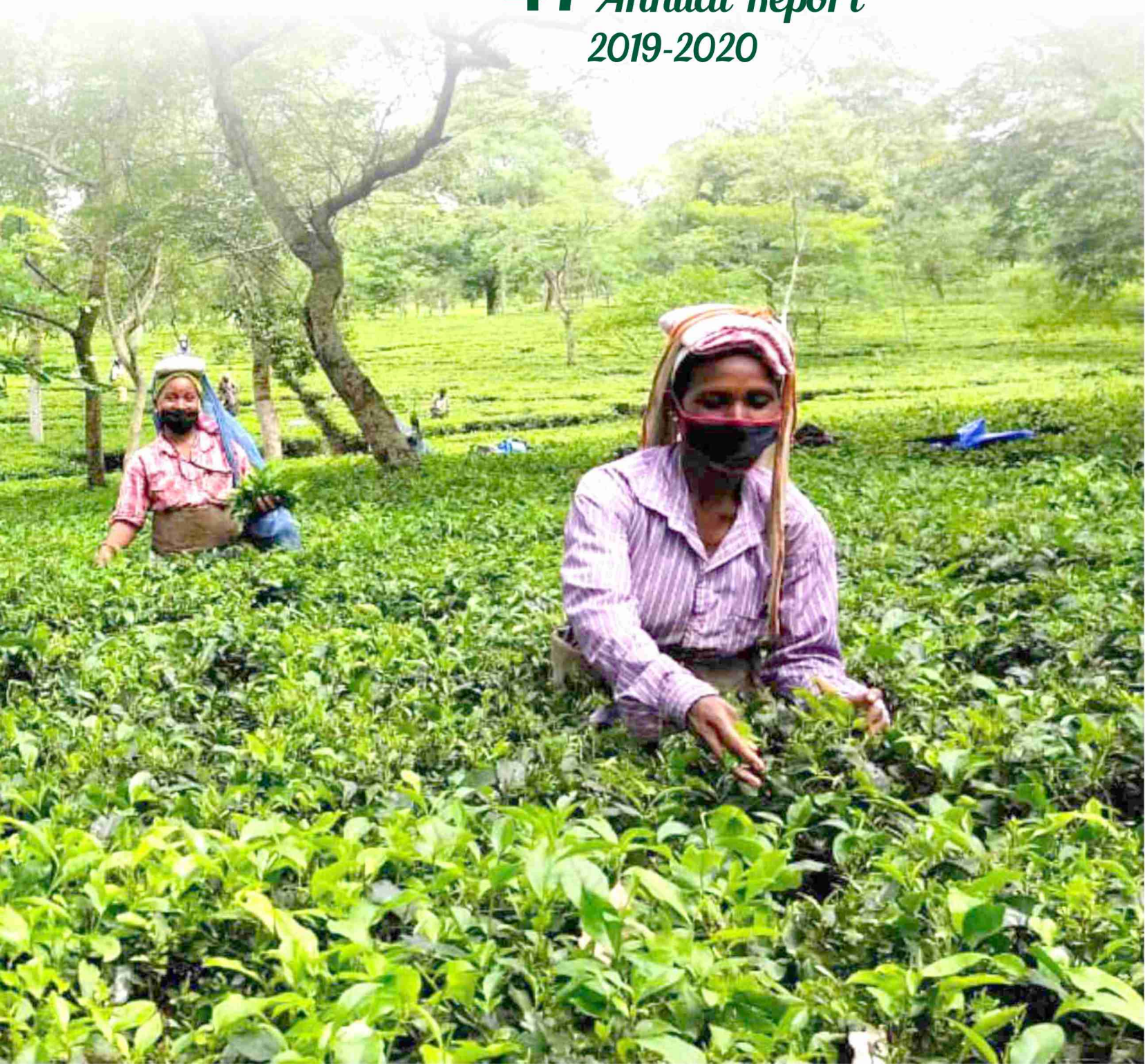




# TERAI TEA COMPANY LIMITED

SINCE 1973

**47<sup>th</sup>** *Annual Report*  
2019-2020





# Corporate Information

## BOARD OF DIRECTORS

**Mr. Ajit Kumar Agarwala**

*Managing Director*

DIN No. : 00265775

**Mrs. Shashikala Agarwala**

*Non-Independent Director*

DIN No. : 00260171

**Mr. Milan Krisna Sarkar**

*Independent Director*

DIN No. : 05272885

**Dr. Jayanta Kumar Natwarlal Raja**

*Independent Director*

DIN No. : 06884343

**Mr. Rajendra Kanodia**

*Non-Independent Director & CFO*

DIN No. : 00175574

**Mr. Hemant Kumar Agarwal**

*Independent Director*

DIN No. : 02308200

## KEY MANAGERIAL PERSONNEL

**Mr. Ajit Kumar Agarwala**

*Managing Director*

**Mr. Rajendra Kanodia**

*Chief Financial Officer*

**Mr. Roshan Dave**

*Company Secretary*

## COMPANY SECRETARY & COMPLIANCE OFFICER

**Mr. Roshan Dave**

## BOARD COMMITTEE :-

### a) AUDIT COMMITTEE

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

**Dr. Jayanta Kumar Natwarlal Raja**

**Mr. Milan Krisna Sarkar**

### b) NOMINATION & REMUNERATION COMMITTEE

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

**Dr. Jayanta Kumar Natwarlal Raja**

**Mr. Hemant Kumar Agarwal**

### c) STAKEHOLDERS RELATIONSHIP COMMITTEE

**Dr. Jayanta Kumar Natwarlal Raja** (*Chairman*)

**Mr. Milan Krisna Sarkar**

**Mr. Hemant Kumar Agarwal**

## AUDITOR

**Saha & Majumder**

*Chartered Accountants.*

Hill Cart Road,

Siliguri - 734001

Dist. Darjeeling

## SECRETARIAL AUDITOR

**MR & Associates**

Company Secretaries

46, B. B. Ganguly Street

Kolkata - 700012

## COST AUDITOR

**Mr. Debabroto Banerjee**

63, Radha Bazar Street

2nd Floor, Kolkata - 700001

## BANKERS

**Central Bank of India**

**Bank of India**

**Union Bank**

**IndusInd Bank Ltd.**

**UCO Bank**

## REGISTERED OFFICE

10, Government Place (East),

1st Floor, Kolkata - 700069

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

Fax : (033) 2248-9182

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

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

## CORPORATE OFFICE

“Agarwala House”

Sevoke Road, 2nd Mile

Siliguri - 734 001

Phone : (0353) 2543-857/8

Fax : (0353) 2542-656

E-mail : [teraisiliguri@gmail.com](mailto:teraisiliguri@gmail.com)

## SHARE TRANSFER AGENT

**Maheshwari Datamatics Pvt. Ltd.**

23, R.N. Mukherjee Road

5th Floor, Kolkata - 700001

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

Fax : (033) 2248-4787

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

## SOLICITORS & LEGAL ADVISORS

**Jhunjhunwala & Co.**

*Solicitors & Advocates*

7C, K.S.Roy Road,

Kolkata - 700001

## CIN :

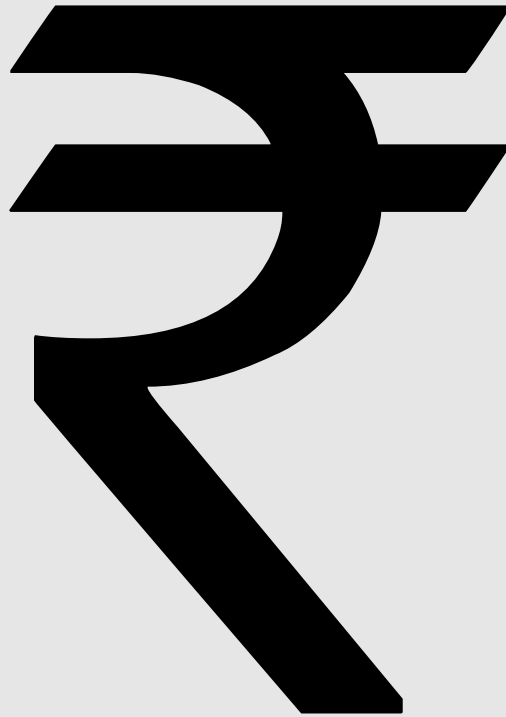
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## GST :

19AABCT0258P1ZW



## FINANCIAL INFORMATION



### Contents

	<b>Page</b>
Notice .....	3
Directors' Report .....	10
Corporate Governance Report .....	35
Management Discussion and Analysis Report .....	52
Financial Highlights : Balance Sheet & Profit & Loss Account .....	54-55
<b>Standalone Financial Statement</b>	
Auditors' Report .....	56
Balance Sheet .....	64
Statement of Profit & Loss .....	65
Cash Flow Statement .....	66
Notes to Financial Statement .....	68
<b>Consolidated Financial Statement</b>	
Auditors' Report .....	94
Balance Sheet .....	100
Statement of Profit & Loss .....	101
Cash Flow Statement .....	102
Notes to Financial Statement .....	104
Attendance and Proxy Form .....	131



# TERAI TEA COMPANY LIMITED

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

## Notice

NOTICE is hereby given that the 47th Annual General Meeting of the members of “**TERAI TEA COMPANY LIMITED**” will be held on **Wednesday, the 30th December, 2020 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, 2020 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, 2020 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) 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 for 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 2020-21 as may be applicable to the Company to M/s. Debabroto 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 18th September, 2020.

#### Registered Office:

10, Government Place (East)  
1st Floor, Kolkata – 700 069  
Dated, 4th December, 2020

By order of the Board  
For Terai Tea Company Limited

Sd/-  
**ROSHAN DAVE**  
Company Secretary  
ACS - 27185



# Notice (Contd.)

## NOTES:

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

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

- 2) A Statement pursuant to Section 102(1) of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
- 3) The Equity Share transfer Registers of the Company will remain closed from December 24th, 2020 to December 30th, 2020 (both days inclusive) for the purpose of Annual General Meeting.
- 4) In compliance with the MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 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 2019-20 will also be available on the Company's website <http://www.terai group.com>, website of the Stock Exchange, i.e., BSE Limited at [www.bseindia.com](http://www.bseindia.com). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the Gate of Venue of the AGM.
- 5) **COVID note and Precautions while holding AGM**

All the members who wish to attend the AGM are requested to wear mask throughout the continuance of the meeting. Temperature of all the attendees shall be checked at the entrance of the venue of the meeting and anyone found having fever shall not be allowed to attend. Any shareholder having symptom of infection of COVID19 are requested not to attend the meeting. Company has made arrangements for proper sanitization of members who will be entering the venue for the meeting. Hand sanitizers will also be installed at the entrance of the venue of the meeting and at number of places in the premises. Masks will be provided by

the Company in case a member arrives at the venue without a mask or if any member needs a new mask.

- 6) 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.
- 7) The Company's shares are enlisted with NSDL and CDSL for participation into Electronic Depository System operated by them. Its shares are compulsorily to be traded in Electronic Form and the security bears Code ISIN INE 390D1011.
- 8) Members are requested to notify immediately any change of their address, if any, to the Company in case shares are held in physical form or to the DP's, where the account is maintained, if held in demat form.
- 9) 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.
- 10) Members are requested to update their e-mail address to [teraita@gmail.com](mailto:teraita@gmail.com) or [mdpl@cal.vsnl.net.in](mailto:mdpl@cal.vsnl.net.in) to do so to support the "Green Initiative" in the Corporate Governance.
- 11) 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.
- 12) 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 scriptss trading, members are encouraged to consider dematerialization of their shareholding so as to avoid inconvenience in future.
- 13) Members/Proxies should bring the attendance slip duly filled in for attending the Meeting
- 14) Corporate members intending to send their authorized representative to attend the meeting are requested to send to the Company a certified copy of Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- 15) 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 47th 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



# Notice (Contd.)

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.

- 16) 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 (11.00am to 1.00pm) on all working days except Saturdays, up to the date of the Annual General Meeting of the Company.
- 17) 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.
- 18) Voting through electronic means

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

- I. Pursuant to section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide its members the facility to exercise their right to vote at the 47th Annual General Meeting (AGM) by electronic means. The business may be transacted through e-voting services provided by Central Depository Services Limited (CDSL). The Company has signed an agreement with CDSL for e-voting facility.

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

The voting period begins on 27th December, 2020 at 9.00 A.M and end on 29th December, 2020 at 5.00 P.M. During this period shareholders of the Company holding share either in physical form or in dematerialized form, as on the cut-off date 23rd December, 2020, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. The facility for voting through ballot paper shall be made available at the Annual General Meeting and the members as on the "cut off date" i.e. 23rd December, 2020, attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right to vote at the meeting through ballot paper.

In Case of members receiving e-mails:

- (i) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period.
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "Terai Tea Co Ltd" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

- c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below :

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

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat

# Notice (Contd.)

holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant "Terai Tea Co. Ltd". on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Institutional Shareholders
  - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which the wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on

approval of the accounts they would be able to cast their vote.

- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

## In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on Sunday, the 27th December, 2020 from 9.00 A.M (IST) and ends on Tuesday, 29th December, 2020 at 5.00 P.M (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23rd December, 2020, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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

19. The shareholders shall have one vote per equity share held by them as on the cut-off date, i.e., 23rd December, 2020. The facility of e-voting would be provided once for every folio/client id, irrespective of the number of joint holders.
20. Shri Mohan Ram Goenka, Practicing Company Secretary, (FCS-4515) of MR Associates, Company Secretaries, Kolkata has been appointed as the Scrutinizer to scrutinize the e- voting process in a fair and transparent manner. The scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblocks the votes in the presence of at least two(2) witness not in the employment and make a Scrutinizer's Report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company.
21. The results shall be declared on or after the AGM, but not later than three days from the conclusion of the date of the AGM. The results declared 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.
22. In case of any queries/grievances relating to e-voting process, the Members may contact Mr, Agrhya Majumder, Central Depository Services Limited, 22, Camac Street, Block A, 1st Floor, Kolkata-16, at e-mail ID: [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com), at Toll Free No. 1800-200-5533 who will address the grievances connected with the electronic voting. Members way also

# Notice (Contd.)

write to the Company Secretary at [teraitea@gmail.com](mailto:teraitea@gmail.com) or Registered Office address.

## 23. 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.

## 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 18th day of September, 2020, the Board has considered and approved appointment of **Mr. Debabroto 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, 2021.

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.

### Registered Office:

10, Government Place (East)  
1st Floor, Kolkata – 700 069  
Dated, 4th December, 2020

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

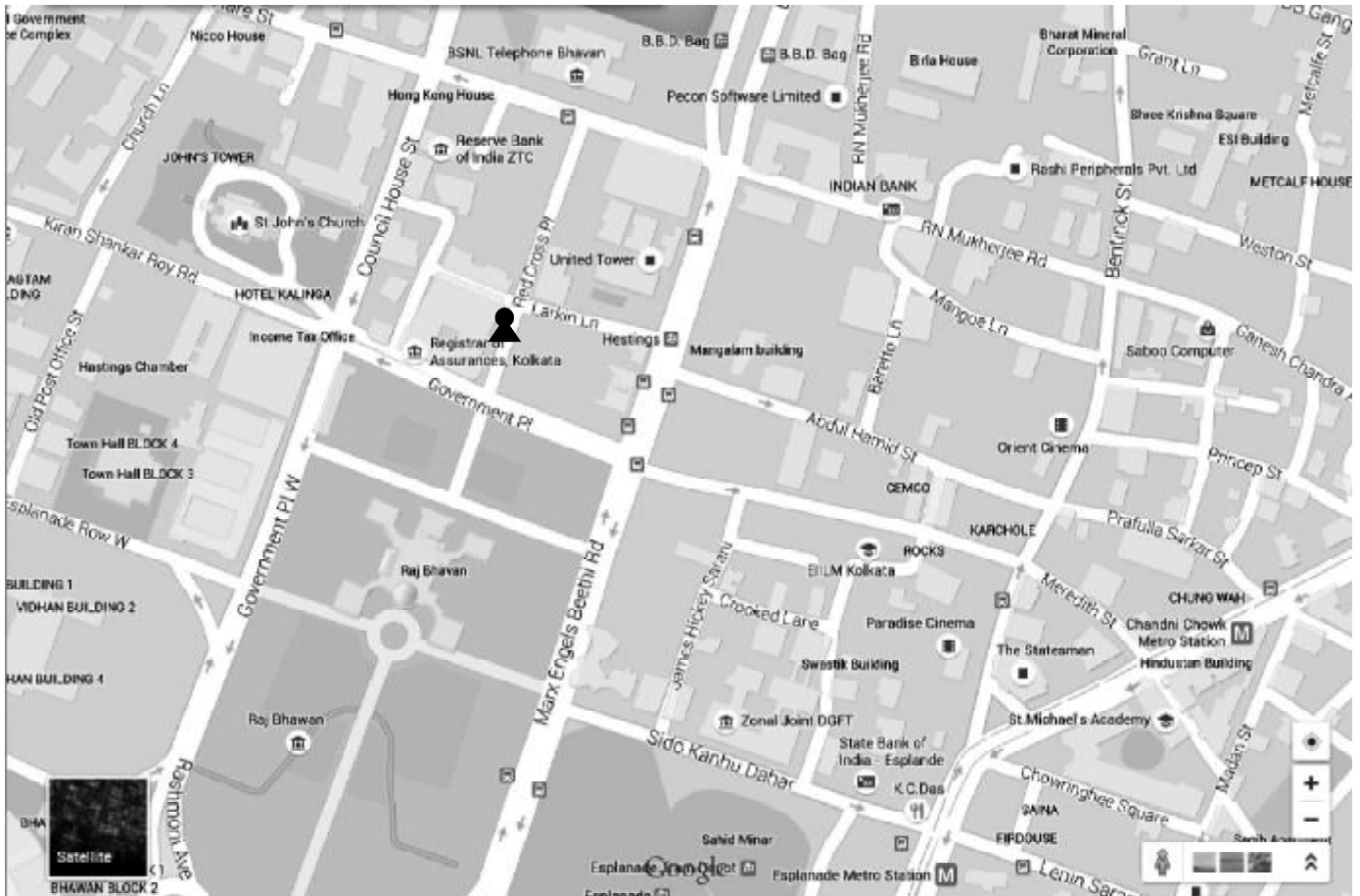


**DETAILS OF THE DIRECTOR SEEKING REAPPOINTMENT IN THE  
47th ANNUAL GENERAL MEETING**

**(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 33 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: Rs. 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	NA
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	Attended 11 Board Meetings out of total 11 Board Meetings held during the Year.

## Road Map to the Venue of 47th 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, 2020

Dear Shareholders,

The Board of Directors of your Company have pleasure in presenting their **47th Annual Report** on the business and operations of the company together with Audited financial statement for the year ended 31st March, 2020.

## 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 lacs)

Particulars	STANDALONE		CONSOLIDATED	
	2019-20	2018-19	2019-20	2018-19
Revenue from Operation	11,866.21	14,075.13	11,866.21	14,075.13
Other Income	1,178.19	94.35	1,178.19	94.35
<b>Profit / (Loss) Before Depreciation Financial Cost and Tax</b>	<b>653.27</b>	665.98	<b>653.27</b>	665.98
Less : Financial Cost	378.87	376.44	378.87	376.44
Profit / (Loss) Before Depreciation	274.40	289.54	274.39	289.54
Less : Depreciation	147.94	164.76	147.94	164.76
<b>Profit / (Loss) Before Taxation</b>	<b>126.45</b>	124.78	<b>126.45</b>	124.78
Less : Taxation Expenses				
a) Current Tax	15.36	9.44	15.364	9.44
b) Deferred Tax	(2.95)	(15.96)	(2.95)	(15.96)
Tax Expenses for Earlier Year	(27.42)	---	(27.42)	---
<b>Profit After Taxation</b>	<b>141.46</b>	131.29	<b>141.46</b>	131.29
Add : Share of Profit in Associate Company	---		134.01	193.35
Add : Other Comprehensive Income Net of Tax	---	0.27	---	0.27
<b>Profit for the Year</b>	<b>141.46</b>	131.56	<b>275.47</b>	324.91
Basic and Diluted Earning Per Share	2.06	1.91	3.99	4.70
Paid up Share Capital	690.29	690.29	690.29	690.29
Reserve	5,925.13	5,783.67	11,863.86	11,588.40
Net Worth	6,615.42	6,473.96	12,554.15	12,278.69

## 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 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.

### Standard Financial Performance:

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

- Your company's turnover is Rs. 11,866.21 lacs as against Rs. 14,075.13 lacs in the previous year.
- The Company has achieved profit before tax during the current financial year of Rs. 126.45 lacs against Rs. 124.78 lacs in the previous year.
- Net profit after taxation is Rs. 141.46 lacs as against Rs. 131.29 lacs in the previous year.
- Earning per share is Rs. 2.06 as against Rs. 1.91 in the previous year.

### Consolidated Financial Performance:

On Consolidated basis, your company has achieved consolidated net profit after tax of `275.47 lacs as against `324.91 in the previous year.

# Directors' Report (Contd.)

## 4. OPERATIONS REVIEW

During the year under review, the Company's total tea production was at 52.83 Lacs Kg. of Black Tea compared to 61.01 Lacs Kg. in last year. The decline in production was due to poor availability of green leaves and lockdown in the month of March and also Tea Board mandated of earlier closure of manufacturing seasons. The average price realization was Rs.96.72 per kg. against realization of Rs. 112.40 Per kg in previous year. Your Company continued to focus on making quality teas. There was unprecedented fall in price of common varieties of teas and were sold well below the cost of production in 2019-20. The said trend has reversed in the current financial year till September 2020.

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 lacs kgs. of made tea annually out of its own leaves and brought tea leaves. Total Tea Production during the year ended 12.17 Lacs 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 ended 11.89 Lacs Kg.
- c) **Adhikari Tea Factory Unit** : This unit was commissioned on 17th February 2002. The present installed capacity of the unit 25 lacs kgs. of CTC tea per annum. Total Tea Production during the year ended 16.01 Lacs Kg.
- d) **Karjeepara Tea Factory Unit** : This unit was set up by the company to manufacture CTC teas out of bought leaves. The Installed Capacity of the unit is 25 lacs kgs of made tea per annum. Total Tea Production during the year ended 12.76 Lacs Kg.

The Company has sold one of the Tea Processing Unit namely "Karjeepara Tea Factory" situated at Jalpaiguri District for a total consideration of ` 7.85 Crores in the month of August, 2020.

The Crop prospect for the year 2020-21 is not bright enough. The lockdown of March / April 2020 badly impacted the first flust crop. The production in India is estimated to drop by nearly 90 million kg in 2020 as a fall out of the nationwide lockdown Covid-19 outbreak. The first flush which is a premium variety

begins from March. This time due to lockdown and unavailability of labour, leaves were left to grow older. So the Company lost more premium tea leaves from the first flush.

However the price of Tea have increased by Rs. 50 to Rs. 75 at an average in the post Covid-19 period from May 2020 to September 2020. The high demand of Good quality tea is still there and that is why our company has maintained manufacturing of high quality tea.

## 5. IMPACT OF COVID-19

In view of the lockdown measures imposed by the Central and State Governments due to CoVID-19 pandemic, the operations of all offices, tea estate and manufacturing facilities of the Company came to a halt from 24th March, 2020, had a substantial negative impact on the business of the company. Post resumption of the factories at our tea garden and factories, it could not be fully operational due to non availability of labour and transportation, which has impacted the sales performance of the Company.

The operations of all offices, tea estates and manufacturing facilities of the Company were shut down during the lockdown period. All the Head Office and Corporate office employees were advised to work from home. The Company began its factory operations in phase manner from 13th April, 2020. Necessary Government directive with respect to safety guidelines and percentage of deployment of staff at each locations and taking social distancing, safety & security and sanitization are being followed.

Prior to resumption of operations, the Company adopted a Work from Home policy in order to ensure smooth functioning of operations. On partial resumption of operation, the Company has taken utmost care of its employees by taking measures like thermal screening of employees, sanitization of premises, maintaining social distancing in office, etc. Additionally, proper equipment and sanitization material has been provided at all locations. Wearing of masks had been made compulsory.

Due to unpredictable situation evolving on account of pandemic, it is difficult to estimate the definite impact of COVID-19 on the operations of the Company beyond Q1 of the FY 2020- 21.

However the Company is well prepared to manage the situation on the back of its success and various precautionary measures and implemented.

