



DIANA TEA COMPANY LIMITED

CIN : L15495WB1911PLC002275

Sir R. N. M. House

3B, Lalbazar Street, Kolkata - 700 001

Phone : (033) 2248 8672, 4066-1590-93, Fax : (033) 2248-7571

E-mail : contactus@dianatea.in, Website : www.dianatea.in

Notice

NOTICE IS HEREBY GIVEN THAT THE 108TH ANNUAL GENERAL MEETING OF THE MEMBERS OF DIANA TEA COMPANY LIMITED WILL BE HELD ON THURSDAY, SEPTEMBER 19, 2019 AT GYAN MANCH EDUCATION SOCIETY HALL, 11, PRETORIA STREET, KOLKATA – 700071 AT 10.30 A.M., TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statement for the financial year ended on 31st March, 2019 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sandeep Singhania (DIN:00343837) who retires by rotation and being eligible, offer himself for re-appointment.

SPECIAL BUSINESS

3. To consider and if thought fit to pass the following Resolution as **Special Resolution**:

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, as amended and as per the enabling provisions of the Articles of Association of the Company and on recommendation

of Nomination & Remuneration Committee and subject to all other sanctions, approvals and permissions as may be required and subject to such conditions and modifications as may be imposed or prescribed by any of the authorities while granting such sanctions, approvals and permissions, consent of the Members of the Company be and is hereby accorded for payment of remuneration to Mrs. Sarita Singhania (DIN: 00343786), Whole time Director of the Company w.e.f. 11th November, 2019 for remaining period of her tenure and on such terms and condition as detailed in the Explanatory Statement attached to this notice.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, proper or desirable and to settle any questions, difficulties and/or doubts that may arise in this regard in order to implement and give effect to the foregoing resolution”.

For and on behalf of the Board

Registered Office:

3B, Lalbazar Street

Kolkata- 700 001

Date: 13th August, 2019

Sd/-

ANUSHREE BISWAS

Company Secretary

Membership No. : 40821

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER.** The instrument appointing proxy in order to be effective should be duly stamped, completed and signed and should be deposited at the Registered Office of the Company not later than 48 hours before the time fixed for the meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. The Statement pursuant to Section 102 of the Companies Act, 2013 in respect of special business is annexed hereto and forms part of this notice.
3. Corporate members intending to send their authorized representatives pursuant to the provision of section 113 of the Companies Act, 2013 to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. In case of joint holders attending the meeting, only such joint holders who are higher in the order of names will be entitled to vote.
5. The Register of Members and Share Transfer Register of the Company will remain close from 12th September, 2019 to 19th September, 2019 (both days inclusive) for the purpose of Annual General Meeting.
6. The Securities and Exchange Board of India (SEBI) has

mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s), Members holding shares in physical form are required to submit their PAN details to the Registrar and Share Transfer Agents, M/s. Maheshwari Datamatics Pvt. Ltd., 23, R.N. Mukherjee Road, 5th Floor, Kolkata-700 001.

7. Members are requested to notify immediately any change of address:
 - i. To their depository participants (DPs) in respect of their electronic share accounts, and
 - ii. To the Company at its registered office in respect of their physical shares, if any, quoting their folio number, banker's name and account number to ensure prompt and safe receipt of dividend along with self attested photocopy of PAN Card, Bank detail duly attested by the Bank and Photocopy of Cheque leaf.
8. Pursuant to Section 124 and 125 of the companies Act, 2013 any money transferred to the unpaid dividend account of a Company remaining unpaid or unclaimed for a period of seven consecutive years from the date of such transfer shall be transferred to Investor Education and Protection Fund. Members who have not so far encashed their dividend warrants for the accounting year ended 31st December 2011 to 31st March, 2018 may immediately approach the registrar for revalidation of unclaimed dividend warrants.
9. The Ministry of Corporate Affairs has notified provisions relating to unpaid/unclaimed dividend under Section 124 and 125 of the Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016. As per these Rules, dividends which are not encashed/claimed by the shareholder for a period of seven consecutive years shall be transferred to the Investor Education and Protection Fund (IEPF) Authority. The IEPF Rules mandate the companies to transfer the shares of shareholders whose dividend remain unpaid/unclaimed for a period of seven consecutive years to the demat account of IEPF Authority.

