

# Diana Tea Company Limited

ANNUAL REPORT 2016-17



# Corporate Information

## BOARD OF DIRECTORS

Mr. Sandeep Singhania	<i>Managing Director</i>
Mrs. Sarita Singhania	<i>Director (Sales &amp; Marketing)</i>
Mr. H.M. Parekh	<i>Independent Director</i>
Mr. N. F. Tankariwala	<i>Independent Director</i>
Mr. Gautam Bhalla	<i>Independent Director</i>

## BOARD COMMITTEES

### Audit Committee

Mr. H.M. Parekh	<i>Chairman</i>
Mr. Sandeep Singhania	<i>Member</i>
Mr. N. F. Tankariwala	<i>Member</i>
Mr. Gautam Bhalla	<i>Member</i>

### Nomination & Remuneration Committee

Mr. H.M. Parekh	<i>Chairman</i>
Mr. N. F. Tankariwala	<i>Member</i>
Mr. Gautam Bhalla	<i>Member</i>

### Stakeholders Relationship Committee

Mr. N. F. Tankariwala	<i>Chairman</i>
Mr. Gautam Bhalla	<i>Member</i>
Mr. Sandeep Singhania	<i>Member</i>
Mrs. Sarita Singhania	<i>Member</i>

## CHIEF FINANCIAL OFFICER

Mr. Ramesh Kumar Jhunjhunwala

## AUDITORS

Das & Prasad  
Chartered Accountants  
4, Chowringhee Lane  
Kolkata - 700 016  
(Firm's Registration No. 303054E)

## SECRETARIAL AUDITORS

MR & Associates  
Company Secretaries  
46, B. B. Ganguly Street,  
Kolkata - 700 012  
(COP No. 2551)

## BANKERS

United Bank of India  
Punjab National Bank

## GARDENS

Diana Tea Estate  
P. O. Banarhat - 735 202  
Dist. : Jalpaiguri  
Baintgoorie Tea Estate  
P. O. Mal - 735 221  
Dist. : Jalpaiguri  
Good Hope Tea Estate  
P. O. Dam Dim - 735 209  
Dist. : Jalpaiguri

## REGISTERED OFFICE

Sir R. N. M. House  
3B, Lal Bazar Street  
Kolkata - 700 001  
Phone : (033) 2248-8672, 4066 1590-93  
Fax : (033) 2248-7571  
E-mail : [contactus@dianatea.in](mailto:contactus@dianatea.in)  
Website : [www.dianatea.in](http://www.dianatea.in)  
CIN : L15495WB1911PLC002275

## REGISTRAR & SHARE TRANSFER AGENTS

M/s. Maheshwari Datamatics Pvt. Ltd.  
23, R. N. Mukherjee Road, 5th Floor, Kolkata - 700 001  
Phone : (033) 2243-5029/5809, 2248-2248  
Fax : (033) 2248-4787  
E-mail : [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com)

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## Directors' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting their 106th Annual Report along with the Audited Accounts for the financial year ended 31st March, 2017.

### Financial Results

The summarized Financial results of your Company are given in the table below.

(₹ in Lakhs)

Particulars	31st March, 2017 (12 Months)	31st March, 2016 (15 Months)
Profit before Depreciation and Amortization Expense, Finance Costs & Taxation	499.24	(771.74)
Less: Depreciation and Amortization Expense	107.58	114.04
Finance Costs	140.98	158.55
<b>Profit/ (Loss) before Tax</b>	<b>250.68</b>	<b>(1044.33)</b>
Less : Provision for Tax Expenses (net)	9.76	(46.39)
<b>Profit/ (Loss) after Tax</b>	<b>240.92</b>	<b>(997.94)</b>
Add : Balance brought forward from previous year	230.21	226.37
Add : Transfer from / (to) General Reserve	(300.00)	1050.00
Less : Depreciation Adjusted as per revised calculation	—	7.69
<b>Amount available for appropriation</b>	<b>171.13</b>	<b>270.74</b>
<b>Appropriations :</b>		
Proposed Dividend	37.48	37.48
Provision for tax on Proposed Dividend	3.05	3.05
Balance carried forward	130.60	230.21
	<b>171.13</b>	<b>270.74</b>

**Note:** The above financial results for the current year ended on 31st March, 2017 are not comparable with the financial results for previous fifteen months period ended on 31st March, 2016 which had been prepared to comply with Section 2(41) of the Companies Act, 2013.

## Directors' Report

### Review of Performance

The year under review was a better year for a change as far as weather conditions were concerned as gardens had received early rains during the season resulting in better harvest and lower irrigation cost. This has also resulted in lower pest infestation and over all better crop during the year. Company's own crop was higher by 1,00,246 kgs. during the season. Quantity manufactured out of bought leaf was 3,56,302 kgs. which was higher than last year. During the year Indian tea production was high by 36 million kgs. when compared to last year as such the market sentiments were sluggish particularly at higher level. However, the bought leaf segment fetched handsome price which was substantially higher than last year. As such the Auction average realization was higher by ₹ 5.25 per kgs. whereas our own realization was more or less at par with last year. The last year was an extra ordinary year where in non-quality fetched higher realization and quality tea struggled to get deserving price in the market. Your Company treats this as one odd year of such instance and continue to focus on making quality. Cost burden on Tea Industry is increasing every year by the way of higher wages, salaries and cost of inputs which is putting immense pressure in the profitability of tea companies. In spite of such headwind your Company has been able to post a profit of ₹ 240.92 lakh for the year. This has been possible because of our continuous effort to upgrade our gardens by improvising the yields by virtue of regular uprooting and replanting process and simultaneously improvising the plant and machineries in our factories to make better quality with reduced cost. Our gardens have 100% irrigation facility which enables to take care of droughty condition in the beginning of the year.

### Prospects

Current year looks to be positive as far as market sentiments are concerned. Crop intake across the world is struggling. Kenya is down by 50 million kgs. till the end March, Sri Lanka by 4 million kgs. and Indian Crop is behind by 14 million kgs. This has led to buoyancy in the world market wherein Kenyan market is higher by USD 0.50 when compared to last and Indian market has also started on a buoyancy note. The producers of Assam are focusing more towards producing more Orthodox tea which would further restrict the availability of CTC in the market which would enhance the value of CTC teas. However, the exports are expected to be at par with last year. All these factors combined together along with domestic consumption growing at 3% CAGR, could keep the CTC prices at high level. However, escalating cost and lower yields are major challenges in the Indian tea industry.

Minimum wage has been contemplated by the Central/ State Government which could be detrimental for the tea industry as it is expected to escalate the wages & salaries to abnormally high level. In addition to that the cost of other inputs, increase in pest activity and irrigation cost will put additional cost burden to the Indian tea companies. All these cost factors are expected to dent the profitability of tea companies to a major extent.

We expect the market to be firm particularly in quality segment where participation of all segment is visible. However, non-quality tea could suffer.

Plant protection code has been introduced by Tea Board and your Company's policy is to follow the same. We have applied for Trustea Certificate for all of our tea estates.

Your Company is taking full advantage of various subsidies provided by Tea Board.

Your Company is determined to pursue with their developmental work in the field by uprooting and replanting the old tea bushes with new ones and modernizing its factories by replacing obsolete machineries with latest technology plant and machinery with a view of making quality tea at reduced costs. Average yield of our gardens are 22 quintals when compared to 17 quintals for the district which put us in a strong position. Furthermore higher realization compared to district average gives us immense advantage when compared to others. Every effort is being made by your Company to improve its performance in the coming year.

### Change in nature of business, if any

There has been no change in business and the Company continues to concentrate on their own business.

### Transfer to Reserves

Your Directors proposed to transfer a sum of ₹ 300.00 lakhs to General Reserves.

### Transfer from Reserves

Your Directors proposed not to transfer any amount from the General Reserves.

### Dividend

Your Board has recommended a dividend of ₹ 0.25 per Equity Share (i.e. 5%) for the year ended 31st March, 2017. Such dividend, on approval, will be paid to those Members whose names are recorded in the Register of the Company at the close of business on the date of Annual General Meeting.



## Directors' Report

### Details of Board meetings

During the Financial Year, 4 Board meetings were held, details of which are given below :

Date of the meeting	No. of Directors attended the meeting
30.05.2016	5
13.08.2016	5
14.11.2016	5
14.02.2017	5

### Share Capital

During the financial year ended 31st March, 2017 there is no change in the issued and subscribed capital of your Company. The outstanding capital as on 31st March, 2017 is ₹ 749.55 lakhs comprising of 1,49,91,000 equity shares of ₹ 5/- each.

### Extract of Annual Return

The extract of Annual Return pursuant to the provisions of Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 forming a part of this Report, attached as Annexure "A".

### Committees of Board

The details of composition of the Committees of the Board of Directors are as under:-

#### a. Audit Committee

Sl. No.	Name	Chairman/ Members
1.	Mr. H.M. Parekh	Chairman
2.	Mr. Sandeep Singhania	Member
3.	Mr. Gautam Bhalla	Member
4.	Mr. N.F Tankariwala	Member

- During the financial year, the Committee had met 4 times as on May 30, 2016, August 13, 2016, November 14, 2016 and February 14, 2017.

#### Recommendation by audit committee :

There is no recommendation of audit committee which has not been accepted by the Board during the financial year.

#### • Vigil Mechanism

The Company has formulated the codified Whistle Blower Policy incorporating the provisions relating the Vigil Mechanism in terms of Section 177 of the Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015, in order to encourage Directors and Employees of the Company to

escalate to the level of the Audit Committee any issues of concern impacting and compromising with the interest of the Company and the Stakeholders in any way. The Company has also made provisions for adequate safeguards against victimisation of its Employees and Directors who express their concerns. The Chairman of Audit Committee can be directly accessed by any Employee for reporting issues which need to be brought to the notice of the Board. The Vigil Mechanism / Whistle Blower Policy of the Company has been uploaded on the website of the Company: [www.dianatea.in/whistle\\_blower\\_diana.pdf](http://www.dianatea.in/whistle_blower_diana.pdf)

#### b. Nomination & Remuneration Committee

Sl. No.	Name	Chairman/ Members
1.	Mr. H.M. Parekh	Chairman
2.	Mr. N.F. Tankariwala	Member
3.	Mr. Gautam Bhalla	Member

During the financial year, the Committee had met 2 times as on 30th May, 2016 and 13th August, 2016.

#### c. Stakeholders Relationship Committee

Sl. No.	Name	Chairman/ Members
1.	Mr. N.F. Tankariwala	Chairman
2.	Mr. Gautam Bhalla	Member
3.	Mr. Sandeep Singhania	Member
4.	Mrs. Sarita Singhania	Member

During the financial year, the Committee had met 8 times as on June 2, 2016, July 25, 2016, October 13, 2016, November 17, 2016, December 15, 2016, December 29, 2016, January 5, 2017 and February 9, 2017.

#### Corporate Social Responsibility (CSR)

Your Company considers Corporate Social Responsibility as an important aspect of doing business. As a good corporate citizen, your Company shall initiate appropriate action towards various social causes in the future. Presently, the provisions of Section 135 of the Companies Act, 2013 are not applicable to the Company.

#### Management Discussion and Analysis

As per SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, Management Discussion and Analysis Report is attached as Annexure "B" forming part of this report.

#### Directors' Responsibility Statement

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

## Directors' Report

- (a) in the preparation of the annual accounts, for the financial year ended 31st March, 2017, the applicable Accounting Standards had been followed along with proper explanation relating to material departures except gratuity liability being accounted for, as and when paid/payable;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the financial year ended 31st March, 2017 and of the profit and loss of the Company for that year;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### Corporate Governance

Your Company attaches considerable significance to good Corporate Governance as an important step towards building investor confidence, improving investor's protection and maximizing long term shareholders value. The certificate of the Auditors confirming compliance of conditions of Corporate Governance as stipulated under Schedule V(E) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the Stock Exchange is annexed as Annexure "C".

### Related Party Transactions

The related party transactions entered during the year were in ordinary course of business and also on arm's length basis in compliance with the applicable provisions of the Companies Act, 2013 and SEBI (LODR) Regulations 2015. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict of the interest with the Company at large. All related party transactions are presented to the

Audit Committee and the Board, if required for approval. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. The Policy on Related Party Transactions as approved by the Board is uploaded on the Company's web link: [www.dianatea.in/Policy-on-Related-Party-transactions\\_7.pdf](http://www.dianatea.in/Policy-on-Related-Party-transactions_7.pdf)

### Details of Conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo

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

### Particulars of Employees

The ratio of the remuneration of each Director to the median employee's remuneration and other particulars or details of employees pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 are attached to this Report as Annexure "E".

The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to the Company.

There is no Directors who is in receipt of any commission from the Company as well as from its holding Company as per section 197 (14) of the Companies Act, 2013.

### Annual Evaluation of Board's Performance

During the financial year, the Board evaluated its own performance as well as that of its Committees and Individual Directors. The exercise was carried out covering various aspects of the Boards functioning such as composition of the Board & committees, qualification, experience & competencies, performance of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of Non-Independent Directors. The performance of Independent Directors has been evaluated based on the guidelines as provided under Schedule IV of the Act. The evaluation of the Independent Directors was carried out by the entire Board except by the Director being evaluated. The directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

### Auditors and Audit Report

M/s. Das & Prasad, Chartered Accountants were appointed as the Statutory Auditors of the Company in the Annual General Meeting held on 26 June, 2015 to hold office from the conclusion of the Hundred and Fourth Annual General

## Directors' Report

Meeting until the conclusion of the Hundred and Seventh Annual General Meeting. Ratification of appointment of Statutory Auditors is being sought from the members of the Company at the ensuing AGM.

Further, the report of the Statutory Auditors along with notes to Schedules is enclosed to this report. The observations made in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

### Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. MR & Associates, Company Secretaries in Practice (COP No.2551), to undertake the Secretarial Audit of the Company for the financial year ending 31st March, 2017. The Secretarial Audit Report for the financial year ended 31st March, 2017 is annexed herewith as Annexure "F" to this Report. The Secretarial Audit Report is self-explanatory and does not contain any adverse qualification, reservation or remark.

### Cost Audit

As per Section 148 of the Companies Act, 2013 read with Rule 4 of Companies (Cost Records and Audit) Rules, 2014, the Company is required to maintain cost records for the financial year 2017-18. However, the Company is not required to appoint Cost auditor to conduct the audit of cost records for the financial year 2017-18.

### Human Resources

Your Company treats its "human resources" as one of its most important assets.

The Company has a large work force employed at the tea estates. There were no major disruptions of work at the Garden or any other establishment of the Company during the period under review. The correct recruitment practices are in place to attract best talent. Industrial Relations at all the units remained satisfactory.

### Material changes and commitments

No material changes and commitments have occurred during the financial year which might affect the financial position of the Company.

### Disclosure under Sexual Harassment of women at workplace (Prevention, Prohibition & Redressal) Act, 2013

Your Company is committed to provide a work environment which ensures that every woman employee is treated with dignity, respect and equality. There is zero-tolerance towards

sexual harassment and any act of sexual harassment invites serious disciplinary action.

No complaint has been brought to the notice of the Management during the financial year ended 31st March, 2017.

### Risk Management

In terms of the requirement of the Companies Act, 2013 and SEBI (LODR) Regulations 2015, the Company has developed and implemented the Risk Management Policy. The Company has taken adequate measures to mitigate various risk encountered. In the opinion of the Board there is no such risk which may threaten the present existence of the Company.

### Declaration by Independent Directors

Necessary declarations have been obtained from all the Independent Directors that they meet the criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### Remuneration Policy

The remuneration policy of the Company aims to attract, retain and motivate qualified people at the Board levels. The remuneration policy seeks to employ people who not only fulfill the eligibility criteria but also have the attributes needed to fit into the corporate culture of the Company. The remuneration policy is consistent with the 'pay-for-performance' principle.

### Executive Directors

The Nomination and Remuneration Committee takes into account experience, qualification and prevailing industry practices before giving its recommendation to the Board. On recommendation of the Nomination and Remuneration Committee, the Board decides remuneration to be paid to Executive Directors, subject to approval of shareholders in terms of provisions of the Companies Act, 2013, read with Schedule V thereof. The Committee aims towards rewarding, on the basis of performance and reviews on a periodical basis.

### Non-Executive Directors

The Company has formulated Criteria for making payment to Non-Executive Directors which is available in Company's weblink: [http://www.dianatea.in/Criteria%20of%20making%20payment%20to%20non-executive%20directors\\_6.pdf](http://www.dianatea.in/Criteria%20of%20making%20payment%20to%20non-executive%20directors_6.pdf). As per the criteria, Non-Executive Directors are paid sitting fees for attending the meetings of the Board of Directors and Committees.

## Directors' Report

### Significant and material orders passed by the regulators

There are no significant and material orders passed by the regulators or courts or tribunals that would impact the going concern status and Company in future.

### Internal Financial Controls

Your Company has adequate Internal Financial Control System at all levels of Management and they are reviewed from time to time. The Internal Audit is carried out in house as well as by a firm of Chartered Accountants M/s B. Nath & Co. The Audit Committee of the Board looks into Auditor's review which is deliberated upon and corrective action taken, wherever required.

### Subsidiaries, Joint Venture or Associate Companies

Your Company continues to be the Subsidiary of Diana Capital Limited. Further, the Company has no subsidiaries, joint venture and associates for the financial year ended 31st March, 2017.

### Particulars of Loans, Guarantees and Investments

The particulars of loans, guarantees or investments made under section 186 of the Companies Act, 2013, are covered in the notes of the Financial Statement for the year ended 31st March, 2017.