## 6. INDIAN ECONOMY AND STATE OF AFFAIRS

The Indian economy has been experiencing significant slowdown over the past few quarters. The year 2019-20 was challenging for the Indian economy owing to the decelerating growth rate experienced in the first

# Directors' Report (Contd.)

half of the financial year. In the third quarter of the current fiscal, the economy grew at a six-year low rate of 4.7%. Amongst the various reforms introduced during the year to promote growth and investment, reduction in corporate income tax rate was a major structural reform. Investment and consumption demand had been languishing and a number of stimulus measures have been taken to bring back the economy on a growth path. While the country's development is strong, challenges remain. There was a strong hope of recovery in the last quarter of the current fiscal. However, the new Covid-19 pandemic has made the recovery extremely difficult in the near to medium term. The outbreak has presented fresh challenges for the Indian economy now, causing severe disruptive impact on both demand and supply side elements which has the potential to derail India's growth story.

Greater uncertainty about the future course and repercussion of Covid-19 has also made the financial market extremely volatile, leading to huge crashes and wealth erosion, which in turn is impacting consumption levels. Suspension of operations in most sectors has adversely affected demand across all segments. Consumption is also getting impacted due to job losses and decline in income levels of people due to slowing down of activities in several sectors including retail, construction, entertainment, etc. With widespread fear and panic now increasing among people, overall confidence level of consumers has dropped significantly, leading to postponement of their spending decisions.

## 7. SUBSIDIARY & ASSOCIATES COMPANIES

As on 31st March, 2020 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 4.20 Lacs kg of Specialty Tea (Green Tea).

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

SI.	Particulars	2019-20	2018-19
1	Total Gross Revenue	<b>835.18</b>	908.94
2	Profit before Taxation	<b>93.97</b>	20.69
3	Net Profit after Taxation	<b>133.56</b>	84.72
4	Earning Per Share	<b>92.30</b>	58.55

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

The Company is engaged in the manufacturing and selling of Tea. This company is the owner of Kiranchandra Tea Estate near to Bagogra Airport, in the District of Darjeeling having an area of 878.41 acres. 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 11.85 Lacs kg Tea.

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

SI.	Particulars	2019-20	2018-19
1	Total Gross Revenue	<b>1,808.99</b>	1,919.25
2	Profit before Taxation	<b>24.08</b>	20.37
3	Net Profit after Taxation	1.69	3.98
4	Earning Per Share	<b>4.81</b>	11.34

### 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 20.29 Lacs Kg. of CTC Tea.

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

SI.	Particulars	2019-20	2018-19
1	Total Gross Revenue	<b>2,209.02</b>	2,561.65
2	Profit before Taxation	<b>(0.15)</b>	25.44
3	Net Profit after Taxation	<b>34.00</b>	62.20
4	Earning Per Share	<b>62.69</b>	114.39

# Directors' Report (Contd.)

## 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 2.37 lacs kgs. of Specialty Tea (Green Tea).

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

Sl.	Particulars	2019-20	2018-19
1	Total Gross Revenue	<b>448.89</b>	617.36
2	Profit before Taxation	<b>69.68</b>	6.69
3	Net Profit after Taxation	<b>84.46</b>	12.85
4	Earning Per Share	<b>4,504.54</b>	685.46

## 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 6.58 Lacs kg of CTC Tea. The company has various real estate projects in the town of Siliguri and Falakata, West Bengal.

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

Sl.	Particulars	2019-20	2018-19
1	Total Gross Revenue	<b>1,053.85</b>	1,348.23
2	Profit before Taxation	<b>14.76</b>	75.44
3	Net Profit after Taxation	<b>29.94</b>	97.65
4	Earning Per Share	<b>187.90</b>	612.71

## The Kharibari Tea Company Ltd. :

The Company is engaged in the manufacturing and selling of Tea. The Company owns tea garden namely Sachindra Chandra Tea Estate having an area of 882.09 acres with production capacity of 5 lacs kgs. of made tea per annum. During the Current Financial year the Company produced 3.89 Lacs kgs. Specialty Tea (Green Tea).

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

Sl.	Particulars	2019-20	2018-19
1	Total Gross Revenue	<b>659.36</b>	929.21
2	Profit before Taxation	<b>59.43</b>	63.94
3	Net Profit after Taxation	<b>67.40</b>	65.14
4	Earning Per Share	<b>33.70</b>	32.57

## 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 it's 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 Lacs)

Sl.	Particulars	2019-20	2018-19
1	Total Gross Revenue	<b>966.03</b>	1,311.42
2	Profit before Taxation	<b>(41.35)</b>	21.49
3	Net Profit after Taxation	<b>(83.42)</b>	23.20
4	Earning Per Share	<b>(17.20)</b>	4.78

## Terai Dooars 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 10.50 Lacs kg of Tea.

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

Sl.	Particulars	2019-20	2018-19
1	Total Gross Revenue	<b>879.42</b>	<b>1,359.02</b>
2	Profit before Taxation	<b>(68.68)</b>	<b>22.28</b>
3	Net Profit after Taxation	<b>(45.12)</b>	<b>15.99</b>
4	Earning Per Share	<b>(8.20)</b>	<b>2.91</b>

## 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 :** ( ` in Lacs)

Sl.	Particulars	2019-20	2018-19
1	Total Gross Revenue	<b>2.65</b>	<b>5.81</b>
2	Profit before Taxation	<b>0.10</b>	<b>1.50</b>
3	Net Profit after Taxation	<b>0.10</b>	<b>1.50</b>
4	Earning Per Share	<b>0.002</b>	<b>0.03</b>

## 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 Lacs)

Sl.	Particulars	2019-20	2018-19
1	Total Gross Revenue	<b>28,537.24</b>	21,418.17
2	Profit before Taxation	<b>18.75</b>	46.18
3	Net Profit after Taxation	<b>12.68</b>	<b>27.15</b>
4	Earning Per Share	<b>0.89</b>	<b>1.89</b>

# Directors' Report (Contd.)

## 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 :**

Sl.	Particulars	2019-20	2018-19
1	Total Gross Revenue	26,512.12	24,919.01
2	Profit before Taxation	35.44	69.60
3	Net Profit after Taxation	23.20	53.14
4	Earning Per Share	3.49	7.99

## Terai Financial Services Pvt. Ltd. :

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

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

Sl.	Particulars	2019-20	2018-19
1	Total Gross Revenue	1.15	—
2	Profit before Taxation	0.97	(3.32)
3	Net Profit after Taxation	0.97	(3.32)
4	Earning Per Share	2.00	(7.0)

## Other Reviews

The matter against compensation for requisition of land by Defence Department in the year 1962 is pending before Hon'ble Calcutta High Court Circuit Bench at Jalpaiguri by way of an appeal filed by the Company against an award passed by the Arbitrator which is approximately to the tune of ` 40 Crores. The Company is hopeful of favourable outcome in the current financial year by way of receipt of the awarded amount and its further enhanced compensation amount together with interest in the appeal. An application is also pending before Hon'ble High Court at Calcutta for acquisition of the said land by the Ministry of Defence, Govt. of India.

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

## 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 from part of this Annual Report. Consolidated Financial Statement presented by your Company include financial information about its aforesaid associates.

## 8. DHARANIPUR TEA ESTATE

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

## 9. TEA TOURISM PROJECT

The Company's proposal for establishing a resort in 5 acres of vacant land at Bagdogra Tea Estate was sanctioned in the screening committee meeting of West Bengal State Government on 5th July 2016. However the state government has changed its policy and now have sanctioned the proposal of the company in the screening committee meeting held on 26th February, 2020 for setting up of a Five star Hotel and other Allied Activities including retail and banquets under "Tea Tourism and Allied Business Policy, 2019".

The detailed project report and TEV Study are completed. The clearance from Defence (Air Force) has already been obtained. In-principle sanction of credit line has also been obtained from Central bank of India, Siliguri Branch.

## 10. LAND AT BANGALORE

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

## 11. 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

# Directors' Report (Contd.)

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-E". 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 information of its associate companies.

## 12. **SHARE CAPITAL**

The paid up Equity Share Capital of the Company as at 31st March, 2020 was ₹ 6,90,29,250 divided into 68,79,300 Equity Shares of ₹ 10 each and including ₹ 2,36,250 received on account of forfeited shares. There has not been any changes in the Equity Share Capital of the Company during the Financial Year ended 31st March, 2020. 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.

## 13. **DIRECTORS**

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

### **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.

### **Independent Director's Declaration**

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.

## 14. **DIRECTORS RESPONSIBILITY STATEMENT**

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

- a) In the preparation of the Annual Accounts for the year ended 31st March, 2020, 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 2019-20 and of the profit for the year ended 31st March, 2020
- 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, 2020, 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.

## 15. **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.



# Directors' Report (Contd.)

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

## 16. EXTRACT OF THE ANNUAL RETURN

An extract of Annual Return as on the financial year ended on March 31, 2020 in Form MGT-9 as required under section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management & Administration) rules 2014, is set out as an "Annexure B" to the Directors' Report.

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

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

## 18. 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, 2020.

## 19. TRANSFER TO RESERVE

No amount is proposed to be transferred to General Reserve.

## 20. DEPOSITS

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

## 21. AUDITORS

### **STATUTORY AUDITORS**

**M/s. Saha & Majumder**, Chartered Accountants, were appointed as the statutory Auditor of the Company in the Annual General Meeting held on 23rd September, 2018 in terms of Section 139 of the Companies Act, 2013 till the conclusion of Annual General Meeting to be held in 2022.

### **SECRETARIAL AUDIT REPORT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Mohan Ram Goenka a partner of **M/s. MR & Associates**, 46, B. B. Ganguly Street, Kolkata-700012, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Auditor has submitted an un-qualified Secretarial Audit Report for the Financial year 2019-20. The Report of the Secretarial Audit is annexed herewith as "**Annexure C**".

### **COST AUDIT**

Pursuant to Section 148 of the Companies Act, 2013, read with the Companies (Cost Records and Audit) Rules, 2014 the Board of Directors on the recommendation of the Audit Committee appointed **M/s. Debabroto 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 Debabroto Banerjee** has confirmed that his appointment is within the limits of Section 139 of the Companies Act, 2013 and has certified that he is free from any disqualifications specified under Section 148(5) and all other applicable provisions of the Companies Act, 2013.

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

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

## 22. 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

# Directors' Report (Contd.)

Messrs Saha & Majumdar, Chartered Accountants has submitted an Un-qualified Audit Report for the financial year 2019-20. The cases filed by ROC, West Bengal in 1995 has no material effect and are likely to be dropped very shortly.

## 23. FINANCE

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

## 24. 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 March 31, 2021.

## 25. 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.

## 26. INTERNAL CONTROL SYSTEMS AND AUDIT

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

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

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

## 27. PARTICULARS OF EMPLOYEES

The prescribed particulars of remuneration of employees pursuant to Section 134(3)(g) and Section

197(12) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are set out as **Annexure 'D'** to the Directors' Report.

## 28. ENVIRONMENT

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

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

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

## 30. NUMBER OF MEETINGS OF BOARD OF DIRECTORS

The details of the number of meetings of the Board held during the financial year 2019-20 forms part of the Corporate Governance Report.

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

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

## 32. 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)

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

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

# Directors' Report (Contd.)

## 34. 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 18th September, 2020 to bring it in conformity with the Listing Regulations. The said policy may be referred to at the Company's website at : [www.teraignroup.com](http://www.teraignroup.com)

## 35. 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.teraignroup.com](http://www.teraignroup.com)

## 36. 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.

## 37. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

During the year the company has not come under the purview to form Corporate Social Responsibility Committee pursuant to section 134 of the Companies Act and Companies (Corporate Social Responsibility) Rules 2014, but Your Company has continued to 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: -

- a) "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.
- b) "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.

- c) "Amit Agarwala Old Age Recreation Centre" which provided facilities to the weaker and under privileged citizens of the city of Siliguri and entire North Bengal. There is a library and a reading room basically to provide a meeting place for elderly persons, who meet, enjoy company of each other reading newspaper and books etc.
- d) "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 coach of Siliguri.
- e) Constructed first "school for blinds" in North Kolkata, i.e. "Amit Agarwala School for Blind" to provide the sphere of education and other activities to blind boys and girls free of cost. This was inaugurated by the Governor of West Bengal, Shri M. K. Narayanan on 27th day of January, 2013.
- f) "Shree Shree Mahamaya Kalibari Naat Mandir, Desbandhu Para" opposite Amit Agarwala Bang Bhawan. This was inaugurated on 13th September, 2016.
- g) "Amit Agarwala Learning Cum Resource Centre" A learning cum research educational hub is being established and was supposed to be inaugurated by the Hon'ble Chief Minister of West Bengal on 15th May 2020 but due to COVID 19 Pandemic, the same has been postponed for the time being.
- h) A "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.
- i) "COVID-19" - Contribution to Chief Minister's Relief Fund for Rs 10 Lacs was made in June 2020 for COVID-19 Relief.

## 38. 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.

# Directors' Report (Contd.)

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)

## **39. RELATED PARTY TRANSACTIONS**

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

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

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

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

## **40. 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.

## **41. 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.

## **42. REPORT ON CORPORATE GOVERNANCE**

In accordance with Regulation 34 (3) and Schedule V of the SEBI (Listing Obligations and Disclosure

Requirements) Regulation, 2015, a Report on Corporate Governance together with Practising Chartered Accountant Certificate regarding Compliance of Conditions of Corporate Governance are attached as "Annexure- F", forming parts of this report.

## **43. MANAGEMENT DISCUSSION & ANALYSIS REPORT**

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

## **44. BUSINESS RESPONSIBILITY REPORT**

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

## **45. DIVIDEND DISTRIBUTION POLICY :**

In accordance with the Regulation 43A of the Listing Regulations the Company does not fall under this category.

## **46. SEPARATE MEETING OF INDEPENDENT DIRECTORS:**

In terms of requirement of Schedule IV of the Companies Act, 2013, the Independent Director had a separate meeting on 13th February, 2020, without attendance of Non-Independent Director and Members of Management Majority of Independent Director were present at the separate meeting.

## **47. APPRECIATION**

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

By order of the Board  
For Terai Tea Company Limited

Sd/-  
Ajit Kumar Agarwala  
Managing Director  
DIN : 00265775

## **Corporate Office :**

"Agarwala House"  
Sevoke Road, 2nd Mile  
Siliguri - 734 001

Dated, 18th day of September, 2020

# Annexure "A" to the Directors' Report

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

## A. CONSERVATION OF ENERGY

### a) Energy Conservation Measures Taken:

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

## B. TECHNOLOGY ABSORPTION

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

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

Sales (FOB Value) : **NIL** (NIL)  
Expenditure (Others) : **NIL** (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, 2020	PREVIOUS YEAR 31st March, 2019
<b>(I) POWER &amp; FUEL CONSUMPTION</b>		
<b>1. ELECTRICITY</b>		
Purchased (Units KWH)	<b>45,80,149</b>	60,15,029
Total Amount ( ` in Lacs)	<b>440.20</b>	572.66
Rates / Unit ( ` / KWH)	<b>9.61</b>	9.52
Own Generation (Unit / KWH)	<b>N.A.</b>	N.A.
<b>2. COAL</b>		
Quantity (Tonnes)	<b>4,170.74</b>	5,069.00
Total Amount ( ` in Lacs)	<b>411.16</b>	566.19
Average Rate ( ` / Tonne)	<b>9,858.14</b>	11,169.55
<b>3. FURNACE OIL/H.S.D.</b>		
Quantity (Ltrs.)	<b>57,536</b>	67,326
Total Amount ( ` in Lacs)	<b>38.97</b>	47.12
Average Rate ( ` / Ltrs.)	<b>67.73</b>	69.99
<b>(II) CONSUMPTION PER UNIT OF PRODUCTION</b>		
Total Production of Tea (Unit / Per Quintal)	<b>52,83,442</b>	61,00,827
Electricity (KWH / Qtls)	<b>86.69</b>	98.59
Coal (Qtls. / Qtls)	<b>0.79</b>	0.83
Furnace Oil/H.S.D. (Ltr. / Qtls.)	<b>1.09</b>	1.10

By order of the Board  
For Terai Tea Company Limited

### Corporate Office :

"Agarwala House"  
Sevoke Road, 2nd Mile  
Siliguri - 734 001  
Dated, 18th day of September, 2020

Sd/-  
Ajit Kumar Agarwala  
Managing Director  
DIN : 00265775

# Annexure “B” To Directors’ Report

Form No. MGT 9

EXTRACT OF ANNUAL RETURN FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2020

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

## I. REGISTRATION AND OTHER DETAILS :

i) CIN	L51226WB1973PLC029009
ii) Registration Date	25/09/1973
iii) Name of the Company	TERAI TEA COMPANY LTD
iv.) Category/ Sub-Category of the Company	Company Limited By Shares/ Indian Non-Government Company
v) Address of the Registered office and contact details	10, Government Place (East), 1st Floor, Kolkata (W.B) - 700069
vi) Whether listed Company	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	Maheshwari Datamatics Pvt. Ltd. 23, R.N. Mukherjee Road, 5th Floor, Kolkata- 700001 Tel : (033) 2248-2248 / 2343-5021 Fax : (033) 2248-4787 E-mail : mdplds@yahoo.com

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Cultivation, Manufacturing and sale of Tea	01271, 10791	43.06
2	Wholesale Trading Business	6022	56.13

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

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

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

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

### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### i) Category-wise Share Holding

Category of Shareholders	No of Shares held at the beginning of the year [As on 01-04-2019]				No of Shares held at the end of the year [As on 31-03-2020]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	44,75,600	–	44,75,600	65.06	<b>44,75,600</b>	–	<b>44,75,600</b>	<b>65.06</b>	–
b) Central Govt.	–	–	–	–	–	–	–	–	–
c) State Govt. (s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	6,27,500	–	6,27,500	9.12	<b>6,27,500</b>	–	<b>6,27,500</b>	<b>9.12</b>	–
e) Banks/Fi	–	–	–	–	–	–	–	–	–
f) Any other	–	–	–	–	–	–	–	–	–
<b>Sub-Total (A)(1)</b>	<b>51,03,100</b>	–	<b>51,03,100</b>	<b>74.18</b>	<b>51,03,100</b>	–	<b>51,03,100</b>	<b>74.18</b>	–
<b>(2) Foreign</b>									
a) NRIs - Individuals	–	–	–	–	–	–	–	–	–
b) Other - Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corp.	–	–	–	–	–	–	–	–	–
d) Banks/FI	–	–	–	–	–	–	–	–	–
e) Any other	–	–	–	–	–	–	–	–	–
<b>Sub-Total (A)(2)</b>	–	–	–	–	–	–	–	–	–
<b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>51,03,100</b>	–	<b>51,03,100</b>	<b>74.18</b>	<b>51,03,100</b>	–	<b>51,03,100</b>	<b>74.18</b>	–
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	–	–	–	–	–	–	–	–	–
b) Banks/FI	–	–	–	–	–	–	–	–	–
c) Central Govt.	–	–	–	–	–	–	–	–	–
d) State Govt. (s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIs	–	–	–	–	–	–	–	–	–
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others (specify)	–	–	–	–	–	–	–	–	–
Alternate Investment Funds	–	–	–	–	–	–	–	–	–
Foreign Portfolio Investors	–	–	–	–	–	–	–	–	–
Provident Funds / Pension Funds	–	–	–	–	–	–	–	–	–
Qualified Foreign Investor	–	–	–	–	–	–	–	–	–
<b>Sub-Total(B)(1):-</b>	–	–	–	–	–	–	–	–	–

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

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

Category of Shareholders	No of Shares held at the beginning of the year [As on 01-04-2019]				No of Shares held at the end of the year [As on 31-03-2020]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	11,46,265	89,000	12,35,265	17.96	11,34,572	89,000	12,23,572	17.79	(0.17)
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ` 1 lakh	2,82,087	61,966	3,44,053	5.00	2,80,998	61,166	3,42,164	4.97	(0.0275)
ii) Individual shareholders holding nominal share capital in excess of ` 1 lakh	1,95,667	-	1,95,667	3.00	2,10,010	-	2,10,010	3.05	0.2085
c) Others (Specify)									
Non Resident Indians	351	-	351	-	350	-	350	0.01	0.0000
Qualified Foreign Investor									
Custodian of Enemy Property									
Foreign Nationals									
Clearing Members	864	-	864	-	104	-	104	-	(0.0111)
Trusts									
Foreign Bodies-D R									
Foreign Portfolio Investors									
NBFCs registered with RBI									
Employee Trusts									
Domestic Corporate Unclaimed Shares Account									
Investor Education and Protection Fund Authority									
<b>Sub-total(B)(2):-</b>	16,25,234	1,50,966	17,76,200	26.00	16,26,034	1,50,166	17,76,200	25.82	(0.0001)
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	16,25,234	1,50,966	17,76,200	26.00	16,26,034	1,50,166	17,76,200	25.82	(0.0001)
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	67,28,334	1,50,966	68,79,300	100.00	67,29,134	1,50,166	68,79,300	100.00	0.0000

### ii) Shareholding of Promoters & Promoters Group

Sl No	Shareholder's Name	Shareholding at the beginning of the year [As on 01-04-2019]			Shareholding at the end of the year [As on 31-03-2020]			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Ajit Kumar Agarwala	25,76,800	37.46	—	25,76,800	37.46	—	—
2	Shashikala Agarwala	18,98,800	27.60	—	18,98,800	27.60	—	—
3	Abhijit Tea Co. (P) Ltd.	4,70,000	6.83	—	4,70,000	6.83	—	—
4	Terai Financial Services (P) Ltd.	1,27,500	1.85	—	1,27,500	1.85	—	—
5	Jaladacca Tea Plantations (P) Ltd.	30,000	0.44	—	30,000	0.44	—	—
	<b>TOTAL</b>	51,03,100	74.18	—	51,03,100	74.18	—	—



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

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

Sl	Shareholder's Name	Shareholding at the beginning of the year [As on 01-04-2019]			Shareholding at the end of the year [As on 31-03-2020]	
		Date	No. of Shares	% of Total Shares of Company	No. of Shares	% of Total Shares of Company
1	Ajit Kumar Agarwala	01/04/2019 31/03/2020	25,76,800 25,76,800	37.46 37.46	25,76,800	37.46
2	Shashikala Agarwala	01/04/2019 31/03/2020	18,98,800 18,98,800	27.60 27.60	18,98,800	27.60
3	Abhijit Tea Co. (P) Ltd.	01/04/2019 31/03/2020	4,70,000 4,70,000	6.83 6.83	4,70,000	6.83
4	Jaldacca Tea Plantations (P) Ltd.	01/04/2019 31/03/2020	30,000 30,000	0.44 0.44	30,000	0.44
5	Terai Financial Services (P) Ltd.	01/04/2019 31/03/2020	1,27,500 1,27,500	1.85 1.85	1,27,500	1.85

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

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.19 to 31.03.20)	
		No. of Shares at the beginning (01.04.19)/end of the year (31.03.20)	% of total shares of the company				No. of shares	% of total shares of the company
1	FLEXCO SUPPLIERS PRIVATE LTD	2,90,624	4.2246	01/04/2019				
				31/03/2020			2,90,624	4.2246
2	NIRMAL BANG SECURITIES PVT LTD	11,412	0.1659	01/04/2019				
				09/08/2019	(534)	Transfer	10,878	0.1680
				27/09/2019	(10,878)	Transfer	—	—
				03/01/2020	5,524	Transfer	5,542	0.0803
				10/01/2020	(5,524)	Transfer	—	—
				31/03/2020	—	—	—	—
3	EVERSAFE DISTRIBUTORS (P) LTD	3,12,702	4.5455	01/04/2019				
				31/03/2020			3,12,702	4.5455
4	GANGOTRI VYAPAR PRIVATE LIMITED	2,45,385	3.5670	01/04/2019				
				31/03/2020			2,45,385	3.5670
5	ADBHUT SUPPLIERS PVT LTD	2,78,015	4.0413	01/04/2019				
				31/03/2020			2,78,015	4.0413
6	TANVI JIGNESH MEHTA	94,969	1.3805	01/04/2019				
				26/04/2019	933	Transfer	95,902	1.3941
				03/05/2019	800	Transfer	96,702	1.4057
				06/09/2019	600	Transfer	97,302	1.4144
				20/09/2019	895	Transfer	98,197	1.4274
				27/09/2019	115	Transfer	98,312	1.4291
				31/03/2020	—	—	98,312	1.4291

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

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.19 to 31.03.20)	
		No. of Shares at the beginning (01.04.19)/end of the year (31.03.20)	% of total shares of the company				No. of shares	% of total shares of the company
7	LALITA JALAN	19,522	0.2838	01/04/2019				
				31/03/2020			19,522	0.2838
8	BHUPENDRA P SHAH - HUF *	15,476	0.2250	01/04/2019				
				31/03/2020			15,476	0.2250
9	SHILPAM DEALCOM PVT LTD	87,200	1.2676	01/04/2019				
				31/03/2020			87,200	1.2676
10	SHREYANS JASWANTLAL SHAH	40,000	0.5815	01/04/2019				
				31/03/2020			40,000	0.5815
11	PRADEEP MAHADEO TILLU	8,000	0.1163	01/04/2019				
				31/03/2010			8,000	0.1163
12	MUKESH HIMATLAL SHAH	11,000	0.1599	01/04/2019				
				31/03/2020			11,000	0.1599
13	MANILAL P SHAH	5,776	0.0840	01/04/2019				
				32/03/2020			5,776	0.0840
14	RAJENDRA KANODIA	14,700	0.2137	01/04/2019				
				31/03/2020			14,700	0.2137

\* Not in the list of Top 10 shareholders as on 01/04/2019 The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2020.