The Company has, subsequent to year end, transferred a sum of Rs. 1.88 lakhs and 109530 shares to Investor Education and Protection Fund, in compliance with the provisions of Section 124, 125 and other applicable provisions of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

The Company is taking steps for sending individual notices to the concerned shareholders and for

publishing of a public notice to shareholders under the IEPF Rules in this regard.

Hence, the Company urges all the shareholders to encash/claim their respective dividend during the prescribed period.

Members are informed that once the unpaid/ unclaimed dividend or the shares are transferred to IEPF, the same may be claimed by the Members from the IEPF Authority by making an application in the prescribed Form IEPF-5 online and sending the physical copy of the same duly signed (as per the specimen signature recorded with the Company) along with requisite documents to the Registered Office of the Company for verification of the claim.

10. The Annual Report 2018-19, the Notice of 108th AGM and instructions for e-voting along with Attendance Slip and Proxy Form are being sent by electronic mode to all members whose e-mail address are registered with the Company / Depository Participant(s), unless a member has requested for physical copy of the documents. For members who have not registered their e-mail addresses, physical copies of the aforesaid documents are being sent through permitted mode.
11. The Ministry of Corporate Affairs, Government of India, pursuant to its Green Initiative in Corporate Governance, has permitted under Section 20 of the Companies Act, 2013, the service of documents including the Annual Report consisting of Notice, Accounts and other relevant Reports through the electronic mode. Copies of the Annual Report, notice of the AGM along with attendance slip, proxy form and instructions for e-voting are being sent by electronic mode only to those members whose e-mail addresses are registered with the Company/ Depositories Participants for communication purposes unless any member has requested for a hard copy of the same. Shareholders holding shares in physical form are requested to register/update their e-mail address with the Company's Registrar and Share Transfer Agent, M/s. Maheshwari Datamatics Pvt. Ltd. at mdpldc@yahoo.com or to us on contactus@dianatea.in.
12. Shareholders seeking any information with regard to accounts are requested to write to the Company at least 10 days prior to meeting, so as to enable the management to keep the information ready.
13. Members are requested:
 - i. To bring their copies of the annual report, notice and attendance slip at the time of the meeting.
 - ii. To quote their folio no. / ID No. in all correspondence.
14. Additional information, pursuant to Regulation 26 (4) & 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as required under

the provisions of Secretarial Standard-2 issued by The Institute of Company Secretaries of India, in respect of the directors seeking appointment/ re-appointment at the AGM, is furnished as annexure to the Notice. The Directors have furnished consent/ declaration for their appointment / re-appointment as required under the Companies Act, 2013 and the Rules thereunder.

15. For the immediate reference, route map for reaching the venue of the Annual General Meeting Hall is attached as per the requirements of the Secretarial Standard-2 on "General Meetings".
16. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (11.00 am to 1.00 pm) on all working days except Saturdays, up to the date of the Annual General Meeting of the Company.
17. Members who wish to update or register their e-mail addresses with the Company or with the Depositories may use the attached E-Communication Registration Form for updation/registration.
18. In Compliance of provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 on General Meetings (SS2) issued by the Institute of Company Secretaries Of India, the Company has provided a facility to the members to exercise their votes electronically through the electronic voting service facility arranged by Central Depository Services Limited. The facility of voting through ballot paper or polling paper shall also be made available for the members at the Annual General Meeting who have not been able to vote electronically and who are attending the Meeting. The members who have cast their vote electronically would be entitled to attend the Annual General Meeting but would not be permitted to cast their vote again at the Meeting.

The instructions for e-voting are annexed to the Notice.

Once the vote is cast, the member cannot change the same or recast the same again.

19. Members may also note that the Notice of the 108th Annual General Meeting and the Annual Report for the financial year ending on March 31, 2019 will also be available on the Company's website www.dianatea.in. The Notice of AGM shall also be available on the website of CDSL viz. www.evotingindia.com.
20. For persons who have acquired shares and become Members of the Company after the dispatch of notice before the Cut- off Date (as defined hereunder), the method for obtaining the login ID and password is

being stated in the advertisement published pursuant to the Company (Management and Administration) Rules, 2014, as amended.