### Directors and Key Managerial Personnel

As per provisions of Section 152 of the Companies Act, 2013, Mr. Sandeep Singhania (DIN 00343837) is liable to retire by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

Mr. Ramesh Kumar Jhunjhunwala designated as Chief Financial Officer (CFO) of the Company, resigned from the post of CFO with effect from 13th August, 2016 and was re-appointed w.e.f. 17th May, 2017.

Mr. Manoj Agarwala, Company Secretary of the Company was appointed as Chief Financial Officer (CFO) of the Company with effect from 13th August, 2016.

Mr. Manoj Agarwala, designated as Chief Financial Officer (CFO) & Company Secretary (CS) of the Company resigned from the services of the Company with effect from 30th March, 2017.

### Deposits

Your Company has not accepted any deposits covered under Chapter V of the Companies Act, 2013.

### Acknowledgement

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

Your Directors also thank the clients, vendors, bankers, shareholders and advisers of the Company for their continued support.

Your Directors also thank the Central and State Governments, and other statutory authorities for their continued support.

For and on behalf of the Board

Registered Office :  
3B, Lal Bazar Street  
Kolkata - 700 001  
Date : 17th May, 2017

Sd/-  
**Sandeep Singhania**  
Managing Director  
(DIN: 00343837)

Sd/-  
**Sarita Singhania**  
Director (Sales & Marketing)  
(DIN: 00343786)



## Annexure to the Directors' Report

### Annexure "A"

Form No. MGT 9

#### EXTRACT OF ANNUAL RETURN

As on the financial year ended 31st March, 2017  
of

**DIANA TEA COMPANY LIMITED**

[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	<b>CIN</b>	L15495WB1911PLC002275
ii	<b>Registration Date</b>	26.08.1911
iii	<b>Name of the Company</b>	Diana Tea Company Limited
iv	<b>Category / Sub-Category of the Company</b>	Company Limited By Shares/ Indian Non-Government Company
v	<b>Address of the Registered office and contact details</b>	Sir R.N.M. House, 3B, Lal Bazar Street , Kolkata-700 001 Phone : (033) 2248-8672, 4066 1590-93 Fax: (033) 2248-7571 Email : contactus@dianatea.in
vi	<b>Whether listed Company</b>	Yes
vii	<b>Name, Address and Contact details of Registrar and Transfer Agent, if any</b>	M/s. Maheshwari Datamatics Pvt. Ltd. 23, R. N. Mukherjee Road, 5th Floor, Kolkata- 700 001 Phone: (033) 2243-5029/5809, 2248-2248 Fax: (033) 2248-4787 Email : mdpldc@yahoo.com

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

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

Sl. No.	Name and Description of main products/services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Cultivation, Manufacturing and sale of Tea	01271	100%

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

Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares Held	Applicable Section
Diana Capital Ltd. Sir R.N.M. House (4th Floor), 3B, Lal Bazar Street, Kolkata – 700 001	U65993WB1973PLC029038	Holding	54.56	2(46)

## Annexure to the Directors' Report

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

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

Category of Shareholders	No. of Shares held at the beginning of the Year [As on 01/04/2016]				No. of Shares held at the end of the Year [As on 31/03/2017]				% 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	1003994	0	1003994	6.6973	1003994	0	1003994	6.6973	0.0000
b) Central Govt	–	–	–	–	–	–	–	–	–
c) State Govt(s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	8190860	0	8190860	54.6385	8190860	0	8190860	54.6385	0.0000
e) Banks/FI	–	–	–	–	–	–	–	–	–
f) Any other	–	–	–	–	–	–	–	–	–
<b>Sub-total (A)(1) :</b>	<b>9194854</b>	<b>0</b>	<b>9194854</b>	<b>61.3358</b>	<b>9194854</b>	<b>0</b>	<b>9194854</b>	<b>61.3358</b>	<b>0.0000</b>
<b>(2) Foreign</b>									
a) NRIs	–	–	–	–	–	–	–	–	–
Individuals									
b) Other Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corp.	–	–	–	–	–	–	–	–	–
d) Banks/FI	–	–	–	–	–	–	–	–	–
e) Any other	–	–	–	–	–	–	–	–	–
<b>Sub-total (A)(2):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>
<b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>9194854</b>	<b>0</b>	<b>9194854</b>	<b>61.3358</b>	<b>9194854</b>	<b>0</b>	<b>9194854</b>	<b>61.3358</b>	<b>0.0000</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	–	–	–	–	–	–	–	–	–
b) Banks/FI	–	–	–	–	–	–	–	–	–
c) Central Govt	–	–	–	–	–	–	–	–	–
d) State Govt(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIs	–	–	–	–	–	–	–	–	–
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others (specify)	–	–	–	–	–	–	–	–	–
<b>Sub-total(B)(1):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>

## Annexure to the Directors' Report

<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	1180482	50422	1230904	8.2110	1304108	50422	1354530	9.0356	10.0435
ii) Overseas	–	–	–	–	–	–	–	–	–
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 Lakh	2822265	136745	2959010	19.7386	3120127	136669	3256796	21.7250	10.0637
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	762953	0	762953	5.0894	1003556	0	1003556	6.6944	31.5358
c) Others (Specify)									
Non Resident Indians	95876	0	95876	0.6396	32148	0	32148	0.2144	-66.4692
Custodian of Enemy Property	0	14742	14742	0.0983	0	14742	14742	0.0983	000.0000
Clearing Members	732661	0	732661	4.8873	134374	0	134374	0.8964	-81.6595
<b>Sub-total(B)(2):</b>	<b>5594237</b>	<b>201909</b>	<b>5796146</b>	<b>38.6642</b>	<b>5594313</b>	<b>201833</b>	<b>5796146</b>	<b>38.6641</b>	<b>0.0000</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>5594237</b>	<b>201909</b>	<b>5796146</b>	<b>38.6642</b>	<b>5594313</b>	<b>201833</b>	<b>5796146</b>	<b>38.6641</b>	<b>0.0000</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>14789091</b>	<b>201909</b>	<b>14991000</b>	<b>100.0000</b>	<b>14789167</b>	<b>201833</b>	<b>14991000</b>	<b>100.0000</b>	<b>0.0000</b>

### (ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the Year [As on 01/04/2016]			Shareholding at the end of the Year [As on 31/03/2017]			% 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.	Sandeep Singhania	362369	2.4172	–	362369	2.4172	–	–
2.	Sarita Singhania	500491	3.3386	–	500491	3.3386	–	–
3.	Radheshyam Singhania [HUF]	129204	0.8619	–	129204	0.8619	–	–
4.	Devang Singhania	5000	0.0334	–	5000	0.0334	–	–
5.	Vani Singhania	3192	0.0213	–	3192	0.0213	–	–
6.	Surbhi Pratik Dalmia	3000	0.0200	–	3000	0.0200	–	–
7.	Shachi Singhania	500	0.0033	–	500	0.0033	–	–
8.	Arjun Kumar Singhania (HUF)	238	0.0016	–	238	0.0016	–	–
9.	Diana Capital Ltd.	8179340	54.5617	–	8179340	54.5617	–	–
10.	Singhania Builders Limited	11520	0.0768	–	11520	0.0768	–	–
	<b>TOTAL</b>	<b>9194854</b>	<b>61.3358</b>	<b>–</b>	<b>9194854</b>	<b>61.3358</b>	<b>–</b>	<b>–</b>

## Annexure to the Directors' Report

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

Sl. No.		Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the Year-01/04/2016	9194854	61.3358		
	Date wise Increase /Decrease in Promoters Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NO CHANGE DURING THE YEAR			
	At the end of the Year - 31/03/2017			9194854	61.3358

### (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	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	<b>BONANZA PORTFOLIO LTD</b>				
	At the beginning of the Year-01/04/2016	11327	0.0756		
	Date wise Increase / Decrease in Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
	08/04/2016-Transfer	-750	0.0050	10577	0.0706
	22/04/2016-Transfer	-200	0.0013	10377	0.0692
	29/04/2016-Transfer	-1900	0.0127	8477	0.0565
	09/09/2016-Transfer	-11	0.0001	8466	0.0565
	21/10/2016-Transfer	-500	0.0033	7966	0.0531
	13/01/2017-Transfer	3400	0.0227	11366	0.0758
	27/01/2017-Transfer	436	0.0029	11802	0.0787
	03/02/2017-Transfer	789	0.0053	12591	0.0840
	10/02/2017-Transfer	-1879	0.0125	10712	0.0715
	17/02/2017-Transfer	-2553	0.0170	8159	0.0544
	24/02/2017-Transfer	-547	0.0036	7612	0.0508
	03/03/2017-Transfer	-450	0.0030	7162	0.0478
	10/03/2017-Transfer	75654	0.5047	82816	0.5524
	17/03/2017-Transfer	-3100	0.0207	79716	0.5318
	24/03/2017-Transfer	4098	0.0273	83814	0.5591
	31/03/2017-Transfer	-75052	0.5006	8762	0.0584
	At the End of the Year (or on the date of separation, if Separated during the Year)- 31/03/2017	-	-	8762	0.0584

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Sl. No.	For Each of the Top 10 Shareholders	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
<b>2</b>	<b>RELIGARE SECURITIES LTD*</b>				
	At the beginning of the Year-01/04/2016	848	0.0057		
	Date wise Increase / Decrease in Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
	08/04/2016-Transfer	371	0.0025	1219	0.0081
	15/04/2016-Transfer	-825	0.0055	394	0.0026
	22/04/2016-Transfer	885	0.0059	1279	0.0085
	29/04/2016-Transfer	49	0.0003	1328	0.0089
	06/05/2016-Transfer	-437	0.0029	891	0.0059
	13/05/2016-Transfer	1061	0.0071	1952	0.0130
	20/05/2016-Transfer	-1459	0.0097	493	0.0033
	27/05/2016-Transfer	-117	0.0008	376	0.0025
	03/06/2016-Transfer	2434	0.0162	2810	0.0187
	10/06/2016-Transfer	-938	0.0063	1872	0.0125
	17/06/2016-Transfer	-338	0.0023	1534	0.0102
	24/06/2016-Transfer	266	0.0018	1800	0.0120
	30/06/2016- Transfer	-65	0.0004	1735	0.0116
	08/07/2016 - Transfer	-1046	0.0070	689	0.0046
	15/07/2016 - Transfer	987	0.0066	1676	0.0112
	22/07/2016 - Transfer	-963	0.0064	713	0.0048
	29/07/2016 - Transfer	100092	0.6677	100805	0.6724
	05/08/2016 - Transfer	9416	0.0628	110221	0.7352
	12/08/2016 - Transfer	-1241	0.0083	108980	0.7270
	19/08/2016 - Transfer	-8100	0.0540	100880	0.6729
	26/08/2016 - Transfer	-116	0.0008	100764	0.6722
	02/09/2016 - Transfer	-100	0.0007	100664	0.6715
	09/09/2016 - Transfer	100	0.0007	100764	0.6722
	16/09/2016 - Transfer	-100	0.0007	100664	0.6715
	23/09/2016 - Transfer	-89	0.0006	100575	0.6709
	30/09/2016 - Transfer	-107	0.0007	100468	0.6702
	07/10/2016 - Transfer	975	0.0065	101443	0.6767
	14/10/2016 - Transfer	-776	0.0052	100667	0.6715
	21/10/2016 - Transfer	-35	0.0002	100632	0.6713
	04/11/2016 - Transfer	350	0.0023	100982	0.6736
	11/11/2016 - Transfer	-350	0.0023	100632	0.6713
	18/11/2016 - Transfer	-100	0.0007	100532	0.6706
	25/11/2016 - Transfer	-1	0.0000	100531	0.6706
	02/12/2016 - Transfer	-52	0.0003	100479	0.6703
	09/12/2016 - Transfer	87	0.0006	100566	0.6708
	23/12/2016 - Transfer	25	0.0002	100591	0.6710

## Annexure to the Directors' Report

Sl. No.	For Each of the Top 10 Shareholders	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
	30/12/2016 - Transfer	-81	0.0005	100510	0.6705
	06/01/2017 - Transfer	200	0.0013	100710	0.6718
	13/01/2017 - Transfer	-34	0.0002	100676	0.6716
	20/01/2017 - Transfer	215	0.0014	100891	0.6730
	27/01/2017 - Transfer	1116	0.0074	102007	0.6805
	03/02/2017 - Transfer	-1002	0.0067	101005	0.6738
	10/02/2017 - Transfer	17	0.0001	101022	0.6739
	17/02/2017-Transfer	101	0.0007	101123	0.6746
	24/02/2017-Transfer	-199	0.0013	100924	0.6732
	03/03/2017-Transfer	1244	0.0083	102168	0.6815
	10/03/2017-Transfer	-190	0.0013	101978	0.6803
	17/03/2017-Transfer	-409	0.0027	101569	0.6775
	24/03/2017-Transfer	1316	0.0088	102885	0.6863
	31/03/2017-Transfer	300	0.0020	103185	0.6883
	At the End of the Year (or on the date of separation, if separated during the Year) 31/03/2017	-	-	103185	0.6883
<b>3</b>	<b>JHILIK PROMOTERS AND FINCON PRIVATE LIMITED *</b>				
	At the beginning of the Year-01/04/2016	0	0.0000		
	Date wise Increase / Decrease in Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
	17/06/2016 - Transfer	458730	3.0600	458730	3.0600
	At the End of the Year (or on the date of separation, if separated during the Year) 31/03/2017	-	-	458730	3.0600
<b>4</b>	<b>MOHAN OVERSEAS (P) LTD #</b>				
	At the beginning of the Year-01/04/2016	200169	1.3353		
	Date wise Increase / Decrease in Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
	17/03/2017-Transfer	-200000	1.3341	169	0.0011
	At the End of the Year (or on the date of separation, if separated during the Year) 31/03/2017	-	-	169	0.0011



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Sl. No.	For Each of the Top 10 Shareholders	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
5	<b>AUM CAPITAL MARKET PRIVATE LIMITED</b>				
	At the beginning of the Year-01/04/2016	678579	4.5266		
	Date wise Increase / Decrease in Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
	08/04/2016- Transfer	5178	0.0345	683757	4.5611
	15/04/2016-Transfer	-5178	0.0345	678579	4.5266
	22/04/2016-Transfer	2000	0.0133	680579	4.5399
	29/04/2016-Transfer	-2000	0.0133	678579	4.5266
	27/05/2016-Transfer	341	0.0023	678920	4.5289
	03/06/2016-Transfer	10221	0.0682	689141	4.5970
	10/06/2016-Transfer	-628	0.0042	688513	4.5928
	17/06/2016-Transfer	-4934	0.0329	683579	4.5599
	24/06/2016-Transfer	3000	0.0200	686579	4.5799
	30/06/2016-Transfer	807	0.0054	687386	4.5853
	08/07/2016-Transfer	-3206	0.0214	684180	4.5639
	15/07/2016-Transfer	-601	0.0040	683579	4.5599
	22/07/2016-Transfer	1000	0.0067	684579	4.5666
	29/07/2016-Transfer	-1000	0.0067	683579	4.5599
	05/08/2016-Transfer	6000	0.0400	689579	4.6000
	12/08/2016-Transfer	-1000	0.0067	688579	4.5933
	19/08/2016-Transfer	-5000	0.0334	683579	4.5599
	23/09/2016-Transfer	1000	0.0067	684579	4.5666
	30/09/2016-Transfer	1249	0.0083	685828	4.5749
	07/10/2016-Transfer	-1342	0.0090	684486	4.5660
	14/10/2016-Transfer	-907	0.0061	683579	4.5599
	21/10/2016-Transfer	500	0.0033	684079	4.5633
	28/10/2016-Transfer	-500	0.0033	683579	4.5599
	04/11/2016-Transfer	180	0.0012	683759	4.5611
	11/11/2016-Transfer	-180	0.0012	683579	4.5599
	18/11/2016-Transfer	1000	0.0067	684579	4.5666
	25/11/2016-Transfer	1000	0.0067	685579	4.5733
	02/12/2016-Transfer	-2000	0.0133	683579	4.5599
	27/01/2017-Transfer	500	0.0033	684079	4.5633
	03/02/2017-Transfer	-500	0.0033	683579	4.5599
	17/02/2017-Transfer	750	0.0050	684329	4.5649
	24/02/2017-Transfer	4250	0.0284	688579	4.5933
	03/03/2017-Transfer	1493	0.0100	690072	4.6032
	10/03/2017-Transfer	-314528	2.0981	375544	2.5051
	17/03/2017-Transfer	-3692	0.0246	371852	2.4805
	24/03/2017-Transfer	-2625	0.0175	369227	2.4630

## Annexure to the Directors' Report

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the Year		Cumulative shareholding during the Year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the End of the Year (or on the date of separation, if separated during the Year) 31/03/2017	-	-	369227	2.4630
<b>6</b>	<b>VEEPOINT COMMERCE PRIVATE LIMITED #</b>				
	At the beginning of the Year-01/04/2016	458730	3.0600		
	Date wise Increase / Decrease in Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
	17/06/2016-Transfer	-458730	3.0600	0	0.0000
	At the End of the Year (or on the date of separation, if separated during the Year) 31/03/2017	0	0.0000	0	0.0000
<b>7.</b>	<b>MAHENDRA GIRDHARILAL</b>				
	At the beginning of the Year-01/04/2016	112113	0.7479		
	Date wise Increase / Decrease in Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the End of the Year (or on the date of separation, if separated during the Year) 31/03/2017	-	-	112113	0.7479
<b>8</b>	<b>MEC EXIM PRIVATE LIMITED</b>				
	At the beginning of the Year-01/04/2016	60000	0.4002		
	Date wise Increase / Decrease in Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) :	-	-	-	-
	At the End of the Year (or on the date of separation, if separated during the Year) 31/03/2017	-	-	60000	0.4002
<b>9</b>	<b>MOTILAL OSWAL ASSET MANAGEMENT COMPANY LIMITED</b>				
	At the beginning of the Year-01/04/2016	0	0.0000		
	Date wise Increase / Decrease in Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) :				
	17/03/2017 –Transfer	200000	1.3341	200000	1.3341
	24/03/2017 - Transfer	-200000	1.3341	0	0.0000
	At the End of the Year (or on the date of separation, if separated during the Year) 31/03/2017	-	-	0	0.0000