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

Sl No	Name	Date shares	Shareholding at the beginning [01/Apr/19]/end of the year [31/Mar/20]		Cumulative Shareholding during the year [01/Apr/19 to 31/Mar/20]	
			No. of shares of the company	% of total shares	No. of shares of the company	% of total shares
1	SHASHIKALA AGARWALA	01/04/2019 31/03/2020	18,98,800 18,98,800	27.60 27.60	<b>18,98,800</b>	<b>27.60</b>
2	AJIT KUMAR AGARWALA	01/04/2019 31/03/2020	25,76,800 25,76,800	37.46 37.46	<b>25,76,800</b>	<b>37.46</b>
3	RAJENDRA KANODIA	01/04/2019 31/03/2020	14,700 14,700	0.21 0.21	--- <b>14,700</b>	--- <b>0.21</b>
4	MILAN KRISHNA SARKAR	01/04/2019 31/03/2020	--- ---	--- ---	--- ---	--- ---
5	JAYANTA KUMAR NATWARLAL	01/04/2019 31/03/2020	--- ---	--- ---	--- ---	--- ---
6	HEMANT KUMAR AGARWAL	01/04/2019 31/03/2020	--- ---	--- ---	--- ---	--- ---
7	ROSHAN DAVE	01/04/2019 31/03/2020	--- ---	--- ---	--- ---	--- ---

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

### V. INDEBTNESS

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

(` in Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount as on 31.03.2019	3,337.96	---	---	3,337.96
ii) Interest due but not paid	---	---	---	---
iii) Interest accrued but not due as on 31.03.2019	0.23	---	---	0.23
<b>Total (I + ii + iii)</b>	<b>3,338.19</b>	<b>---</b>	<b>---</b>	<b>3,338.19</b>
<b>Change in Indebtedness during the financial year</b>				
— ADDITION	354.66	803.50	---	1,158.16
— REDUCTION	---	---	---	---
— Exchange Difference	---	---	---	---
<b>Net Change</b>	<b>354.66</b>	<b>803.50</b>	<b>---</b>	<b>1,158.16</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount as on 31.03.2020	3,692.85	803.50	---	4,496.35
ii) Interest due but not paid	---	---	---	---
iii) Interest accrued but not due as on 31.03.2020	---	---	---	---
<b>Total (I + ii + iii)</b>	<b>3,692.85</b>	<b>803.50</b>	<b>---</b>	<b>4,496.35</b>

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

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

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

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

### B. Remuneration to other Directors :

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

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

Sl.	Particulars of Remuneration	Key Managerial Personnel			
		(CEO)	Rajendra Kanodia CFO	Roshan Dave (Company Secretary)	Total Amount (` In Lacs)
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under Sec. 17(3) Income-tax Act, 1961	<i>NOT APPLICABLE</i>	15.00	6.00	21.00
2.	Stock Option		---	---	---
3.	Sweat Equity		---	---	---
4.	Commission- as % of profit		---	---	---
	- Others, specify...		---	---	---
5.	Others, please specify		---	---	---
6.	Total		15.00	6.00	21.00

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

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

# Annexure "C" to the Directors' Report

Form No. MR - 3

## SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

[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

1. We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. TERAI TEA CO. LTD.** (hereinafter called "the company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.
2. Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has, during the audit period covering financial year ended on 31st March, 2020 ("the audit period") 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:
3. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:
  - i) The Companies Act, 2013 (the Act), and the Rules made thereunder;
  - ii) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
  - iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:-
    - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable regulations /guidelines/circulars issued by SEBI from time to time, to the extent applicable;

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

- (a) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018

We further report that having regard to the compliance system prevailing in the Company, we have relied upon the representation made by the Management, for compliance with the specific applicable laws like:

- (a) Food Safety and Standards Act, 2006
- (b) Tea Act, 1953
- (c) Plantations Labour Act, 1951
- (d) Essential Commodities Act, 1955



- (e) The Tea Waste (Control) Order, 1959
- (f) Agricultural Produce (Grading and Marking) Act, 1937
- (g) Weight And Measurement Act, 1976

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

- (i) Secretarial Standards as issued and mandated by the Institute of Company Secretaries of India;
- (ii) The Listing Agreements entered into by the Company with BSE Limited, Calcutta Stock Exchange Limited, Ahmadabad Stock Exchange Limited and Jaipur Stock Exchange Limited.

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

#### **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the year.

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

Place : Siliguri  
Date : 18.09.2020

Decisions at the Board meetings were carried out unanimously.

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

We further report that during the audit period the Company had Obtained approval of shareholders by way of Ordinary / Special Resolution passed at Annual General Meeting of the Company held on 30.09.2019 for the following matters;

- i. Reappointment of Mr. Ajit Kumar Agarwala (DIN: 00265775) as the Managing Director of the Company for a period of three years w.e.f. 13th August 2019.
- ii. Re-appointment of Mr. Jayant Kumar Natwarlal Raja (DIN:06884343) as an Independent Director of the Company for a Period of Five Years w.e.f. 26th July, 2019.
- iii. Re-appointment of Mr. Milan Krisna Sarkar (DIN : 05272885) as an Independent Director of the Company for a Period of Five Years w.e.f. 26th July, 2019.
- iv. Re-appointment of Mr. Hemant Kumar Agarwal (DIN:02308200) as an Independent Director of the Company for a Period of Five Years w.e.f. 13th August, 2019.

This Report is to be read with our letter of even date which is annexed "**Annexure A**" and forms an Integral Part of this Report.

**For M R & ASSOCIATES**

Company Secretaries

Sd/-

**[MOHAN RAM GOENKA]**

Partner

FCS No. 4515

C P No. 2551

UDIN : F004515B000801751

**Note :** The COVID-19 outbreak was declared as a global pandemic by the World Health Organization. On March 24, 2020, the Indian government announced a strict 21-day lockdown which was further extended across the country to contain the spread of the virus. Due to COVID-19 pandemic impact, the documents were obtained through electronic mode and verified with requirements. It is further stated that due to the pandemic situation caused by COVID-19, few intimations made to Stock Exchanges under relevant SEBI Regulations and compliances under the Companies Act 2013 read with relevant rules were within the extended period and relaxations granted by respective regulatory authorities.

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

## Annexure "A"

### Secretarial Audit Report for the financial year ended 31st March, 2020

To,  
The Members,  
M/s. TERAI TEA CO. LTD  
10, Government Place (East)  
Kolkata- 700069

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

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

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

**[MOHAN RAM GOENKA]**  
Partner

FCS No. 4515

C P No. 2551

UDIN : F004515B000801751

Place : Siliguri  
Date : 18.09.2020

# Annexure “D” To Directors’ Report

**DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) AND 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014, AS AMENDED FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020.**

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 2019-20, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20 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.)	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	--
Roshan Dave	Company Secretary	6.00	Otherwise	B.Com.(H), A.C.S. M.Com	01/03/2011	--	--
Samrat Nag	Manager	2.86	Otherwise	Graduate	01/04/2019	--	--
Suman Sharma	Manager	4.32	Otherwise	Graduate	15/12/2016	--	--
Mahendra Kumar Sharma	Manager	5.76	Otherwise	Graduate	15/12/2016	--	--
Biswajit Sen	Tea Taster	3.90	Otherwise	Graduate	01/04/2016	--	--
Sudip Banerjee	Astt. Manager	4.41	Otherwise	Graduate	01/02/2020	--	--
Raj Mohan Bhattacharjee	Asst. Manager	5.71	Otherwise	Graduate	27/05/2019	--	--
Sambhu Ghosh	Manager	1.26	Otherwise	Graduate	23/06/2003	--	--

- ii. The median remuneration of employees of the Company during the financial year was Rs. 52,104/-
- iii. In the financial year, there is of increase 10.18% in the median remuneration of employees.
- iv. There were 321 permanent employees on the rolls of the Company as on March 31, 2020.
- v. Relationship between average increase in remuneration and company performance: The Profit after Tax for the financial year ended March 31, 2020. Increased to 7.52%
- 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**

**Corporate Office :**

“Agarwala House”  
Kolkata – 700 069  
Siliguri - 734 001  
Dated, 18th day of September, 2020

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

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

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



# Annexure “E” To Directors’ Report

## Form AOC-I

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

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

#### Part “A”: Subsidiaries

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

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

Not Applicable

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

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

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

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

Sl.	Name of Associates/Joint Ventures	Abhijit Tea Company Pvt. Ltd.	Jaldacca Tea Plantations Pvt. Ltd.	The Kharibari Tea Co. Ltd.
1.	Latest Audited Balance Sheet Date	31/03/2020	31/03/2020	31/03/2020
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)	29,95,43,408	5,44,33,352	4,57,88,982
6.	Profit / Loss for the year			
	i. – Considered in Consolidation	29,94,497	84,46,014	67,40,961
	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 “E” To Directors’ Report (Contd.)

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

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

Sl.	Name of Associates/Joint Ventures	Terai Dooars Tea Co. Pvt. Ltd.	East Indian Produce Limited	Terai Infrastructures Ltd.
1.	Latest Audited Balance Sheet Date	31/03/2020	31/03/2020	31/03/2020
2.	Shares of Associate/Joint Ventures held by the Company on the year end			
	- No.	2,62,500	63,380	26,09,500
	- Amount of Investment in Associates/Joint Venture	24,22,500	44,21,863	21,45,000
	- Extent of Holding %	47.73%	43.80%	45.95%
3.	Description of how there is significant influence	Associate	Associate	Associate
4.	Reason why the associate/joint venture is not consolidated	N.A.	N.A.	N.A.
5.	Networth attributable to Shareholding as per latest audited Balance Sheet (As per IND AS)	1,80,29,542	11,46,22,159	6,72,74,634
6.	Profit / Loss for the year			
	- Considered in Consolidation	(45,12,384)	1,33,56,491	10,457
	- 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	31/03/2020	31/03/2020	31/03/2020
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)	2,48,68,423	12,44,18,986	2,96,61,747
6.	Profit / Loss for the year			
	- Considered in Consolidation	34,09,559	23,20,284	(83,42,371)
	- Not Considered in Consolidation	N.A.	N.A.	N.A.

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

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

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

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

Sl.	Name of Associates/Joint Ventures	Terai Financial Services Pvt. Ltd.	New Darjeeling Union Tea Co. Ltd	Terai Ispat & Trading Pvt. Ltd
1.	Latest Audited Balance Sheet Date	31/03/2020	31/03/2020	31/03/2020
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)	37,22,687	5,04,26,701	14,67,57,673
6.	Profit / Loss for the year			
	– Considered in Consolidation	97,497	1,69,212	12,67,555
	– 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**

### Corporate Office :

“Agarwala House”  
Kolkata – 700 069  
Siliguri - 734 001  
Dated, 18th day of September, 2020

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

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

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



## Annexure "F" to the Directors' Report

# Report on Corporate Governance

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

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

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

The Company is committed to following best Corporate Governance Practices in all its pursuits and is constantly striving to better them and adopt emerging best practices. The Board understands and respects its fiduciary role and responsibility to shareholders and strives hard to meet their expectations. The Board also believes that best board practices, transparent disclosures and shareholder empowerment are necessary for

creating shareholder value. Thus at Terai Tea Company Limited, we always endeavour to create an environment of fairness, equity and transparency in transactions with the underlying objective of securing long term shareholder value creation and enhancement while, at the same time, respecting the rights of all stakeholders of the Company and the society at large.

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

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

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

The 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
Shri Ajit Kumar Agarwala	00265775	Promoter, Executive	6	NIL
Smt. Shashikala Agarwala	00260171	Promoter, Non-Executive, Non- Independent	5	NIL
Shri Rajendra Kanodia	00175574	Executive, Non- Independent	6	NIL
Shri Hemant Kumar Agarwal	02308200	Non-Executive, Independent	NIL	NIL
Shri Milan Krisna Sarkar	05272885	Non-Executive, Independent	NIL	NIL
Dr. Jayant kumar Natwarlal Raja	06884343	Non-Executive, Independent	NIL	NIL

None of the independent Directors of the Company serve 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.

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

## Details of Directorship in Listed Companies as on 31st March, 2020

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 Hemant Kumar Agarwal	Terai Tea Co Ltd.	Non-Executive, independent
Shri Milan Krisna Sarkar	Terai Tea Co Ltd.	Non-Executive, independent
Dr. Jayantkumar Natwarlal Raja	Terai Tea Co Ltd.	Non-Executive, independent

### Separate Meeting of Independent Directors

Independent Directors meeting was held on 13th February, 2020 without the presence of the Managing Director and other Non-Executive Non-Independent Director. The meeting was attended by all the Independent Directors and enabled them to:

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

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

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

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

### Familiarizations Programme for IDs

#### **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.

#### **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 the irrational, 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.teraigroup.com](http://www.teraigroup.com)

#### **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 :

#### **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)**

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

<b>Part A : Collective Skills</b>		
<b>Skill Area</b>	<b>Description</b>	<b>Skill/expertise/competence available with the Board</b>
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 areas including communications, marketing, branding and business systems, practices and improvement.	Yes
Legal	Qualification and experience in legal practice with emphasis on:	
	• 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 / DigitalSkills	Qualification and experience in IT Digital skills with an ability to apply new technology to the Tea Industries.	Yes
<b>Part B : Collective Skills</b>		
Integrity (ethics)	A commitment to:	Yes
	• Understanding and fulfilling the duties and responsibilities of a Director, and maintaining knowledge in this regard through professional development;	Yes
	• Putting Terai Tea Co. Ltd. interests before any personal interests;	Yes

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

Part B : Collective Skills (Contd.)		
Skill Area	Description	Skill/expertise/ competence available with the Board
	<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	The ability to: <ul style="list-style-type: none"> <li>Listen to, and constructively and appropriately debate, other people’s viewpoints;</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 ongoing 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

### Confirmations of the Board regarding Independent directors

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

### 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.

### 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.

### 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.

### 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)

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

NAME OF DIRECTORS	NO. OF BOARD MEETINGS HELD	NO. OF BOARD MEETINGS ATTENDED	ATTENDANCE IN LAST AGM
Shri Ajit Kumar Agarwala	11	8	No
Smt. Shashikala Agarwala	11	8	No
Shri Rajendra Kanodia	11	11	Present
Shri Hemant Kumar Agarwal	11	11	Present
Shri Jayanta Kumar Natwarlal Raja	11	5	Present
Shri Milan Krisna Sarkar	11	5	No

- a) During the year under review, 11 (Eleven) Board Meetings were held. The maximum time-gap between any two meetings did not exceed four months. The dates on which meetings were held are given below:

April 09, 2019	May 29, 2019	August 12, 2019	August 14, 2019
September, 3, 2019	October 30, 2019	November 13, 2019	January 15, 2020
February 14, 2020	February 21, 2020	March 7, 2020	

- b) **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 40 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 33 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. Independent Director and

Chairman of Audit Committee of the Company is a businessman since very early young age and have very wide experience in dealings in food items etc. With their presence in the company, a new wave in turnover and profits is bound to come.

**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 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 a very senior Lawyer (LLB) he look forward to protect our properties and legal matters through his experience. He is a Chairman of nomination and Remuneration committee and member of Audit committee & Stakeholder relationship Committee.

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

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

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

NAME OF DIRECTORS	CATEGORY	No. of Share 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 Krisna Sarkar	Non-Executive and Independent Director	—



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

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

### 1. **Conflict of Interest**

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

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

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

### 2. **Confidential Information**

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

### 3. **Public Disclosures**

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

### 4. **Legal Compliance**

The Company recognizes to conduct its business with honesty, integrity and in full compliance with all applicable laws, rules and regulations. All Directors

& Senior Managers are required to abide by the statutory requirements.

### 5. **Share Transactions**

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

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

### 6. **Fair Business Practices**

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

### 7. **Supporting Loyalty & Respect**

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

### 8. **Open Communication**

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

### 9. **Corporate Policy Awareness**

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

### 10. **Company Branding**

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

### 11. **Black out Period**

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

### 12. **Amendment of the Code**

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

### 13. **Violation of the Code of Conduct**

If there is a violation of the above-mentioned Code of Conduct by any of the Senior Managers, depending on the seriousness/ severity of the issue will be taken

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

up by a Committee, headed by the MD of the Company for appropriate action as deemed fit.

### B. AUDIT COMMITTEE

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

#### Composition Meeting and Attendance During the Year

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

The Audit Committee is constituted by three Non-Executive Independent Directors (NEID), all of whom are financial literate and they have accounting or related financial management expertise. Mr. Hemant Kumar Agarwal, Chairman of the Committee is among the Non-Executive Independent Directors. The Company Secretary acts as the Secretary of the Audit Committee. During the year, 4 (Four) meetings of the Audit Committee were held on May 29, 2019, August 14, 2019, November 13, 2019 and February 14, 2020. The maximum time gap between any two consecutive meetings did not exceed 4 (Four months). Moreover, the quorum of minimum 2 (Two) Independent Directors, as required by the Listing Regulations, was present in all the meetings of the Audit Committee held during the year. The constitution of the Committee, number of meetings held and attendance of the members are given below:

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

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:

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

#### Statutory Audit Observations

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

### C) STAKEHOLDERS RELATIONSHIP COMMITTEE

#### Composition & terms of reference

The Stakeholders Relationship Committee is constituted as per Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 178 (5) of the Companies Act, 2013. Stakeholders Relationship Committee comprises of three (3) Directors namely Mr. Jayantakumar Natwarlal Raja (Non-Executive Independent Director) who is the Chairman of the Committee, Mr. Milan Krisna Sarkar (Non-Executive Independent Director) and Mr. Hemant Kumar Agarwal (Non-Executive Independent Director). Mr. Roshan Dave, Company Secretary acts as the Secretary to the Stakeholders Relationship Committee. This Committee additionally monitors the relationship with Stakeholders including Shareholders, Employees, Customers, Vendors, Government and Society. Such meetings are held on quarterly basis and the Shareholders’ complaints and grievances are reviewed in detail by the Committee and prompt and effective directions are given to the Registrars for proper disposal. During the Financial Year 2019-20 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.

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

Status of Investors’ Complaints :	
Number of complaints received during the year	Nil
Number of complaints resolved up to 31st March, 2020	Nil
Number of complaints not solved to the satisfaction of shareholders	Nil
Number of complaints pending as on 31st March, 2020	Nil

### **Meeting and Attendance during the year**

During the financial year Five (5) meetings of the Stakeholders Relationship Committee were held on May 29, 2019, August 14, 2019, November 13, 2019, January 29, 2020 and February 14, 2020 for the year ended March 31st, 2020 and attendance of the members are given below :

MEMBERS	MEETING HELD	MEETINGS ATTENDED
Mr. Hemant Kumar Agarwal	5	5
Dr. Jayantakumar Natwarlal Raja	5	5
Mr. Milan Krisna Sarkar	5	4

### **D) NOMINATION & REMUNERATION COMMITTEE:**

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

#### **Composition:**

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

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

#### **Terms of reference:**

This Committee recommends and reviews the Compensation packages, commission payable to Directors/ Executives and Managing Director of the company, thereof within the limit approved by the shareholders from time to time. During the financial year one (1) meeting of Nomination and Remuneration Committee was held on May 29, 2019.

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

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

### **Remuneration Policy**

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

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

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

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

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

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

### **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 benchmarks forms the main criteria for determining payments to Non-Executive Directors.

### **Sitting fees**

Non-Executive Directors are paid a sitting fees of ` 20,000/- for during the financial year 2019-20.

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

## **VII. GENERAL BODY MEETINGS**

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

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

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

LOCATION	DATE	TIME
10, Government Place (East) , Kolkata – 700 069	September 30, 2019	10.30 A.M.
10, Government Place (East) , Kolkata – 700 069	September 29, 2018	10.30 A.M.
10, Government Place (East) , Kolkata – 700 069	September 23, 2017	10.30 A.M.

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

- a) In the AGM on 30th September, 2019 : Three Special Resolutions was transacted to provisions of section 149 read with schedule iv of the Companies Act, 2013.
  - b) In the AGM on 29th September, 2018 : one special resolution was transacted to the provision of section 196, 197, 203 of the Companies Act, 2013.
- iii) All the resolutions set out in the respective notices were passed by the shareholders.
- iv) No Resolution was put through Postal Ballot.

### **Subsidiary Companies**

During the year under review the company has no subsidiary company but Company has 11 Associate Companies.

### **OTHER DISCLOSURES :**

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

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and under Listing Regulation, during the financial year were in the ordinary course of business and on an arms length pricing basis

and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosures as required by the Accounting Standards (AS18) have been made in the Note No. 36 to the Financial Statements.

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

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

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

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

The Company has complied with all the requirements of the Listing Regulations, with the Stock Exchanges as well as regulations and guidelines of SEBI. No penalties or

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

strictures were imposed by SEBI, Stock Exchanges or any authority on matters relating to Capital Markets during the last three years.