21. The e-voting period commences on Monday, 16th September, 2019 (10.00 A.M. IST) and ends on Wednesday, 18th September, 2019 (5.00 P.M. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the close of working hours on 12th September, 2019 ('Cut-off date') may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting on Wednesday 18th September, 2019 after 5.00 P.M. IST. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently. A person who is not a member as on the cutoff date should treat this notice for information purposes only.
22. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on Cut-off Date.
Since the Company is required to provide members the facility to cast their vote by electronic means, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the closing working hours of Cut-off Date and not casting their vote electronically, may only cast their vote by means of Ballot/Polling Paper at the Annual General Meeting.
23. Mr. Mohan Ram Goenka, Practicing Company Secretary (COP No. 2551), Partner, MR & Associates, Company Secretaries, Kolkata, who has consented to act as the Scrutinizer or failing him Ms. Sneha Khaitan, Partner M R & Associates was appointed by the Board of Directors as the Scrutinizer to scrutinize the voting process (electronically or otherwise) for 108th AGM in a fair and transparent manner and submit a consolidated Scrutinizer's Report of the total votes cast to the Chairman or a person authorized by him in writing.

24. The Scrutinizer shall, immediately after the conclusion of voting at the meeting will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and within a period not exceeding three days from the conclusion of the Annual General Meeting make a Consolidated Scrutinizer's Report of the votes cast in favour or against, if any, to the Chairman of the Company or any other person authorized by him in writing who shall countersign the same and declare the result of the voting forthwith.

Further, in accordance with Regulation 44(3) of the Securities and Exchange Board of India (Listing

Obligation and Disclosure Requirements) Regulations, 2015, the Company shall submit to the Stock Exchange, details of the voting results in the prescribed format within 48 (Forty Eight) hours of conclusion of the Annual General Meeting. The results declared along with the Consolidated Scrutinizer's Report shall be placed on the Company's website **www.dianatea.in** and on the website of CDSL **www.evotingindia.com**. The Results shall simultaneously be communicated to the BSE Limited.

25. The results of voting (including e-voting or otherwise) shall be aggregated and declared on or after the Annual General Meeting of the Company. The results of the e-voting and ballot paper shall be aggregated and declared not later than 48 (Forty eight) hours of conclusion of the AGM i.e. Saturday, 21st September, 2019. The results declared along with the Scrutinizer's Report shall be placed on the Company's website **www.dianatea.in** and on the website of CDSL **www.evotingindia.com** immediately and communicated to BSE Limited. Subject to receipt of requisite number of votes, the resolutions set out in the Notice shall be deemed to be passed on the date of the AGM.
26. In case of any queries/grievances relating to e-voting process, the Members may contact Mr. Arghya Majumder, Central Depository Services Limited, 22, Camac Street, Block-A, 1st Floor, Kolkata-16, at e-mail ID: **helpdesk.evoting@cdslindia.com**, at Toll Free No. 1800-200-5533 who will address the grievances connected with the electronic voting. Members may also write to the Company Secretary at **contactus@dianatea.in** or Registered Office address.
27. In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, securities of listed companies can only be transferred in dematerialised form with effect from 1st April, 2019. In view of the above, members are advised to dematerialise shares held by them in physical form.
28. Subject to receipt of requisite number of votes, the Resolutions proposed in the Notice shall be deemed to have been passed on the date of the Meeting i.e. 19th September, 2019.
29. **Please see the instructions below for details on e-voting facility.**
 - (i) The e-voting period commences on Monday, 16th September, 2019 (10.00 A.M. IST) and ends on Wednesday, 18th September, 2019 (5.00 P.M. IST). During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 12th September, 2019 may cast their vote electronically. The facility for voting through ballot paper/ polling

paper shall be made available at the AGM and the members as on the "cut-off date" 12th September, 2019, attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right to vote at the meeting through ballot paper/polling paper. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) Shareholders who have already voted prior to the meeting date, may attend the meeting but would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website **www.evotingindia.com**.
- (iv) Click on "Shareholders" tab to cast your votes.
- (v) Now Enter your User ID:
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to **www.evotingindia.com** and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

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

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

- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant **Diana Tea Company Limited** on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to **www.evotingindia.com** and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to **helpdesk.evoting@cdslindia.com**.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to **helpdesk.evoting@cdslindia.com** and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same in his e-mail id **goenkamohan@gmail.com**.
- In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at **www.evotingindia.com**, under help section or write an email to **helpdesk.evoting@cdslindia.com**

Registered Office:
 3B, Lalbazar Street
 Kolkata- 700 001
 Date: 13th August, 2019

For and on behalf of the Board
 Sd/-
ANUSHREE BISWAS
Company Secretary
Membership No. : 40821

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item 3:

Mrs. Sarita Singhania (DIN: 00343786) is an arts graduate and has been associated with the Company for more than 23 years and has wide experience in tea industry. Her sharp intellect, key insight and logical analysis on various issues along with her valuable inputs always enhance the performance of the Company.