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Sl. No.	For Each of the Top 10 Shareholders	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
<b>10</b>	<b>RELIGARE FINVEST LTD #</b>				
	At the beginning of the Year-01/04/2016	239500	1.5976		
	Date wise Increase / Decrease in Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) :				
	29/07/2016-Transfer	-100000	0.6671	139500	0.9306
	07/10/2016- Transfer	-139500	0.9306	0	0.0000
	At the End of the Year (or on the date of separation, if separated during the Year) 31/03/2017	-	-	0	0.0000
<b>11</b>	<b>BHAIRAVI KAUSHIK KAMDAR*</b>				
	At the beginning of the Year-01/04/2016	0	0.0000		
	Date wise Increase / Decrease in Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
	31/03/2017-Transfer	69052	0.4606	69052	0.4606
	At the End of the Year (or on the date of separation, if separated during the Year) 31/03/2017	-	-	69052	0.4606
<b>12</b>	<b>PUNNI SANGHAVI *</b>				
	At the beginning of the Year-01/04/2016	0	0.0000		
	Date wise Increase / Decrease in Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
	07/10/2016- Transfer	139500	0.9306	139500	0.9306
	At the End of the Year (or on the date of separation, if separated during the Year) 31/03/2017	-	-	139500	0.9306
<b>13</b>	<b>KAMAL RAJ MEHTA</b>				
	At the beginning of the Year-01/04/2016	51125	0.3410		
	Date wise Increase / Decrease in Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment /transfer/ bonus/ sweat equity etc	-	-	-	-
	At the End of the Year (or on the date of separation, if separated during the Year) 31/03/2017	-	-	51125	0.3410
<b>14</b>	<b>INDU DEVI MOHATTA</b>				
	At the beginning of the Year-01/04/2016	129423	0.8633		
	Date wise Increase / Decrease in Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment /transfer/ bonus/ sweat equity etc	-	-	-	-
	At the End of the Year (or on the date of separation, if separated during the Year) 31/03/2017	-	-	129423	0.8633

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Sl. No.	For Each of the Top 10 Shareholders	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
15	<b>R N RUBESH</b>				
	At the beginning of the Year-01/04/2016	114568	0.7642		
	Date wise Increase / Decrease in Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment /transfer/ bonus/ sweat equity etc)	-	-	-	-
	At the End of the Year (or on the date of separation, if separated during the Year) 31/03/2017	-	-	114568	0.7642
16	<b>SANGEETHA S</b>				
	At the beginning of the Year-01/04/2016	65850	0.4393		
	Date wise Increase / Decrease in Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment /transfer/ bonus/ sweat equity etc.)				
	21/10/2016 – Transfer	1266	0.0084	67116	0.4477
	02/12/2016	7884	0.0526	75000	0.5003
	At the End of the Year (or on the date of separation, if separated during the Year) 31/03/2017	-	-	75000	0.5003
17	<b>P K ABDUL SAMAD #</b>				
	At the beginning of the Year-01/04/2016	56000	0.3736		
	Date wise Increase / Decrease in Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment /transfer/ bonus/ sweat equity etc.)				
	22/04/2016 – Transfer	6200	0.0414	62200	0.4149
	29/04/2016 – Transfer	9400	0.0627	71600	0.4776
	06/05/2016 – Transfer	2400	0.0160	74000	0.4936
	27/05/2016 – Transfer	-4000	0.0267	70000	0.4669
	17/06/2016 – Transfer	-10150	0.0677	59850	0.3992
	24/06/2016 – Transfer	150	0.0010	60000	0.4002
	08/07/2016 – Transfer	-8000	0.0534	52000	0.3469
	15/07/2016 – Transfer	-10000	0.0667	42000	0.2802
	22/07/2016 – Transfer	-9000	0.0600	33000	0.2201
	29/07/2016 – Transfer	-15000	0.1001	18000	0.1201
	05/08/2016 – Transfer	-14000	0.0934	4000	0.0267
	12/08/2016 – Transfer	-4000	0.0267	0	0.0000
	20/01/2017 – Transfer	1000	0.0067	1000	0.0067
	03/02/2017 – Transfer	-1000	0.0067	0	0.0000
	At the End of the Year (or on the date of separation, if separated during the Year) 31/03/2017	-	-	0	0.0000

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\* Not in the list of Top 10 shareholders as on 01/04/2016. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2017.

# ceased to be in the list of Top 10 shareholders as on 31/03/2017. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01/04/2016.

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

Sl. No.	For Each of the Directors and KMP	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.	Sandeep Singhania				
	At the beginning of the Year : 01/04/2016	362369	2.4172		
	Date wise Increase / Decrease in Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NO CHANGE DURING THE YEAR			
	At the end of the Year : 31/03/2017	-	-	362369	2.4172
2.	Sarita Singhania				
	At the beginning of the Year : 01/04/2016	500491	3.3386		
	Date wise Increase / Decrease in Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NO CHANGE DURING THE YEAR			
	At the end of the Year : 31/03/2017	-	-	500491	3.3386

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	1102.64	17.12	—	1119.76
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	5.07	1.90	—	6.97
<b>Total { i) + ii) + iii)}</b>	1107.71	19.02	—	1126.73
<b>Change in Indebtedness during the financial year</b>				
• Addition	266.72	58.83	—	325.55
• Reduction	(132.36)	(24.94)	—	(157.30)
<b>Net Change</b>	134.36	33.89	—	168.25
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	1240.17	50.33	—	1290.50
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	1.90	2.58	—	4.48
<b>Total { i) + ii) + iii)}</b>	1242.07	52.91	—	1294.98

Those who drank more than 6 cups per day, had a more than 50% lower risk of coronary heart disease compared to tea abstainers.

## Annexure to the Directors' Report

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

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

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Mr. Sandeep Singhania Managing Director	Mrs. Sarita Singhania Whole time Director	Total Amount (₹)
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	44.33	29.49	73.82
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	—	—	—
	(c) Profits in lieu of salary under Sec. 17(3) of Income tax Act, 1961	—	—	—
2.	Stock Option	—	—	—
3.	Sweat Equity	—	—	—
4.	Commission — as % of profit — Others, specify...	—	—	—
5.	Others, please specify	—	—	—
	Total (A)	44.33	29.49	73.82
The limit is as per the provisions of the Companies Act, 2013				

#### B. Remuneration to other Directors :

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Name of Director			Total Amount (₹)
		H. M. Parekh	N. F. Tankariwala	Gautam Bhalla	
1.	Independent Directors				
	• Fee for attending board / committee meetings	0.4	0.435	0.435	1.27
	• Commission	—	—	—	—
	• Others	0.02	0.02	0.02	0.06
	(Separate Meeting of Independent Directors)				
	Total (1)	0.42	0.455	0.455	1.33
2.	Other Non-Executive Directors				
	• Fee for attending board / committee meetings	—	—	—	—
	• Commission	—	—	—	—
	• Others, please specify	—	—	—	—
	Total (2)	—	—	—	—
	Total (B)=(1+2)	0.42	0.455	0.455	1.33
The limit is as per the provisions of the Companies Act, 2013					



## Annexure to the Directors' Report

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

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Manoj Agarwala** Chief Financial Officer & Company Secretary	Ramesh Kumar Jhunjhunwala* Chief Financial Officer	Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7.78	1.76	9.54
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	—	—	—
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	—	—	—
2	Stock Option	—	—	—
3	Sweat Equity	—	—	—
4	Commission — as % of profit — Others, specify...	—	—	—
5	Others, please specify	—	—	—
	Total	7.78	1.76	9.54

#### Notes :

\* Resigned from the post of Chief Financial Officer with effect from 13th August, 2016 but continued to be employee of the company.

\*\* Appointed as Chief Financial Officer with effect from 13th August, 2016.

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

There were no Penalties / Punishment / Compounding of offences for breach of any provisions of the Companies Act, 2013 against the Company or its Directors or other Officers in default, during the Year.

For and on behalf of the Board

Registered Office :  
3B, Lal Bazar Street  
Kolkata - 700 001  
Date : 17th May, 2017

Sd/-  
**Sandeep Singhania**  
Managing Director  
(DIN: 00343837)

Sd/-  
**Sarita Singhania**  
Director (Sales & Marketing)  
(DIN: 00343786)

## Annexure to the Directors' Report

Annexure-“B”



# Management DISCUSSION AND ANALYSIS

## INDUSTRY STRUCTURE AND DEVELOPMENT

The world crop was significantly high when compared to last year. The major crop increase came from Kenya where crop increased by 18% to stand at 473.01 million kgs. against 399.21 million kgs. recorded during the corresponding period of 2015. This is the highest production recorded of Kenyan tea over the years whereas Sri Lankan tea production totaled 292.36 million kgs. showing a decrease of 36.41 million kgs. vis-à-vis 328.17 million kgs. of January-December, 2015. During 2016 Indian tea saw record production at 1,239 million kgs. and exported 232.9 million kgs. valued at Rs.4,493 crore, breaching the 230 million kgs. mark after 35 years. It will be interesting to note that 35% of the total Indian tea production is contributed by small growers and contribution from organized sector is declining every year.

Indian tea consumption continues to grow at a steady rate of 3% CAGR. However, per capita consumption continues to remain low when compared to other developing nations.

## SEGMENT ANALYSIS

Tea crop is entirely dependent on weather conditions being agriculture in nature. With continued uncertain weather conditions, the crop tends to suffer because of excessive rainless period followed by pest infestation. However, with our prudent field practices and 100% irrigation facilities, we have been able to outperform by way of higher production by 100246 Kgs. when compared to previous year.

## OPPORTUNITIES AND THREATS

The Global tea production has been more or less stagnant during past years with small range variation depending upon the weather condition. Global demand is likely to grow up by 2% to 3% which would create lower inventory

level. India's own consumption is growing steadily at 3% CAGR whereas production of tea is more or less consistent in last few years which will give a boost to the Indian tea market in coming years. However, Indian exports are more or less constant and is facing major competition from other exporting countries like Sri Lanka, Kenya and China.

## RISKS AND CONCERNS

Tea is an agricultural product and largely dependent on the vagaries of nature. It is labour intensive and is subject to stringent labour laws. Substantial increase in labour wages, high social cost and input costs remains a major problem for tea industry. Shortage of labours during peak season remains a continuous challenge to make quality. These problems need to be addressed by improving productivity and introducing cost savings practices. A risk management policy has been adopted by the Company in both its tea estates as well as at Head Office.

## OUTLOOK

The current year has started with a poor weather condition wherein drought has extended upto March end and has adverse impact on the crop. Indian Tea Production is down by 14 million kgs. by end of March, 2017. In addition to that there is a crop shortfall throughout the world lead by Kenya which is down by 90 million kgs. till March end. This is expected to have positive impact on the tea market where the price realization is expected to be higher. However, higher cost of production due to increased cost of wages & salaries, cost of inputs and increased period of irrigation together with higher pesticide cost is likely to dent the profitability of the tea companies. Strategies need to be implemented to survive in the difficult scenario by way of improving the yields, enhancing the quality and reduction in cost of production.

*Tea provides nearly 90 percent of the flavonoid antioxidants per capita in US diet.*

## Management Discussion and Analysis

### FINANCIAL REVIEW AND ANALYSIS

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

### INTERNAL CONTROL

The Company has laid down policies, guidelines and procedures, which form part of its internal control system. The Company's internal control system are periodically tested and supplemented by an extensive programme of internal audit by independent firm of Chartered Accountants. Audits are finalized and conducted based on internal risk assessment. Significant findings are brought to the notice of the Audit Committee of the Board and corrective measures are recommended for implementation.

### MATERIAL DEVELOPMENT IN HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Industrial relations in all tea estates and units continued to be cordial. Focus on better deployment of labour in garden area has resulted in improving productivity both in quantitative and qualitative manner. The total number of people employed in your Company as on 31st March, 2017 was 3647.

### CAUTIONARY STATEMENT

The statements in the report of the Board of Directors and the Management's Discussion and Analysis Report describing the Company's projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable Securities Laws and Regulations. Actual results could differ materially from those expressed or implied since the Company's operations are influenced by many external and internal factors beyond the control of the Company.

For and on behalf of the Board

Registered Office :  
3B, Lal Bazar Street  
Kolkata - 700 001  
Date : 17th May, 2017

Sd/-  
**Sandeep Singhania**  
Managing Director  
(DIN: 00343837)

Sd/-  
**Sarita Singhania**  
Director (Sales & Marketing)  
(DIN: 00343786)



# Report on Corporate GOVERNANCE

Annexure to the Directors' Report

Annexure-“C”

## COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance refers to a combination of regulations, procedures and voluntary practices that enable companies to maximize stakeholders' value by attracting financial and human capital and efficient performance.

The Company's core business is cultivation and manufacturing of tea. The Company continues to lay importance on continuous upliftment of human and economic assets like plantations. The Company's overall philosophy is to gain excellence in all spheres of operation and growth.

## 1. BOARD OF DIRECTORS

### Composition :

As per Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, our Board have an optimum combination of Executive and Non-Executive Directors with atleast one Women Director and not less than 50% of the Board of Directors consists of Non-Executive Directors.

### Membership on other Board of Directors / Committee of Directors and Attendance record for the Company :

During the financial year, four Board meetings were held as on May 30, 2016, August 13, 2016, November 14, 2016 and February 14, 2017.

Directors	Category	No. of Board Meetings Attended	Attendance at the last AGM	No of outside Directorship held **	No. of outside Committee Membership held *	No. of outside Committee Chairmanship held *	No. of shares and convertible instruments held***
Mr. Sandeep Singhania (Managing Director)	Executive Non Independent	4	Yes	3	–	–	N.A.
Mrs. Sarita Singhania (Whole-time Director)	Executive Non Independent	4	Yes	1	–	–	N.A.
Mr. Harischandra Maneklal Parekh	Non-Executive Independent Director	4	Yes	8	5	4	–
Mr. Noshir Faramji Tankariwala	Non-Executive Independent Director	4	No	–	–	–	–
Mr. Gautam Bhalla	Non-Executive Independent Director	4	Yes	–	–	–	–

\*Represents Chairmanship/Membership of Audit Committee and Stakeholders Relationship Committee. None of the Directors on the Board is a member of more than 10 committees and Chairman of more than 5 committees in any Company [as per Regulation 26(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 across all public entities in which he is a Director. All the Directors have made the requisite disclosures regarding Committees positions held by them in other Companies.

*Tea with lemon, tea with honey, It is healthy and costs little money.*

## Report on Corporate Governance

No Director is related to any other Director on the Board in terms of the definition of "Relative" given under the Companies Act, 2013.

\*\* Excludes Directorships in Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013.

\*\*\*Represents number of shares and convertible instruments held by non-executive directors as on 31.03.2017.

### Independent Directors

The Non-Executive Independent Directors fulfil the conditions of Independence specified in Section 149 of the Companies Act, 2013 and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### Separate Meeting of Independent Directors

As stipulated by the Code of Independent Directors under Companies Act, 2013 and the (Listing Obligations and Disclosure Requirements) Regulations, 2015 a separate meeting of the Independent Directors of the Company was held on 20.02.2017 to review the performance of Non-Independent Directors and Board as a whole. The Independent Directors also reviewed the quality, quantity and timeliness of the flow of information between the Management and the Board.

### Familiarisation Program

The Company has taken step to familiarize its directors including Independent Directors about the Company operations, business model, industry in which the Company operates and their role and responsibilities. The details of such program is posted on the Company's weblink: [http://www.dianatea.in/directors-familiarisation-programme\\_9.pdf](http://www.dianatea.in/directors-familiarisation-programme_9.pdf)

## 2. AUDIT COMMITTEE

The Company has an Qualified Independent Audit Committee within the scope as set out in Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013. Audit Committee of the Board of Directors ("the Audit Committee") is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process.

The Audit Committee comprises of Mr. H.M. Parekh, Chairman of the Committee, Mr. N. F. Tankariwala, Independent Director, Mr. Gautam Bhalla, Independent Director and Mr. Sandeep Singhania, Managing Director of the Company. The Chairman of the Audit Committee attended the last Annual General Meeting which was held on 21.09.2016.

Mr. Manoj Agarwala, CFO & Company Secretary, acted as the Secretary of the Committee.

### Terms of Reference

The Audit Committee acts as a link between the Internal and Statutory Auditors and the Board of Directors. The Committee provides the Board with additional assurance as to the adequacy of the Company's internal control systems and financial disclosures. The broad terms of reference of the Audit Committee as per Section 177 of the Companies Act, 2013 and to review with the Management and/or Internal Auditors and/or Statutory Auditors in the following areas:

- Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible
- Reviewing the quarterly, half-yearly and annual financial statements before submission to the Board
- Reviewing with the management, external and internal auditors, the adequacy of internal control systems
- Reviewing the adequacy of internal audit function
- Discussing with internal and external auditors any significant finding and follow-up on such issues
- Reviewing key accounting matters and developments
- Reviewing the utilization of funds raised by the Company
- Reviewing the statutory compliance system
- Reviewing the related parties' transactions
- Reviewing other matters as directed by the Board

Four Meetings of Audit Committee were held for the financial year 2016-17 as on May 30, 2016, August 13, 2016, November 14, 2016 and February 14, 2017.

