



THE PERIA KARAMALAI TEA AND PRODUCE  
COMPANY LIMITED

**106<sup>th</sup>**  
**ANNUAL REPORT**  
**2018-2019**





## THE PERIA KARAMALAI TEA AND PRODUCE COMPANY LIMITED

Registered Office : 7, Munshi Premchand Sarani, Hastings, Kolkata - 700 022

Phone : 91-33-22233394 Fax : 91-33-22231569 E-mail : periatea@lnbgroup.com Website : www.periatea.com

**CIN: L01132WB1913PLC220832**

### CORPORATE INFORMATION

<b>Board of Directors</b>	:	Mr. Lakshmi Niwas Bangur	–	Chairman
		Mrs. Alka Devi Bangur	–	Managing Director
		Mr. Shreeyash Bangur	–	Deputy Managing Director
		Mr. H M Parekh	–	Independent Director
		Mr. P R Ramakrishnan	–	Independent Director
		Mr. N Swaminathan	–	Independent Director
		Mr. Ashok Kumar Bhargava	–	Independent Director
<b>Corporate Management Team</b>	:	Mr. S K Singh	–	Chief Executive Officer
		Mr. K Ashokan	–	Chief Financial Officer
		Mr. Saurav Singhania	–	Company Secretary
<b>Committees of Board</b>		<b>AUDIT COMMITTEE</b>		Mr. P R Ramakrishnan – Chairman
				Mr. Lakshmi Niwas Bangur – Member
				Mr. H M Parekh – Member
				Mr. N Swaminathan – Member
				Mr. Ashok Kumar Bhargava – Member
		<b>NOMINATION AND REMUNERATION COMMITTEE</b>		Mr. P R Ramakrishnan – Chairman
				Mr. Lakshmi Niwas Bangur – Member
				Mr. H M Parekh – Member
				Mr. N Swaminathan – Member
		<b>STAKEHOLDERS RELATIONSHIP COMMITTEE</b>		Mr. Lakshmi Niwas Bangur – Chairman
				Mr. P R Ramakrishnan – Member
				Mr. N Swaminathan – Member
				Mr. Ashok Kumar Bhargava – Member
		<b>CSR COMMITTEE</b>		Mr. Lakshmi Niwas Bangur – Chairman
				Mr. P R Ramakrishnan – Member
				Mr. N Swaminathan – Member
				Mr. Shreeyash Bangur – Member
<b>Statutory Auditors</b>	:	M/s. Srikishen & Co., Chartered Accountant, Coimbatore		
<b>Secretarial Auditors</b>	:	M/s Vinod Kothari & Co., Practising Company Secretaries, Kolkata		
<b>Internal Auditors</b>	:	M/s K N Narayanan, Chartered Accountant, Chennai		
<b>Bankers</b>	:	HDFC Bank Ltd Union Bank of India State Bank of India Yes Bank Limited		
<b>Stock Exchanges</b>	:	NSE Limited, Mumbai The Calcutta Stock Exchange Limited, Kolkata		
<b>Registrar &amp; Share Transfer Agents</b>	:	M/s. SKDC Consultants Ltd., Kanapathy Towers, 1391/A-1, III Floor, Sathy Road, Ganapathy, Coimbatore - 641 006 Tel No. +91 (422) 4958995, 2539835 2539836 Fax No. +91 (422) 2539837 Email: info@skdc-consultants.com		
<b>Head Office</b>	:	"PANCHRATN", 286, Race Course Road, Coimbatore - 641 018		
<b>Corporate Office</b>	:	3rd Floor, Uptown Banjara, Road No. 3, Banjara Hills, Hyderabad - 500 034		



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## NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 106th Annual General Meeting of the Members of the Company will be held at Far Pavillion, The Tollygunge Club Ltd., 120, Deshpriya Sasmal Road, Kolkata- 700033 on Monday, the 9th Day of September, 2019 at 11:00 A.M. to transact the following businesses:

### ORDINARY BUSINESS

1. To receive, consider and adopt:
  - (a) the Annual Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2019 including the Audited Balance Sheet as at March 31, 2019 and Statement of Profit & Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
  - (b) the Annual Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2019 including the Audited Balance Sheet as at March 31, 2019 and Statement of Profit & Loss for the year ended on that date and the Report of the Auditors thereon.
2. To declare dividend on equity shares for the financial year ended 31st March, 2019.
3. To appoint a director in place of Mr. Shreeyash Bangur (holding DIN 00012825), who retires by rotation and being eligible offers himself for re-appointment.
4. To ratify the appointment of M/s. Srikishen & Co., Chartered Accountants (Firm Registration No.004009S) as Statutory Auditors of the Company for the financial year 2019-20 and to fix their remuneration and in this connection to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the appointment of M/s Srikishen & Co., Chartered Accountants (Firm

Registration No.004009S) Statutory Auditors of the Company be and is hereby ratified as Statutory Auditors for the financial year 2019-20, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors of the Company based on recommendations of the Audit Committee.”

### SPECIAL BUSINESS

5. Re-appointment of Mr. Harischandra Maneklal Parekh as an Independent Non-Executive Director

To consider and, if thought fit, to pass with or without modification, the following resolution as a SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and relevant rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) and 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Harischandra Maneklal Parekh [DIN: 00026530], Independent Non-Executive Director of the Company, in respect of whom the Company has received requisite declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who has attended the age of seventy five years and who is eligible for reappointment, be and is hereby appointed as Independent Non-Executive Director of the Company for a second term of five consecutive years with effect from 22nd September, 2019 and that he shall not be liable to retire by rotation.

RESOLVED FURTHER THAT any Director and/ or the Company Secretary of the Company be and are hereby severally authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this resolution and matters incidental thereto”.



6. Re-appointment of Mr. Narasimhan Swaminathan as an Independent Non-Executive Director

To consider and, if thought fit, to pass with or without modification, the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and relevant rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) and 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Narasimhan Swaminathan [DIN: 02743671], Independent Non-Executive Director of the Company, in respect of whom the Company has received requisite declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who has attended the age of seventy five years and who is eligible for reappointment, be and is hereby appointed as Independent Non-Executive Director of the Company for a second term of five consecutive years with effect from 22nd September, 2019 and that he shall not be liable to retire by rotation.

RESOLVED FURTHER THAT any Director and/or the Company Secretary of the Company be and are hereby severally authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this resolution and matters incidental thereto".

7. Re-appointment of Mr. Pudugramam Ramachandran Ramakrishnan as an Independent Non-Executive Director

To consider and, if thought fit, to pass with or without modification, the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and relevant rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015, Mr. Pudugramam Ramachandran Ramakrishnan [DIN: 02715749], Independent Non-Executive Director of the Company, in respect of whom the Company has received requisite declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for reappointment, be and is hereby appointed as Independent Non-Executive Director of the Company for a second term of five consecutive years with effect from 22nd September, 2019 and that he shall not be liable to retire by rotation.

RESOLVED FURTHER THAT any Director and/or the Company Secretary of the Company be and are hereby severally authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this resolution and matters incidental thereto".

**By Order of the Board  
For The Peria Karamalai Tea & Produce Co. Ltd.**

**Kolkata  
20th May, 2019.**

**Saurav Singhania  
Company Secretary**

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY, DULY COMPLETED, MUST BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS ENCLOSED WITH THIS NOTICE.**
2. a) A person can act as proxy on behalf of members not exceeding fifty and holding in aggregate not more than ten per cent of the total share capital of the Company carrying voting rights. A member holding more than ten per cent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any person or shareholder.



- b) The proxy holder prove his identity at the time of attending the Meeting. When a member appoints a proxy and both the member and proxy attend the Meeting, the proxy stands automatically revoked. Requisition for inspection of proxies shall have to be made in writing by members entitled to vote on any resolution three days before the commencement of the meeting. Proxies shall be made available for inspection during twenty four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting.
3. The relevant Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013, setting out the material facts concerning each item of Special Business to be transacted at the meeting is annexed hereto and forms part of the Notice.
  4. Only registered members of the Company or any proxy appointed by such registered member may attend and vote at the meeting as provided under the provisions of the Companies Act, 2013. In case any shareholder has voted electronically, then he/she participate in the meeting but not vote.
  5. In case of joint holders attending the meeting, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
  6. Corporate members are requested to send a duly certified true copy of the Board Resolution pursuant to Section 113 of the Companies Act, 2013 authorising their representative to attend and vote on their behalf at the meeting.
  7. Members/Proxies are requested to bring their attendance slip duly completed and signed, to be handed over at the entrance of the Meeting hall for admission into the meeting hall. Members are also requested to bring their copy of Annual Report at the Meeting.
  8. Pursuant to Regulation 26(4) and 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards-2 (SS2) on General Meetings, details of directors seeking appointment /reappointment at the Annual General Meeting are furnished in Annexure A which forms part of the notice.
  9. The Register of Contracts or Arrangements in which directors are interested maintained under Section 189 of the Companies Act, 2013 and the Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 read with rules thereunder will be available for inspection by the members at the Annual General Meeting.
  10. Members who require communication in physical form in addition to e-communication, may write to us at [periatea@lnbgroup.com](mailto:periatea@lnbgroup.com)
  11. The Register of Members and Share Transfer Books of the Company will remain closed from 3rd September, 2019 to 9th September, 2019 (both days inclusive) for determining the name of members eligible for dividend on equity shares, if declared at the meeting.
  12. Members may note that the notice of the meeting and the Annual Report of the Company for the year ended 31st March, 2019 is available on the Company's website [www.periatea.com](http://www.periatea.com). The physical copies of the aforesaid documents will also be available at the Company's registered office on all working days except Saturdays, from 10:00 a.m. to 12:00 noon upto the date of ensuing Annual General Meeting.
  13. The Dividend, as recommended by the Board, if declared at the Annual General Meeting will be paid within 30 days from the date of declaration to those members whose names stand registered on the Company's Register of Members-
    - a) as Beneficial Owners as at 2nd September, 2019 as per the list to be furnished by National Securities Depository Services Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL) in respect of shares held in electronic form; and
    - b) as members in the Register of Members of the Company after giving effect to all the valid share transfers in physical form which are lodged with the Company on or before 2nd September, 2019.
  14. Members holding Shares of the Company in physical form through multiple folios in identical names or joint accounts in the same order of names are requested to consolidate their shareholding into single folio, by sending their original share certificates along with a request letter to consolidate their shareholding into one single folio, to the Registrar & Share Transfer Agent of the Company.



15. In all correspondence with the Company/Registrar & Share Transfer Agent, Members are requested to quote their Folio Number and in case their shares are held in the dematerialized form, they must quote their DPID and Client ID number.
16. National Electronic Clearing Service (NECS):
- a) To avoid loss of dividend warrants in transit and undue delay in receipt of dividend warrants, the Company has provided National Electronic Clearing Service (NECS) facility to the Members for remittance of dividend. NECS facility is available at locations identified by Reserve Bank of India from time to time. Members holding shares in physical form and desirous of availing this facility are requested to provide their latest bank account details (Core Banking Solutions Enabled Account Number, 9 digit MICR and 11 digit IFS Code), along with their Folio Number, to the Company's Registrar and Share Transfer Agent ('RTA'), M/s SKDC Consultants Limited. Members holding shares in electronic form are requested to provide the details to their respective Depository Participants.
  - b) Members holding shares in electronic form may note that bank particulars registered against their depository accounts will be used by the Company for payment of dividend. The Company or its Registrar and Share Transfer Agent, M/s SKDC Consultants Limited cannot act on request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the members. Members holding shares in physical form and desirous of registering bank particulars against their respective folios for payment of dividend are requested to write to the Registrar and Share Transfer Agent of the Company.
17. Members holding shares in physical form are requested to intimate change in their registered address mentioning full address in block letters with pin code of the post office, mandate, bank particulars and Permanent Account Number (PAN) to the Company's Registrar and Share Transfer Agent ('RTA') and in case of members holding their shares in electronic form, this information should be given to their Depository Participants immediately.
18. Members holding shares in physical form, desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013 and rules made thereunder are requested to submit the prescribed Form No. SH-13 (Nomination Form) or SH-14 (Cancellation or Variation of Nomination), as applicable for the purpose, to the RTA of the Company ie., SKDC Consultants Limited. Members holding shares in demat form may contact their respective Depository Participant for recording nomination in respect of their shares.
19. Members who have not registered their e-mail address so far, are requested to register their e-mail address for receiving all communications from the Company electronically.
20. As per the green initiative taken by the Ministry of Corporate Affairs, members are advised to register their email address with the Company in respect of shares held in physical form and with the concerned Depository Participant in respect of shares held in demat form to enable the Company to serve documents in electronic form.
21. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat account(s). Members holding shares in physical form can submit their PAN details to the Company or to M/s. SKDC Consultants Limited, Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore – 641 006.
22. The Company has entered into necessary arrangement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to enable the Members to dematerialize their shareholding in the Company for which they may contact the Depository Participant of either of the above Depositories. The Equity Shares of the Company are compulsorily required to be traded in dematerialized form by all Investors. Members, who have not dematerialised their shares as yet, are advised to have their shares dematerialised to avail the benefits of paperless trading as well as easy liquidity as the trading in shares of the Company is under compulsory dematerialised form.





23. Members desirous of receiving any information on the accounts of the Company are requested to forward their queries to the Company at least seven working days prior to the meeting, so that the required information can be made available at the meeting.
24. Members wishing to claim dividend which remain unclaimed are requested to correspond with the Company or RTA of the Company. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's unpaid dividend account will be transferred to the Investor Education and Protection Fund.
25. Electronic copy of the Annual Report, notice of the Annual General Meeting, along with attendance slip and proxy form are being sent to all the members whose e-mail addresses are registered with the Company/Depository Participant(s) unless any member has requested for a hard copy of the same. For members who have not registered their e-mail address, physical copies of annual report and notice for 2018-19 are being sent through the permitted mode.
26. In terms of the erstwhile provisions of section 139(1) of the Companies Act, 2013, companies are required to place the matter relating to ratification of appointment of Statutory Auditor of the Company for approval of shareholders at every Annual General Meeting ('AGM'). Further, in terms of the Companies (Amendment) Act, 2017, issued by the Ministry of Corporate Affairs vide its Notification dated 7th May, 2018, no further ratification of appointment of Auditors is required by the members at every AGM. Therefore, the requirement of ratification is not applicable on the Company. However, the Company has appointed M/s Srikishen & Co. as the Statutory Auditor of the Company, for a term of five years till the conclusion of the 108th AGM of the Company, subject to the ratification of such appointment by the shareholders at every AGM, hence, the Company is continuing to ratify their appointment in the AGM till the completion of their tenure.
27. Members are requested to note that the venue of the 106th Annual General Meeting at Far Pavillion, The Tollygunge Club Ltd., 120, Deshpriya Sasmal Road, Kolkata- 700033 and the route map containing the complete particulars of the venue is attached to this notice.

## 28. Voting through electronic means:

- a) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 w.e.f 19th March, 2015, Clause 7.2 of Secretarial Standard on General Meeting (SS-2) and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to its members the facility of voting by electronic means in respect of the business to be transacted at the meeting which includes the facility of casting the votes by the members using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting) and the same will be provided by Central Depository Services (India) Limited(CDSL).
- b) The facility of voting through ballot or polling paper shall also be made available for the members at the meeting who have not been able to vote electronically and who are attending the Meeting. The members who have cast their vote electronically would be entitled to attend the meeting but would not be permitted to cast their vote again at the meeting. The facility to vote by electronic voting system will not be provided at the Meeting.
- c) The instructions for members for voting electronically are as under:
- i. The remote e-voting period begins on 6th September, 2019 at 10:00 A.M. and ends on 8th September, 2019 at 5:00 P.M. During this period, shareholders of the Company holding shares either in physical form or in dematerialised form as the cutoff date (record date) of 2nd September, 2019 may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.
  - ii. Shareholders who have already voted through remote e-voting prior to the meeting date would not be entitled to vote at the meeting venue.
  - iii. The Shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
  - iv. Click on "Shareholders" tab.
  - v. Now enter your user ID
    - a) For CDSL: 16 digits beneficiary ID
    - b) For NSDL: 8 character DP ID followed by 8 digit client ID





- c) Members holding shares in physical form should enter folio number registered with the Company.
- vi. Next enter the Image Verification as displayed and click on login
- vii. If you are holding shares in demat form and had logged on the [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then our existing password is to be used.
- viii. If you are a first time user, follow the steps given below:

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

- ix. After entering these details appropriately, click on "SUBMIT" tab.

- x. Members holding shares in physical form will then reach directly company screen. However, members holding shares in demat form will now reach "password creation" menu wherein they are required to mandatorily enter their login password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- xi. For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this notice.
- xii. Click on the relevant EVSN – "THE PERIA KARAMALAI TEA & PRODUCE COMPANY LIMITED" on which you choose to vote.
- xiii. 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.
- xiv. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire resolution details.
- xv. 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 you vote, click on "CANCEL" and accordingly modify your vote.
- xvi. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvii. You can also take out print of the voting by you by clicking on "Click here to print" option on the voting page.
- xviii. If demat account holder has forgotten the changed password then enter the User ID and Image Verification Code and click on Forgot Password & enter the details as prompted by the system.
- xix. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. I Phone, Windows Phone



users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

xx. Note for Non-Individual Shareholders and Custodians

- a) Non Individual Shareholders (other than individuals, HUF, NRI etc.) and custodians are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.
- b) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- c) After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- d) 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.
- e) Scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the custodian, if any should be uploaded in PDF format in the system for the scrutiniser to verify the same

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

xxii. Any person who acquire share and become the member after despatch of Notice and hold shares as of the cut-off dates may obtain the sequence number for remote e-voting by sending a request to the Company's RTA.

- d) The voting shall be reckoned in proportion to a Member's share of voting rights on the paid up equity share capital of the Company as on the cut-off date of 2nd September, 2019. A person who is not a member as on the cut-off date should treat this Notice for information purpose only.
- e) The Board of Directors of the Company at their meeting held on 20th May, 2019 has appointed, M/s Vinod Kothari & Company, Practicing Company Secretaries as the Scrutinizer to scrutinize the remote e-voting process/Ballot/Polling Paper in fair and transparent manner.
- f) The Chairman shall, at the Meeting, at the need of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutiner, by use of ballot or polling paper for all those members who are present at the meeting but have not cast their votes by availing the remote e-voting facility.
- g) Scrutinizer shall, immediately after the conclusion of the Meeting will first count the votes caste at the Meeting and thereafter unblock the votes in the presence of at least two witnesses not in the employment of the Company and within a period not exceeding 48 hours from the conclusion of the meeting make a consolidated Scrutinizer's Report of the votes cast in favour or against, if any, and submit the same to the Chairman of the Company or any other person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- h) The result declared along with the Scrutinizer's Report shall be placed on the Company's website [www.periatea.com](http://www.periatea.com) and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com) and shall also be displayed on the Notice Board of the Company at its registered office. Further, immediately after the declaration of result by the Chairman or a person authorised by him in writing shall communicate to National Stock Exchange of India Limited and The Calcutta Stock Exchange Limited.



## EXPLANATORY STATEMENT IN TERMS OF SECTION 102 OF THE COMPANIES ACT, 2013

Pursuant to Section 102 of the Companies Act, 2013 ('the Act'), the following Explanatory Statement sets out all material facts relating to the businesses mentioned under Item Nos. 5 to 7 of the accompanying Notice dated May 20, 2019.

### Item No. 5

Mr. Harischandra Maneklal Parekh [DIN: 00026530] was appointed as an Independent Non- Executive Director of the Company by the Members at the 101st Annual General Meeting (AGM) of the Company held on 22nd September, 2014 for a period of 5 (five) consecutive years commencing from 22nd September, 2014 upto 21st September, 2019.

As per the provisions of Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years.

Further, please note that SEBI vide Notification dated 9th May, 2018 amended the existing provisions of regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 effective from 1st April, 2019. Pursuant to the amended provisions of Regulation 17(1A) a person shall not be eligible to get appointed as a non-executive director or in case of an existing non-executive director, shall not be eligible to continue his/her such directorship, if he/she has attained the age of seventy five years unless the approval of the shareholders of the Company has not obtained by way of a special resolution. Accordingly, the Board recommends re-appointment of Mr. Harischandra Maneklal Parekh, since, he has already attended the age of seventy five years a special resolution in terms of the aforesaid Regulation shall be required.

The performance evaluation of Mr. Harischandra Maneklal Parekh, Independent Director, was done on various parameters, such as, requisite skills, competence, experience and knowledge of the regulatory requirements relating to governance, such as, roles and responsibilities under the Code for Independent Directors, the Act, the SEBI Listing Regulations, etc. The result of the said evaluation was found to be satisfactory.

The Board, based on the performance evaluation carried out by it and also based on recommendation

of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Parekh, being eligible for re-appointment as an Independent Director and offering himself for re-appointment, is proposed to be re-appointed as an Independent Director for second term of five consecutive years from 22nd September, 2019.

The Company has received declaration from him stating that he meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He has also given his consent to continue to act as Independent Director of the Company, if so appointed by the Members.

In the opinion of the Board, Mr. Parekh fulfils the conditions specified under Section 149 (6) of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his reappointment as an Independent Non-Executive Director of the Company and is independent of the management.

Copy of the draft letter for appointment of Mr. Parekh as an Independent Non-Executive Director setting out terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day before the date of the AGM of the Company and also at the AGM.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Parekh as an Independent Director. Accordingly, a brief resume of Mr. Harischandra Maneklal Parekh, nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships/ chairmanships of Board Committees, shareholding and relationships between Directors inter-se, etc., as required under Regulation 36 of the SEBI Listing Regulations and Secretarial Standard -2, are given in an annexure, annexed hereto and marked as "Annexure-A".

Accordingly, the Board recommends passing of the Special Resolution in relation to re-appointment of Mr. Parekh as an Independent Director for another



term of five consecutive years with effect from 22nd September, 2019, for the approval by the shareholders of the Company.

Except Mr. Parekh, being an appointee and his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the accompanying Notice of the AGM.

### Item No. 6

Mr. Narasimhan Swaminathan [DIN: 02743671] was appointed as an Independent Non- Executive Director of the Company by the Members at the 101st Annual General Meeting (AGM) of the Company held on 22nd September, 2014 for a period of 5 (five) consecutive years commencing from 22nd September, 2014 upto 21st September, 2019.

As per the provisions of Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years.

Further, please note that SEBI vide Notification dated 9th May, 2018 amended the existing provisions of regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 effective from 1st April, 2019. Pursuant to the amended provisions of Regulation 17(1A) a person shall not be eligible to get appointed as a non-executive director or in case of an existing non-executive director, shall not be eligible to continue his/her such directorship, if he/she has attained the age of seventy five years unless the approval of the shareholders of the Company has not obtained by way of a special resolution. Accordingly, the Board recommends re-appointment of Mr. Narasimhan Swaminathan , since, he has already attended the age of seventy five years a special resolution in terms of the aforesaid Regulation shall be required.

The performance evaluation of Mr. Narasimhan Swaminathan , Independent Director, was done on various parameters, such as, requisite skills, competence, experience and knowledge of the regulatory requirements relating to governance, such as, roles and responsibilities under the Code for Independent Directors, the Act, the SEBI Listing Regulations, etc. The result of the said evaluation was found to be satisfactory.

The Board, based on the performance evaluation carried out by it and also based on recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Swaminathan, being eligible for re-appointment as an Independent Director and offering himself for re-appointment, is proposed to be re-appointed as an Independent Director for second term of five consecutive years from 22nd September, 2019.

The Company has received declaration from him stating that he meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He has also given his consent to continue to act as Independent Director of the Company, if so appointed by the Members.

In the opinion of the Board, Mr. Swaminathan fulfils the conditions specified under Section 149 (6) of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his reappointment as an Independent Non-Executive Director of the Company and is independent of the management.

Copy of the draft letter for appointment of Mr. Swaminathan as an Independent Non-Executive Director setting out terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day before the date of the AGM of the Company and also at the AGM.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Swaminathan as an Independent Director. Accordingly, a brief resume of Mr. Narasimhan Swaminathan, nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships/ chairmanships of Board Committees, shareholding and relationships between Directors inter-se, etc., as required under Regulation 36 of the SEBI Listing Regulations and Secretarial Standard -2, are given in an annexure, annexed hereto and marked as "Annexure-A".

Accordingly, the Board recommends passing of the Special Resolution in relation to re-appointment of Mr. Swaminathan as an Independent Director for another



term of five consecutive years with effect from 22nd September, 2019, for the approval by the shareholders of the Company.

Except Mr. Swaminathan, being an appointee and his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the accompanying Notice of the AGM.

### Item No. 7

Mr. Pudugramam Ramachandran Ramakrishnan [DIN: 02715749] was appointed as an Independent Non- Executive Director of the Company by the members at the 101st Annual General Meeting (AGM) of the Company held on 22nd September, 2014 for a period of five consecutive years commencing from 22nd September, 2014 upto 21st September, 2019.

As per the provision of Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company.

The performance evaluation of Mr. Pudugramam Ramachandran Ramakrishnan, Independent Director, was done on various parameters, such as, requisite skills, competence, experience and knowledge of the regulatory requirements relating to governance, such as, roles and responsibilities under the Code for Independent Directors, the Act, the SEBI Listing Regulations, etc. The result of the said evaluation was found to be satisfactory.

The Board, based on the performance evaluation carried out by it and also based on recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Ramakrishnan, being eligible for re-appointment as an Independent Director and offering himself for re-appointment, is proposed to be re-appointed as an Independent Director for second term of five consecutive years from 22nd September, 2019.

The Company has received declaration from him stating that he meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing

Obligations and Disclosure Requirements) Regulations, 2015. He has also given his consent to continue to act as Independent Director of the Company, if so appointed by the members.

In the opinion of the Board, Mr. Ramakrishnan fulfils the conditions specified under Section 149 (6) of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his reappointment as an Independent Non-Executive Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Ramakrishnan as an Independent Non-Executive Director setting out terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day before the date of the AGM of the Company and also at the AGM.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Ramakrishnan as an Independent Director. Accordingly, a brief resume of Mr. Pudugramam Ramachandran Ramakrishnan, nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships/chairmanships of Board Committees, shareholding and relationships between Directors inter-se, etc., as required under Regulation 36 of the SEBI Listing Regulations and Secretarial Standard -2, are given in an annexure, annexed hereto and marked as "Annexure-A".

Accordingly, the Board recommends passing of the Special Resolution in relation to re-appointment of Mr. Ramakrishnan as an Independent Director for another term of five consecutive years with effect from 22nd September, 2019, for the approval by the shareholders of the Company.

Except Mr. Ramakrishnan, being an appointee and his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the accompanying Notice of the AGM.

**By Order of the Board  
For The Peria Karamalai Tea & Produce Co. Ltd.**

**Kolkata  
20th May, 2019.**

**Saurav Singhania  
Company Secretary**



**Annexure A**

**Details of Directors seeking Appointment / reappointment at the ensuing Annual General Meeting**

(Pursuant to Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Secretarial Standards 2 (SS- 2 on General Meetings)

<b>Name of Director</b>	<b>Mr. Shreyash Bangur</b>	<b>Mr. Harischandra Parekh Maneklal</b>	<b>Mr. Narasimhan Swaminathan</b>	<b>Mr. Pudugramam Ramachandran Ramakrishnan</b>
DIN	00012825	00026530	02743671	02715749
Age / Date of Birth	39 years / 01.06.1980	82 years / 23.03.1937	80 years/25.06.1939	67 years / 08.01.1952
Date of First Appointment on the Board	05.11.2012	23.6.2009	29.07.2009	23.06.2009
Expertise in Specific functional areas	Industrialist	Mr. H.M.Parekh is a tea professional with more than 55 years of experience in tea industry. He retired as Chairman of M/s. J.Thomas & Co. Pvt .Ltd, the largest tea broking company in the world. He was CEO of Project India Blend Limited. Currently, he offers consultancy services to some of the top tea producing.	Mr. N.Swaminathan, retired as an officer of Indian Army, Indian Military Academy, Dehra Dun. He served the Research and Development wing of the Ministry of Defence, Government of India. Subsequently, he joined Group of Plantation Companies managed by erstwhile Peirce Leslie and Company. He served many tea and coffee estates in Kerala, Tamil Nadu and Karnataka acquiring considerable experience in the estate management	Mr. P.R.Ramakrishnan is an advocate practicing law for the past 45 years in various courts including Madras High Court, District Courts and Debt Recovery Tribunal. His Clientele includes leading public sector banks, financial institutions, NTC, LIC and other reputed companies & Institutions.
Qualification	MSC in Engineering & Business Management	B.Com (Hons)	B.E.	B.Com, B.L.
Terms and condition of appointment / re-appointment	Director liable to retire by rotation and eligible for reappointment	As per Point No.5 of explanatory statement	As per Point No.6 of explanatory statement	As per Point No.7 of explanatory statement
Remuneration last drawn by such person, if applicable	Rs. 27.24 lakhs	NIL	NIL	NIL





Name of Director	Mr. Shreyash Bangur	Mr. Harischandra Parekh Maneklal	Mr. Narasimhan Swaminathan	Mr. Pudugramam Ramachandran Ramakrishnan
List of outside directorship held excluding alternate directorship	1. Kiran Vyapar Ltd 2. Sidhidata Tradecomm Ltd. 3. Jubilee Hills Residency Ltd. 4. Golden Greeneries Pvt. Ltd. 5. Sidhidata Solar Urja Ltd. 6. Eminence Agrifield Pvt. Ltd. 7. Navjyoti Commodity Management Services Limited. 8. LNB Renewable Energy Pvt. Ltd. 9. Sarvadeva Greenpark Pvt. Ltd. 10. Subhprada Greeneries Pvt. Ltd. 11. Satyawatche Greeneries Pvt. Ltd. 12. Parmarth Wind Energy Pvt. Ltd. 13. Palimarwar Solar Project Pvt. Ltd. 14. Manifold Agricrops Pvt. Ltd. 15. Yasheshvi Greenhub Pvt. Ltd.	1. Williamson Magor & Co. Ltd. 2. Diana Tea Co Ltd 3. Rasoi Ltd 4. Gillanders Arbuthnot & Co Ltd. 5. The Grob Tea Co Ltd 6. Quality Tea Plantations Pvt Ltd. 7. Babcock Borsig Limited.	PKT Plantations Limited	PKT Plantations Limited
Chairman/ Member of the Committees of the Board of Directors of the Company	NIL	Member of Audit Committee and Nomination & Remuneration Committee	Member of Audit Committee and Nomination & Remuneration Committee and Stakeholders Relationship Committee	Chairman of Audit Committee and Nomination & Remuneration Committee and Member of Stakeholders Relationship Committee.



Name of Director	Mr. Shreeyash Bangur	Mr. Harischandra Parekh Maneklal	Mr. Narasimhan Swaminathan	Mr. Pudugramam Ramachandran Ramakrishnan
Chairman/ Member of the Committees of the Board of Directors of other companies in which he/she is a director	Member of Audit Committee and Nomination & Remuneration Committee of Sidhidata Solar Urja Ltd.	<u>Diana Tea Co. Ltd</u> Chairman of Audit Committee and Nomination & Remuneration Committee <u>Willimson Magor &amp; Co. Ltd</u> Member of Audit Committee <u>Gillanders Arbuthnot &amp; Co. Ltd.</u> Chairman of Audit Committee and Nomination & Remuneration Committee and Stakeholders Relationship Committee. <u>Rasoi Ltd</u> Chairman of Audit Committee. Member of Nomination & Remuneration Committee and Stakeholders Relationship Committee <u>The Grob Tea Co. Ltd</u> Member of Audit Committee. Chairman of Nomination & Remuneration Committee	NIL	NIL
No. of Equity shares held in the Company	NIL	NIL	150	300
Number of Board Meetings attended during FY 2018-19	5 (Five)	3 (three)	3 (three)	1 (One)
Relationship with other Directors, Manager and other Key Managerial Persons of the Company	Son of Mr. Lakshmi Niwas Bangur, Chairman and Mrs. Alka Devi Bangur, Managing Director.	None	None	None



### Venue of the 106th Annual General Meeting – Route Map





## DIRECTORS' REPORT

Your Directors have pleasure in presenting the 106th Annual Report for the year ended 31st March 2019.

### 1. FINANCIAL RESULTS

Rs. in lakhs

Particulars	2018-19	2017-18
<b>Profit / (Loss) before interest, depreciation and tax</b>	<b>961.48</b>	<b>976.13</b>
Less: Interest	207.84	70.59
<b>Profit/(Loss) before depreciation</b>	<b>753.64</b>	<b>905.54</b>
Less: Depreciation	346.52	252.80
<b>Profit/(Loss) before Tax</b>	<b>407.12</b>	<b>652.74</b>
Less: Tax expenses	113.55	25.47
<b>Profit/(Loss) after tax</b>	<b>293.57</b>	<b>627.27</b>
Other Comprehensive Income	(12.58)	552.70
Total Comprehensive Income	280.99	1179.97
<b>Appropriations</b>		
<b>Profit/(Loss) after tax</b>	<b>293.57</b>	<b>627.27</b>
Add: Balance brought forward from previous year	4480.73	3890.72
<b>Profit available for appropriation</b>	<b>4774.30</b>	<b>4517.99</b>
Less: Dividend including tax on dividend	28.01	37.26
<b>Balance carried forward to the Balance Sheet</b>	<b>4746.29</b>	<b>4480.73</b>
<b>Earning per equity share:</b>		
Basic	9.48	20.26
Diluted	9.48	20.26

The financial statements for the year ended 31st March, 2019 have been prepared in accordance with the Indian Accounting Standards (IND AS) notified under Section 133 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014.

### 2. Operations

#### *Production*

During the financial year 2018-19, your Company produced 31,16,955 kg of made tea as against 37,63,334 kg of made tea produced in 2017-18.

#### *Price & Sales*

Your company's tea realized average price of Rs.126.04/- per kg as against Rs.113.56/-Per kg realized last year. During the year, the Company has made a total sales realization of Rs.3,951 lakhs compared to Rs. 4,230 lakhs last year.

#### *Wind Turbines*

During the year under review, the Wind Mills generated 32,42,286 units as against 39,21,537 units generated during the same period last year.

#### *Solar Project*

The Company had commenced commercial operation of 3 MW Solar Power project situated at Kudipatty Village, Peraiyur Taluk, Madurai District, Tamil Nadu on 23rd February, 2018.

During the year under review, the Solar Power generated 45,23,652 units as against 4,47,228 units generated during the same period last year.

### 3. Material Changes and Commitments, if any, affecting the financial position of the Company

There are no material changes and commitments, affecting the financial position of the Company that have occurred between the end of the financial year 2018-19 and the date of the report.

### 4. Dividend

The Board of Directors is pleased to recommend a dividend of Re. 0.75/- per share (last year Re.0.75/- per share) for the year ended 31st March 2019 subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company.

### 5. Transfer to Reserves

No amount has been transferred to the Reserves during the financial year 2018-19.

### 6. Change in the nature of business

During the year under review, there were no changes in the nature of the business of the Company.

### 7. Share Capital

The paid up Equity Share Capital of the Company as at 31st March 2019 is Rs. 3,09,58,790/.



the year under review, your company has neither issued and allotted any fresh equity shares (including ESOP) nor has granted any stock options and sweat equity as on 31st March, 2019. None of the Directors of the Company hold instruments convertible into equity shares of the Company.

#### 8. Transfer of Shares and unclaimed dividend to Investor Education and Protection Fund

Pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules'), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Government of India, after the completion of seven years. Further according to the Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of the IEPF Authority. Accordingly, the Company has transferred the unclaimed and unpaid dividends of Rs. 4,60,251/- for the financial year 2010-11 to IEPF Authority during the financial year 2018-19. Further 10,110 corresponding shares were transferred to IEPF Authority as per the requirement of the IEPF rules.

#### 9. Extract of Annual Return

The extract of Annual Return as required under section 134(3)(a) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 in Form No. MGT-9, is annexed to this Report as **Annexure A**.