The Members of the Company at the 105th Annual General Meeting held on 21.09.2016 had approved the appointment of Mrs. Sarita Singhania (DIN:00343786) as Whole time director of the Company from 11th November, 2016 to 10th November, 2021. The existing limit of remuneration payable to Mrs. Sarita Singhania is valid upto 11th November 2019.

Pursuant to the provisions of Section II of Part II of Schedule V to the Act, an ordinary resolution or a special resolution need to be passed for payment of remuneration as per the limits laid down in item (A) or (B) of the said provision, at the general meeting of the company for a period not exceeding three years.

Hence, it has been thought prudent to obtain the approval of shareholders by way of a Special Resolution for payment of remuneration to Mrs. Sarita Singhania (DIN: 00343786) Whole Time Director of the Company w.e.f. 11th November, 2019 for the remaining period of her tenure and the Board of Directors at its meeting held on 28.05.2019, on the recommendation of Nomination and Remuneration Committee and taking into consideration Mrs. Sarita Singhania's professional qualification as well as her significant contribution to the Company's growth and in planning and implementing the Company's business strategies decided to fix her remuneration for remaining period of her current tenure w.e.f. 11th November, 2019 till 10th November 2021.

In consideration of her services as Whole Time Director, Mrs. Singhania shall be entitled to receive the following by way of remuneration for her remaining period of Directorship:

A. Salary: ₹ 2, 50,000/- per month.

Revision of the basic salary shall be decided by the Board of Directors annually on the recommendation of the Nomination and Remuneration Committee in the salary range of ₹ 2, 50,000/- to ₹ 4, 00,000/- per month.

B. Commission: Commission as determined by the Board of Directors within the overall ceiling on managerial remuneration laid down in Sections 2(78) and Section 197 of the Companies Act, 2013 and based on the net profits of the Company in any particular year.

C. Perquisites : In addition to the salary and commission payable, Mrs. Singhania shall also be entitled to

perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance, together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishing and repairs, medical reimbursement, leave travel concession for herself and her family, club fees, medical insurance and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and Mrs. Singhania.

The perquisites and allowance shall be valued as per Income Tax Act, 1961 or any other rules hereunder or any statutory modification(s) or re-enactment thereof, and in absence of such rules they shall be valued at actual cost.

Provision for use of the Company's car for official duties and telephone (including payment of local calls and long distance official calls) shall not be included in the computation of perquisites.

Company's contribution to Provident Fund and Superannuation or Annuity Fund, to the extent these either singly or together are not taxable under the Income Tax Act, Gratuity payable as per the rules of the Company and encashment of leave at the end of tenure, shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

D. Minimum Remuneration: In the event of loss, absence or inadequacy of profits in any financial year during the term of office of Mrs. Singhania, the remuneration payable to her by way of salary, allowances, commissions and perquisites shall not, without the approval of the Central Government (if required), exceed limit specified in Schedule V to the Companies Act, 2013 including any amendment(s), modification(s), variation(s) or re-enactment thereof.

The above remuneration is to be paid as minimum remuneration in the absence or inadequacy of profits, subject to the provisions of Schedule V of the Companies Act, 2013.

Variation : The Board of Directors or any Committee may alter and vary the terms and conditions of the appointment and/or agreement (including the amount of salary, commission and also type & amount of perquisites and other benefits payable to Mrs. Singhania) in such manner as may be agreed between the Board or Committee thereof and Mrs. Singhania, provided however that the remuneration payable to Mrs. Singhania shall not exceed the limits specified in the Schedule V of the Companies Act, 2013, including any amendment(s), modification(s), variation(s) or re-enactment thereof.

The above payment shall be governed by the provisions of Schedule V to the 'Act' or any amendment thereof.

