Kumar Agarwala	25,76,800	37.46%	25,76,800	37.46%
Shashikala Agarwala	18,98,800	27.60%	18,98,800	27.60%
Abhijit Tea Company Pvt. Ltd.	4,70,000	6.83%	4,70,000	6.83%

#### c) Details of Promoters Holding and Changes :

Period Ended on	31.03.2023			31.03.2022		
	Number	% of Shares	% Change	Number	% of Shares	% Change
Equity Shares						
Ajit Kumar Agarwal	25,76,800	37.46%	-	25,76,800	37.46%	-
Shashikala Agarwala	18,98,800	27.60%	-	18,98,800	27.60%	-
Abhijit Tea Company (P) Ltd.	4,70,000	6.83%	-	4,70,000	6.83%	-
Terai Financial Services (P) Ltd.	1,27,500	1.85%	-	1,27,500	1.85%	-
Jaldacca Tea Plantations (P) Ltd.	30,000	0.44%	-	30,000	0.44%	-

#### (d) Rights, Preferences and Restrictions 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. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### e) The Company has not allotted any fully paid up equity shares by of bonus shares during the period of five years immediately preceding the balance sheet date nor has issued shares for consideration other than cash.

# Notes to Consolidated Financial Statements (Contd.) ( ` in Lakhs)

## NOTE 15 - OTHER EQUITY

Particulars	As at 31st March, 2023	As at 31st March, 2022
Refer Statement of Changes in Equity for Detailed Movement in Equity Balance		
<b>A. Summary of Other Equity Balance</b>		
Securities Premium	764.56	764.56
Retained Earnings	13,099.61	12,920.58
General Reserve	49.88	49.88
Share Forfeiture	11.81	11.81
Items of Other Comprehensive Income	(9.21)	(9.21)
	<b>13,916.66</b>	<b>13,737.62</b>

### B. Nature and Purpose of Reserves

**Securities Premium Reserve** : Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

**General Reserve** : The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

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

**Items of other Comprehensive Income** : Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in 'Other comprehensive income' and subsequently not reclassified to the statement of profit and loss.

## NOTE 16 - NON-CURRENT BORROWINGS- SECURED

Particulars	As at 31 March 2023			As at 31 March 2022		
	Total Liability	Current	Non-Current	Total Liability	Current	Non-Current
Central Bank Against Plantation	200.00	44.00	156.00	253.89	53.89	200.00
Central Bank Covid 20%	66.08	46.78	19.31	112.71	46.35	66.36
Central Bank of India GECL Loan	123.37	8.07	115.30	-	-	-
Central Bank Covid 10%	-	-	-	4.63	4.63	-
Bank of India Covid 20%	14.03	7.25	6.78	21.07	7.00	14.07
Bank of India Covid 10%	-	-	-	3.61	3.61	-
Punjab National Bank Car Loan	50.96	7.28	43.68	57.78	6.82	50.96
HDFC Vehicle Loan	0.37	0.37	-	1.76	1.39	0.37
Union Bank Covid 10%	-	-	-	5.33	5.33	-
Yes Bank Term Loan	1,000.00	-	1,000.00	1,200.00	-	1,200.00
	<b>1,454.80</b>	<b>113.74</b>	<b>1,341.06</b>	<b>1,660.79</b>	<b>129.04</b>	<b>1,531.75</b>
<b>Unsecured Loans</b>	-	-	197.50	-	-	-
<b>Grand total</b>	<b>1,454.80</b>	<b>113.74</b>	<b>1,538.56</b>	<b>1,660.79</b>	<b>129.04</b>	<b>1,531.75</b>

### Note:

Facility Category	Security Details	Rate of Interest	Repayment Terms
Central Bank Plantation Loan	i) Equitable Mortgage on Company's Bagdogra Tea Estate ii) Personal Guarantee of Mr. Ajit Kumar Agarwala and Mrs. Shashikala Agarwala.	MCLR +0.50%	28 Quarterly Instalments to be Liquidated by the year 2027-28
Covid Loans 10% from all Banks	Coextension of all Securities Against Working Capital Limits as per Note below.	1 year MCLR	Repayable in 2022-23
Covid Loan 20% from all Banks	Coextension of all Securities Against Working Capital Limits as per Note below.	RBLR + 1.00% (Max 9.25% p.a.)	Repayable in 18 quarterly Instalments-Final repayment by the year 2025-26
Term Loan Yes Bank	i) Secured against equitable mortgage of Abhijit Tea Company private Limited's immovable land and building and personal guarantee of Sri Ajit Kumar Agarwal and Smt. Shashikala Agarwal and Abhijit Tea Company Private Limited	2.32% above Current MIBOR	Repayable in the year 2023-24
Vehicle Loans	Secured by Vehicle	Rate from 7.00% to 8.10%	Repayable in 60 Equal Installments