#### 10. Number of Meetings of the Board of Directors

The Board meets at regular intervals to discuss and decide on Company's business Policy and strategy apart from other broad business. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions through circulation, as permitted by law, which are confirmed in the subsequent Board Meeting.

The notice of Board Meeting is given well in advance to all the Directors. The Agenda of the Board/ Committee Meetings is circulated at least 7 (seven) days prior to the date of the meeting as per Section 173(3) of the Companies Act, 2013 read with Secretarial Standard on meeting of the Board of Directors (SS-1). The Agenda for the Board and Committee Meetings includes detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision.

The detailed information chart showing the date of the meeting of the Board and its various Committees as well as details of the Directors who attended the meeting are given in the Corporate Governance Report forming part of this Annual Report.

#### 11. Committees of the Board

During the financial year ended 31 March 2019, the Company has 4 (four) committees as mentioned below:

1. Audit Committee
2. Stakeholders Relationship Committee
3. Nomination and Remuneration Committee
4. Corporate Social Responsibility Committee

Details of the Committees along with their charters, composition and meetings held during the year are given in the Corporate Governance Report forming a part of this Annual Report.

#### 12. Public Deposits

During the financial year 2018-19, the Company has not accepted any deposits from the public under section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

#### 13. Listing

Your Company's shares are listed on National Stock Exchange of India Limited and The Calcutta Stock Exchange Limited. The Company has paid the Annual Listing Fees to all the Stock Exchanges for FY 2019-20.

#### 14. Directors' Responsibility Statement

In terms of provision of Section 134(3)(C) and 134(5) of the Companies Act, 2013, your Director's state that:

- a. in the preparation of the annual accounts for the financial year ended 31st March 2019, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- b. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;



- c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. the directors had prepared the annual accounts on a going concern basis;
- e. the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- f. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### 15. Fraud Reporting

There have been no instances of frauds identified or reported by the statutory auditors during the course of their audit pursuant to sub - section 12 of section 143 of the Companies Act, 2013 and as per Companies (Amendment) Act, 2015.

#### 16. Declaration by Independent Directors

The Company has received declarations from all the independent directors of the Company confirming that they meet the criteria of independence as prescribed both under the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

#### 17. Company's Policy relating to Directors appointment, payment of remuneration and other matters provided under Section 178 (3) of the Companies Act, 2013

The Board on the recommendation of the Nomination and Remuneration Committee framed a policy for the selection, appointment, fixing and revising remuneration of Directors, Key Managerial Personnel, Senior Management Personnel and employees of the Company. The Nomination and Remuneration Policy of the Company is annexed herewith as **Annexure B** and can also be accessed on the Company's website [www.periatea.com](http://www.periatea.com).

#### 18. Particulars of loans, guarantees or investments made under Section 186 of the Companies Act, 2013

The loan given, guarantee given and investment made by the Company during the financial year

ended March 31, 2019 are within the limits prescribed under Section 186 of the Act. Further, the details of loan given, investments made, guarantees given and securities provided pursuant to Section 186 of the Companies Act, 2013 have been given in the notes to the financial statements.

#### 19. Particulars of contracts or arrangements with related parties

During the year under review, all transactions with related parties during the financial year 2018-19 were in the ordinary course of business and on arm's length price. Further, during the Financial Year, the Company has not entered into any contract/ arrangement/ transaction with related parties which could be considered material in accordance with the Company's policy of Materiality of Related Party Transactions. Hence, no transaction are reported in Form No. AOC-2 in terms of Section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014.

The policy on related party transactions as approved by the Board of Directors has been uploaded on the Company's website [www.periatea.com](http://www.periatea.com). Further, suitable disclosure as required by the Accounting Standards has been made in the Notes to the Financial Statements.

#### 20. Conservation of energy, technology absorption, foreign exchange earnings and outgo

The information on conservation of energy, technology absorption, foreign exchange earnings and outgo, stipulated under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed herewith as **Annexure C**.

#### 21. Risk Management

The Company has in place mechanism to identify, assess, monitor and mitigate various risks that may impact key business objectives of your Company.

The specific objectives of the Risk Management Policy are to ensure that all the current and future material risk exposures of the Company are identified, assessed, quantified, appropriately mitigated and managed, to establish a framework for the company's risk management process and to ensure companywise implementation to ensure systematic and uniform assessment of risks and to enable compliance with appropriate regulations, wherever applicable, through the adoption of best





practices and to assure business growth with financial stability.

Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuous basis. These are discussed at the meetings of the Audit Committee and the Board of Directors of the Company. The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and certified by Statutory and Internal Auditors. Significant audit observations and follow up actions thereon are reported to the Audit Committee.

## 22. Board Evaluation

Pursuant to the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Guidance Notes issued by SEBI in this regard, the Board and Nomination and Remuneration Committee has formulated criteria for evaluation of the performance of the Board of Directors, its committees, Independent Directors, Non-Independent Directors, Chairman, CEO and the Managing Directors. Based on those criteria, performance evaluation has been done.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations, ethics and compliances, financial reporting process and monitoring activities.

Performance parameters for the Board as a collective body, included parameters like qualification and diversity of Board members, method and criteria for selection of independent directors to ensure independence, availability, appropriateness, clarity of understanding on risk scenarios faced by the Company, existence, sufficiency and appropriateness of policy on dealing with potential conflicts of interest, involvement of Board members in long-term strategic planning etc. Based on these criteria, the performance of the Board, various Board Committees, Chairman, CEO, Managing Director and Individual Directors (including Independent Directors) was found to be satisfactory.

Independent Directors have reviewed the performance of Board, Non-Independent Director and Chairman in their separately held meeting without the participation of other Non-Independent Directors and members of

management. Based on their review, the Independent Directors, hold an unanimous opinion that the Non-Independent Directors, including the Chairman to the Board are experts with sufficient knowledge in their respective field of activities.

## 23. Directors and Key Managerial Personnel

### a. Details of Directors retiring by rotation

Mr. Shreeyash Bangur (DIN: 00012825), Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Brief profile of Mr. Shreeyash Bangur, who is to be re-appointed is furnished in the notice of the ensuing Annual General Meeting as per Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards 2. The Board of Directors of your Company recommends the re-appointment of Mr. Shreeyash Bangur at the ensuing Annual General Meeting.

### b. Appointment/Reappointment of Directors

Mr. Ashok Kumar Bhargava (DIN: 00640248) appointed as Additional Director of the Company with effect from 8th May, 2018. The Shareholders at the Annual General Meeting of the Company held on 14th September, 2018 confirmed his appointment as a Director of the Company.

Pursuant to the provisions of the Companies Act, 2013 ("the Act") and Clause 49 of the erstwhile Listing Agreement, Mr. Harischandra Maneklal Parekh (DIN: 00026530), Mr. Narasimhan Swaminathan (DIN:02743671) and Mr. Pudugramam Ramachandran Ramakrishnan (DIN: 02715749) were appointed as Independent Non-Executive Directors to hold office for five consecutive years for a term up to 21st September, 2019 by the Members of the Company in the 101st Annual General Meeting held on 22nd September, 2014. The above mentioned Directors are eligible for reappointment as Independent Directors for a second term of five consecutive years. Pursuant to the provisions of the Act and the SEBI Listing Regulations, based on the recommendation of the Nomination and Remuneration Committee, the Board recommends for the approval of the Members through Special Resolution at the ensuing Annual General Meeting reappointment of Mr. Harischandra Maneklal Parekh, Mr. Narasimhan Swaminathan and



Mr. Pudugramam Ramachandran Ramakrishnan as Independent Directors for further period of 5 (five) consecutive years from 22nd September, 2019 upto 21st September, 2024. Details of Directors as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 for the directors who are to be re-appointed at the ensuing general meeting has been provided in the Explanatory Statement to the Notice of the ensuing AGM. None of the above mentioned Directors are disqualified under the provisions of Section 164(2)(a) & (b) of the Act.

The above proposal for re-appointment forms part of the Notice of the 106th Annual General Meeting.

**c. Appointment / Resignation of Key Management Personnel**

During the year under review, no Key Management Personnel was appointed or has resigned during the financial year 2018-19.

**24. Reports on the performance and financial position of each of the subsidiaries, Associates and Joint Venture Companies included in the Consolidated Financial Statements**

The Company has two subsidiaries namely PKT Plantations Ltd and Shivphal Vinimay Private Limited.

There has been no change in the number of subsidiaries or in the nature of business of the subsidiaries, during the year under review. There are no associate companies or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 ('the Act').

In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared a consolidated financial statement of the Company consolidating its subsidiary companies, which is forming part of the Annual Report. A statement containing salient features of the financial statements of the subsidiary companies in Form AOC-1 is also attached to the Consolidated Financial Statement and forms part of the Annual Report.

Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiaries are available on the website of the

Company. Shareholders interested in obtaining a copy of the audited annual accounts of the subsidiary company or companies may write to the Company Secretary at the Company's registered office.

**25. Details of significant and material orders passed by the Regulators or Courts or Tribunals**

During the year under review, no significant and material order passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operation in future.

**26. Adequacy of Internal Financial Controls with reference to the financial statements**

The Company is having adequate internal financial control which is commensurate with the nature of its size and business. The Directors have laid down Internal Financial Controls to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively. The Internal Financial Control systems of the Company are monitored and evaluated and reviewed by the Audit Committee.

Your Board confirms the following:

1. Systems have been laid to ensure that all transactions are executed in accordance with management's general and specific authorization. There are well laid manuals for such general or specific authorization.
2. Systems and procedures exist to ensure that all transactions are recorded as is necessary to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and to maintain accountability for aspects and the timely preparation of reliable financial information.
3. Access to assets is permitted only 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.
4. The existing assets of the Company are verified/checked at reasonable intervals and appropriate action is taken with respect to any differences, if any.
5. Proper systems are in place for prevention and detection of frauds and errors and for ensuring adherence to the Company's policies.



Based on the above, your Board is of the view that adequate internal financial controls exist in the Company. Further, the certificate from Chief Executive Officer and Chief Financial Officer, in terms of Regulation 17(8) of the SEBI Listing Regulations, provided in this Annual Report, also certifies the adequacy of our Internal Control systems and procedures.

### 27. Statutory Auditors

M/s. Srikishen & Co. Chartered Accountants have been appointed as the Statutory Auditors of the Company for a period of 5 (five) years from the conclusion of the 103rd Annual General Meeting till the conclusion of the 108th Annual General Meeting. The consent have been received from the Statutory Auditors of the Company towards ratification of their appointment for the Financial Year 2019- 20.

The Board now recommends the appointment of M/s. Srikishen & Co. for ratification by the shareholders at the ensuing Annual General Meeting of the Company.

### 28. Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company has appointed M/s Vinod Kothari & Company, Company Secretaries to undertake the Secretarial Audit of the Company. The report of the Secretarial Auditors is annexed herewith as **Annexure D** which is self-explanatory. The said Report does not contain any qualifications, reservations or adverse remark.

### 29. Internal Auditors

The Board of Directors at its meeting held on 20th May 2019 has appointed Shri K.N.Narayanan (having membership No.22965), Chartered Accountant, Chennai as Internal Auditor of the Company for the financial year 2019-20. Further, the Audit Committee considers and reviews the Internal Audit Report submitted by the Internal Auditor on a quarterly basis.

### 30. Auditors' Report

The notes on financial statements referred to in the Auditors Report are self- explanatory and do not call for any further comments. The Auditors Report does not contain any qualifications, reservations or adverse remarks.

### 31. Industrial Relations

The relation between management and labour was cordial during the year.

### 32. Particulars of employees

Disclosure pursuant to Section 197 (12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is marked as **Annexure E** which is annexed hereto and forms a part of the Board Report.

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

The Company has in place policy on Sexual Harassment of Women at workplace in line with the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaint Committee has been set up to redress complaints received. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The Committee has not received any complaint from any employee during the financial year 2018-19.

### 34. Whistle Blower Policy/Vigil Mechanism

The Board of Directors of the Company has established a Vigil Mechanism or Whistle Blower Policy for directors and employees in terms of Section 177 of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 to report concerns about unethical behavior, wrongful conduct and violation of company's code of conduct or ethics. The details of which have been given in the Corporate Governance Report annexed to this Report and also posted on the Company's website [www.periatea.com](http://www.periatea.com).

### 35. Corporate Social Responsibility (CSR)

The Board has constituted a Corporate Social Responsibility Committee in accordance with section 135 of the Companies Act, 2013. The Annual Report on CSR activities including the details about the development of CSR Policy and initiatives taken by the Company on Corporate Social Responsibility during the year, as required by the Companies (Corporate Social Responsibility Policy) Rules, 2014 is given in the **Annexure F** to this report. The Corporate Social Responsibility Policy has been posted on the website of the Company [www.periatea.com](http://www.periatea.com).



### 36. Management Discussion and Analysis Report

The Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34(2)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the Annual Report.

### 37. Corporate Governance

Your Company is committed to observe good Corporate Governance practices. The report on Corporate Governance for the financial year ended March 31, 2019, as per Regulation 34(3) read with Schedule V of the Listing Regulations forms part of this Annual Report and annexed to this Report. The requisite certificate from Statutory Auditors, M/s. Srikishen & Co, Chartered Accountants confirming compliance with the conditions of corporate governance, is attached to this Report on Corporate Governance.

### 38. Certificate from CEO/CFO

The CEO/CFO certification pursuant to Regulation 17(8) read with Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year under review forms part of this Annual Report.

### 39. Code for prevention of Insider Trading

During the year under review, the Board of Directors of the Company has revised the existing Code of Conduct for prevention of Insider Trading and Code

of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information' (UPS) in view to make it in line with the amended provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

### 40. Secretarial Standard

The Company complies with all applicable Secretarial Standards.

### 41. Maintenance of Cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013

The Company has maintained cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

### 42. Acknowledgements

The Board express their gratitude to the shareholders, customers, vendors, financial institutions and banks for the support extended by them. The Board also appreciation of the hard work and commitment of the employees of the Company at all levels during the year.

For and on behalf of the Board

Kolkata  
20th May, 2019.

L.N. Bangur  
Chairman  
(DIN 00012617)



## Annexure A

FORM NO. MGT-9

**EXTRACT OF THE ANNUAL RETURN  
as on the Financial year ended 31.03.2019**

[Pursuant to section 92(3) of the Companies Act 2013 and rule 12(1) of the Companies  
(Management and Administration) Rules 2014]

**I. REGISTRATION AND OTHER DETAILS:**

i)	CIN:	L01132WB1913PLC220832
ii)	Registration Date	5th July 1913
iii)	Name of the Company	The Peria Karamalai Tea & Produce Company Limited
iv)	Category / sub category of the Company	Public Company Limited by shares
v)	Address of the Registered office and contact details	7, Munshi Premchand Sarani, Hastings, Kolkata 700 022 Phone : +91 33 22233394 E-mail : periatea@lnbgroup.com Website : www.periatea.com
vi)	Whether listed company	Yes
vii)	Name Address and Contact details of Registrar and Transfer Agent if any	SKDC Consultants Limited Kanapathy Towers Ganapathy Coimbatore - 641 006 Phone: 91-422-2539835, 2539836 Fax: 91-422-2539837 E-mail ID: info@SKDC-Consultants.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:-

S. No	Name and Description of main products / services	NIC Code of the Product /service	% of total turnover of the Company
1	Tea Manufacturing	10791	82.85%
2	Wind Power Generation	35106	0.83%
3	Solar Power Generation	35105	0.95%
4	Investment	64990	15.37%

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

S. No	Name and address of the Company	CIN	Holding/ Subsidiary/ Associate/ Joint Venture	% of shares held	Applicable Section
1	PKT Plantations Limited "Panchratn", 286, Race Course Road, Coimbatore - 641 018	U01132TZ2009PLC015537	Subsidiary	100%	Section 2(87)(ii)
2	Shivphal Vinimay Private Limited 7, Munshi Premchand Sarani, Hastings, Kolkata 700 022	U51909WB2011PTC168574	Subsidiary	100%	Section 2(87)(ii)



**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 1-April-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% 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	1,05,678	19,901	1,25,579	4.056	1,05,678	19,901	1,25,579	4.056	—
b) Central Govt	—	—	—	—	—	—	—	—	—
c) State Govt(s)	—	—	—	—	—	—	—	—	—
d) Bodies Corp.	13,70,811	—	13,70,811	44.279	13,70,811	—	13,70,811	44.279	—
e) Banks/Fi	—	—	—	—	—	—	—	—	—
f) Any other	—	—	—	—	—	—	—	—	—
<b>Sub Total (A)(1)</b>	<b>14,76,489</b>	<b>19,901</b>	<b>14,96,390</b>	<b>48.335</b>	<b>14,76,489</b>	<b>19,901</b>	<b>14,96,390</b>	<b>48.335</b>	<b>—</b>
<b>2. Foreign</b>									
a) NRIs - Individuals	—	—	—	—	—	—	—	—	—
b) Others - Individuals	—	—	—	—	—	—	—	—	—
c) Bodies Corporate	—	—	—	—	—	—	—	—	—
d) Banks / FI	—	—	—	—	—	—	—	—	—
e) Any other...	—	—	—	—	—	—	—	—	—
<b>Sub Total (A)(2)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>14,76,489</b>	<b>19,901</b>	<b>14,96,390</b>	<b>48.335</b>	<b>14,76,489</b>	<b>19,901</b>	<b>14,96,390</b>	<b>48.335</b>	<b>—</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	—	—	—	—	—	—	—	—	—
b) Banks/FI	2,122	1,813	3,935	0.127	2,122	1,792	3,914	0.126	(0.001)
c) Central Govt	9,238	18,477	27,715	0.895	9,238	18,477	27,715	0.895	—
d) State Govt(s)	—	—	—	—	—	—	—	—	—
e) Venture Capital Funds	—	—	—	—	—	—	—	—	—
f) Insurance Companies	3,60,138	—	3,60,138	11.633	3,60,138	—	3,60,138	11.633	—
g) FIs	—	—	—	—	—	—	—	—	—
h) Foreign Venture Capital Funds	—	—	—	—	—	—	—	—	—
i) Others (specify)	—	—	—	—	—	—	—	—	—
Alternate Investment Funds	—	—	—	—	—	—	—	—	—
Foreign Portfolio Investors	2,733	—	2,733	0.088	—	—	—	—	(0.088)
Provident Funds / Pension Funds	—	—	—	—	—	—	—	—	—
Qualified Foreign Investor	—	—	—	—	—	—	—	—	—
<b>Sub-total(B)(1):-</b>	<b>3,74,231</b>	<b>20,290</b>	<b>3,94,521</b>	<b>12.743</b>	<b>3,71,498</b>	<b>20,269</b>	<b>3,91,767</b>	<b>12.654</b>	<b>(0.089)</b>





Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-April-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% 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	82,677	12,121	94,798	3.062	89,386	11,819	1,01,205	3.269	0.207
ii) Overseas	—	—	—	—	—	—	—	—	—
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	5,40,450	2,64,737	8,05,187	26.008	5,83,598	2,12,705	7,96,303	25.721	(0.287)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1,41,654	—	1,41,654	4.576	1,48,543	—	1,48,543	4.798	0.223
c) Others (specify)									
a) Directors & their relatives	1,425	150	1,575	0.051	300	150	450	0.015	(0.036)
b) Foreign Nationals	401	415	816	0.026	188	415	603	0.019	(0.007)
c) Non Resident Indians	8,526	4,168	12,694	0.410	11,065	2,674	13,739	0.444	0.034
d) Clearing Members	21,882	—	21,882	0.707	10,235	—	10,235	0.331	(0.376)
e) Hindu Undivided Family	27,796	—	27,796	0.898	27,968	—	27,968	0.903	0.006
f) IEPF Authority	98,566	—	98,566	3.184	1,08,676	—	1,08,676	3.510	0.327
g) Trusts	—	—	—	—	—	—	—	—	—
h) Foreign Bodies - D R	—	—	—	—	—	—	—	—	—
<b>Sub-total(B)(2):-</b>	<b>9,23,377</b>	<b>2,81,591</b>	<b>12,04,968</b>	<b>38.922</b>	<b>9,79,959</b>	<b>2,27,763</b>	<b>12,07,722</b>	<b>39.011</b>	<b>0.089</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>12,97,608</b>	<b>3,01,881</b>	<b>15,99,489</b>	<b>51.665</b>	<b>13,51,457</b>	<b>2,48,032</b>	<b>15,99,489</b>	<b>51.665</b>	<b>—</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Grand Total (A+B+C)</b>	<b>27,74,097</b>	<b>3,21,782</b>	<b>30,95,879</b>	<b>100.000</b>	<b>28,27,946</b>	<b>2,67,933</b>	<b>30,95,879</b>	<b>100.000</b>	<b>—</b>

## ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% 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 total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Placid Limited	6,63,454	21.430	—	6,63,454	21.430	—	—
2	Kiran Vyapar Limited	4,70,224	15.189	—	4,70,224	15.189	—	—
3	M B Commercial Co Ltd	1,21,275	3.917	—	1,21,275	3.917	—	—
4	Lakshmi Niwas Bangur (HUF) .	61,200	1.977	—	61,200	1.977	—	—



Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% 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 total Shares of the company	% of Shares Pledged / encumbered to total shares	
5	Shree Krishna Agency Ltd	53,446	1.726	—	53,446	1.726	—	—
6	Smt. Alka Devi Bangur	37,638	1.216	—	37,638	1.216	—	—
7	Mugneeram Ramcoowar Bangur Charitable & Religious Company	34,500	1.114	—	34,500	1.114	—	—
8	Sri Lakshmi Niwas Bangur	25,481	0.823	—	25,481	0.823	—	—
9	The General Investment Company Ltd	21,000	0.678	—	21,000	0.678	—	—
10	Navjyoti Commodity Management Services Ltd	6,912	0.223	—	6,912	0.223	—	—
11	Sheetal Bangur	1,260	0.041	—	1,260	0.041	—	—
	<b>TOTAL</b>	<b>14,96,390</b>	<b>48.335</b>	<b>—</b>	<b>14,96,390</b>	<b>48.335</b>	<b>—</b>	<b>—</b>

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

Sl. No.	Name	Shareholding at the beginning of the year		Cumulative Share holding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	There has been no change in Share holding of the Promoters during the year			
2	Increase / Decrease in Promoters Shareholding during the year				
3	At the end of the year				

**iv) Shareholding pattern of top ten shareholders (other than Directors Promoters and Holders of GDRs and ADR)**

Sl. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	LIFE INSURANCE CORPORATION OF INDIA				
	At the beginning of the year	207712	6.7090	207712	6.7090
	Transfer of shares during the year	—	—	—	—
	At the end of the year	207712	6.7090	207712	6.7090
2	MAHENDRA GIRDHARILAL				
	At the beginning of the year	115373	3.727	115373	3.727
	Transfer of shares during the year	—	—	—	—
	At the end of the year	115373	3.727	115373	3.727



Sl. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
3	INVESTOR EDUCATION AND PROTECTION FUND*				
	At the beginning of the year	98566	3.184	98566	3.184
	Transfer of shares on 23/11/2018	10105	0.326	108671	3.510
	Transfer of shares on 07/12/2018	5	—	108676	3.510
	At the end of the year	108676	3.510	108676	3.510
4	THE ORIENTAL INSURANCE COMPANY LIMITED				
	At the beginning of the year	76354	2.466	76354	2.466
	Transfer of shares during the year	—	—	—	—
	At the end of the year	76354	2.466	76354	2.466
5	UNITED INDIA INSURANCE COMPANY LIMITED				
	At the beginning of the year	76072	2.457	76072	2.457
	Transfer of shares during the year	—	—	—	—
	At the end of the year	76072	2.457	76072	2.457
6	GOVERNOR OF KERALA				
	At the beginning of the year	27715	0.895	27715	0.895
	Transfer of shares during the year	—	—	—	—
	At the end of the year	27715	0.895	27715	0.895
7	HANUMAN SHARE & STOCK BROKERS LIMITED*				
	At the beginning of the year	—	—	—	—
	Transfer of shares on 07/12/2018	19650	0.635	19650	0.635
	At the end of the year	19650	0.635	19650	0.635
8	VIVEK KUMAR*				
	At the beginning of the year	—	—	—	—
	Transfer of shares on 06/04/2018	5600	0.181	5600	0.181
	Transfer of shares on 13/04/2018	1150	0.037	6750	0.218
	Transfer of shares on 20/04/2018	50	0.002	6800	0.220
	Transfer of shares on 25/05/2018	1400	0.045	8200	0.265
	Transfer of shares on 01/06/2018	6800	0.220	15000	0.485
	Transfer of shares on 30/06/2018	2000	0.065	17000	0.549
	Transfer of shares on 06/07/2018	1000	0.032	18000	0.581
	Transfer of shares on 13/07/2018	170	0.005	18170	0.587
	At the end of the year	18170	0.587	18170	0.587



Sl. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
9	THE INDIAN COTTON PURCHASERS LIMITED*				
	At the beginning of the year	17850	0.577	17850	0.577
	Transfer of shares during the year	—	—	—	—
	At the end of the year	17850	0.577	17850	0.577
10	PRAVIN KUMAR AGRAWAL*				
	At the beginning of the year	15000	0.485	15000	0.485
	Transfer of shares during the year	—	—	—	—
	At the end of the year	15000	0.485	15000	0.485
11	MARUTI BUSINESS SERVICES LTD#				
	At the beginning of the year	19650	0.635	19650	0.635
	Transfer of shares on 07/12/2019	-19650	0.635	—	—
	At the end of the year	—	—	—	—

\* Not in the list of Top 10 shareholders as on 01/04/2018 The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2019.

# Ceased to be in the list of Top 10 shareholders as on 31/03/2019. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01/04/2018.

#### v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	SHRI LAKSHMI NIWAS BANGUR				
	At the beginning of the year	25481	0.823	25481	0.823
	Transfer of shares during the year	—	—	—	—
	At the end of the year	25481	0.823	25481	0.823
2	SMT ALKA DEVI BANGUR				
	At the beginning of the year	37638	1.216	37638	1.216
	Transfer of shares during the year	—	—	—	—
	At the end of the year	37638	1.216	37638	1.216
3	SHRI P.R. RAMAKRISHNAN				
	At the beginning of the year	300	0.010	300	0.010
	Transfer of shares during the year	—	—	—	—
	At the end of the year	300	0.010	300	0.010
4	SHRI N. SWAMINATHAN				
	At the beginning of the year	150	0.005	150	0.005
	Transfer of shares during the year	—	—	—	—
	At the end of the year	150	0.005	150	0.005
5	SHRI SHREEYASH BANGUR				
	At the beginning of the year	—	—	—	—
	Transfer of shares during the year	—	—	—	—
	At the end of the year	—	—	—	—



Sl. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
6	SHRI H.M. PAREKH				
	At the beginning of the year	—	—	—	—
	Transfer of shares during the year	—	—	—	—
	At the end of the year	—	—	—	—
7	SHRI A.K. BHARGAVA				
	At the beginning of the year	—	—	—	—
	Transfer of shares during the year	—	—	—	—
	At the end of the year	—	—	—	—
8	SHRI S.K. SINGH				
	At the beginning of the year	—	—	—	—
	Transfer of shares during the year	—	—	—	—
	At the end of the year	—	—	—	—
9	SHRI K. ASHOKAN				
	At the beginning of the year	—	—	—	—
	Transfer of shares during the year	—	—	—	—
	At the end of the year	—	—	—	—
10	SHRI SAURAV SINGHANIA				
	At the beginning of the year	—	—	—	—
	Transfer of shares during the year	—	—	—	—
	At the end of the year	—	—	—	—

## V. INDEBTEDNESS

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

(Amount in lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal amount	2,213.18	—	—	2,213.18
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
<b>Total (i + ii + iii)</b>	<b>2,213.18</b>	<b>—</b>	<b>—</b>	<b>2,213.18</b>
<b>Change in Indebtedness during the financial year</b>				
i) Addition	255.58		—	255.58
ii) Reduction	72.50		—	72.50
<b>Net Change</b>	<b>183.08</b>		<b>—</b>	<b>183.08</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal amount	2,386.84		—	2,386.84
ii) Interest due but not paid	—		—	—
iii) Interest accrued but not due	9.42		—	9.42
<b>Total (i+ii+iii)</b>	<b>2,396.26</b>		<b>—</b>	<b>2,396.26</b>



**VI. Remuneration of Directors and Key Managerial Personnel**

**(A) Remuneration to Managing Director, Whole time Director and / or Manager** (Amount in lakhs)

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager		Total Amount
		Mrs. Alka Devi Bangur	Mr. Shreeyash Bangur	
1	Gross salary			
	a) Salary u/s 17(1) of the Income Tax Act 1961	36.00	24.00	60.00
	(b) Value of perquisites u/s Section 17(2) of the Income Tax Act 1961	3.38	1.80	5.18
	(c) Profits in lieu of salary u/s 17 (3) of the Income Tax Act 1961	—	—	—
2	Stock Option	—	—	—
3	Sweat Equity	—	—	—
4	Commission - as % of profit - others specify	—	—	—
5	Others (Contribution to Provident Fund etc.,)	2.70	1.44	4.14
	<b>Total (A)</b>	<b>42.08</b>	<b>27.24</b>	<b>69.32</b>
	Ceiling as per the Act	The remuneration is well within the limits prescribed under the Companies Act, 2013 and as per Schedule V of the Companies Act, 2013		

**(B) Remuneration to other directors** (Amount in lakhs)

Sl. No.	Particulars of remuneration	Name of Directors					Total Amount
		Mr. Lakshmi Niwas Bangur	Mr. Ashok Kumar Bharagava	Mr. Harischandra Maneklal Parekh	Mr. Pudugramam Ramachandran Ramakrishnan	Mr. Narasimhan Swaminathan	
1	<b>Independent Directors</b>						
	(a) Fee for attending Board / Committee Meetings	—	0.35	0.25	0.20	0.35	1.15
	(b) Commission	—	—	—	—	—	—
	(c) Others please specify	—	—	—	—	—	—
	<b>Total (1)</b>	—	<b>0.35</b>	<b>0.25</b>	<b>0.20</b>	<b>0.35</b>	<b>1.15</b>
2	<b>Other Non-Executive Directors</b>						
	(a) Fee for attending Board / Committee Meetings	0.35	—	—	—	—	0.35
	(b) Commission	—	—	—	—	—	—
	(c) Others please specify	—	—	—	—	—	—
	Total (2)	0.35	—	—	—	—	0.35
	<b>Total (B)=(1+2)</b>	<b>0.35</b>	<b>0.35</b>	<b>0.25</b>	<b>0.20</b>	<b>0.35</b>	<b>1.50</b>
	<b>Total Managerial Remuneration (A+B)</b>	—	—	—	—	—	<b>70.82</b>
	Overall Ceiling as per the Act	The remuneration is well within the limits prescribed under the Companies Act, 2013 and as per Schedule V of the Companies Act, 2013					





## c) Remuneration to Key Managerial Personnel other than MD / WTD/ Manager

(Amount in Lakhs)

Sl. No.	Particulars of Remuneration	CS	CFO	CEO	Total
		Saurav Singhania	Kannusamy Ashokan	Sanjeev Kumar Singh	
1	Gross salary				
	a) Salary u/s 17(1) of the Income Tax Act 1961	8.13	20.17	70.35	98.65
	(b) Value of perquisites u/s Section 17(2) of the Income Tax Act 1961	—	—	8.65	8.65
	(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 (Contribution to Provident Fund, Gratuity etc..)	0.68	1.58	5.18	7.45
	<b>Total</b>	<b>8.81</b>	<b>21.75</b>	<b>84.19</b>	<b>114.75</b>

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

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made if any (give Details)
<b>A. COMPANY</b>					
Penalty			Nil		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			Nil		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			Nil		
Punishment					
Compounding					



## Annexure - B

### NOMINATION AND REMUNERATION POLICY

#### 1. Preamble

1.1 Sub-section (3) of Section 178 of the Companies Act, 2013 states that the Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

1.2 Section 178 of the Companies Act, 2013 has been made effective from April 1, 2014 by the Central Government by notification no. S.O. 902(E) issued on March 26, 2014. Therefore this Nomination and Remuneration Policy ("the Policy") has been framed in compliance with the provisions of the Act and Rules made under the Act.

1.3 Pursuant to the amendments in Regulation 19 read with Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 vide SEBI (LODR) (Amendment) Regulations, 2018 and the Companies (Amendment) Act, 2017, the Policy has been further revised and adopted by the Board in its Meeting held on January 2, 2019.

The Policy provides a framework for remuneration to the members of the Board of Directors ("Board"), Key Managerial Personnel ("KMP") and the Senior Management Personnel ("SMP") of the Company (collectively referred to as "**Executives**").

The expression "senior management" means officers/personnel of Company who are members of its core management team excluding directors comprising all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.

Further, the term "Applicable Law" includes any statute, law, regulations, ordinance, rule, judgment, order, decree, bye-law, clearance, directive, guideline, policy, requirement, notifications and clarifications or other governmental instruction and/or mandatory standards as may be applicable to the Company from time to time.

All the other terms used in the Policy shall have the same meaning as assigned to them under the Applicable Law.

1.4 The Members of the Nomination and Remuneration Committee ("the Committee or NRC") shall be appointed by the Board and shall comprise three or more non-

executive directors out of which not less than one-half shall be independent directors. Any fraction in the one-half shall be rounded off to one.

1.5 This Policy will be called "Peria Nomination & Remuneration Policy" and referred to as "the Policy".

1.6 The Policy will be reviewed at such intervals as the Nomination and Remuneration Committee will deem fit.

#### 2. Objectives

2.1 The objectives of the Policy are as follows:

2.1.1 To set criteria for determining qualifications, positive attributes and independence of a director, and remuneration of the Executives.

2.1.2 To enable the Company to attract, retain and motivate highly qualified members for the Board and other executive level to run the Company successfully.

2.1.3 To enable the Company to provide a well-balanced and performance-related compensation package, taking into account shareholder interests, industry standards and relevant Indian corporate regulations.

2.1.4 To ensure that the interests of Board members & senior executives are aligned with the business strategy and risk tolerance, objectives, values and long-term interests of the company and will be consistent with the "pay-for-performance" principle.

2.1.5 To ensure that remuneration to directors, KMP and senior management employees of the Company involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

#### 3. Principles of remuneration

3.1 Support for Strategic Objectives: Remuneration and reward frameworks and decisions shall be developed in a manner that is consistent with, and supports and reinforces the achievement of the Company's vision and strategy.

3.2 Transparency: The process of remuneration management shall be transparent, conducted in good faith and in accordance with appropriate levels of confidentiality.

3.3 Internal equity: The Company shall remunerate the Executives in terms of their roles within the organisation. Positions shall be formally evaluated to determine their relative weight in relation to other positions within the Company.



3.4 External equity: The Company strives to pay an equitable remuneration, capable of attracting and retaining high quality personnel. Therefore the Company will remain logically mindful of the ongoing need to attract and retain high quality people, and the influence of external remuneration pressures. Reference to external market norms will be made using appropriate market sources, including relevant and comparative survey data, as determined to have meaning to the Company's remuneration practices at that time.

3.5 Flexibility: Remuneration and reward shall be sufficiently flexible to meet both the needs of individuals and those of the Company whilst complying with relevant tax and other laws.

3.6 Performance-Driven Remuneration: The Company shall establish a culture of performance-driven remuneration through the implementation of the Performance Incentive System.