Additional information as required under Part II of Schedule V of the Companies Act, 2013 is given below:

1. Nature of Industry :	Cultivation, Manufacturing and sale of Tea
2. Date of commencement of commercial production :	The Company is in manufacturing operation since 1911
3. In case of new companies expected date of commencement of activities as per project approved by financial Institution appearing in the prospectus :	Not Applicable
4. Financial performance based on given Indicator :	As per Audited Financial Results for the year ended:

(₹ in Lakhs)

Particulars	31 st March, 2019	31 st March, 2018
Revenue from Operations	6230.69	6086.02
Profit before taxation	(149.23)	267.35
Tax Expense	(30.73)	41.74
Profit for the year	(118.50)	225.61
Other Comprehensive Income (net of tax)	(11.58)	(2.60)
Total Comprehensive Income	(130.08)	223.01
Other Equity at year end	5242.38	5524.06

5. Foreign Investment or collaborators, If any:	NIL
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INFORMATION ABOUT THE WHOLE-TIME DIRECTOR

1. Background Details, Job Profile and her suitability:

Mrs. Sarita Singhania (DIN: 00343786) is an arts graduate and has been associated with the Company since 1996. She has 23 years wide experience of tea industry and she looks after day to day business operation of the Company. Her sharp intellect, key insight and logical analysis on various issues along with her valuable inputs always enhance the performance of the Company.

2. Past Remuneration:

Rs.30 lakhs per annum.

3. Recognition or Rewards:

The company under her stewardship has grown over past few years, both in terms of quality and quantity. Garden's average yields have surpassed 25 quintals which is far above industry average with superior quality fetching better price realization.

4. Remuneration Proposed:

The proposed remuneration is stated and is within the limit set out under Section 196, 197, 203 read with Schedule V of the Companies Act, 2013.

5. Comparative remuneration profile with respect to industry, size of the company, profile of the Position and person:

Remuneration of Whole Time Director in the industry in general has gone up manifold in past few years. It is not possible to find out comparative remuneration in the industry with respect to profile of the position. The remuneration to Mrs. Sarita Singhania is purely based on merits.

6. Pecuniary relationship directly or indirectly with the company, or relationship with the Managerial personnel:

Mrs. Sarita Singhania has no pecuniary relationship with the Company except to the extent of her Remuneration and Shareholdings in the Company. She is not Related to Mr. Sandeep Singhania as per the definition of Companies Act, 2013.

OTHER INFORMATION

1. Reasons of Loss or Inadequate Profits:

Year on year the cost of production has gone higher by virtue of increase in wages/ salaries and other inputs and whereas price realization has not caught up with the rising costs.

2. Steps taken or proposed to be taken for improvement:

Continuous developmental work in field and expansion in capacity, factory has led to cost optimisation as well as improvisation in quality to improve overall performance.

3. Expected increase in productivity and profit in measurable terms

With continuation of developmental work in field and factory, the economy of garden is expected to improve along with quality.

The details of sitting fees paid to the Directors and remuneration package payable along with relevant details payable to Executive Directors has been mentioned in the Report of Corporate Governance attached to the Director's Report.

The above remuneration is to be paid as minimum remuneration in the absence or inadequacy of profits, subject to the provisions of Schedule V of the Companies Act, 2013.