# Notes to Consolidated Financial Statements (Contd.) (` in Lakhs)

## NOTE 17 - PROVISIONS (NON-CURRENT)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for Employee Benefits (Refer Note 35)		
– Gratuity	129.66	119.11
	<b>129.66</b>	<b>119.11</b>
<b>NOTE 18 - OTHER NON-CURRENT LIABILITIES</b>		
Deferred Income	59.84	65.96
	<b>59.84</b>	<b>65.96</b>
<b>NOTE 19 - CURRENT-BORROWINGS</b>		
<b>Secured :</b>		
Working Capital Loan from Bank (Refer Note Below)	1,969.17	1,468.89
Current Maturities of Long Term Debts (Refer Note 16 Above)	113.74	129.04
<b>Unsecured :</b>		
Short Term Inter-Corporate Loans	–	15.00
	<b>2,082.91</b>	<b>1,612.92</b>

Working capital borrowings from Banks are secured by first charge by way of hypothecation over stocks and book debts of the respective units/ Tea Estate of the Company and Equitable Mortgage over the land & plantations of the respective units and guaranteed by Sri Ajit Kumar Agarwala and Smt. Shashi Kala Agarwala, Directors.

Rate of interest on working capital loans ranges from MCLR plus 0.15% to 0.50% and RBLR + 0.45%.

## NOTE 20 - TRADE PAYABLES

Total Outstanding Dues of Micro and Small Enterprises (Refer Note Below)

Total Outstanding Dues of other than Micro and Small Enterprises\*

–	–
<b>209.85</b>	<b>1,130.05</b>
<b>209.85</b>	<b>1,130.05</b>

### Agewise analysis- Trade Payables

Particulars	Outstanding for Following Periods from Due Date of Payment					TOTAL
	Not Due	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
<b>Year Ended 31st March 2023</b>						
<b>Undisputed Dues</b>						
i) MSME	–	–	–	–	–	–
ii) Others	2.50	178.17	24.10	1.22	3.87	209.85
<b>Year Ended 31st March 2022</b>						
<b>Undisputed Dues</b>						
i) MSME	–	–	–	–	–	–
ii) Others	1.50	1,095.39	13.52	12.81	6.83	1,130.05

Note : There are no material dues owed by the Company to Micro and Small enterprises, which are outstanding for more than 45 days during the year and as at 31 March 2023. This information as required under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the auditors.

Particulars	As at 31st March, 2023	As at 31st March, 2022
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year:		
– Principal	–	–
– Interest	–	–
The amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006 alongwith the amount of the payment made to the supplier beyond the appointed date during the year	–	–
The amount of the payments made to micro and small suppliers beyond the appointed day during each accounting year	–	–
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	–	–
The amount of interest accrued and remaining unpaid at the end of each accounting year.	–	–
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purposes of disallowance as a deductible expenditure under the MSMED Act, 2006	–	–
The Company's exposure to liquidity risks related to trade payables is disclosed in note 36.		

# Notes to Consolidated Financial Statements (Contd.) (` in Lakhs)

## NOTE 21 - OTHER CURRENT LIABILITIES

	As at 31st March, 2023	As at 31st March, 2022
Statutory Dues Payable	3.16	9.34
Liability for Expenses and Goods	61.96	42.13
Advance from Customers	75.71	75.71
	<b>140.83</b>	<b>127.18</b>

## NOTE 22 - PROVISIONS

Provision for Employee Benefits (Refer Note 35)

– Gratuity	9.48	6.78
– Bonus	76.00	69.00
	<b>85.48</b>	<b>75.78</b>

## NOTE 23 - REVENUE FROM OPERATION

Sale of Products	2,958.10	3,080.61
Sale of Traded Goods	6,349.76	4,208.58
Other Sales	7.74	29.19
	<b>9,315.60</b>	<b>7,318.38</b>

## NOTE 24 - OTHER INCOME

Government Grant	6.11	7.39
Dividend	0.06	0.15
Interest Income from Financial Assets Carried at Amortised Cost	11.72	0.90
Profit on Sale of Fixed Assets	6.74	193.00
Liabilities no Longer Required, Written Off	5.99	5.46
Profit on Sale / Redemption of Mutual Fund	33.14	41.62
Sale of Agricultural Land	395.10	-
Gains on Fair Valuation of Investments	14.02	130.07
Rent Compensation	-	1,054.30
Other Compensations	-	97.20
Miscellaneous Receipts	0.00	2.00
	<b>472.88</b>	<b>1,532.09</b>

## NOTE 25 - COST OF MATERIAL CONSUMED & TRADED GOODS

Purchases	1,160.58	1,583.81
Purchases of Traded Goods	6,265.57	4,161.52
	<b>7,426.15</b>	<b>5,745.33</b>

## NOTE 26 - CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS

Opening Inventory		
– Finished Goods	84.16	231.45
	<b>84.16</b>	<b>231.45</b>
Closing Inventory		
– Finished Goods	201.07	84.16
	<b>201.07</b>	<b>84.16</b>
<b>(Increase) / Decrease in Inventory</b>	<b>(116.91)</b>	<b>147.29</b>