Attendance Record of the Audit Committee Meetings:

Sl. No.	Name of Directors	No. of Meetings Attended
1)	Mr H.M. Parekh	4
2)	Mr. Gautam Bhalla	4
3)	Mr. N. F. Tankariwala	4
4)	Mr. Sandeep Singhania	4

## 3. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprises of three Directors, Mr. H.M. Parekh, Non-Executive, Independent Director, is the Chairperson of the Committee. The other members of the Nomination and Remuneration

## Report on Corporate Governance

Committee include Mr. N.F. Tankariwala and Mr. Gautam Bhalla, Independent Directors. The Composition of Nomination and Remuneration Committee is pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### Performance evaluation criteria for Independent Directors:

The framework used to evaluate the performance of the Independent Directors is based on the expectation that they are performing their duties in a manner which should create and continue to build sustainable value for the shareholders, and in accordance with the duties and obligations imposed upon them.

### Terms of Reference

Terms of reference of this committee are :

1. Determining/ recommending the criteria for appointment of Executive, Non-Executive and Independent Directors to the Board.
2. Determining/ recommending the criteria for qualification, positive attributes and Independence of Directors.
3. Reviewing and determining all elements of remuneration package of all Executive Directors i.e. salary, benefits etc.
4. To assist the Board in fulfilling responsibilities entrusted from time-to-time.
5. To help in determining the appropriate size, diversity and composition of the Board.
6. Evaluating each director's performance and performance of the Board as a whole.

Two meetings of the Nomination & Remuneration Committee were held as on 30th May, 2016 and 13th August, 2016.

### Attendance record of the Nomination & Remuneration Committee meetings :

Sl. No.	Name of Directors	No. of Meetings Attended
1)	Mr. H.M. Parekh	2
2)	Mr. Gautam Bhalla	2
3)	Mr. N. F. Tankariwala	2

### 4. REMUNERATION POLICY

#### Non-Executive Directors :

The Company follows a policy on remuneration of Directors and Senior Management Employees. Non Executive director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and the Companies Managerial Remuneration, 2014.

The Nomination and Remuneration Committee have formulated the criteria for determining qualifications, Positive attributes and independence of a Director in line with the requirements as given under Schedule IV of the Companies Act, 2013. All the Independent Directors have been appointed based on such criteria.

The criteria for making payment to non-executive directors is displayed on the Company's weblink: [http://www.dianatea.in/Criteria%20of%20making%20payment%20to%20non-executive%20directors\\_6.pdf](http://www.dianatea.in/Criteria%20of%20making%20payment%20to%20non-executive%20directors_6.pdf)

### Executive Directors :

The Nomination and Remuneration Committee takes into account experience, qualification and prevailing industry practices before giving its recommendation to the Board. On recommendation of the Nomination and Remuneration Committee, the Board decides remuneration to be paid to Executive Directors, subject to approval of shareholders in terms of provisions of the Companies Act, 2013, read with Schedule V thereof. The Committee aims towards rewarding, on the basis of performance and reviews on a periodical basis.

Presently, the Company does not have a stock options scheme for its Directors.

Details of remuneration paid to Directors are as under:

(₹ In Lakhs)

Name of the Directors	Salary and Allowance	Contribution to Provident Fund	Total
Mr. Sandeep Singhania	39.58	4.75	44.33
Mrs. Sarita Singhania	26.33	3.16	29.49

Sitting Fees paid to the Non-Executive Directors during the Financial Year are as under :

Name of Non-Executive Directors	Sitting fees (₹ in Lakhs)	
	Board Meeting	Committee Meeting
Mr. H.M. Parekh	0.28	0.12
Mr. Gautam Bhalla	0.28	0.155
Mr. N. F. Tankariwala	0.28	0.155
<b>Total</b>	<b>0.84</b>	<b>0.43</b>

None of the Non-Executive Directors has any material financial interest in the Company apart from the remuneration by way of sitting fees received by them during the year. There is no precuniary relationship or transactions of the non-executive Directors with the Company.



## Report on Corporate Governance

### 5. STAKEHOLDERS RELATIONSHIP COMMITTEE

Pursuant to provisions of section 178(5) of Companies Act, 2013 the committee is guided under Chairmanship of Mr. N.F.Tankariwala, an Independent Director, and other members of the Committee includes Mr. Gautam Bhalla, an Independent Director, Mr. Sandeep Singhania, Managing Director and Mrs. Sarita Singhania, Whole Time Director. The meetings of the committee are held to consider and resolve the grievances of Security Holders of the Company. The Committee met as and when required during the financial year 2016-17.

Total Eight Meetings were held during the financial year as on June 2, 2016, July 25, 2016, October 13, 2016, November 17, 2016, December 15, 2016, December 29, 2016, January 5, 2017 and February 9, 2017.

All the Directors are present in each of the meeting held during the period under review.

a)	No. of Complaints not resolved/no action taken/pending as on 1st April, 2016	Nil
b)	Complaints received from investors	1
c)	Complaints replied/resolved to the satisfaction of investors	1
d)	Complaints pending as on 31st March, 2017	Nil

There were also no investors' complaints pending against the Company as on 31st March, 2017 on SCORES, the web based complaint redressal system of SEBI.

The Secretary of the Company acts as the Compliance Officer of the Committee.

**Terms of Reference of the Committee, inter alia, includes the following :**

1. Oversee and review all matters connected with the transfer of the Company's securities;
2. Approve issue of Company's duplicate shares;
3. Monitor redressal of investors' / shareholders' grievances;
4. Oversee the performance of the Company's Registrars and Share Transfer Agents;
5. Recommend methods to upgrade the standard of services to investors;
6. Carry out any other function as is referred by the Board from time to time or enforced by statutory notification /amendment or modification as may be applicable.

The Secretarial Department of the Company and the Registrar and Share Transfer Agent, Maheshwari Datamatics Pvt. Ltd., attend to all grievances of the shareholders received directly or through SEBI, Stock Exchange, Ministry of Corporate Affairs, etc.

Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors.

Shareholders are requested to furnish their updated telephone numbers and e-mail addresses to facilitate prompt action.

#### **Name, designation and address of Compliance Officer :**

Mr. Ramesh Kumar Jhunjhunwala, Compliance Officer\*  
Diana Tea Company Limited  
Sir RNM House  
3B, Lal Bazar Street, 4th Floor, Kolkata –700 001  
Phone: (033) 4066 1590-93  
Fax: (033) 2248 7571  
E-mail: contactus@dianatea.in

\* Designated as Compliance Officer w.e.f 31.03.2017.

### 6. GENERAL BODY MEETINGS

**a) Details regarding venue, date and time of last three Annual General Meetings of the Company are as follows:**

Financial Year/Period	Date	Time	Location
2015-16 (Fifteen Months)	21.09.2016	10:30 a.m.	Gyan Manch Education Society Hall, 11, Pretoria Street, Kolkata - 700071
2014	26.06.2015	10:30 a.m.	Gyan Manch Education Society Hall, 11, Pretoria Street, Kolkata - 700071
2013	28.06.2014	10:30 a.m.	Gyan Manch Education Society Hall, 11, Pretoria Street, Kolkata - 700071

**b) Details regarding Special Resolution passed in last three Annual General Meetings :**

The following Special Resolution was passed by the Members during the last three Annual General Meetings:

Financial Year/Period	Special Resolution
2015-16 (Fifteen Months)	1. Re-appointment of Mrs. Sarita Singhania as Whole-time Director (WTD) of the Company for a period of 5 years.
2014	1. Re-appointment of Mr. H.M. Parekh as Independent Director of the Company who is not liable to retire by Rotation. 2. Re-appointment of Mr. N.F. Tankariwala as Independent Director of the Company who is not liable to retire by Rotation. 3. Ratification of Remuneration of Cost Auditor. 4. Re-appointment of Mr. Sandeep Singhania as Managing Director of the Company.

## Report on Corporate Governance

2013	1. Appointment of Mrs. Sarita Singhania as Whole-Time Director of the Company, designated as Director (Sales and Marketing).
	2. Fixation of Borrowing Limits of the Company.
	3. Creation of Charge on Company's Properties.

### c) Details regarding Resolutions passed through postal ballot :

During the financial year 2016-17, no Special Resolutions were passed through Postal Ballot. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing Special Resolutions through Postal Ballot.

### d) Extraordinary General Meeting:

No Extraordinary General Meeting of the members was held during the financial year 2016-17.

## 7. DISCLOSURES

1. All transactions entered into with the Related Parties as defined under Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were in the ordinary course of business and on arm's length basis. There were no materially significant transactions made by the Company with its related party which are at potential conflict with the interest of the Company at large. The Company has formulated Policy on dealing with related party transactions which is available in the web link: [www.dianatea.in/Policy-on-Related-Party-transactions\\_7.pdf](http://www.dianatea.in/Policy-on-Related-Party-transactions_7.pdf)

Details of all related party transactions form a part of the accounts as required under Accounting Standard -18 as notified by the Companies (Accounting Standards) Rules, 2006 and the same are given in the Notes to the Financial Statements.

The omnibus approval of the Audit Committee is taken for all proposed related party transactions and the details of all related party transactions actually entered into in the preceding quarter is placed before the Audit Committee in the next meeting.

2. No penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital market for non-compliance by the Company during the last three years.
3. Business risk evaluation and management is an ongoing process within the Company. The Company has been addressing various risks impacting the Company and presently there is no risk which is threatening the Company.

4. The Company does not have any subsidiaries. However the Company has formulated policy for determining 'material' subsidiaries which is available on the web link: [http://www.dianatea.in/Policy\\_for\\_determining\\_material\\_subsidaries\\_8.pdf](http://www.dianatea.in/Policy_for_determining_material_subsidaries_8.pdf)
5. The Company is not required to adopt discretionary requirements as specified in Regulation 27(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 because no such activities took place in the Company.
6. The Company has complied with the mandatory requirements as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges.
7. The Company has adopted Revised Whistle Blower Policy (Vigil Mechanism) for Directors and employees which has been placed in the website of the Company: [www.dianatea.in](http://www.dianatea.in/Whistle_Blower_Diana.pdf) at the weblink: [http://www.dianatea.in/Whistle\\_Blower\\_Diana.pdf](http://www.dianatea.in/Whistle_Blower_Diana.pdf) No personnel has been denied access to Audit committee in the related matter.
8. In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.
9. Other non-mandatory requirements shall be adopted as and when considered appropriate.

## 8. CEO/CFO CERTIFICATION

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) have issued necessary certificates pursuant to Regulation 17(8) and the same is annexed and forms part of the Annual Report.

## 9. MEANS OF COMMUNICATION

- i. Quarterly results and half-yearly results are published in newspapers such as The Financial Express, Arthik Lipi/Sukhabar (Bengali) and displayed at the website : [www.dianatea.in](http://www.dianatea.in)
- ii. Company's e-mail address: [contactus@dianatea.in](mailto:contactus@dianatea.in)
- iii. Management Discussion and Analysis Report forms part of the Director's Report.
- iv. No presentation has been made to institutional investors/analysts. Audited/Unaudited Financial Reports including official news releases are displayed in the website.

## Report on Corporate Governance

### 10. GENERAL SHAREHOLDERS' INFORMATION

#### (a) AGM date, time and venue :

Saturday, 12th August, 2017 at 10:30 A.M.  
Gyan Manch Education Society Hall,  
11, Pretoria Street, Kolkata-700 071

#### (b) Financial Calendar and publication of results :

The current Financial Year of the Company shall be for a period of twelve months ending on 31st March, 2018

Publication of Results will be as follows :

Period	Approval by the Board of Director (tentative)
1st Quarter ending June 30, 2017	Within 14th August, 2017
2nd Quarter & Half-yearly ending September 30, 2017	Within 14th November, 2017
3rd Quarter ending December 31, 2017	Within 14th February, 2018
Final Audited Results of March 31, 2018 including 4th Quarter	Within 30th May, 2018
AGM for the year ending March 31, 2018	Within 30th September, 2018

#### (c) Dividend payment date

Within 11th day of September, 2017  
(after declaration at AGM)

#### d) Listing on Stock Exchanges :

The Company's securities are listed at :

Sl. No.	Name of the Stock Exchanges	Stock Code
1	BSE Ltd. Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai - 400 001	530959
2	The Calcutta Stock Exchange Ltd.* 7, Lyons Range, Kolkata – 700 001	14038
3	Delhi Stock Exchange Association Ltd.* DSE House, 3/1 Asaf Ali Road, New Delhi - 110 002	8273
4	Ahmedabad Stock Exchange Ltd.* Kamdhenu Complex, Panjara Pole, Ambawadi, Ahmedabad - 380 015	14121

\* The Company has applied for delisting of shares from i) The Calcutta Stock Exchange Ltd., ii) Delhi Stock Exchange Association Ltd. and iii) Ahmedabad Stock Exchange Ltd.

However, The Company had been suspended for trading from i) Calcutta Stock Exchange and ii) Delhi Stock Exchange Association Ltd.

Custodial fees to Depositories: The custodial fee has been paid to NSDL and CDSL upto 31st March, 2017.

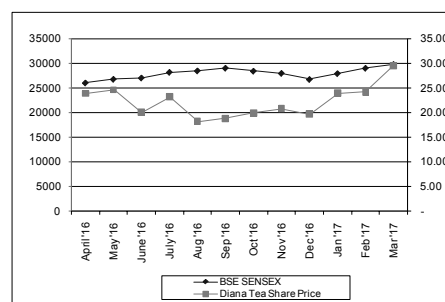
The Listing Fees has been paid to BSE Ltd upto 31st March, 2017.

#### (e) Stock Price Data :

(Amount in ₹)

Month	BSE Ltd.	
	High	Low
April 2016	23.95	17.25
May 2016	24.70	16.10
June 2016	20.10	15.05
July 2016	23.30	17.60
August 2016	18.25	15.65
September 2016	18.90	16.05
October 2016	20.00	17.00
November 2016	20.90	16.00
December 2016	19.80	17.60
January 2017	24.00	17.90
February 2017	24.25	18.00
March 2017	29.65	20.20

#### (f) Performance in comparison to BSE SENSEX :



#### (g) Registrar to an issue and share transfer agents:

As per Regulation 7(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company shall appoint a share transfer agent in order to carry out the share transfer facility. The Company has appointed the following for carrying out the purpose :

##### M/s. Maheshwari Datamatics Pvt. Ltd.

23, R. N. Mukherjee Road, 5th Floor, Kolkata-700 001

Phone : (033) 2243-5029/5809, 2248-2248

Fax : (033) 2248-4787

E-mail : mdpldc@yahoo.com

## Report on Corporate Governance

### (h) Share Transfer System :

The Company's shares are in compulsory Dematerialised mode. The transfer of shares is processed and completed by Registrar & Share Transfer Agent who are registered with the Board. Certificate on Half Yearly basis have been issued by a Company Secretary in practice for due compliance of share transfer formalities by the Company within the prescribed time limit as per Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### (i) Dematerialisation of shares:

The shares of the Company are compulsorily traded in dematerialised form under depository systems of both National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

### Reconciliation of Share Capital Audit Report

As stipulated by SEBI, a qualified Practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit report confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchange where the Company's shares are listed and to the Board of Directors.