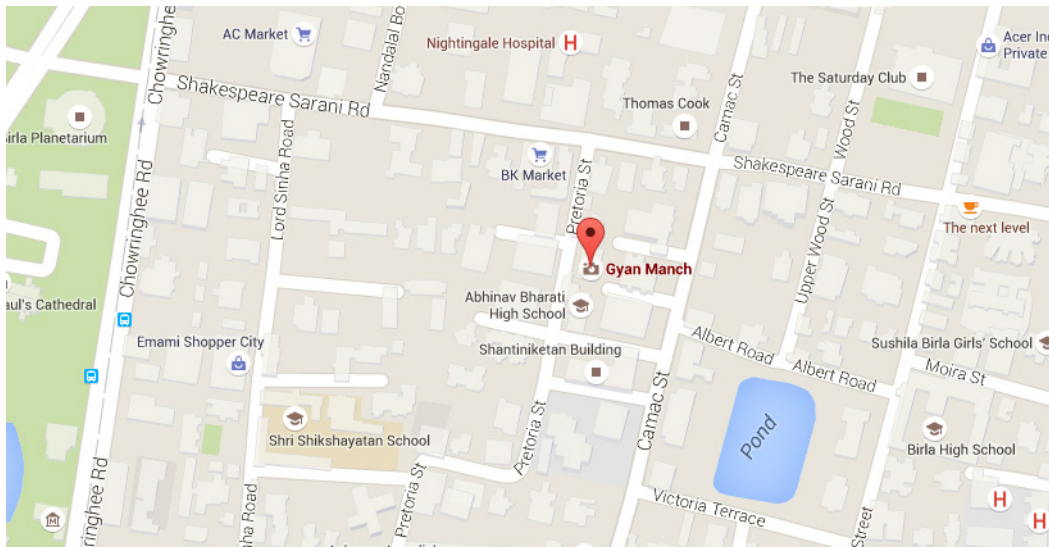
The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue availing the services of Mrs. Sarita Singhania as the Whole Time Director of the Company. Accordingly, the Board recommends the resolution as set out at item nos. 3 of the Notice in relation to her remuneration as aforesaid for the approval of the shareholders of the Company.

Except, Mrs. Sarita Singhania, none of the other Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested in the said resolution.

**DETAILS OF DIRECTOR SEEKING APPOINTMENT / REAPPOINTMENT
IN THE HUNDRED AND EIGHTH ANNUAL GENERAL MEETING
(Pursuant to Regulation 26(4) and Regulation 36 (3) of Listing Regulations, 2015
& Secretarial Standard-2)**

Name of Director	Mr. Sandeep Singhania
Date of Birth	25/03/1972
Qualification	Commerce Graduate
Date of Appointment	22/10/1991
Terms and Conditions of Appointment	As per Letter of Appointment
Nature of Expertise in Specific Functional Areas	Tea Plantation & Marketing Business
The Remuneration last drawn by Directors, if applicable	Basic Salary: ₹ 3,50,000 per month
Details of Remuneration sought to be paid	Basic Salary Range : ₹ 3,00,000 per month to ₹ 5,00,000 per month
List of Other Public Companies in which Directorship held (excluding in Foreign Companies)	Singhania Builders Ltd. Diana Capital Ltd.
List of other listed entities in which Directorship held	NIL
Chairman / Member of the Committees of the Board of Directors of Other Companies in which she/he is a Director (excluding in Foreign Companies)	None
Chairman/ Member of the Committees of the Board of Directors in Other Listed Companies	NIL
Disclosure of relationship between Directors inter-se and Key Managerial Personnel	Mr. Sandeep Singhania is not related to any other Directors on the Board and key Managerial Personnel in terms of the definition of "Relative" under the Companies Act, 2013.
Details of Shareholding, if any in the Company	3,62,369 Shares of ₹ 5/- each
The number of Meetings of the Board attended during the financial year	Mr. Sandeep Singhania attended 4 Board meetings out of total 4 Board meetings held during the year.

ROUTE MAP TO THE AGM VENUE OF DIANA TEA COMPANY LIMITED TO BE HELD ON THURSDAY, SEPTEMBER 19, 2019 AT 10:30 A.M.



DIANA TEA COMPANY LIMITED



ANNUAL REPORT 2018-19

Corporate Information

BOARD OF DIRECTORS

Mr. Sandeep Singhania	<i>Managing Director</i>
Mrs. Sarita Singhania	<i>Whole-Time Director (Sales & 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. Sandeep Singhania	<i>Member</i>
Mrs. Sarita Singhania	<i>Member</i>
Mr. Gautam Bhalla	<i>Member</i>

CHIEF FINANCIAL OFFICER

Mr. Ramesh Kumar Jhunjunwala

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Anushree Biswas (with effect from 13th August, 2019)

*(Ms. Namrata Jain resigned from the post of Company Secretary & Compliance Officer with effect from 26th June, 2019) and Mr. Ramesh Kumar Jhunjunwala was appointed as Compliance Officer with effect from 27th June, 2019 till 13th August, 2019)

AUDITORS

B.Nath & Co.
Chartered Accountants
Shantiniketan Building
8, Camac Street
2nd Floor, Room No. 4
Kolkata - 700 017
(Firm's Registration No. 307057E)

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, Lalbazar Street
Kolkata - 700 001
Phone : (033) 2248-8672, 4066 1590-93
Fax : (033) 2248-7571
E-mail : contactus@dianatea.in
Website : 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

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Directors' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting their 108th Annual Report along with the Audited Accounts for the financial year ended 31st March, 2019.