# Notes to Consolidated Financial Statements (Contd.) (` in Lakhs)

## NOTE 27 - EMPLOYEE BENEFITS EXPENSE

	As at 31st March, 2023	As at 31st March, 2022
Salaries, Wages and Bonus	626.35	586.93
Contribution to Provident and Other Funds (Refer Note 35)	29.18	25.85
Staff Welfare Expenses	20.45	19.05
	<b>675.98</b>	<b>631.83</b>

## NOTE 28 - FINANCE COSTS

Interest Expense on Financial Liability Measured at Amortised Cost	248.19	149.47
	<b>248.19</b>	<b>149.47</b>

## NOTE 29 - OTHER EXPENSES

Consumption of Stores and Spares	201.28	158.91
Allowances for Doubtful Receivables	0.29	4.27
Power and Fuel	602.47	552.17
Rent	2.66	10.65
Rates and Taxes	5.90	12.62
Insurance	8.04	8.37
Travelling and Conveyance	77.07	46.83
Repairs and Maintenance :-		
– Building	5.20	7.72
– Plant and Machinery	11.50	10.86
– Others	3.08	1.91
– Plantation Maintenance	191.63	108.70
Professional Fees (Refer Note 33)	45.34	36.48
Miscellaneous	36.30	28.87
Communication Expense	3.01	2.81
Selling Expenses	59.42	61.92
Printing and Stationery	2.82	2.29
Subscription and Donation	15.40	13.90
Bank Charges	8.32	7.47
	<b>1,279.72</b>	<b>1,076.74</b>



# Notes to Consolidated Financial Statements (Contd.) ( ` in Lakhs)

## NOTE 30 - INCOME-TAX

For the Period Ended	31-03-2023	31-03-2022
<b>(a) Amounts Recognised in Statement of Profit and Loss</b>		
Current Tax	-	-
Tax Expense for Earlier Year	0.93	12.12
Minimum Alternative Tax Credit	39.85	-
Attributable to Origination and Reversal of Temporary Differences	(63.20)	(10.29)
	<b>(22.42)</b>	<b>1.83</b>
<b>(b) Reconciliation of Effective Tax Rate</b>	<b>31-03-2023</b>	<b>31-03-2022</b>
<b>Profit Before Tax</b>	<b>109.42</b>	941.57
<b>Profit / (Loss) Before Tax</b>		
Tax using the Company's Domestic Tax Rate : 26.00%	28.45	244.81
<b>Tax Effect of :</b>		
Agricultural Income	(109.24)	(63.74)
Other Exempt Income	(5.23)	(309.86)
Provisions Disallowed	3.52	2.61
Impact on Account of Depreciation Difference	29.78	29.45
Impact on Account of Lower Rate on Certain Income	-	-
Other Adjustments on Account of Carried Forward Losses	52.73	96.73
Current Tax	-	-

### (c) Recognised Deferred Tax Assets and Liabilities

Deferred Tax Assets and Liabilities are Attributable to the following:

Particulars	Deferred Tax Assets		Deferred Tax Liabilities		Deferred Tax (Liabilities)/Asset, (Net)	
	31-03-2023	31-03-2022	31-03-2023	31-03-2022	31-03-2023	31-03-2022
Property, Plant and Equipment	-	-	(82.04)	(101.98)	(82.04)	(101.98)
Provision for Employee Benefits	35.02	31.69	-	-	35.02	31.69
Other Items	30.06	29.99	-	-	30.06	29.99
	<b>65.08</b>	<b>61.67</b>	<b>(82.04)</b>	<b>(101.98)</b>	<b>(16.96)</b>	<b>(40.31)</b>

### (d) Movement in Temporary Differences

Particulars	As at 1st April 2022	Recognised in Statement of Profit and Loss	As at 31st March 2023	As at 1st April 2021	Recognised in Statement of Profit and Loss	As at 31st March 2022
Property, Plant and Equipment	(101.98)	(19.94)	(82.04)	(125.00)	(23.02)	(101.98)
Provision for Employee Benefits	31.69	(3.33)	35.02	31.23	(0.45)	31.69
Other Items	29.99	(0.07)	30.06	3.31	(26.67)	29.99
	<b>(40.31)</b>	<b>(23.35)</b>	<b>(16.96)</b>	<b>(90.46)</b>	<b>(50.14)</b>	<b>(40.31)</b>

### (e) The Following Table Provides the Details of Income Tax Assets and Income Tax Liabilities

As at	31 March 2023	31 March 2022
Income Tax Assets (Net)	34.29	37.25
Current Tax Liabilities (Net)	-	-
<b>Net Current Income Tax Asset / (Liability) as at 31st March</b>	<b>34.29</b>	<b>37.25</b>

# Notes to Consolidated Financial Statements (Contd.) ( ` in Lakhs)

## NOTE 31 - CONTINGENT LIABILITIES AND COMMITMENTS

### (i) Contingent Liabilities

- (a) Claims against the Company not acknowledged as debt in respect to income tax, sales tax and other matters-
- VAT and Sales Tax Demand on Assessment aggregating **Rs. 154.65 lakhs** (31 March 2022 : Rs.154.65 Lakhs) being disputed.
  - Income Tax Demands - **Rs. 44.45 lakhs** ( 31st March 2022 : Rs. 24.55 Lakhs)
  - Income Tax Demands relating to TDS Compliance - **Rs. 2.18 Lakhs** (31st March 2022 : Rs. 2.53 Lakhs)
- (b) Bank Guarantees Outstanding as at 31st March 2023 : **Rs. 190.75 lakhs** (31 March 2022 : Rs. 80.03 Lakhs)

**Note :** Contingent liabilities disclosed above represent possible obligations where possibility of cash outflow to settle the obligations is not remote.