### (j) a) Distribution of share holding as on 31st March, 2017 :

Group of shares	No. of shareholders	% age	No. of Shares held	% age to total shares
1 to 500	5480	80.27	6,66,068	4.44
501 to 1000	592	8.67	4,93,432	3.29
1001 to 2000	338	4.95	5,31,488	3.55
2001 to 3000	130	1.91	3,36,806	2.25
3001 to 4000	76	1.11	2,72,947	1.82
4001 to 5000	57	0.83	2,70,052	1.80
5001 to 10000	92	1.35	6,98,433	4.66
Above 10000	62	0.91	1,17,21,774	78.19
<b>Total</b>	<b>6,827</b>	<b>100.00</b>	<b>1,49,91,000</b>	<b>100.00</b>

### b) Share holding pattern as on 31st March, 2017 :

Category	No. of shareholders	No. of shares held	% of shareholding
Promoters	12	91,94,854	61.34
Private Body Corporates	98	13,54,530	9.03
Individuals	6602	42,60,352	28.42
Qualified Foreign Investors/NRI	29	32,148	0.21
Clearing Member	54	1,34,374	0.90
Custodian of Enemy Properties	32	14,742	0.10
<b>Total</b>	<b>6827</b>	<b>1,49,91,000</b>	<b>100.00</b>

### c) Dematerialisation of shares and liquidity as on 31st March, 2017 :

Nature of holding	Holders	Shares	Percentage
Physical	839	2,01,833	1.35
Dematerialized	5,988	1,47,89,167	98.65
<b>Total</b>	<b>6,827</b>	<b>1,49,91,000</b>	<b>100.00</b>

International Securities Identification Number (ISIN): INE012E01035

## Report on Corporate Governance

**(k) Outstanding GDR/ADR/Warrants and Convertible Instruments, Conversion dates and likely impact in Equity :**

Not applicable

**(l) Commodity price risk or foreign exchange risk and hedging activities :**

Not applicable

**(m) Plant Locations :**

The Company owns three tea gardens each having its own processing factory at Dooars (North Bengal) in Jalpaiguri District :

a) Diana Tea Estate	b) Baintgoorie Tea Estate	c) Goodhope Tea Estate
P.O. Banarhat - 735 202	P.O. Mal - 735 221	P.O.Dam Dim - 735 209

**(n) Address for correspondence (Registered Office)**

Diana Tea Company Limited  
 Sir RNM House  
 3B, Lal Bazar Street, 4th floor  
 Kolkata –700 001  
 Phone: (033) 4066 1590-93  
 Fax: (033) 2248 7571  
 E-mail: contactus@dianatea.in  
 CIN: L15495WB1911PLC002275

**(Registrar & Share Transfer Agents)**

M/s. Maheshwari Datamatics Pvt. Ltd.  
 23, R. N. Mukherjee Road, 5th Floor, Kolkata - 700 001  
 Phone: (033) 2243-5029/5809, 2248-2248  
 Fax: (033) 2248-4787  
 E-mail: mdpldc@yahoo.com

For and on behalf of the Board

Registered Office :  
 3B, Lal Bazar Street  
 Kolkata - 700 001  
 Date : 17th May, 2017

Sd/-  
**Sandeep Singhania**  
 Managing Director  
 (DIN: 00343837)

Sd/-  
**Sarita Singhania**  
 Director (Sales & Marketing)  
 (DIN: 00343786)

## Report on Corporate Governance

### CEO/CFO Certification

To  
The Board of Directors  
Diana Tea Company Limited  
3B, Lal Bazar Street,  
Kolkata – 700 001

We, Sandeep Singhania, Managing Director and Ramesh Kumar Jhunjunwala, Chief Financial Officer of Diana Tea Company Limited to the best of our knowledge and belief, certify that:

1. We have reviewed financial statements and cash flow statement for the financial year ended 31st March, 2017.
2. Based on our knowledge and information, these statements do not contain materially untrue statement or omit any material fact or contain statements that might be misleading.
3. Based on our knowledge and information, the financial statements and other financial information included in the report, present in all material respects, a true and fair view of the company's affairs and are in compliance with the existing accounting standards and/or applicable laws and regulations.
4. To the best of our knowledge and belief, no transactions entered into by the company during the financial year are fraudulent, illegal or violative of the Company's code of conduct.
5. We are responsible for establishing and maintaining internal controls and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
6. We have disclosed based on our most recent evaluation, wherever applicable to the Company's Auditors and the Audit Committee of the Company's Board of Directors:
  - a) significant changes in internal controls during the financial year;
  - b) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - c) instances of significant fraud of which we are aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal controls system.

Place : Kolkata  
Date : 17th May, 2017

Sd/-  
**Sandeep Singhania**  
(DIN: 00343837)  
Managing Director

Sd/-  
**Ramesh Kumar Jhunjunwala**  
(PAN: ACVPJ4503C)  
Chief Financial Officer

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

#### DECLARATION

As required under Regulation 34 (3) read with Schedule V(D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that all Members of the Board of Directors of the Company and the Senior management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended 31st March, 2017.

Place : Kolkata  
Date : 17th May, 2017

Sd/-  
**Sandeep Singhania**  
Managing Director  
(DIN:00343837)



## Report on Corporate Governance

### Auditors' Certificate Regarding Compliance of Conditions of Corporate Governance

To  
The Members of  
Diana Tea Company Limited  
3B, Lal Bazar Street  
Kolkata - 700 001

We have examined the compliance of conditions of Corporate Governance by Diana Tea Company Limited (the "Company"), for the year ended 31st March, 2017, as stipulated in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as SEBI Listing Regulations, 2015).

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us,

We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

4, Chowringhee Lane  
Kolkata - 700 016  
Date : 17th May, 2017

For **DAS & PRASAD**  
Chartered Accountants  
Firm Regn. No.303054E

Sd/-  
**A. K. Agarwal**  
Partner  
Membership No. 062368

## Annexure to the Directors' Report

### Annexure "D"

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

The information under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the financial year ended 31st March, 2017 is given here below and forms part of the Directors' Report.

##### A) Conservation of Energy

- i) In line with the Company's commitment towards conservation of energy, all tea estates continue with their efforts in improving energy efficiency. The steps taken in this direction at various tea estates are as under:
  - a) Online conveyerisation of manufacturing process which resulted in optimisation of capacity utilization thereby savings in energy and increasing efficiency
  - b) Installation of coal savers, reduce coal consumption
  - c) Wind turbo ventilators to save power cost
  - d) Replacement of inefficient motors with energy efficient motors
  - e) Replacement of obsolete machineries with energy and cost saving machineries
  - f) Installation of adequate power capacitors to maximise power factor and load factor resulting in minimum transmission loss and reducing per unit cost
  - g) Installation of LED lights to reduce the consumption of electricity for domestic purpose.
- ii) The steps taken by the company for utilizing alternate sources of energy: During the financial year under review the company has not utilized any other alternate sources of energy for its operation.
- iii) The capital investment/ CWIP on energy conservation equipments is ₹ 67.22 Lakhs.

##### B) Technology Absorption

- i) The efforts made by the Company towards technology absorption during the year under review are:
  - a) Managerial staff are engaged to attend seminars and training programmes for agricultural practices in the field and manufacturing process in the factories
  - b) Introduction of plucking machines in the field to improvise productivity
  - c) Online new conveyerisation of flow process in the factory has eventually helped us in optimising capacity utilization and reduce energy cost
  - d) Usage of low voltage LED light
  - e) Installation of coal saver to reduce coal consumption
  - f) Installation of wind turbo ventilators.
- ii) The benefits derived resulted in increase in productivity and optimization of capacity utilization resulting in cost savings in our tea estates.
- iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) – NOT APPLICABLE.
- iv) The expenditure incurred on Research and Development : The Company contributes for the activities of Tea Research Association regularly. The Company has incurred an expenditure of ₹ 8.17 lakhs for the financial year ended 31st March, 2017.

##### C) Foreign Exchange Earnings and Outgo

During the financial year, the foreign exchange outgo was ₹ 52.28 lakhs and the foreign exchange earning was NIL.

For and on behalf of the Board

Registered Office :  
3B, Lal Bazar Street  
Kolkata - 700 001  
Date : 17th May, 2017

Sd/-  
**Sandeep Singhania**  
Managing Director  
(DIN: 00343837)

Sd/-  
**Sarita Singhania**  
Director (Sales & Marketing)  
(DIN: 00343786)

## Annexure to the Directors' Report

### Annexure "E"

#### DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) AMENDMENT RULES, 2016

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year ended 31.03.2017 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year ended 31.03.2017 are as under :

Sl. No.	Name of Director/ KMP	Designation	Remuneration of Director/ KMP for the financial year 2016-17 (₹ in Lakhs )	% increase in remuneration for the financial year 2016-17 ***	Ratio of remuneration of each director to the median remuneration of the employees for the financial year 2016-17
1.	Sandeep Singhania	Managing Director	44.33	17.87	52.15:1
2.	Sarita Singhania	Wholetime Director	29.49	29.51	34.69:1
3.	Manoj Agarwala	Chief Financial Officer* & Company Secretary	7.78	26.92	NA
4.	Ramesh Kumar Jhunjhunwala	Chief Financial Officer**	1.76	Not Ascertainable	NA

#### Notes :

\* Appointed as Chief Financial Officer with effect from 13th August, 2016.

\*\* Resigned from the post of Chief Financial Officer with effect from 13th August, 2016.

\*\*\* % increase in Remuneration for the current financial year is calculated taking into account remuneration of 12 months (i.e. April 1, 2015 to March 31, 2016) for the previous year.

The non-executive Independent Directors are entitled to sitting fees only. The details of remuneration are provided in Corporate Governance Report.

- (ii) The median remuneration of employees of the Company during the financial year was ₹ 0.85 Lakhs.
- (iii) During the Financial year, there was an increase of (19.81%) in the median remuneration of employees.
- (iv) There were 3647 permanent employees on the rolls of Company as on 31st March, 2017.
- (v) Average percentage increase made in the salaries of employees other than the key managerial personnel in the last financial year was around (1.77%) whereas the increase in the key managerial remuneration for the same financial period was 21.73%.
- (vi) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

Notes: The median remuneration of the employees and Average percentage increase made in the salaries of employees is being increased in the current year as compared from last year as the median remuneration for the last year was for 15months and number of employees in the previous year was more than the current year, hence the increasing figures are coming in negative.

## Annexure to the Directors' Report

### DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) AMENDMENT RULES, 2016

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

Name of the Employee	Designation of the Employee	Remuneration (in lakhs)	Nature of Employment, whether contractual or otherwise	Qualification and Experience of the Employee	Date of commencement of employment	Age of the Employee	Last employment held by such Employee before joining the Company	% of equity shares held by the Employee	Whether any such Employee is a relative of any director or manager, if so, name of such director or manager
Sandeep Singhania	Managing Director	44.33	Otherwise	B. Com. 26 years	21.10.1991	45 years	—	2.4172	—
Sarita Singhania	Whole Time Director	29.49	Otherwise	Arts Graduate 20 years	11.11.2013	53 years	—	3.3386	—
Sudershan Kumar Babal	Chief General Manager (Plantation)	10.74	Otherwise	B.A. 42 years	27.11.2004	61 years	Rajabhat Tea Garden	—	—
Raghavendra Bahadur Singh	Manager	10.34	Otherwise	Graduate 27 years	16.01.2013	50 years	Duncans Industries Limited	—	—
Sunil Oswald Saunders	General Manager	9.77	Otherwise	B.Com. 32 years	01.02.2011	59 years	Jogesh Chandra Tea Garden	—	—
Rakesh Gaur	Deputy Manager	8.89	Otherwise	M. A. 22 years	15.06.2007	46 years	Tukdula Tea Estate	—	—
Manoj Agarwal	Company Secretary	7.78	Otherwise	CA and CS 21 years	19.05.2007	48 years	Paharpur Cooling Towers Limited	—	—
Shanker Sinha	Deputy Manager	7.37	Otherwise	B.Com. and LLB 21 years	04.04.2001	48 years	Nagrakata Tea Estate	—	—
Manoj Gupta	Senior Assistant Manager	7.02	Otherwise	B.Com. 20 years	07.09.2014	45 years	Bharnobar Tea Garden	—	—
Smt. Meenakshi Babal	Personal Assistant to Chief General Manager (Plantation)	6.83	Otherwise	B. A. 42 years	27.11.2004	60 years	Rajabhat Tea Garden	—	Sudarshan Kumar Babal

For and on behalf of the Board

Registered Office :  
3B, Lal Bazar Street  
Kolkata - 700 001  
Date : 17th May, 2017

Sd/-  
**Sandeep Singhania**  
Managing Director  
(DIN: 00343837)

Sd/-  
**Sarita Singhania**  
Director (Sales & Marketing)  
(DIN: 00343786)

## Annexure to the Directors' Report

Annexure "F"

Form No. MR - 3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

[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,  
Diana Tea Company Limited  
Sir R. N. M. House,  
3B, Lal Bazar Street,  
Kolkata - 700 001

1. We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **DIANA TEA 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.
2. Based on our verification of the Company books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering financial year ended 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:
3. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2017 according to the provisions of :
  - i) The Companies Act, 2013 (the Act) and the rules made thereunder;
  - ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
  - iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings : (Not Applicable to the Company during the Audit Period);
  - v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
    - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - (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: (Not Applicable to the Company during the Audit Period);
    - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as applicable: (Not Applicable to the Company during the Audit Period);
    - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 : (Not Applicable to the Company during the Audit Period);
    - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, and dealing with client;

## Annexure to the Directors' Report

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 : (Not Applicable to the Company during the Audit Period);
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 : (Not Applicable to the Company during the Audit Period);
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further report that having regards to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, the Company has complied with the following laws applicable specifically to the Company.

- a) Food Safety and Standards Act, 2006
- b) Tea Act, 1953
- c) Plantations Labour Act, 1951
- d) Essential Commodities Act, 1955
- e) The Tea Waste (Control) Order, 1959
- f) Tea (Marketing) Control Order, 2003
- g) Weight And Measurement Act, 1976

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

- (i) Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange Ltd., The Calcutta Stock Exchange Ltd., Delhi Stock Exchange Association Ltd., Ahmedabad Stock Exchange Ltd.

The Company has applied for delisting of shares from i) The Calcutta Stock Exchange Ltd., ii) Delhi Stock Exchange Association Ltd. and iii) Ahmedabad Stock Exchange Ltd.

However, The Company had been suspended for trading from i) Calcutta Stock Exchange, ii) Delhi Stock Exchange Association Ltd.

### We further report that

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

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

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

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

**We further report that** during the audit period, there are no specific events, actions having a major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc, referred to above.

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

For **MR & Associates**  
Company Secretaries

Sd/-

**[M R Goenka]**

Partner

FCS No.: 4515

COP No.: 2551

46, B. B. Ganguly Street  
Kolkata - 700 012  
Date : 17th May, 2017

## Annexure to the Directors' Report

**“Annexure – A”**  
**(TO THE SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017)**

To,  
 The Members  
 Diana Tea Company Limited  
 Sir RNM House,  
 3B, Lal Bazar Street,  
 Kolkata - 700 001

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

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

For **MR & Associates**  
 Company Secretaries

Sd/-

**[M R Goenka]**

Partner

FCS No.: 4515

COP No.: 2551

46, B. B. Ganguly Street  
 Kolkata - 700 012  
 Date : 17th May, 2017

## Independent Auditors' Report

To  
The Members of  
**Diana Tea Company Limited**

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Diana Tea Company Limited** ('the Company'), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit and its cash flows for the year ended on that date.

### Emphasis of Matter

We draw attention to following:

- a) The Company has not made provision for part of gratuity liability as per actuarial valuation as per Accounting Standard 15-Employee Benefits.
- b) The loans and advances include amounts receivable from three parties, standing since long, in respect of which no confirmation/acknowledgement, schedule of delivery and agreement was available and no provision has been made in the books for such loans and advances. However as per information and explanation given to us, the Company has initiated process of recovery of the same and as per management no provision for such advances is required to be made in the current year ended 31st March 2017.



## Independent Auditors' Report

- c) The Company has made long term investments in shares of various companies. The said investments continue to be valued at cost. The market value of said investment are lower than cost, however the Company has not made diminution in value of its investments as required under Accounting Standard 13 -Accounting for Investments, as it considers such investment was as long term investment and in view of the management such diminution are temporary in nature. Accordingly, impact, if any, on the financial statements is currently not ascertainable.

Our Opinion is not modified in respect of these matters

### Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.

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, and the cash flow statement dealt with by this Report are in agreement with the books of account;
- d. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. The matter described in Emphasis of Matters paragraph above, in our opinion, may not have an adverse effect on the functioning of the Company;
- f. on the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
- g. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- h. with respect to the other matters to be included in the Auditors' 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 financial statements as stated in Note no 26 (i) to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and
  - iv. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note no 26(xii) to the financial statements.

4, Chowringhee Lane  
Kolkata - 700 016  
Date : 17th May, 2017

For **DAS & PRASAD**  
Chartered Accountants  
Firm Registration No. 303054E  
Sd/-  
**A. K. Agarwal**  
Partner  
Membership No. 062368

## Annexure A to the Independent Auditors' Report

The Annexure referred to Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March 2017, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets;
- (b) the fixed assets were physically verified during the year under audit by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification;
- (c) as per information and explanation given to us by the management, and the records verified by us and based on the examination of the registered sale deed provided to us, we report that all the immovable properties are held in the name of the Company.
- (ii) In our opinion the inventories were physically verified during the year by the Management at reasonable intervals and as explained to us, no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Consequently, the provisions of paragraph iii(a),(b) and (c) of the Order are not applicable to the Company and hence, not commented upon.
- (iv) In our opinion and according to information and explanations given to us, the Company has not given any loans, or made investments, guarantees and security, hence the provision of this paragraph is not applicable to the Company.
- (v) The Company has not accepted any deposit from the public covered under Section 73 to 76 of the Companies Act, 2013. Therefore, the provisions of paragraph 3(v) of the Order are not applicable to the Company.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Act. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1)(d) of the Act and are of opinion that, prima facie, the prescribed – cost records have been maintained. We have, however, not made a detailed examination of cost records with a view to determine whether they are accurate or not.
- (vii) (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Service Tax, Value Added Tax, cess or other material statutory dues have been generally regularly deposited during the year by the Company with appropriate authorities. According to the information and explanation given to us no undisputed statutory dues including Provident Fund, Income Tax, Service Tax, Value Added Tax, cess or other material statutory dues were in arrears as at 31st March 2017 for a period of more than six months from the date they become payable except Income tax payable amounting to Rs.1.20 lakhs relating to AY 2011-12.
- (b) According to the information and explanation given to us, the following dues not been deposited by the Company on account of dispute as at 31st March 2017 :

Name of the Statute	Nature of dues	Amount (in ₹ Lakhs)	Period to which the amount relates	Forum where dispute is pending
West Bengal Value Added Tax Act, 2003	Sales Tax	12.31	FY 2010-2011	Senior Joint Commissioner of Commercial Taxes, Chowringhee Circle, Kolkata

## Annexure A to the Independent Auditors' Report

Name of the Statute	Nature of dues	Amount (in ₹ Lakhs)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956	CST	15.28	FY 2010-2011	Senior Joint Commissioner of Commercial Taxes, Chowringhee Circle, Kolkata
Income Tax Act, 1961	Income Tax	0.59	AY 2007-2008	Deputy Commissioner of Income Tax

- (viii) In our opinion and according to the information given to us, the Company has not defaulted in repayment of dues to banks. There were no debentures outstanding during the year.
- (ix) According to information and explanation given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year ended 31st March, 2017. Accordingly paragraph 3(ix) of the Order is not applicable.
- (x) Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year ended 31st March, 2017, nor have we been informed of such case by the management.
- (xi) According to information and explanation given to us, the Company has paid or provided managerial remuneration in accordance with the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company and hence the paragraph 3(xii) is not applicable.
- (xiii) In our opinion and on the basis of information and explanation given to us by the management, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) According to information and explanation given to us the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) According to information and explanation given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly the paragraph 3(xv) is not applicable to the Company.
- (xvi) In our opinion and on the basis of information and explanation given to us by the management, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

4, Chowringhee Lane  
Kolkata - 700 016  
Date : 17th May, 2017

For **DAS & PRASAD**  
Chartered Accountants  
Firm Registration No. 303054E  
Sd/-  
**A. K. Agarwal**  
Partner  
Membership No. 062368

## Annexure B to the Independent 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 **Diana Tea Company Limited** ("the Company") as of 31st March, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

#### Auditors' Responsibility

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

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

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

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

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

## Annexure B to the Independent Auditors' Report

### 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, 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 31st March, 2017, 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.