### **Risk Management:**

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

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

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

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

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

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

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

### **PREVENTION OF INSIDER TRADING**

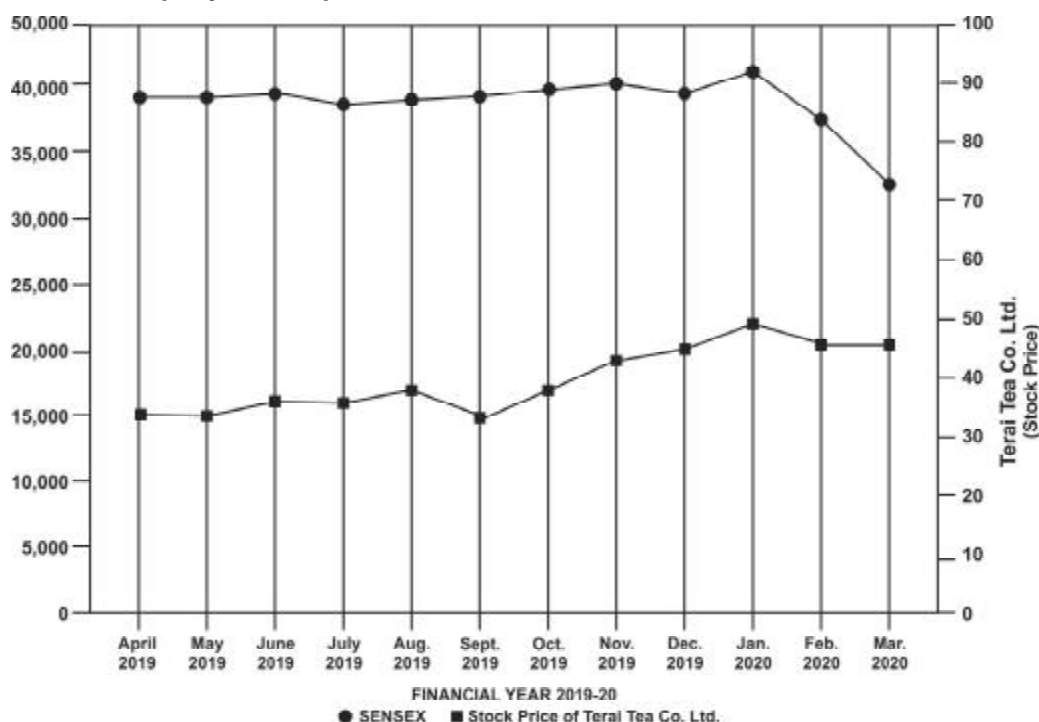
The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares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

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

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

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

### **Performance of the Company in Comparison to Sensex**



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

### **COMPLIANCE CERTIFICATE**

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

### **MEANS OF COMMUNICATION:**

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

### **SHAREHOLDER INFORMATION:**

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

Date	<b>December 30, 2020</b>
Time	<b>10.30 A.M.</b>
Venue	<b>Terai Tea Co. Ltd.”Ezra Mansion”, 1st Floor, 10, Government Place (East), Kolkata – 700 069</b>

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

Particulars	Date of Board meeting for approval
Annual Accounts for 2019-20	4th week of May, 2020
Financial results for First Quarter	2nd week of August, 2020
Financial results for Second Quarter	2nd week of November, 2020
Financial results for Third Quarter	2nd week of February, 2021
Financial Result for the year ended	Last Week of May, 2021

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

Books shall remained closed from December 24th, 2020 to December 30th, 2020 (both days inclusive)

#### **d) 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, 25 <sup>th</sup> Floor, Dalal Street, Mumbai-400001	530533
Calcutta Stock Exchange Association Limited 7, Lyons Range, Kolkata-700001	30105
Ahemdabad Stock Exchange Limited Kamdhenu Complex, Ahmedabad-380015	60857
Jaipur Stock Exchange Limited Indra Place, J.L.N. Marg, Jaipur-302020	596
ISIN Number for NSDL/CDSL	INE 390D1011
CIN No	L51226WB1973PLC029009
The Company has paid Annual Listing fees to Bombay Stock Exchange for the year 2020-21.	
<b>ii) Depositories :</b>	
National Securities Depository Ltd.	Trade World, “A” Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg Lower Parel, Mumbai-400001
Central Depository Services Ltd.	Phiroza Jeejeebhoy Tower, 28th Floor, Dalal Street, Mumbai - 400 001

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

NSDL	ISIN INE 390D1011
CDSL	ISIN INE 390D1011

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

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

### g) Share Transfer System

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

### h) Market Price Data

High/low (based on the closing prices) during each month in the financial year 2019-20 on the Bombay Stock Exchange

Month	BSE SENSEX CLOSE	BSE		
		High Price	Low Price	Close Price
April, 2019	39031.55	39.80	34.00	39.35
May, 2019	39714.20	38.00	35.15	38.00
June, 2019	39394.64	40.80	35.25	35.25
July, 2019	37481.12	39.50	30.30	39.50
August, 2019	37332.79	41.00	31.35	31.35
September, 2019	38667.33	33.00	31.35	31.35
October, 2019	40129.05	37.20	30.70	37.20
November, 2019	40793.81	46.80	39.00	46.15
December, 2019	41253.74	48.40	46.40	46.95
January, 2020	40723.49	52.00	46.00	49.30
February, 2020	38279.29	50.95	48.45	50.10
March, 2020	29468.49	51.10	45.25	45.25

### High & Low Market Price

Particulars	Terai Tea Co. Ltd. V/S BSE Sensex	
	Terai Tea Co. Ltd. Share Price	BSE Sensex
April, 2019	<b>34.80</b>	<b>39,031.55</b>
March, 2020	<b>52.00</b>	<b>40,723.49</b>

### j) Distribution of Shareholding As On 31st March, 2020

No. of Shares Held	No. of Holders	% of Holders	No. of Shares	% of Capital
Upto 500	1,276	89.04	135547	1.97
501-1000	79	5.51	63442	0.93
1001-2000	34	2.37	52235	0.76
2001-3000	13	0.91	33591	0.48
3001-4000	7	0.49	25055	0.36
4001-5000	4	0.28	18,981	0.28
5001-10000	3	0.21	23,413	0.34
10001 and above	17	1.19	6527036	94.86
<b>Total</b>	<b>1,433</b>	<b>100.00</b>	<b>68,79,300</b>	<b>100.00</b>

### k) Shareholding Pattern as on 31st March, 2020

Name of the Shareholders	No. of Shares Held	% Holding
Promoter & Promoter Group	51,03,100	74.18
Non-Promoters Holding		
- Financials Institutions	Nil	Nil
- Bodies Corporate	12,23,572	17.79
- NRI/Foreign Company	350	Nil
- Clearing Member	104	Nil
Indian Public	5,52,174	8.03
<b>Total</b>	<b>68,79,300</b>	<b>100</b>

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

### I) Dematerialization of Shares and Liquidity as on 31st March, 2020

Particulars of Shares	Equity Shares of ₹ 10 Each	
	Number	% of Total
<b>Dematerialized Form</b>		
a) NSDL	63,10,620	91.73
b) CDSL	4,18,514	6.08
Sub Total	67,29,134	97.81
Physical Form	1,50,166	2.19
<b>Total</b>	<b>68,79,300</b>	<b>100.00</b>

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

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

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

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

### o) Plant Locations:

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

\*\* Company sold in units in the month of August, 2020

### p) Address for Correspondence:

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

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

By order of the Board  
For Terai Tea Company Limited

### Corporate Office :

"Agarwala House"  
Sevoke Road, 2nd Mile  
Siliguri - 734 001  
Dated, 18th day of September, 2020

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



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

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

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

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 2019 to 31 March 2020.

#### 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 2019 to 31 March 2020. 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 2019 to 31 March 2020.

We have examined the compliance of conditions of Corporate Governance by the Company for the period 1 April 2019 to 31 March 2020 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.

#### 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 2019 to 31 March 2020 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 into whose hands it may come without our prior consent in writing.

Place : Siliguri  
Date : 18th day of September, 2020

For SAHA & MAJUMDER  
Chartered Accountants  
FRN : 303087E

Sd/-

S.N. Bhattacharjee  
Partner

Membership No. 010767  
ICAI UDIN: 20010767AAAABA8403

## Annexure “F” 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, 2020. The Said “Code” is also been posted on [www.teraignroup.com](http://www.teraignroup.com) the website of the Company. Based on the above, it is hereby declared that the code has been complied with by all.

**For Terai Tea Co. Limited**

**Sd/-**

Place : Siliguri  
Date : 18th day of September, 2020

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

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

### **MD/CFO CERTIFICATION**

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

- a) We, 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 2019-20 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 2019-20 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**

**Corporate Office :**  
"Agarwala House"  
Sevoke Road, 2nd Mile  
Siliguri - 734 001  
Dated : 18th day of September, 2020

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

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

## Annexure “F” 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, 2020 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, as applicable.

<b>Sl. No.</b>	<b>Name of the Directors</b>	<b>DIN</b>	<b>Date of Appointment in Company</b>
1.	Ajit Kumar Agarwala	00265775	28/01/1987
2.	Shashi Kala Agarwala	00260171	28/01/1987
3.	Rajendra Kanodia	00175574	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

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.

**For M R & Associates**  
**Company Secretaries**

**Place : Siliguri**  
**Date : 18.09.2020**

**[M R Goenka]**  
**Partner**  
**FCS No. :4515**  
**C P No. :2551**  
**UDIN : F004515B000660544**



## Annexure "G" to the Directors' Report

# Management Discussion and Analysis Report

### OVERVIEW OF THE ECONOMY

The Indian economy has been experiencing significant slowdown over the past few quarters. The year 2019-20 was challenging for the Indian economy owing to the decelerating growth rate experienced in the first half of the financial year. In the third quarter of the current fiscal, the economy grew at a six-year low rate of 4.7%. Amongst the various reforms introduced during the year to promote growth and investment, reduction in corporate income tax rate was a major structural reform. Investment and consumption demand had been languishing and a number of stimulus measures have been taken to bring back the economy on a growth path. While the country's development trajectory is strong, challenges remain. There was a strong hope of recovery in the last quarter of the current fiscal. However, the new Covid-19 pandemic has made the recovery extremely difficult in the near to medium term. The outbreak has presented fresh challenges for the Indian economy now, causing severe disruptive impact on both demand and supply side elements which has the potential to derail India's growth story.

Greater uncertainty about the future course and repercussion of Covid-19 has also made the financial market extremely volatile, leading to huge crashes and wealth erosion, which in turn is impacting consumption levels. Suspension of operations in most sectors has adversely affected demand across all segments. Consumption is also getting impacted due to job losses and decline in income levels of people due to slowing down of activities in several sectors including retail, construction, entertainment, etc. With widespread fear and panic now increasing among people, overall confidence level of consumers has dropped significantly, leading to postponement of their spending decisions.

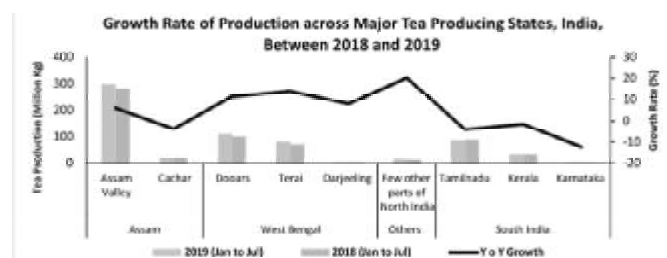
### Industry Structure and Development

The total world tea production was about 6150.08 million kilograms in 2019 as compared to 5966.21 million kilograms in 2018 out of which contribution on from Indian Tea crop was approximately 1390.08 million kilograms against 1349 million kilograms last year. The World Production details as below mentions:

Country	2015	2016	2017	2018	2019
China	2249.00	2404.95	2496.41	2610.39	2799.38
India	1208.66	1267.36	1321.76	1338.63	1390.08
Kenya	399.21	473.01	439.86	493.00	458.85
Sri Lanka	328.96	292.57	307.72	304.01	300.13
Vietnam	170.00	180.00	175.00	185.00	190.00
Indonesia	132.62	137.02	134.00	131.00	128.80
Others	796.43	838.83	843.64	904.18	882.84
Total	5284.88	5593.74	5718.39	5966.21	6150.08

(Source: ITC Annual Bulletin of Statistics, 2020)

### GROWTH RATE OF PRODUCTION



Source: Indian Tea Association, ISI Research

### Segment Analysis and Review

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

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

### **RISK & CONCERN**

#### **Factors Affecting the Tea Industry**

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

- Demographic changes
- Resource constraints
- Climate change
- Competition for land and productivity
- Availability of labour and increase in mechanisation
- Balance of power across the supply chain
- Emergence of new business models
- Sustainability leadership in emerging economies
- Improvement in wages and labour welfare in the supply chain
- Consumer attitudes to food value

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

### **FUTURE PROSPECTS**

#### **Tea 2030**

The numerous sustainability challenges faced by many industries, including the tea industry, are too big for any one company to address alone; rather they need the co-operation of all parts of the value chain working together. For the first time in history, some of the key players in the tea sector have come together to explore the future for tea in a collaborative project called Tea 2030. They are working jointly to identify the key challenges, forecasting the issues that need to be addressed and combining their knowledge and expertise to deliver new solutions that will overcome the issues facing the sector – creating a shared vision for what the global tea industry can do together to ensure it has a prosperous and sustainable future. They are fully committed to implement this initiative in compliance with all applicable laws.

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

#### **Corporate Office :**

“Agarwala House”  
Sevoke Road, 2nd Mile  
Siliguri - 734 001

Dated, 18th day of September, 2020

### **Financial Review & Analysis**

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

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

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

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

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

### **Cautionary Statement**

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

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

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

# Financial Highlights : Standalone Balance Sheet

(For Five Years)

(` in Lakh)

	2019-20	2018-19	2017-18	2016-17	2015-16
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Property Plant and Equipment	5,570.58	5,216.47	5,355.29	5,328.58	5,480.91
Capital Work-In-Progress	9.15	159.47	6.41	46.07	1.92
Financial Assets					
(a) Investments	715.93	717.06	773.60	771.98	882.49
(b) Loans	10.51	10.51	0.51	8.90	8.90
(c) Other Financial Assets	32.06	125.64	125.26	116.26	116.91
Other Non-Current Assets	351.60	327.38	328.92	331.86	328.56
Total Non-Current Assets	22.42	6,556.53	6,593.93	6,603.65	6,819.69
Current Assets					
Inventories	314.46	574.95	620.57	848.09	705.28
Financial Assets					
(a) Investments	887.84	486.01	791.20	749.59	591.77
(b) Trade Receivables	1,879.02	2,064.82	1,057.78	1,302.83	3,682.36
(c) Cash and Cash Equivalents	30.37	59.74	123.90	49.48	60.34
(d) Loans			2.07	3.20	3.92
Other Financial Assets	1,157.37	57.36	795.85	770.31	499.88
Other Current Assets	1,820.08	1997.7	1,510.95	1,559.35	2,269.36
Total Current Assets	6,089.14	5,240.58	4,902.32	5,282.85	7,812.91
Total Assets	12,801.40	11,797.11	11,502.31	11,886.50	14,632.60
<b>EQUITY AND LIABILITIES</b>					
Equity					
Equity Share Capital	690.29	690.29	690.29	690.29	690.29
Other Equity	5,925.12	5,783.66	5,652.10	5,570.52	5,443.96
TOTAL EQUITY	6,615.41	6,473.95	6,342.39	6,260.81	6,134.25
Laibilities					
Non-Current Liabilities					
Financial Liabilities					
Borrowings	2,588.75	2,521.07	1,140.00	2,214.37	2,340.17
Provisions	79.32	83.47	106.88	96.77	81.69
Deffered Tax Liabilities (Net)	6.14	22.16	38.12	31.13	15.80
Other Non-Current Liabilities	120.47	149.03	136.69	192.80	244.95
Total Non-Current Liabilities	2,794.68	2,775.73	1,421.69	2,535.07	2,682.61
Current Liabilities					
Financial Liabilities					
(a) Borrowings	1,896.50	775.83	2,332.00	1,567.25	1,633.45
(b) Trade Payables	789.48	1,548.43	1,101.26	557.50	3,463.90
(c) Other Financial Liabilities	11.10	41.31	93.08	147.33	163.82
Other Current Liabilities	674.07	162.01	179.05	803.20	527.96
Provisions	4.79	4.79	17.88	6.84	8.88
Current Tax Liabilities (Net)	15.36	15.05	14.95	8.50	17.73
Total Current Liabilities	3,391.30	2,547.42	3,738.23	3,090.62	5,815.74
Total Liabilities	6,185.98	5,323.15	5,159.82	5,625.69	8,498.35
Total Equity and Liabilities	12,801.40	11,797.11	11,502.31	11,886.50	14,632.60
Net Worth per Equity Shares of Rs. 10/- each (in Rs.)					
Earnings per Equity Share:					
(1) Basic	2.06	1.91	1.29	2.05	1.57
(2) Diluted	1.91	1.29	2.05	2.05	1.57

# Financial Highlights : Standalone Profit & Loss A/c

(For Five Years)

(` in Lakh)

	2019-20	2018-19	2017-18	2016-17	2015-16
1. Revenue from Operations	11,866.21	14,075.13	12,912.10	12,962.06	8,954.82
2. Other Income	1,178.19	94.35	128.41	161.09	71.85
Total Income	13,044.40	14,169.48	13,040.51	13,123.15	9,026.67
B. Expenditure					
1. Change in Inventories of Finished Goods, Work-in-progress and Stock-in-trade	224.86	76.41	233.23	(167.57)	162.53
2. Purchase of Stock-in-trade	6,546.28	7,024.15	6,971.04		4,191.75
3. Cost of Material Consumed	2,781.65	3,706.99	2,610.46	10,117.59	1,931.61
4. Employee benefits expenses	602.24	602.97	600.69	527.42	494.32
5. Consumption of Stores & Spare Parts	239.15	244.37	229.37	271.48	210.39
6. Excise Duty		-	4.97	30.71	
7. Power & Fuel	950.93	1,163.23	1,159.34	1,031.62	861.45
8. Manufacturing & Other Miscellaneous Exp.	43.50	47.61	34.30	35.96	145.54
9. Selling & Distribution Expenses	161.58	175.31	134.31	146.15	128.09
10. Depreciation and amortisation expenses	147.94	164.76	160.01	175.81	184.84
11. Interest (Net)	378.87	376.44	376.73	400.45	398.40
12. Other Expenses	840.95	462.46	404.72	372.73	228.81
Total Expenditure	12,917.95	14,044.70	12,919.17	12,942.35	8,937.73
C. Profit / (Loss) Before Taxation (A-B)	126.45	124.78	121.34	180.80	88.93
D. Tax Expenses					
Current Tax	15.36	9.44	28.24	23.98	25
MAT Credit Entitlement	(15.36)	--	--	--	--
Tax Adjustment for Earlier Years	(2.95)	--	--	--	
Provision for Taxation-Deferred Tax	(12.06)	(15.96)	10.16	15.59	(44.40)
Total Tax Expenses	(15.00)	(6.52)	32.68	39.57	(19.40)
E. Profit / (Loss) After Taxation (C-D)	141.46	131.30	88.65	141.23	108.33
F. Other Comprehensive Income	--	0.27	(7.08)	(0.59)	--
G. Total Comprehensive Income (Net of Tax) (E-F)	141.46	131.57	81.57	140.64	--



# Independent Auditor's 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 31 March 2020, the standalone statement of profit and loss (including the statement of 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, as amended ("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 2020 and its profit and other comprehensive income, 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.  As per the 16 – "Property, Plant and Equipment", the management reviews the estimated useful life and the	ü 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.

# Independent Auditor's Report (contd.)

<p>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 2020 is Rs. 1,900.25 lakhs.</p>	<ul style="list-style-type: none"> <li>ü Evaluated the assumptions and critical judgements used by the management through testing of underlying documents / details.</li> <li>ü Assessed the related disclosures included in the standalone financial statements in this regard.</li> </ul>
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## 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.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## 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 state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian 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, management and Board of Directors are 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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.

# Independent Auditor's Report (contd.)

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 standalone 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 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone 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, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Statement of Changes in Equity and the 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 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 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".

# Independent Auditor's Report (contd.)

- 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 significant 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) 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) which are required to be commented upon by us.

Place : Siliguri  
Date : September, 18, 2020

For **SAHA & MAJUMDER**  
Chartered Accountants

**FRN : 303087E**

Sd/-

**S.N. Bhattacharjee**

Partner

Membership No. 010767

ICAI UDIN:20010767AAAAAG1717

# Independent Auditor's Report (contd.)

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

With reference to the Annexure A referred to in paragraph 1 in Report on Other Legal and Regulatory Requirements of the Independent Auditor's Report to the Members of the Company on the standalone financial statements for the year ended 31 March 2020, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified during the year. No material discrepancies were observed on such verification.
- (c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- (ii) 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.
- (iii) According to information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
- (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) The Company has not accepted any deposits from the public. Hence, paragraph 3 (v) of the order is not applicable.
- (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 31 March 2020, 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	61,203	AY : 2013-2014	ITAT
Income Tax Act, 1961	Income Tax	2,30,169	AY : 2014-2015	Commissioner (Appeals)
Income Tax Act, 1961	Income Tax	22,12,100	AY : 2016-2017	Commissioner (Appeals)
West Bengal Sales Tax Act, 1994	Sales Tax/ Value added Tax	27,24,449*	FY : 2004-2005	Hon'ble High Court Calcutta (Demand Stayed)

# Independent Auditor's Report (contd.)

West Bengal Sales Tax Act, 1994	Sales Tax / Value Added Tax	55,34,200	FY : 2006-2007 FY : 2009-2010 and FY : 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 (Demand Stayed)
Central Sales Tax Act, 1956	Sales Tax / Value Added Tax	35,38,934	FY : 2005-2006 FY : 2007-2007 and FY : 2011-2012	Appellate & Revisional Board
West Bengal Sales Tax Act, 1994	Sales Tax / Value Added Tax	12,61,694	FY : 2007-2008 and FY : 2008-2009	Commissioner (Appeals)
Central Sales Tax Act, 1956	Sales Tax / Value Added Tax	10,95,010	FY : 2007-2008 and FY : 2008-2009	Commissioner (Appeals)

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to the financial institution and bank. The Company does not have any outstanding loans or borrowings from the debenture holder during the year.
- (ix) 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 (ix) of the Order is not applicable to the Company.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us and based on examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and details of all transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him.
- (xvi) 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.

Place : Siliguri  
Date : September, 18, 2020

For **SAHA & MAJUMDER**  
Chartered Accountants  
**FRN : 303087E**  
Sd/-  
**S.N. Bhattacharjee**  
Partner  
Membership No. 010767  
ICAI UDIN:20010767AAAAAG1717

# Independent Auditor's Report (contd.)

## Annexure "B" to the Independent Auditor's 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 2020 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.

# Independent Auditor's Report (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 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 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 31 March 2020, 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 : September, 18, 2020

For **SAHA & MAJUMDER**

Chartered Accountants

**FRN : 303087E**

Sd/-

**S.N. Bhattacharjee**

Partner

Membership No. 010767

ICAI UDIN:20010767AAAAAG1717



# BALANCE SHEET as at 31st March, 2020

(` in Lacs)

Particulars	Note No.	As at 31st March, 2020	As at 31st March, 2019
<b>I ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Property, Plant and Equipment	4	5,570.58	5,216.47
(b) Capital Work-In-Progress	4	9.15	159.47
(c) Financial Assets			
(i) Investments	5	715.93	717.06
(ii) Loans Receivable	6	10.51	10.51
(iii) Other Financial Assets	7	32.06	125.64
(d) Income-Tax Assets, (Net)		-	-
(e) Other Non-Current Assets	8	351.60	327.38
(f) Income-Tax Assets	32	22.42	-
<b>(A) Total Non-Current Assets (a+b+c+d+e+f)</b>		<b>6,712.25</b>	<b>6,556.53</b>
<b>(2) Current Assets</b>			
(a) Inventories	9	314.46	574.95
(b) Financial Assets			
(ii) Trade Receivables	10	1,879.02	2,064.82
(iii) Cash and Cash Equivalents	11	30.37	59.74
(iv) Other Financial Assets	12	1,157.38	57.36
(i) Investments	13	887.84	486.01
(c) Other Current Assets	14	1,820.08	1,997.70
<b>(B) Total Current Assets (a+b+c)</b>		<b>6,089.15</b>	<b>5,240.58</b>
<b>Total Assets (A+B)</b>		<b>12,801.40</b>	<b>11,797.11</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	15	690.29	690.29
(b) Other Equity	16	5,925.13	5,783.66
<b>(C) Total Equity (a+b)</b>		<b>6,615.42</b>	<b>6,473.95</b>
<b>LIABILITIES</b>			
<b>(1) Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	17	2,588.75	2,521.07
(b) Provisions	18	79.32	83.47
(c) Deferred Tax Liability (Net)	32	6.14	22.16
(d) Other Non-Current Liabilities	19	120.47	149.03
<b>(D) Total Non-Current Liabilities (a+b+c+d)</b>		<b>2,794.68</b>	<b>2,775.73</b>
<b>(2) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	20	1,896.50	775.83
(ii) Trade Payables	21	-	9.18
- Total Outstanding dues of Micro Enterprises and Small Enterprises		-	9.18
- Total Outstanding dues of Creditors other than Micro Enterprises & Small Enterprises		789.48	1,539.25
(iii) Other Financial Liabilities	22	11.10	41.31
(b) Other Current Liabilities	23	674.07	162.02
(c) Provisions	24	4.79	4.79
(d) Current Tax Liabilities, (Net)	32	15.36	15.05
<b>(E) Total Current Liabilities (a+b+c+d)</b>		<b>3,391.30</b>	<b>2,547.43</b>
<b>Total Liabilities (D+E)</b>		<b>6,185.98</b>	<b>5,323.16</b>
<b>Total Equity and Liabilities (C+D+E)</b>		<b>12,801.40</b>	<b>11,797.11</b>
Significant Accounting Policies	3		

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

For and on behalf of the Board of Directors

For SAHA & MAJUMDER

Chartered Accountants

FRN 303087E

Sd/-

S.N. Bhattacharjee

Partner

Membership No 010767

Place : Siliguri

Dated : 18th September, 2020

Sd/-

Ajit Kumar Agarwala

Managing Director

DIN : 00265775

Sd/-

Rajendra Kanodia

Director & CFO

DIN : 00175574

Sd/-

Roshan Dave

Company Secretary

ACS 27185



# STATEMENT OF PROFIT & LOSS for the year ended 31st March, 2020

(` in Lacs)

PARTICULARS	Note No.	For the Year ending on 31st March, 2020	For the Year ending on 31st March, 2019
<b>I Revenue from Operations</b>			
Sale of Goods	25	11,866.21	14,075.13
		11,866.21	14,075.13
<b>II Other Income</b>	26	1,178.19	94.35
<b>III Total Income(I+II)</b>		13,044.40	14,169.48
<b>IV Expenses</b>			
Cost of Material Consumed	27	2,781.65	3,706.99
Purchase of Stock-In-Trade	27	6,546.28	7,024.15
Change in Inventories of Finished Goods and Stock-In-Trade	28	224.86	76.41
Employee Benefits Expense	29	602.24	602.97
Finance Costs	30	378.87	376.44
Depreciation Expense	4	147.94	164.76
Other Expenses	31	2,236.11	2,092.98
<b>Total Expenses</b>		12,917.95	14,044.70
<b>V Profit Before Tax (III-IV)</b>		126.45	124.78
<b>VI Tax Expense:</b>			
(1) Current Tax	32	15.36	9.44
(2) Tax Expense for Earlier Year	32	(2.95)	-
(3) Minimum Alternative Tax	32	(15.36)	-
(4) Deferred Tax	32	(12.06)	(15.96)
<b>Sub Total (1+2+3+4)</b>		(15.01)	(6.52)
<b>VII Profit for the Year (V-VI)</b>		141.46	131.30
<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		-	0.27
(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>		-	0.27
<b>IX Total Comprehensive Income For The Period (VII+VIII)</b>		141.46	131.57
<b>Earnings per Share (Nominal Value of Rs. 10 Each)</b>			
Basic [in Rs]	34	2.06	1.91
Diluted [in Rs]	34	2.06	1.91
Weighted Average Number of Equity Shares Used in Computing Earnings per Share			
- Basic (Nos)	34	68,79,300	68,79,300
- Diluted (Nos)	34	68,79,300	68,79,300
Significant Accounting Policies	3		