3.7 Affordability and Sustainability: The Company shall ensure that remuneration is affordable on a sustainable basis.

#### **4. Terms of Reference and Role of the Committee**

4.1 The Terms of Reference and Role of the Committee as set by the Board of Directors are as under:

4.1.1 Evaluate the current composition and organization of the Board and its committees in light of requirements established by any Regulatory Body or any other applicable statute, rule or regulation which the Committee deems relevant and to make recommendations to the Board with respect to the appointment, re-appointment and resignation of Independent, Executive and Non-Executive Directors of the Company;

4.1.2 Review the composition and size of the Board in order to ensure that the Board is comprised of members reflecting the proper expertise, skills, attributes and personal and professional backgrounds for service as a Director of the Company, as determined by the Committee;

4.1.3 Review and recommend to the Board an appropriate course of action upon the resignation of current Board members, or any planned expansion of the Board, and review the qualifications, experience and fitness for service on the Board of any potential new members of the Board;

4.1.4 Review all stakeholder proposals submitted to the Company (including any proposal relating to the nomination of a member of the Board) and the timeliness of the submission thereof and recommend to the Board appropriate action on each such proposal;

4.1.5 Formulate, administer and supervise the Company's Stock Option schemes, if any, in accordance with relevant laws;

4.1.6 Ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;

4.1.7 Ensure that relationship of remuneration to performance is clear and meets appropriate performance benchmarks;

4.1.8 Ensure that remuneration to Directors, Key Managerial Personnel (KMPs) and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals;

4.1.9 Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel (KMPs) and other employees of the Company;

4.1.10 Formulate the criteria for evaluation of Independent Directors and the Board;

4.1.11 Devise a policy on Board diversity;

4.1.12 Identify the persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal;

4.1.13 Specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Committee or by an independent external agency and review its implementation and compliance;

4.1.14 Recommend to the Board of Directors of the Company, all remuneration, in whatever form, payable to the senior management;

4.1.15 To decide whether to extend or continue the term of appointment of the independent director, on the basis of report of performance evaluation of independent directors;

4.1.16 Deal with such matters as may be referred to by the Board of Directors from time to time;

4.2 The Committee shall:

4.2.1 review the ongoing appropriateness and relevance of the Policy;



4.2.2 ensure that all provisions regarding disclosure of remuneration, including pensions, leave encashment, gratuity, etc. are fulfilled;

4.2.3 obtain reliable, up-to-date information about remuneration in other companies;

4.2.4 ensure that no director or executive is involved in any decisions as to their own remuneration.

4.3 Without prejudice to the generality of the terms of reference as set out above, the Committee shall:

4.3.1 operate the Company's share option schemes (if any) or other incentives schemes (if any) as they apply to. It shall recommend to the Board the total aggregate amount of any grants to the Executives including individual limit and make amendments to the terms of such schemes, as the case may be;

4.3.2 liaise with the trustee / custodian of any employee share scheme, which is created by the Company for the benefit of employees or Directors.

4.3.3 review the terms of Executives service contracts from time to time.

## **5. Procedure for selection and appointment of the Board Members**

5.1 Board membership criteria:

5.1.1 The Committee, along with the Board, shall review on an annual basis, appropriate skills, characteristics and experience required of a Board Member. The objective is to have a Board with diverse background and experience in business, government, academics, technology and in areas that are relevant for the Company's global operations.

5.1.2 In evaluating the suitability of individual Board members, the Committee shall take into account many factors, including general understanding of the Company's business dynamics, global business and social perspective, educational and professional background and personal achievements. Directors must possess experience at policy-making and operational levels in large organizations with significant international activities that will indicate their ability to make meaningful contributions to the Board's discussion and decision making in the array of complex issues facing the Company.

5.1.3 Director should possess the highest personal and professional ethics, integrity and values. They 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 constituency.

5.1.4 In addition, 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.

5.1.5 The Committee shall evaluate each Director with the objective of having a group that best enables the success of the Company's business.

5.2 Selection of Board Members/ extending invitation to a potential director to join the Board:

5.2.1 One of the roles of the Committee is to periodically identify competency gaps in the Board, evaluate potential candidates as per the criteria laid above, ascertain their availability and make suitable recommendations to the Board. The objective is to ensure that the Company's Board is appropriate at all points of time to be able to take decisions commensurate with the size and scale of operations of the Company. The Committee also identifies suitable candidates in the event of a vacancy being created on the Board on account of retirement, resignation or demise of an existing Board member. Based on the recommendations of the Committee, the Board evaluates the candidate(s) and decides on the selection of the appropriate member.

5.2.2 The Board then shall make an invitation (verbal / written) to the new member to join the Board as a Director. On acceptance of the same, the new Director may be appointed by the Board.

## **6. Procedure for selection and nomination of KMP and SMPs**

The Chairman and the Managing Director (MD) along with the Head of Human Resource (HR) Department, identify and appoint suitable candidates for appointing them as KMPs (excluding Executive Directors) or SMPs of the Company on the basis of their academic, professional qualifications, relevant work experience, skill and other capabilities suitable to the position of concerning KMP or SMP.

Further, in case of KMP (excluding Executive Director) appointment, approval of the Board of Directors / concerned Committee shall be taken in accordance with provisions of relevant Act, statutes, regulations etc. existing as on that date. The appointment and/or removal of KMPs shall be placed before the NRC and / or Board of Directors at regular intervals.

Further, in case of appointment of SMPs (excluding KMPs), the appointment and all remuneration, in whatever form as approved by the MD and Head of the HR Department shall be placed before the NRC at regular intervals.



## 7. Compensation Structure

### 7.1 Remuneration to Non-Executive Directors:

The Non-executive Directors of the Company will be paid remuneration by way of fees only for attending the meetings of the Board of Directors and its Committees. The fees paid to the Non-executive Directors for attending meetings of Board of Directors shall be such as may be determined by the Board within the limit prescribed under the Companies Act, 2013 which is currently Rs. 100,000/- per meeting i.e. Board or Committee. Beside the sitting fees, they are also entitled to reimbursement of expenses and payment of commission on net profits.

The fees of the Non-executive Directors for attending meetings of Board of Directors and the Committees thereof may be modified from time to time only with the approval of the Board in due compliance of the provisions of Companies Act, 2013 and amended from time to time.

An Independent Director shall not be entitled to any stock option and may receive remuneration only by way of fees and reimbursement of expenses for participation in meetings of the Board or Committee thereof and profit related commission, as may be permissible by the Applicable law.

If any such director draws or receives, directly or indirectly, by way of fee/remuneration any such sums in excess of the limit as prescribed or without the prior sanction, where it is required, under the Applicable law such remuneration shall be refunded to the Company and until such sum is refunded, hold it in trust for the Company.

### 7.2 Remuneration to Executive Directors, KMPs & SMPs

The Company has a credible and transparent framework in determining and accounting for the remuneration of the Managing Director / Whole Time Directors (MD/WTDs), KMPs and SMPs. Their remuneration shall be governed by the external competitive environment, track record, potential, individual performance and performance of the company as well as industry standards. The remuneration determined for MD/WTDs shall be approved by the Board of Directors at a meeting which shall be subject to the approval of members at the next general meeting of the Company and by the Central Government in case such appointment is at variance to the conditions specified in Schedule V of the Companies Act, 2013. As a policy, the Executive Directors are not paid any fees for attending the Board and/or Committee meetings.

If any Director draws or receives, directly or indirectly, by way of remuneration any such sums in excess of the limit as prescribed or without the prior sanction, where it

is required, under the Applicable law, such remuneration shall be refunded to the Company and until such sum is refunded, hold it in trust for the Company.

A Director who is in receipt of any commission from the Company and who is a managing or whole-time director of the Company may receive any remuneration or commission from any holding or subsidiary company of the Company, subject to its disclosure by the Company in the Board's report.

The remuneration (including revision) of KMPs (excluding Executive Directors) and SMPs on the recommendation of the Committee, shall be determined by Chairman along with the MD and Head of Human Resource (HR) Department after taking into consideration the academic, professional qualifications, work experience, skill, other capabilities and industry standards.

Further, the remuneration (including revision) of KMPs (excluding Executive Directors) shall also be subject to approval of the Board of Directors/concerned Committees, if stipulated by any Act, statute, regulations etc.

## 8. Powers of the Committee and Meetings of the Committee

The Committee shall have inter-alia the following powers:

8.1 Conduct studies or authorise studies of issues within the scope of the Committee with full access to all books, records, facilities and personnel of the Company;

8.2 Retain or seek advice of consultants and experts for performance of their role under this Policy and the costs relating thereto shall be borne by the Company;

8.3 Delegate its powers to any Member of the Committee or any KMP of the Company or form sub-committees to perform any of its functions or role under this Policy.

The Committee shall meet as per the requirements of law or at such larger frequency as may be required. .

## 9. Approval and publication

9.1 This Policy as framed by the Committee shall be recommended to the Board of Directors for its approval.

9.2 The policy shall be placed on the website of the Company.

9.3 The Policy along with the web address of the same shall form part of Director's Report as required under Section 178(4) of the Companies Act, 2013.





## 10. Supplementary provisions

10.1 This Policy shall formally be implemented from the date on which it is adopted by the Board of Directors.

10.2 Any matters not provided for in this Policy shall be handled in accordance with relevant laws and regulations, the Company's Articles of Association.

10.3 The right to interpret this Policy vests in the Board of Directors of the Company.

### Annexure - C

#### Conservation of Energy, Technology absorption & Foreign Exchange Earnings and Outgo

##### A. Conservation of Energy

###### Steps taken for conservation of energy

Focus is on the need to reduce the cost of energy. In this regard the company has taken host of initiatives.

- Putting Energy Efficient Motors in place of mechanical motors is in process and this will be done in a phased manner.
- Old heaters installed in earlier period were replaced by addition of two new heaters which have positive impact in fire wood consumption.

###### Steps taken by the Company for utilising alternate source of energy

The existing Wind Turbine Generators have outlived in its economic life, the company has already installed and commissioning solar power project on 23rd February 2018 (Alternative green energy).

###### Capital investment on energy conservation equipments

Nil.

##### B. Technology Absorption

###### i) Efforts made towards technology absorption

The company had been continuously adopting suggestions / recommendation of scientist apart from the company owned efforts in the process of quality of leaf improvement as well as more efficient agricultural practice to reduce cost.

###### ii) Benefits derived

Cost reduction improvement in yield Quality up-gradation of the field and on the field.

###### iii) Import of technology - Nil

###### iv) Expenditure incurred on Research & Development - Nil

#### C. Foreign Exchange Earnings & outgo

	31.03.2019	31.03.2018
i) Earnings in Foreign Exchange	Nil	Nil
ii) Expenditure in Foreign Currency – Travelling	3,34,856	13,04,640
iii) CIF Value of Imports:		
a) Raw Materials	Nil	Nil
b) Consumable stores and spares	Nil	Nil
c) Capital Goods	Nil	7,77,46,914
iv) All Store items consumed indigenously	100%	100%

### Annexure - D

#### Form No. MR-3

#### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March 2019

[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,  
The Peria Karamalai Tea & Produce Company Limited  
7, Munshi Premchand Sarani,  
Hastings,  
Kolkata - 700 022

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by The Peria Karamalai Tea & Produce Company Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company (as per in Annexure-A1, hereinafter referred to as "Books and Papers") 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 period covered by our audit, that is to say, from April 01, 2018 to March 31, 2019 (hereinafter referred to as "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:

We have examined the Books and Papers maintained by the Company for the Audit Period according to the provisions of:

1. The Companies Act, 2013 (the "Act") and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
3. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
4. 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;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - e. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, (hereinafter referred to as "Listing Regulations, 2015")
6. Secretarial Standards 1 and 2 as issued by the Institute of Company Secretaries of India.

We report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the

following laws applicable specifically to the Company:

1. Tea Act, 1953;
2. Plantation Labour Act, 1951 and Rules made thereunder;
3. Tea Marketing Control Order, 2003;
4. Food Safety and Standards Act, 2006.

#### **Management Responsibility:**

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 the processes as were 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 regulation and happening of events etc;
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure 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.

Our report is in addition to the observations and qualifications, if any, made by the statutory auditors of the Company or any other professional and the same has not been reproduced herein for the sake of repetition.

During the Audit Period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc.

#### **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. The



changes in the composition of the Board of Directors that took place during the Period under review were carried out in compliance with the provisions of the Act.

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

Majority decision is carried through while dissenting members' views were not required to be captured and recorded as part of the minutes as there were no such instance.

**We further report that:**

Based on the information provided by the Company during the conduct of the audit and also on the review of quarterly compliance reports by Company Secretary taken on record by the Board of Directors of the Company, in our opinion, adequate systems and processes and control mechanisms exist in the Company to monitor and ensure compliance with applicable other general laws.

**We further report that** during the Audit Period, the Company has not incurred any specific event that can have a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

**For M/s. Vinod Kothari & Company**  
**Company Secretaries in Practice**

**Arun Kumar Maitra**  
**Partner**

**Place : Kolkata**  
**Date : 17th May 2019**

**Membership No. : A3010**  
**C P No.: 14490**

**Annexure - A1**

**LIST OF DOCUMENTS**

1. Corporate Matters;
  - 1.1 Minutes books of the following meetings were provided:
    - 1.1.1 Board Meeting;
    - 1.1.2 Audit Committee;
    - 1.1.3 Nomination and Remuneration Committee;
    - 1.1.4 Stakeholders Relationship Committee;
    - 1.1.5 Corporate Social Responsibility Committee;
    - 1.1.6 General Meeting;
  - 1.2 Agenda Papers for Board and Committee Meeting along with Notices;
  - 1.3 Annual Report for the Financial year 2017-18;
  - 1.4 Memorandum and Articles of Association;
  - 1.5 Disclosures under the Act;
  - 1.6 Policies framed under the Act;
  - 1.7 Register maintained under the Act;
  - 1.8 Forms and returns filed with the Registrar of Companies.



## Annexure - E

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

### 1. Particulars pursuant to Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

#### I. Name of the Top Ten employees in terms of remuneration drawn:

Sl No	Name of Employee	Designation	Remuneration received	Nature of Employment, Whether contractual or otherwise	qualification of employee	experience	date of commencement of employment	Age of the employee	the last employment held by such employee before joining the Company	Percentage of equity shares held by such employee	whether any such employee is a relative of any director or manager of the Company and if so, name of such director or manager
1	Mrs. Alka Devi Bangur	Managing Director	4,207,500	Permanent	MBA	28 Yrs	17/09/1993	65	—	1.22%	Mr. L N Bangur, Chairman & Mr. Shreyash Bangur, Dy. Managing Director
2	Mr. Shreyash Bangur	Dy. Managing Director	2,724,000	Permanent	M.SC (Engineering)	12 Yrs	16/11/2011	39	International Paper APPM Ltd.	NIL	Mr. L N Bangur, Chairman & Mrs. Alka Bangur, Managing Director
3	Mr. S.K.Singh	Chief Executive officer	84,18,684	Permanent	MBA	21 Yrs	21/07/2012	47	Helbriya Estates	Nil	Nil
4	Mr. Rohan Jhavar	Principal Executive Officer	58,06,567	Permanent	BE	13 Yrs	23/05/2012	36	Videocon Industries Ltd	Nil	Nil
5	Mr.K.Ashokan	Chief Financial Officer	21,75,000	Permanent	CA & ICWA	31 Yrs	01/06/2017	56	Ticel bio Park Ltd	Nil	Nil
6	Mr. J Prabhakar Reddy	General Manager-Legal	16,37,796	Permanent	M.A., FCA & ACWA	26 Yrs	02/04/2014	51	IVRCL Limited	Nil	Nil
7	Mr. N Murugan	Sr. Manager-Estate	9,20,000	Permanent	M.Sc	24 Yrs	14/03/2018	52	Tea Estate india Ltd	Nil	Nil
8	Mr. A D Varghese	Manager-Sales & Marketing	900,900	Permanent	Intermediate	30 Yrs	02/03/2015	52	Contemporary Tea Auction	Nil	Nil
9	Mr. Saurav Singhania	Company Secretary	8,80,884	Permanent	B.Com, CS	7 Yrs	11/11/2017	34	Greenply Industries Ltd	Nil	Nil
10	Dr. Abishegan	Medical officer	8,69,040	Permanent	MBBS	4 Yrs	24/02/2016	32	Thai Health Care Hospital	Nil	Nil

#### II. Employed throughout the year and was in receipt of remuneration not less than Rupees One crore and two lakhs per annum

There were no employees who were in receipt of remuneration exceeding Rupees one crore and two lakhs per annum.

#### III. Employed for the part of the year and was in the receipt of remuneration not less than Rupees Eight lakhs fifty thousand per month

There were no employees who were in receipt of remuneration exceeding Rupees Eight lakhs Fifty thousand per month.

#### IV. Employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company.

NIL



**2. Particulars pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

- a) The ratio of remuneration of each director to the median remuneration of the employees of the company for the financial year is given below:**

Name	Ratio
<b>Executive Directors</b>	
Mrs. Alka Devi Bangur (Managing Director)	55.22 : 1
Mr. Shreeyash Bangur (Deputy Managing Director)	35.75 : 1
<b>Non Executive Directors</b>	
Mr. Lakshmi Niwas Bangur (Director)	N.A
Mr. Harischandra Maneklal Parekh (Independent Director)	N.A
Mr. Pudugramam Ramachandran Ramakrishnan (Independent Director)	N.A
Mr. Narasimhan Swaminathan (Independent Director)	N.A
Mr. Ashok Kumar Bhargava (Independent Director)	N.A

Note: None of the Non-Executive Directors (including Independent Director) receive any remuneration from the Company except sitting fees for attending the meeting of the Board or Committee thereof.

- b) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year:**

Name	Category	Percentage
Mrs. Alka Devi Bangur	Managing Director	NIL
Mr. Shreeyash Bangur	Deputy Managing Director	NIL
Mr. Lakshmi Niwas Bangur	Director	N.A.
Mr. Harischandra Maneklal Parekh	Independent Director	N.A.
Mr. Pudugramam Ramachandran Ramakrishnan	Independent Director	N.A.
Mr. Narasimhan Swaminathan	Independent Director	N.A.
Mr. Ashok Kumar Bhargava	Independent Director	N.A.
Mr S.K.Singh	Chief Executive Officer	20%
Mr. K Ashokan	Chief Financial Officer	5%
Mr. Saurav Singhania	Company Secretary	30%

Note: None of the Non-Executive Directors (including Independent Director) receive any remuneration from the Company except sitting fees for attending the meeting of the Board or Committee thereof.

- c) Percentage increase in the median remuneration of employees in the financial year: (1.63%)**
- d) Number of permanent employees on the rolls of the Company: 1,575**
- e) Average percentile increase already made in the salaries of the employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and any exceptional circumstances for increase in the managerial remuneration:**

There was no Average increase in remuneration of employee excluding key managerial personnel while the average percentile increase in the key managerial personnel was 3%.

- f) Affirmation that remuneration paid is as per the Remuneration Policy of the Company**

It is affirmed that the remuneration is paid as per the Remuneration Policy of the Company.

**Annexure F****ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES****1) A Brief outline of the Company's CSR policy:**

The Company's CSR Policy and Programmes are directed towards education, basic sanitation facilities, promote gender equality, women empowerment, environmental sustainability, protection of National Heritage, culture, music, drama, sports, fine arts and rural development projects. The detailed policy on the Corporate Social Responsibility has been posted on the website of the Company [www.periatea.com](http://www.periatea.com).

**2) Composition of CSR Committee:**

CSR Committee has been constituted with Mr. L.N. Bangur as Chairman, Mr. P.R.Ramakrishnan, Mr. N.Swaminathan and Mr. Shreeyash Bangur as Members.

**3) Average Net Profit of the Company for the last three financial years, 2015-16 to 2017-18:**

Rs. (3.21) Lacs.

**4) Prescribed CSR Expenditure (2% of the Average Net Profit):**

NIL

**5) Details of CSR spent during the financial year:**

a) Total amount to be spent for the financial year : The Company was not required to spend any amount on CSR activities.

b) Amount unspent if any : Nil

c) Manner in which the amount spent during the financial year:

As the Company was not required to spend any amount on CSR activities the disclosure with regard to the manner in which the amount was spent during the financial year does not arise.

d) Reason for not spending the amount:

The Company was not required to spend on CSR activities as the average net profit of the immediately preceding three financial years of the company was in the negative.

**6) Responsibility Statement by the CSR Committee**

The CSR Committee confirms that the implementation and governance of CSR Programs have been elaborated in the Company's CSR policy. The CSR Committee further confirms that the implementation and monitoring of CSR Policy is in compliance with CSR Objectives and policy of the Company.

Place : Kolkata  
Date : 20th May 2019

**SHREEYASH BANGUR**  
Deputy Managing Director  
(DIN : 00012825)

**L.N. BANGUR**  
Chairman CSR Committee  
(DIN : 00012617)



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### a. Industry Structure & Development.

India produced 1338.63 million kg in 2018 compared to 1321.76 million kg in 2017. South Indian Tea industry produced 224.87 million kg in 2018 compared to 234.65 million kg in 2017. North India produced 1113.76 million kg in 2018 compared to 1087.11 million kg in 2017.

All India auction average sale price stood at Rs.140.80 per kg in 2018 compared to Rs.134.81 per kg in 2017. North India average sale price was Rs. 150.29 per kg in 2018 compared to Rs.144.23 per kg in 2017. South Indian Tea average sale price was Rs. 104.77 per kg compared to Rs.99.19 per kg in 2017.

Export of tea from India was 256.06 million kg in 2018 compared to 251.91 million kg in 2017.

### b. Opportunities & Threats.

Automation of tea processing in the light of Global competition and shortage of estate workers is imperative for future growth of tea industry. Sharing the social cost by the State Governments will reduce the cost of production and thereby increase the competitive strength of Indian tea

- Increase in Labour wages.
- Inflated price of inputs like fertilizers, firewood, etc.
- Erratic weather, global warming effect.
- Deforestation
- Increasing trend of pest and disease. Dwindling of labour force.
- Longer period of dry spell.

### c. Segment wise Performance.

The price of orthodox tea is attractive and stable. Our company has been producing and selling of good quality of orthodox tea from the financial year 2018-19 onwards as a major diversification.

Tea business accounted for 82.85% of the total revenue of the Company, Income from power generation is 1.78% and Investment income accounted for 15.37%.

### d. Forward looking statements / Outlook.

Certain statements included above may be forward looking and would involve number of risks uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward looking statements.

The Company undertakes no obligation to publicly update or revise any forward looking statements whether as a result of new information / future events or otherwise.

### e. Risk & concerns

Risk management is an integral part of the business process. With the help of experienced professionals the company mapped the risks at the business processes and enterprise levels and evolved a risk management framework. Risk mitigating measures have been identified and these would be periodically reviewed by the Board of Directors.

During the financial year 2018-19 our total production was 31.16 Lakhs kg as against 37.63 lakhs kgs during the same period of last year. There was 6.47 Lakhs kgs tea short fall approximately 17.19%. The main reason of production loss was unprecedented monsoon shower which breach the recorded rainfall of the year 1962. The total rainfall was recorded during the monsoon period was 5,424 mm. and this happened only in month of June and august 2018.

### f. Internal Control

The Company has adequate internal control system to monitor internal business process financial reporting and compliance with applicable laws. The internal control system ensures that all assets are protected against loss from unauthorized use and all transactions are recorded and reported correctly. The Company periodically reviews the adequacy and effectiveness of the control systems. The Audit Committee of the Board assures the existence of effective internal control environment.

### g. Discussion on financial performance with respect to operational performance

This section is covered in the Board's Report under the section of financial results and operation.

### h. Human Resource

Relationship with employees at all level remains cordial. Training and development of employees continue to be an area of prime importance. The devotion and commitment of employees has enabled the Company to fulfil its targets and deadlines in time. The total number of employees on the rolls of the Company as on 31st March 2019 was 1575.





**i. Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefore, including:**

Particulars	FY ended 31st March 2019	FY ended 31st March 2018	% of Changes between FY'19 and FY'18	Explanation
Debtors Turnover	32	27	18.52	—
Inventory Turnover	48.71	34.75	40.17	Due to the volume & Value of the sales was decreased during 2018-19 the stock was piled up over the previous Financial Year, which leads to Inventory turnover ratio was increased.
Interest Coverage Ratio	2.96	10.25	(71.12)	Due to servicing of interest on HDFC Term Loan for solar project, Interest coverage ratio was reduced
Current Ratio	1.34	1.25	7.20	—
Debt-Equity Ratio	0.18	0.17	5.89	—
Operating Profit Margin	18.79%	18.78%	0.05	—
Net Profit Margin	8.22%	13.00%	(36.77)	During the year the company has been servicing high amount of interest cost and observing high depreciation cost from the solar project, the net profit margin has been reduced.

**j. Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof.**

Particulars	FY ended 31st March 2019	FY ended 31st March 2018	% of Changes between FY'19 and FY'18	Explanation
Return on Net Worth	2.38%	3.87%	(38.50)	As the Company has been servicing high amount of interest cost for term loan borrowed for solar project over the previous financial year, the ROI was reduced



## REPORT ON CORPORATE GOVERNANCE

As required under Regulation 34(3) read with Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “Listing Regulations, 2015”) the details of compliance by the Company with the norms on Corporate Governance are as under:

### 1. Company’s philosophy on code of Corporate Governance

Corporate Governance is the combination of voluntary practices and compliance with laws and regulations leading to effective control and management of the organization. The Company’s philosophy on Corporate Governance is based on ethical governance practices, Integrity, transparency, accountability and compliance with laws which are the columns of good governance are cemented in the Company’s robust business practices to ensure ethical and responsible leadership both at the Board and at the Management level brings lasting shareholder value and enhances interest of all other stakeholders. The Company’s Code of Business Conduct and ethics and its well-structured internal control systems which are subjected to regular assessment for its effectiveness, reinforces integrity of Management and fairness in dealing with the Company’s stakeholders.

The Company has complied with the requirements of Corporate Governance as laid down under the Listing Regulations, 2015.

### 2. Board of Directors

#### a. Composition and category of Board and the number of other board of directors or committees in which a directors is a member or chairperson including the names of the listed entities where the person is a director and the category of directorship

The Board consists of 7 (seven) Directors, out of which five are Non-Executive Directors and two are Executive Directors. Mrs. Alka Devi Bangur and Mr. Shreyash Bangur are Executive Directors and all other are Non-Executive Directors.

Name of the Director	Category	Name of the other listed entities in which is a Director and their category	Other Directorships #	Membership of other Board Committees ^	
				Member*	Chairman
Mr. Lakshmi Niwas Bangur	Non-Executive Chairman- Promoter Director	1. Kiran Vyapar Ltd- Non-Executive Chairman 2. Amalgamated Development Ltd- Non-Executive Director	9	4	1
Mrs. Alka Devi Bangur	Managing Director - Promoter Director	Rupa & Co- Non- Executive Independent Director	2	2	1
Mr. Shreyash Bangur	Deputy Managing Director - Promoter Director	Kiran Vyapar Limited-Executive- Managing Director	8	1	0
Mr. Harischandra Maneklal Parekh	Non-Executive- Independent Director	1. Rasoi Limited – Non Executive- Independent Director 2. The GROB Tea Co Ltd – Non Executive- Independent Director 3. Diana Tea Co. Ltd – Non Executive- Independent Director 4. Gillanders Arbuthnot & Co. Ltd. – Non Executive- Independent Director 5. Williamson Magor & Co. Ltd. – Non Executive- Independent Director 6. Rossell India Ltd. – Non Executive- Independent Director	7	9	5



Name of the Director	Category	Name of the other listed entities in which is a Director and their category	Other Directorships #	Membership of other Board Committees ^	
				Member*	Chairman
Mr. Pudugramam Ramachandran Ramakrishnan	Non-Executive-Independent Director	Nil	1	0	0
Mr. Narasimhan Swaminathan	Non-Executive-Independent Director	Nil	1	0	0
Mr. Ashok Kumar Bhargava\$	Non-Executive-Independent Director	Nil	0	0	0

# excludes directorship in private companies, foreign companies and section 8 companies.

^ Only Audit Committee and Stakeholders Relationship Committee are considered.

\* Number of Membership also includes Chairmanship held in the Committee(s).

\$ Mr. Ashok Kumar Bhargava appointed w.e.f 08.05.2018.

**b. Attendance of Directors at Board Meetings and Annual General Meeting**

The attendance of directors at the meetings of Board of Directors held during the financial year 2018-19 and at the last Annual General Meeting held on 14th September, 2018 is as under:

Name of the Director	Board Meeting		Annual General Meeting
	Held during the year	Attended	
Mr. Lakshmi Niwas Bangur	7	6	Yes
Mrs. Alka Devi Bangur	7	5	Yes
Mr. Shreeyash Bangur	7	5	Yes
Mr. Harischandra Maneklal Parekh	7	3	Yes
Mr. Pudugramam Ramachandran Ramakrishnan	7	1	No
Mr. Narasimhan Swaminathan	7	3	No
Mr. Ashok Kumar Bhargava	7	5	Yes

**c. Meetings of the Board of Directors**

During the financial year 2018-19, 7 (seven) meetings of the Board of Directors were held on 8th May, 2018, 14th May, 2018, 14th August, 2018, 10th November, 2018, 2nd January, 2019, 11th February, 2019 and 28th March, 2019.

**d. Disclosure of relationship between directors inter-se:**

None of the Directors are related to each other except Mr. Lakshmi Niwas Bangur, Mrs. Alka Devi Bangur and Mr. Shreeyash Bangur.

Name of the Directors	Relationship between directors
Mr. Lakshmi Niwas Bangur	Spouse of Mrs. Alka Devi Bangur and Father of Mr. Shreeyash Bangur
Mrs. Alka Devi Bangur	Spouse of Mr. Lakshmi Niwas Bangur and Mother of Mr. Shreeyash Bangur
Mr. Shreeyash Bangur	Son of Mr. Lakshmi Niwas Bangur and Mrs. Alka Devi Bangur

**e. Number of shares and convertible instruments held by non-executive directors**

The details of Shares of the Company held by non-executive directors are as follows:

Name	No. of Shares
Mr. Lakshmi Niwas Bangur	25481
Mr. Harischandra Maneklal Parekh	NIL
Mr. Pudugramam Ramachandran Ramakrishnan	300
Mr. Narasimhan Swaminathan	150
Mr. Ashok Kumar Bhargava	NIL

The non-executive directors of the Company do not hold any convertible instruments in the Company.

**f. Familiarization Programme for Independent Directors**

The Independent Directors were regularly provided with documents, reports and other internal policies of the Company to familiarise them with the Company's policies, procedures and practices. Periodic presentations are made at the Board/ Committee Meetings on the Company's operations, expansion, developments and various statutory compliances. A visit to the factories was arranged for the directors to have first hand information about the manufacturing operations.

Field visits were arranged for the directors. They were apprised about the plucking operations, cultural practices like fertiliser application, spraying of chemicals to control pests and diseases, functioning of drip irrigation etc. They were taken around nurseries, replanted areas, check dam, areas where minor produces are grown etc. Further, they were apprised about the productivity, labour related matters, overall power consumption, cost savings and environmental protection activities undertaken by the factories.

The details of the Familiarization Programme has been disclosed on the website of the Company at <http://www.periatea.com/pdf.php>.

**g. Skill, Competence and Expertise of Board of Directors**

Sl. No	Skill, Competence and Expertise	Mr. Lakshmi Niwas Bangur	Mrs. Alka Devi Bangur	Mr. Shreyash Bangur	Mr. Harischandra Maneklal Parekh	Mr. Pudugramam Ramachandran Ramakrishnan	Mr. Narasimhan Swaminathan	Mr. Ashok Kumar Bhargava
1	Industry experience including its entire value chain and indepth experience in corporate strategy and planning and Marketing	√	√	√	√		√	√
2	Understanding of the relevant laws, rules and regulations, policies applicable to Tea Industry	√	√	√	√	√		√
3.	Experience in finance, tax , Investment, risk management, legal, compliance and corporate Governance	√		√	√	√		√
4.	Experience in Human Resource Management, communication and Information technology	√		√				
5.	Leadership Quality including integrity and high ethical standards	√	√	√	√	√	√	√
6.	Social welfare orientation	√	√	√	√	√	√	√



#### h. **Separate meeting of the Independent Directors**

The Independent Directors' meeting was held on 11th February 2019 without the attendance of Non-Independent Directors and members of Management. The independent directors reviewed the performance of Non-Independent Directors and to 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.

#### i. **Independent Directors Confirmation by the Board**

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations. In the opinion of the Board, the Independent Directors, fulfill the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations.

#### j. **Detailed reason for the Resignation of Independent Director**

No Independent Director resigned from the company during the Financial Year 2018-2019.

### 3. **Committees of the Board**

At present, the Board has 4 Committees:

- a. Audit Committee.
- b. Nomination and Remuneration Committee.
- c. Stakeholders Relationship Committee.
- d. Corporate Social Responsibility Committee.

The Board constitutes the committees and defines their terms of reference. The members of the committees are co-opted by the Board.

#### a. **Audit Committee**

The Audit Committee acts as a link between the statutory and internal auditors and the Board of Directors. The primary objective of the Committee is to monitor and provide effective supervision of the financial reporting process to ensure reliability and timeliness of disclosures while ensuring integrity and quality of the reports.

#### ***Brief description of terms of reference of Audit Committee as per the Charter approved by the Board:***

##### **Powers of Audit Committee**

The powers of Audit Committee include the following:

1. To investigate any activity within its terms of reference.
2. To seek information required from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

##### **Role of Audit Committee**

The role of the Audit Committee includes the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors except those which are specifically prohibited;



4. Reviewing, with the management, and examination of the financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Modified opinion(s) in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties and scrutiny of the method used to determine the arm's length price of any transaction;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;





19. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
20. Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments existing as on the date of coming into force of this provision.
21. reviewing the compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.
22. Carrying out any other function as may be delegated by the Board of Directors from time to time or as may be required by applicable law or as is mentioned in the terms of reference of the audit committee.

#### **Review of information by Audit Committee**

1. The Audit Committee shall mandatorily review the following information:
  - a. Management discussion and analysis of financial condition and results of operations;
  - b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
  - c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - d. Internal audit reports relating to internal control weaknesses; and
  - e. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
  - f. Statement of deviations:
    - i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulations 32(1).
    - ii) annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7).

#### **Composition**

The Board has constituted a well-qualified Audit Committee. All the members of the Committee are Non-Executive Directors with majority of them being Independent Directors including the Chairman as required under Regulation 18 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015. They possess sound knowledge on accounts, audit, finance, taxation, internal controls etc. The Company Secretary of the Company acts as the Secretary of the Committee.

The members of the Audit Committee as on 31st March 2019 comprised of:

<b>Name of the Director</b>	<b>Designation</b>	<b>Category</b>
Mr. Pudugramam Ramachandran Ramakrishnan	Chairman	Independent Non Executive
Mr. Lakshmi Niwas Bangur	Member	Promoter Non Executive
Mr. Harischandra Maneklal Parekh	Member	Independent Non Executive
Mr. Narasimhan Swaminathan	Member	Independent Non Executive
Mr. Ashok Kumar Bhargava (w.e.f 08.05.2018)	Member	Independent Non Executive



### **Meetings**

During the year under review, the Audit Committee met 4 (four) times on 14th May, 2018, 11th August, 2018, 5th November, 2018 and 8th February, 2019.

**Attendance of each member is given below:**

<b>Name of the Director</b>	<b>No. of meeting held</b>	<b>No. of Meetings attended</b>
Mr. Pudugramam Ramachandran Ramakrishnan	4	3
Mr. Lakshmi Niwas Bangur	4	1
Mr. Harischandra Maneklal Parekh	4	1
Mr. Narasimhan Swaminathan	4	3
Mr. Ashok Kumar Bhargava	4	1

### **b. Nomination & Remuneration Committee**

The committee reviews and determines the Company's policy on managerial remuneration and recommends to the Board on the specific remunerations of Executive Directors and Key Managerial Persons, so as to ensure that they are fairly rewarded for their individual contributions to the Company's overall performance and their remuneration is in line with the industry standards.

**Brief description of terms of reference of Nomination & Remuneration Committee as per the Charter approved by the Board:**

- i. To formulate criteria for:
  - a. determining qualifications, positive attributes and independence of a director;
  - b. evaluation of independent directors and the Board.
- ii. To devise the following policies on:
  - a. remuneration including any compensation related payments of the directors, key managerial personnel and other employees and recommend the same to the Board of the Company;
  - b. Board diversity laying out an optimum mix of executive, independent and non-independent directors keeping in mind the needs of the Company.
- iii. To identify persons who are qualified to:
  - a. become directors in accordance with the criteria laid down, and recommend to the Board the appointment and removal of directors;
  - b. be appointed in senior management in accordance with the policies of the Company and recommend their appointment or removal to the HR Department and to the Board.
- IV. To specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;
- V. To carry out evaluation of the performance of every director of the Company;
- VI. To express opinion to the Board that a director possesses the requisite qualification(s) for the practice of the profession in case the services to be rendered by a director are of professional nature.
- VII. To decide whether to extend or continue the term of appointment of the independent director, on the basis of report of performance evaluation of independent directors;
- VIII. To recommend to the board, all remuneration, in whatever form, payable to senior management.
- IX. To carry out such other business as may be required by applicable law or delegated by the Board or considered appropriate in view of the general terms of reference and the purpose of the Nomination and Remuneration Committee.