4, Chowringhee Lane  
Kolkata - 700 016  
Date : 17th May, 2017

For **DAS & PRASAD**  
*Chartered Accountants*  
Firm Registration No. 303054E  
Sd/-  
**A. K. Agarwal**  
*Partner*  
Membership No. 062368

**Balance Sheet** as at 31st March, 2017

(₹ in Lakhs)

	Note	As at 31st March, 2017		As at 31st March, 2016	
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' Funds</b>					
Share capital	1	749.55		749.55	
Reserves and surplus	2	6,226.96	6,976.51	6,076.47	6,826.02
<b>Non-current liabilities</b>					
Long-term borrowings	3	608.97		428.65	
Deferred tax liabilities (net)	4	-	608.97	1.82	430.47
<b>Current liabilities</b>					
Short-term borrowings	5	577.41		543.04	
Trade payables	6	337.44		327.10	
Other current liabilities	7	916.56		849.09	
Short-term provisions	8	253.93	2,085.34	267.08	1,986.31
<b>TOTAL</b>			<b>9,670.82</b>		<b>9,242.80</b>
<b>ASSETS</b>					
<b>Non-current assets</b>					
Fixed assets	9				
- Tangible assets		6,150.52		5,945.34	
- Capital work-in-progress - tangible assets		122.66		0.49	
Non-current investments	10	273.53		554.44	
Deferred tax assets (net)	4	25.30		-	
Long-term loans and advances	11	293.79		294.69	
Other non-current assets	12	5.77	6,871.57	5.77	6,800.73
<b>Current assets</b>					
Inventories	13	591.50		634.73	
Trade receivables	14	155.14		120.12	
Cash and cash equivalents	15	103.38		115.23	
Short-term loans and advances	16	1,807.63		1,447.66	
Other current assets	17	141.60	2,799.25	124.33	2,442.07
<b>TOTAL</b>			<b>9,670.82</b>		<b>9,242.80</b>

Significant Accounting Policies

25

The Accompanying Notes 1 to 26 are an integral part of the financial statements.

In terms of our report of even date

For and on behalf of the Board

For **DAS & PRASAD**

Chartered Accountants

Firm Registration No.303054E

Sd/-

**A. K. Agarwal**

Partner

Membership No. 062368

4, Chowringhee Lane, Kolkata - 700 016

Date : 17th May, 2017

Sd/-

**Sandeep Singhania**

Managing Director

(DIN : 00343837)

Sd/-

**Sarita Singhania**

Director (Sales &amp; Marketing)

(DIN : 00343786)

Sd/-

**Ramesh Kumar Jhunhunwala**

Chief Financial Officer

## Statement of Profit and Loss for the twelve months period ended 31st March, 2017

(₹ in Lakhs)

	Note	12 months ended 31st March, 2017		15 months ended 31st March, 2016	
<b>INCOME</b>					
Revenue from operations	18		5,269.06		5,616.37
Other income	19		177.99		217.41
<b>Total Revenue</b>			<b>5,447.05</b>		<b>5,833.78</b>
<b>EXPENSES</b>					
Cost of material consumed	20	280.30		189.74	
Changes in inventories of finished goods and stock-in-trade	21	20.15		561.22	
Employee benefit expenses	22	2,844.10		3,522.73	
Finance costs	23	140.98		158.55	
Depreciation and amortization expense	9	107.58		114.04	
Other expenses	24	1,803.26	5,196.37	2,331.83	6,878.11
<b>Total Expenses</b>			<b>5,196.37</b>		<b>6,878.11</b>
<b>Profit/(Loss) before tax</b>			<b>250.68</b>		<b>(1,044.33)</b>
<b>Tax expense :</b>					
Current Tax			43.00		33.80
Less : MAT Credit Entitlement			-		0.39
<b>Net Current Tax</b>			<b>43.00</b>		<b>33.41</b>
Income Tax for Earlier Years			(6.12)		58.02
Deferred Tax			(27.12)		(137.82)
<b>Total Tax Expense</b>			<b>9.76</b>		<b>(46.39)</b>
<b>Profit/(Loss) for the period</b>			<b>240.92</b>		<b>(997.94)</b>
Earning per equity share in ₹					
Basic & Diluted Earning Per Share	26 (XI)		1.61		(6.66)

Significant Accounting Policies

25

The Accompanying Notes 1 to 26 are an integral part of the financial statements.

In terms of our report of even date

For and on behalf of the Board

For **DAS & PRASAD**

Chartered Accountants

Firm Registration No.303054E

Sd/-

**A. K. Agarwal**

Partner

Membership No. 062368

4, Chowringhee Lane, Kolkata - 700 016

Date : 17th May, 2017

Sd/-

**Sandeep Singhania**

Managing Director

(DIN : 00343837)

Sd/-

**Sarita Singhania**

Director (Sales &amp; Marketing)

(DIN : 00343786)

Sd/-

**Ramesh Kumar Jhunjunwala**

Chief Financial Officer

## Cash Flow Statement for the twelve months period ended 31st March, 2017

(₹ in Lakhs)

	12 months ended 31st March, 2017		15 months ended 31st March, 2016	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit/(Loss) before tax		250.68		(1,044.33)
<b>Adjustments for :</b>				
Depreciation & Amortization Expense	107.58		114.04	
Finance Costs	140.98		158.55	
(Profit)/Loss on Sale of Fixed Asset (Net)	(0.04)		1.98	
Loss on Sale of Shares	24.56		-	
Loss on Discard of Tea Plantation	2.25		45.72	
Provision for diminution of Investment	(33.58)		33.58	
Investments written off	33.51		0.48	
Dividend Income	(1.63)		(0.33)	
Interest Income	(149.90)		(194.50)	
Transferred from Capital Reserve	(0.50)	123.23	(0.86)	158.66
<b>Operating Profit before Working Capital Changes</b>		<b>373.91</b>		<b>(885.67)</b>
<b>Adjustments for :</b>				
(Increase)/Decrease in Inventories	43.23		650.14	
Increase/(Decrease) in Trade Payables, Other Liabilities & Provision	145.18		407.57	
(Increase)/Decrease in Trade Receivable, Advances and Other Assets	(398.85)	(210.44)	317.80	1,375.51
<b>Cash Generated from Operations</b>		<b>163.47</b>		<b>489.84</b>
Tax Paid		33.01		36.08
<b>Net Cash (Outflow)/Inflow from Operating Activities</b>		<b>130.46</b>		<b>453.76</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Acquisition of Fixed Assets	(490.39)		(409.02)	
Sale of Fixed Assets	3.86		1.00	
Capital Subsidy Received	-		6.39	
Interest Received	132.63		162.44	
Dividend Received	1.63		0.33	
Sale of Investments	257.45		-	
Acquisition of Investments	(1.03)		(225.49)	
Loans Refunded (Granted)	0.90	(94.95)	176.00	(288.35)
<b>Net Cash (Outflow)/Inflow from Investing Activities</b>		<b>(94.95)</b>		<b>(288.35)</b>



## Cash Flow Statement for the twelve months period ended 31st March, 2017

(₹ in Lakhs)

	12 months ended 31st March, 2017		15 months ended 31st March, 2016	
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from Long-Term Borrowings	136.37		101.31	
Dividend Paid (including tax on dividend)	(40.23)		(40.36)	
Interest and Other Finance charges paid	(143.50)	(47.36)	(167.77)	(106.82)
<b>Net Cash Inflow/(Out flow) from Financing Activities</b>		<b>(47.36)</b>		(106.82)
<b>Net Increase/ (Decrease) in Cash &amp; Cash Equivalents (A + B + C)</b>		<b>(11.85)</b>		58.59
Cash & Cash Equivalents as at Opening		115.23		56.64
Cash & Cash Equivalents as at Closing		103.38		115.23

### Notes :

1. The above Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard-3 on Cash Flow Statements.
2. Previous Year figures have been recast/regrouped wherever considered necessary to make them comparable with current period figures.

In terms of our report of even date

For **DAS & PRASAD**

Chartered Accountants

Firm Registration No.303054E

Sd/-

**A. K. Agarwal**

Partner

Membership No. 062368

4, Chowringhee Lane, Kolkata - 700 016

Date : 17th May, 2017

For and on behalf of the Board

Sd/-

**Sandeep Singhania**

Managing Director

(DIN : 00343837)

Sd/-

**Sarita Singhania**

Director (Sales & Marketing)

(DIN : 00343786)

Sd/-

**Ramesh Kumar Jhunjhunwala**

Chief Financial Officer

## Notes to the financial statements for the year ended 31st March 2017

NOTE 1 : SHARE CAPITAL		(₹ in Lakhs)
	As at 31st March, 2017	As at 31st March, 2016
<b>Authorised</b>		
2,40,00,000 (2,40,00,000) equity shares of ₹ 5/- each	1,200.00	1,200.00
<b>Issued, Subscribed &amp; Fully Paid up</b>		
1,49,91,000 (1,49,91,000) equity shares of ₹ 5/- each	749.55	749.55

### Note :

Out of the above Shares :

- 89,94,600 Equity Shares of ₹ 5/- each have been allotted as fully paid-up Bonus Shares by way of Capitalisation of Share Premium Account.
- 9,24,300 Shares of ₹ 5/- each were allotted as fully paid-up Bonus Shares by way of Capitalisation of General Reserve.
- 74,520 Shares of ₹ 5/- each, fully paid were issued as pursuant to contract without payment being received in cash.
- 81,79,340 Shares of ₹ 5/- each, fully paid-up are held by Holding Company Diana Capital Limited.
- There is no movement in share capital as compared to previous year.
- Terms/rights attached to equity shares :
  - The Company has only one class of equity shares having par value of ₹ 5 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend if any proposed by Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
  - The amount of per share dividend recognized as distributions to equity shareholders is ₹ 0.25 per share (31st March, 2016 : ₹ 0.25 per share).
  - In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.
- Details of Shareholders holding more than 5% equity shares in the Company.

Name of the Shareholder	As at 31st March, 2017		As at 31st March, 2016	
	Numbers	% holding	Numbers	% holding
Diana Capital Ltd.	8,179,340	54.56	8,179,340	54.56

## Notes to the financial statements for the year ended 31st March 2017

<b>NOTE 2 : RESERVES AND SURPLUS</b>		(₹ in Lakhs)
	<b>As at 31st March, 2017</b>	<b>As at 31st March, 2016</b>
<b>A. Share Premium Account</b>		
As per last Account	323.61	323.61
<b>Closing Balance</b>	<b>323.61</b>	<b>323.61</b>
<b>B. Capital Reserve (Revaluation)</b>		
As per last Account	2,520.61	2,633.55
Less : Assets discarded during the period	49.40	112.08
Less : Transferred to Statement of Profit and Loss	0.50	0.86
<b>Closing Balance</b>	<b>2,470.71</b>	<b>2,520.61</b>
<b>C. Capital Reserve (Share Forfeiture)</b>		
As per last Account	0.10	0.10
<b>Closing Balance</b>	<b>0.10</b>	<b>0.10</b>
<b>D. General Reserve</b>		
As per last Account	3,001.94	4,051.94
Add/(Less) : Transferred from/(to) Statement of Profit and Loss	300.00	(1,050.00)
<b>Closing Balance</b>	<b>3,301.94</b>	<b>3,001.94</b>
<b>E. Surplus in the statement of Profit and Loss</b>		
As per last Account	230.21	226.37
Less: Depreciation adjusted as per revised calculation	-	7.69
Add : Profit/(Loss) during the period	240.92	(997.94)
Add/(Less) : Transfer from/(to) General Reserve	(300.00)	1,050.00
Less : Proposed Dividend		
- Dividend [₹ 0.25 (2015-16 ₹ 0.25) per share]	37.48	37.48
Tax on proposed dividend	3.05	3.05
<b>As at the end of the period</b>	<b>130.60</b>	<b>230.21</b>
<b>TOTAL (A+B+C+D+E)</b>	<b>6,226.96</b>	<b>6,076.47</b>

## Notes to the financial statements for the year ended 31st March 2017

(₹ in Lakhs)

NOTE 3 : LONG TERM BORROWINGS		Non Current Maturities		Current Maturities	
		As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
<b>Secured :</b>					
<b>Term Loan</b>					
Rupee Loan From Banks (#)	A)	528.00	324.10	73.10	122.00
Rupee loan from Others (##)	B)	68.11	80.43	12.32	11.21
<b>Deferred Payment Liabilities</b>					
- Vehicle Loan (###)	C)	12.86	24.12	18.70	14.86
<b>TOTAL</b>	<b>(A+B+C)</b>	<b>608.97</b>	<b>428.65</b>	<b>104.12</b>	<b>148.07</b>
Amount disclosed under the head "Other Current Liabilities" (Note No. 7)		-	-	(104.12)	(148.07)
		<b>608.97</b>	<b>428.65</b>	<b>-</b>	<b>-</b>

# Term loan from Banks includes loan from United Bank of India repayable upto 2027-28 amounting ₹ 601.10 Lakhs (₹ 446.10 Lakhs), bearing interest (a) @ base rate plus 0.75% p.a on term loan amounting ₹ 360.10 Lakhs (b) @ MCLR-Y plus 0.80% on term loan amounting ₹ 241.00 Lakhs. The said term loan is secured by first charge on the current assets of the Company and also secured by Pari Pasu first charge on all immovable assets of the Company both present and future excluding specific items of assets charged/to be charged in favour of lenders or suppliers providing finance for the acquisitions thereof and also personal guarantee of one director of the Company.

## Rupee Loan from Others includes ₹ 80.43 Lakhs (Previous year ₹ 91.64 Lakhs) loan from Tea Board bearing interest @ 8.91% p.a. The said loan is secured by second charge by equitable mortgage of lease hold Tea Estate ranking subsequent to the charge of the bank.

### Vehicle loan includes loan from HDFC Bank Ltd. and ICICI Bank Ltd. against vehicles repayable in equated periodic instalments as per the scheme of loan. The loan are secured by hypothecation of respective vehicles.

The Scheduled Maturity of the long term borrowings is summarised as under :

	As at 31st March, 2017		As at 31st March, 2016	
	Rupee loan from Banks/Vehicle Loan	Rupee loan from Others	Rupee loan from Banks/Vehicle Loan	Rupee loan from Others
<b>Borrowings Repayable</b>				
In the first year (Note - 7)	91.80	12.32	136.86	11.21
<b>Current maturities of long-term debt</b>	<b>91.80</b>	<b>12.32</b>	<b>136.86</b>	<b>11.21</b>
In the second year	40.33	12.32	75.52	12.32
In the third to fifth year	179.28	36.96	52.20	36.96
After five years	321.25	18.83	220.50	31.15
<b>Long-term borrowings</b>	<b>540.86</b>	<b>68.11</b>	<b>348.22</b>	<b>80.43</b>

## Notes to the financial statements for the year ended 31st March 2017

(₹ in Lakhs)

<b>NOTE 4 : DEFERRED TAX LIABILITIES/(ASSETS) (Net)</b>		
	<b>As at 31st March, 2017</b>	<b>As at 31st March, 2016</b>
<b>Deferred Tax Liabilities</b>		
Timing Difference in depreciable Assets	211.95	203.32
(A)	<b>211.95</b>	203.32
<b>Deferred Tax Assets</b>		
Business Loss Carried Forward	71.45	141.91
Timing Difference u/s 43B	165.80	59.59
(B)	<b>237.25</b>	201.50
<b>Net Deferred Tax Liabilities/(Assets) (Net)</b>	<b>(A-B)</b>	<b>(25.30)</b>
		1.82

<b>NOTE 5 : SHORT TERM BORROWINGS</b>		
<b>Secured Loan</b>		
Loan from Banks		
Cash Credit Facilities (#)	527.08	525.92
<b>Unsecured Loan</b>		
Loan from Related Party (##)	50.33	17.12
<b>TOTAL</b>	<b>577.41</b>	543.04

# Cash Credit facilities are Secured by first charge on current assets of the Company mainly, stock of raw materials, semi-finished and finished goods, stores and spares, book debts, receivables and also secured by pari passu first charge on all immovable assets of the Company both present and future, excluding specific items of assets charged/to be charged in favour of lenders or suppliers providing finance for the acquisition thereof and also personal guarantee of one director of the Company.