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

For and on behalf of the Board of Directors

For SAHA & MAJUMDER

Chartered Accountants

FRN 303087E

Sd/-

**S.N. Bhattacharjee**

Partner

Membership No 010767

Place : Siliguri

Dated : 18th September, 2020

Sd/-

**Ajit Kumar Agarwala**

Managing Director

DIN : 00265775

Sd/-

**Rajendra Kanodia**

Director & CFO

DIN : 00175574

Sd/-

**Roshan Dave**

Company Secretary

ACS 27185

# CASH FLOW STATEMENT for the year ended 31st March, 2020

(` in Lacs)

	For the Year Ended 31st March, 2020	For the Year Ended 31st March, 2019
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before Tax	126.45	124.78
<u>Adjustments for:</u>		
Depreciation	147.94	164.76
Dividend Income	(0.05)	(0.07)
Provision for Doubtful Debts	99.28	90.63
Net Loss / (Gain) on Financial Asset Measured at Fair Value	99.32	-31.76
Interest Income	(5.88)	(3.42)
Interest Expense	378.87	376.44
Provision no Longer Required, Written Back	(18.18)	(6.42)
	827.76	714.94
<u>Changes in:</u>		
Trade Receivables	86.51	(1,097.66)
Inventories	260.49	45.62
Loans, Other Financial Assets and Other Assets	(853.04)	254.98
Liabilities and Provisions	(291.63)	360.87
<b>Cash Generated from Operations</b>	30.09	278.74
Income Tax Paid, Net of Refund	(23.09)	(9.33)
<b>Net Cash from Operating Activities</b>	7.00	269.41
<b>Cash Flow from Investing Activities</b>		
Acquisition of Property, Plant and Equipment	(351.74)	(179.00)
Purchase / (Sale) of Investments, Net	(511.84)	380.14
Profit on Sale of Investments	11.81	13.35
Dividend Received	0.05	0.07
Interest Received	5.88	3.42
<b>Net Cash Provided Used in Investing Activities</b>	(845.84)	217.98
<b>Cash Flow from Financing Activities</b>		
Proceeds / (Repayment) of Borrowings	1,188.35	(175.10)
Interest Paid	(378.87)	(376.44)
<b>Net Cash used in Financing Activities</b>	809.47	(551.55)
<b>Net Change in Cash and Cash Equivalents</b>	(29.37)	(64.16)
Cash and Cash Equivalents at the Beginning of the Year	59.74	123.90
<b>Cash and Cash Equivalents at the End of the Year (Refer Note 11)</b>	30.37	59.74
Significant Accounting Policies (Refer Note 3)		

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

For and on behalf of the Board of Directors

For SAHA & MAJUMDER

Chartered Accountants

FRN 303087E

Sd/-

**S.N. Bhattacharjee**

Partner

Membership No 010767

Place : Siliguri

Dated : 18th September, 2020

Sd/-

**Ajit Kumar Agarwala**

Managing Director

DIN : 00265775

Sd/-

**Rajendra Kanodia**

Director & CFO

DIN : 00175574

Sd/-

**Roshan Dave**

Company Secretary

ACS 27185

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

## Statement of Changes in Equity and Other Equity for the year Ended 31st March, 2019

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 2018	690.29	764.56	4,837.41	49.88	9.45	(9.20)	6,342.39
Remeasurement of the Net Defined Benefit Liability/Asset, net of tax effect	—	—	—	—	—	0.27	0.27
Profit for the year	—	—	131.30	—	—	—	131.29
Balance as at 31 March 2019	690.29	764.56	4,968.71	49.88	9.45	(8.93)	6,473.95

## Statement of Changes in Equity and Other Equity for the year Ended 31st March, 2020

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 2019	690.29	764.56	4,968.71	49.88	9.45	(8.93)	6,473.96
Remeasurement of the Net Defined Benefit Liability/Asset, net of tax effect	—	—	—	—	—	—	—
Profit for the year	—	—	141.46	—	—	—	141.46
Balance as at 31 March 2020	690.29	764.56	5,110.17	49.88	9.45	(8.93)	6,615.42

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

For and on behalf of the Board of Directors

For **SAHA & MAJUMDER**

Chartered Accountants

FRN 303087E

Sd/-

**S.N. Bhattacharjee**

Partner

Membership No 010767

Place : Siliguri

Dated : 18th September, 2020

Sd/-

**Ajit Kumar Agarwala**

Managing Director

DIN : 00265775

Sd/-

**Rajendra Kanodia**

Director & CFO

DIN : 00175574

Sd/-

**Roshan Dave**

Company Secretary

ACS 27185

# Notes to Financial Statements

## **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 and its Equity Shares are listed on the Bombay Stock Exchange (BSE), Calcutta Stock Exchange Limited, Ahmedabad Stock Exchange Limited and Jaipur 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 18th September, 2020.

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 2020 is included in the following notes:

**Note 32** - Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;

**Note 38** - Measurement of defined benefit obligations: key actuarial assumptions;

**Note 33** - 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 - 11** - 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.

# Notes to Financial Statements (Contd.)

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).

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 - 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.

# Notes to Financial Statements (Contd.)

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.

#### (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

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

# Notes to Financial Statements (Contd.)

## As a lessee

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

## As a lessor

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary.

Lease Income from operating leases, where the Company is a lessor, is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflation.

## (d) 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.

## (e) 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.

## (f) 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.



# Notes to Financial Statements (Contd.)

## 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.

## (g) 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.

## (h) 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

# Notes to Financial Statements (Contd.)

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

## (i) 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.

## (j) Revenue Recognition

Ind AS 115 was issued on 28 March 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all the relevant facts and circumstances when applying each step of the model to contracts with their customers. The Company adopted Ind AS 115 using the modified retrospective method of adoption with the date of initial application of 1 April 2019. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Company elected to apply the standard to all contracts as at 1 April 2019. However, the application of Ind AS 115 does not have any significant impact on the recognition and measurement of revenue and related items.

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.

### 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 effects of variable consideration, the existence of significant financing component, non-cash considerations and consideration payable to the customer (if any).

### Dividend Income

Dividend income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

### 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.

## (k) 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

# Notes to Financial Statements (Contd.)

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.

## (l) 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.

## (m) 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.

# Notes to Financial Statements (Contd.)

## 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.

## (n) 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.

## (o) 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.

## (p) 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.

## (q) 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.

### Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2020 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind AS which the Company has not applied as they are effective from April 1, 2020:

## Notes to Financial Statements for the Year ended 31st March, 2020 (Contd.)

### NOTE 4 - PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR 2019-20

(` in Lacs)

#### Reconciliation of Carrying Amount

Description	Gross Carrying Amount			As at 31st March 2020	Accumulated Depreciation			Carrying Amounts (Net) As at 31st March 2020
	As at 1st April 2019	Additions	Disposals / Adjustment		As at 1st April 2019	Additions	Disposals	
Freehold Land	2,581.86	-	-	2,581.86	-	-	-	2,581.86
Buildings	784.20	-	-	784.20	176.87	-	219.26	564.95
Plant and Machinery	649.36	12.89	2.00	660.25	193.38	-	240.37	419.88
Furniture and Fixtures	157.25	8.19	-	165.44	55.36	-	80.71	84.73
Motor Vehicles	28.16	-	-	28.16	11.67	-	14.31	13.84
Office Equipment	4.11	1.50	-	5.61	3.83	-	4.47	1.14
Computer and Data Processing Units	5.70	1.69	-	7.39	2.70	-	3.44	3.94
Bearer Plants	1,506.40	479.80	-	1,986.20	56.78	-	85.95	1,900.25
<b>Total</b>	<b>5,717.04</b>	<b>504.06</b>	<b>2.00</b>	<b>6,219.10</b>	<b>500.57</b>	<b>-</b>	<b>648.52</b>	<b>5,570.58</b>
Capital work in progress	159.47	329.48	479.80	9.15	-	-	-	9.15

Description	Gross Carrying Amount			As at 31st March 2019	Accumulated Depreciation			Carrying Amounts (Net) As at 31st March 2019
	As at 1st April 2018	Additions	Disposals / Adjustment		As at 1st April 2018	Additions	Disposals	
Freehold Land	2,581.86	-	-	2,581.86	-	-	-	2,581.86
Buildings	784.20	-	-	784.20	99.60	-	176.87	607.33
Plant and Machinery	631.68	17.67	-	649.36	151.41	-	193.38	455.98
Furniture and Fixtures	157.25	-	-	157.25	17.09	-	55.36	101.89
Motor Vehicles	21.12	7.04	-	28.16	9.84	-	11.67	16.49
Office Equipment	3.57	0.55	-	4.11	1.47	-	3.83	0.29
Computer and Data Processing Units	5.02	0.68	-	5.70	2.22	-	2.70	3.00
Bearer Plants	1,506.40	-	-	1,506.40	54.18	-	56.78	1,449.63
<b>Total</b>	<b>5,691.10</b>	<b>25.94</b>	<b>-</b>	<b>5,717.04</b>	<b>335.82</b>	<b>-</b>	<b>500.57</b>	<b>5,216.47</b>
Capital work in progress	6.41	181.47	28.41	159.47	-	-	-	159.47

# Notes to Financial Statements (Contd.)

(` in Lacs)

## NOTE 5 - FINANCIAL ASSETS : 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 2020	As at 31st March 2019	As at 31st March 2020	As at 31st March 2019
At Cost					
<u>Unquoted</u>					
Investment in Equity Instruments (Fully Paid)					
Investment in Associates					
Abhijit Tea Company Private Limited	100	7,338	7,338	332.40	332.40
Amit Paridhan Private Limited	10	175,000	175,000	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	262,500	262,500	24.23	24.23
Terai Financial Services Private Limited	10	22,554	22,554	0.23	0.23
Terai Infrastructures Limited	10	2,609,500	2,609,500	21.45	21.45
Terai Ispat & Trading Private Limited	10	701,273	701,273	22.83	22.83
Terai Overseas Private Limited	10	317,460	317,460	28.70	28.70
The Kharibari Tea Company Limited	10	96,937	96,937	44.22	44.22
Sub-Total (A)				691.67	691.67
Others					
Techno Steel India Private Limited		2,500	2,500	1.25	1.25
Shilpam Dealcom Private Limited	10	225,000	225,000	22.50	22.50
Sub-Total (B)				23.75	23.75
<u>Quoted</u>					
Investment in Equity Instruments (Fully Paid)					
Bajaj Hindustan Sugar Limited	1	4,000	4,000	0.11	0.35
Central Bank Of India	10	2,388	2,388	0.32	1.00
IFCI Limited	10	2,000	2,000	0.08	0.28
Sub-Total (C)				0.51	1.63
Total Non-Current Investment (A + B + C)				715.93	717.06
Aggregate Amount of Unquoted Non-Current investment				715.42	715.42
Aggregate Market Value of Quoted Non-Current Investment				0.51	1.63

# Notes to Financial Statements (Contd.)

(` in Lacs)

## NOTE 6 - FINANCIAL ASSETS : LOANS RECEIVABLE (NON-CURRENT)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Unsecured</b>		
<i>Considered Good:</i>		
Security Deposits	10.51	10.51
	<b>10.51</b>	<b>10.51</b>

## NOTE 7 - OTHER FINANCIAL ASSETS

<b>Unsecured</b>		
<i>Considered Good:</i>		
Grants Receivable	9.51	67.15
Fixed Deposits with Banks	16.05	46.05
Other Receivables	6.51	12.45
	<b>32.06</b>	<b>125.64</b>

## NOTE 8 - OTHER NON-CURRENT ASSETS

<b>Unsecured</b>		
<i>Considered Good:</i>		
- Advance Against Land	59.60	59.60
- Advances Against Supply of Goods and Services	-	5.57
- Gold and Silver	174.29	144.50
- Assets Held for Investment	14.45	14.45
- Assets Held for Sale	103.26	103.26
	<b>351.60</b>	<b>327.38</b>

## NOTE 9 - INVENTORIES

Finished Goods	222.90	447.75
Stores and Spare Parts	91.56	127.19
	<b>314.46</b>	<b>574.95</b>

## NOTE 10 - TRADE RECEIVABLES

<b>Unsecured</b>		
Considered Good*	1,879.02	2,064.82
Considered Doubtful	99.28	90.63
	<b>1,978.30</b>	<b>2,155.45</b>
Less: Allowance for doubtful debts	(99.28)	(90.63)
	<b>1,879.02</b>	<b>2,064.82</b>

The Company's exposure to credit and loss allowances related to trade receivables are disclosed in note 38.

## NOTE 11 - CASH AND BANK BALANCES

<b>Cash and Cash Equivalents</b>		
- Cash on Hand	27.16	32.43
- Current Accounts	3.21	27.32
	<b>30.37</b>	<b>59.74</b>

## NOTE 12 - OTHER FINANCIAL ASSETS

<b>Unsecured</b>		
<i>Considerd Good :</i>		
Grants Receivable	49.16	53.97
Interest Accrued but Not Due	4.56	3.39
Others *	1,103.66	-
	<b>1,157.38</b>	<b>57.36</b>

\* Others Includes Insurance Claim and Other Receivables

# Notes to Financial Statements (Contd.)

(` in Lacs)

## NOTE 13 - CURRENT INVESTMENTS

### At Fair Value Through Profit and Loss

Particulars	Face value per share/ unit	Units/Nos.		Amount	
		As at 31st March 2020	As at 31st March 2019	As at 31st March 2020	As at 31st March 2019
<b>Quoted</b>					
Investment in Equity Instruments (Fully Paid)					
Bharat Heavy Electricals Limited	2	2,500	2,500	0.78	2.03
GOL Offshore Limited	10	5,000	5,000	0.50	4.32
Hotel Leela Venture Limited	2	5,000	5,000	0.16	0.56
UCO Bank	10	5,000	5,000	0.45	0.99
United Bank of India (Now 8470 Shares of PNB)	10	70,000	70,000	3.15	8.12
Varun Shipping Company Limited	10	5,000	5,000	0.25	0.34
<b>Sub-Total (A)</b>				<b>5.29</b>	<b>16.36</b>
<b>Unquoted</b>					
Investment in Mutual Funds					
DSP Black Rock Income Opportunities Fund-Regular Plan- Growth		—	1,89,421.205	—	53.28
DSP Dyanamic Asset Allocation Fund - Growth		3,34,530.939	—	47.33	—
HSBC Equity Hybrid Fund Growth		5,20,114.311	-	47.88	—
Baroda Pioneer Credit Opportunities Fund Plan A- Growth		—	4,10,129.534	-	58.48
ICICI Prudential Asset Allocation Fund		1,10,400.293	—	139.28	—
ICICI Prudential Monthly Income Plan-25 Growth		1,43,736.399	1,43,736.399	94.30	61.23
SBI Magnum Monthly Income Plan- Regular Plan- Growth		—	1,07,273.058	—	42.45
HDFC Mip -Long Term Plan (G)		—	89,231.063	—	41.08
ICICI Prudential Equity Income Fund-Regular		—	2,48,997.236	—	34.31
Reliance Regular Saving Fund-Balanced Option		—	49,240.442	—	27.14
ICICI Prudential Mip-25 Direct Plan (G)		—	2,16,670.769	—	92.30
Nippon India Equity Hybrid Fund Growth		49,240.442	—	0.03	—
Nippon India Credit Risk Fund Segregated		3,97,093.277	—	0.59	—
Reliance Credit Risk Fund		3,97,093.277	—	90.82	—
Reliance Regular Saving Fund-Balanced		3,450.001	—	17.42	—
Reliance Ultra Short Duration Fund		6,900.002	—	101.27	—
SBI Dynamic Asset Allocation Fund Growth		3,28,878.353	—	38.07	—
SBI Savings Fund		3,40,587.855	—	105.57	—
UTI Dividend Yield Fund		1,59,938.072	—	81.79	—
Kotak Balanced Advantage Fund (G)		12,76,160.350	5,71,997.769	118.21	59.37
<b>Sub-Total (B)</b>				<b>882.55</b>	<b>469.65</b>
<b>Total Non-Current Investment (A + B)</b>				<b>887.84</b>	<b>486.01</b>
Aggregate Amount of Unquoted Current Investment				882.55	469.65
Aggregate Market Value of Quoted Current Investment				5.29	16.36



# Notes to Financial Statements (Contd.)

(` in Lacs)

## NOTE 14 - OTHER CURRENT ASSETS

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Unsecured</b>		
Considerd Good		
Advances for Supply of Goods and Services	1,583.02	1,707.57
Prepayments	7.76	8.04
Other Advances	200.55	274.00
Balances with statutory authorities	28.76	8.09
	<b>1,820.08</b>	<b>1,997.70</b>
<b>NOTE 15 - EQUITY SHARE CAPITAL</b>		
<b>Authorised</b>	<b>1,000.00</b>	1,000.00
[1,00,00,000 Equity Shares of ` 10 each (31 March 2018: 1,00,00,000 Equity Shares of ` 10 each)]		
	<b>1,000.00</b>	<b>1,000.00</b>
<b>Issued and Subscribed Capital</b>		
[68,79,300 Equity Shares of ` 10 each (31 March 2018: 68,79,300 Equity Shares of ` 10 each)]	<b>687.93</b>	687.93
<b>Paid-up Capital</b>		
[68,79,300 Equity Shares of ` 10 each (31 March 2018: 68,79,300 Equity Shares of ` 10 each)]	<b>687.93</b>	687.93
Add : Shares Forfeited	<b>2.36</b>	2.36
	<b>690.29</b>	<b>690.29</b>

### Rights, Preferences and Restrictions Attached to Equity Shares :

The Company has only one class of Equity Shares having a par value of ` 10 per share. Each holder of Equity Shares is entitled to one vote per share. The 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.

### Notes :

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

	31 March 2020		31 March 2019	
	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%

#### b) Reconciliation of Number of Equity Shares Outstanding at the Beginning and at the end of the Reporting Year :

	31 March 2020		31 March 2019	
	No of Shares	Amount	No of Shares	Amount
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>

c) 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 Financial Statements (Contd.)

(` in Lacs)

## NOTE 16 - OTHER EQUITY

Particulars	As at 31st March, 2020	As at 31st March, 2019
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	5,110.17	4,968.71
General Reserve	49.88	49.88
Share Forfeiture	9.45	9.45
Items of Other Comprehensive Income	(8.93)	(8.94)
	<b>5,925.13</b>	<b>5,783.66</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 17 - NON-CURRENT BORROWINGS

Particulars	As at 31st March, 2020	As at 31st March, 2019
Secured		
Term Loans from Banks (Refer note below)	2,599.85	2,562.37
Less : Current Maturities of Long Term Debt. (Refer Note Below and 22)	11.10	41.30
	<b>2,588.75</b>	<b>2,521.07</b>

Note :

Facility Category	Security Details	Amount as at 31 March 2020	Amount as at 31 March 2019
Term Loan	i) Equitable mortgage on property belonging to Abhijit Tea Company Private Limited. ii) Personal guarantee of Mr. Ajit Kumar Agarwala and Mrs. Shashikala Agarwala. iii) Letter of comfort from Abhijit Tea Company Private Limited.	1,100.00	1,100.00
Term Loan	i) The loan is secured by collateral security of landed property belonging to M/s Terai Ispat and Trading Private Limited. ii) Personal guarantee of Mr. Ajit Kumar Agarwala and Mrs. Shashikala Agarwala.	1,200.00	1,200.00
Term Loan	i) Equitable mortgage on property, plant and equipment of Bagdogta T.E. ii) Personal guarantee of Mr. Ajit Kumar Agarwala and Mrs. Shashikala Agarwala.	285.71	216.87
Term Loan	Secured against equitable mortgage of Company's immovable land and building of TFU unit and hypothecation of current assets of the same unit ranking pari passu with working capital.	9.94	40.23
Vehicle Loan	Secured by Vehicle	4.20	5.28
Total		2,599.85	2,562.38

The Rate of Interest on the Above Loans are in the Range of 8.95% to 9.70% p.a.

# Notes to Financial Statements (Contd.)

(` in Lacs)

## **NOTE 17 - NON-CURRENT BORROWINGS (Contd.)**

Repayment schedule as at 31 March 2020

Facility Category	Total Carrying value	< 1 year	> 1 year	Terms and conditions of Term loan from banks
Term Loan	1,100.00	--	1100.00	By Bullet Payment in the year 2021-22
Term Loan	1,200.00	--	1200.00	By bullet payment in the year 2021-22
Term Loan	285.71	--	285.71	Repayable in 28 structured quarterly installments after a moratorium period of 24 months.
Term Loan	9.94	9.94	--	Repayable in 4 equal quarterly installments of Rs.10 lakhs each. The final repayment is in 2020-21.
Vehicle Loan	4.20	1.16	3.04	Repayable in 60 equal installments.
<b>Total</b>	<b>2,599.85</b>	<b>11.10</b>	<b>2,588.75</b>	

## **NOTE 18 - PROVISIONS (NON-CURRENT)**

Particulars	As at 31st March, 2020	As at 31st March, 2019
Provision for Employee Benefits (Refer Note 37)		
– Gratuity	<b>79.32</b>	83.47
	<b>79.32</b>	83.47
<b>NOTE 19 - OTHER NON-CURRENT LIABILITIES</b>		
Deferred Income	<b>120.47</b>	149.03
	<b>120.47</b>	149.03
<b>NOTE 20 - CURRENT-BORROWINGS</b>		
<b>Secured</b>		
Working Capital Loan from Bank (Refer Note Below)	<b>1,896.50</b>	775.83
	<b>1,896.50</b>	775.83

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.

Rate of Interest on Working Capital Loans Ranges from 8.95% to 9.10%.