The Nomination and Remuneration policy of the Company is annexed to the Board's Report and can also be accessed on the Company's website [www.periatea.com](http://www.periatea.com).



### **Composition**

The Board has constituted a well-qualified Nomination and Remuneration Committee. All the members of the Committee are Non-Executive Directors with majority of them being Independent Directors as required under Section 178 of the Companies Act, 2013 and Regulation 19 of (Listing Obligation and Disclosure Requirements) Regulation, 2015.

The members of the Nomination & Remuneration Committee as on 31st March 2019 comprised of:

<b>Name of the Director</b>	<b>Designation</b>	<b>Category</b>
Mr. Pudugramam Ramachandran Ramakrishnan	Chairman	Independent Non Executive
Mr. Lakshmi Niwas Bangur	Member	Promoter Non Executive
Mr. Harischandra Maneklal Parekh	Member	Independent Non Executive
Mr. Narasimhan Swaminathan	Member	Independent Non Executive

### **Meetings**

During the year 2018-19, Nomination and Remuneration Committee met on 8th May, 2018, 14th May, 2018 and 2nd January, 2019.

**Attendance of each member is given below:**

<b>Name of the Director</b>	<b>No. of meeting held</b>	<b>No. of Meetings attended</b>
Mr. Pudugramam Ramachandran Ramakrishnan	3	1
Mr. Lakshmi Niwas Bangur	3	2
Mr. Harischandra Maneklal Parekh	3	2
Mr. Narasimhan Swaminathan	3	1

### **Performance evaluation criteria for Independent Directors**

On the advice of the Board of Directors and the Nomination and Remuneration Committee and in consonance with Guidance Note on Board Evaluation issued by SEBI through circular number SEBI/HO/CFD/CMD/CIR/P/2017/004 dated January 5, 2017, the Company formulated criteria for evaluation of the performance of the Board of Directors, its committees, Independent Directors, Non-Independent Directors. Based on those criteria, performance evaluation has been done.

Details of the performance evaluation of Board of Directors of the Company including Independent Directors is provided in the Directors' Report forming part of the Annual Report of the Company.

### **c. Stakeholders Relationship Committee**

The Committee is responsible for the satisfactory redressal of investors' complaints pertaining to the transfer/transmission of shares, non-receipt of Annual Reports, dividend payments, issue of duplicate share certificates and other miscellaneous complaints. In addition to above the Committee also looks into other issues including status of dematerialization/re-materialization of shares as well as system and procedures followed to track investor complaints and suggest matter for improvement from time to time.

### **Brief description of terms of reference of Stakeholders Relationship Committee as per the Charter approved by the Board:**

1. To ensure proper and timely attendance and redressal of grievances of security holders of the Company in relation to:
  - a. Transfer/transmission of shares,
  - b. Non-receipt of annual reports,
  - c. Non-receipt of declared dividends,
  - d. All such complaints directly concerning the shareholders / investors as stakeholders of the Company; and
  - e. Any such matters that may be considered necessary in relation to shareholders and investors of the Company.



2. Reviewing the measures taken for effective exercise of voting rights by shareholders.
3. Reviewing the adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
5. Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from the shareholders from time to time;
6. To review and / or approve applications for transfer, transmission, transposition and mutation of share certificates including issue of duplicate certificates and new certificates on split / sub-division / consolidation / renewal and to deal with all related matters as may be permissible under applicable law.
7. To review and/or approve requests of dematerialization and rematerialisation of securities of the Company and such other related matters;
8. Appointment and fixing of remuneration of RTA and overseeing their performance;
9. Review the status of the litigation(s) filed by/against the security holders of the Company;
10. Review the status of claims received for unclaimed shares;
11. Recommending measures for overall improvement in the quality of investor services;
12. Review the impact of enactments/ amendments issued by the MCA/ SEBI and other regulatory authorities on matters concerning the investors in general;
13. Such other matters as per the directions of the Board of Directors of the Company and/ or as required under Regulation 20 read with Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, from time to time.
14. Any other issue within terms of reference.

#### **Composition**

The Board has constituted a well-qualified Stakeholders' Relationship Committee. All the members of the Committee are Non-Executive Directors with majority of them being Independent Directors as required under Section 178 of the Companies Act, 2013 and Regulation 20 of (Listing Obligation and Disclosure Requirements) Regulation, 2015.

The members of the Committee as on 31st March, 2019 comprised of:

<b>Name of the Director</b>	<b>Designation</b>	<b>Category</b>
Mr. Lakshmi Niwas Bangur	Chairman	Promoter Non Executive
Mr. Pudugramam Ramachandran Ramakrishnan	Member	Independent Non Executive
Mr. Narasimhan Swaminathan	Member	Independent Non Executive
Mr. Ashok Kumar Bhargava (w.e.f 08.05.2018)	Member	Independent Non Executive

The Board has designated Mr. Saurav Singhania, Company Secretary as Compliance Officer.

#### **Meetings**

During the year, the Stakeholders Relationship Committee met 4 (four) times on 14th May 2018, 14th August 2018, 10th November 2018 and 11th February, 2019.

Attendance of each member is given below:

<b>Name of the Director</b>	<b>No. of meeting held</b>	<b>No. of Meetings attended</b>
Mr. Lakshmi Niwas Bangur	4	4
Mr. Pudugramam Ramachandran Ramakrishnan	4	0
Mr. Narasimhan Swaminathan	4	2
Mr. Ashok Kumar Bhargava	4	4



The status of complaints received from the investors during the financial year 2018-19 is furnished below:

Complaints pending as on 1 <sup>st</sup> April 2018	Nil
Complaints received during the year	Nil
Complaints resolved during the year	Nil
Complaints pending as on 31 <sup>st</sup> March 2019	Nil

#### **SEBI Complaints redress System (SCORES)**

The Company has registered with "SCORES" as per SEBI Circular CIR/OIAE/1/2014 dated December 18, 2014 in order to update the status of Investors Complaints. There is no complaint pending on this portal as on 31st March, 2019.

#### **d. Corporate Social Responsibility Committee**

The Company has constituted a CSR Committee as required under Section 135 of the Companies Act, 2013. The Committee has overall responsibility for: (i) identifying the areas of CSR activities; (ii) recommending the amount of expenditure to be incurred on the identified CSR activities; (iii) implementing and monitoring the CSR policy from time to time; and (iv) coordinating with Company or such other agency in implementing programs and executing initiatives as per CSR policy of the Company. The purpose and responsibilities of the Committee shall include such other items/matters prescribed under applicable law or prescribed by the Board in compliance with applicable law from time to time.

The Committee is also responsible for reporting progress of various initiatives and in making appropriate disclosures on a periodic basis.

#### **Brief description of terms of reference of Corporate Social Responsibility Committee as per the Charter approved by the Board:**

- To formulate and recommend to the Board a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
- To recommend the amount of expenditure to be incurred on the activities undertaken.
- To monitor CSR Policy of the Company from time to time.
- Any other matter that may be referred by the Board from time to time or as may be necessary for compliance with the Companies Act, 2013 or Rules made thereunder or any other statutory laws of India.

The Company's CSR Policy is uploaded on the website of the Company [www.periatea.com](http://www.periatea.com)

#### **Composition**

The Composition of the Committee is Comprised of Non-Executive and Executive member as per the provisions of section 135 of the Companies Act, 2013.

The members of the Committee as on 31st March, 2019 comprised of:

<b>Name of the Director</b>	<b>Designation</b>
Mr. Lakshmi Niwas Bangur	Chairman
Mr. Pudugramam Ramachandran Ramakrishnan	Member
Mr. Narasimhan Swaminathan	Member
Mr. Shreeyash Bangur (w.e.f 08.05.2018)	Member

#### **Meetings**

During the year under review, the Committee met on 14th May 2018.



Attendance of each member is given below:

Name of the Director	No. of meeting held	No. of Meetings attended
Mr. Lakshmi Niwas Bangur	1	1
Mr. Pudugramam Ramachandran Ramakrishnan	1	0
Mr. Narasimhan Swaminathan	1	0
Mr. Shreeyash Bangur	1	1

#### 4. Remuneration of Directors

##### a) Remuneration to Executive Directors

The details of remuneration paid to Mrs. Alka Devi Bangur, Managing Director and Mr. Shreeyash Bangur, Deputy Managing Director during the financial year 2018-19 are given below:

Name	Designation	All elements of remuneration package, i.e. salary, benefits, bonuses, pension etc. for the year ended 31st March, 2019 (Amount In Lakhs)	
Mrs. Alka Devi Bangur	Managing Director	Salary and Allowances	36.00
		Perquisites	3.38
		Contribution to Provident Fund	2.70
Mr. Shreeyash Bangur	Deputy Managing Director	Salary and Allowances	24.00
		Perquisites	1.80
		Contribution to Provident Fund	1.44

##### a. Service Contract:

- (i) **Mrs. Alka Devi Bangur:** For a period of three years w.e.f 17th September, 2017. The Board of Directors at its Meeting held on 26th May, 2017 approved the re-appointment of Mrs. Alka Devi Bangur as the Managing Director of the Company for a further period of 3 years w.e.f 17th September, 2017 and the same was also approved by the shareholders at the Annual General Meeting of the Company held on 9th August, 2017.
- (ii) **Mr. Shreeyash Bangur :** For a period of five years w.e.f 5th November, 2015. The Board of Directors at its Meeting held on 3rd August, 2015 approved the re-appointment of Mr. Shreeyash Bangur as the Deputy Managing Director of the Company for a further period of 5 years w.e.f 5th November, 2015 and the same was also approved by the shareholders at the Annual General Meeting of the Company held on 28th September, 2015.

**b. Notice Period:** Three Months' notice from either side

**c. Severance Fees:** None

**d. Stock Options:** None

##### b) Remuneration to Non-Executive Directors

Name	Business relationship with the company	Sitting Fees (Amount in Rs.)	Commission	Total
Mr. Lakshmi Niwas Bangur	Promotor Non Executive	35000	—	35000
Mr. Harischandra Maneklal Parekh	Independent Director	25000	—	25000
Mr. Pudugramam Ramachandran Ramakrishnan	Independent Director	20000	—	20000
Mr. Narasimhan Swaminathan	Independent Director	35000	—	35000
Mr. Ashok Kumar Bhargava	Independent Director	35000	—	35000





The Company does not pay any performance incentive or severance fees. Apart from the above mentioned remuneration, the Company had no pecuniary relationship or transactions with the Non-Executive Directors during the financial year 2018-19.

In compliance with the requirements of Companies Act, 2013 and Rules made thereunder and pursuant to Regulation 19 of the SEBI (LODR) Regulations, 2015 read with Schedule II Part D to the said Regulations, the Board of Directors has a Nomination and Remuneration Policy for its Directors, Key Managerial Personnel and other employees of the Company.

None of the Directors hold any stock option in the Company.

## 5. General Body Meetings

**The location and time of the last three Annual General Meetings held are given as under:**

Year	Date	Time	Venue
2015-16	12.08.2016	10.15 A.M.	The Indian Chamber of Commerce & Industry Coimbatore – 641 018
2016-17	09.08.2017	10.30 A.M.	Sitaram Sekhsariya auditorium, Bharatiya Bhasha Parishad, 36A Shakespeare Sarani, Kolkata 700017
2017-18	14.09.2018	10.30 A.M.	Far Pavillion, The Tollygunge Club Ltd. 120, Deshpran Sasmal Road, Kolkata - 700 033

### **Special Resolution passed in the previous three Annual General Meetings**

Date	Description of Special Resolution passed
12.08.2016	NIL
09.08.2017	Re-appointment of Mrs. Alka Devi Bangur as Managing Director of the Company for a further term of 3 years.
14.09.2018	<ol style="list-style-type: none"> <li>1. Special Resolution under Section 180(1)(c) of the Companies Act, 2013 for borrowing money upto Rs. 200 crores over and above the aggregate of the paid up share capital, free reserves and Securities Premium of the Company.</li> <li>2. Special Resolution under Section 180(1)(a) of the Companies Act, 2013 for mortgaging and/or charging immovable / movable properties of the Company upto Rs 200 Crores.</li> <li>3. Special Resolution for Approval in terms of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, for the payment of annual remuneration (including any fees or compensation payable) to the Executive Directors of the Company being promoters or members of the promoter group aggregate annual remuneration exceeding 5 per cent of the net profits of the Company.</li> <li>4. Special Resolution for Approval in terms of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, to the continuation of Mr. Harischandra Maneklal Parekh [DIN: 00026530], Non – Executive Independent Director whose age exceeds 75 years till the expiry of existing terms of his appointment.</li> <li>5. Special Resolution for Approval in terms of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, to the continuation of Mr. Narasimhan Swaminathan [DIN: 02743671], Non - Executive Independent Director whose age exceeds 75 years till the expiry of existing terms of his appointment.</li> </ol>



No Extra-Ordinary General Meeting was held during the year under review.

No Special resolution was passed through postal ballot during the financial year ended March 31, 2019.

At present no special resolution is proposed to be conducted through postal ballot.

## 6. Means of Communication

### a. Financial Results

The quarterly, half yearly and Annual Financial Results of the Company are sent to the Stock Exchanges immediately after these are approved by the Board. These are also published in the prescribed proforma within 48 hours of the conclusion of the meeting of the Board in which they are considered in English newspaper circulation the whole or substantially the whole of India and in one vernacular newspaper of the State where the registered office of the Company is situated [i.e. Business standard (All India edition) and kalantar/Ekdin(Bengali)].

These results are simultaneously posted on the website of the Company at [www.periatea.com](http://www.periatea.com) and also uploaded on the website of the Stock Exchanges where the Shares of the Company are listed i.e National Stock Exchange of India Limited and The Calcutta Stock Exchange Limited.

The Company has no official news releases and also has not made any presentations to institutional investors or to the analysts during the year.

### b. Annual Report

Annual Report containing, inter alia, Audited Annual Accounts, Directors' Report, Corporate Governance Report, Management Discussion & Analysis Report, and other relevant/important information is circulated to members and other entitles.

### c. E-mail IDs for Shareholders/Investors

Investors may send their query/feedback to [periatea@lnbgroup.com](mailto:periatea@lnbgroup.com)

## 7. General Shareholder Information

### Date, time and venue of the Annual General Meeting

Particulars	Date & Time	Venue
106th Annual General Meeting	09.09.2019 11:00 A.M.	Far Pavillion, The Tollygunge Club Ltd., 120, Deshparan Sasmal Road, Kolkata- 700033

### Financial Year : 2018-19

### Financial Calendar (tentative and subject to change)

Particulars of meeting	On or before
Unaudited Financial Results for the quarter ending 30th June 2019	14th August 2019
Unaudited Financial Results for the quarter ending 30th September 2019	14th November 2019
Unaudited Financial Results for the quarter ending 31st December 2019	14th February 2020
Audited Financial Results for the year ending 31st March 2020	30th May 2020

**Date of book closure for payment of dividend** : 3rd September, 2019 to 9th September, 2019 (both days inclusive)

**Date of payment of equity dividend** : Dividend shall be paid to all the eligible shareholders within 30 days from the date of Annual General Meeting.



### **Listing on Stock Exchanges**

The Company's Shares are listed in the following Stock Exchanges:

1. National Stock Exchange of India Limited  
Exchange Plaza, C-1, Block-G  
Bandra Kurla Complex  
Bandra East  
Mumbai – 400 051
2. The Calcutta Stock Exchange Limited  
7, Lyons Range,  
Kolkata – 700 001

The Company has paid the annual listing fees to each of the above mentioned Stock Exchanges.

### **Stock Code**

National Stock Exchange of India Limited	PKTEA
The Calcutta Stock Exchange Limited	10026140
ISIN (for Demat)	INE 43 1F01018

**Details of monthly high and low quotations of the equity shares of the company traded on National Stock Exchange of India Limited during the financial year 2018-19 with Performance in comparison to broad based indices:**

Month	PKTEA NSE (Rs.)			NSE NIFTY (Rs.)		
	High	Low	Month Close	High	Low	Month Close
April 2018	339.00	285.00	313.85	10,759.00	10,111.30	10,739.35
May 2018	320.00	215.00	232.25	10,929.20	10,417.80	10,736.15
June 2018	234.70	187.15	202.15	10,893.25	10,550.90	10,714.30
July 2018	305.50	196.95	300.00	11,366.00	10,604.65	11,356.50
August 2018	303.95	223.00	260.00	11,760.20	11,234.95	11,680.50
September 2018	273.00	187.25	188.70	11,751.80	10,850.30	10,930.45
October 2018	197.50	142.75	175.95	11,035.65	10,004.55	10,386.60
November 2018	196.00	157.10	171.50	10,922.45	10,341.90	10,876.75
December 2018	188.00	155.60	174.00	10,985.15	10,333.85	10,862.55
January 2019	180.90	154.40	155.10	10,987.45	10,583.65	10,830.95
February 2019	162.95	144.45	162.95	11,118.10	10,585.65	10,792.50
March 2019	183.80	155.35	171.40	11,630.35	10,817.00	11,623.90

There was no trading in the Calcutta Stock Exchange Ltd in last twelve months. Hence, the data is not available.

### **Registrar and Share Transfer Agents**

SKDC Consultants Limited  
Kanapathy Towers, 3<sup>rd</sup> Floor  
1391/A-1, Sathy Road, Ganapathy  
Coimbatore – 641 006  
Tel No +91(422)6549995, 5239835, 2539836  
Fax No +91 (422) 2539837  
Email: info@skdc-consultants.com

### **Share Transfer System**

Shares in physical form is processed and completed by the Registrar and Share Transfer Agents, SKDC Consultants Limited within a period of 15 days from the date of receipt of documents if the documents are complete in all respects.



In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants.

The Company obtains a certificate of compliance in respect of share transfer from a Practicing Company Secretary pursuant to Regulation 40(9) of the SEBI (LODR), Regulations, 2015.

However, as per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialised form with the depositories. Therefore, Shareholders are requested to take action to dematerialize the Equity Shares of the Company promptly.

#### **Distribution of Equity Shareholding as on 31<sup>st</sup> March 2019**

Slab of shareholdings	Shareholders		Shares	
	Number of shareholders	%	Number of shares	%
1 – 500	4005	90.88	437845	14.14
501 – 1000	242	5.49	166164	5.37
1001 – 2000	96	2.18	129964	4.20
2001 – 3000	20	0.45	49973	1.61
3001 – 4000	10	0.23	34835	1.13
4001 – 5000	2	0.05	9388	0.30
5001 – 10000	12	0.27	91328	2.95
10001 and above	20	0.45	2176382	70.30
<b>Total</b>	<b>4407</b>	<b>100.00</b>	<b>3095879</b>	<b>100.00</b>

#### **Category of Shareholders as on 31<sup>st</sup> March 2019**

S.No.	Category	Number of shares	%
A	Indian Promoters & Promoters Group	1496390	48.335
B	Public Shareholding		
	1. Institutions		
	a) Financial Institutions / banks	3914	0.126
	b) Insurance Companies	360138	11.633
	c) Central / State Governments	27715	0.895
	d) Foreign Portfolio Investors	—	—
	2. Non Institutions		
	a) Bodies Corporate	101205	3.269
	b) Individuals	1106517	35.742
	Total Public Shareholding (1 + 2)	1599489	51.665
	<b>Total ( A + B )</b>	<b>3095879</b>	<b>100.000</b>


**Dematerialisation of shares as on 31<sup>st</sup> March 2019**

S. No.	Name of the Depository	Number of shares dematerialised	% on Equity Share Capital
A	National Securities Depository Limited	2028506	65.523
	Central Depository Services (India) Limited	799440	25.822
	<b>Total</b>	<b>2827946</b>	<b>91.345</b>
B	Physical	267933	8.655
	<b>Total</b>	<b>3095879</b>	<b>100.000</b>

**Outstanding GDRs/ ADRs/Warrants or conversion Instruments, conversion date and likely impact on equity:**

No GDRs' ADRs' or Warrants have been issued by the Company during the year.

**Commodity price risk or foreign exchange risk and hedging activities**

During the financial year ended 31st March 2019, the Company did not engage in commodity or hedging activities.

**Estate Location**

- |  |  |
|--|--|
| 1. Karamalai Estate<br>Karamalai Bazaar Post<br>Valparai - 642 130 | 2. Akkamalai Estate<br>Akkamalai Branch P.O.<br>Valparai - 642 127 |
| 3. Vellamalai Estate<br>Valparai - 642 130                         | 4. Nadumalai Estate<br>Valparai - 642 127                          |

**Wind Mill Location**

Aralvaimozhi  
Muppandal  
Kanyakumari District  
Tamil Nadu

**Solar Power Project**

Kudipatty Village  
Peraiyur Taluk  
Madurai District  
Tamil Nadu

**Address for Correspondence**
**Head Office:**

The Chief Executive Officer  
The Peria Karamalai Tea & Produce Company Limited  
No. 286, Race Course Road,  
Coimbatore - 641 018

**Registered Office:**

The Company Secretary  
The Peria Karamalai Tea & Produce Company Limited  
7, Munshi Premchand Sarani, Hastings  
Kolkata - 700 022

**Email ID for Investor Grievance Redressal:** periatea@lnbgroup.com

**Credit Rating**

The Company has not issued debt instruments and not involved in mobilization of funds under any fixed deposit programme or any scheme or proposal. Therefore, the requirement of obtaining Credit Rating is not applicable to the Company.



## 8. Other Disclosures

### a. Disclosure on materially significant related party transactions that may have potential conflict with the interests of listed entity at large

All related party transactions are entered on arm's length basis in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act 2013 and the SEBI (LODR) Regulations, 2015. There are no materially significant related party transactions made by the Company with the Promoter Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large. The details of transactions with related parties are provided in the Company's financial statements in accordance with the Accounting Standards.

The Related Party Transaction Policy as approved by the Board of Directors is uploaded on the Company's website at <http://www.periatea.com/investors.php>

### b. Details of non-compliance by the listed entity, penalties and strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years

There were no penalties, strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

### c. Details of establishment of Vigil Mechanism, Whistle Blower Policy, and affirmation that no personnel has been denied access to the audit committee

The Company has adopted a Whistle Blower Policy to provide a formal mechanism to the Directors and employees to report their concerns about unethical behavior actual or suspected fraud or violation of the Company's code of conduct. The policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

The Whistle Blower Policy has been posted on the website of the Company [www.periatea.com](http://www.periatea.com).

Your Company hereby affirms that no complaints were received during the year under review.

### d. Details of Compliance with mandatory requirements and adoption of the non-mandatory requirements

The Company has complied with all mandatory requirements specified in regulation 17 to 27 and clauses of (b) to (i) of Regulation 46(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has also adopted the following non-mandatory requirements of (1) of Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

- i. Non -Executive Chairman Office: Chairman office is separate from that of the Managing Director
- ii. Shareholders Rights: The quarterly, half yearly and annual financial results of the Company are published in the newspapers on an all India basis and are also posted on the Company's website. Further significant events are informed to the Stock Exchanges from time to time and then the same is also posted on the website of the Company. The complete Annual Report is sent to every shareholder of the Company.
- iii. Audit Qualification: The Company's financial statement for the year 2018-19 does not contain any audit qualification.
- iv. Separate posts of Chairman and CEO: The Company has appointed separate persons to the post of Chairman and Managing Director or Chief Executive Officer.
- v. Reporting to Internal Auditor: The Internal Auditor reports to the Audit Committee.

### e. Web link where policy for determining material subsidiaries is disclosed:

The Company does not have any material subsidiary. The policy for determining material subsidiaries is available on the website of the Company <http://www.periatea.com/investors.php>.

### f. Web link where policy for related party transactions is disclosed:

The policy for Related Party Transactions is available on the website of the Company <http://www.periatea.com/investors.php>.



**g. Disclosure of Commodity Price Risk and Commodity Hedging activities:**

The Company has not dealt in Commodity Hedging activities therefore not threatened by any Commodity Price Risk.

**h. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A)**

The Company has not raised any funds through preferential allotment or qualified institutions placement during the Financial Year ended March 31, 2019.

**i. Certificate from a Company Secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of corporate affairs or any such statutory authority**

A certificate from a Company Secretary in Practice stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Company by SEBI or Ministry of Corporate Affairs or any such statutory authority is enclosed to this report.

**j. Declaration that the board has accepted all recommendation of any committee of the board which is mandatorily required, in the financial year ended March 31, 2019.**

There has been no such incidence where the Board has not accepted the recommendation of the Committees of the Company during the year under review.

**k. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.**

Details relating to fees paid to the Statutory Auditors are given in Note 28 to the Consolidated Financial Statements.

**l. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

Sl.No	Particulars	Status
1.	Number of Complaints filed during the financial year	NIL
2.	Number of Complaints disposed of during the financial year	NIL
3.	Number of Complaints pending as on end of the financial year	NIL

**m. Non- Compliance of any requirement of Corporate Governance report of sub- paras (2) to (10) of SEBI (LODR) Regulations, 2015, with reasons thereof shall be disclosed**

The Company has complied with the requirements of Schedule V Corporate Governance Report sub paras(2) to (10) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**9) Code of conduct for Directors and Senior Management Personnel**

The Company has adopted a Code of Business Conduct and Ethics for its Directors and Senior Management Personnel. The same has been posted on the website of the Company. All Board Members and Senior Management Personnel have affirmed their compliance with the code of conduct for the year under review. The CEO has given a declaration that all the Directors and concerned Senior Management Personnel have affirmed compliance with the Code of Conduct.

**10) Disclosure with respect to demat suspense account/unclaimed suspense account**

- Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year: NIL
- Number of shareholders who approached listed entity for transfer of shares from Suspense account during the year : NIL
- Number of shareholders to whom shares were transferred from suspense account during the year: NIL
- Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year : NIL
- That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares: NIL





## 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 of  
The Peria Karamalai Tea & Produce Company Limited**

7, Munshi Premchand Sarani, Hastings,  
Kolkata, West Bengal-700022.

I/We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of The Peria Karamalai Tea & Produce Company Limited having CIN: L01132WB1913PLC220832 and having registered office at 7, Munshi Premchand Sarani, Hastings, Kolkata, West Bengal-700022 (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 and 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, 2019 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.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr. Lakshmi Niwas Bangur	00012617	01/04/1988
2.	Mr. Shreeyash Bangur	00012825	05/11/2012
3.	Ms. Alka Devi Bangur	00012894	17/09/1993
4.	Mr. Harischandra Parekh Maneklal	00026530	23/06/2009
5.	Mr. Ashok Kumar Bhargava	00640248	08/05/2018
6.	Mr. Pudugramam Ramachandran Ramakrishnan	02715749	23/06/2009
7.	Mr. Narasimhan Swaminathan	02743671	29/07/2009

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

**For Vinod Kothari & Company**  
**Practicing Company Secretaries**  
**Arun Kumar Maitra**  
**Partner**  
**CP No: 14490**  
**Membership No: A3010**

**Place : Kolkata**  
**Date : 17/05/2019**



**Declaration by the CEO under Regulation 26 (3) read with Part D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding Compliance with Code of Conduct**

To

The Members of  
The Peria Karamalai Tea & Produce Co. Ltd.

In accordance with Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that, all the Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them, for the Financial Year ended on March 31, 2019.

**For The Peria Karamalai Tea & Produce Co. Ltd.**

**Place : Kolkata**  
**Date : 20.05.2019**

**S K Singh**  
**CEO**

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

The Members of  
The Peria Karamalai Tea & Produce Co. Ltd.

1. We have examined the compliance of conditions of Corporate Governance by The Peria Karamalai Tea & Produce Co. Ltd. ("the Company"), for the year ended on March 31, 2019, as stipulated in the relevant provisions Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 . It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under SEBI(Listing Obligation and Disclosure Requirements) Regulation, 2015.
4. On the basis of representation received from the Registrar and Share Transfer Agents of the Company and on the basis of the records maintained by the Stakeholders Relationship Committee of the Company, We state that no investor grievance is pending for a period exceeding one month.
5. We further state that such compliance 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.

**Coimbatore**  
**20th May 2019**

**For SRIKISHEN & CO**  
**Firm Registration No: 004009S**  
**Chartered Accountants**  
**K. Murali Mohan**  
**Proprietor, Auditor**  
**Membership No. 014328**



**CERTIFICATE FURNISHED BY THE CHIEF EXECUTIVE OFFICER AND THE CHIEF FINANCIAL OFFICER  
PURSUANT TO REGULATION 17(8) OF SEBI (LISTING OBLIGATION & DISCLOSURE REQUIREMENTS)  
REGULATIONS 2015**

To

The Board of Directors  
The Peria Karamalai Tea & Produce Co. Ltd

- (a) We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2019 and that to the best of our knowledge and belief:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- (b) There are to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee that:
- (i) there was no significant changes in internal control over financial reporting during the year;
  - (ii) there was no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements: and
  - (iii) 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 financial reporting.

**Date : 20.05.2019**

**K Ashokan**  
**Chief Financial Officer**

**S K Singh**  
**Chief Executive Officer**



## INDEPENDENT AUDITORS' REPORT

To the Members of **The Peria Karamalai Tea and Produce Company Limited**

### Report on the Standalone Financial Statements

#### Opinion

We have audited the standalone Ind AS financial Statements of The Peria Karamalai Tea And Produce Company Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes to the 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 Ind AS financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the Profit and total comprehensive income, changes in equity and its 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 standalone Ind AS 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 together with the ethical requirements that are relevant to our audit of the 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 standalone Ind AS financial Statements of the current period. These matters were addressed in the context of our audit of the standalone Ind AS 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

S. No.	Key Audit Matter	Auditor's Response
1	<p>Reclassification of fair value gains from Investment in mutual funds from Other Comprehensive Income to Statement of Profit And Loss.</p> <p>As Mutual funds do not qualify to be classified as equity instruments, the gains on restatement of Investment in mutual funds to fair value has been retrospectively made through the Statement of Profit and loss instead of Other comprehensive income as per Para 43(b) of Ind AS 8 – Accounting policies, Changes in accounting estimates and errors.</p> <p>The net impact in the other equity shall be nil.</p>	<p>Our Audit procedure included Evaluating the adequacy of the disclosures in the financial statements with respect to correction of prior period error and checking the appropriate presentation.</p>



<p>2</p> <p>Fair value restatement of Investment in Unquoted Equity Instruments not held for trading.</p> <p>As per Ind AS 109 – Financial Instruments, Investments held in unquoted equity instruments which are not held for trading shall be restated to fair value .</p> <p>At the initial recognition, the unquoted equity instruments were valued at original cost.</p> <p>The company has now restated the same to fair value , providing a retrospective effect in the other comprehensive income as per Para 43(b) of Ind AS 8 – Accounting policies, Changes in accounting estimates and errors.</p> <p>The net impact in the other equity shall be Rs.28.56 crores (as on 01.04.2017).</p>	<p>Our Audit procedures included checking the appropriateness and reasonableness of the fair valuation approach and assumptions used determining the fair value of investments by external experts through performing the following</p> <ul style="list-style-type: none"> <li>• Tested the reasonableness of the fair valuation methodology used and the assumptions made for determining the fair value of the investment .</li> <li>• Reconciled the carrying amount of the investment as per the valuation report provided by the management and as per the books.</li> <li>• Evaluated the adequacy of disclosures in the financial statements with respect to the assumptions and checked whether they were appropriately presented.</li> </ul>
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**Information Other than the Financial Statements and Auditor’s Report Thereon**

The Company’s Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Management Discussion and Analysis, Board’s Report including Annexures to Board’s Report, Business Responsibility Report, Corporate Governance and Shareholder’s Information, but does not include the consolidated financial statements, standalone Ind AS financial Statements and our auditor’s report thereon.

Our opinion on the standalone Ind AS 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 Ind AS 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 Ind AS 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.

**Management’s Responsibility for the Standalone Ind AS financial Statements**

The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to

the preparation of these Ind AS Financial Statements that give a true and fair view of the financial position, financial performance, total 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(“Ind AS”) Prescribed under Section 133 of the Act 2013, read with relevant rules issued there under.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are also responsible for overseeing the Company’s financial reporting process.



### **Auditor's Responsibilities for the Audit of the Standalone Ind AS financial Statements**

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

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

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

are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS 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.

### **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 Companies Act, 2013, we give in the Annexure "A" 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 Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone Ind AS financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



(e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure " B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its Directors during the year is in accordance with

the provisions of section 197 of the Act and that the same is not in excess of the limit laid down under the said section

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS financial statements.

ii. The Company did not have any long term contracts including derivative contracts. Hence the question of any material foreseeable losses does not arise.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company except those amounts which are kept on hold for court cases

**For SRIKISHEN & CO**  
Chartered Accountants  
Registration No: 004009S

**K. Murali Mohan**  
Proprietor, Auditors  
Membership No. 014328

Coimbatore  
20th May 2019





## Annexure - A referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements

According to the information and explanations sought by us and given by the Company and the books and records examined by us during the course of our Audit and to the best of our knowledge and belief we report the following:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
- (b) The fixed assets of the company have been physically verified in a phased periodical manner, by the management, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The title deeds comprising all the immovable properties of land and building which are free hold are held in the name of the company.
- (ii) The physical verification of inventory has been conducted by the management at reasonable intervals. The Company has maintained proper record of inventory and the material discrepancies noticed if any on the physical verification of inventories have been properly dealt with in the books of Account.
- (iii) The Company has not granted any loans, secured or unsecured to , firms limited liability partnerships or other parties covered in the register maintained under section 189. The Company has granted unsecured loan to two Companies covered in the Register maintained under section 189 of the Act.
- In respect of the above loan given, in our opinion,
- a) The terms and conditions of the grant of such loans are not prejudicial to the company's interest.
- b) No schedule of repayment of principal and payment of interest has been stipulated.
- c) No amount is overdue warranting taking steps for recovery of principal and interest.
- (iv) The Company has not advanced any loans to its directors or any other person in whom the directors are interested or given any guarantee or provided any security in connection with any loan taken by the directors or such other person as contemplated under section 185 of the Act.
- The investment made in the capital of the subsidiaries and other body corporate are within the overall limit prescribed under section 186 of the Act.
- (v) The Company has not accepted any deposits and therefore paragraph 3(v) of the CARO is not applicable to the Company.
- (vi) The Central Government has prescribed the maintenance of cost records under section 148(1) of the Act, in respect of manufacture of tea as well as generation and transmission of electricity by the company. We have broadly reviewed the accounts and records of the company in this connection and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however carried out a detailed examination of the same.
- (vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, income-tax, Goods and Service Tax, Duty of Customs, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.
- There are, no undisputed arrears of statutory dues which were outstanding as at 31 March 2019 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 disputed statutory dues which have not been deposited by the Company.
- (viii) The Company has not borrowed from any financial institution and has not issued any debentures till



date. The Company has not defaulted in repayment of loans and borrowings to banks.

- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). The term loans raised during the year were applied for the purpose for which it is availed.
- (x) No fraud by the Company or fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion the managerial remuneration has been paid in accordance with the requisite approval mandated by the provisions of section 197, read with schedule V of the Act.
- (xii) The Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) In our opinion the transactions with the related parties are in compliance with sections 177 and 188 of the Act and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) The Company has not made preferential allotment or private placement of shares or issued any debentures during the year.
- (xv) The Company has not entered into non-cash transactions with directors or persons connected with him.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

Coimbatore  
20th May 2019

**For SRIKISHEN & CO**  
Chartered Accountants  
Registration No: 004009S

**K. Murali Mohan**  
Proprietor, Auditors  
Membership No. 014328



## Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of **The Peria Karamalai Tea And Produce Company Limited** ("the Company") as of March 31, 2019 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

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

The Board of Directors of the Company is responsible for establishing and maintaining Internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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.