### (ii) Commitments:

The Company has extended Corporate Guarantees and Equitable Mortgage on Company's Immovable Properties created to secure the loans limit sanctioned in favour of the following Companies:

Name of the Company	Name of the Bank	Limit Sanctioned		Outstanding as at	
		31-03-2023	31-03-2022	31-03-2023	31-03-2022
Abhijit Tea Company Pvt. Ltd	Bank of India	<b>1,079.00</b>	1,079.00	<b>859.65</b>	785.08

Regarding items (i) and (ii) (b) above, it is not practicable to disclose information in respect of the estimate of the financial effect, an indication of the uncertainties relating to outflow and the possibility of any reimbursement as it is determinable only on occurrence of uncertain future events / receipt of judgements pending at various forums.

## NOTE 32 - EARNINGS PER SHARE

A. Computation of Earnings Per Share is as follows:

For the Period	31-03-2023	31-03-2022
<b>Net Profit Attributable to the Equity Shareholders</b>	<b>131.84</b>	939.74
Nominal Value of Equity Shares	<b>10</b>	10
Number of weighted average shares considered for calculation of Basic and Diluted Earnings Per Share	<b>68,79,300</b>	68,79,300
<b>Earnings per share:</b>		
- Basic	<b>1.92</b>	13.66
- Diluted	<b>1.92</b>	13.66

## NOTE 33 - AUDITOR'S REMUNERATION (INCLUDED IN LEGAL AND PROFESSIONAL FEES, EXCLUDING APPLICABLE TAXES)

For the Period	31-03-2023	31-03-2022
Statutory Audit Fees	<b>2.00</b>	1.20
Tax Audit Fees	<b>0.50</b>	0.30
	<b>2.50</b>	1.50

# Notes to Consolidated Financial Statements (Contd.) (` in Lakhs)

## NOTE 34 - RELATED PARTIES

<b>1. Relationships</b>				
	<b>Associate Companies</b>	Abhijit Tea Company Private Limited Amit Paridhan Private Limited East Indian Produce Limited Jaldacca Tea Plantations Private Limited New Darjeeling Union Tea Company Limited Sayedabad Tea Company Limited Terai Dooars Tea Company Private Limited Terai Financial Services Private Limited Terai Infrastructures Limited Terai Ispat & Trading Private Limited Terai Overseas Private Limited The Kharibari Tea Company Limited		
<b>2.</b>	<b>Key Management Personnel (KMP):</b>			
	Managing Director	Shri Ajit Kumar Agarwala		
	Chief Financial Officer	Shri Rajendra Kanodia		
	Company Secretary	Shri Rajesh Singhania		
<b>3.</b>	<b>Entities where Key Management Personnel and their Relatives are able to exercise Significant Influence</b>	Ajit Kumar Agarwala and Others (HUF) Shilpam Dealcom Private Limited Bagdogra Tea Company Private Limited Kanchanview Resorts Private Limited Terai Tea Resorts Limited Terai Resorts & Country Club Private Limited		
<b>4.</b>	<b>The Following are Significant Transactions with Related Parties by the Company.</b>			
	<b>Particulars</b>	<b>Relation</b>	<b>31-03-2023</b>	<b>31-03-2022</b>
	Sale of Products	Associates	<b>35.07</b>	57.92
	Purchase of Goods	Associates	<b>78.34</b>	70.48
	Short-Term Employee Benefits	KMP	<b>93.67</b>	75.72
	Advances Paid	Significant Influence	<b>63.45</b>	0.10
	Advances Realized	Significant Influence	<b>62.35</b>	–
	Payment of Inter-Corporate Deposits	Significant Influence	–	110.00
<b>5.</b>	<b>The Balance Receivable from and Payable to Related Parties are as follows:</b>			
	<b>Particulars</b>	<b>31-03-2023</b>	<b>31-03-2022</b>	
	Trade Payables	<b>5.72</b>	3.93	
	Loans and Advances	<b>2.10</b>	0.50	
	Inter-Corporate Deposits	<b>15.00</b>	15.00	

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

# Notes to Consolidated Financial Statements (Contd.) (` in Lakhs)

## NOTE 35 - EMPLOYEE BENEFITS

### (a) Defined Contribution Plans

The Company has recognised an amount of **Rs.15.64 Lakhs** (31 March 2022 : Rs.15.65 lakhs) as expenses under the defined contribution plans in the statement of profit and loss for the year:

### (b) Defined Benefit Plans

1. Reconciliation of Net Defined Benefit Asset / (Liability)	31-03-2023	31-03-2022
<b>(i) Reconciliation of Present Value of Defined Benefit Obligation</b>		
Obligations as at 1 April	125.89	120.13
Current Service Cost	9.86	9.45
Interest Cost	8.93	8.29
Benefits Settled	(2.65)	-
Actuarial (gain) / loss due to financial assumptions	(3.15)	(2.02)
Actuarial (gain) / loss due to experience adjustments	(4.47)	(9.96)
Obligations at the year end 31 March	134.41	125.89
<b>(ii) Reconciliation of Present Value of Plan Asset</b>		
Plan assets as at 1 April	-	-
Expected return on plan assets	-	-
Return on assets excluding interest income	-	-
Contributions	2.65	-
Benefits settled	(2.65)	-
Plan assets at 31 March at fair value	-	-
<b>(iii) Reconciliation of Net Defined Benefit Asset / (Liability)</b>		
Present value of obligation as at 31 March	134.41	125.89
Plan assets at 31 March at fair value	-	-
Amount Recognised in Balance Sheet Asset / (Liability)	(134.41)	(125.89)
Non-Current	129.66	119.11
Current	9.48	6.78
<b>2. Expenses Recognised in the Statement of Profit and Loss under Employee Benefit Expense :</b>		
Current Service Cost	9.86	9.45
Gratuity Settled / Provided	4.47	9.89
Interest Cost	8.93	8.29
Changes in Financial Assumptions	(3.15)	(2.02)
Experience Adjustments	(4.47)	(9.96)
Net Cost	15.64	15.65
<b>3. Remeasurements Recognised in Statement of Other Comprehensive Income</b>		
Changes in Financial Assumptions	-	-
Net Loss / (Gain) recognised in statement of other comprehensive income	-	-
<b>4. Principal Actuarial Assumptions</b>		
Discount factor [Refer note (i) below]	7.40%	7.10%
Salary escalation rate [Refer note (iii) below]	6.00%	6.00%
Retirement age (in years)	60	60

**Notes:** (i) The discount rate is based on the prevailing market yield on Government Securities as at the Balance Sheet date for the estimated term of obligations.

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

Sensitivity Analysis	31 March 2023	31 March 2022
<b>A. Discount Rate</b>		
Discount Rate -1%	133.62	136.79
Discount Rate +1%	124.53	116.37
<b>B. Salary Escalation Rate</b>		
Salary Rate -1%	123.75	115.66
Salary Rate +1%	147.16	137.40

# Notes to Consolidated Financial Statements (Contd.) ( ` in Lakhs)

## NOTE 36 - FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

### Accounting Classification and Fair Values

The following table shows the carrying amounts and fair values of Financial Assets and Financial Liabilities as at 31 March 2023, including their levels in the fair value hierarchy.

Particulars	Note	FVTPL	Carrying Amount			Fair Value				
			FVOCI	Other Financial Assets Amortised Cost	Other Financial Liabilities	Total Carrying Amount	Level-1	Level-2	Level-3	Total
<b>Financial Assets Measured at Fair Value</b>										
Investment in Mutual Funds	9	2,439.42				2,439.42	2,439.42			2,439.42
Investment in Equity Shares	9	59.54				59.54	59.54			59.54
		<b>2,498.96</b>				<b>2,498.96</b>	<b>2,498.96</b>			<b>2,498.96</b>
<b>Financial Assets not Measured at Fair Value</b>										
Investment in Equity Shares	5			715.52		715.5		715.52		715.52
Investment in Joint Venture Investment	5			1,007.49		1,007.49			1,007.49	1,007.49
Other Financial Assets	6,7			342.20		342.20				
Trade Receivables	10			305.43		305.43				
Cash and Cash Equivalents	11			118.73		118.73				
				<b>2,489.38</b>		<b>2,489.38</b>	-	715.52	1,007.49	<b>1,723.01</b>
<b>Financial Liabilities not Measured at Fair Value</b>										
Borrowings	16,19					3,621.47				
Trade Payables	20					209.85				
Other Current Liabilities	21					140.83				
						<b>3,972.15</b>				

The following table shows the carrying amounts and fair values of Financial Assets and Financial Liabilities as at 31 March 2022, including their levels in the fair value hierarchy.