## Includes loan from Holding Company Diana Capital Limited which is payable on demand.

<b>NOTE 6 : TRADE PAYABLES</b>		
Micro & Small Enterprises	-	1.99
Creditors for goods, services etc.	337.44	325.11
<b>TOTAL</b>	<b>337.44</b>	327.10

**Notes to the financial statements** for the year ended 31st March 2017

(₹ in Lakhs)

<b>NOTE 7 : OTHER CURRENT LIABILITIES</b>		
	<b>As at 31st March, 2017</b>	<b>As at 31st March, 2016</b>
Current Maturities of Long-term debt (Note - 3)	104.12	148.07
Interest accrued & not due on borrowings	4.48	6.98
Unclaimed Dividends	7.49	7.19
Advance received from customers	282.22	280.75
Statutory liabilities	49.47	64.19
Employee related liabilities	313.21	336.97
Other payables	155.57	4.94
<b>TOTAL</b>	<b>916.56</b>	<b>849.09</b>

<b>NOTE 8 : SHORT - TERM PROVISIONS</b>		
Provision for employee benefits		
- Provision for bonus	173.75	185.01
- Provision for leave encashment	27.00	27.51
- Retirement benefits	12.65	14.03
Proposed dividend	37.48	37.48
Income tax on proposed dividend	3.05	3.05
<b>TOTAL</b>	<b>253.93</b>	<b>267.08</b>

## Notes to the financial statements for the year ended 31st March 2017

### NOTE 9 : FIXED ASSETS

(₹ in Lakhs)

Description	Gross Block				Depreciation				Net Block	
	Cost as at 01.04.2016	Addition During the Period	Cost of Assets sold / discarded/ Adjusted	Total as at 31.03.2017	Balance as on 01.04.2016	During the Period	Adjustment/ Written Back during the Period	Total upto 31.03.2017	Balance as at 31.03.2017	Balance as at 31.03.2016
<b>Tangible</b>										
Land & Plantation (#)	4,511.27	278.96	51.65	4,738.58	-	-	-	-	4,738.58	4,511.27
Buildings	642.54	3.87	-	646.41	268.59	12.68	-	281.27	365.14	373.95
Roads & Bridges	46.75	-	-	46.75	17.81	3.46	-	21.27	25.48	28.94
Plant & Machinery and Electric Installations	1,159.70	31.21	-	1,190.91	708.99	37.43	-	746.42	444.49	450.71
Water Installations	674.50	34.90	-	709.40	243.82	20.38	-	264.20	445.20	430.68
Furniture, Fittings & Other Equipments	97.45	6.90	-	104.35	77.10	5.90	-	83.00	21.35	20.35
Vehicles	277.93	12.38	24.90	265.41	148.49	27.73	21.09	155.13	110.28	129.44
<b>TOTAL</b>	<b>7,410.14</b>	<b>368.22</b>	<b>76.55</b>	<b>7,701.81</b>	<b>1,464.80</b>	<b>107.58</b>	<b>21.09</b>	<b>1,551.29</b>	<b>6,150.52</b>	<b>5,945.34</b>
Previous Year Total	7,176.64	408.71	175.21	7,410.14	1,351.09	114.04	0.33	1,464.80	5,945.34	

#### Capital Work In Progress-Tangible Assets

Description	As at 31.03.2017	As at 31.03.2016
Opening Balance	0.49	0.18
Add : Addition made during the Period	122.66	0.49
Less : Capitalised during the Period	0.49	0.18
<b>Closing Balance</b>	<b>122.66</b>	<b>0.49</b>

#### Note :

# During the year Company has capitalised ₹ 149.72 Lakhs on account of 'Salami' demand for land at Baintgoorie Tea Estate and Goodhope Tea Estate received from office of the District Magistrate & Collector, Jalpaiguri, Government of West Bengal and based on the Hon'ble Supreme Court's judgement in the said matter.

### NOTE 10 : NON-CURRENT INVESTMENTS (at cost unless otherwise stated)

(₹ in Lakhs)

	As at 31st March, 2017		As at 31st March, 2016	
	Nos.	Amount	Nos.	Amount
<b>Non trade - investments</b>				
<b>A. Quoted</b>				
<b>In fully paid equity shares</b>				
Agri-Tech (I) Limited of ₹ 10 each	820	0.19	820	0.19
Alsa Marine & Harvests Limited of ₹ 10 each	-	-	800	0.34
Cerebra Integrated Technologies Limited of ₹ 10 each	-	-	15,132	9.26
Dhunseri Investments Limited of ₹ 10 each	-	-	75	-

**Notes to the financial statements** for the year ended 31st March 2017**NOTE 10 : NON-CURRENT INVESTMENTS (at cost unless otherwise stated)**  
(Contd.)

(₹ in Lakhs)

	As at 31st March, 2017		As at 31st March, 2016	
	Nos.	Amount	Nos.	Amount
<b>A. Quoted</b>				
DSQ Software Limited of ₹ 10 each	-	-	1,200	3.53
Electrosteel Steels Limited of ₹ 10 each	175,000	17.50	175,000	17.50
ITC Limited of ₹ 1 each	200	0.50	-	-
Jindal Steel & Power Limited of ₹ 1 each	300	1.58	300	1.58
JSW Steel Limited of ₹ 10 each	3,560	2.78	326	2.24
Kirloskar Multimedia Limited of ₹ 10 each	-	-	50,000	5.00
Kirtivardhan Finvest Services Limited of ₹ 5000 each	1	-	560	-
LCC Infotech Limited of ₹ 2 each	5,000	-	5,000	-
Moving Picture Company (I) Limited of ₹ 10 each	-	-	6,958	3.83
Mukand Engineers Limited of ₹ 10 each	5,189	4.48	34,690	29.99
Namaste Exports Limited of ₹ 10 each	500	-	500	-
Nath Bio-Genes (I) Limited of ₹ 10 each	902	0.21	902	0.21
Techindia Nirman Limited of ₹ 10 each	2,378	0.55	2,378	0.55
Ojas Techno Chem Product Limited of ₹ 10 each	-	-	41,900	6.65
Padmini Technologies Limited of ₹ 10 each	-	-	7,900	11.57
Raj Rayon Industries Limited of ₹ 1 each	71,900	3.18	71,900	3.18
RDL Infotech Limited of ₹ 10 each	-	-	25,000	2.50
Reliance Capital Limited of ₹ 10 each	49	0.88	49	0.88
Reliance Communications Limited of ₹ 5 each	3,090	10.76	3,090	10.76
Reliance Industries Limited of ₹ 10 each	242	1.69	242	1.69
Reliance Infrastructure Limited of ₹ 10 each	-	-	506	9.77
Reliance Power Limited of ₹ 10 each	22	-	22	-
Srei Infrastructure Finance Limited of ₹ 10 each	11,600	1.53	21,600	12.69
Step Two Corporation Limited of ₹ 10 each	700	0.07	700	0.07
Suvarna Aqua Farm & Exports Limited of ₹ 10 each	-	-	200	0.03
Tata Steel Limited of ₹ 10 each	-	-	421	0.83
TCM Limited of ₹ 10 each	800	0.28	800	0.28
Tecil Chemicals & H.P. Limited of ₹ 10 each	-	-	200	0.06
Emami Limited of ₹ 1 each	-	-	20,010	225.49
<b>TOTAL</b>		<b>46.18</b>		<b>360.67</b>
Less : Diminution in Value of Quoted Investments		-		33.58
<b>TOTAL</b>		<b>46.18</b>		<b>327.09</b>



## Notes to the financial statements for the year ended 31st March 2017

### NOTE 10 : NON-CURRENT INVESTMENTS (at cost unless otherwise stated) (Contd.)

(₹ in Lakhs)

	As at 31st March, 2017		As at 31st March, 2016	
	Nos.	Amount	Nos.	Amount
<b>B. Unquoted</b>				
<b>In fully paid equity shares</b>				
Ambition Vyapaar Private Limited of ₹ 10 each	1,990	0.20	1,990	0.20
Diana Capital Limited of ₹ 10 each	1,17,370	24.33	1,17,370	24.33
Janak Steel Tubes Limited of ₹ 100 each	20,300	203.00	20,300	203.00
Orkay Industries Limited of ₹ 10 each	2,800	0.67	2,800	0.67
Rank Aqua Estates Limited of ₹ 10 each	1,000	0.45	1,000	0.45
Sonal International Limited of ₹ 10 each	5,000	1.80	5,000	1.80
<b>TOTAL</b>		<b>230.45</b>		230.45
Less : Diminution in Value of Unquoted Investments		3.10		3.10
<b>TOTAL</b>		<b>227.35</b>		227.35
<b>GRAND TOTAL VALUE OF INVESTMENT</b>		<b>273.53</b>		554.44
<b>Aggregate Value of Investments</b>		<b>273.53</b>		554.44
<b>Quoted</b>		<b>46.18</b>		327.09
<b>Unquoted</b>		<b>227.35</b>		227.35
<b>Aggregate Market Value of Quoted Investments</b>		<b>34.46</b>		230.36

### NOTE 11 : LONG-TERM LOANS AND ADVANCES

	As at 31st March, 2017	As at 31st March, 2016
Capital Advances		
- Unsecured, considered good	270.83	285.20
Security Deposits		
- Unsecured, considered good	4.91	5.62
MAT credit receivable	18.05	3.87
<b>TOTAL</b>	<b>293.79</b>	294.69

### NOTE 12 : OTHER NON-CURRENT ASSETS

Deferred Reserve Fund	5.77	5.77
<b>TOTAL</b>	<b>5.77</b>	5.77

## Notes to the financial statements for the year ended 31st March 2017

(₹ in Lakhs)

<b>NOTE 13 : INVENTORIES</b>		
	<b>As at 31st March, 2017</b>	<b>As at 31st March, 2016</b>
Stores and spares (#)	180.30	203.38
Stock of tea and tea waste (##)	411.20	431.35
<b>TOTAL</b>	<b>591.50</b>	<b>634.73</b>

# Stores and spares includes goods in transit amounting ₹ 7.71 Lakhs (Previous Year ₹ 11.95 Lakhs).

## Stock of Tea includes 2,52,043 Kgs. valuing ₹ 332.74 Lakhs lying with other Parties (Previous year 2,63,285 Kgs valuing ₹ 341.27 Lakhs).

<b>NOTE 14 : TRADE RECEIVABLES</b>		
Outstanding for a period exceeding six months from the date they are due for payment		
- Unsecured, Considered good	10.17	16.39
- Doubtful	-	1.09
	10.17	17.48
- Less : Provision	-	(1.09)
<b>A</b>	<b>10.17</b>	<b>16.39</b>
Others		
- Unsecured, considered good <b>B</b>	<b>144.97</b>	<b>103.73</b>
<b>TOTAL (A + B)</b>	<b>155.14</b>	<b>120.12</b>

<b>NOTE 15 : CASH AND CASH EQUIVALENTS</b>		
Balance with banks :		
- Current accounts	21.72	15.50
- Deposit accounts (#)	27.31	35.38
- Unpaid dividend accounts	7.49	7.19
Cash in hand	46.86	57.16
<b>TOTAL</b>	<b>103.38</b>	<b>115.23</b>

# Pledged with Banks against issue of Bank Guarantees.

## Notes to the financial statements for the year ended 31st March 2017

### NOTE 16 : SHORT-TERM LOANS AND ADVANCES

(₹ in Lakhs)

	As at 31st March, 2017	As at 31st March, 2016
Unsecured, considered good unless otherwise stated		
Loans and advances :		
- Considered Good	1,647.00	1,315.00
Other loans and advances (Other Loans and Advances includes Commercial Advances, advance to employees and unexpired expenses etc.)	124.85	93.01
Balance with Statutory authorities	0.01	0.01
Income tax advance (net of provisions)	35.77	39.64
<b>TOTAL</b>	<b>1,807.63</b>	<b>1,447.66</b>

### NOTE 17 : OTHER CURRENT ASSETS

Interest Accrued on Loans, Deposits	139.12	121.85
Replantation subsidy receivables :		
- Considered Good	2.48	2.48
<b>TOTAL</b>	<b>141.60</b>	<b>124.33</b>

### NOTE 18 : REVENUE FROM OPERATIONS

	12 Months ended 31st March, 2017		15 Months ended 31st March, 2016	
Gross Revenue from sale of Products	5,260.07		5,592.30	
Less : Excise Duty & Cess	17.18	5,242.89	16.90	5,575.40
Other Operating Revenues :				
- Replantation Subsidy		19.83		37.03
- Miscellaneous Sale		6.34		3.94
<b>TOTAL</b>		<b>5,269.06</b>		<b>5,616.37</b>

**Notes to the financial statements** for the year ended 31st March 2017

(₹ in Lakhs)

<b>NOTE 19 : OTHER INCOME</b>		
	<b>12 Months ended 31st March, 2017</b>	<b>15 Months ended 31st March, 2016</b>
Interest Income on Loans and Bank Deposits	149.90	194.50
Profit on Sale of Fixed Assests	0.04	-
Dividend Income	1.63	0.33
Claims	-	4.55
Rent	3.20	1.30
Sundry balances Written Back	22.72	15.87
Transferred from Capital Reserve	0.50	0.86
<b>TOTAL</b>	<b>177.99</b>	<b>217.41</b>

<b>NOTE 20 : COST OF MATERIAL CONSUMED</b>		
Green leaf (Purchased and Consumed)	280.30	189.74
<b>TOTAL</b>	<b>280.30</b>	<b>189.74</b>

<b>NOTE 21 : CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK IN TRADE</b>		
Opening Stock of Tea	431.35	992.57
Closing Stock of Tea	411.20	431.35
<b>TOTAL</b>	<b>20.15</b>	<b>561.22</b>

<b>NOTE 22 : EMPLOYEE BENEFIT EXPENSES</b>		
Salaries, Wages, Bonus and Gratuity	2,531.23	3,012.80
Contribution to Provident & Other Funds	230.09	286.08
Workers & Staff Welfare expenses	82.78	223.85
<b>TOTAL</b>	<b>2,844.10</b>	<b>3,522.73</b>

<b>NOTE 23 : FINANCE COSTS</b>		
Interest to banks for working capital finance	51.16	90.23
Interest on term loan	52.29	37.31
Interest to others	3.71	2.80
Bank Charges	21.16	11.11
Interest on Tea Board SPTF Scheme	8.94	10.95
Hire Purchase Finance Charge	3.72	6.15
<b>TOTAL</b>	<b>140.98</b>	<b>158.55</b>

## Notes to the financial statements for the year ended 31st March 2017

<b>NOTE 24 : OTHER EXPENSES</b>		(₹ in Lakhs)
	<b>12 Months ended 31st March, 2017</b>	<b>15 Months ended 31st March, 2016</b>
Stores & spares consumed	463.84	604.58
Power and fuel	635.71	799.45
Repairs & Maintainance :		
- Buildings	23.73	57.96
- Plant & Machinery	48.34	66.97
- Others	25.63	39.22
Tea Selling Expenses :		
- Brokerage, Commission & Service Charges	84.95	133.77
- Freight, Warehouse and Other Selling Expenses	130.03	183.99
Office Rent	2.40	2.85
Rates and Taxes	12.44	16.07
Insurance charges	12.66	10.29
Payment to auditors	3.81	4.77
Loss on Sale/Discard of Fixed Assets (net)	-	1.98
Loss on Sale of Shares	24.56	-
Provision for Dimunition in value of Investments	(33.58)	33.58
Bad Debts Written Off	15.68	-
Loss on Discard of Tea Plantation	2.25	45.72
Investments Written Off	33.51	-
Donation	10.52	10.60
Sundry balances Written Off	-	10.96
Investments Written Off	-	0.48
Provision for doubtful debts	-	1.09
Miscellaneous expenses	305.67	307.50
Interest on Income Tax	1.11	-
<b>TOTAL</b>	<b>1,803.26</b>	<b>2,331.83</b>
Payment to auditors includes		
<b>Auditor's Remuneration and expenses :</b>		
- Audit fees	1.54	1.67
- Other Services	1.74	2.54
- Reimbursement of expenses	0.53	0.56
<b>TOTAL</b>	<b>3.81</b>	<b>4.77</b>

## Notes to the financial statements for the year ended 31st March, 2017

### NOTE 25 : SIGNIFICANT ACCOUNTING POLICIES

A summary of significant accounting policies what have been applied consistently is set out below :

#### 1) Basis of Preparation

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (India GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention, except in case of fixed assets for which revaluations is carried out. Further, insurance & other claims, on the ground of prudence or uncertainty in realisation, are accounted for as and when accepted/received. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

#### 2) Use of Estimates

The Preparation of financial statements in conformity with Indian GAAP requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expense, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period and the results from operations during the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

#### 3) Revenue Recognition

- a) The Company follows the Mercantile System of accounting and recognizes income and expenditure on an accrual basis.
- b) Sales are net of Sales Tax wherever applicable.
- c) Dividend Income is recognised when the company's right to receive the payment is established by the balance sheet date.
- d) Interest income is recognised on a time proportion basis taking into account the amount outstanding and rate applicable.
- e) Insurance and other claims are accounted for as and when accepted.

#### 4) Fixed Assets

- a) Fixed assets are stated at cost (or revalue amounts, as the case may be) less accumulated depreciation.
- b) Cost includes purchase price net of MODVAT/CENVAT and any directly attributable cost of bringing the assets to working condition for the intended use.
- c) Expenditure incurred on extension planting and for upkeep of the same up to commercial plucking are capitalised.
- d) Subsidies from Government in respect of Fixed Assets are deducted from the cost of respective assets on receipt/ settled.