#### **Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

Coimbatore  
20th May 2019

**Opinion**

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

**For SRIKISHEN & CO**  
Chartered Accountants  
Registration No: 004009S

**K. Murali Mohan**  
Proprietor, Auditors  
Membership No. 014328

**BALANCE SHEET AS AT 31ST MARCH 2019**

(Rupees in Lakhs)

	Note	31.03.2019	31.03.2018
<b>ASSETS</b>			
<b>1 Non-current Assets</b>			
a Property, Plant and Equipment	1	<b>3,748.03</b>	3,808.35
b Capital Work In Progress	1	<b>165.28</b>	167.89
c Intangible assets	1	<b>0.59</b>	0.21
d Financial Assets:			
i) Investments	2	<b>12,801.22</b>	13,054.46
ii) Other Financial Assets	3	<b>172.75</b>	198.10
e Deferred Tax Asset (Net)	4	<b>1,020.08</b>	631.76
f Other Non-Current Assets	5	<b>122.99</b>	129.70
		<b>18,030.94</b>	17,990.47
<b>2 Current Assets</b>			
a Inventories	6	<b>615.73</b>	461.66
b Financial Assets:			
i) Trade receivables	7	<b>389.70</b>	317.45
ii) Cash and cash equivalents	8a)	<b>54.53</b>	183.93
iii) Bank Deposits other than (ii) above	8b)	<b>92.33</b>	105.99
iv) Loans	9	<b>1,015.00</b>	695.00
v) Other Financial Assets	10	<b>95.17</b>	85.18
c Current Tax Assets (Net)	11	<b>—</b>	25.21
d Other current assets	12	<b>11.94</b>	13.86
		<b>2,274.40</b>	1,888.28
<b>T O T A L</b>		<b>20,305.34</b>	19,878.75
<b>EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
a Equity Share capital	13	<b>309.59</b>	309.59
b Other Equity	14	<b>16,797.22</b>	16,544.24
		<b>17,106.81</b>	16,853.83
<b>2 Non-current Liabilities</b>			
a Financial Liabilities			
i) Borrowings	15	<b>1,347.75</b>	1,420.26
ii) Other Financial Liabilities	16	<b>36.22</b>	—
b Provisions		<b>—</b>	—
		<b>1,383.97</b>	1,420.26
<b>3 Current Liabilities</b>			
a Financial Liabilities			
i) Borrowings	17	<b>924.63</b>	681.96
ii) Trade payables	18	<b>407.69</b>	567.87
iii) Other financial liabilities	19	<b>143.38</b>	134.24
b Other Current Liabilities	20	<b>98.80</b>	129.85
c Current Tax Liabilities ( Net )	21	<b>124.55</b>	—
d Provisions	22	<b>115.51</b>	90.74
		<b>1,814.56</b>	1,604.66
<b>T O T A L</b>		<b>20,305.34</b>	19,878.75

See accompanying notes to the financial statements 29

In terms of our Report attached

For and on behalf of the Board of Directors

For Srikishen & Co  
Chartered Accountants  
Reg. No. 004009S

**Lakshmi Niwas Bangur**  
Chairman  
DIN : 00012617

**Alka Devi Bangur**  
Managing Director  
DIN : 00012894

**Shreeyash Bangur**  
Dy. Managing Director,  
DIN : 00012825

**K. Murali Mohan**  
Proprietor, Auditor M.No. 014328  
Coimbatore, 20th May 2019

**Sanjeev Kumar Singh**  
Chief Executive Officer

**Kannusamy Ashokan**  
Chief Financial Officer

**Saurav Singhania**  
Company Secretary

Kolkata, 20th May 2019

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2019**

(Rupees in Lakhs)

	Note No.	31.03.2019	31.03.2018
<b>Income:</b>			
Revenue from operations	23	<b>4,920.12</b>	4,986.60
Other income	24	<b>31.03</b>	33.35
<b>Total Income</b>		<b>4,951.15</b>	5,019.95
<b>Expenses:</b>			
Cost of materials consumed		<b>301.64</b>	324.76
Purchase of stock in trade		<b>140.83</b>	19.67
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	25	<b>(176.24)</b>	(69.99)
Employee benefits expense	26	<b>2,498.04</b>	2,559.32
Finance costs	27	<b>207.84</b>	70.59
Depreciation and amortization expense	1	<b>346.52</b>	252.80
Other expenses	28	<b>1,225.40</b>	1,210.06
<b>Total expenses</b>		<b>4,544.03</b>	4,367.21
Profit / (Loss) before tax		<b>407.12</b>	652.74
Tax expense:			
1. Current Tax Expense - Current year		<b>240.00</b>	11.00
Prior year		<b>261.87</b>	10.42
2. Deferred Tax Liability Provided / (Reversed)		<b>113.55</b>	4.05
3. Mat Credit Entitlement		<b>(501.87)</b>	—
Profit from continuing operations for the year		<b>293.57</b>	627.27
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss			
i) Changes in fair value of FVOCI Equity Instruments			
- Quoted		<b>1.22</b>	(1.18)
- Unquoted		<b>(25.12)</b>	611.83
ii) Remeasurements of post employment defined benefit plans		<b>11.32</b>	(64.68)
iii) Income tax relating to these items		<b>—</b>	6.73
Other Comprehensive Income for the year net of tax		<b>(12.58)</b>	552.70
<b>Total Comprehensive Income for the Year</b>		<b>280.99</b>	1,179.97
Earnings per equity share:			
(1) Basic (Face Value of Rs 10/- per share)		<b>9.48</b>	20.26
(2) Diluted (Face Value of Rs 10/- per share)		<b>9.48</b>	20.26
See accompanying notes to the financial statements.	29		

In terms of our Report attached

For Srikishen & Co  
Chartered Accountants  
Reg. No. 004009S**K. Murali Mohan**  
Proprietor, Auditor M.No. 014328  
Coimbatore, 20th May 2019

For and on behalf of the Board of Directors

**Lakshmi Niwas Bangur**  
Chairman  
DIN : 00012617**Sanjeev Kumar Singh**  
Chief Executive Officer**Alka Devi Bangur**  
Managing Director  
DIN : 00012894**Kannusamy Ashokan**  
Chief Financial Officer**Shreyash Bangur**  
Dy. Managing Director,  
DIN : 00012825**Saurav Singhania**  
Company Secretary

Kolkata, 20th May 2019

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019**

(Rupees in Lakhs)

	<b>31.3.2019</b>	<b>31.3.2018</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax	<b>407.12</b>	652.74
Adjustments for:		
Depreciation & Amortization	<b>346.52</b>	252.80
Loss / (Profit) on sale of Property, Plant & Equipments (Net)	<b>(10.33)</b>	(2.50)
Fair Value movement in Financial instruments designated at FVTPL	<b>(589.83)</b>	(593.23)
Items debited/ ( credited) to OCI	<b>11.32</b>	(57.94)
Profit on sale of Non Current investments	<b>(40.82)</b>	(1.86)
Interest income	<b>(117.38)</b>	(132.63)
Dividend income	<b>(0.07)</b>	(0.14)
Finance cost	<b>207.84</b>	70.59
Operating Profit before working capital changes	<b>214.37</b>	187.82
Adjustments for:		
Other financial liability	<b>36.22</b>	—
Trade receivables and other assets	<b>(45.14)</b>	169.51
Inventories	<b>(154.07)</b>	(110.94)
Trade payables & other liabilities	<b>(160.82)</b>	301.10
Short term borrowings	<b>242.67</b>	178.68
Cash generated from operations	<b>133.23</b>	726.18
Exceptional item	<b>—</b>	—
	<b>133.23</b>	726.18
Direct Taxes paid (net)	<b>(352.12)</b>	(58.89)
Net Cash from operating activities	<b>(218.89)</b>	667.29
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant & Equipments	<b>(283.98)</b>	(2,184.50)
Sale of Property, Plant & Equipments	<b>10.33</b>	15.24
Sale of investments carried at fair value through profit and loss account	<b>860.00</b>	26.80
Interest received	<b>118.51</b>	132.63
Bank balance not considered as cash and cash equivalents	<b>9.41</b>	(64.81)
Intercompany loans (given)/ received	<b>(320.00)</b>	345.00
Dividend received	<b>0.07</b>	0.14
Net Cash used in investing activities	<b>394.34</b>	(1,729.51)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term borrowing	<b>(69.01)</b>	1,245.77
Finance cost paid	<b>(207.84)</b>	(70.59)
Dividend paid including dividend distribution tax	<b>(28.01)</b>	(37.26)
Net Cash used in financing activities	<b>(304.86)</b>	1,137.92
Net increase / decrease in Cash and Cash Equivalents	<b>(129.41)</b>	75.70
Opening cash and cash equivalents	<b>183.93</b>	108.23
Closing cash and cash equivalents	<b>54.53</b>	183.93

In terms of our Report attached

For Srikishen & Co  
Chartered Accountants  
Reg. No. 004009S

**K. Murali Mohan**  
Proprietor, Auditor M.No. 014328  
Coimbatore, 20th May 2019

For and on behalf of the Board of Directors

**Lakshmi Niwas Bangur**  
Chairman  
DIN : 00012617

**Sanjeev Kumar Singh**  
Chief Executive Officer

**Alka Devi Bangur**  
Managing Director  
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Chief Financial Officer

**Shreyash Bangur**  
Dy. Managing Director,  
DIN : 00012825

**Saurav Singhania**  
Company Secretary

Kolkata, 20th May 2019



**STATEMENT OF CHANGES IN EQUITY****EQUITY SHARE CAPITAL**

(Rupees in Lakhs)

	Face value	Amount
<b>As at 31.3.2018</b>	10	309.59
Changes in Equity Capital		—
<b>As at 31.3.2019</b>	10	309.59

**OTHER EQUITY**

(Rupees in Lakhs)

	Reserves and Surplus				FVOCI Equity Instruments		Total
	Securities Premium	Capital Reserve	General Reserve	Retained Earnings	Equity Instruments through OCI	Remeasurements of Post-employment benefits obligations	
<b>Balance as at 01.04.2017</b>	<b>279.74</b>	<b>41.69</b>	<b>8,302.10</b>	<b>975.08</b>	<b>2,914.94</b>	<b>31.62</b>	<b>12,545.17</b>
Changes due to prior period Error #							
(a) Reclassification of Fair value gain of investment in mutual funds from OCI reserve to Retained earnings				2,915.64	(2,915.64)		—
(b) Fair value restatement of unquoted equity instruments				—	2,856.36		2,856.36
<b>Restated Balance as on 1.04.2017</b>	<b>279.74</b>	<b>41.69</b>	<b>8,302.10</b>	<b>3,890.72</b>	<b>2,855.66</b>	<b>31.62</b>	<b>15,401.53</b>
Profit for the year				627.27			627.27
Other Comprehensive Income					610.65	(57.95)	552.70
Dividend paid				(30.96)			(30.96)
Dividend tax paid				(6.30)			(6.30)
<b>Balance as at 01.04.2018</b>	<b>279.74</b>	<b>41.69</b>	<b>8,302.10</b>	<b>4,480.73</b>	<b>3,466.31</b>	<b>(26.33)</b>	<b>16,544.24</b>
Profit for the year				293.57	—		293.57
Other Comprehensive Income				—	(23.90)	11.32	(12.58)
Dividend paid				(23.23)	—		(23.23)
Dividend tax paid				(4.78)	—		(4.78)
<b>Balance as at 31.03.2019</b>	<b>279.74</b>	<b>41.69</b>	<b>8,302.10</b>	<b>4,746.29</b>	<b>3,442.41</b>	<b>(15.01)</b>	<b>16,797.22</b>

# Refer note no. B (6) in Other notes to financial statements

In terms of our Report attached

For Srikishen & Co  
Chartered Accountants  
Reg. No. 004009S

**K. Murali Mohan**  
Proprietor, Auditor M.No. 014328  
Coimbatore, 20th May 2019

For and on behalf of the Board of Directors

**Lakshmi Niwas Bangur**  
Chairman  
DIN : 00012617

**Sanjeev Kumar Singh**  
Chief Executive Officer

**Alka Devi Bangur**  
Managing Director  
DIN : 00012894

**Kannusamy Ashokan**  
Chief Financial Officer

**Shreeyash Bangur**  
Dy. Managing Director,  
DIN : 00012825

**Saurav Singhania**  
Company Secretary

Kolkata, 20th May 2019



## NOTES TO FINANCIAL STATEMENTS

### 1. PROPERTY, PLANT AND EQUIPMENT

(Rupees in Lakhs)

PARTICULARS	FREE HOLD LAND & DEVELOPMENT	BUILDINGS	PLANT, MACHINERY & EQUIPMENTS	SOLAR PLANT	FURNITURE & FIX-TURES	VEHICLES	BEARER PLANTS	COMPUTERS	Sub total	CAPITAL WORK IN PROGRESS #	INTANGIBLE ASSETS	TOTAL
<b>COST</b>												
As at 01.04.2017	337.46	881.14	2,642.08	—	231.07	736.17	83.92	74.11	4,985.95	187.28	4.32	5,177.55
ADDITIONS	152.95	—	470.89	1,451.15	11.92	94.13	19.99	2.86	2,203.89	167.89	—	2,371.78
DISPOSALS	—	—	108.52	—	1.60	5.75	—	—	115.87	187.28	—	303.15
<b>AS AT 31.03.2018</b>	<b>490.41</b>	<b>881.14</b>	<b>3,004.45</b>	<b>1,451.15</b>	<b>241.39</b>	<b>824.55</b>	<b>103.91</b>	<b>76.97</b>	<b>7,073.97</b>	<b>167.89</b>	<b>4.32</b>	<b>7,246.18</b>
ADDITIONS	—	13.51	226.85	—	36.66	1.54	6.63	0.85	286.04	165.28	0.54	451.86
DISPOSALS	—	—	76.88	—	—	—	—	—	76.88	167.89	—	244.77
<b>AS AT 31.03.2019</b>	<b>490.41</b>	<b>894.65</b>	<b>3,154.42</b>	<b>1,451.15</b>	<b>278.05</b>	<b>826.09</b>	<b>110.54</b>	<b>77.82</b>	<b>7,283.13</b>	<b>165.28</b>	<b>4.86</b>	<b>7,453.27</b>
<b>ACCUMULATED DEPRECIATION/AMORTIZATION</b>												
AS AT 01.04.2017	—	540.31	1,937.55	—	129.14	437.90	1.74	69.32	3,115.96	—	4.11	3,120.07
DEPRECIATION / AMORTIZATION FOR THE YEAR	—	18.43	127.05	7.55	20.82	74.90	2.08	1.97	252.80	—	—	252.80
DISPOSALS	—	—	96.33	—	1.35	5.46	—	—	103.14	—	—	103.14
<b>AS AT 31.03.2018</b>	<b>—</b>	<b>558.74</b>	<b>1,968.27</b>	<b>7.55</b>	<b>148.61</b>	<b>507.34</b>	<b>3.82</b>	<b>71.29</b>	<b>3,265.62</b>	<b>—</b>	<b>4.11</b>	<b>3,269.73</b>
DEPRECIATION / AMORTIZATION FOR THE YEAR	—	22.94	149.06	72.16	22.62	76.14	2.21	1.23	346.36	—	0.16	346.52
DISPOSALS	—	—	76.88	—	—	—	—	—	76.88	—	—	76.88
<b>AS AT 31.03.2019</b>	<b>—</b>	<b>581.68</b>	<b>2,040.45</b>	<b>79.71</b>	<b>171.23</b>	<b>583.48</b>	<b>6.03</b>	<b>72.52</b>	<b>3,535.10</b>	<b>—</b>	<b>4.27</b>	<b>3,539.37</b>
<b>NET CARRYING VALUE</b>												
AS AT 31.03.2019	490.41	312.97	1,113.97	1,371.44	106.82	242.61	104.51	5.30	3,748.03	165.28	0.59	3,748.62
AS AT 31.03.2018	490.41	322.40	1,036.18	1,443.60	92.78	317.21	100.09	5.68	3,808.35	167.89	0.21	3,808.56

# Capital Work in progress includes immature plants amounting to Rs.65.71 lakhs out of which Rs.43.17 lakhs were capitalised from nursery stock of previous year



## NOTES TO FINANCIAL STATEMENTS

### 2. NON CURRENT INVESTMENTS

(Rupees in lakhs)

Particulars	Nominal value of Each Share (Rs)	Balance As at 31.03.2019		Balance As at 31.03.2018	
		No. of Shares	Amount (Rs)	No. of Shares	Amount (Rs)
Investments in Equity Instruments					
i) Fully paid - Unquoted at Fair value					
Placid Limited	100	93,590	3,826.90	93,590	3,875.56
Navjyoti Commodity Management Services Ltd	10	2,50,000	154.32	2,50,000	130.78
ii) In Subsidiary Companies :					
PKT Plantations Ltd	10	2,50,000	25.00	2,50,000	25.00
Shivpal Vinimay Private Ltd	10	50,000	5.00	50,000	5.00
iii) In fully paid Equity Shares at FVOCI :					
Quoted :					
MOIL Limited	10	2,272	3.60	2,272	2.38
iv) In Bonds : Quoted					
Tax Free Bonds:					
Power finance Corporation of India - 8.20% 10 Year	1,000	28,479	284.79	28,479	284.79
Indian Railway Finance Corporation - 8.00% 10 year	1,000	15,225	152.25	15,225	152.25
v) In Debt instruments designated as fair value through profit and Loss Account :					
Investments In Mutual Funds					
HDFC Corporate Bond Fund Growth	10	3,55,03,216	7,388.40	3,97,45,277	7,675.17
HDFC Capital builder Fund Growth	100	3,17,559	960.96	3,17,559	903.53
			<b>12,801.22</b>		<b>13,054.46</b>
Aggregate carrying amount of Quoted Investments			440.64		439.42
Aggregate market value of Quoted Investments			440.64		439.42
Aggregate amount of Unquoted Investments			12,360.58		12,615.04
Aggregate amount of impairment in value of Investments			—		—



## NOTES TO FINANCIAL STATEMENTS

(Rupees in Lakhs)

	31.3.2019	31.3.2018
<b>3 OTHER FINANCIAL ASSETS</b>		
Non Current		
a) Security Deposits	149.56	160.36
b) Other Advance	18.94	37.74
c) Depsoit with banks having more than 12 months maturity	4.25	—
	<u>172.75</u>	<u>198.10</u>
<b>4 DEFERRED TAX ASSET (NET)</b>		
i) Mat credit entitlement	1,174.98	673.11
ii) Opening Deferred Tax Liability	(41.35)	(37.30)
Add Deferred tax asset provided during the year	(113.55)	(4.05)
	<u>(154.90)</u>	<u>(41.35)</u>
iii) Closing Deferred Tax asset	1,020.08	631.76
	<u>1,020.08</u>	<u>631.76</u>
<b>5 OTHER - NON CURRENT ASSETS</b>		
a) Agriculture Income tax (NET)	77.06	77.06
b) Other advances	7.57	—
c) Capital Advances	38.36	52.64
	<u>122.99</u>	<u>129.70</u>
<b>6 INVENTORIES</b>		
a) Finished goods:		
Tea Valued at lower of cost and Net realisable value	473.73	297.49
b) Stores and Spares Valued at Average cost	137.78	100.50
c) Loose Tools Valued at Average Cost	3.72	8.02
d) Nursery Stock Valued at Average cost	0.50	55.65
	<u>615.73</u>	<u>461.66</u>
<b>FINANCIAL ASSETS - CURRENT</b>		
<b>7 TRADE RECEIVABLES</b>		
Un-Secured - Considered Good	389.70	317.45
	<u>389.70</u>	<u>317.45</u>

**NOTES TO FINANCIAL STATEMENTS***(Rupees in Lakhs)*

	31.3.2019	31.3.2018
<b>8 A) CASH AND CASH EQUIVALENTS</b>		
i) Balance with Banks in Current Account	39.18	130.37
ii) Balance with Banks in Deposit Account (with less than 3 months maturity)	11.02	—
iii) Cash on hand	4.33	53.56
	<u>54.53</u>	<u>183.93</u>
<b>B) BANK DEPOSITS OTHER THAN ABOVE</b>		
i) With more than 3 months but less than 12 months maturity	3.06	17.02
ii) Unpaid dividend Account ( Refer Note)	19.50	23.28
iii) Balance with banks to the extent held as margin money or security against borrowings, guarantees, other commitments	69.77	65.69
	<u>92.33</u>	<u>105.99</u>
<b>9 LOANS</b>		
Current Unsecured and Considered Good :		
Loans and advances to :-		
Related Parties	675.00	355.00
Others	340.00	340.00
	<u>1,015.00</u>	<u>695.00</u>
<b>10 OTHER FINANCIAL ASSETS</b>		
a) Advances recoverable in cash or in kind or for value to be recovered	38.02	34.30
b) Interest accrued on Loans and Advances		
Related Parties	—	6.92
Others	49.75	43.96
c) Tea Subsidy receivable	7.40	—
	<u>95.17</u>	<u>85.18</u>
<b>11 CURRENT TAX ASSETS (NET)</b>		
Advance payment of Tax (Net of Provision)	—	25.21
	<u>—</u>	<u>25.21</u>



## NOTES TO FINANCIAL STATEMENTS

(Rupees in Lakhs)

	31.3.2019	31.3.2018
<b>12 OTHER CURRENT ASSETS</b>		
Others :		
Balance with Central Excise Authorities	0.27	1.51
Prepaid Expenses	<b>11.67</b>	12.35
	<b>11.94</b>	13.86
<b>13 EQUITY SHARE CAPITAL</b>		
<b>Authorised</b>		
7,500,000 Equity Shares of Rs. 10/- each (Seventy five lakh shares of Rupees ten each)	<b>750.00</b>	750.00
<b>Issued and Subscribed</b>		
30,95,879 Equity Shares of Rs. 10/- each fully Paid	<b>309.59</b>	309.59
	Number of shares	Number of shares
At the Commencement of the year	<b>30,95,879</b>	30,95,879
Changes During The year	—	—
At the close of the Year	<b>30,95,879</b>	30,95,879
<b>Equity shareholders holding more than 5% shares:</b>		
Placid Ltd	<b>6,63,454</b>	6,63,454
Kiran Vyapar Ltd	<b>4,70,224</b>	4,70,224
Life Insurance Corporation of India Ltd	<b>2,07,712</b>	2,07,712



**NOTES TO FINANCIAL STATEMENTS**

(Rupees in Lakhs)

**14 OTHER EQUITY**

**Other Equity**

Particulars	Reserves and Surplus				Other comprehensive income reserve		Total
	Securities Premium	Capital Reserve	General Reserve	Retained Earnings	Equity instruments through OCI	Remeasurement of Post employment benefits Obligation	
<b>Balance as at 01.04.2017</b>	<b>279.74</b>	<b>41.69</b>	<b>8,302.10</b>	<b>975.08</b>	<b>2,914.94</b>	<b>31.62</b>	<b>12,545.17</b>
Changes due to prior period Error #							
(a) Reclassification of Fair value gain of investment in mutual funds from OCI reserve to Retained earnings				2,915.64	(2,915.64)		—
(b) Fair value restatement of unquoted equity instruments					2,856.36		2,856.36
<b>Restated Balance as on 1.04.2017</b>	<b>279.74</b>	<b>41.69</b>	<b>8,302.10</b>	<b>3,890.72</b>	<b>2,855.66</b>	<b>31.62</b>	<b>15,401.53</b>
Profit for the year				627.27			627.27
Other Comprehensive Income					610.65	(57.95)	552.70
Dividend paid				(30.96)			(30.96)
Dividend tax paid				(6.30)			(6.30)
<b>Balance as at 01.04.2018</b>	<b>279.74</b>	<b>41.69</b>	<b>8,302.10</b>	<b>4,480.73</b>	<b>3,466.31</b>	<b>(26.33)</b>	<b>16,544.24</b>
Profit for the year				293.57	—		293.57
Other Comprehensive Income				—	(23.90)	11.32	(12.58)
Dividend paid				(23.23)	—		(23.23)
Dividend tax paid				(4.78)	—		(4.78)
<b>Balance as at 31.03.2019</b>	<b>279.74</b>	<b>41.69</b>	<b>8,302.10</b>	<b>4,746.29</b>	<b>3,442.41</b>	<b>(15.01)</b>	<b>16,797.22</b>

# Refer note no. B (6) in Other notes to financial statements

**31.3.2019**

31.3.2018

**15 BORROWINGS**

Secured : From Banks

From Banks

1) Term Loan from Union Bank Of India, Coimbatore

145.00

201.35

(Secured by Hypothecation of Plant and machinery purchased out of the loan and collaterally secured by 988.15 acres of land & factory building at Nadumalai estate in Anamalai Hills Valparai Municipality).

(Repayable in 60 monthly installments of Rs.5,00,000/- commencing from 1.10.2017 at Effective Interest rate of 9.4%)





## NOTES TO FINANCIAL STATEMENTS

(Rupees in Lakhs)

	31.3.2019	31.3.2018
2) Term Loan from HDFC Bank Limited (Secured by charge on all the movable fixed assets of Company funded out of term loan and on land measuring 15.3225 acres at Kudipatty Madurai district.) Repayable in 108 monthly installments of Rs.11,29,853-. commencing from 04.01.2019) at Effective Interest rate of 8.75%)	1,153.40	1,147.81
3) Union Bank Of India -Vehicle loan (Secured by the vehicle , Repayable in 30 installments of Rs. 93,184 Interest rate 9.95%) Period and amount of continuing default Rs. Nil)	16.30	20.30
<b>From Others:</b>		
1) Kotak Mahindra Prime Limited - Vehicle Loan (1)-VOLVO (Secured by the vehicle , Repayable in 60 installments of Rs. 1,20,025/- I) Period and amount of continuing default Rs. Nil at effective interest rate of 7.8%)	32.42	42.92
2) Kotak Mahindra Prime Limited - Vehicle Loan (2) (Secured by the vehicle, Repayable in 36 installments of Rs. 69,100/-) Period and amount of continuing default Rs. Nil at effective interest rate of 8.8%)	0.63	7.88
	<u>1,347.75</u>	<u>1,420.26</u>
<b>16 OTHER FINANCIAL LIABILITIES</b>		
Others - Deposit Received from Customers	36.22	—
	<u>36.22</u>	<u>—</u>
<b>FINANCIAL LIABILITIES - CURRENT</b>		
<b>17 BORROWINGS</b>		
Working Capital Cash Credit from HDFC Bank Limited (Secured by charge on all the movable fixed assets of Company both present and future except those financed by UBI and on land measuring 15.3225 acres at Kudipatty Madurai district. Secured by charge on all the current assets of the Company both present and future) Limit - Rs. 10,00,00,000 @ 9.25%	924.63	681.96
	<u>924.63</u>	<u>681.96</u>

**NOTES TO FINANCIAL STATEMENTS***(Rupees in Lakhs)*

	<b>31.3.2019</b>	31.3.2018
<b>18 TRADE PAYABLES</b>		
Total outstanding dues of Micro & Small Enterprises	—	—
Due to Others	<b>407.69</b>	567.87
	<b>407.69</b>	567.87
<b>19 OTHER FINANCIAL LIABILITIES</b>		
a) Current maturities of long term debt	<b>114.46</b>	110.96
b) Interest accrued but not due on term loans	<b>9.42</b>	—
c) Unpaid dividends	<b>19.50</b>	23.28
	<b>143.38</b>	134.24
<b>20 OTHER CURRENT LIABILITIES</b>		
Other Payables :		
Creditors for Capital Expenditure	<b>43.03</b>	116.65
Statutory Remittances	<b>55.77</b>	9.31
Customer Credit Balance	—	3.89
	<b>98.80</b>	129.85
<b>21 CURRENT TAX LIABILITY (NET)</b>		
Provision for Taxation (Net)	<b>124.55</b>	—
	<b>124.55</b>	—
<b>22 PROVISIONS</b>		
Provision for employees benefit :		
Provision for Gratuity (net)	<b>115.51</b>	90.74
	<b>115.51</b>	90.74



## NOTES TO FINANCIAL STATEMENTS

(Rupees in Lakhs)

	31.03.2019	31.03.2018
<b>23 REVENUE FROM OPERATIONS</b>		
Sale of Products :		
Tea	3,951.32	4,229.65
Minor Produce	—	0.01
Other Operating Revenues :		
Excess provision in prior year reversed (Refer Note no.B(11))	141.51	—
Income from tea Subsidy	7.40	—
Sale of Electricity to TNEB	85.25	37.22
Fair value gain from Financial assets (Mutual Funds)	589.83	593.23
Dividend Income	0.07	0.14
Interest on loans and advances	68.39	88.96
Interest on Tax free Bonds	35.53	35.53
Profit on Sale of Investments	40.82	1.86
	<b>4,920.12</b>	<b>4,986.60</b>
<b>24 OTHER INCOME</b>		
Interest Income on		
Bank deposit	6.20	2.96
Others	7.26	5.17
Profit on Sale of Assets	10.33	9.20
Scrap sales	—	7.99
Rent Receipts	0.12	1.62
Sundry Receipts	7.12	6.41
	<b>31.03</b>	<b>33.35</b>
<b>25 CHANGES IN INVENTORIES OF FINISHED GOODS</b>		
<b>Work in Progress and Stock in Trade</b>		
Opening stock of Finished Goods :		
Tea	297.49	227.50
Minor produce	—	—
	<b>297.49</b>	<b>227.50</b>
Less: Closing stock of Finished Goods		
Tea	473.73	297.49
Minor produce	—	—
Net changes in inventories	<b>(176.24)</b>	<b>(69.99)</b>

**NOTES TO FINANCIAL STATEMENTS***(Rupees in Lakhs)*

	<b>31.03.2019</b>	<b>31.03.2018</b>
<b>26 EMPLOYEE BENEFITS EXPENSES :</b>		
Salaries, Wages and Bonus	<b>2,088.39</b>	2,159.59
Contribution to Provident, Gratuity and Pension Fund	<b>287.24</b>	279.12
Employees welfare Expenses	<b>122.41</b>	120.61
	<b>2,498.04</b>	2,559.32
<b>27 FINANCE COST</b>		
Interest Expenses		
Term loan	<b>124.99</b>	16.70
Cash Credit and others	<b>82.85</b>	53.89
	<b>207.84</b>	70.59
<b>28 OTHER EXPENSES :</b>		
Power and Fuel	<b>391.48</b>	380.60
Rent	<b>68.40</b>	67.45
Repairs to Buildings	<b>186.58</b>	177.32
Repairs to Machinery	<b>165.31</b>	117.94
Insurance	<b>25.05</b>	20.46
Rates and Taxes	<b>3.60</b>	6.85
Transport	<b>56.78</b>	56.93
General Charges - Estate	<b>82.63</b>	74.37
Commission and Brokerage	<b>21.31</b>	29.44
Payment to Auditors		
Statutory Audit fee	<b>1.25</b>	1.25
For Certification	<b>0.90</b>	0.78
For Taxation	<b>1.25</b>	1.00
Travelling Expenses	<b>84.56</b>	106.83
Tea Selling Expenses	<b>60.79</b>	88.10
Postage, Telephone & Telegram	<b>12.30</b>	20.40
Professional Charges	<b>21.88</b>	33.58
Miscellaneous Expenses	<b>41.33</b>	26.76
	<b>1,225.40</b>	1,210.06



## ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS

### 29 Notes to the Financial Statements

#### A Corporate Information:

The Peria Karamalai Tea and Produce Company Limited is a Public Limited Company domiciled in India and incorporated under The Companies Act, 1956. The registered office of the company is at Kolkata, West Bengal, India. It is mainly engaged in the production and distribution of Tea., generation and distribution of power and investment in financial instruments.

The financial statements for the year ended March 31, 2019 are approved for issue by Company's Board of Directors on May 20, 2019.

#### B. Significant Accounting Policies

##### 1. Basis of preparation and presentation:

These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act 2013 (the "Act"), Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act. The presentation of the Financial Statements is based on Ind AS Schedule III of the Companies Act, 2013.

##### 2. Basis of measurement:

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

Historical cost is generally based on the fair value of the consideration given in exchange of goods and services. Fair value is the price that would be received to sell an asset or pay to transfer a liability in an orderly transaction between market participants at measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the company takes into account the characteristics of the asset or liability at the measurement date.

The principal accounting policies are set out below:

All assets and liabilities have been classified as current and non-current as per the company's normal operating cycle and other criteria set out in Ind AS 1 – Presentation of financial statements and schedule III to the Companies act, 2013. Based on the nature of the products and the time between acquisition of assets for processing and their realization of cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of classification of assets and liabilities as current and non-current.

##### 3. Estimates and Judgements:

###### 3.1 Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from the estimates. Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods affected.



## NOTES TO FINANCIAL STATEMENTS (Contd..)

### 3.2 Significant estimates and judgements

The areas involving significant estimates and judgements are:

- (i) Defined benefit obligation
- (ii) Current tax expense

### 4. Property, Plant and Equipment:

Freehold land is carried at cost. All other items of property, plant and equipment including intangibles are carried at cost less accumulated depreciation/amortization and impairment losses, if any.

Subsequent expenditure relating to an asset is included in 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. The carrying amount of a component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

#### Biological Assets

##### Bearer Plants

Biological Assets which are held to bear agricultural produce are classified as bearer plants. The Company recognises tea bushes in the estates as bearer plants which are carried at cost of acquisition less accumulated depreciation and any recognised impairment losses. Costs comprise of expenditure on development extension planting, infilling and replanting including cost of uprooting and maintenance of the newly planted bushes. The above costs are carried under Capital Work in Progress until maturity of such bushes. The entity has accounted for Subsidy received from Coffee Board by deducting the grant from the carrying amount of the asset – Plantation WIP, as per Ind AS 20.

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 of respective plantations.

### 5. Intangible Assets

Intangible assets with finite useful life that are acquired separately are carried out at cost less accumulated amortization and accumulated impairment losses. Amortization is recognised on straight-line basis over their estimated useful life.

### 6. Depreciation and amortization

Depreciation is calculated using the straight-line method on a pro -rata basis from the day in which each asset is put to use to allocate their cost, net of their residual values, over their estimated useful lives. Depreciation on tangible assets is in line with the rates specified in Schedule II to the Companies Act, 2013 except for Bearer Plants which are depreciated over their estimated useful life. Tools are amortized over a period of two years. Cost of Intangible assets are amortized over a period of three years on straight line basis.

### 7. Borrowing Cost

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



## NOTES TO FINANCIAL STATEMENTS (Contd..)

### 8. Impairment

The carrying values of assets at each Balance Sheet date are annually reviewed for impairment. If any indication of impairment exists (i.e., if the carrying amount of these assets exceeds their recoverable amount), the recoverable amount of such assets is estimated and impairment is recognized. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognized for an asset in earlier accounting periods no longer exists or may have decreased such reversal of impairment loss is recognised in the Statement of Profit and Loss.

### 9. Inventories

Agricultural produce included within inventory largely comprises stock of tea and in accordance with Ind AS 41, on initial recognition, agricultural produce is required to be measured at fair value less estimated point of sale costs.

Other Inventories are stated at lower of cost and net realisable value.

Cost of Nursery stocks represents cost incurred in raising and maintaining such stocks till transplanted.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

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

### 10. Cash and cash equivalents

Cash and cash equivalents consist of all cash balances including demand deposits with banks with original maturities of three months or less.

### 11. Investments and Financial Assets

#### (i) Classification

The Company classifies its financial assets in the following measurement categories:

- (a) Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- (b) Those measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flow.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For Investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Company reclassifies debt instruments when and only when its business model for managing those asset changes.





## NOTES TO FINANCIAL STATEMENTS (Contd..)

### (ii) Measurement

The Company measures a financial asset (in the case of a financial asset not carried at a fair value through profit or loss) at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

#### Subsequent Measurement:

##### (a) Equity Instruments

The Company subsequently measures all investments in equity (except that in the subsidiary) at fair value and has elected to present fair value gains and losses on equity investments in other comprehensive income with no subsequent reclassification of fair value gains and losses to profit and loss.

Investments in associates are measured at cost less provision for impairment.