# Notes to Financial Statements (Contd.)

( ` in Lacs)

## **NOTE 21 - TRADE PAYABLES**

	As at 31st March, 2020	As at 31st March, 2019
Total Outstanding Dues of Micro and Small Enterprises (Refer Note Below)	--	9.18
Total Outstanding Dues of Other Than Micro and Small Enterprises*	<b>789.48</b>	1,539.25
	<b>789.48</b>	1,539.25
<p><b>Note :</b> 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 2020. 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.</p> <p>The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year:</p> <ul style="list-style-type: none"> <li>- Principal <span style="float: right;">--</span> <span style="float: right;">9.18</span></li> <li>- Interest <span style="float: right;">--</span> <span style="float: right;">--</span></li> </ul> <p>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 <span style="float: right;">--</span> <span style="float: right;">--</span></p> <p>The amount of the payments made to micro and small suppliers beyond the appointed day during each accounting year <span style="float: right;">--</span> <span style="float: right;">--</span></p> <p>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. <span style="float: right;">--</span> <span style="float: right;">--</span></p> <p>The amount of interest accrued and remaining unpaid at the end of each accounting year.</p> <p>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. <span style="float: right;">--</span> <span style="float: right;">--</span></p> <p>The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 38.</p>		
<b><u>NOTE 22 - OTHER FINANCIAL LIABILITIES</u></b>		
Current Maturities of Long Term Debts (Refer Note 18)	<b>11.10</b>	41.31
	<b>11.10</b>	41.31
<b><u>NOTE 23 - OTHER CURRENT LIABILITIES</u></b>		
Statutory Dues Payable	<b>18.16</b>	4.83
Liability for Expenses and Goods	<b>101.06</b>	120.26
Advance From Customers	<b>554.85</b>	36.93
	<b>674.07</b>	162.02

# Notes to Financial Statements (Contd.)

(` in Lacs)

## **NOTE 24 - PROVISIONS**

	As at 31st March, 2020	As at 31st March, 2019
Provision for Employee Benefits (Refer Note 37)		
– Gratuity	4.79	4.79
	<b>4.79</b>	<b>4.79</b>

## **NOTE 25 - REVENUE FROM OPERATIONS**

Sale of Products	5,109.76	6,857.57
Sale of Traded Goods	6,660.56	7,217.56
Other Sales	95.89	—
	<b>11,866.21</b>	<b>14,075.13</b>

## **NOTE 26 - OTHER INCOME**

Interest Income from Financial Assets Carried at Amortised Cost	5.88	3.42
Dividend Income	0.05	—
Gain on at Fair Valuation of Investment	—	18.40
Profit on Redemption of Mutual Funds	11.81	13.35
Rental Income	9.44	10.30
Government Grant	28.56	23.29
Liabilities no Longer Required Written Back	18.18	19.78
Miscellaneous Income	5.52	5.82
Insurance Claim	0.67	—
Rent Compensation	1,098.09	—
	<b>1,178.19</b>	<b>94.35</b>

## **NOTE 27 - COST OF MATERIAL CONSUMED**

Purchases	2,781.65	3,706.99
Purchases of Traded Goods	6,546.28	7,024.15
	<b>9,327.93</b>	<b>10,731.14</b>

## **NOTE 28 - CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS**

<b>Opening Inventory</b>		
Work-in-Progress		
– Finished Goods	447.75	524.17
	<b>447.75</b>	<b>524.17</b>
<b>Closing Inventory</b>		
– Finished Goods	222.90	447.75
	<b>222.90</b>	<b>447.75</b>
<b>(Increase) / Decrease in Inventory</b>	<b>224.86</b>	<b>76.41</b>

# Notes to Financial Statements (Contd.)

(` in Lacs)

## **NOTE 29 - EMPLOYEE BENEFITS EXPENSE**

	As at 31st March, 2020	As at 31st March, 2019
Salaries, Wages and Bonus	561.15	565.73
Contribution to Provident and Other Funds (Refer Note 38)	24.61	23.63
Staff Welfare Expenses	16.47	13.60
	<b>602.24</b>	<b>602.97</b>

## **NOTE 30 - FINANCE COSTS**

Interest Expense on Financial Liability Measured at Amortised Cost	378.87	365.15
Others	—	11.30
	<b>378.87</b>	<b>376.44</b>

## **NOTE 31 - OTHER EXPENSES**

Consumption of Stores and Spares	239.15	244.87
Allowances for Doubtful Receivables	9.16	57.00
Sundry Balances Written Off	337.48	—
Loss on Revaluation of Investments	111.13	—
Power and Fuel	950.93	1,163.23
Freight and Transport Charges	4.03	35.70
Rent	0.26	0.26
Rates and Taxes	6.68	4.51
Insurance	6.62	5.37
Travelling and Conveyance	51.08	37.86
Repairs and Maintenance :		
– Building	82.12	17.67
– Plant and Machinery	58.80	201.44
– Others	25.12	50.19
– Plantation Maintenance	83.93	—
Professional Fees (Refer Note 35)	42.11	38.65
Miscellaneous	43.50	47.61
Communication Expense	2.90	3.10
Selling Expenses	161.58	175.31
Printing and Stationery	3.27	3.39
Subscription and Donation	5.61	6.83
Bank Charges	10.65	—
	<b>2,236.11</b>	<b>2,092.98</b>

# Notes to Financial Statements (Contd.)

(` in Lacs)

## NOTE 32- INCOME-TAX

For the Period Ended	31-03-2020	31-03-2019
<b>(a) Amounts Recognised in Statement of Profit and Loss</b>		
Current Tax	15.36	9.44
Tax Expense for Earlier Year	(2.95)	—
Minimum Alternative Tax Credit	(15.36)	—
Attributable to Origination and Reversal of Temporary Differences	(12.06)	(15.96)
	<b>(15.01)</b>	<b>(6.52)</b>

## (b) Amounts Recognised in Other Comprehensive Income

For the Period Ended	31-03-2020			31-03-2019		
	Before Tax	Tax (expense) Benefit	Net of Tax	Before Tax	Tax (Expense) Benefit	Net of Tax
<b>Items that will not be reclassified to statement of profit and loss</b>						
Remeasurements of the defined benefit plans	—	—	—	0.27	—	0.27
	—	—	—	<b>0.27</b>	—	<b>0.27</b>

## (c) Reconciliation of Effective Tax Rate

For the Period Ended	31-03-2020		31-03-2019	
<b>Profit Before Tax</b>		<b>126.45</b>		<b>124.78</b>
Tax using the Company's domestic tax rate:	26.00%	32.88	26.00%	32.44
<b>Tax effect of:</b>				
Tax-exempt income	(25.99%)	(32.87)	(18.43%)	(23.00)
Tax expenses for earlier years	(2.33%)	(2.95)	—	—
Others	(9.53%)	(12.06)	(12.79%)	(15.96)
	<b>(11.86%)</b>	<b>(15.00)</b>	<b>(5.22%)</b>	<b>(6.52)</b>

## (d) Recognised Deferred Tax Assets and Liabilities

Deferred Tax Assets and Liabilities are Attributable to the Following:

	Deferred Tax Assets		Deferred Tax Liabilities		Deferred Tax (Liabilities)/Asset, (Net)	
	31-03-2020	31-03-2019	31-03-2020	31-03-2019	31-03-2020	31-03-2019
Property, Plant and Equipment	--	--	53.82	35.47	(53.82)	(35.47)
Provision for Employee Benefits	21.87	-	-	-	21.87	-
Other Items	25.81	13.31	-	-	25.81	13.31
	<b>47.68</b>	<b>13.31</b>	<b>53.82</b>	<b>35.47</b>	<b>(6.14)</b>	<b>(22.16)</b>

## (e) Movement in Temporary Differences

	01-04-2019	Recognised in Statement of profit and Loss	Recognised in OCI	Recognised Directly in Equity	Others	31-03-2020
Property, Plant and Equipment	(35.47)	18.34	-	-	-	(53.82)
Provision for Employee Benefits	-	(21.87)	-	-	-	21.87
Other Items	13.31	(8.54)	-	-	(3.96)	25.81
	<b>(22.16)</b>	<b>(12.06)</b>	<b>-</b>	<b>-</b>	<b>(3.96)</b>	<b>(6.14)</b>
	01-04-2018	Recognised in Statement of profit and Loss	Recognised in OCI	Recognised Directly in Equity	Others	31-03-2019
Property, Plant and Equipment	(68.31)	(32.84)	-	-	-	(35.47)
Investment at Fair Value through Profit and Loss	4.19	4.19	-	-	-	-
Other Items	26.00	12.69	-	-	-	13.31
	<b>(38.12)</b>	<b>(15.96)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(22.16)</b>

The following table provides the details of Income Tax Assets and Income Tax Liabilities

As at	31-03-2020	31-03-2019
Income tax assets (net)	22.42	-
Current tax liabilities (net)	15.36	15.05
<b>Net current income tax asset / (liability)</b>	<b>7.05</b>	<b>(15.05)</b>

# Notes to Financial Statements (Contd.)

(` in Lacs)

## **NOTE 33 - 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 amounted to Rs. 180.32 Lakhs; (31 March 2019 : Rs. 159.23 Lakhs)
- VAT and Sales Tax Demand on Assessment Aggregating Rs. 154.65 Lakhs (31 March, 2019 : Rs. 154.65 Lakhs) being disputed
  - Income Tax Demands - Rs. 25.67 Lakhs ( 31st March 2019: Rs. 4.58 Lakhs) being disputed
- (b) Bank Guarantees outstanding as at 31 March 2020: Rs.153.19 lakhs (31 March 2019: Rs. 136.46 lakhs)

**Note :** Contingent Liabilities disclosed above represent possible obligations where possibilities of Cash Outflow to settle the obligations is not remote.

### **(ii) Commitments:**

- (a) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. Nil lakhs (31 March 2019: Rs Nil)
- (b) 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	
		31-03-2020	31-03-2019	31-03-2020	31-03-2019
Abhijit Tea Company Private Limited	Bank of India	930.00	930.00	572.62	348.45
Terai Overseas Private Limited	Bank of India	5,343.00	5,343.00	4,544.19	3,419.27

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 34 - EARNINGS PER SHARE**

A. Computation of earnings per share is as follows:

For the period	31-03-2020	31-03-2019
<b>Net Profit Attributable to the Equity Shareholders</b>	<b>141.46</b>	131.57
Nominal Value of Equity Shares	10	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>2.06</b>	1.91
- Diluted	<b>2.06</b>	1.91

## **NOTE 35 : AUDITOR'S REMUNERATION (INCLUDED IN LEGAL AND PROFESSIONAL FEES, EXCLUDING APPLICABLE TAXES)**

For the period	31-03-2020	31-03-2019
Statutory Audit Fees	2.00	2.00
Tax Audit Fees	0.50	0.50
	<b>2.50</b>	<b>2.50</b>



# Notes to Financial Statements (Contd.)

(` in Lacs)

## NOTE 36 - 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 Tea Resorts Limited Terai Resorts & Country Club 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 Roshan Dave
3. Entities where key management personnel and their relatives are able to exercise significant influence	Ajit Kumar Agarwala and Others (HUF) Kanchaanview Resorts Private Limited Bagdogra Tea Company Private Limited

4. The Following are Significant Transactions with Related Parties by the Company.

Particulars	Relation	31-03-2020	31-03-2019
Sale of Products	Associates	13.15	5.60
Purchase of Goods	Associates	10.66	44.53
Short-Term Employee Benefits	KMP	81.72	75.72

5. The Balance Receivable from and Payable to Related Parties are : NIL

**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 Financial Statements (Contd.)

(` in Lacs)

## NOTE 37 - EMPLOYEE BENEFITS

### (a) Defined Contribution Plans

The Company has recognised an amount of Rs.24.61 lakhs (31 March 2019: Rs.23.63 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)	31-03-2020	31-03-2019
<b>(i) Reconciliation of Present Value of Defined Benefit Obligation</b>		
Obligations as at 1 April	88.25	124.76
Current Service cost	7.84	(36.93)
Interest Cost	4.91	9.10
Benefits settled	(3.35)	(8.95)
Actuarial (gain) / loss due to financial assumptions	5.22	0.27
Actuarial (gain) / loss due to experience adjustments	(18.76)	—
Obligations at the year end 31 March	84.11	88.25
<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	3.35	8.95
Benefits settled	(3.35)	(8.95)
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	84.11	88.25
Plan assets at 31 March at fair value	—	—
Amount recognised in balance sheet asset / (liability)	(84.11)	(88.25)
Non-Current	79.32	83.47
Current	4.79	4.79
<b>2. Expenses Recognised in the Statement of Profit and Loss under Employee Benefit Expense:</b>		
Current service cost	7.84	(36.93)
Interest cost	4.91	9.10
Changes in financial assumptions	5.22	—
Experience adjustments	(18.76)	—
Net cost	(0.79)	(27.83)
<b>3. Remeasurements Recognised in Statement of Other Comprehensive Income</b>		
Changes in financial assumptions	—	0.27
Net Loss / (Gain) recognised in statement of other comprehensive income	—	0.27
<b>4. Principal Actuarial Assumptions</b>		
Discount factor [Refer note (i) below]	7.00%	7.70%
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

The Sensitivity Analysis of Significant Actuarial Assumption as of end of Reporting Period is Shown Below.

	31-03-2020	31-03-2019
<b>A. Discount Rate</b>		
Discount Rate -1%	94.41	96.21
Discount Rate +1%	78.79	81.32
<b>B. Salary Escalation Rate</b>		
Salary Rate -1%	78.29	80.78
Salary Rate +1%	94.82	96.69

# Notes to Financial Statements (Contd.)

(` in Lacs)

## **NOTE 38 - 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 2020, 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	13	882.55	-	-	-	882.55	882.55	-	-	882.55
Investment in Equity Shares	5, 13	5.80	-	715.42	-	721.22	5.80	-	715.42	721.22
		888.35	-	715.42	-	1,603.77	888.35	-	715.42	1,603.77
<b>Financial Assets not Measured at Fair Value</b>										
Loans	6	-	-	10.51	-	10.51				
Other Financial Assets	7, 12	-	-	1,189.43	-	1,189.43				
Trade Receivables	10	-	-	1,879.02	-	1,879.02				
Cash and Cash Equivalents	11	-	-	30.37	-	30.37				
		-	-	3,109.34	2,318.07	3,109.34				
<b>Financial Liabilities not Measured at Fair Value</b>										
Borrowings	17,20	-	-	-	4,485.24	4,485.24				
Trade Payables	21	-	-	-	789.48	789.48				
Other Financial Liabilities	22	-	-	-	11.10	11.10				
		-	-	-	5,285.82	5,285.82				

The following table shows the carrying amounts and fair values of Financial Assets and Financial Liabilities as at 31 March 2019, 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	5, 13	469.65	-	-	-	469.65	469.65	-	-	469.65
Investment in Equity Shares	5, 13	17.99	-	715.42	-	733.42	17.99	-	715.42	733.42
		487.65	-	715.42	-	1,203.07	487.65	-	715.42	1,203.07
<b>Financial Assets not Measured at Fair Value</b>										
Loans	6	-	-	10.51	-	10.51				
Other Financial Assets	7, 12	-	-	183.00	-	183.00				
Trade Receivables	10	-	-	2,064.82	-	2,064.82				
Cash and Cash Equivalents	11	-	-	59.74	-	59.74				
		-	-	2,318.07	-	2,318.07				
<b>Financial Liabilities not Measured at Fair Value</b>										
Borrowings	17,20	-	-	-	3,296.90	3,296.90				
Trade Payables	21	-	-	-	1,548.43	1,548.43				
Other Financial Liabilities	22	-	-	-	41.30	41.30				
		-	-	-	4,886.63	4,886.63				

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

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 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. 1,978.31 lakhs (31 March 2019: Rs.2,155.45 lakhs), the exposure considered for expected credit loss is Rs. 99.28 lakhs(31 March 2019: Rs. 90.63 lakhs).

Movement in the Allowance for Impairment in Trade Receivables	31-03-2020	31-03-2019
Opening Balance	90.63	33.12
Amount Provided for	8.65	57.51
<b>Net Remeasurement of Loss Allowance</b>	<b>99.28</b>	<b>90.63</b>

### 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 as at 31 March 2020.

Particulars	As at 31 March 2020	
	<1 year	>1 year
<b>Non-Derivative Financial Liabilities</b>		
Trade Payables	789.48	--
Other Financial Liabilities	11.10	--
Borrowings	1,896.50	2,588.75
	<b>2,697.08</b>	<b>2,588.75</b>

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2019.

Particulars	As at 31 March 2019	
	<1 year	>1 year
<b>Non-derivative financial liabilities</b>		
Trade payables	1,548.43	—
Other financial liabilities	41.30	—
Borrowings	775.83	2,521.07
	<b>2,365.56</b>	<b>2,521.07</b>

# Notes to Financial Statements (Contd.)

(` in Lacs)

## 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	31-03-2020	31-03-2019
Variable Rate Borrowings	4,485.24	3,296.90
Fixed Rate Borrowings	—	—
<b>Total</b>	<b>4,485.24</b>	<b>3,296.90</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 2020	Profit or Loss		Equity, Net of Tax	
	Strengthening	Weakening	Strengthening	Weakening
Movement by 50 basis points	22.43	(22.43)	16.60	(16.60)
	<b>22.43</b>	<b>(22.43)</b>	<b>16.60</b>	<b>(16.60)</b>

31 March 2019	Profit or Loss		Equity, Net of Tax	
	Strengthening	Weakening	Strengthening	Weakening
Movement by 50 basis points	16.48	(16.48)	12.20	12.20
	<b>16.48</b>	<b>(16.48)</b>	<b>12.20</b>	<b>12.20</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 39 - CAPITAL MANAGEMENT

The Company's policy is to maintain a stable capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors capital on the basis of return on capital employed as well as the debt to total equity ratio.

The Company monitors capital on the basis of the following gearing ratio.

Particulars	31-03-2020	31-03-2019
Total Debt	4,485	3,297
Total Equity	6,615	6,474
Debt to Equity Ratio	67.80%	50.93%

# Notes to Financial Statements (Contd.)

(` in Lacs)

**NOTE 40 :** 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 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.

**NOTE 41 :** 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 42 :** 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 impact of COVID-19 on the Company’s financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions. 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 43 :** Subsequent to the date of balance sheet, the Company has sold one of the Tea Processing unit namely “Karjeepara Tea Factory” situated at Jalpaiguri district for a total consideration of Rs. 7.85 crores.

**NOTE 44 :** 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 45 :** Previous year figures have been reclassified / regrouped / rearranged wherever necessary.

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As per our report of even date attached

For and on behalf of the Board of Directors

For **SAHA & MAJUMDER**

Chartered Accountants

FRN 303087E

Sd/-

**S.N. Bhattacharjee**

Partner

Membership No 010767

Place : Siliguri

Dated : 18th September, 2020

Sd/-

**Ajit Kumar Agarwala**

Managing Director

DIN : 00265775

Sd/-

**Rajendra Kanodia**

Director & CFO

DIN : 00175574

Sd/-

**Roshan Dave**

Company Secretary

ACS 27185

# Consolidated Independent Auditor's Report

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") and its Associates (Company and its Associates together referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31 March 2020, 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 such associates were 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 31 March 2020 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
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.	ü 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

# Consolidated Independent Auditor's Report (contd.)

<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>comparable tea producers; and (3) consideration of the Company's historical experience.</p>
<p>The written down value of such Bearer Plants as on 31 March 2020 is Rs. 1,900.25 lakhs.</p>	<ul style="list-style-type: none"> <li>ü Evaluated the assumptions and critical judgements used by the management through testing of underlying documents / details.</li> <li>ü Assessed the related disclosures included in the consolidated financial statements in this regard.</li> </ul>

## 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.



# Consolidated Independent Auditor's Report (contd.)

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 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.134.01 lakhs for the year ended 31 March 2020, 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

# Consolidated Independent Auditor's Report (contd.)

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 2020 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 2020 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 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.

Place : Siliguri  
Date : September 18, 2020

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

**S.N. Bhattacharjee**  
Partner

Membership No. 010767  
ICAI UDIN:20010767AAAAAF5829

# **Annexure “A” to the Consolidated 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 2020, 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 2020, 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;

## **Annexure “A” to the Consolidated Independent Auditor’s Report of even date on the consolidated financial statements of Terai Tea Company Limited (Contd.)**

- (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 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.

Place : Siliguri  
Date : September 18, 2020

For **SAHA & MAJUMDER**  
Chartered Accountants  
**FRN : 303087E**  
Sd/-  
**S.N. Bhattacharjee**  
Partner  
Membership No. 010767  
ICAI UDIN:20010767AAAAAF5829

# CONSOLIDATED BALANCE SHEET as at 31st March, 2020 (in Lacs)

Particulars	Note No.	As at 31st March, 2020	As at 31st March, 2019
<b>I ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Property, Plant and Equipment	4	5,570.58	5,216.47
(b) Capital Work-In-Progress	4	9.15	159.47
(c) Financial Assets			
(i) Investments	5	6,654.67	6,521.79
(ii) Loans Receivable	6	10.51	10.51
(iii) Other Financial Assets	7	32.06	125.64
(e) Other Non-Current Assets	8	351.60	327.38
(f) Income-Tax Assets	32	22.42	-
<b>(A) Total Non-Current Assets (a+b+c+d+e+f)</b>		<b>12,650.99</b>	<b>12,361.26</b>
<b>(2) Current Assets</b>			
(a) Inventories	9	314.46	574.95
(b) Financial Assets			
(i) Trade Receivables	10	1,879.02	2,064.82
(ii) Cash and Cash Equivalents	11	30.37	59.74
(iii) Other Financial Assets	12	1,157.38	57.36
(iii) Investments	13	887.84	486.01
(c) Other Current Assets	14	1,820.08	1,997.70
<b>(B) Total Current Assets (a+b+c)</b>		<b>6,089.15</b>	<b>5,240.58</b>
<b>Total Assets (A+B)</b>		<b>18,740.14</b>	<b>17,601.84</b>
<b>I EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	15	690.29	690.29
(b) Other Equity	16	11,863.86	11,588.40
<b>(C) Total Equity (a+b)</b>		<b>12,554.15</b>	<b>12,278.69</b>
<b>LIABILITIES</b>			
<b>(1) Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	17	2,588.75	2,521.07
(b) Provisions	18	79.32	83.47
(c) Deferred Tax Liability (Net)	32	6.14	22.16
(d) Other Non-Current Liabilities	19	120.47	149.03
<b>(D) Total Non-Current Liabilities (a+b+c+d)</b>		<b>2,794.68</b>	<b>2,775.73</b>
<b>(2) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	20	1,896.50	775.83
(ii) Trade Payables	21	-	9.18
- Total Outstanding dues of Micro Enterprises and Small Enterprises		-	9.18
- Total Outstanding dues of Creditors other than Micro Enterprises & Small Enterprises		789.48	1,539.25
(iii) Other Financial Liabilities	22	11.10	41.31
(b) Other Current Liabilities	23	674.07	162.02
(c) Provisions	24	4.79	4.79
(d) Current Tax Liabilities, (Net)	32	15.36	15.05
<b>(E) Total Current Liabilities (a+b+c+d)</b>		<b>3,391.30</b>	<b>2,547.42</b>
<b>Total Liabilities (D+E)</b>		<b>6,185.98</b>	<b>5,323.15</b>
<b>Total Equity and Liabilities (C+D+E)</b>		<b>18,740.13</b>	<b>17,601.84</b>
Significant Accounting Policies	3		

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

For and on behalf of the Board of Directors

For SAHA & MAJUMDER

Chartered Accountants

FRN 303087E

Sd/-

S.N. Bhattacharjee

Partner

Membership No 010767

Place : Siliguri

Dated : 18th September, 2020

Sd/-

Ajit Kumar Agarwala

Managing Director

DIN : 00265775

Sd/-

Rajendra Kanodia

Director & CFO

DIN : 00175574

Sd/-

Roshan Dave

Company Secretary

ACS 27185

# CONSOLIDATED STATEMENT OF PROFIT & LOSS for the year ended 31st March, 2020 ( in Lacs)

PARTICULARS	Note No.	For the Year ending on 31st March, 2020	For the Year ending on 31st March, 2019
<b>I Revenue from Operations</b>			
Sale of Goods	25	11,866.21	14,075.13
		<b>11,866.21</b>	14,075.13
<b>II Other Income</b>	26	1,178.19	94.35
<b>III Total Income(I+II)</b>		<b>13,044.40</b>	14,169.48
<b>IV Expenses</b>			
Cost of Material Consumed	27	2,781.65	3,706.99
Purchase of Stock-In-Trade	27	6,546.28	7,024.15
Change in Inventories of Finished Goods and Stock-In-Trade	28	224.86	76.41
Employee Benefits Expense	29	602.24	602.97
Finance Costs	30	378.87	376.44
Depreciation Expense	4	147.94	164.76
Other Expenses	31	2,236.11	2,092.98
<b>Total Expenses</b>		<b>12,917.95</b>	14,044.70
<b>V Profit Before Tax (III-IV)</b>		<b>126.45</b>	124.78
<b>VI Tax Expense:</b>			
(1) Current Tax	32	15.36	9.44
(2) Tax expense for Earlier Year	32	(2.95)	--
(3) Minimum Alternative Tax	32	(15.36)	--
(4) Deferred Tax	32	(12.06)	(15.96)
Sub Total (1+2+3+4)		<b>(15.01)</b>	(6.52)
<b>VII Profit for the Year (V-VI)</b>		<b>141.46</b>	131.30
<b>VIII Share of Profit / Loss of Associates</b>		<b>134.00</b>	193.35
<b>IX Profit / (Loss) for the period after Tax, Share of Profit / (Loss) in Associates</b>		<b>275.46</b>	324.65
<b>X 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		-	0.27
(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>-</b>	0.27
<b>XI Total Comprehensive Income for the Period (IX + X)</b>		<b>275.46</b>	324.92
<b>Profit Attributable to:</b>			
Owners of the Company		<b>275.46</b>	324.65
Non Controlling Interest		-	-
<b>Profit for the Year</b>		<b>275.46</b>	324.65
<b>Other Comprehensive Income Attributable to:</b>			
Owners of the Company		-	0.27
Non Controlling Interest		-	-
<b>Other Comprehensive Income for the Year</b>		<b>-</b>	0.27
<b>Total Comprehensive Income Attributable to:</b>			
Owners of the Company		<b>275.46</b>	324.92
Non Controlling Interest		-	-
<b>Total Comprehensive Income for the Period</b>		<b>275.46</b>	324.92
<b>Earnings per Share (Nominal Value of Rs. 10 Each)</b>			
Basic [in Rs]	34	<b>4.00</b>	4.72
Diluted [in Rs]	34	<b>4.00</b>	4.72
Weighted Average Number of Equity Shares Used in Computing Earnings per Share			
- Basic	34	<b>68,79,300</b>	68,79,300
-- Diluted	34	<b>68,79,300</b>	68,79,300
Significant Accounting Policies	3		