#### 5) Replantation Expenditure

Expenditure on replanting and maintenance of replantation has been carried forward under Fixed assets as Plantation.

#### 6) Impairment of Fixed Assets

An impairment loss is recognised where applicable when the carrying value of the fixed assets of a cash generating unit exceeds its net selling price or value in use, whichever is higher.

## Notes to the financial statements for the year ended 31st March, 2017

### 7) Capital Work in Progress

Capital Work in Progress is stated at cost which includes expenses incurred during construction period, interest on amount borrowed for acquisition of qualifying assets and other expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial production.

### 8) Depreciation & Amortization

- a) Depreciation on tangible fixed assets other than land and tea plantation is provided on the "Straight Line Method" at the rates determined based on useful lives of respective assets as prescribed in the Schedule II of the Companies Act, 2013.
- b) Depreciation on fixed assets added/disposed off during the year is provided on pro-rata basis with reference to the date of addition/disposal.
- c) No provision has been made in respect of amortization of leasehold Land & Plantation.

### 9) Contingent Liabilities

Contingent Liabilities are generally not provided for in the accounts and are separately shown in the Notes to the Accounts.

### 10) Inventories

- a) Stock of Tea is valued at lower of cost computed on annual average basis or net realisable value. Stock of Tea Waste is valued at estimated realisable value.
- b) Stock of stores and spares are valued at cost on weighted average basis or net realisable value.
- c) As per practice followed by the Company the value of green leaf in stock as at the close of the year are not taken into accounts.
- d) Provision is made for obsolete and slow moving stores wherever necessary.

### 11) Investments

Investments are classified as Non Current Investments and Current Investments (Investments intended to be held for not more than one year). Current Investments are carried at lower cost or fair value and provision is made to recognize any decline in the carrying value. Long Term Investments are carried at cost and provision is made to recognize any decline, other than temporary in the value of such investments. Cost includes purchase price plus brokerage and transfer cost.

### 12) Excise Duty & Cess on Tea Production

Excise Duty & Cess on tea as applicable on manufactured goods is accounted for at the time of clearance. However, provision for Cess is made at the year end on finished goods lying in stock at factory.

### 13) Retirement Benefits

- a) Gratuities are paid in accordance with the Payment of Gratuity Act, 1972 and accounted for, as and when paid/payable.
- b) The Company contributes to the Employees Provident Fund maintained under the Employees Provident Fund Scheme run by the Central Government and are charged against revenue each year.
- c) Leave salary is accounted for on accrual basis.

### 14) Income Tax

- a) Provision is made for Income-Tax on a yearly basis under the tax payable method based on tax liability as computed after taking credit for allowances, expenses and carry forward losses. In case of matters under appeal due to disallowance or otherwise, full provision is made when the said liabilities are accepted.

## Notes to the financial statements for the year ended 31st March, 2017

- b) Deferred tax is recognized subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or subsequent periods. Deferred tax assets are recognized for all deductible timing differences, unabsorbed depreciation and carry forward of losses only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. The carrying amount of deferred tax assets/liabilities are reviewed at each balance sheet date and the consequential adjustments are carried out.

### 15) Provisions

A Provision is recognised when there is an obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made.

### 16) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are being capitalised as part of the cost of that assets and other borrowing costs are recognised as an expense of the year in which they are incurred.

### 17) Grants/Subsidies

- a) Subsidies from government in respect of fixed assets are deducted from the cost of respective assets.  
b) Other subsidies are accounted for on accrual basis when one is reasonably certain of its receipt. Duty drawbacks are recognised as deduction in reporting the related expenditure.

### 18) Foreign Currency Transactions

- a) Transactions in foreign currency are recorded at exchange rates prevailing on the date of the transactions.  
b) The foreign currency assets and liabilities (other than those covered by forward contracts) as on the Balance Sheet date are revalued in the accounts on the basis of exchange rate prevailing at the close of the year and exchange difference arising therefrom, is charged to the statement of Profit & Loss.  
c) In case of transactions covered by forward contracts, the difference between the contract rate and exchange rate prevailing on the date of transaction is charged to the Statement of Profit & Loss, proportionately over the period of contract.

## NOTE 26 : ADDITIONAL INFORMATIONS

i) Contingent Liability not provided for in respect of	(₹ in Lakhs)	
	As at 31st March, 2017	As at 31st March, 2016
Particulars		
<b>Claims &amp; Govt. Demand against the Company not acknowledged as debt :</b>		
- Sales Tax Matter under dispute /appeal	27.59	27.59
- Income Tax matter under dispute / appeal	0.59	0.59
Bank Guarantee	104.47	104.47

### ii) Capital Commitments

As at 31st March 2017, the Company has commitments of ₹ 201.57 Lakhs net of advances relating to estimated amount of contracts to be executed on capital account and not provided for.

- iii) Depreciation as calculated includes additional charges of ₹ 0.50 Lakhs on revalued assets and an amount equivalent to the additional charges has been transferred to Statement of Profit and Loss from Capital Reserve (Revaluation of Fixed Asset) such transfer according to an authoritative professional view being acceptable for the purpose of the Companies annual accounts.



## Notes to the financial statements for the year ended 31st March, 2017

- iv) In accordance with the AS-28 on Impairment of Assets, the Company has assessed as on the Balance Sheet date, whether there are any indication (listed in paragraphs 8 to 10 of the standard) with regard to impairment of any assets. Based on such assessment, it has been ascertained that no potential loss is present and therefore, formal estimate of recoverable amount has not been made. Accordingly, no impairment loss has been provided in the books of accounts.
- v) The Company has not received any information from its suppliers regarding registration under "The Micro, Small and Medium Enterprises Development Act, 2006". Hence, the information required to be given in accordance with Section 22 of the said Act, is not ascertainable. Hence, not disclosed;
- However Sundry Creditors includes Rs. NIL (Previous year ₹ 1.99 Lakhs) due to Small Scale Industrial undertakings to the extent such parties have been identified from the available documents/information.
  - No interest was paid by the Company in terms of section 16 of MSMED Act during the Period.
  - There was no interest for delay in making payment beyond appointed date.
  - There is no interest accrued and remaining unpaid beyond the appointed date.
  - No interest is remaining due and payable even in succeeding years, until such that when the interest dues as above are actually paid to Micro, Small and Medium Enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the aforesaid Act.
- vi) The disclosures required under Accounting Standard - 15 (Revised 2005) "Employee Benefits" notified in the Companies (Accounting Standards) Rules, 2006, are given below :

a)	Defined Contribution Plan – Provident Fund	(₹ in Lakhs)
	Employer's contribution to Provident Fund	206.59
	Employees' contribution to Provident Fund	205.53

b) Defined Benefit Plan – Gratuity

No provision has been made in respect of present liabilities for future payment of gratuity to the staff and workers, which will be charged to accounts as and when paid. According to actuarial valuation under Revised AS-15, the liability for gratuity obligation to staff and Workers as on 31st March, 2017 is ₹ 1363.95 Lakhs (Previous Year ₹ 1065.32 Lakhs) and the net liability is ₹ 899.62 Lakhs (Previous Year ₹ 636.81 Lakhs).

The Company extends defined benefit plan in the form of gratuity to employees. Contribution to gratuity is made to Life Insurance Corporation of India, HDFC Standard Life Insurance Company Ltd., SBI Life Insurance Company Ltd, and Birla Sunlife Insurance Company Ltd. and Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited in accordance with the scheme framed by the Corporation. The details are as under:

(₹ in Lakhs)

	As on 31st March, 2017	As on 31st March, 2016
<b>Liability to be recognised in Balance Sheet</b>		
Present value of Obligations	1363.95	1065.32
Fair Value of Plan Assets	464.33	428.51
Net Asset/(Liability) not recognised in the Balance Sheet	(899.62)	(636.81)
<b>Change in Plan Assets (Reconciliation of Opening &amp; Closing Balances)</b>		
Fair Value of Plan Assets	428.51	366.54
Expected Return on Plan Assets	33.48	31.80
Actuarial Gain/(Losses)	2.34	30.17
Contributions	-	-
Benefits Paid	-	-
Fair Value of Plan Assets	464.33	428.51

## Notes to the financial statements for the year ended 31st March, 2017

(₹ in Lakhs)

	As on 31st March, 2017	As on 31st March, 2016
<b>Reconciliation of Opening and Closing Balances of Obligation</b>		
Change in defined Benefit Obligation		
Obligation	1065.32	940.06
Current Service Cost	69.51	80.04
Interest cost	91.10	100.22
Actuarial Losses/(Gain)	138.03	(55.00)
Benefits Paid	-	-
Obligation	1363.95	1065.32
<b>Expenditure to be recognised during the period</b>		
Current Service Cost	69.51	80.04
Interest Cost	91.10	100.22
Expected Return on Plan Assets	(33.48)	(31.80)
Net Actuarial Losses/(Gain) Recognised during the period	135.69	(85.18)
Total Expenditure/(Income) required to recognise in the Statement of Profit and Loss but not recognised	262.81	63.28
<b>Assumptions</b>		
Discount Rate (Per Annum)	8.00%	8.00%
Expected Rate of Return on Assets (Per Annum)	8.00%	8.00%
Salary Escalation Rate	6.00%	6.00%

The discount rate is based upon the market yield available on government bonds at the accounting date within a term that matches that of the liabilities and the salary increase should take account inflation, seniority, promotion and other relevant factors.

- vii) In accordance with Accounting Standard - 13 issued by the Council of the Institute of Chartered Accountants of India, the Long Term Investments in respect of quoted investments held by the Company are valued at cost and ₹ 27.38 Lakhs (Previous year ₹ 107.58 Lakhs) being diminution in values thereof has been considered by the management to be temporary and accordingly has not been recognized in this account. These would, however be covered adequately by the Company's period-end Reserves & Surplus.
- viii) The Company has provided for deferred tax assets for ₹ 25.30 Lakhs (Previous Year ₹ 1.82 Lakhs Deferred Tax Liability) based on future profitability projection. The management is of the view that future taxable income will be available to realise/adjust such deferred tax assets.
- ix) In the opinion of the Board of Directors of the Company the Current Assets, Loans, Advances and Deposits are approximately of the value stated in the accounts, if realised, in ordinary course of business unless otherwise stated. The provisions for all known liabilities are adequate and not in excess of the amount reasonably required.
- x) The Company is engaged in the business of integrated activities of manufacture and sale of tea, predominantly in the domestic market. Hence, there is no reportable segment as per the Accounting Standard – 17 on "Segment Reporting" as issued by the ICAI.

## Notes to the financial statements for the year ended 31st March, 2017

### xi) Earnings Per Share:

Basic and Diluted Earnings per share			
Sl. No.	Particulars	12 Months ended 31st March, 2017	15 months ended 31st March, 2016
a)	Profit/(Loss) for the period attributable to Equity Share Holders (₹ In Lakhs)	240.92	(997.94)
b)	Number of Equity Shares of ₹ 5 /- each outstanding during the period. (Nos. In Lakhs)	149.91	149.91
c)	Basic & Diluted Earnings per share (In ₹)	1.61	(6.66)

### xii) Disclosure on Specified Bank Notes:

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated 30th March, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016, the denomination wise SBNs and other notes as per the notification is given below: (₹ in Lakhs)

Particulars	SBNs*	Other denomination
Closing cash in hand as on 8th November, 2016	7.54	2.72
(+) Permitted receipts	-	195.43
(-) Permitted payments	-	187.56
(-) Amount deposited in Banks	7.54	-
Closing cash in hand as on 30th December, 2016	-	10.59

\* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

xiii) The Company is in the process of appointing a Company Secretary to comply with the provisions of The Companies Act, 2013.

### xiv) Related Party Disclosures :

#### a) List of Related Parties and relationship

Party	Relationship
<b>I. KEY MANAGERIAL PERSONNEL</b>	
A. Mr. Sandeep Singhania	Managing Director
B. Mrs. Sarita Singhania	Whole Time Director
C. Mr. Manoj Agarwal (till 30.03.2017)	Company Secretary & Chief Financial Officer (from 13.08.2016)
D. Mr. Ramesh Kumar Jhunjhunwala (ceased to be CFO from 13.8.2016)	Chief Financial Officer
<b>II. RELATED PARTY</b>	
A. Diana Capital Limited	Holding Company
B. Singhania Builders Limited	Enterprise owned and influenced by Key managerial Personnel or their relatives.
C. Mr Devang Singhania	Relative of KMP
D. Mrs. Alpana Agarwal	Relative of KMP

## Notes to the financial statements for the year ended 31st March, 2017

(₹ in Lakhs)

### b) Transaction During the Period.

Sl No.	Type of Transaction	Key Managerial Personnel		Relatives of Key Managerial Personnel		Enterprises owned/ influenced by Key Managerial Personnel or their relatives		Holding Company	
		2017	2016	2017	2016	2017	2016	2017	2016
1.	<b>LOAN TAKEN</b>								
	Diana Capital Ltd.							56.25	77.55
2.	<b>LOAN REPAID</b>								
	Diana Capital Ltd.							23.05	92.29
3.	<b>INTEREST PAID</b>								
	Diana Capital Ltd.							2.86	2.78
4.	<b>RENT PAID</b>								
	Singhania Builders Ltd.					2.40	2.85		
5.	<b>ELECTRICITY EXPENSES PAID</b>								
	Singhania Builders Ltd.					3.52	3.86		
6.	<b>MAINTENANCE CHARGES PAID</b>								
	Singhania Builders Ltd.					0.60	0.69		
7.	<b>REMUNERATION PAID</b>								
	Directors	73.82	73.82						
8.	<b>SALARY PAID</b>								
	Other KMPs	9.54	13.5						
	Relatives of KMPs			10.48	11.74				
9.	<b>ADVANCE TAKEN</b>								
	Other KMPs	-	5.00						
	<b>ADVANCE REPAID</b>								
	Other KMPs	5.12	1.43						
10.	<b>BALANCE OUTSTANDING ON ACCOUNT OF</b>								
	<b>ADVANCE</b>								
	Other KMPs	-	5.12						
	<b>LOAN TAKEN</b>								
	Diana Capital Ltd.							50.33	17.13
	<b>INTEREST PAYABLE</b>								
	Diana Capital Ltd.							2.58	1.90

### xv) Expenditure in Foreign Currency

(₹ in Lakhs)

Particulars	12 Months ended 31st March, 2017	15 months ended 31st March, 2016
Travelling & Others	52.28	54.87

## Notes to the financial statements for the year ended 31st March, 2017

### xvi) Details of Raw Materials consumed during the period (All Indigenous)

Particulars	12 Months ended 31st March, 2017		15 months ended 31st March, 2016	
	Quantity (Kgs.)	Amount (₹ in Lakhs)	Quantity (Kgs.)	Amount (₹ in Lakhs)
Green Leaf harvested (Green leaf harvested from Company's own gardens and utilized in the integrated activity of manufacture and value at the intermediate stage is not ascertainable)	1,32,96,052	-	1,34,10,305	-
Green Leaf Purchased	16,80,414	280.30	11,90,137	189.74

### xvii) Detail of Finished Goods, Production, Purchase, Stock and Sales

Particulars	12 Months ended 31st March, 2017		15 months ended 31st March, 2016	
	Quantity (Kgs.)	Amount (₹ in Lakhs)	Quantity (Kgs.)	Amount (₹ in Lakhs)
Actual production [excluding tea issued for sampling, shortage, tea waste destroyed & complimentary 47074 Kgs. (Previous Year 39864 Kgs.)]	34,05,850	-	33,66,179	-
Opening Stock	3,56,543	431.35	7,76,801	992.57
Purchase	-	-	-	-
Closing Stock	3,26,961	411.20	3,56,543	431.35
Gross Sales	34,45,992	5,260.07	37,86,437	5,592.30

### xviii) Value of Imported/Indigenous Stores and Spare Parts consumed and percentage thereof

Particulars	12 Months ended 31st March, 2017		15 months ended 31st March, 2016	
	Amount (₹ in Lakhs)	%	Amount (₹ in Lakhs)	%
All Indigenous	463.84	100	604.58	100

- xix) The current financial year is for a period of 12 months ended on 31st March 2017 ("current period") and accordingly, the figures for the current period are not comparable with figures for the period ended 31st March 2016 ("previous year") being 15 months presented in the Statement of Profit and Loss, Cash Flow Statement and related notes.
- xx) Trade receivables and Trade payables with respect to few parties are subject to confirmation and re-conciliation, if any.
- xxi) Figures for the previous year have been regrouped, rearranged and recast wherever necessary.

In terms of our report of even date

For **DAS & PRASAD**

Chartered Accountants

Firm Registration No.303054E

Sd/-

**A. K. Agarwal**

Partner

Membership No. 062368

4, Chowringhee Lane, Kolkata - 700 016

Date : 17th May, 2017

For and on behalf of the Board

Sd/-

**Sandeep Singhania**

Managing Director

(DIN : 00343837)

Sd/-

**Sarita Singhania**

Director (Sales & Marketing)

(DIN : 00343786)

Sd/-

**Ramesh Kumar Jhunhunwala**

Chief Financial Officer

## NOTES

[illegible]



## List of products

**Bulk Packing Jute bags**  
(in 26 kgs & 35 kgs)

**Tea Chest**  
(in 26 kgs & 35 kgs)

**Poly Pouch Pack**  
(3 varieties in 25 gms)

**Tea Bags**  
(25 bags & 100 bags pack)

**Mini Chestlet**  
(500 gms)



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