##### (b) Debt Instruments

Company's investments in Mutual Funds (debt funds) are measured at Fair Value through Profit or Loss (FVTPL). A gain or loss on a debt investment that is subsequently measured at FVTPL and is not part of a hedging relationship is recognized in profit or loss and presented in the statement of profit and loss in the period in which it arises.

##### (iii) Impairment of financial assets:

The Company assesses expected credit losses associated with its assets carried at amortized cost and fair value through other comprehensive income based on Company's past history of recovery, credit-worthiness of the counter party and existing market conditions. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Company applies the simplified approach for recognition of impairment allowance as provided in Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

##### (iv) De-recognition of financial assets:

A financial asset is de-recognised only when:

- (a) The Company's contractual right to the cash flow expires or
- (b) The Company has transferred the rights to receive cash flows from the financial asset.

## 12. Financial liabilities

#### Initial recognition and measurement:

All financial liabilities are recognised initially at fair value and in case of loans and borrowings net of directly attributable costs. Financial liabilities are subsequently measured at amortized cost using effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying value approximates fair value due to short maturity of these instruments.

## 13. Foreign Currency Translation

- **Functional and presentation currency:** The financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.



## NOTES TO FINANCIAL STATEMENTS (Contd..)

- **Transactions and balances:**

- o **Initial Recognition** - Foreign currency transactions are recorded in functional currency using the exchange rates prevailing on the date of transaction.
- o **Subsequent recognition** - As at the reporting date, monetary assets and liabilities denominated in foreign currency are restated at the closing exchange rates. Exchange differences arising out of actual payment/ realisation and from the year end restatement are recognized in the statement of profit and Loss.

### 14. Revenue Recognition:

Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers. It requires revenue to be recognised when (or as) the entity satisfies a performance obligation by transferring a promised goods/services to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

The entity recognizes significant financing component in a contract as finance cost (or income) as per Ind AS 115. No effect has been provided for contracts for which period of obligation is one year or less (as per para 63 of Ind AS 115).

Revenue from contract with customers is recognised when the company satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations maybe satisfied at a point of time or over a period of time. Performance obligations satisfied over a period of time are recognised as per the terms of relevant contractual agreements/ arrangements. Performance obligations are said to be satisfied at a point of time when the customer obtains controls of the asset. Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/ discounts.

### 15. Leases:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or



## NOTES TO FINANCIAL STATEMENTS (Contd..)

- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of Initial application.

Certain practical expedients are available under both the methods.

### 16. Government Grant and Government assistance:

The entity has opted to account for Government grants by deducting the grant from the carrying amount of the asset, as per the alternative provided in amended Ind AS 20.

Subsidies received against manufacture of specified varieties of tea are recorded as income in the period of manufacture of such goods.

Non-monetary grant is recognised at a nominal amount.

### 17. Employee benefits:

#### 1. Short term obligations

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

The Company recognises a liability and an expense for bonus where there is a contractual obligation or where there is a past practice that has created a constructive obligation.

#### 2. Post employment obligations

The Company has the following post employment obligations/plans:

- Defined benefit plans such as gratuity for its eligible employees; and
- Defined contribution plans such as provident fund and superannuation.

##### (a) Gratuity:

Liabilities with regard to the gratuity are determined by actuarial valuation at each balance sheet date using projected unit credit method by an Independent actuary. The Company makes annual contributions to The Gratuity Fund of The Peria Karamalai Tea & Produce Company (The Trust). Trustees administer contributions made to the trust and contributions are invested in schemes managed by Life Insurance Corporation of India.

The liability or asset recognised in the Balance Sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

Actuarial gains or losses are recognized in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. Re-measurement gains or losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.



## NOTES TO FINANCIAL STATEMENTS (Contd..)

### (b) Superannuation Fund:

This is a defined contribution plan. The Company contributes towards superannuation fund administered by the Trustees and managed by Life Insurance Corporation of India (LIC). The Company has no further obligations for future superannuation benefits other than its monthly contributions and recognises such contributions as expense in the year incurred.

### (c) Provident Fund:

This is a defined contribution plan and contributions made to the Fund as per the rules of the Company are charged to profit and loss as and when due. The Company has no further obligations for future provident fund benefits other than its monthly contributions.

### 3. Other Long-Term Employee Benefit Obligation

#### Leave Encashment

This is a defined contribution plan. The Company makes annual contribution to the Fund administered by Life Insurance Corporation of India. The Company has no further obligations for future leave encashment other than its annual contribution and recognizes such contributions as expense in the year incurred.

## 18. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

### (a) Current tax

The current tax expense for the period is the tax payable on the current period's taxable income computed at the applicable income tax rate and is recognised in the statement of profit and loss. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted.

### (b) Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and incurred tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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



## NOTES TO FINANCIAL STATEMENTS (Contd..)

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

### (c) Current and Deferred Tax for the year

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

### (d) Minimum Alternate Tax:

According to section 115JAA of the Income Tax Act, 1961, Minimum Alternative Tax ('MAT') paid over and above the normal income tax in a subject year is eligible for carry forward for fifteen succeeding assessment years for set-off against normal income tax liability. The MAT credit asset is assessed against the relevant entities' normal income tax during the specified period.

## 19. Provisions and Contingencies

**Provisions:** Provisions are recognised when there is a present obligation or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability

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

## 20. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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

## 21. Segment Reporting

Segments are identified based on the manner in which the Company's Chief Operating Decision Maker ('CODM') decides about resource allocation and reviews performance. Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment and intangible assets other than goodwill.

## 22. Dividend to Shareholders

Final dividend distributed to equity shareholders is recognised in the period in which it is approved by the members of the Company in the Annual General Meeting. Interim dividend is recognised when approved by the Board of Directors at the Board meeting.

Dividend distributed (including interim dividend) is recognised in the Statement of changes in Equity.



## NOTES TO FINANCIAL STATEMENTS (Contd..)

### B. Other Notes to Financial Statements

#### 1. Contingent Liability and commitments to the extent not provided for:

##### i. Claims against the company not acknowledged as debts:

The Company has obtained a stay of proceedings from the Honourable High Court of Madras on 24th March 2006 against a proposition notice from the Commercial Tax Department for levy of sales tax on export sales effected through auction centres. The matter is pending and in common with the other tea planting companies.

##### ii. Bank & Other Guarantee:

Banks guarantee of Rs.65.89 lakhs has been given towards the customs duty payable on control panels imported in the Financial year 2017-18. The matter is still pending.

##### iii. Sale of power generated through windmills:

Rule 3 of Electricity Rules, 2005 provides that, if 51% of total energy generated is not used for captive consumption, the power plant shall not qualify as captive generating plant. During the year, the company has not complied with the above provision. Hence there is a possibility of TNEB rejecting the claim of Rs. 39.69 lakhs made by the company against the banked units held.

##### iv. Income Tax Matters:

Tax assessments have been completed up to Assessment year 2016-17. For the Assessment year 2012-13, the tax authorities have disputed the treatment of income under the head capital gains with regard to 'Exclusive agreement' and 'Non-Compete Fee'. The issue has been disputed in appeal before the appellate authorities. No provision has been made since there are no tax demands for the present.

#### 2. The details of amounts outstanding to Micro and Small Enterprises based on available information with the Company is as under:

Principal amount due and remaining unpaid	Nil
Interest due on above and the unpaid interest	Nil
Interest paid	Nil
Payment made beyond the appointed day during the year	Nil
Interest due and payable for the period of delay	Nil
Interest accrued and remaining unpaid	Nil
Amount of further interest remaining due and payable in succeeding years	Nil



**NOTES TO FINANCIAL STATEMENTS (Contd..)**

**3. Income tax relating to continuing Operation**

**Income tax recognised in profit and loss account**

(Rupees In Lakhs)

Particulars	31.03.2019	31.03.2018
<b>Current tax</b>		
Current tax on profits for the year	240.00	11.00
Adjustment tax of prior year	261.87	10.41
	<b>501.87</b>	21.41
MAT credit entitlement	(501.87)	—
<b>Deferred tax</b>		
Increase / (decrease) of deferred tax liability	168.95	108.39
(Increase) / decrease of deferred tax Asset	(55.40)	(104.34)
Total deferred tax expense	113.55	4.05
Total income tax expense recognised for the year	<b>113.55</b>	25.46

**Reconciliation of income tax expense to the accounting profit for the year**

(Rupees In Lakhs)

Particulars	31.03.2019	31.03.2018
Profit before tax after exceptional item	407.12	59.51
Enacted tax rate in India	29.12%	28.84%
Computed expected tax expense at enacted tax rate	118.55	17.16
Tax effect on account of exempt income & income tax depreciation	(118.55)	(17.16)
Tax effect on account of non-deductible expenses	—	3.36
Tax effect on account of MAT applicability	240.00	11.00
For current year book profit @ 20.59%	105.95	—
For fair value restatement of Mutual funds - on transition	134.05	—
Total income tax expense recognised for the year	<b>240.00</b>	11.00

**The movement of Deferred Income Tax Asset & Liabilities charged to Statement of Profit & Loss is as follows:**

(Rupees In Lakhs)

Particulars	Opening as on 01.04.2018	Provided / (reversed) during the year	Closing as on 31.03.2019
Deferred Liability on account of Depreciation	160.65	168.95	<b>329.60</b>
Deferred Tax asset:			
On account of 43B Disallowances	16.72	4.79	<b>21.51</b>
On account of Carry Forward Losses	102.58	50.61	<b>153.19</b>
	119.30	55.40	<b>174.70</b>
Deferred tax Liability (NET)	41.35	113.55	<b>154.90</b>





## NOTES TO FINANCIAL STATEMENTS (Contd..)

### 4. Earnings per Share:

(Rupees In Lakhs)

Particulars	31.03.2019	31.03.2018
Profit /(Loss) after tax	293.57	627.27*
Weighted average No. of shares outstanding	30,95,879	30,95,879
Basic earnings per share (Nominal value of equity shares Rs. 10/- per share)	9.48	20.26

\* Figures are restated as a result of rectification of prior period error. (Refer Note no.6)

### 5. Details of Dividend proposed and paid

Dividend for the year ended 31.03.2018 paid Re.0.75per share	:	Rs.23.22 lakhs
Dividend Distribution tax paid thereon @20.56 %	:	Rs.4.77 lakhs

In respect of current year, the Directors proposed Dividend of Re. 0.75/- per share on equity shares of face value Rs.10 each on 20.05.2019.

There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company. Except that an amount of Rs.1,953/- and Rs.1,674/- relating to the Dividend declared for the year 2009-10 and 2010-11 respectively has been kept on hold due to court case.

### 6. Rectification of Prior Period Error in terms of Ind AS 8

#### a) Reclassification of Fair value gain of investment in Mutual funds:

The company up to 31.03.2018 had classified 'investment in mutual funds' as equity instruments and the fair value restatement has been done through other comprehensive income (FVTOCI) at par with other equity instruments.

However, as mutual funds do not qualify to be classified as equity instruments, the same has been retrospectively reclassified and restated to fair value through profit and loss statement (FVTPL).

There shall be no change in the balance of total equity. Only the gain/loss on restatement of value of investment in mutual funds has been transferred from other comprehensive income to Profit and loss statement up to 31.03.2018 in the statement showing changes in equity. Comparative figures for the year ending 2018 have been reclassified wherever necessary.

#### b) Fair Value restatement of unquoted equity instruments:

The company up to 31.03.2018 had valued for investment in unquoted equity shares at original cost.

However, investment in equity shares which are not held for trading shall be restated to fair value through Other comprehensive income as per Para 5.7.5 of Ind AS 109. The company has restated the unquoted equity instruments to Fair value through Other Comprehensive Income (FVTOCI) retrospectively.

The above errors have been rectified as per para 42(b) of Ind AS 8. Subsequently, the company has restated the opening balances of the earliest prior period presented in the Financial statements (from 01.04.2017).

The effect of the above errors rectified were provided in 'Other Equity' as shown below:

**NOTES TO FINANCIAL STATEMENTS (Contd..)**

(Rupees In Lakhs)

PARTICULARS	Retained Earnings (FVTPL)	Other comprehensive income (FVTOCI)
Opening balance as at 01.04.2017	975.08	2,914.94
Effect of prior period error rectified		
a) Reclassification of Fair value gain of investment in Mutual funds	2,915.64	(2,915.64)
b) Fair Value restatement of unquoted equity instruments		2,856.36
Restated balances as at 01.04.2017	3,890.72	2,855.66

**7. Employee Benefits:****a) Defined Contribution Plan:**

The Company makes contribution towards employees' provident fund and superannuation fund. Under the rules of these schemes, the company is required to contribute a specified percentage of payroll costs. The company during the year recognized Rs.166.32 lakhs (Previous year Rs. 181.05 lakhs) as expense towards contribution to the Provident Fund.

Out of the total contribution made towards employees' provident fund, Rs.14.73 lakhs (Previous year Rs. 12.87 lakhs) is made to the PL Planting Provident Fund while the remaining contribution is made to Provident Fund Plan operated by the Regional Provident Fund Commissioner.

The liability towards superannuation fund for the year ended 31st March 2019 amounting to Rs.16.61 lakhs (Previous year Rs. 16.12 lakhs) has been charged to Statement of Profit and Loss.

There was no liability towards leave encashment for the year ended 31st March 2019 as it was adequately funded and no amount (previous year Rs. Nil) has been charged to Statement of Profit and Loss.

**b) Defined Benefit Plan:****GRATUITY (FUNDED):**

(Rupees In Lakhs)

PARTICULARS	31.03.2019	31.03.2018
<b>A. Expense recognised in Income Statement</b>		
1. Current Service cost	<b>80.65</b>	71.95
2. Interest expense	<b>88.63</b>	85.56
3. Interest (Income on plan asset)	<b>(83.60)</b>	(78.06)
4. Net interest	<b>5.03</b>	7.50
5. Immediate recognition of (gain) / losses	<b>—</b>	64.67
6. Defined Benefits cost included in P&L	<b>85.68</b>	144.12
<b>B. Expense recognised in Other Comprehensive Income</b>		
1. Actuarial (gain) / Losses on DBO		
(a) Due to Experience	<b>(3.36)</b>	64.67
(b) Due to Change in Financial Assumptions	<b>(8.67)</b>	
(c) Due to demographic assumptions	<b>4.34</b>	



## NOTES TO FINANCIAL STATEMENTS (Contd..)

2. Return on plan assets (Greater) / Less than Discount rate	(3.62)	—
3. Total actuarial (gain) / loss included in OCI	(11.31)	64.67
<b>C. Net Asset / (Liability) recognised in the Balance Sheet</b>		
1. Present value of benefit obligation	1,262.25	1,225.56
2. Fair value of plan assets	1,146.74	1,134.82
3. Funded Status (Surplus / Deficit)	(115.51)	(90.74)
4. Net Asset / (Liability) recognised in Balance Sheet	(115.51)	(90.74)
<b>D. Change in Present value of the obligation during the year</b>		
1. Present value of the obligation at beginning year	1,225.56	1,069.56
2. Current service cost	80.65	71.95
3. Interest cost	88.63	85.56
4. Benefits paid	(124.90)	(66.18)
5. Actuarial (gain) / loss on obligation	(7.69)	64.67
(a) Due to Experience		
(b) Due to Change in Financial Assumptions		
6. Present value of obligation at end of the year	1,262.25	1,225.56
<b>E. Reconciliation of opening &amp; closing values of Plan Assets</b>		
1. Fair value of plan assets at the beginning of the year	1,134.82	1,122.94
2. Expected return on plan assets	83.60	78.06
3. Contributions made	49.60	
4. Benefits paid	(124.90)	(66.18)
5. Actuarial gain / (loss) on plan assets	3.62	—
6. Fair value of plan assets at the end of the year	1,146.74	1,134.82
ACTUAL RETURN ON PLAN ASSETS	87.22	78.06
<b>F. Actuarial Assumptions</b>		
1. Discount rate	7.62%	7.50%
2. Salary escalation	7.50%	7.50%
3. Attrition rate	5%	5%
4. Expected rate of return on plan assets	7.62%	6.95%
5. Mortality rate	Indian Assured Lives Mortality (2006-08)	
<b>G. Sensitivity analysis</b>		
	31.03.2019 INCREASE IN DBO	% INCREASE/ DECREASE IN DBO
Projected Benefit Obligation on Current Assumptions		
Impact of increase in 100 basis points in Rate of Discounting	(67.93)	-5.38%
Impact of decrease in 100 basis points in Rate of Discounting	76.00	6.02%
Impact of increase in 100 basis points in Rate of Salary Increase	73.24	5.80%
Impact of decrease in 100 basis points in Rate of Salary Increase	(66.66)	-5.28%
Impact of increase in 100 basis points in Attrition Rate	(3.00)	-0.24%
Impact of decrease in 100 basis points in Attrition Rate	3.31	0.26%
Increase in Mortality Rate by 10%	(0.06)	



## NOTES TO FINANCIAL STATEMENTS (Contd..)

### H. Categories of plan assets:

All plan assets (100%) are held in 'Assets under Insurance schemes' for the year ending 31.03.2019 and 31.03.2018.

### I. Risk Exposure:

The gratuity scheme is a final salary defined benefit plan, that provides for a lumpsum payment at the time of separation; based on scheme rules and benefits are calculated on the basis of last drawn salary and the period of service at the time of separation and paid as lumpsum. There is a vesting period of 5 years. The design entitles the following risks that affect the liabilities and cash flows,

- i. Interest rates risk: The defined benefit obligation calculated uses a discount rate based on government bonds. If bonds yields fall, the defined benefit obligation will tend to increase.
- ii. Salary inflation risk: Higher than expected increases in salary will increase the defined benefit obligation.
- iii. Demographic risk: The risk of volatility of results due to unexpected nature of decrements that include mortality attrition, disability and retirement. The effect of these decrements on the DBO depends upon the combination of salary increase, discount rate and vesting criteria and therefore not very straightforward. It is important not to overstate withdrawal rate because the cost of retirement benefit of a short caring employees will be less compared to long service employees.
- iv. Asset Liability mismatch: This will come into play unless the funds are invested in a term of the assets replicating the term of the liability.

### J. Expected contributions to the plan:

Expected contributions to the plan for the next annual reporting period (year ending March 31, 2020) is Rs. 84.74 lakhs.

### K. Maturity Profile of defined benefit obligation (undiscounted basis):

	<i>(Rs in Lakhs)</i>				
	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Between 5 and 10 years	Above 10 years
As at March 31, 2019	168.31	97.49	349.75	582.12	973.77

Vested benefit obligation as at March 31, 2019 is Rs. 1,238.05 lakhs.



## NOTES TO FINANCIAL STATEMENTS (Contd..)

### 8. FAIR VALUE MEASUREMENTS:

(Rupees In Lakhs)

PARTICULARS	HIERAR- CHY	31st MARCH 2019			31st MARCH 2018		
		FVTPL	FVTOCI	AMORTIZED COST	FVTPL	FVTOCI	AMORTIZED COST
<b>Financial Assets:</b>							
<b>(i) Financial assets at fair value</b>							
Investments							
Equity instruments - Quoted	1		3.60			2.38	
Equity instruments - Unquoted	2		3,981.22			4,006.34	
Mutual funds	2	8,349.36			8,578.70		
<b>(ii) Financial assets at amortized cost</b>							
Tax free bonds	1			437.04			437.04
Trade receivables	3			389.70			317.45
Cash and cash equivalents	3			146.86			289.92
Other financial assets	3			267.92			283.28
<b>Financial Liabilities:</b>							
Borrowings	3			2,272.38			2,102.22
Trade payables	3			407.69			567.87
Other financial liabilities	3			179.60			134.24

NOTE: Investments in subsidiaries are valued at cost and hence not considered for categorisation.

Fair value measurements are categorised into

Level 1 - unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 - inputs other than quoted prices included within level 1, that are observable for the assets and liabilities, either directly or indirectly;

Level 3 - unobservable inputs for the assets or liabilities.

- Fair value in respect of equity instruments is the quoted prices of those instruments in the stock exchanges at the measurement date.
- Fair value of Mutual funds is the NAV as on the measurement date.
- Fair value of unquoted financial instruments at fair value of such shares measured as on measurement date. Fair value of such shares has been arrived based on methods which are combination of market income and cost approaches.
- Carrying amounts of trade receivables and trade payables, cash and cash equivalents, other financial assets & other financial liabilities (current) are considered to be the same as their fair values due to their short term nature and categorized as level 3 hierarchies.

**NOTES TO FINANCIAL STATEMENTS (Contd..)****9. Financial risk management:****i. Credit risk:**

Credit risk on deposit is mitigated by depositing the funds in reputed private sector bank.

For trade receivables, the primary source of credit risk is that these are unsecured. The Company sells the products to customers only when the collection of trade receivables is certain and whether there has been a significant increase in the credit risk on an on-going basis is monitored throughout each reporting period. As at the balance sheet date, based on the credit assessment the historical trend of low default is expected to continue.

An impairment analysis is performed at each reporting date on an individual basis for major clients. Any recoverability of receivables is provided for based on the impairment assessment. Historical trends shows as at 31st March 2019 Company had no significant credit risk.

**ii. Liquidity risk:**

Objective of liquidity risk management is to maintain sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Management monitors rolling forecasts of the company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. The company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal requirements.

**(i) Maturities of financial liabilities**

The tables below analyses the company's financial liabilities into relevant maturity groupings based on their contractual maturities for

- a) all non-derivative financial liabilities, and
- b) net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and includes estimated interest payments.

**Contractual maturities of financial liabilities:***(Rs in Lakhs)*

<b>March 31, 2019</b>	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Above 5 years	Total
<b>Non-derivatives</b>					
Long term loans	123.88	209.99	517.15	620.61	1,471.63
Short term Borrowings	924.63				924.63
Trade payables	407.69				407.69
Other financial liabilities	19.50		36.22		55.72
<b>Total non-derivative liabilities</b>	<b>1,475.70</b>	<b>209.99</b>	<b>553.37</b>	<b>620.61</b>	<b>2,859.66</b>
<b>March 31, 2018</b>					
<b>Non-derivatives</b>					
Long term loans	110.96	123.88	209.99	1,086.39	1531.22
Short term Borrowings	681.96				681.96
Trade payables	567.87				567.87
Other financial liabilities	23.28				23.28
<b>Total non-derivative liabilities</b>	<b>1,384.07</b>	<b>123.88</b>	<b>209.99</b>	<b>1,086.39</b>	<b>2,804.33</b>



## NOTES TO FINANCIAL STATEMENTS (Contd..)

### iii. Market risk:

Market risk is the risk that the fair value of the future cash flows will fluctuate because of changes in the market prices such as interest rates risk, price risk and commodity risk. Further, the company is not exposed to any foreign currency exchange rate risk which has an impact on the Income statement and Equity as it does not have transaction references with other currencies.

#### a. Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rate risk can also impact the provision for retiral benefits. The Company generally utilizes fixed rate borrowings and therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of change in the market interest rates. The Company is not exposed to significant interest rate risk as at the respective reporting dates.

#### b. Price Risk

The price risk is the risk arising from investments held by the Company and classified in the balance sheet either at fair value through Other Comprehensive Income or at fair value through statement of profit and loss.

The Company's investments are in Mutual funds, bonds and unquoted equity shares. They are strategic in nature and are generally held on a long-term basis which is not exposed to significant price risk.

#### c. Commodity Risk

The Company is exposed to the fluctuations in commodity prices mainly for tea. Mismatch in demand and supply, adverse weather conditions, market expectations etc., can lead to price fluctuations. The Company manages these price fluctuations by actively managing the sourcing of tea, and alternate blending strategies without impacting the quality of the blend.

### 10. Leasing Arrangements:

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

The company has taken office buildings on lease and the lease rent amounts to Rs. 68.40 lakhs net of reimbursements (previous year Rs. 67.45 lakhs) has been charged to statement of profit and loss.

(Rupees In Lakhs)

		31.03.2019	31.03.2018
Not Less than one year	:	54.30	81.21
Later than one year but not later than five years	:	93.30	137.86
More than five years	:	Nil	3.07

### 11. Reversal in provisions as per Ind AS 37:

The company had provided a sum of Rs. 162.94 lakhs during the year ended 31.03.2010 towards liability for arrears of wages payable to plantation workers in accordance with claim covered under Industrial dispute no. 26/2010.

The matter has reached finality with the order of Industrial tribunal – Chennai dated 01.10.2018 made under Section 18(1) of the Industrial Disputes Act, 1947. Pursuant a bipartite settlement reached with the overwhelming majority number of trade unions by the Anamalai Planters Association.



**NOTES TO FINANCIAL STATEMENTS (Contd..)**

The excess provision of Rs.141.51 lakhs in the books after determining the actual amount payable to eligible workers has been reversed and shown under other income.

**12. Impairment of Assets:**

The Company has carried out an exercise to ascertain the impairment, if any, in the carrying value of fixed assets. The exercise has not revealed any impairment of assets during the year under review.

**13. Capitalisation of Borrowing Costs:**

The company has capitalized the following borrowing costs with eligible assets. Amount capitalised in Capital Work in progress was Rs.0.82 lakhs (Previous year Rs.0.05 lakhs). No borrowing costs were capitalized to Property, plant and equipment (other than WIP) during the year ending 31.03.2019 and 31.03.2018

**14. Related Party Disclosures:**

Name of Related Parties and nature of relationship where control exists are as under:

Key Management Personnel	Mrs. Alka Devi Bangur, Managing Director Shri. Shreeyash Bangur, Deputy Managing Director
Other related party	1. M.B.Commercial Company Ltd 2. Amalgamated Development Ltd 3. Maharaja Shree Umaid Mills Ltd 4. Placid Limited 5. The Marwar Textiles (Agency) Pvt.Ltd 6. Navjyoti Commodity Management Services Ltd 7. Samay Industries Limited 8. The General Investment Co. Ltd 9. Kiran Vyapar Limited 10. Soul Beauty & Wellness Centre LLP 11. Mugneeram Ramcoowar Bangur Charitable & Religious Co. 12. Shree Rama Vaikunth Trust 13. Shree Krishna Agency Ltd 14. LNB Renewable Energy Private Limited 15. PL Planting Provident Fund 16. The Gratuity Fund of the Peria Karamalai Tea & Produce Company Ltd
Wholly owned Subsidiary Companies	PKT Plantations Limited Shivphal Vinimay Private Limited
Relatives of Key Management Personnel	Shri L.N. Bangur Ms. Sheetal Bangur Shri Yogesh Bangur



## NOTES TO FINANCIAL STATEMENTS (Contd..)

(Rupees In Lakhs)

	Nature of transaction	Other Related Parties	Subsidiary company	Key Managerial Personnel	Relatives of KMP
<b>1</b>	<b>Interest Payments</b>				
	Shree Krishna Agency Ltd.	Nil	—	—	—
		(5.00)	—	—	—
	Placid Limited	Nil	—	—	—
		(0.13)	—	—	—
<b>2</b>	<b>Interest Receipts</b>				
	Maharaja Shree Umaid Mills Ltd.	28.32	—	—	—
		(35.58)	—	—	—
	Placid Limited	5.64	—	—	—
		(16.61)	—	—	—
<b>3</b>	<b>Sitting Fees</b>				
	L.N. Bangur	—	—	—	0.35
		—	—	—	(0.30)
<b>4</b>	<b>Rent receipts</b>				
	PKT Plantations Limited	—	Nil	—	—
		—	(1.50)	—	—
<b>5</b>	<b>Rent Payments</b>				
	a) M.B. Commercial Co. Ltd.	1.94	—	—	—
		(Nil)	—	—	—
	b) The Marwar Textiles (Agency) Pvt. Ltd.	6.14	—	—	—
		(Nil)	—	—	—
	c) Shree Rama Vaikunth Trust	3.60	—	—	—
		(3.60)	—	—	—
<b>6</b>	<b>Inter corporate loan received from</b>				
	Shree Krishna Agency Ltd.	Nil	—	—	—
		(355.00)	—	—	—
	Placid Limited	Nil	—	—	—
		(520.00)	—	—	—
<b>7</b>	<b>Inter corporate loan given to</b>				
	Maharaja shreeUmaid Mills Ltd.	120.00	—	—	—
		(Nil)	—	—	—
	Placid Limited	415.00	—	—	—
		(Nil)	—	—	—



**NOTES TO FINANCIAL STATEMENTS (Contd..)**

	<b>Nature of transaction</b>	<b>Other Related Parties</b>	<b>Subsidiary company</b>	<b>Key Managerial Personnel</b>	<b>Relatives of KMP</b>
<b>8</b>	<b>Inter corporate loan repaid</b>				
	Shree Krishna Agency Ltd.	Nil	—	—	—
		(355.00)	—	—	—
	Placid Limited	120.00	—	—	—
		(840.00)	—	—	—
	Maharaja shreeUmaid Mills Ltd.	95.00	—	—	—
		(25.00)	—	—	—
<b>9</b>	<b>Printing</b>				
	Samay Industries Limited	0.16	—	—	—
		(Nil)	—	—	—
<b>10</b>	<b>Remuneration</b>				
	Mrs. Alka Devi Bangur	—	—	42.08	—
		—	—	(42.08)	—
	Shri. Shreyash Bangur	—	—	27.24	—
		—	—	(27.24)	—
<b>11</b>	<b>Contribution to Provident Fund</b>				
	PL Planting Provident Fund	14.73	—	—	—
		(12.87)	—	—	—
<b>12</b>	<b>Contribution to Gratuity</b>				
	The Gratuity Fund of the Peria Karamalai tea and produce company limited.	60.00	—	—	—
		(Nil)	—	—	—
<b>13</b>	<b>Annual Maintenance charges paid</b>				
	LNB Renewable Energy Private Limited	18.41	—	—	—
		(NIL)	—	—	—
<b>14</b>	<b>Outstandings</b>				
	Receivables	679.08	Nil	Nil	—
		(392.66)	(Nil)	(Nil)	—
	Payables	4.52	Nil	Nil	—
		(Nil)	(Nil)	(Nil)	—

Note: Figures in bracket represents previous year's amount.



## NOTES TO FINANCIAL STATEMENTS (Contd..)

### 15. Corporate Social Responsibility:

The gross amount required to be spent by the company during the year : Rs. NIL  
 Amount spent during the year : Rs. NIL

Previous year's figures have been regrouped / rearranged, to the extent necessary, to confirm to current year's classifications. It includes reclassification of fair value in investment of Mutual funds and restatement of unquoted equity instruments at fair value.

Unless otherwise stated, all the numbers have been rounded off to the nearest lakhs.

As per our Report of even date attached  
 For Srikishen & Co  
 Chartered Accountants  
 Reg. No. 004009S

**K. Murali Mohan**  
 Proprietor, Auditor M.No. 014328  
 Coimbatore, 20th May 2019

For and on behalf of the Board of Directors

**Lakshmi Niwas Bangur**  
 Chairman  
 DIN : 00012617

**Sanjeev Kumar Singh**  
 Chief Executive Officer

**Alka Devi Bangur**  
 Managing Director  
 DIN : 00012894

**Kannusamy Ashokan**  
 Chief Financial Officer

**Shreeyash Bangur**  
 Dy. Managing Director,  
 DIN : 00012825

**Saurav Singhania**  
 Company Secretary  
 Kolkata, 20th May 2019



# **CONSOLIDATED FINANCIAL STATEMENTS**



## INDEPENDENT AUDITORS' REPORT

To the Members of **The Peria Karamalai Tea and Produce Company Limited**

**Report on the Audit of the Consolidated Ind AS Financial Statements**

### Opinion

We have audited the accompanying consolidated Ind AS financial statements of The Periakaramalai Tea And Produce Company Limited ("the Company") and its subsidiary (the Company and its subsidiary together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2019, and the consolidated statement of Profit and Loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS 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 Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2019, and its consolidated profit and total comprehensive income, its consolidated changes

in equity and its consolidated cash flows for the year then ended.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements section of our report. We are independent of the Group in accordance with the Code of issued by the Institute of Chartered Accountants of India(ICAI) together with the independence requirements that are relevant to our audit of the consolidated Ind AS financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS 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 consolidated Ind AS 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.

Key Audit Matter	Auditor's Response
<p>Reclassification of fair value gains from Investment in mutual funds from Other Comprehensive Income to Statement of Profit And Loss in the Parent Company</p> <p>As Mutual funds do not qualify to be classified as equity instruments, the gains on restatement of Investment in mutual funds to fair value has been retrospectively made through the Statement of Profit and loss instead of Other comprehensive income as per Para 43(b) of Ind AS 8 – Accounting policies, Changes in accounting estimates and errors.</p> <p>The net impact in the other equity shall be nil.</p>	<p>Our Audit procedure included Evaluating the adequacy of the disclosures in the financial statements with respect to correction of prior period error and checking the appropriate presentation.</p>



**Fair value restatement of Investment in Unquoted Equity Instruments not held for trading in the Parent Company**

As per Ind AS 109 – Financial Instruments, Investments held in unquoted equity instruments which are not held for trading shall be restated to fair value .

At the initial recognition, the unquoted equity instruments were valued at original cost.

The company has now restated the same to fair value , providing a retrospective effect in the other comprehensive income as per Para 43(b) of Ind AS 8 – Accounting policies, Changes in accounting estimates and errors.

The net impact in the other equity shall be Rs.28.56 crores (as on 01.04.2017).

Our Audit procedures included checking the appropriateness and reasonableness of the fair valuation approach and assumptions used determining the fair value of investments by external experts through performing the following

- Tested the reasonableness of the fair valuation methodology used and the assumptions made for determining the fair value of the investment .
- Reconciled the carrying amount of the investment as per the valuation report provided by the management and as per the books.
- Evaluated the adequacy of disclosures in the financial statements with respect to the assumptions and checked whether they were appropriately presented.

**Other Matters**

(a) We did not audit the financial statements of subsidiary M/s PKT Plantations Limited whose Ind AS financial statements reflect total assets of Rs.37.30 Lacs/- as at 31st March, 2019, total revenues of Rs.0.89 Lacs/- and net cash outflows amounting to Rs.35.93 Lacs/- for the year ended on that date, as considered in the consolidated Ind AS financial statements.

(b) We did not audit the financial statements of subsidiary M/s Shivpal Vinimay Private Limited whose Ind AS financial statements reflect total assets of Rs.3.00 lacs/- as at 31st March, 2019, total revenues of Rs.Nil/- and net cash outflows amounting to Rs.0.21 lacs - for the year ended on that date, as considered in the consolidated Ind AS financial statements.

(c) Both the above Ind AS financial statements have been audited by other auditors whose report has been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements , in so far as it relates to the amounts and disclosures included in respect of the subsidiary and our report in terms of Sub section (3) and (11) of Section 143 of The Act , in so far as it relates to the aforesaid subsidiary , is based solely on the reports of the other auditor.

(d) Our opinion on the Consolidated Ind As financial statements and our report on other legal and other regulatory requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the report of the

other auditor and the financial statements\ financial information certified by the Management.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and those charged with governance for the Consolidated Ind AS financial statements**





The Company's Board of Directors is responsible for the preparation of these Consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group and of its associates and jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

#### **Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS 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 it 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 Ind AS financial statements.

A further description of the auditor's responsibilities for the audit of the Consolidated Ind AS financial statements is included in Annexure A. This description forms part of our auditor's report.

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

1. As required by Section 143(3) of the Act, 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 of the aforesaid consolidated Ind AS financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS 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 Cash Flows and the Consolidated statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
  - (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2019 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding company incorporated in India is disqualified as



on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

- (f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure "B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- (i) The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group
- (ii) The Company did not have any long term contracts including derivative contracts. Hence the question of any material foreseeable losses does not arise.
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company except those amounts which are kept on hold for court cases

**For SRIKISHEN & CO**  
Chartered Accountants  
Registration No: 004009S

**K. Murali Mohan**  
Proprietor, Auditors  
Membership No. 014328

Coimbatore  
20th May 2019



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

### Responsibilities for Audit of Consolidated Ind AS Financial Statements)

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and jointly controlled entities 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 consolidated Ind AS 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 Group and its associates

and jointly controlled entities to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS 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.