Financial Results

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

(₹ in Lakhs)

Particulars	31 st March, 2019	31 st March, 2018
Revenue from Operations	6230.69	6086.02
Profit before taxation	(149.23)	267.35
Tax Expense	(30.73)	41.74
Profit for the year	(118.50)	225.61
Other Comprehensive Income (net of tax)	(11.58)	(2.60)
Total Comprehensive Income	(130.08)	223.01
Other Equity at year end	5242.38	5524.06

Note: The above figures are extracted from the standalone financial statements prepared under IND AS (Indian Accounting Standards) for the financial year ended on 31st March, 2019 and 31st March, 2018.

Review of Performance

The year under review was extremely challenging from every perspective, be it crop, cost or realization. Our own crop for the year was down by 1,05,814 kilograms, when compared to last year. This is partially due to embargo imposed on plucking as per Tea Board directive and also due to unfavorable weather condition in the beginning of the year. Our total crop for the year was 40,82,400 kilograms when compared to last year 40,09,576 kilograms out of which our own production was 31,75,373 kilograms. viz a viz last year was 32,81,187 kilograms and brought leaf production was 9,07,027 kilograms. viz a viz 7,28,389 kilograms last year.

During the year Indian Tea production was approximately 1,349 million kilograms against 1278 million kilograms last year. The increase in crop is majorly coming out of small tea growers which are mushrooming every year. This had led to the poor sentiments prevailing in the market where there was hardly any price appreciation in the quality

segment whereas non quality segment majorly consisting of Brought Leaf got hit the most. To add to the misery of organized sector of tea industry the State Government has increased the wages from ₹ 132.50 to ₹176.00 that is 33% increase within one year which had major impact on the profitability of the tea companies. In spite of our focus on producing higher quality of tea made out of our own produce and enhancing the capacity of brought leaf and manufacturing higher quantity of brought leaf we were unable to overcome the cost burden imposed on us due to extremely higher wages. In spite of having one of the highest yields and favorable average age of the bush coupled with regular developmental work in field and following prudent agricultural practices, your company suffered a loss of ₹118.50 Lakhs.

Prospects

Current year looks to be equally challenging where North Indian crop continues to be higher than last year till the month of May, again major contribution coming from small

Directors' Report

growers. This has again led to bearish sentiment prevailing in the tea market. In addition to that world tea market is also on a declining trend. Only positive takeaway is that, higher quantity of orthodox is being made by Assam planters and good demand for quality tea by the packeters. However, there are no major signs of rerating of tea prices to take care of growing cost structure in organized tea industry.

Your Company is leaving no stone unturned to pass through this headwind by following continuous developmental work in field to further enhance our yields together with focusing on producing quality tea. We also intend to produce higher quantity of Brought leaf segment to offset the cost burden and optimize operational costs.

Your Company has been taking full advantage of various subsidies being provided by the Tea Board and is following PPC code prescribed by the Tea Board. Your Company is also in the process of getting Trustee certification done in near future.

With the advantages of having a higher yield coupled with better average sales realization over most of our peers. We are hopeful of turning around the company in coming years.

Change in nature of Business, if any

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

Transfer to Reserves

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

Transfer from Reserves

Your Directors proposed to transfer a sum of Rs.150.00 Lakhs from the General Reserves.

Dividend

Due to losses and in order to conserve the resources of the Company for future growth and survive in the tough Industrial scenario, the Board of Directors have not recommended any dividend for the Financial Year 2018-19.

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
28.05.2018	4
13.08.2018	4
14.11.2018	4
14.02.2019	4

Share Capital

During the financial year ended 31st March, 2019 there has been no change in the issued and subscribed capital of your Company. The outstanding capital as on 31st March, 2019 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 Singhanian	Member
3.	Mr. Gautam Bhalla	Member
4.	Mr. N.F Tankariwala	Member

- The Terms of Reference of the Audit Committee has been provided in the Corporate Governance Section forming part of this Report. During the financial year, the Committee had met 4 times as on May 28, 2018, August 13, 2018, November 14, 2018 and February 14, 2019.