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

For and on behalf of the Board of Directors

For SAHA & MAJUMDER

Chartered Accountants

FRN 303087E

Sd/-

**S.N. Bhattacharjee**

Partner

Membership No 010767

Place : Siliguri

Dated : 18th September, 2020

Sd/-

**Ajit Kumar Agarwala**

Managing Director

DIN : 00265775

Sd/-

**Rajendra Kanodia**

Director & CFO

DIN : 00175574

Sd/-

**Roshan Dave**

Company Secretary

ACS 27185

# CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March, 2020

(` in Lacs)

	For the Year Ended 31st March, 2020	For the Year Ended 31st March, 2019
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before Tax	126.45	124.78
<u>Adjustments for:</u>		
Depreciation	147.94	164.76
Dividend Income	(0.05)	(0.07)
Provision for Doubtful Debts	99.28	90.63
Net Loss / (Gain) on Financial Asset Measured at Fair Value	99.32	(31.76)
Interest Income	(5.88)	(3.42)
Interest Expense	378.87	376.44
Provision no Longer Required, Written Back	(18.18)	(6.42)
	<b>827.76</b>	714.94
<u>Changes in:</u>		
Trade Receivables	86.51	(1,097.66)
Inventories	260.49	45.62
Loans, Other Financial Assets and Other Assets	(853.04)	254.98
Liabilities and Provisions	(291.63)	360.87
<b>Cash Generated from Operations</b>	<b>30.09</b>	278.74
Income Tax Paid, Net of Refund	(23.09)	(9.33)
<b>Net Cash from Operating Activities</b>	<b>7.00</b>	269.41
<b>Cash Flow from Investing Activities</b>		
Acquisition of Property, Plant and Equipment	(351.74)	(179.00)
Purchase / (Sale) of Investments, Net	(511.84)	380.14
Profit on Sale of Investments	11.81	13.35
Dividend Received	0.05	0.07
Interest Received	5.88	3.42
<b>Net Cash Provided Used in Investing Activities</b>	<b>(845.84)</b>	217.98
<b>Cash Flow from Financing Activities</b>		
Proceeds / (Repayment) of Borrowings	1,188.35	(175.10)
Interest Paid	(378.87)	(376.44)
<b>Net Cash used in Financing Activities</b>	<b>809.47</b>	(551.55)
<b>Net Change in Cash and Cash Equivalents</b>	<b>(29.37)</b>	(64.16)
Cash and Cash Equivalents at the Beginning of the Year	59.74	123.90
<b>Cash and Cash Equivalents at the End of the Year (Refer Note 11)</b>	<b>30.37</b>	59.74
Significant Accounting Policies (Refer Note 3)		

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

For and on behalf of the Board of Directors

For SAHA & MAJUMDER

Chartered Accountants

FRN 303087E

Sd/-

**S.N. Bhattacharjee**

Partner

Membership No 010767

Place : Siliguri

Dated : 18th September, 2020

Sd/-

**Ajit Kumar Agarwala**

Managing Director

DIN : 00265775

Sd/-

**Rajendra Kanodia**

Director & CFO

DIN : 00175574

Sd/-

**Roshan Dave**

Company Secretary

ACS 27185

# Consolidated Notes to Financial Statements (Contd.)

(₹ in Lacs)

## Statement of Changes in Equity and Other Equity for the year Ended 31st March, 2019

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 2018	690.29	764.56	10,448.79	49.88	9.45	(9.20)	11,953.77
Remeasurement of the Net Defined Benefit Liability/Asset, net of tax effect	—	—	—	—	—	0.27	0.27
Profit for the year	—	—	324.65	—	—	—	324.65
Balance as at 31 March 2019	690.29	764.56	10,773.44	49.88	9.45	(8.93)	12,278.69

## Statement of Changes in Equity and Other Equity for the year Ended 31st March, 2020

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 2019	690.29	764.56	10,773.44	49.88	9.45	(8.93)	12,278.68
Remeasurement of the Net Defined Benefit Liability/Asset, net of tax effect	—	—	—	—	—	—	—
Profit for the year	—	—	275.46	—	—	—	275.45
Balance as at 31 March 2020	690.29	764.56	11,048.90	49.88	9.45	(8.93)	12,554.13

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

For and on behalf of the Board of Directors

For **SAHA & MAJUMDER**

Chartered Accountants

FRN 303087E

Sd/-

**S.N. Bhattacharjee**

Partner

Membership No 010767

Place : Siliguri

Dated : 18th September, 2020

Sd/-

**Ajit Kumar Agarwala**

Managing Director

DIN : 00265775

Sd/-

**Rajendra Kanodia**

Director & CFO

DIN : 00175574

Sd/-

**Roshan Dave**

Company Secretary

ACS 27185



# Consolidated Notes to Financial Statements

## **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 and its Equity Shares are listed on the Bombay Stock Exchange (BSE), Calcutta Stock Exchange Limited, Ahmedabad Stock Exchange Limited and Jaipur 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 Consolidated Financial Statements were authorised for issue by the Company's Board of Directors on 18th September, 2020.

Details of the Company's Accounting Policies are Included in Note 3.

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

These Consolidated 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 Consolidated 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 Consolidated 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 2020 is included in the following notes:

**Note 32** - Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;

**Note 38** - Measurement of defined benefit obligations: key actuarial assumptions;

**Note 33** - 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 - 11** - 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:

# Consolidated Notes to Financial Statements (Contd.)

**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).

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 Financial Instruments.

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

### **(a) Basis of Consolidation**

#### **i. Non - Controlling Interests (NCI)**

NCI are measured at their proportionate share of the acquiree's net identifiable assets on the date of acquisition.

#### **ii. 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.

#### **iii. 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 the 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 associates and 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.

#### **iv. Associate Companies Considered in the Consolidated Financial Statements:**

Name of the Company	Country of Incorporation	Ownership Interest (in %)	
		31-03-2020	31-03-2019
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 Company Limited	India	48.59%	48.59%
Sayedabad Tea Company Limited	India	27.71%	27.71%
Terai Dooars Tea Company Private Limited	India	47.73%	47.73%
Terai Financials Services Private Limited	India	49.00%	49.00%
Terai Infrastructures Limited	India	45.95%	45.95%
Terai Inspat 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.

# Consolidated Notes to Financial Statements (Contd.)

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.

## **(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.

# Consolidated Notes to Financial Statements (Contd.)

## (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

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.

## (e) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

### As a Lessee

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

### As a lessor

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary.

## (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.

# Consolidated Notes to Financial Statements (Contd.)

## (g) Inventories

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

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

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

## (h) 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.

# Consolidated Notes to Financial Statements (Contd.)

## **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

## **(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**

Ind AS 115 was issued on 28 March 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all the relevant facts and circumstances when applying each step of the model to contracts with their customers. The Company adopted Ind AS 115 using the modified retrospective method of adoption with the date of initial application of 1 April 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Company elected to apply the standard to all contracts as at 1 April 2018. However, the application of Ind AS 115 does not have any significant impact on the recognition and measurement of revenue and related items.

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.

Income from royalties accounted based on contractual agreements.

### **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 effects of variable consideration, the existence of significant financing component, non-cash considerations and consideration payable to the customer (if any).

### **Dividend Income**

Dividend income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

# Consolidated 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.

## **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.

## **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.

# Consolidated Notes to Financial Statements (Contd.)

## 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 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.

## 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

## 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.

## 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.

## 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.

## Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from 1st April, 2020.



## Consolidated Notes to Financial Statements for the Year ended 31st March, 2020 (Contd.)

### NOTE 4 - PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR 2019-20

(Amount in Rs.)

#### Reconciliation of Carrying Amount

Description	Gross Carrying Amount			As at 31st March 2020	Accumulated Depreciation			Carrying Amounts (Net) As at 31st March 2020
	As at 1st April 2019	Additions	Disposals / Adjustment		As at 1st April 2019	Additions	Disposals	
Freehold Land	2,581.86	-	-	2,581.86	-	-	-	2,581.86
Buildings	784.20	-	-	784.20	176.87	-	219.26	564.95
Plant and Machinery	649.36	12.89	2.00	660.25	193.38	-	240.37	419.88
Furniture and Fixtures	157.25	8.19	-	165.44	55.36	-	80.71	84.73
Motor Vehicles	28.16	-	-	28.16	11.67	-	14.31	13.84
Office Equipment	4.11	1.50	-	5.61	3.83	-	4.47	1.14
Computer and Data Processing Units	5.70	1.69	-	7.39	2.70	-	3.44	3.94
Bearer Plants	1,506.40	479.80	-	1,986.20	56.78	-	85.95	1,900.25
<b>Total</b>	<b>5,717.04</b>	<b>504.06</b>	<b>2.00</b>	<b>6,219.10</b>	<b>500.57</b>	<b>-</b>	<b>648.52</b>	<b>5,570.58</b>
Capital work in progress	159.47	329.48	479.80	9.15	-	-	-	9.15

Description	Gross Carrying Amount			As at 31st March 2019	Accumulated Depreciation			Carrying Amounts (Net) As at 31st March 2019
	As at 1st April 2018	Additions	Disposals / Adjustment		As at 1st April 2018	Additions	Disposals	
Freehold Land	2,581.86	-	-	2,581.86	-	-	-	2,581.86
Buildings	784.20	-	-	784.20	99.60	-	176.87	607.33
Plant and Machinery	631.68	17.67	-	649.36	151.41	-	193.38	455.98
Furniture and Fixtures	157.25	-	-	157.25	17.09	-	55.36	101.89
Motor Vehicles	21.12	7.04	-	28.16	9.84	-	11.67	16.49
Office Equipment	3.57	0.55	-	4.11	1.47	-	3.83	0.29
Computer and Data Processing Units	5.02	0.68	-	5.70	2.22	-	2.70	3.00
Bearer Plants	1,506.40	-	-	1,506.40	54.18	-	56.78	1,449.63
<b>Total</b>	<b>5,691.10</b>	<b>25.94</b>	<b>-</b>	<b>5,717.04</b>	<b>335.82</b>	<b>-</b>	<b>500.57</b>	<b>5,216.47</b>
Capital work in progress	6.41	181.47	28.41	159.47	-	-	-	159.47

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

## NOTE 5 - FINANCIAL ASSETS : 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 2020	As at 31st March 2019	As at 31st March 2020	As at 31st March 2019
At Cost					
<u>Unquoted</u>					
Investment in Equity Instruments (Fully Paid)					
Investment in Associates					
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	0.23	0.23
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				5,938.74	5,804.73
<b>Sub-Total (A)</b>				<b>6,630.41</b>	<b>6,496.40</b>
<u>Others</u>					
Techno Steel India Private Limited		2,500	2,500	1.25	1.25
Shilpam Dealcom Private Limited	10	2,25,000	225,000	22.50	22.50
<b>Sub-Total (B)</b>				<b>23.75</b>	<b>23.75</b>
<u>Quoted</u>					
Investment in Equity Instruments (Fully Paid)					
Bajaj Hindustan Sugar Limited	1	4,000	4,000	0.11	0.35
Central Bank Of India	10	2,388	2,388	0.32	1.00
IFCI Limited	10	2,000	2,000	0.08	0.28
<b>Sub-Total (C)</b>				<b>0.51</b>	<b>1.63</b>
<b>Total Non-Current Investment (A + B + C)</b>				<b>6,654.67</b>	<b>6,521.79</b>
Aggregate Amount of Unquoted Non-Current investment				6,654.16	6,520.15
Aggregate Market Value of Quoted Non-Current Investment				0.51	1.63

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

## NOTE 6 - FINANCIAL ASSETS : LOANS RECEIVABLE (NON-CURRENT)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Unsecured</b>		
<i>Considered Good:</i>		
Security Deposits	10.51	10.51
	<b>10.51</b>	<b>10.51</b>
<b>NOTE 7 - OTHER FINANCIAL ASSETS</b>		
<b>Unsecured</b>		
<i>Considered Good:</i>		
Grants Receivable	9.51	67.15
Fixed Deposits with Banks	16.05	46.05
Other Receivables	6.51	12.44
	<b>32.06</b>	<b>125.64</b>
<b>NOTE 8 - OTHER NON-CURRENT ASSETS</b>		
<b>Unsecured</b>		
<i>Considered Good:</i>		
– Advance Against Land	59.60	59.60
– Advances Against Supply of Goods and Services	-	5.57
– Gold and Silver	174.29	144.50
– Assets Held for Investment	14.45	14.45
– Assets Held for Sale	103.26	103.26
	<b>351.60</b>	<b>327.38</b>
<b>NOTE 9 - INVENTORIES</b>		
Finished Goods	222.90	447.75
Stores and Spare Parts	91.56	127.19
	<b>314.46</b>	<b>574.95</b>
<b>NOTE 10 - TRADE RECEIVABLES</b>		
<b>Unsecured</b>		
Considered Good*	1,879.02	2,064.82
Considered Doubtful	99.28	90.63
	<b>1,978.31</b>	<b>2,155.45</b>
Less: Allowance for Doubtful Debts	<b>(99.28)</b>	<b>(90.63)</b>
	<b>1,879.02</b>	<b>2,064.82</b>
The Company's exposure to credit and loss allowances related to trade receivables are disclosed in note 38.		
<b>NOTE 11 - CASH AND BANK BALANCES</b>		
<b>Cash and Cash Equivalents</b>		
– Cash on Hand	27.16	32.43
– Current Accounts	3.21	27.32
	<b>30.37</b>	<b>59.74</b>
<b>NOTE 12 - OTHER FINANCIAL ASSETS</b>		
<b>Unsecured</b>		
<i>Considerd Good :</i>		
Grants Receivable	49.16	53.97
Interest Accrued but Not Due	4.56	3.39
Others *	1,103.66	-
	<b>1,157.38</b>	<b>57.36</b>

\* Others Includes Insurance Claim and Other Receivables

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

## NOTE 13 - CURRENT INVESTMENTS At Fair Value Through Profit and Loss

Particulars	Face value per share/ unit	Units/Nos.		Amount	
		As at 31st March 2020	As at 31st March 2019	As at 31st March 2020	As at 31st March 2019
<b>Quoted</b>					
Investment in Equity Instruments (Fully Paid)					
Bharat Heavy Electricals Limited	2	2,500	2,500	0.78	2.03
GOL Offshore Limited	10	5,000	5,000	0.50	4.32
Hotel Leela Venture Limited	2	5,000	5,000	0.16	0.56
UCO Bank	10	5,000	5,000	0.45	0.99
United Bank of India (Now 8470 Shares of PNB)	10	70,000	70,000	3.15	8.12
Varun Shipping Company Limited	10	5,000	5,000	0.25	0.34
<b>Sub-Total (A)</b>				<b>5.29</b>	<b>16.36</b>
<b>Unquoted</b>					
Investment in Mutual Funds					
DSP Black Rock Income Opportunities Fund-Regular Plan- Growth		—	1,89,421.205	—	53.28
DSP Dyanamic Asset Allocation Fund - Growth		3,34,530.939	—	47.33	—
HSBC Equity Hybrid Fund Growth		5,20,114.311	—	47.88	—
Baroda Pioneer Credit Opportunities Fund Plan A- Growth		—	410,129.534	—	58.48
ICICI Prudential Asset Allocation Fund		1,10,400.293	—	139.28	—
ICICI Prudential Monthly Income Plan-25 Growth		1,43,736.399	1,43,736.399	94.30	61.23
SBI Magnum Monthly Income Plan- Regular Plan- Growth		—	1,07,273.058	—	42.45
HDFC Mip -Long Term Plan (G)		—	89,231.063	—	41.08
ICICI Prudential Equity Income Fund-Regular		—	2,48,997.236	—	34.31
Reliance Regular Saving Fund-Balanced Option		—	49,240.442	—	27.14
ICICI Prudential Mip-25 Direct Plan (G)		—	2,16,670.769	—	92.30
Nippon India Equity Hybrid Fund Growth		49,240.442	—	0.03	—
Nippon India Credit Risk Fund Segregated		3,97,093.277	—	0.59	—
Reliance Credit Risk Fund		3,97,093.277	—	90.82	—
Reliance Regular Saving Fund-Balanced		3,450.001	—	17.42	—
Reliance Ultra Short Duration Fund		6,900.002	—	101.27	—
SBI Dynamic Asset Allocation Fund Growth		3,28,878.353	—	38.07	—
SBI Savings Fund		3,40,587.855	—	105.57	—
UTI Dividend Yield Fund		1,59,938.072	—	81.79	—
Kotak Balanced Advantage Fund (G)		12,76,160.350	5,71,997.769	118.21	59.37
<b>Sub-Total (B)</b>				<b>882.55</b>	<b>469.65</b>
<b>Total Non-Current Investment (A + B)</b>				<b>887.84</b>	<b>486.01</b>
Aggregate Amount of Unquoted Current Investment				882.55	469.65
Aggregate Market Value of Quoted Current Investment				5.29	16.36

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

## NOTE 14 - OTHER CURRENT ASSETS

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Unsecured</b>		
Considerd Good		
Advances for Supply of Goods and Services	<b>1,583.02</b>	1,707.57
Prepayments	<b>7.76</b>	8.04
Other Advances	<b>200.55</b>	274.00
Balances with Statutory Authorities	<b>28.76</b>	8.09
	<b>1,820.08</b>	1,997.70
<b>NOTE 15 - EQUITY SHARE CAPITAL</b>		
<b>Authorised</b>	<b>1,000.00</b>	1,000.00
[1,00,00,000 Equity Shares of ` 10 each (31 March 2018: 1,00,00,000 Equity Shares of ` 10 each)]		
	<b>1,000.00</b>	1,000.00
<b>Issued and Subscribed Capital</b>		
[68,79,300 Equity Shares of ` 10 each (31 March 2018: 68,79,300 Equity Shares of ` 10 each)]	<b>687.93</b>	687.93
<b>Paid-up Capital</b>		
[68,79,300 Equity Shares of ` 10 each (31 March 2018: 68,79,300 Equity Shares of ` 10 each)]	<b>687.93</b>	687.93
Add : Shares Forfeited	<b>2.36</b>	2.36
	<b>690.29</b>	690.29

### Rights, Preferences and Restrictions Attached to Equity Shares :

The Company has only one class of Equity Shares having a par value of ` 10 per share. Each holder of Equity Shares is entitled to one vote per share. The 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.

### Notes :

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

	31 March 2020		31 March 2019	
	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%

#### b) Reconciliation of Number of Equity Shares Outstanding at the Beginning and at the end of the Reporting Year :

	31 March 2020		31 March 2019	
	No of Shares	Amount	No of Shares	Amount
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>

c) 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.

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

## NOTE 16 - OTHER EQUITY

Particulars	As at 31st March, 2020	As at 31st March, 2019
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	11,048.90	10,773.44
General Reserve	49.88	49.88
Share Forfeiture	9.45	9.45
Items of Other Comprehensive Income	(8.93)	(8.93)
	<b>11,863.86</b>	<b>11,588.40</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 17 - NON-CURRENT BORROWINGS

Particulars	As at 31st March, 2020	As at 31st March, 2019
Secured		
Term Loans from Banks (Refer note below)	2,599.85	2,562.37
Less : Current Maturities of Long Term Debt. (Refer Note Below and 22)	11.10	41.30
	<b>2,588.75</b>	<b>2,521.07</b>

Note :

Facility Category	Security Details	Amount as at 31 March 2020	Amount as at 31 March 2019
Term Loan	i) Equitable mortgage on property belonging to Abhijit Tea Company Private Limited. ii) Personal guarantee of Mr. Ajit Kumar Agarwala and Mrs. Shashikala Agarwala. iii) Letter of comfort from Abhijit Tea Company Private Limited.	1,100.00	1,100.00
Term Loan	i) The loan is secured by collateral security of landed property belonging to M/s Terai Ispat and Trading Private Limited. ii) Personal guarantee of Mr. Ajit Kumar Agarwala and Mrs. Shashikala Agarwala.	1,200.00	1,200.00
Term Loan	i) Equitable mortgage on property, plant and equipment of Bagdogta T.E. ii) Personal guarantee of Mr. Ajit Kumar Agarwala and Mrs. Shashikala Agarwala.	285.71	216.87
Term Loan	Secured against Equitable Mortgage of Company's immovable land and building of TFU unit and hypothecation of current assets of the same unit ranking pari passu with working capital.	9.94	40.23
Vehicle Loan	Secured by Vehicle	4.20	5.28
Total		2,599.85	2,562.38

The Rate of Interest on the Above Loans are in the Range of 8.95% to 9.70% p.a.

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

## **NOTE 17 - NON-CURRENT BORROWINGS (Contd.)**

Repayment schedule as at 31 March 2020

Facility Category	Total Carrying value	< 1 year	> 1 year	Terms and conditions of Term loan from banks
Term Loan	1,100.00	--	1100.00	By bullet Payment in the year 2021-22
Term Loan	1,200.00	--	1200.00	By bullet payment in the year 2021-22
Term Loan	285.71	--	285.71	Repayable in 28 structured quarterly installments after a moratorium period of 24 months.
Term Loan	9.94	9.94	--	Repayable in 4 equal quarterly installments of Rs.10 lakhs each. The final repayment is in 2020-21.
Vehicle Loan	4.20	1.16	3.04	Repayable in 60 equal installments.
<b>Total</b>	<b>2,599.85</b>	<b>11.10</b>	<b>2,588.75</b>	

## **NOTE 18 - PROVISIONS (NON-CURRENT)**

Particulars	As at 31st March, 2020	As at 31st March, 2019
Provision for Employee Benefits (Refer Note 37)		
– Gratuity	<b>79.32</b>	83.47
	<b>79.32</b>	83.47
<b>NOTE 19 - OTHER NON-CURRENT LIABILITIES</b>		
Deferred Income	<b>120.47</b>	149.03
	<b>120.47</b>	149.03
<b>NOTE 20 - CURRENT-BORROWINGS</b>		
<b>Secured</b>		
Working Capital Loan from Bank (Refer Note Below)	<b>1,896.50</b>	775.83
	<b>1,896.50</b>	775.83

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.

Rate of Interest on Working Capital Loans Ranges from 8.95% to 9.10%.