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

We communicate with those charged with governance of the Holding Company and such other entity included in the consolidated Ind AS financial statements of which we are the independent auditors 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 Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Coimbatore  
14th May 2019

**For SRIKISHEN & CO**  
Chartered Accountants  
Registration No: 004009S

**K. Murali Mohan**  
Proprietor, Auditors  
Membership No. 014328



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

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ of the Independent Auditors’ Report to the members of the company on the Consolidated Ind AS Financial Statements for the year ended on 31st March 2019)

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of The Peria Karamalai Tea And Produce Company Limited (hereinafter referred to as “Company”), the holding company incorporated in India and such companies incorporated in India under the Companies Act 2013 which are its subsidiary Companies As of that date.

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

The Board of Directors of the Company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (“the 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 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 Act.

### **Auditor’s Responsibility**

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

Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and



- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the Company and its subsidiary company have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Coimbatore  
14th May 2019

**For SRIKISHEN & CO**  
Chartered Accountants  
Registration No: 004009S

**K. Murali Mohan**  
Proprietor, Auditors  
Membership No. 014328

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2019**

(Rupees in Lakhs)

	Note	31.03.2019	31.03.2018
<b>ASSETS</b>			
<b>1 Non-current Assets</b>			
a Property, Plant and Equipment	1	<b>3,748.03</b>	3,808.35
b Capital Work In Progress	1	<b>165.28</b>	167.89
c Intangible assets	1	<b>0.59</b>	0.21
d Financial Assets:			
i) Investments	2	<b>12,771.22</b>	13,024.46
ii) Other Financial Assets	3	<b>207.75</b>	198.10
e Deferred Tax Asset (Net)	4	<b>1,020.08</b>	631.76
f Other Non-Current Assets	5	<b>122.99</b>	129.71
		<b>18,035.94</b>	17,960.48
<b>2 Current Assets</b>			
a Inventories	6	<b>615.73</b>	461.66
b Financial Assets:			
i). Trade receivables	7	<b>389.70</b>	317.45
ii). Cash and cash equivalents	8.a)	<b>56.38</b>	221.51
iii). Bank Deposits other than (ii) above	8.b)	<b>94.90</b>	109.41
iv). Loans	9	<b>1,015.00</b>	695.00
v). Other Financial Assets	10	<b>96.01</b>	85.22
c Current Tax Assets ( Net )	11	<b>—</b>	25.10
d Other current assets	12	<b>11.94</b>	13.86
		<b>2,279.66</b>	1929.21
<b>T O T A L</b>		<b>20,315.60</b>	19,889.69
<b>EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
a Equity Share capital	13	<b>309.59</b>	309.59
b Other Equity	14	<b>16,807.23</b>	16,554.60
		<b>17,116.82</b>	16,864.19
<b>2 Non-current Liabilities</b>			
a Financial Liabilities			
i) Borrowings	15	<b>1,347.75</b>	1,420.26
ii) Other Financial Liabilities	16	<b>36.22</b>	—
b Provisions		<b>—</b>	—
		<b>1,383.97</b>	1,420.26
<b>3 Current Liabilities</b>			
a Financial Liabilities			
i) Borrowings	17	<b>924.63</b>	681.96
ii) Trade payables	18	<b>407.97</b>	568.45
iii) Other financial liabilities	19	<b>143.38</b>	134.24
b Other Current Liabilities	20	<b>98.80</b>	129.85
c Current Tax Liabilities ( Net )	21	<b>124.52</b>	—
d Provisions	22	<b>115.51</b>	90.74
		<b>1,814.81</b>	1,605.24
<b>T O T A L</b>		<b>20,315.60</b>	19,889.69

See accompanying notes to the financial statements 29

In terms of our Report attached

For and on behalf of the Board of Directors

For Srikishen & Co  
Chartered Accountants  
Reg. No. 004009S

**Lakshmi Niwas Bangur**  
Chairman  
DIN : 00012617

**Alka Devi Bangur**  
Managing Director  
DIN : 00012894

**Shreeyash Bangur**  
Dy. Managing Director,  
DIN : 00012825

**K. Murali Mohan**  
Proprietor, Auditor M.No. 014328  
Coimbatore, 20th May 2019

**Sanjeev Kumar Singh**  
Chief Executive Officer

**Kannusamy Ashokan**  
Chief Financial Officer

**Saurav Singhania**  
Company Secretary

Kolkata, 20th May 2019



**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2019**

(Rupees in Lakhs)

	Note No.	31.03.2019	31.03.2018
<b>Income:</b>			
Revenue from operations	23	<b>4,920.12</b>	4,986.60
Other income	24	<b>32.11</b>	41.32
<b>Total Income</b>		<b>4,952.23</b>	5,027.92
<b>Expenses:</b>			
Cost of materials consumed		<b>301.64</b>	324.76
Purchase of stock in trade		<b>140.83</b>	19.67
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	25	<b>(176.24)</b>	(69.99)
Employee benefits expense	26	<b>2,498.04</b>	2,559.32
Finance costs	27	<b>207.84</b>	70.59
Depreciation and amortization expense	1	<b>346.52</b>	252.80
Other expenses	28	<b>1,226.73</b>	1,217.86
<b>Total expenses</b>		<b>4,545.36</b>	4,375.01
Profit / (Loss) before tax		<b>406.87</b>	652.91
Tax expense:			
1. Current Tax Expense - Current year		<b>240.10</b>	11.12
Prior year		<b>261.87</b>	10.42
2. Deferred Tax Liability Provided / (Reversed)		<b>113.55</b>	4.05
3. Mat Credit Entitlement		<b>(501.87)</b>	—
Profit from continuing operations for the year		<b>293.22</b>	627.32
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss			
i) Changes in fair value of FVOCI Equity Instruments			
- Quoted		<b>1.22</b>	(1.18)
- Unquoted		<b>(25.12)</b>	611.83
ii) Remeasurements of post employment defined benefit plans		<b>11.32</b>	(64.68)
iii) Income tax relating to these items		<b>—</b>	6.73
Other Comprehensive Income for the year net of tax		<b>(12.58)</b>	552.70
<b>Total Comprehensive Income for the Year</b>		<b>280.64</b>	1,180.02
Earnings per equity share:			
(1) Basic (Face Value of Rs 10/- per share)		<b>9.47</b>	20.26
(2) Diluted (Face Value of Rs 10/- per share)		<b>9.47</b>	20.26
See accompanying notes to the financial statements.	29		

In terms of our Report attached

For Srikishen & Co  
Chartered Accountants  
Reg. No. 004009S**K. Murali Mohan**  
Proprietor, Auditor M.No. 014328  
Coimbatore, 20th May 2019

For and on behalf of the Board of Directors

**Lakshmi Niwas Bangur**  
Chairman  
DIN : 00012617**Sanjeev Kumar Singh**  
Chief Executive Officer**Alka Devi Bangur**  
Managing Director  
DIN : 00012894**Kannusamy Ashokan**  
Chief Financial Officer**Shreeyash Bangur**  
Dy. Managing Director,  
DIN : 00012825**Saurav Singhania**  
Company Secretary

Kolkata, 20th May 2019



## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

(Rupees in Lakhs)

	31.3.2019	31.3.2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax	406.87	652.91
Adjustments for:		
Depreciation & Amortization	346.52	252.80
Loss / (Profit) on sale of Property, Plant & Equipments (Net)	(10.33)	(2.50)
Fair Value movement in Financial instruments designated at FVTPL	(589.83)	(593.23)
Items debited/ ( credited) to OCI	11.32	(57.94)
Profit on sale of Non Current investments	(40.82)	(1.86)
Interest income	(118.47)	(132.86)
Dividend income	(0.07)	(0.14)
Finance cost	207.84	70.59
Operating Profit before working capital changes	213.03	187.77
Adjustments for:		
Other financial liability	36.22	—
Trade receivables and other assets	(84.38)	135.04
Inventories	(154.07)	(110.94)
Trade payables & other liabilities	(170.54)	301.34
Short term borrowings	242.67	178.68
Cash generated from operations	82.95	691.89
Exceptional item	—	—
	82.95	691.89
Direct Taxes paid (net)	(352.36)	(59.90)
Net Cash from operating activities	(269.41)	(631.99)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant & Equipments	(283.97)	(2,184.50)
Sale of Property, Plant & Equipments	10.33	15.24
Sale of investments carried at fair value through profit and loss account	860.00	26.80
Interest received	118.80	167.34
Bank balance not considered as cash and cash equivalents	14.51	(65.01)
Intercompany loans (given)/ received	(320.00)	345.00
Dividend received	0.06	0.14
Net Cash used in investing activities	399.73	(1,694.99)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term borrowing	(69.01)	1,245.77
Finance cost paid	(198.43)	(70.59)
Dividend paid including dividend distribution tax	(28.01)	(37.26)
Net Cash used in financing activities	(295.45)	1,137.92
Net increase / decrease in Cash and Cash Equivalents	(165.13)	74.92
Opening cash and cash equivalents	221.51	146.59
Closing cash and cash equivalents	56.39	221.51

In terms of our Report attached

For Srikishen & Co  
Chartered Accountants  
Reg. No. 004009S

**K. Murali Mohan**  
Proprietor, Auditor M.No. 014328  
Coimbatore, 20th May 2019

For and on behalf of the Board of Directors

**Lakshmi Niwas Bangur**  
Chairman  
DIN : 00012617

**Alka Devi Bangur**  
Managing Director  
DIN : 00012894

**Shreyash Bangur**  
Dy. Managing Director,  
DIN : 00012825

**Sanjeev Kumar Singh**  
Chief Executive Officer

**Kannusamy Ashokan**  
Chief Financial Officer

**Saurav Singhania**  
Company Secretary

Kolkata, 20th May 2019



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

**EQUITY SHARE CAPITAL**

(Rupees in Lakhs)

	Face value	Amount
<b>As at 31.3.2018</b>	10	309.59
Changes in Equity Capital		—
<b>As at 31.3.2019</b>	10	309.59

**OTHER EQUITY**

(Rupees in Lakhs)

	Reserves and Surplus				FVOCI Equity Instruments		Total
	Securities Premium	Capital Reserve	General Reserve	Retained Earnings	Equity Instruments through OCI	Remeasurements of Post-employment benefits obligations	
<b>Balance as at 01.04.2017</b>	<b>279.74</b>	<b>41.69</b>	<b>8,302.10</b>	<b>985.39</b>	<b>2,914.94</b>	<b>31.62</b>	<b>12,555.48</b>
Changes due to prior period Error #							
(a) Reclassification of Fair value gain of investment in mutual funds from OCI reserve to Retained earnings				2,915.64	(2,915.64)		—
(b) Fair value restatement of unquoted equity instruments				—	2,856.36		2,856.36
<b>Restated Balance as on 1.04.2017</b>	<b>279.74</b>	<b>41.69</b>	<b>8,302.10</b>	<b>3,901.03</b>	<b>2,855.66</b>	<b>31.62</b>	<b>15,411.84</b>
Profit for the year				627.32			627.32
Other Comprehensive Income					610.65	(57.95)	552.70
Dividend paid				(30.96)			(30.96)
Dividend tax paid				(6.30)			(6.30)
<b>Balance as at 01.04.2018</b>	<b>279.74</b>	<b>41.69</b>	<b>8,302.10</b>	<b>4,491.09</b>	<b>3,466.31</b>	<b>(26.33)</b>	<b>16,554.60</b>
Profit for the year				293.22	—	—	293.22
Other Comprehensive Income				—	(23.90)	11.32	(12.58)
Dividend paid				(23.23)	—	—	(23.23)
Dividend tax paid				(4.78)	—	—	(4.78)
<b>Balance as at 31.03.2019</b>	<b>279.74</b>	<b>41.69</b>	<b>8,302.10</b>	<b>4,756.30</b>	<b>3,442.41</b>	<b>(15.01)</b>	<b>16,807.23</b>

# Refer note no. B (6) in Other notes to financial statements

In terms of our Report attached

For Srikishen & Co  
Chartered Accountants  
Reg. No. 004009S

**K. Murali Mohan**  
Proprietor, Auditor M.No. 014328  
Coimbatore, 20th May 2019

For and on behalf of the Board of Directors

**Lakshmi Niwas Bangur**  
Chairman  
DIN : 00012617

**Alka Devi Bangur**  
Managing Director  
DIN : 00012894

**Shreeyash Bangur**  
Dy. Managing Director,  
DIN : 00012825

**Sanjeev Kumar Singh**  
Chief Executive Officer

**Kannusamy Ashokan**  
Chief Financial Officer

**Saurav Singhania**  
Company Secretary

Kolkata, 20th May 2019



## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

### 1. PROPERTY, PLANT AND EQUIPMENT

(Rupees in Lakhs)

PARTICULARS	FREE HOLD LAND & DEVELOPMENT	BUILDINGS	PLANT, MACHINERY & EQUIPMENTS	SOLAR PLANT	FURNITURE & FIX-TURES	VEHICLES	BEARER PLANTS	COMPUTERS	Sub total	CAPITAL WORK IN PROGRESS #	INTANGIBLE ASSETS	TOTAL
<b>COST</b>												
As at 01.04.2017	337.46	881.14	2,642.08	—	231.07	736.17	83.92	74.11	4,985.95	187.28	4.32	5,177.55
ADDITIONS	152.95	—	470.89	1,451.15	11.92	94.13	19.99	2.86	2,203.89	167.89	—	2,371.78
DISPOSALS	—	—	108.52	—	1.60	5.75	—	—	115.87	187.28	—	303.15
<b>AS AT 31.03.2018</b>	<b>490.41</b>	<b>881.14</b>	<b>3,004.45</b>	<b>1,451.15</b>	<b>241.39</b>	<b>824.55</b>	<b>103.91</b>	<b>76.97</b>	<b>7,073.97</b>	<b>167.89</b>	<b>4.32</b>	<b>7,246.18</b>
ADDITIONS	—	13.51	226.85	—	36.66	1.54	6.63	0.85	286.04	165.28	0.54	451.86
DISPOSALS	—	—	76.88	—	—	—	—	—	76.88	167.89	—	244.77
<b>AS AT 31.03.2019</b>	<b>490.41</b>	<b>894.65</b>	<b>3,154.42</b>	<b>1,451.15</b>	<b>278.05</b>	<b>826.09</b>	<b>110.54</b>	<b>77.82</b>	<b>7,283.13</b>	<b>165.28</b>	<b>4.86</b>	<b>7,453.27</b>
<b>ACCUMULATED DEPRECIATION/AMORTIZATION</b>												
AS AT 01.04.2017	—	540.31	1,937.55	—	129.14	437.90	1.74	69.32	3,115.96	—	4.11	3,120.07
DEPRECIATION / AMORTIZATION FOR THE YEAR	—	18.43	127.05	7.55	20.82	74.90	2.08	1.97	252.80	—	—	252.80
DISPOSALS	—	—	96.33	—	1.35	5.46	—	—	103.14	—	—	103.14
<b>AS AT 31.03.2018</b>	<b>—</b>	<b>558.74</b>	<b>1,968.27</b>	<b>7.55</b>	<b>148.61</b>	<b>507.34</b>	<b>3.82</b>	<b>71.29</b>	<b>3,265.62</b>	<b>—</b>	<b>4.11</b>	<b>3,269.73</b>
DEPRECIATION / AMORTIZATION FOR THE YEAR	—	22.94	149.06	72.16	22.62	76.14	2.21	1.23	346.36	—	0.16	346.52
DISPOSALS	—	—	76.88	—	—	—	—	—	76.88	—	—	76.88
<b>AS AT 31.03.2019</b>	<b>—</b>	<b>581.68</b>	<b>2,040.45</b>	<b>79.71</b>	<b>171.23</b>	<b>583.48</b>	<b>6.03</b>	<b>72.52</b>	<b>3,535.10</b>	<b>—</b>	<b>4.27</b>	<b>3,539.37</b>
<b>NET CARRYING VALUE</b>												
AS AT 31.03.2019	490.41	312.97	1,113.97	1,371.44	106.82	242.61	104.51	5.30	3,748.03	165.28	0.59	3,748.62
AS AT 31.03.2018	490.41	322.40	1,036.18	1,443.60	92.78	317.21	100.09	5.68	3,808.35	167.89	0.21	3,808.56

# Capital Work in progress includes immature plants amounting to Rs.65.71 lakhs out of which Rs.43.17 lakhs were capitalised from nursery stock of previous year



## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

### 2. NON CURRENT INVESTMENTS

(Rupees in lakhs)

Particulars	Nominal value of Each Share (Rs)	Balance As at 31.03.2019		Balance As at 31.03.2018	
		No. of Shares	Amount (Rs)	No. of Shares	Amount (Rs)
Investments in Equity Instruments					
i) Fully paid - Unquoted at Fair value					
Placid Limited	100	93,590	3,826.90	93,590	3,875.56
Navjyoti Commodity Management Services Ltd	10	2,50,000	154.32	2,50,000	130.78
ii) In fully paid Equity Shares at FVOCI :					
Quoted :					
MOIL Limited	10	2,272	3.60	2,272	2.38
iii) In Bonds : Quoted					
Tax Free Bonds:					
Power finance Corporation of India - 8.20% 10 Year	1,000	28,479	284.79	28,479	284.79
Indian Railway Finance Corporation - 8.00% 10 year	1,000	15,225	152.25	15,225	152.25
iv) In Debt instruments designated as fair value through profit and Loss Account :					
Investments In Mutual Funds					
HDFC Corporate Bond Fund Growth	10	3,55,03,216	7,388.40	3,97,45,277	7,675.17
HDFC Capital builder Fund Growth	100	3,17,559	960.96	3,17,559	903.53
			<b>12,771.22</b>		<b>13,024.46</b>
Aggregate carrying amount of Quoted Investments			440.64		439.42
Aggregate market value of Quoted Investments			440.64		439.42
Aggregate amount of Unquoted Investments			12,330.58		12,585.04
Aggregate amount of impairment in value of Investments			—		—



## NOTES TO FINANCIAL STATEMENTS

(Rupees in Lakhs)

	31.3.2019	31.3.2018
<b>3 OTHER FINANCIAL ASSETS</b>		
Non Current		
a) Security Deposits	149.56	160.36
b) Other Advance	18.94	37.74
c) Deposit with banks having more than 12 months maturity	39.25	—
	<u>207.75</u>	<u>198.10</u>
<b>4 DEFERRED TAX ASSET (NET)</b>		
i) Mat credit entitlement	1,174.98	673.11
ii) Opening Deferred Tax Liability	(41.35)	(37.30)
Add Deferred tax asset provided during the year	(113.55)	(4.05)
	<u>(154.90)</u>	<u>(41.35)</u>
iii) Closing Deferred Tax asset	<u>1,020.08</u>	<u>631.76</u>
<b>5 OTHER - NON CURRENT ASSETS</b>		
a) Agriculture Income tax (NET)	77.06	77.06
b) Other advances	7.57	—
c) Capital Advances	38.36	52.65
	<u>122.99</u>	<u>129.71</u>
<b>6 INVENTORIES</b>		
a) Finished goods:		
Tea Valued at lower of cost and Net realisable value	473.73	297.49
b) Stores and Spares Valued at Average cost	137.78	100.50
c) Loose Tools Valued at Average Cost	3.72	8.02
d) Nursery Stock Valued at Average cost	0.50	55.65
	<u>615.73</u>	<u>461.66</u>
<b>FINANCIAL ASSETS - CURRENT</b>		
<b>7 TRADE RECEIVABLES</b>		
Un-Secured - Considered Good	389.70	317.45
	<u>389.70</u>	<u>317.45</u>

**NOTES TO FINANCIAL STATEMENTS***(Rupees in Lakhs)*

	31.3.2019	31.3.2018
<b>8 A) CASH AND CASH EQUIVALENTS</b>		
i) Balance with Banks in Current Account	41.03	167.92
ii) Balance with Banks in Deposit Account (with less than 3 months maturity)	11.02	—
iii) Cash on hand	4.33	53.59
	<u>56.38</u>	<u>221.51</u>
<b>B) BANK DEPOSITS OTHER THAN ABOVE</b>		
i) With more than 3 months but less than 12 months maturity	5.63	20.44
ii) Unpaid dividend Account ( Refer Note)	19.50	23.28
iii) Balance with banks to the extent held as margin money or security against borrowings, guarantees, other commitments	69.77	65.69
	<u>94.90</u>	<u>109.41</u>
<b>9 LOANS</b>		
Current Unsecured and Considered Good :		
Loans and advances to :-		
Related Parties	675.00	355.00
Others	340.00	340.00
	<u>1,015.00</u>	<u>695.00</u>
<b>10 OTHER FINANCIAL ASSETS</b>		
a) Advances recoverable in cash or in kind or for value to be recovered	38.02	34.30
b) Interest accrued on Loans and Advances		
Related Parties	—	6.92
Others	50.59	44.00
c) Tea Subsidy receivable	7.40	—
	<u>96.01</u>	<u>85.22</u>
<b>11 CURRENT TAX ASSETS (NET)</b>		
Advance payment of Tax (Net of Provision)	—	25.10
	<u>—</u>	<u>25.10</u>





## NOTES TO FINANCIAL STATEMENTS

(Rupees in Lakhs)

	31.3.2019	31.3.2018
<b>12 OTHER CURRENT ASSETS</b>		
Others :		
Balance with Central Excise Authorities	0.27	1.51
Prepaid Expenses	<b>11.67</b>	12.35
	<b>11.94</b>	13.86
<b>13 EQUITY SHARE CAPITAL</b>		
<b>Authorised</b>		
7,500,000 Equity Shares of Rs. 10/- each (Seventy five lakh shares of Rupees ten each)	<b>750.00</b>	750.00
<b>Issued and Subscribed</b>		
30,95,879 Equity Shares of Rs. 10/- each fully Paid	<b>309.59</b>	309.59
	Number of shares	Number of shares
At the Commencement of the year	<b>30,95,879</b>	30,95,879
Changes During The year	—	—
At the close of the Year	<b>30,95,879</b>	30,95,879
<b>Equity shareholders holding more than 5% shares:</b>		
Placid Ltd	<b>6,63,454</b>	6,63,454
Kiran Vyapar Ltd	<b>4,70,224</b>	4,70,224
Life Insurance Corporation of India Ltd	<b>2,07,712</b>	2,07,712



**NOTES TO FINANCIAL STATEMENTS**

(Rupees in Lakhs)

Particulars	Reserves and Surplus				Other comprehensive income reserve		Total
	Securities Premium	Capital Reserve	General Reserve	Retained Earnings	Equity instruments through OCI	Remeasurement of Post employment benefits Obligation	
<b>Balance as at 01.04.2017</b>	<b>279.74</b>	<b>41.69</b>	<b>8,302.10</b>	<b>985.39</b>	<b>2,914.94</b>	<b>31.62</b>	<b>12,555.48</b>
Changes due to prior period Error #							
(a) Reclassification of Fair value gain of investment in mutual funds from OCI reserve to Retained earnings				2,915.64	(2,915.64)		—
(b) Fair value restatement of unquoted equity instruments					2,856.36		2,856.36
<b>Restated Balance as on 1.04.2017</b>	<b>279.74</b>	<b>41.69</b>	<b>8,302.10</b>	<b>3,901.03</b>	<b>2,855.66</b>	<b>31.62</b>	<b>15,411.84</b>
Profit for the year				627.32			627.32
Other Comprehensive Income					610.65	(57.95)	552.70
Dividend paid				(30.96)			(30.96)
Dividend tax paid				(6.30)			(6.30)
<b>Balance as at 01.04.2018</b>	<b>279.74</b>	<b>41.69</b>	<b>8,302.10</b>	<b>4,491.09</b>	<b>3,466.31</b>	<b>(26.33)</b>	<b>16,554.60</b>
Profit for the year				293.22	—	—	293.22
Other Comprehensive Income				—	(23.90)	11.32	(12.58)
Dividend paid				(23.23)	—	—	(23.23)
Dividend tax paid				(4.78)	—	—	(4.78)
<b>Balance as at 31.03.2019</b>	<b>279.74</b>	<b>41.69</b>	<b>8,302.10</b>	<b>4,756.30</b>	<b>3,442.41</b>	<b>(15.01)</b>	<b>16,807.23</b>

# Refer note no. B (6) in Other notes to financial statements

31.3.2019 31.3.2018

**15 BORROWINGS**

Secured : From Banks

From Banks

- |  |        |        |
|--|--------|--------|
| 1) Term Loan from Union Bank Of India, Coimbatore  | 145.00 | 201.35 |
| (Secured by Hypothecation of Plant and machinery purchased out of the loan and collaterally secured by 988.15 acres of land & factory building at Nadumalai estate in Anamalai Hills Valparai Municipality). |        |        |
| (Repayable in 60 monthly installments of Rs.5,00,000/- commencing from 1.10.2017 at Effective Interest rate of 9.4%)   |        |        |



## NOTES TO FINANCIAL STATEMENTS

(Rupees in Lakhs)

	31.3.2019	31.3.2018
2) Term Loan from HDFC Bank Limited (Secured by charge on all the movable fixed assets of Company funded out of term loan and on land measuring 15.3225 acres at Kudipatty Madurai district.) Repayable in 108 monthly installments of Rs.11,29,853-. commencing from 04.01.2019) at Effective Interest rate of 8.75%)	1,153.40	1,147.81
3) Union Bank Of India -Vehicle loan (Secured by the vehicle , Repayable in 30 installments of Rs. 93,184 Interest rate 9.95%) Period and amount of continuing default Rs. Nil)	16.30	20.30
<b>From Others:</b>		
1) Kotak Mahindra Prime Limited - Vehicle Loan (1)-VOLVO (Secured by the vehicle , Repayable in 60 installments of Rs. 1,20,025/- 1) Period and amount of continuing default Rs. Nil at effective interest rate of 7.8%)	32.42	42.92
2) Kotak Mahindra Prime Limited - Vehicle Loan (2) (Secured by the vehicle , Repayable in 36 installments of Rs. 69,100/-) Period and amount of continuing default Rs. Nil at effective interest rate of 8.8%)	0.63	7.88
	<u>1,347.75</u>	<u>1,420.26</u>
<b>16 OTHER FINANCIAL LIABILITIES</b>		
Others - Deposit Received from Customers	36.22	—
	<u>36.22</u>	<u>—</u>
<b>FINANCIAL LIABILITIES - CURRENT</b>		
<b>17 BORROWINGS</b>		
Working Capital Cash Credit from HDFC Bank Limited (Secured by charge on all the movable fixed assets of Company both present and future except those financed by UBI and on land measuring 15.3225 acres at Kudipatty Madurai district. Secured by charge on all the current assets of the Company both present and future) Limit - Rs. 10,00,00,000 @ 9.25%	924.63	681.96
	<u>924.63</u>	<u>681.96</u>

**NOTES TO FINANCIAL STATEMENTS***(Rupees in Lakhs)*

	31.3.2019	31.3.2018
<b>18 TRADE PAYABLES</b>		
Total outstanding dues of Micro & Small Enterprises	—	—
Due to Others	<b>407.97</b>	568.45
	<b>407.97</b>	568.45
<b>19 OTHER FINANCIAL LIABILITIES</b>		
a) Current maturities of long term debt	<b>114.46</b>	110.96
b) Interest accrued but not due on term loans	<b>9.42</b>	—
c) Unpaid dividends	<b>19.50</b>	23.28
	<b>143.38</b>	134.24
<b>20 OTHER CURRENT LIABILITIES</b>		
Other Payables :		
Creditors for Capital Expenditure	<b>43.03</b>	116.65
Statutory Remittances	<b>55.77</b>	9.31
Customer Credit Balance	—	3.89
	<b>98.80</b>	129.85
<b>21 CURRENT TAX LIABILITY (NET)</b>		
Provision for Taxation (Net)	<b>124.52</b>	—
	<b>124.52</b>	—
<b>22 PROVISIONS</b>		
Provision for employees benefit :		
Provision for Gratuity (net)	<b>115.51</b>	90.74
	<b>115.51</b>	90.74



## NOTES TO FINANCIAL STATEMENTS

(Rupees in Lakhs)

	31.3.2019	31.3.2018
<b>23 REVENUE FROM OPERATIONS</b>		
Sale of Products :		
Tea	3,951.32	4,229.65
Minor Produce	—	0.01
Other Operating Revenues :		
Excess provision in prior year reversed (Refer Note no.B(11))	141.51	—
Income from tea Subsidy	7.40	—
Sale of Electricity to TNEB	85.25	37.22
Fair value gain from Financial assets (Mutual Funds)	589.83	593.23
Dividend Income	0.07	0.14
Interest on loans and advances	68.39	88.96
Interest on Tax free Bonds	35.53	35.53
Profit on Sale of Investments	40.82	1.86
	<u>4,920.12</u>	<u>4,986.60</u>
<b>24 OTHER INCOME</b>		
Interest Income on		
Bank deposit	7.28	3.19
Others	7.26	5.17
Profit on Sale of Assets	10.33	9.20
Scrap sales	—	7.99
Rent Receipts	0.12	0.12
Sundry Receipts	7.12	15.65
	<u>32.11</u>	<u>41.32</u>
<b>25 CHANGES IN INVENTORIES OF FINISHED GOODS</b>		
<b>Work in Progress and Stock in Trade</b>		
Opening stock of Finished Goods :		
Tea	297.49	227.50
Minor produce	—	—
	<u>297.49</u>	<u>227.50</u>
Less: Closing stock of Finished Goods		
Tea	473.73	297.49
Minor produce	—	—
Net changes in inventories	<u>(176.24)</u>	<u>(69.99)</u>

**NOTES TO FINANCIAL STATEMENTS***(Rupees in Lakhs)*

	31.3.2019	31.3.2018
<b>26 EMPLOYEE BENEFITS EXPENSES :</b>		
Salaries, Wages and Bonus	<b>2,088.39</b>	2,159.59
Contribution to Provident, Gratuity and Pension Fund	<b>287.24</b>	279.12
Employees welfare Expenses	<b>122.41</b>	120.61
	<b>2,498.04</b>	2,559.32
<b>27 FINANCE COST</b>		
Interest Expenses		
Term loan	<b>124.99</b>	16.70
Cash Credit and others	<b>82.85</b>	53.89
	<b>207.84</b>	70.59
<b>28 OTHER EXPENSES :</b>		
Power and Fuel	<b>391.48</b>	380.60
Rent	<b>68.40</b>	67.45
Repairs to Buildings	<b>186.58</b>	184.19
Repairs to Machinery	<b>165.31</b>	117.94
Insurance	<b>25.05</b>	20.46
Rates and Taxes	<b>3.60</b>	6.85
Transport	<b>56.78</b>	56.93
General Charges - Estate	<b>82.63</b>	74.37
Commission and Brokerage	<b>21.31</b>	29.44
Payment to Auditors		
Statutory Audit fee	<b>1.25</b>	1.25
For Certification	<b>0.90</b>	0.78
For Taxation	<b>1.25</b>	1.00
Travelling Expenses	<b>84.56</b>	106.83
Tea Selling Expenses	<b>60.79</b>	88.10
Postage, Telephone & Telegram	<b>12.30</b>	20.40
Professional Charges	<b>21.88</b>	33.58
Miscellaneous Expenses	<b>42.66</b>	27.69
	<b>1,226.73</b>	1,217.86



## ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS

### 29 Notes to the Financial Statements

#### A Corporate Information:

The Peria Karamalai Tea and Produce Company Limited ('The Holding company') and its subsidiaries (together referred to as the 'Group') are mainly engaged in the production and distribution of tea, generation and distribution of power and investment in financial instruments.

The Holding Company is a public limited company incorporated and domiciled in India and has its registered office at Kolkata, West Bengal, India. The Holding Company has its primary listings on National stock exchange of India Ltd and The Calcutta stock exchange limited.

The financial statements for the year ended March 31, 2019 were approved for issue by Company's board of directors on May 20, 2019.

#### B. Significant Accounting Policies

##### 1. Basis of preparation and presentation:

These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act 2013 (the "Act"), Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act. The presentation of the Financial Statements is based on Ind AS Schedule III of the Companies Act, 2013.

##### 2. Basis of measurement:

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

Historical is generally based on the fair value of the consideration given in exchange of goods and services. Fair value is the price that would be received to sell an asset or pay to transfer a liability in an orderly transaction between market participants at measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the Group takes into account the characteristics of the asset or liability at the measurement date.

The principal accounting policies are set out below:

All assets and liabilities have been classified as current and non-current as per the Group's normal operating cycle and other criteria set out in Ind AS 1 – Presentation of financial statements and schedule III to the Companies act, 2013. Based on the nature of the products and the time between acquisition of assets for processing and their realization of cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of classification of assets and liabilities as current and non-current.

##### 3. Basis of consolidation:

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and ceases to be consolidated when the Group loses control of the subsidiary. Fully consolidated means recognition of like items of assets, liabilities, equity, income and expense. Thereafter the portion of net profit and equity is segregated between the Group's share and share of non-controlling stake holders.





## NOTES TO FINANCIAL STATEMENTS (Contd..)

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated if there is a profit on ultimate sale of goods. When necessary, amounts reported by subsidiaries have been adjusted to conform to the Group's accounting policies.

### 4. Investment in associates and Joint ventures:

The Group's investment in Associates and Joint Ventures are accounted using the equity method. Goodwill relating to Associate or a Joint Venture is included in the carrying value of the investments and is not tested for impairment separately. Under equity method of accounting, the investments are initially recorded at cost and adjusted thereafter to recognise the Group's share of post-acquisition profit and loss, and the Group's share of other comprehensive income. Dividend received from associates and joint ventures are recognised as a reduction in the carrying amount of the investments. Unrealised gains on transactions between the Group and its Associate and Joint Ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated if there is a profit on ultimate sale of goods. At each reporting date, the Group determines whether there is objective evidence that the investment in the Associate or a Joint Venture is impaired. If there is such evidence, the carrying amount is tested for impairment by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount and impairment, if any, is recognised as 'Share of profit/(loss) in Associates and Joint Ventures' in the consolidated statement of profit and loss.

### 5. Estimates and Judgements:

#### 5.1 Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from the estimates. Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods affected.

#### 5.2 Significant estimates and judgements

The areas involving significant estimates and judgements are:

- (i) Defined benefit obligation
- (ii) Current tax expense

### 6. Property, Plant and Equipment:

Freehold land is carried at cost. All other items of property, plant and equipment including intangibles are carried at cost less accumulated depreciation/amortization and impairment losses, if any.

Subsequent expenditure relating to an asset is included in its book value only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of a component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.



## NOTES TO FINANCIAL STATEMENTS (Contd..)

### Biological Assets

#### Bearer Plants

Biological Assets which are held to bear agricultural produce are classified as bearer plants. The Group recognises tea bushes in the estates as bearer plants which are carried at cost of acquisition less accumulated depreciation and any recognised impairment losses. Costs comprise of expenditure on development extension planting, infilling and replanting including cost of uprooting and maintenance of the newly planted bushes. The above costs are carried under Capital Work in Progress until maturity of such bushes. The entity has accounted for Subsidy received from Coffee Board by deducting the grant from the carrying amount of the asset – Plantation WIP, as per Ind AS 20.

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 of respective plantations.

#### 7. Intangible Assets

Intangible assets with finite useful life that are acquired separately are carried out at cost less accumulated amortization and accumulated impairment losses. Amortization is recognised on straight-line basis over their estimated useful life.

Goodwill arising on the acquisition of subsidiaries represents the excess of the fair value of consideration over the identifiable net asset acquired. Net assets acquired represents the fair value of the identifiable assets acquired and liabilities assumed. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Cash generating units (CGUs), or groups of CGUs, that is expected to benefit from the acquisition itself or from the synergies of the combination or both. Goodwill is not amortised but is tested for impairment. Goodwill impairment reviews are generally undertaken annually.

#### 8. Depreciation and amortization

Depreciation is calculated using the straight-line method on a pro-rata basis from the day in which each asset is put to use to allocate their cost, net of their residual values, over their estimated useful lives. Depreciation on tangible assets is in line with the rates specified in Schedule II to the Companies Act, 2013 except for Bearer Plants which are depreciated over their estimated useful life. Tools are amortized over a period of two years. Cost of Intangible assets is amortized over a period of three years on straight line basis.