Particulars	Note	FVTPL	Carrying Amount			Fair Value				
			FVOCI	Other Financial Assets Amortised Cost	Other Financial Liabilities	Total Carrying Amount	Level-1	Level-2	Level-3	Total
<b>Financial Assets Measured at Fair Value</b>										
Investment in Mutual Funds	9	3,160.20				3,160.20	3,160.20			3,160.20
Investment in Equity Shares	9	7.36				7.36	7.36			7.36
		<b>3,167.56</b>				<b>3,167.56</b>	<b>3,167.56</b>			<b>3,167.56</b>
<b>Financial Assets not Measured at Fair Value</b>										
Investment in Equity Shares	5			715.52		715.52		715.52		715.52
Investment in Joint Venture Investment	5			993.08		993.08			993.08	993.08
Other Financial Assets	6,7			347.38		347.38				
Trade Receivables	10			1,541.11		1,541.11				
Cash and Cash Equivalents	11			63.68		63.68				
				<b>3,660.78</b>		<b>3,660.78</b>		715.52	993.08	<b>1,708.60</b>
<b>Financial Liabilities not Measured at Fair Value</b>										
Borrowings	16,19					3,144.68				
Trade Payables	20					1,130.05				
Other Current Liabilities	21					127.18				
						<b>4,401.91</b>				

# Notes to Consolidated Financial Statements (Contd.) ( ` in Lakhs)

## **NOTE 36 - FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (Contd.)**

The fair value of cash and cash equivalents, trade receivables, loans, trade payables and other financial assets and liabilities approximate their carrying amount largely due to the short-term nature of these instruments. The Company's loans have been contracted at market rates of interest. Accordingly, the carrying value of such loans approximate fair value. Investments in equity shares in associates is not appearing as financial asset in the table above being investment in associates accounted under Ind AS 27, Seperate Financial Statements is scoped out under Ind AS 109, Financial Instruments.

Investments in liquid and short- term mutual funds which are classified as FVTPL are measured using net assets value at the reporting date multiplied by the quantity held.

Investments in equity shares which are classified as FVTPL are measured using market price of share at the reporting date multiplied by the quantity held.

### **Financial Risk Management**

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's management risk policy is set by the Board. The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. A summary of the risks have been given below.

#### **Credit Risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

#### **Financial Assets that are not Credit Impaired**

The Company has financial assets which are in the nature of cash and cash equivalents, other bank balances, loans, security deposits, interest accrued on fixed deposits and other receivables which are not credit impaired. These are contractually agreed where the probability of default is negligible.

#### **Financial Assets that are Credit Impaired**

##### *Trade Receivables*

The Company's exposure to credit risk is influenced mainly by the type of each customer. In monitoring customer credit risk, customers are grouped according to their credit characteristics, industry, trading history with the Company and existence of previous financial difficulties.

The Company has calculated the impairment loss arising on account of past trends in the default rate for time bucket.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information. Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Out of the total Trade Receivables of **Rs. 424.87 Lakhs** (31 March 2022 : Rs.1,660.26 Lakhs), the exposure considered for expected credit loss is **Rs. 119.44 Lakhs** (31 March 2022: Rs. 119.14 lakhs).

<b>Movement in the Allowance for Impairment in Trade Receivables</b>	<b>31-03-2023</b>	<b>31-03-2022</b>
Opening Balance	<b>119.14</b>	90.63
Amount Provided for	<b>0.29</b>	28.51
<b>Net Remeasurement of Loss Allowance</b>	<b>119.44</b>	119.14

#### **Liquidity Risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

The table below provides details regarding the contractual maturities of Significant Financial Liabilities-

	<b>As at 31 March 2023</b>		<b>As at 31 March 2022</b>	
	<b>Less than 1 year</b>	<b>More than 1 year</b>	<b>Less than 1 year</b>	<b>More than 1 year</b>
<b>Non-Derivative Financial Liabilities</b>				
Trade Payables	<b>180.67</b>	<b>29.18</b>	1,096.89	33.16
Other Current Liabilities	<b>140.83</b>		127.18	-
Borrowings	<b>2,082.91</b>	<b>1,538.56</b>	1,612.92	1,531.75
	<b>2,404.40</b>	<b>1,567.74</b>	2,837.00	1,564.92

# Notes to Consolidated Financial Statements (Contd.) (` in Lakhs)

## NOTE 36 - FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (Contd.)

### Market Risk

Market risk is the risk that changes in market prices – such as interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

### Interest Rate Risk

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligations with floating interest rates. The Company is carrying its borrowings primarily at variable rate. The Company expects the variable rate to decline, accordingly the Company is currently carrying its loans at variable interest rates.

Particulars	31 March 2023	31 March 2022
Variable Rate Borrowings	3,621.47	3,144.68
Fixed Rate Borrowings	—	—
<b>Total</b>	<b>3,621.47</b>	<b>3,144.68</b>

### Sensitivity Analysis

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

31 March 2023	Profit or Loss		Equity, Net of Tax	
	Strengthening	Weakening	Strengthening	Weakening
<b>Movement by 50 Basis Points</b>	<b>18.11</b>	<b>(18.11)</b>	<b>13.40</b>	<b>(13.40)</b>
	<b>18.11</b>	<b>(18.11)</b>	<b>13.40</b>	<b>(13.40)</b>

31 March 2022	Profit or Loss		Equity, Net of Tax	
	Strengthening	Weakening	Strengthening	Weakening
<b>Movement by 50 Basis Points</b>	<b>15.72</b>	<b>(15.72)</b>	<b>11.64</b>	<b>(11.64)</b>
	<b>15.72</b>	<b>(15.72)</b>	<b>11.64</b>	<b>(11.64)</b>

### Agricultural Risk

Cultivation of tea being an agricultural activity, there are certain specific financial risks. These financial risks arise mainly due to adverse weather conditions, logistic problems inherent to remote areas, and fluctuation of selling price of finished goods (tea) due to increase in supply/availability.