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

## **NOTE 21 - TRADE PAYABLES**

	As at 31st March, 2020	As at 31st March, 2019
Total Outstanding Dues of Micro and Small Enterprises (Refer Note Below)	--	9.18
Total Outstanding Dues of Other Than Micro and Small Enterprises*	<b>789.48</b>	1,539.25
	<b>789.48</b>	1,539.25
<p><b>Note :</b> 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 2020. 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.</p> <p>The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year:</p> <ul style="list-style-type: none"> <li>- Principal <span style="float: right;">--</span> <span style="float: right;">9.18</span></li> <li>- Interest <span style="float: right;">--</span> <span style="float: right;">--</span></li> </ul> <p>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 <span style="float: right;">--</span> <span style="float: right;">--</span></p> <p>The amount of the payments made to micro and small suppliers beyond the appointed day during each accounting year <span style="float: right;">--</span> <span style="float: right;">--</span></p> <p>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. <span style="float: right;">--</span> <span style="float: right;">--</span></p> <p>The amount of interest accrued and remaining unpaid at the end of each accounting year.</p> <p>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. <span style="float: right;">--</span> <span style="float: right;">--</span></p> <p>The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 40.</p>		
<b><u>NOTE 22 - OTHER FINANCIAL LIABILITIES</u></b>		
Current Maturities of Long Term Debts (Refer Note 18)	<b>11.10</b>	41.31
	<b>11.10</b>	41.31
<b><u>NOTE 23 - OTHER CURRENT LIABILITIES</u></b>		
Statutory Dues Payable	<b>18.16</b>	4.83
Liability for Expenses and Goods	<b>101.06</b>	120.26
Advance From Customers	<b>554.85</b>	36.93
	<b>674.07</b>	162.02



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

## **NOTE 24 - PROVISIONS**

	As at 31st March, 2020	As at 31st March, 2019
Provision for Employee Benefits (Refer Note 37)		
– Gratuity	4.79	4.79
	<b>4.79</b>	<b>4.79</b>

## **NOTE 25 - REVENUE FROM OPERATIONS**

Sale of Products	5,109.76	6,857.57
Sale of Traded Goods	6,660.56	7,217.56
Other Sales	95.89	—
	<b>11,866.21</b>	<b>14,075.13</b>

## **NOTE 26 - OTHER INCOME**

Interest Income from Financial Assets Carried at Amortised Cost	5.88	3.42
Dividend Income	0.05	—
Gains on at Fair Valuation of Investment	—	18.40
Profit on Redemption of Mutual Funds	11.81	13.35
Rental Income	9.44	10.30
Government Grant	28.56	23.29
Liabilities no Longer Required Written Back	18.18	19.78
Miscellaneous Income	5.52	5.81
Insurance Claim	0.67	—
Rent Compensation	1,098.09	—
	<b>1,178.19</b>	<b>94.35</b>

## **NOTE 27 - COST OF MATERIAL CONSUMED**

Purchases	2,781.65	3,706.99
Purchases of Traded Goods	6,546.28	7,024.15
	<b>9,327.93</b>	<b>10,731.14</b>

## **NOTE 28 - CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS**

<b>Opening Inventory</b>		
Work-in-Progress		
– Finished Goods	447.75	524.17
	<b>447.75</b>	<b>524.17</b>
<b>Closing Inventory</b>		
– Finished Goods	222.90	447.76
	<b>222.90</b>	<b>447.76</b>
<b>(Increase) / Decrease in Inventory</b>	<b>224.86</b>	<b>76.41</b>

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

## **NOTE 29 - EMPLOYEE BENEFITS EXPENSE**

	As at 31st March, 2020	As at 31st March, 2019
Salaries, Wages and Bonus	561.15	565.73
Contribution to Provident and Other Funds (Refer Note 38)	24.61	23.63
Staff Welfare Expenses	16.48	13.61
	<b>602.24</b>	<b>602.97</b>

## **NOTE 30 - FINANCE COSTS**

Interest Expense on Financial Liability Measured at Amortised Cost	378.87	365.15
Others	---	11.30
	<b>378.87</b>	<b>376.44</b>

## **NOTE 31 - OTHER EXPENSES**

Consumption of Stores and Spares	239.15	244.87
Allowances for Doubtful Receivables	9.16	57.00
Sundry Balances Written Off	337.48	---
Loss on Revaluation of Investments	111.13	---
Power and Fuel	950.93	1,163.23
Freight and Transport Charges	4.03	35.70
Rent	0.26	0.26
Rates and Taxes	6.68	4.51
Insurance	6.62	5.37
Travelling and Conveyance	51.08	37.86
Repairs and Maintenance :		
– Building	82.12	17.67
– Plant and Machinery	58.80	201.44
– Others	25.12	50.19
– Plantation Maintenance	83.93	---
Professional Fees (Refer Note 35)	42.11	38.65
Miscellaneous	43.50	47.61
Communication Expense	2.90	3.10
Selling Expenses	161.58	175.31
Printing and Stationery	3.27	3.39
Subscription and Donation	5.61	6.83
Bank Charges	10.65	---
	<b>2,236.11</b>	<b>2,092.98</b>

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

## NOTE 32- INCOME-TAX

For the Period Ended	31-03-2020	31-03-2019
<b>(a) Amounts Recognised in Statement of Profit and Loss</b>		
Current Tax	15.36	9.44
Tax Expense for Earlier Year	(2.95)	—
Minimum Alternative Tax Credit	(15.36)	—
Attributable to Origination and Reversal of Temporary Differences	(12.06)	(15.96)
	<b>(15.01)</b>	<b>(6.52)</b>

## (b) Amounts Recognised in Other Comprehensive Income

For the Period Ended	31-03-2020			31-03-2019		
	Before Tax	Tax (expense) Benefit	Net of Tax	Before Tax	Tax (Expense) Benefit	Net of Tax
<b>Items that will not be reclassified to statement of profit and loss</b>						
Remeasurements of the defined benefit plans	—	—	—	0.27	—	0.27
	—	—	—	<b>0.27</b>	—	<b>0.27</b>

## (c) Reconciliation of Effective Tax Rate

For the Period Ended	31-03-2020		31-03-2019	
<b>Profit Before Tax</b>		<b>126.45</b>		124.78
Tax using the Company's domestic tax rate:	<b>26.00%</b>	<b>32.88</b>	26.00%	32.44
<b>Tax effect of:</b>				
Tax-exempt income	<b>(25.99%)</b>	<b>(32.87)</b>	(18.43%)	(23.00)
Tax expenses for earlier years	<b>(2.33%)</b>	<b>(2.95)</b>	—	—
Others	<b>(9.53%)</b>	<b>(12.06)</b>	(12.79%)	(15.96)
	<b>(11.86%)</b>	<b>(15.00)</b>	(5.22%)	(6.52)

## (d) Recognised Deferred Tax Assets and Liabilities

Deferred Tax Assets and Liabilities are Attributable to the Following:

	Deferred Tax Assets		Deferred Tax Liabilities		Deferred Tax (Liabilities)/Asset, (Net)	
	31-03-2020	31-03-2019	31-03-2020	31-03-2019	31-03-2020	31-03-2019
Property, Plant and Equipment	--	--	<b>53.82</b>	35.47	<b>(53.82)</b>	(35.47)
Provision for Employee Benefits	<b>21.87</b>	-	-	-	<b>21.87</b>	-
Other Items	<b>25.81</b>	13.31	-	-	<b>25.81</b>	13.31
	<b>47.68</b>	13.31	<b>53.82</b>	35.47	<b>(6.14)</b>	(22.16)

## (e) Movement in Temporary Differences

	01-04-2019	Recognised in Statement of profit and Loss	Recognised in OCI	Recognised Directly in Equity	Others	31-03-2020
	Property, Plant and Equipment	(35.47)	18.34	-	-	-
Provision for Employee Benefits	-	(21.87)	-	-	-	<b>21.87</b>
Other Items	13.31	(8.54)	-	-	(3.96)	<b>25.81</b>
	<b>(22.16)</b>	(12.06)	-	-	(3.96)	(6.14)
	01-04-2018	Recognised in Statement of profit and Loss	Recognised in OCI	Recognised Directly in Equity	Others	31-03-2019
Property, Plant and Equipment	(68.31)	(32.84)	-	-	-	(35.47)
Investment at Fair Value through Profit and Loss	4.19	4.19	-	-	-	-
Other Items	26.00	12.69	-	-	-	13.31
	<b>(38.12)</b>	(15.96)	-	-	-	(22.16)

The following table provides the details of Income Tax Assets and Income Tax Liabilities

As at	31-03-2020	31-03-2019
Income Tax Assets (Net)	<b>22.42</b>	—
Current Tax Liabilities (Net)	<b>15.36</b>	15.05
<b>Net Current Income Tax Asset / (Liability)</b>	<b>7.05</b>	(15.05)

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

## **NOTE 33 - 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 amounted to Rs. 180.32 Lakhs; (31 March 2019 : Rs. 159.23 Lakhs)
- VAT and Sales Tax Demand on Assessment Aggregating Rs. 154.65 Lakhs (31 March, 2019 : Rs. 154.65 Lakhs) being disputed
  - Income Tax Demands - Rs. 25.67 Lakhs ( 31st March 2019: Rs. 4.58 Lakhs) being disputed
- (b) Bank Guarantees outstanding as at 31 March 2020: Rs.153.19 lakhs (31 March 2019: Rs. 136.46 lakhs)

**Note :** Contingent Liabilities disclosed above represent possible obligations where possibilities of Cash Outflow to settle the obligations is not remote.

### **(ii) Commitments:**

- (a) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. Nil lakhs (31 March 2019: Rs Nil)
- (b) 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	
		31-03-2020	31-03-2019	31-03-2020	31-03-2019
Abhijit Tea Company Private Limited	Bank of India	930.00	930.00	572.62	348.45
Terai Overseas Private Limited	Bank of India	5,343.00	5,343.00	4,544.19	3,419.27

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 34 - EARNINGS PER SHARE**

A. Computation of earnings per share is as follows:

For the period	31-03-2020	31-03-2019
<b>Net Profit Attributable to the Equity Shareholders</b>	<b>275.46</b>	324.92
Nominal Value of Equity Shares	10	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>4.00</b>	4.72
– Diluted	<b>4.00</b>	4.72

## **NOTE 35 : AUDITOR'S REMUNERATION (INCLUDED IN LEGAL AND PROFESSIONAL FEES, EXCLUDING APPLICABLE TAXES)**

For the period	31-03-2020	31-03-2019
Statutory Audit Fees	<b>2.00</b>	2.00
Tax Audit Fees	<b>0.50</b>	0.50
	<b>2.50</b>	2.50

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

## NOTE 36 - 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 Tea Resorts Limited Terai Resorts & Country Club 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 Roshan Dave
3. Entities where key management personnel and their relatives are able to exercise significant influence	Ajit Kumar Agarwala and Others (HUF) Kanchaanview Resorts Private Limited Bagdogra Tea Company Private Limited

4. The Following are Significant Transactions with Related Parties by the Company.

Particulars	Relation	31-03-2020	31-03-2019
Sale of Products	Associates	13.15	5.60
Purchase of Goods	Associates	10.66	44.53
Short-Term Employee Benefits	KMP	81.72	75.72

5. The Balance Receivable from and Payable to Related Parties are : NIL

**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.

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

## NOTE 37 - EMPLOYEE BENEFITS

### (a) Defined Contribution Plans

The Company has recognised an amount of Rs.24.61 lakhs (31 March 2019: Rs.23.63 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)	31-03-2020	31-03-2019
<b>(i) Reconciliation of Present Value of Defined Benefit Obligation</b>		
Obligations as at 1 April	88.25	124.76
Current Service cost	7.84	(36.93)
Interest Cost	4.91	9.10
Benefits settled	(3.35)	(8.95)
Actuarial (gain) / loss due to financial assumptions	5.22	0.27
Actuarial (gain) / loss due to experience adjustments	(18.76)	—
Obligations at the year end 31 March	84.11	88.25
<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	3.35	8.95
Benefits settled	(3.35)	(8.95)
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	84.11	88.25
Plan assets at 31 March at fair value	—	—
Amount recognised in balance sheet asset / (liability)	(84.11)	(88.25)
Non-Current	79.32	83.47
Current	4.79	4.79
<b>2. Expenses Recognised in the Statement of Profit and Loss under Employee Benefit Expense:</b>		
Current service cost	7.84	(36.93)
Interest cost	4.91	9.10
Changes in financial assumptions	5.22	—
Experience adjustments	(18.76)	—
Net cost	(0.79)	(27.83)
<b>3. Remeasurements Recognised in Statement of Other Comprehensive Income</b>		
Changes in financial assumptions	—	0.27
Net Loss / (Gain) recognised in statement of other comprehensive income	—	0.27
<b>4. Principal Actuarial Assumptions</b>		
Discount factor [Refer note (i) below]	7.00%	7.70%
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

The Sensitivity Analysis of Significant Actuarial Assumption as of end of Reporting Period is Shown Below.

	31-03-2020	31-03-2019
<b>A. Discount Rate</b>		
Discount Rate -1%	94.41	96.21
Discount Rate +1%	78.79	81.32
<b>B. Salary Escalation Rate</b>		
Salary Rate -1%	78.29	80.78
Salary Rate +1%	94.82	96.69

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

## **NOTE 38 - 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 2020, 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	13	882.55	-	-	-	882.55	882.55	-	-	882.55
Investment in Equity Shares	5, 13	5.80	-	6,654.16	-	6,659.96	5.80	-	6,654.16	6,659.96
		888.35	-	6,654.16	-	7,542.51	888.35	-	6,654.16	7,542.51
<b>Financial Assets not Measured at Fair Value</b>										
Loans	6	-	-	10.51	-	10.51				
Other Financial Assets	7, 12	-	-	1,189.43	-	1,189.43				
Trade Receivables	10	-	-	1,879.02	-	1,879.02				
Cash and Cash Equivalents	11	-	-	30.37	-	30.37				
		-	-	3,109.34	2,318.07	3,109.34				
<b>Financial Liabilities not Measured at Fair Value</b>										
Borrowings	17,20	-	-	-	4,485.24	4,485.24				
Trade Payables	21	-	-	-	789.48	789.48				
Other Financial Liabilities	22	-	-	-	11.10	11.10				
		-	-	-	5,285.82	5,285.82				

The following table shows the carrying amounts and fair values of Financial Assets and Financial Liabilities as at 31 March 2019, 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	5, 13	469.65	-	-	-	469.65	469.65	-	-	469.65
Investment in Equity Shares	5, 13	17.99	-	6,520.15	-	6,538.15	17.99	-	6,520.15	6,538.15
		487.65	-	6,520.15	-	7,007.80	487.65	-	6,520.15	7,007.80
<b>Financial Assets not Measured at Fair Value</b>										
Loans	6	-	-	10.51	-	10.51				
Other Financial Assets	7, 12	-	-	183.00	-	183.00				
Trade Receivables	10	-	-	2,064.82	-	2,064.82				
Cash and Cash Equivalents	11	-	-	59.74	-	59.74				
		-	-	2,318.07	-	2,318.07				
<b>Financial Liabilities not Measured at Fair Value</b>										
Borrowings	17,20	-	-	-	3,296.90	3,296.90				
Trade Payables	21	-	-	-	1,548.43	1,548.43				
Other Financial Liabilities	22	-	-	-	41.30	41.30				
		-	-	-	4,886.63	4,886.63				

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

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 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. 1,978.31 lakhs (31 March 2019: Rs.2,155.45 lakhs), the exposure considered for expected credit loss is Rs. 99.28 lakhs(31 March 2019: Rs. 90.63 lakhs).

<b>Movement in the Allowance for Impairment in Trade Receivables</b>	<b>31-03-2020</b>	31-03-2019
Opening balance	<b>90.63</b>	33.12
Amount provided for	<b>8.65</b>	57.51
<b>Net remeasurement of loss allowance</b>	<b>99.28</b>	90.63

### 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 as at 31 March 2020.

<b>Particulars</b>	<b>As at 31 March 2020</b>	
	<b>&lt;1 year</b>	<b>&gt;1 year</b>
<b>Non-derivative financial liabilities</b>		
Trade payables	<b>789.48</b>	--
Other financial liabilities	<b>11.10</b>	--
Borrowings	<b>1,896.50</b>	<b>2,588.75</b>
	<b>2,697.08</b>	<b>2,588.75</b>

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2019.

<b>Particulars</b>	<b>As at 31 March 2019</b>	
	<b>&lt;1 year</b>	<b>&gt;1 year</b>
<b>Non-derivative financial liabilities</b>		
Trade payables	1,548.43	—
Other financial liabilities	41.30	—
Borrowings	775.83	2,521.07
	2,365.56	2,521.07



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

## 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	31-03-2020	31-03-2019
Variable Rate Borrowings	4,485.24	3,296.90
Fixed Rate Borrowings	—	—
<b>Total</b>	<b>4,485.24</b>	<b>3,296.90</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 2020	Profit or Loss		Equity, Net of Tax	
	Strengthening	Weakening	Strengthening	Weakening
Movement by 50 basis points	22.43	(22.43)	16.60	(16.60)
	<b>22.43</b>	<b>(22.43)</b>	<b>16.60</b>	<b>(16.60)</b>

31 March 2019	Profit or Loss		Equity, Net of Tax	
	Strengthening	Weakening	Strengthening	Weakening
Movement by 50 basis points	16.48	(16.48)	12.20	(12.20)
	<b>16.48</b>	<b>(16.48)</b>	<b>12.20</b>	<b>(12.20)</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 39 - CAPITAL MANAGEMENT

The Company's policy is to maintain a stable capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors capital on the basis of return on capital employed as well as the debt to total equity ratio.

The Company monitors capital on the basis of the following gearing ratio.

Particulars	31-03-2020	31-03-2019
Total Debt	4,485	3,297
Total Equity	12,554	12,279
Debt to Equity Ratio	35.73%	26.85%

**NOTE 40 :** 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 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.

**NOTE 41 : SEGMENT REPORTING :** Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. Based on the "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the significant accounting policies.

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

Segment revenue, results, assets and liabilities figures include the respective amounts identifiable to each of the segments. Other unallocable income net off unallocable expenditure are towards common services to the segments which are not directly identifiable to the individual segments as well as those at a corporate level which relate to the Company as a whole.

The following summary describes the products included in each of the Company's reportable segment:

Reportable segments	Products / Services
Tea Garden & Manufacturing	Sale of Tea
Trading	Trading of Agricultural Produce

Particulars	31 March 2020	31 March 2019
<b>Segment Revenue</b>		
a) Tea Garden & Manufacturing	5,205.65	6,857.57
b) Trading	6,660.56	7,217.56
<b>Total</b>	<b>11,866.21</b>	<b>14,075.13</b>
Less: Inter Segment Revenue	--	—
Net Sales/Income From Operations	<b>11,866.21</b>	<b>14,075.13</b>
<b>Segment Result</b>		
a) Tea Garden & Manufacturing	363.90	250.23
b) Trading	114.28	193.41
<b>Total</b>	<b>478.18</b>	<b>443.64</b>
Less: Interest (net of Interest Income)	378.87	376.44
Add: Unallocable income	27.14	57.58
<b>Total Profit before tax</b>	<b>126.45</b>	<b>124.78</b>
<b>Capital Employed</b> (Segment Assets- Segment Liabilities)	<b>6,615.42</b>	<b>6,473.95</b>

**NOTE 42 :** 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 43 :** 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 impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions. 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 44 :** Subsequent to the date of balance sheet, the Company has sold one of the Tea Processing unit namely "Karjeepara Tea Factory" situated at Jalpaiguri district for a total consideration of Rs. 7.85 crores.

**NOTE 45 :** 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 46 :** Previous year figures have been reclassified / regrouped / rearranged wherever necessary.

As per our report of even date attached

For and on behalf of the Board of Directors

For **SAHA & MAJUMDER**

Chartered Accountants

FRN 303087E

Sd/-

**S.N. Bhattacharjee**

Partner

Membership No 010767

Place : Siliguri

Dated : 18th September, 2020

Sd/-

**Ajit Kumar Agarwala**

Managing Director

DIN : 00265775

Sd/-

**Rajendra Kanodia**

Director & CFO

DIN : 00175574

Sd/-

**Roshan Dave**

Company Secretary

ACS 27185



# 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](http://www.teraigroup.com), E-mail: [teraitea@gmail.com](mailto:teraitea@gmail.com) CIN: L51226WB1973PLC029009

## ATTENDANCE SLIP

Name of the Members(S) :

Registered Address :

Folio No. / Client ID No. & DP ID

No. of Share(s) held

I/We here by record my/our presence at the 47th Annual General Meeting held on Wednesday, December 30, 2020 at 10.30 AM. at, Ezra Mansion, 10 Government Place (East), 1st Floor, Kolkata 700 069.

Member's /Proxy Name in Block Letters

Signature of Member's / Proxy

(Please cut here and bring the attendance slip duly signed, to the meeting and hand it over at the entrance. Duplicate Slip will not be issued at the venue of the meeting.)

# TERAI TEA COMPANY LIMITED

Regd. Office : "Ezra Mansion", 10, Government Place (East), 1st Floor, Kolkata- 700 069, Ph: (033) 460-13789 / 39789 Fax : (033) 2248-9182,  
Website: [www.teraigroup.com](http://www.teraigroup.com), E-mail: [teraitea@gmail.com](mailto:teraitea@gmail.com) CIN: L51226WB1973PLC029009

## PROXY FORM - MGT 11

(Pursuant of section 105(6) of the Companies Act 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2020)

47th Annual General Meeting held on Wednesday, December 30, 2020 at 10.30 AM. at, Ezra Mansion, 10 Government Place (East), 1st Floor, Kolkata 700 069.

Name of the Members(S) :

Registered Address :

E-mail ID :

Folio No. / Client ID No. & DP ID

I/We, being the member(s) holding ..... shares of the above named company, hereby appoint

1. Name .....  
Address .....  
E-mail ID ..... Signature : \_\_\_\_\_ or failing him;
2. Name .....  
Address .....  
E-mail ID ..... Signature : \_\_\_\_\_ or failing him;
3. Name .....  
Address .....  
E-mail ID ..... Signature : \_\_\_\_\_ or failing him;

as my/our proxy to attend and vote (on poll) for me /us and on my / our behalf at the 47th Annual General Meeting of the Company to be held at, Ezra Mansion, 10 Government Place (East), 1st Floor, Kolkata 700 069. on Wednesday, December 30, 2020 at 10.30 AM and at any adjournment thereof in respect of such resolutions as are indicated below.

Resolution No.	Resolution	Optional* For Against	
<b>Ordinary Business</b>			
1	To receive, consider and adopt : a) The Audited Standalone Financial Statements of the Company for the financial year ended on 31st March, 2020 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, 2020 together with report of the Auditors thereon.		
2	Appoint a Director in place of Mr. 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 2020-21.		

Signed this.....day of ....., 2020

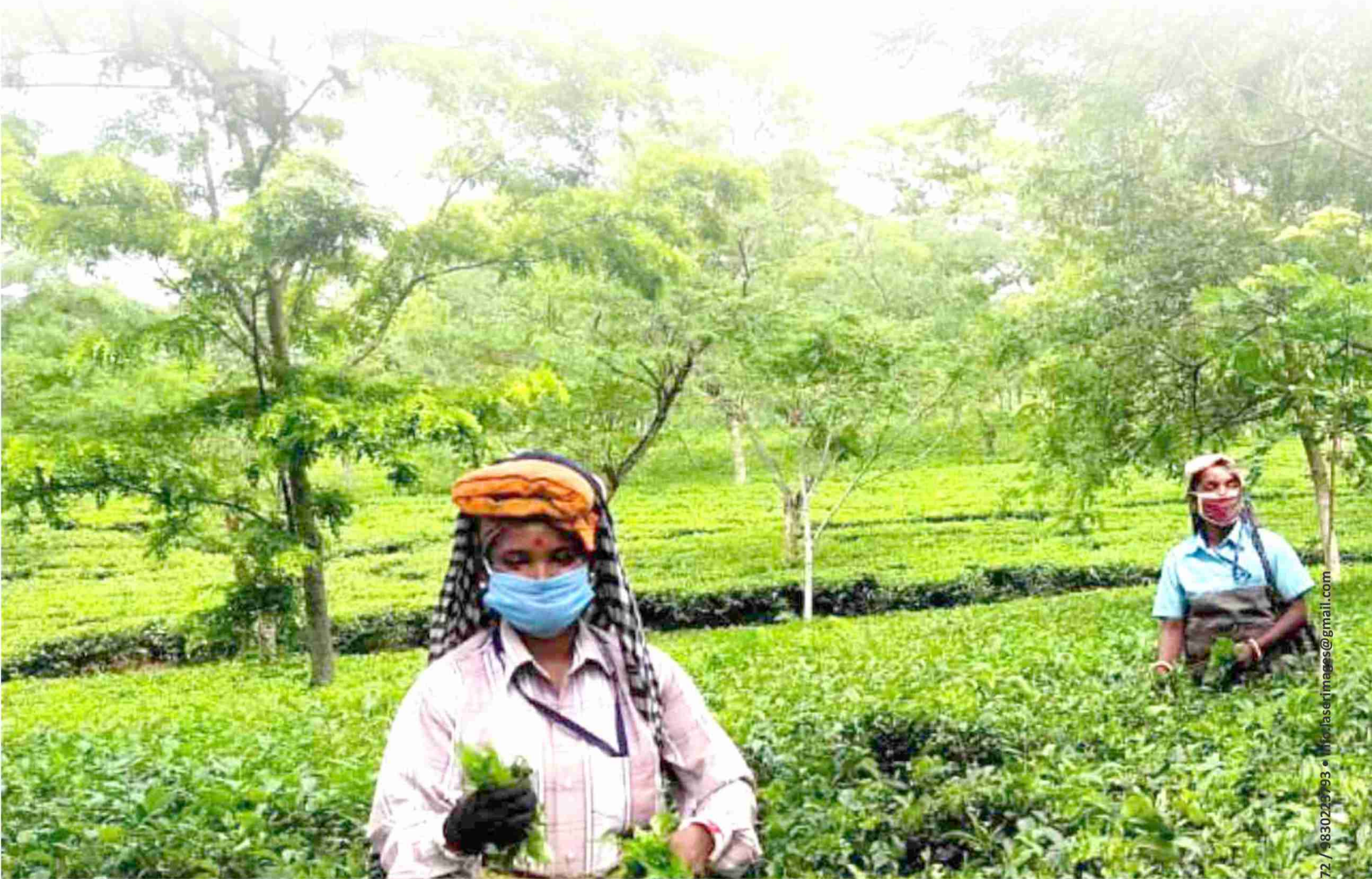
Signature of the Share Holder

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 47th 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.

Printed Matter Book Post



*If undelivered please return to :*  
**Terai Tea Company Limited**  
10, Government Place (East)  
Kolkata - 700069