#### 9. Borrowing Cost

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

#### 10. Impairment

The carrying values of assets at each Balance Sheet date are annually reviewed for impairment. If any indication of impairment exists (i.e., if the carrying amount of these assets exceeds their recoverable amount), the recoverable amount of such assets is estimated and impairment is recognized. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognized for an asset in earlier accounting periods no longer exists or may have decreased such reversal of impairment loss is recognised in the Statement of Profit and Loss.



## NOTES TO FINANCIAL STATEMENTS (Contd..)

### 11. Inventories

Agricultural produce included within inventory largely comprises stock of tea and in accordance with

Ind AS 41, on initial recognition, agricultural produce is required to be measured at fair value less estimated point of sale costs.

Other Inventories are stated at lower of cost and net realisable value.

Cost of Nursery stocks represents cost incurred in raising and maintaining such stocks till transplanted.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

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

### 12. Cash and cash equivalents

Cash and cash equivalents consist of all cash balances including demand deposits with banks with original maturities of three months or less.

### 13. Investments and Financial Assets

#### (i) Classification

The Group classifies its financial assets in the following measurement categories:

- (a) Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- (b) Those measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flow.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For Investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt instruments when and only when its business model for managing those asset changes.

#### (ii) Measurement

The Group measures a financial asset (in the case of a financial asset not carried at a fair value through profit or loss) at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.



## NOTES TO FINANCIAL STATEMENTS (Contd..)

### Subsequent Measurement:

#### (a) Equity Instruments

The Group subsequently measures all investments in equity at fair value and has elected to present fair value gains and losses on equity investments in other comprehensive income with no subsequent reclassification of fair value gains and losses to profit and loss.

Investments in associates are measured at cost less provision for impairment.

#### (b) Debt Instruments

Group's investments in Mutual Funds (debt funds) are measured at Fair Value through Profit or Loss (FVTPL). A gain or loss on a debt investment that is subsequently measured at FVTPL and is not part of a hedging relationship is recognized in profit or loss and presented in the statement of profit and loss in the period in which it arises.

#### (iii) Impairment of financial assets:

The Group assesses expected credit losses associated with its assets carried at amortized cost and fair value through other comprehensive income based on Group's past history of recovery, credit-worthiness of the counter party and existing market conditions. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach for recognition of impairment allowance as provided in Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

#### (iv) De-recognition of financial assets:

A financial asset is de-recognised only when:

- (a) The Group's contractual right to the cash flow expires or
- (b) The Group has transferred the rights to receive cash flows from the financial asset.

### 14. Financial liabilities

#### Initial recognition and measurement:

All financial liabilities are recognised initially at fair value and in case of loans and borrowings net of directly attributable costs. Financial liabilities are subsequently measured at amortized cost using effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying value approximates fair value due to short maturity of these instruments.

### 15. Foreign Currency Translation

- **Functional and presentation currency:** The financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.
- **Transactions and balances:**
  - o **Initial Recognition** - Foreign currency transactions are recorded in functional currency using the exchange rates prevailing on the date of transaction.



## NOTES TO FINANCIAL STATEMENTS (Contd..)

- o **Subsequent recognition** - As at the reporting date, monetary assets and liabilities denominated in foreign currency are restated at the closing exchange rates. Exchange differences arising out of actual payment/ realisation and from the year end restatement are recognized in the statement of profit and Loss.

### 16. Revenue Recognition:

Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers. It requires revenue to be recognised when (or as) the entity satisfies a performance obligation by transferring a promised good/service to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

The entity recognizes significant financing component in a contract as finance cost (or income) as per Ind AS 115. No effect has been provided for contracts for which period of obligation is one year or less (as per para 63 of Ind AS 115).

Revenue from contract with customers is recognised when the Group satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations maybe satisfied at a point of time or over a period of time. Performance obligations satisfied over a period of time are recognised as per the terms of relevant contractual agreements/ arrangements. Performance obligations are said to be satisfied at a point of time when the customer obtains controls of the asset. Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/ discounts.

### 17. Leases:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of Initial application.

Certain practical expedients are available under both the methods.



## NOTES TO FINANCIAL STATEMENTS (Contd..)

### 18. Government Grant and Government assistance:

The entity has opted to account for Government grants by deducting the grant from the carrying amount of the asset, as per the alternative provided in amended Ind AS 20.

Subsidies received against manufacture of specified varieties of tea are recorded as income in the period of manufacture of such goods.

Non-monetary grant is recognised at a nominal amount.

### 19. Employee benefits:

#### 1. Short term obligations

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

The Group recognises a liability and an expense for bonuses where there is a contractual obligation or where there is a past practice that has created a constructive obligation.

#### 2. Post employment obligations

The Group has the following post-employment obligations/plans:

- (a) Defined benefit plans such as gratuity for its eligible employees; and
- (b) Defined contribution plans such as provident fund and superannuation.

##### (a) Gratuity:

Liabilities with regard to the gratuity are determined by actuarial valuation at each balance sheet date using projected unit credit method by an Independent actuary. The Group makes annual contributions to The Gratuity Fund of The Peria Karamalai Tea & Produce Company (The Trust). Trustees administer contributions made to the trust and contributions are invested in schemes managed by Life Insurance Corporation of India.

The liability or asset recognised in the Balance Sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

Actuarial gains or losses are recognized in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. Re-measurement gains or losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

##### (b) Superannuation Fund:

This is a defined contribution plan. The Group contributes towards superannuation fund administered by the Trustees and managed by Life Insurance Corporation of India (LIC). The Group has no further



## NOTES TO FINANCIAL STATEMENTS (Contd..)

obligations for future superannuation benefits other than its monthly contributions and recognises such contributions as expense in the year incurred.

### (c) Provident Fund:

This is a defined contribution plan and contributions made to the Fund as per the rules of the Group are charged to profit and loss as and when due. The Group has no further obligations for future provident fund benefits other than its monthly contributions.

### 3. Other Long-Term Employee Benefit Obligation

#### Leave Encashment

This is a defined contribution plan. The Group makes annual contribution to the Fund administered by Life Insurance Corporation of India. The Group has no further obligations for future leave encashment other than its annual contribution and recognizes such contributions as expense in the year incurred.

## 20. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

### (a) Current tax

The current tax expense for the period is the tax payable on the current period's taxable income computed at the applicable income tax rate and is recognised in the statement of profit and loss. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted.

### (b) Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and incurred tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.



## NOTES TO FINANCIAL STATEMENTS (Contd..)

### (c) Current and Deferred Tax for the year

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

### (d) Minimum Alternate Tax:

According to section 115JAA of the Income Tax Act, 1961, Minimum Alternative Tax ('MAT') paid over and above the normal income tax in a subject year is eligible for carry forward for fifteen succeeding assessment years for set-off against normal income tax liability. The MAT credit asset is assessed against the relevant entities' normal income tax during the specified period.

### 21. Provisions and Contingencies

**Provisions:** Provisions are recognised when there is a present obligation or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

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

### 22. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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

### 23. Segment Reporting

Segments are identified based on the manner in which the Group's Chief Operating Decision Maker ('CODM') decides about resource allocation and reviews performance. Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment and intangible assets other than goodwill.

### 24. Dividend to Shareholders

Final dividend distributed to equity shareholders is recognised in the period in which it is approved by the members of the Group in the Annual General Meeting. Interim dividend is recognised when approved by the Board of Directors at the Board meeting.



**NOTES TO FINANCIAL STATEMENTS (Contd..)****B. Other Notes to Financial Statements****1. Contingent Liability and commitments to the extent not provided for:****i. Claims against the company not acknowledged as debts:**

The Group has obtained a stay of proceedings from the Honourable High Court of Madras on 24th March 2006 against a proposition notice from the Commercial Tax Department for levy of sales tax on export sales effected through auction centres. The matter is pending and in common with the other tea planting companies.

**ii. Bank & Other Guarantee:**

Banks guarantee of Rs.65.89 lakhs has been given towards the customs duty payable on control panels imported in the Financial year 2017-18. The matter is still pending.

**iii. Sale of power generated through windmills:**

Rule 3 of Electricity Rules, 2005 provides that, if 51% of total energy generated is not used for captive consumption, the power plant shall not qualify as captive generating plant. During the year, the Group has not complied with the above provision. Hence there is a possibility of TNEB rejecting the claim of Rs. 39.69 lakhs made by the Group against the banked units held.

**iv. Income Tax Matters:**

Tax assessments have been completed up to Assessment year 2016-17. For the Assessment year 2012-13, the tax authorities have disputed the treatment of income under the head capital gains with regard to 'Exclusive agreement' and 'Non-Compete Fee'. The issue has been disputed in appeal before the appellate authorities. No provision has been made since there are no tax demands for the present.

**2. The details of amounts outstanding to Micro and Small Enterprises based on available information with the Company is as under:**

Principal amount due and remaining unpaid	Nil
Interest due on above and the unpaid interest	Nil
Interest paid	Nil
Payment made beyond the appointed day during the year	Nil
Interest due and payable for the period of delay	Nil
Interest accrued and remaining unpaid	Nil
Amount of further interest remaining due and payable in succeeding years	Nil



## NOTES TO FINANCIAL STATEMENTS (Contd..)

### 3. Income tax relating to continuing Operation

#### Income tax recognised in profit and loss account

(Rupees In Lakhs)

Particulars	31.03.2019	31.03.2018
<b>Current tax</b>		
Current tax on profits for the year	240.10	11.12
Adjustment tax of prior year	261.87	10.41
	501.97	21.53
MAT credit entitlement	(501.87)	—
<b>Deferred tax</b>		
Increase / (decrease) of deferred tax liability	168.95	108.39
(Increase) / decrease of deferred tax Asset	(55.40)	(104.34)
Total deferred tax expense	113.55	4.05
Total income tax expense recognised for the year	113.55	25.58

#### Reconciliation of income tax expense to the accounting profit for the year

(Rupees In Lakhs)

Particulars	31.03.2019	31.03.2018
Profit before tax after exceptional item	407.12	59.68
Enacted tax rate in India	29.12%	28.84%
Computed expected tax expense at enacted tax rate	118.55	17.21
Tax effect on account of exempt income & income tax depreciation	0.10	1.12
Tax effect on account of non-deductible expenses	—	3.31
Tax effect on account of MAT applicability	240.00	11.12
For current year book profit @ 20.59%	105.95	—
For fair value restatement of Mutual funds - on transition	134.05	—
Total income tax expense recognised for the year	240.10	11.12

#### The movement of Deferred Income Tax Asset & Liabilities charged to Statement of Profit & Loss is as follows:

(Rupees In Lakhs)

Particulars	Opening as on 01.04.2018	Provided / (reversed) during the year	Closing as on 31.03.2019
Deferred Liability on account of Depreciation	160.65	168.95	329.60
Deferred Tax asset:			
On account of 43B Disallowances	16.72	4.79	21.51
On account of Carry Forward Losses	102.58	50.61	153.19
	119.30	55.40	174.70
Deferred tax Liability (NET)	41.35	113.55	154.90

**NOTES TO FINANCIAL STATEMENTS (Contd..)****4. Earnings per Share:***(Rupees In Lakhs)*

Particulars	31.03.2019	31.03.2018
Profit /(Loss) after tax	293.32	627.32*
Weighted average No. of shares outstanding	30,95,879	30,95,879
Basic earnings per share (Nominal value of equity shares Rs. 10/- per share)	9.47	20.26

\* Figures are restated as a result of rectification of prior period error. (Refer Note no.6)

**5. Rectification of Prior Period Error in terms of Ind AS 8****a) Reclassification of Fair value gain of investment in Mutual funds:**

The Group up to 31.03.2018 had classified 'investment in mutual funds' as equity instruments and the fair value restatement has been done through other comprehensive income (FVTOCI) at par with other equity instruments.

However, as mutual funds do not qualify to be classified as equity instruments, the same has been retrospectively reclassified and restated to fair value through profit and loss statement (FVTPL).

There shall be no change in the balance of total equity. Only the gain/loss on restatement of value of investment in mutual funds has been transferred from other comprehensive income to Profit and loss statement up to 31.03.2018 in the statement showing changes in equity.

Comparative figures for the year ending 2018 have been reclassified wherever necessary.

**b) Fair Value restatement of unquoted equity instruments:**

The Group up to 31.03.2018 had valued for investment in unquoted equity shares at original cost.

However, investment in equity shares which are not held for trading shall be restated to fair value through Other comprehensive income as per Para 5.7.5 of Ind AS 109. The Group has restated the unquoted equity instruments to Fair value through Other Comprehensive Income (FVTOCI) retrospectively.

The above errors have been rectified as per para 42(b) of Ind AS 8. Subsequently, the Group has restated the opening balances of the earliest prior period presented in the Financial statements (from 01.04.2017).

The effect of the above errors rectified were provided in 'Other Equity' as shown below:

*(Rupees In Lakhs)*

PARTICULARS	Retained Earnings (FVTPL)	Other comprehensive income (FVTOCI)
Opening balance as at 01.04.2017	985.39	2,914.94
Effect of prior period error rectified		
a) Reclassification of Fair value gain of investment in Mutual funds	2,915.64	(2,915.64)
b) Fair Value restatement of unquoted equity instruments		2,856.36
Restated balances as at 01.04.2017	3,901.03	2,855.66



## NOTES TO FINANCIAL STATEMENTS (Contd..)

### 6. Employee Benefits:

#### a) Defined Contribution Plan:

The Group makes contribution towards employees' provident fund and superannuation fund. Under the rules of these schemes, the Group is required to contribute a specified percentage of payroll costs. The Group during the year recognized Rs.166.32 lakhs (Previous year Rs. 181.05 lakhs) as expense towards contribution to the Provident Fund.

Out of the total contribution made towards employees' provident fund, Rs.14.73 lakhs (Previous yearRs. 12.87 lakhs) is made to the PL Planting Provident Fund while the remaining contribution is made to Provident Fund Plan operated by the Regional Provident Fund Commissioner.

The liability towards superannuation fund for the year ended 31st March 2019 amounting toRs.16.61 lakhs(Previous year Rs. 16.12 lakhs) has been charged to Statement of Profit and Loss.

There was no liability towards leave encashment for the year ended 31st March 2019 as it was adequately funded and no amount (previous year Rs. Nil) has been charged to Statement of Profit and Loss.

#### b) Defined Benefit Plan:

##### GRATUITY (FUNDED):

(Rupees In Lakhs)

PARTICULARS	31.03.2019	31.03.2018
<b>A. Expense recognised in Income Statement</b>		
1. Current Service cost	80.65	71.95
2. Interest expense	88.63	85.56
3. Interest (Income on plan asset)	(83.60)	(78.06)
4. Net interest	5.03	7.50
5. Immediate recognition of (gain) / losses	—	64.67
6. Defined Benefits cost included in P&L	85.68	144.12
<b>B. Expense recognised in Other Comprehensive Income</b>		
1. Actuarial (gain) / Losses on DBO		
(a) Due to Experience	(3.36)	64.67
(b) Due to Change in Financial Assumptions	(8.67)	
(c) Due to demographic assumptions	4.34	
2. Return on plan assets (Greater) / Less than Discount rate	(3.62)	—
3. Total actuarial (gain) / loss included in OCI	(11.31)	64.67
<b>C. Net Asset / (Liability) recognised in the Balance Sheet</b>		
1. Present value of benefit obligation	1,262.25	1,225.56
2. Fair value of plan assets	1,146.74	1,134.82
3. Funded Status (Surplus / Deficit)	(115.51)	(90.74)
4. Net Asset / (Liability) recognised in Balance Sheet	(115.51)	(90.74)
<b>D. Change in Present value of the obligation during the year</b>		
1. Present value of the obligation at beginning year	1,225.56	1,069.56



**NOTES TO FINANCIAL STATEMENTS (Contd..)**

2. Current service cost	80.65	71.95
3. Interest cost	88.63	85.56
4. Benefits paid	(124.90)	(66.18)
5. Actuarial (gain) / loss on obligation	(7.69)	64.67
(a) Due to Experience		
(b) Due to Change in Financial Assumptions		
6. Present value of obligation at end of the year	1,262.25	1,225.56
<b>E. Reconciliation of opening &amp; closing values of Plan Assets</b>		
1. Fair value of plan assets at the beginning of the year	1,134.82	1,122.94
2. Expected return on plan assets	83.60	78.06
3. Contributions made	49.60	
4. Benefits paid	(124.90)	(66.18)
5. Actuarial gain / (loss) on plan assets	3.62	—
6. Fair value of plan assets at the end of the year	1,146.74	1,134.82
ACTUAL RETURN ON PLAN ASSETS	87.22	78.06
<b>F. Actuarial Assumptions</b>		
1. Discount rate	7.62%	7.50%
2. Salary escalation	7.50%	7.50%
3. Attrition rate	5%	5%
4. Expected rate of return on plan assets	7.62%	6.95%
5. Mortality rate	Indian Assured Lives Mortality (2006-08)	
<b>G. Sensitivity analysis</b>	31.03.2019 INCREASE IN DBO	% INCREASE/ DECREASE IN DBO
Projected Benefit Obligation on Current Assumptions		
Impact of increase in 100 basis points in Rate of Discounting	(67.93)	- 5.38%
Impact of decrease in 100 basis points in Rate of Discounting	76.00	6.02%
Impact of increase in 100 basis points in Rate of Salary Increase	73.24	5.80%
Impact of decrease in 100 basis points in Rate of Salary Increase	(66.66)	- 5.28%
Impact of increase in 100 basis points in Attrition Rate	(3.00)	- 0.24%
Impact of decrease in 100 basis points in Attrition Rate	3.31	0.26%
Increase in Mortality Rate by 10%	(0.06)	

**H. Categories of plan assets:**

All plan assets (100%) are held in 'Assets under Insurance schemes' for the year ending 31.03.2019 and 31.03.2018.



## NOTES TO FINANCIAL STATEMENTS (Contd..)

### I. Risk Exposure:

The gratuity scheme is a final salary defined benefit plan, that provides for a lumpsum payment at the time of separation; based on scheme rules and benefits are calculated on the basis of last drawn salary and the period of service at the time of separation and paid as lumpsum. There is a vesting period of 5 years. The design entitles the following risks that affect the liabilities and cash flows,

- i. Interest rates risk: The defined benefit obligation calculated uses a discount rate based on government bonds. If bonds yields fall, the defined benefit obligation will tend to increase.
- ii. Salary inflation risk: Higher than expected increases in salary will increase the defined benefit obligation.
- iii. Demographic risk: The risk of volatility of results due to unexpected nature of decrements that include mortality attrition, disability and retirement. The effect of these decrements on the DBO depends upon the combination of salary increase, discount rate and vesting criteria and therefore not very straightforward. It is important not to overstate withdrawal rate because the cost of retirement benefit of a short caring employees will be less compared to long service employees.
- iv. Asset Liability mismatch: This will come into play unless the funds are invested in a term of the assets replicating the term of the liability.

### J. Expected contributions to the plan:

Expected contributions to the plan for the next annual reporting period (year ending March 31, 2020) is Rs. 84.74 lakhs.

### K. Maturity Profile of defined benefit obligation (undiscounted basis):

(Rs in Lakhs)

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Between 5 and 10 years	Above 10 years
As at March 31, 2019	168.31	97.49	349.75	582.12	973.77

Vested benefit obligation as at March 31, 2019 is Rs. 1,238.05 lakhs.

### 7. FAIR VALUE MEASUREMENTS:

(Rupees In Lakhs)

PARTICULARS	HIERAR- CHY	31st MARCH 2019			31st MARCH 2018		
		FVTPL	FVTOCI	AMORTIZED COST	FVTPL	FVTOCI	AMORTIZED COST
<b>Financial Assets:</b>							
<b>(i) Financial assets at fair value</b>							
Investments							
Equity instruments - Quoted	1		3.60			2.38	
Equity instruments - Unquoted	2		3,981.22			4,006.34	
Mutual funds	2	8,349.36			8,578.70		



**NOTES TO FINANCIAL STATEMENTS (Contd..)**

PARTICULARS		HIERAR- CHY	31st MARCH 2019			31st MARCH 2018		
			FVTPL	FVTOCI	AMORTIZED COST	FVTPL	FVTOCI	AMORTIZED COST
(ii)	<b>Financial assets at amortized cost</b>							
	Tax free bonds	1			437.04		437.04	
	Trade receivables	3			389.70		317.45	
	Cash and cash equivalents	3			151.29		289.92	
	Other financial assets	3			267.92		330.92	
	<b>Financial Liabilities:</b>							
	Borrowings	3			2,272.38		2,102.21	
	Trade payables	3			407.97		568.45	
	Other financial liabilities	3			179.60		134.24	

NOTE: Investments in subsidiaries are valued at cost and hence not considered for categorisation.

Fair value measurements are categorised into

Level 1 - unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 - inputs other than quoted prices included within level 1, that are observable for the assets and liabilities, either directly or indirectly;

Level 3 - unobservable inputs for the assets or liabilities.

- Fair value in respect of equity instruments is the quoted prices of those instruments in the stock exchanges at the measurement date.
- Fair value of Mutual funds is the NAV as on the measurement date.
- Fair value of unquoted financial instruments at fair value of such shares measured as on measurement date. Fair value of such shares has been arrived based on methods which are combination of market income and cost approaches.
- Carrying amounts of trade receivables and trade payables, cash and cash equivalents, other financial assets & other financial liabilities (current) are considered to be the same as their fair values due to their shortterm nature and categorized as level 3 hierarchies.

**8. Financial risk management:**

**i. Credit risk:**

Credit risk on deposit is mitigated by depositing the funds in reputed private sector bank.

For trade receivables, the primary source of credit risk is that these are unsecured. The Group sells the products to customers only when the collection of trade receivables is certain and whether there has been a significant increase in the credit risk on an on-going basis is monitored throughout each reporting period. As at the balance sheet date, based on the credit assessment the historical trend of low default is expected to



## NOTES TO FINANCIAL STATEMENTS (Contd..)

continue. An impairment analysis is performed at each reporting date on an individual basis for major clients. Any recoverability of receivables is provided for based on the impairment assessment. Historical trends show as at 31st March 2019 the Group had no significant credit risk.

### ii. Liquidity risk:

Objective of liquidity risk management is to maintain sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Management monitors rolling forecasts of the Group's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. The Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal requirements.

#### (i) Maturities of financial liabilities

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

- a) all non-derivative financial liabilities, and
- b) net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and includes estimated interest payments.

#### Contractual maturities of financial liabilities:

(Rs in Lakhs)

March 31, 2019	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Above 5 years	Total
<b>Non-derivatives</b>					
Long term loans	123.88	209.99	517.15	620.61	1,471.63
Short term Borrowings	924.63				924.63
Trade payables	407.97				407.97
Other financial liabilities	19.50		36.22		55.72
<b>Total non-derivative liabilities</b>	<b>1,475.98</b>	<b>209.99</b>	<b>553.37</b>	<b>620.61</b>	<b>2,859.94</b>
<b>March 31, 2018</b>					
<b>Non-derivatives</b>					
Long term loans	110.96	123.88	209.99	1,086.39	1,531.22
Short term Borrowings	681.96				681.96
Trade payables	568.45				568.45
Other financial liabilities	23.28				23.28
<b>Total non-derivative liabilities</b>	<b>1,384.65</b>	<b>123.88</b>	<b>209.99</b>	<b>1,086.39</b>	<b>2,804.91</b>





## NOTES TO FINANCIAL STATEMENTS (Contd..)

### iii. Market risk:

Market risk is the risk that the fair value of the future cash flows will fluctuate because of changes in the market prices such as interest rates risk, price risk and commodity risk. Further, the Group is not exposed to any foreign currency exchange rate risk which has an impact on the Income statement and Equity as it does not have transaction references with other currencies.

#### a. Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rate risk can also impact the provision for retiral benefits. The Group generally utilizes fixed rate borrowings and therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of change in the market interest rates. The Group is not exposed to significant interest rate risk as at the respective reporting dates.

#### b. Price Risk

The price risk is the risk arising from investments held by the Group and classified in the balance sheet either at fair value through Other Comprehensive Income or at fair value through statement of profit and loss.

The Group's investments are in Mutual funds, bonds and unquoted equity shares. They are strategic in nature and are generally held on a long-term basis which is not exposed to significant price risk.

#### c. Commodity Risk

The Group is exposed to the fluctuations in commodity prices mainly for tea. Mismatch in demand and supply, adverse weather conditions, market expectations etc., can lead to price fluctuations. The Group manages these price fluctuations by actively managing the sourcing of tea, and alternate blending strategies without impacting the quality of the blend.

### 9. Leasing Arrangements:

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

The Group has taken officer buildings on lease and the lease rent amounts to Rs. 68.40 lakhs net of reimbursements (previous year Rs. 67.45 lakhs) has been charged to statement of profit and loss.

(Rupees In Lakhs)

		<b>31.03.2019</b>	<b>31.03.2018</b>
Not Less than one year	:	54.30	81.21
Later than one year but not later than five years	:	93.30	137.86
More than five years	:	Nil	3.07



## NOTES TO FINANCIAL STATEMENTS (Contd..)

### 10. Reversal in provisions as per Ind AS 37:

The Group had provided a sum of Rs. 162.95 lakhs during the year ended 31.03.2010 towards liability for arrears of wages payable to plantation workers in accordance with claim covered under Industrial dispute no. 26/2010.

The matter has reached finality with the order of Industrial tribunal – Chennai dated 01.10.2018 made under Section 18(1) of the Industrial Disputes Act, 1947. Pursuant a bipartite settlement reached with the overwhelming majority number of trade unions by the Anamalai Planters Association.

The excess provision of Rs.141.51 lakhs in the books after determining the actual amount payable to eligible workers has been reversed and shown under other income.

### 11. Impairment of Assets:

The Group has carried out an exercise to ascertain the impairment, if any, in the carrying value of fixed assets. The exercise has not revealed any impairment of assets during the year under review.

### 12. Related Party Disclosures:

Name of Related Parties and nature of relationship where control exists are as under:

Key Management Personnel	Mrs. Alka Devi Bangur, Managing Director Shri. Shreeyash Bangur, Deputy Managing Director
Other related party	<ol style="list-style-type: none"> <li>1. M.B.Commercial Company Ltd</li> <li>2. Amalgamated Development Ltd</li> <li>3. Maharaja Shree Umaid Mills Ltd</li> <li>4. Placid Limited</li> <li>5. The Marwar Textiles (Agency) Pvt.Ltd</li> <li>6. Navjyoti Commodity Management Services Ltd</li> <li>7. Samay Industries Limited</li> <li>8. The General Investment Co. Ltd</li> <li>9. Kiran Vyapar Limited</li> <li>10. Soul Beauty &amp; Wellness Centre LLP</li> <li>11. Mugneeram Ramcoowar Bangur Charitable &amp; Religious Co.</li> <li>12. Shree Rama Vaikunth Trust</li> <li>13. Shree Krishna Agency Ltd</li> <li>14. LNB Renewable Energy Private Limited</li> <li>15. PL Planting Provident Fund</li> <li>16. The Gratuity Fund of the Peria Karamalai Tea &amp; Produce Company Ltd</li> </ol>
Relatives of Key Management Personnel	Shri L.N. Bangur Ms. Sheetal Bangur Shri Yogesh Bangur



**NOTES TO FINANCIAL STATEMENTS (Contd..)**

*(Rupees In Lakhs)*

	<b>Nature of transaction</b>	<b>Other Related Parties</b>	<b>Key Managerial Personnel</b>	<b>Relatives of KMP</b>
<b>1</b>	<b>Interest Payments</b>			
	Shree Krishna Agency Ltd.	Nil (5.00)		
	Placid Limited	Nil (0.13)		
<b>2</b>	<b>Interest Receipts</b>			
	Maharaja Shree Umaid Mills Ltd.	28.32 (35.58)		
	Placid Limited	5.64 (16.61)		
<b>3</b>	<b>Sitting Fees</b>			
	L.N. Bangur			0.35 (0.30)
<b>4</b>	<b>Rent Payments</b>			
	a) M.B. Commercial Co. Ltd.	1.94 (Nil)		
	b) The Marwar Textiles (Agency) Pvt. Ltd.	6.14 (Nil)		
	c) Shree Rama Vaikunth Trust	3.60 (3.60)		
<b>5</b>	<b>Inter corporate loan received from</b>			
	Shree Krishna Agency Ltd.	Nil (355.00)		
	Placid Limited	Nil (520.00)		
<b>6</b>	<b>Inter corporate loan given to</b>			
	Maharaja shreeUmaid Mills Ltd.	120.00 (Nil)		
	Placid Limited	415.00 (Nil)		
<b>7</b>	<b>Inter corporate loan repaid</b>			
	Shree Krishna Agency Ltd.	Nil (355.00)		



## NOTES TO FINANCIAL STATEMENTS (Contd..)

	Nature of transaction	Other Related Parties	Key Managerial Personnel	Relatives of KMP
	Placid Limited	120.00 (840.00)		
	Maharaja shreeUmaid Mills Ltd.	95.00 (25.00)		
<b>8</b>	<b>Printing</b>			
	Samay Industries Limited	0.16 (Nil)		
<b>9</b>	<b>Remuneration</b>			
	Mrs. Alka Devi Bangur		42.08 (42.08)	
	Shri. Shreeyash Bangur		27.24 (27.24)	
<b>10</b>	<b>Contribution to Provident Fund</b>			
	PL Planting Provident Fund	14.73 (12.87)		
<b>11</b>	<b>Contribution to Gratuity</b>			
	The Gratuity Fund of the Peria Karamalai tea and produce company limited.	60.00 (Nil)		
<b>12</b>	<b>Annual Maintenance charges paid</b>			
	LNB Renewable Energy Private Limited	18.41 (NIL)		
<b>13</b>	<b>Outstandings</b>			
	Receivables	679.08 (392.66)	Nil (Nil)	
	Payables	4.52 (Nil)	Nil (Nil)	

Note: Figures in bracket represents previous year's amount.


**NOTES TO FINANCIAL STATEMENTS (Contd..)**
**13. Segment Information:**

For management purposes the group has classified its businesses into Tea, Investment and Power. Segment wise revenue results, assets and liability figures relating to the respective amounts directly identifiable to each of the segments. Un-allocable items include expenses incurred on common services at the corporate level, unallocated other income and exceptional items.

Pricing of inter segment transfers are based on benchmark market prices.

Particulars	31.03.2019				31.03.2018			
	Tea	Investment	Power	Total	Tea	Investment	Power	Total
<b>Revenue</b>								
External Sales	4,100.29	734.57	85.25	4,920.11	4,229.66	719.72	37.22	4,986.60
Inter Segment Revenue			183.2	183.2			192.69	192.69
Total	4,100.29	734.57	268.45	5,103.31	4,229.66	719.72	229.91	5,179.29
Less: Inter Segment Revenue				183.2				192.69
Total	4,100.29	734.57	268.45	5,286.51	4,229.66	719.72	229.91	5,371.98
<b>Results</b>								
Operating Profit (Loss)	-71.53	718.23	-64.11	582.59	-31.36	699.64	21.7	689.98
Less Interest				207.84				70.59
Total				374.75				619.39
Add Other income				32.12				33.52
Profit / (Loss) before tax				406.87				652.91
Provision for taxation				113.65				25.59
Profit / (Loss) after tax				293.22				627.32
<b>Other Information</b>								
Segment Assets	4,610.40	13,835.97	1,828.98	20,275.35	4,276.74	13,770.34	1,801.67	19,848.75
Unallocated Assets				40.26				40.94
Enterprise Assets	4,610.40	13,835.97	1,828.98	20,315.61	4,276.74	13,770.34	1,801.67	19,889.69
Segment Liabilities	1,943.10	—	1,255.43	3,198.53	1,847.42	—	1,177.51	3,024.93
Unallocated Liabilities				17,117.08				16,864.76
Enterprise Liabilities	1,943.10	—	1,255.43	20,315.61	1,847.42	—	1,177.51	19,889.69



## NOTES TO FINANCIAL STATEMENTS (Contd..)

Particulars	31.03.2019				31.03.2018			
	Tea	Investment	Power	Total	Tea	Investment	Power	Total
Capital Expenditure	277.3	—	6.67	283.97	767.68		1,604.10	2,371.78
Depreciation	274.36		72.16	346.52	244.88		7.92	252.8

### 14. Capitalisation of Borrowing Costs:

The Group has capitalized the following borrowing costs with eligible assets. Amount capitalised in Capital Work in progress was Rs. 0.82 lakhs (Previous year Rs. 0.04 lakhs). No borrowing costs were capitalized to Property, plant and equipment (other than WIP) during the year ending 31.03.2019 and 31.03.2018.

15. Previous year's figures have been reclassified/regrouped wherever necessary to confirm to current year's classification. It includes reclassification of Fair value in 'investment in mutual funds' and restatement of 'Unquoted equity instruments' at fair value.

Unless otherwise stated, all the numbers have been rounded off to the nearest lakhs.

As per our Report of even date attached

For Srikishen & Co  
Chartered Accountants  
Reg. No. 004009S

**K. Murali Mohan**  
Proprietor, Auditor M.No. 014328  
Coimbatore, 20th May 2019

For and on behalf of the Board of Directors

**Lakshmi Niwas Bangur**  
Chairman  
DIN : 00012617

**Sanjeev Kumar Singh**  
Chief Executive Officer

**Alka Devi Bangur**  
Managing Director  
DIN : 00012894

**Kannusamy Ashokan**  
Chief Financial Officer

**Shreeyash Bangur**  
Dy. Managing Director,  
DIN : 00012825

**Saurav Singhania**  
Company Secretary  
Kolkata, 20th May 2019

**Form No. AOC - 1 Part A : Subsidiaries****Pursuant to Section 129 (3) of the Companies Act 2013 read with Rule 5 of Companies (Accounts) Rules 2014****Statement containing salient features of the Financial Statement of Subsidiaries.**

Name of the Subsidiary	PKT Plantations Limited	Shivphal Vinimay Private Limited
Financial year ended	31.03.2019	31.03.2019
Exchange Rate	—	—
Share capital	25.00	5.00
Reserves and surplus	12.18	2.17
Total Liabilities	37.30	3.01
Total Assets	37.30	3.01
Investments	—	—
Turnover	0.89	0.19
Profit before tax	0.37	- 0.62
Provision for taxation	0.10	—
Profit after tax	0.27	- 0.62
Proposed dividend	—	—
% of share holding	100	100

**Part B : Associates and Joint ventures****Statement pursuant to section 129(3) of the Companies act 2013 related to Associate Companies and Joint venture****Name of associates / Joint venture**

- 1 Latest Audited Balance Sheet date
- 2 Shares of Associates/Joint Ventures held by the Company at the year end  
Amount of investment in Associates / Joint Venture
- 3 Description how there is significant influence
- 4 Reason why the Associate / Joint Venture is not consolidated
- 5 Networth attributable to shareholding as per latest audited Balance Sheet
- 6 Profit / (Loss) for the year
  - i) considered in consolidation
  - ii) not considered in consolidation
- 7 Name of Associates or Joint Ventured which are yet to commence operations
- 8 Name of Associates or Joint Ventures which have been liquidated or sold during the year

NOT APPLICABLE

In terms of our Report attached

For Srikishen & Co  
Chartered Accountants  
Reg. No. 004009S**K. Murali Mohan**  
Proprietor, Auditor M.No. 014328  
Coimbatore, 20th May 2019

For and on behalf of the Board of Directors

**Lakshmi Niwas Bangur**  
Chairman  
DIN : 00012617**Sanjeev Kumar Singh**  
Chief Executive Officer**Alka Devi Bangur**  
Managing Director  
DIN : 00012894**Kannusamy Ashokan**  
Chief Financial Officer**Shreeyash Bangur**  
Dy. Managing Director,  
DIN : 00012825**Saurav Singhania**  
Company Secretary

Kolkata, 20th May 2019





## **THE PERIA KARAMALAI TEA AND PRODUCE COMPANY LIMITED**

**CIN: L01132WB1913PLC220832**

**Registered Office: 7, Munshi Premchand Sarani, Hastings, Kolkata - 700 022**

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