The Company manages the above financial risks in the following manner:

- Sufficient inventory levels of chemicals, fertilisers and other inputs are maintained so that timely corrective action can be taken in case of adverse weather conditions.
- Slightly higher level of consumable stores viz. packing materials, coal and HSD are maintained in order to mitigate financial risk arising from logistics problems.
- Sufficient working-capital-facility is obtained from banks in such a way that cultivation, manufacture and sale of tea is not adversely affected even in times of adverse conditions.

**NOTE 37 :** The Company acquired by way of purchase Dharnipur Tea Estate as a "Going Concern" from its owner Sri Dharendra Nath Bhowmick (since deceased) and Dharnipur Tea Industries (P) Ltd. as confirming party and the Deed of conveyance was duly executed and registered in the name of the Company. The said Deed of Conveyance was cancelled in view of certain pending disputes between the seller and another party. However the agreement for purchase of the said Tea Estate subsists and is a subject matter of a specific performance suit pending before Hon'ble Calcutta High Court. The Company is not in possession of the said Tea estate and has accordingly not accounted for the profit and loss on account of the operation or ownership of the said Tea Estate. The value of Dharnipur Tea estate represents the costs paid at the time of purchase and the legal expenses incurred thereafter on behalf of Bhowmicks and/or legal heirs for contesting their suit which was pending. All advocate fees at High Court and at Supreme Court were paid by this Company and capitalized. On the basis of Hon'ble Supreme Court order dated 1.10.91, if Bhowmick's title is confirmed in their pending suit then the rights of this company remains intact. The title of Bhowmicks/legal heirs was confirmed by Hon'ble Calcutta High Court. A SLP for declaration and title in favour of the Company is pending.

# Notes to Consolidated Financial Statements (Contd.) ( ` in Lakhs)

## NOTE 38

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

## NOTE 39

The Company has considered the possible effects that may result from COVID-19 on the carrying amounts of financial assets, inventory, receivables, loans and advances, property plant and equipment, intangibles etc as well as liabilities accrued. The Company is part of the tea industry which suffered initial crop losses because of the lockdown. The Company took initiative and started its operation to mitigate the production loss and improve quality standard for higher realization. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has used internal and external information. Having reviewed the underlying data and based on current estimates, the Company does not expect any material impact on the carrying amount of these assets and liabilities. The Company has now been able to operate its Tea plantation and Tea factories by mobilizing critical work force and adopting stringent social distancing, safety measures and guidelines issued in this regard. The Company has also evaluated the impact of the same on the aforementioned risks i.e. credit risk, liquidity risk, market risk and interest risk and does not foresee any material impact on account of the same.

## NOTE 40

In accordance with Ind AS 108, Operating segments, segment information has been provided in the consolidated financial statements of the Company and no separate disclosure on segment information is given in these standalone financial statements.

## NOTE 41- WORKING RATIOS-

The ratios for the years ended 31st March 2023 and 31st March 2022 are as follows-

Sl.	Particulars	31st March 2023	31st March 2022	Variance in %	Reasons for change
	Current Ratio	2.12	1.87	13.40%	–
	Debt- Equity Ratio	0.45	0.39	13.29%	–
	Debt Service Coverage Ratio	0.41	1.27	(67.40%)	Due to higher repayment of borrowings as compared to earnings available for debt service
	Return on Equity (ROE)	1.64%	12.51%	(86.90%)	Due to lower net profit after tax during the year
	Inventory Turnover Ratio	37.89	27.49	37.83%	Increase in material consumed with purchase of traded goods has affected this ratio
	Trade Receivables Turnover Ratio	10.09	8.26	22.19%	–
	Trade Payables Turnover Ratio	0.08	0.10	(22.77%)	–
	Net Capital Turnover Ratio	3.46	3.25	6.54%	–
	Net Profit Ratio	1.42%	12.84%	(88.98%)	Lower Net Profit with higher turnover affected the ratio
	Return on Capital Employed	3.24%	9.79%	(66.92%)	Lower Net Profit with increase in capital employed has affected the Ratio
	Return on Investments Quoted	1.67%	8.00%	(79.17%)	Lower Revaluation Profit on Quoted Investments affected the Ratio
	Unquoted	0.00%	0.00%	0.00%	–



# Notes to Consolidated Financial Statements (Contd.) ( ` in Lakhs)

## **NOTE - 42 : OTHER STATUTORY INFORMATION:**

- i. The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- ii. The Company do not have any transactions with struck off companies under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.
- iii. The Company do not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.
- iv. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- v. The Company has not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries); or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- vi. The Company has not received any fund from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall :
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- vii. The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- viii. The Company has not been declared a wilful defaulter by any bank or financial institution or other lender (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

## **NOTE 43**

The Company has availed of working capital limites from Central Bank of India, Union Bank of India and Bank of India against security of current assets. There was no discrepancy between the figures reported in quarterly statements and the books of account except the value of standing crop which is not recorded in books.

## **NOTE 44**

Raw Materials consumed represent only green tea leaves purchased from the green leaf suppliers.

## **NOTE 45**

Previous year figures have been reclassified / regrouped / rearranged wherever necessary.

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As per our Report of even date attached

For **SAHA & MAJUMDER**

*Chartered Accountants*

FRN 303087E

Sd/-

**S.N. Bhattacharjee**

*Partner*

Membership No 010767

ICAI UDIN : 23010767BGZHV3428

Place : Siliguri

Dated : 30th May, 2023

For and on behalf of the Board of Directors

**Terai Tea Company Limited**

Sd/-

**Shashikala Agarwala**

*Director*

DIN : 00260171

Sd/-

**Rajendra Kanodia**

*Director & CFO*

DIN : 00175574

Sd/-

**Rajesh Singhania**

*Company Secretary*

FCS F7746

# TERAI TEA COMPANY LIMITED

Regd. Office : "Ezra Mansion", 10, Government Place (East), 1st Floor, Kolkata- 700 069, Ph: (033) 460-13789 / 39789 Fax : (033) 2248-9182  
Website : www.teraigroup.com • E-mail : teraitea@gmail.com • CIN : L51226WB1973PLC029009

## ATTENDANCE SLIP

Name of the Members(S) :  
Registered Address :

Folio No. / Client ID No. & DP ID  
No. of Share(s) held

I/We hereby record my/our presence at the 50th Annual General Meeting held on Friday, September 29, 2023 at 10.30 AM. at Ezra Mansion, 10, Government Place (East), 1st Floor, Kolkata-700069.

Member's /Proxy Name in Block Letters

Signature of Member's / Proxy

(Please cut here and bring the attendance slip duly signed, to the meeting and hand it over at the entrance. Duplicate Slip will not be issued at the venue of the meeting.)

# TERAI TEA COMPANY LIMITED

Regd. Office : "Ezra Mansion", 10, Government Place (East), 1st Floor, Kolkata- 700 069, Ph: (033) 460-13789 / 39789 Fax : (033) 2248-9182  
Website : www.teraigroup.com • E-mail : teraitea@gmail.com • CIN : L51226WB1973PLC029009

## PROXY FORM - MGT 11

(Pursuant of section 105(6) of the Companies Act 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2022)  
50th Annual General Meeting held on Friday, September 29, 2023 at 10.30 AM. at, Ezra Mansion, 10 Government Place (East), 1st Floor, Kolkata 700 069.

Name of the Members(S) :  
Registered Address :

E-mail ID :  
Folio No. / Client ID No. & DP ID

I /We, being the member(s) holding ..... shares of the above named company, hereby appoint

- Name .....  
Address .....  
E-mail ID ..... Signature : \_\_\_\_\_ or failing him;
- Name .....  
Address .....  
E-mail ID ..... Signature : \_\_\_\_\_ or failing him;
- Name .....  
Address .....  
E-mail ID ..... Signature : \_\_\_\_\_ or failing him;

as my/our proxy to attend and vote (on poll) for me /us and on my / our behalf at the 50th Annual General Meeting of the Company to be held at, Ezra Mansion, 10 Government Place (East), 1st Floor, Kolkata 700 069 on Friday, September 29, 2023 at 10.30 AM and at any adjournment thereof in respect of such resolutions as are indicate dbelow.

Resolution No.	Resolution	Optional* For Against	
<b>Ordinary Business</b>			
1.	To receive, consider and adopt : a) The Audited Standalone Financial Statements of the Company for the financial year ended on 31st March, 2023 with the reports of the Board of Directors' and Auditors thereon and b) The Audited Consolidated Financial Statements of the Company for the financial year ended on 31st March, 2023 together with report of the Auditors thereon.		
2.	Appoint a Director in place of Shri Rajendra Kanodia (DIN : 00175574) who Retires by Rotation and being eligible, offers himself for re-appointment.		
<b>Special Business</b>			
3	Approval of the Remuneration of the Cost Auditor for Financial Year 2023-24.		

Signed this.....day of ....., 2023

Affix  
Revenue  
Stamp

Signature of the Share Holder

Signature of the Proxy Holder

**Notes :** (1) This form of Proxy in order to be effective should be duly stamped, completed, signed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting. (2) For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 50th Annual General Meeting. \*(3) It is optional to put a 'X' in the appropriate column against the Resolutions indicated to the Box. If you leave the 'For' or 'Against' column blank against any or all 'Resolution' your proxy will be entitled to vote in the manner as he/ she thinks appropriate.

# Glimpses of Activities - Amit Agarwala Foundation



# Glimpses of Activities - Amit Agarwala Foundation