Recommendation by audit committee:

There is no such recommendation of audit committee which has not been accepted by the Board during the said 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(9) & (10) of the Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 and SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, 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 and to prevent leak of Unpublished Price Sensitive Information. The Company has also made provisions for adequate safeguards against victimization of its

Directors' Report

employees and Directors who express their concerns. The Chairman of Audit Committee can be accessed directly by any employee for reporting issues which need to be brought to the notice of the Board. The said policy was revised on 14th February, 2019. The Vigil Mechanism / Whistle Blower Policy of the Company has been uploaded on the website of the Company: www.dianatea.in.

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

The Terms of Reference of the Committee has been provided in the Corporate Governance Section forming part of this Report. During the financial year, the Committee had met 2 times as on August 13, 2018 and February 14, 2019.

c. Stakeholders Relationship Committee

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

- The Terms of Reference of the Committee has been provided in the Corporate Governance Section forming part of this Report. During the financial year, the Committee had met 4 times on May 28, 2018, August 13, 2018, November 14, 2018 and February 16, 2019.

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 of clause (c) of sub-section (3) and (5) of Section 134 of the Companies Act, 2013, your Directors confirm that:

- (a) in the preparation of the annual accounts, for the

financial year ended 31st March, 2019, the applicable accounting standards had been followed along with proper explanation relating to material departures 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, 2019 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 Regulation 34 read with 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 Listing Regulations. 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

Directors' Report

is obtained for the transactions which are foreseen and repetitive in nature. The said policy was revised on 14th February, 2019. The Revised 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.

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 Rule 8(3) of the Companies (Accounts) Rules, 2014, are given at **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(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended are attached to this Report as **Annexure "E"**.

There are 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. B. Nath & Co., Chartered Accountants having registration number FRN No.307057E were appointed as statutory Auditors of the Company in the 107th Annual General Meeting to hold office for a term of 5(Five) years from the Conclusion of 107th Annual General Meeting till the conclusion of the 112th Annual General Meeting. Pursuant to the amendments made to Section 139 of the Companies Act, 2013 by the Companies (Amendment)

Act, 2017 effective from May 7, 2018, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors has been withdrawn from the Statute. Hence the resolution seeking ratification of the Members for continuance of their appointment at this AGM is not being sought. The Statutory Auditors hold a valid peer review certificate as prescribed under Regulation 33(1)(d) of SEBI Listing Regulations, 2015.

Further, the report of the 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. Further, the Statutory Auditors have not reported any incident of fraud during the year under review to the Audit Committee of your Company.

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 (CP No.2551), to undertake the Secretarial Audit of the Company for the financial year ending 31st March, 2019. The Secretarial Audit Report for the financial year ended 31st March, 2019 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 2019-2020 and accordingly such accounts and records are made and maintained. However the Company is not required to appoint Cost Auditor to conduct the audit of cost records for the financial year 2019-2020.

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, if any, affecting the Financial Position

No material changes and commitments have occurred during the financial year 2018-19 which might affect the financial position of the company.

Directors' Report

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.

Your Company hereby declares that it has complied with provisions relating to the constitution of Internal Complaints Committee of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013. No complaint has been brought to the notice of the Management during the financial year ended on 31st March, 2019.

Risk Management

In terms of the requirement of the Companies Act, 2013 and Listing Regulations, 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(1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

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. 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%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.

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%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.

Details of Significant and material orders passed by the Regulators/ Courts/ Tribunals impacting the going concern status and the Company's operations in future.

There were no significant and material orders passed by the regulators or courts or tribunals that would impact the Going concern Status and or will have any bearing on Company's Operations in future.

Transfer to Investor Education and Protection fund

Your Company has, subsequent to year end, transferred a sum of ₹ 1.88 lacs and 109530 shares to Investor Education and Protection Fund, in compliance with the provisions of Section 124, 125 and other applicable provisions of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

The said amount represents dividend for the year 2010 which remain unclaimed for a period of 7 years from its due date of payment.

Internal financial controls systems with reference to the financial statement

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. 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, 2019.

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 to accounts of the Financial Statement for the year ended 31st March, 2019 forming part of this Annual Report.

Directors' Report

Directors

As per provisions of Section 152 of the Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2014, Mr. Sandeep Singhania (DIN 00343837) is liable to retire by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for reappointment. The Board recommends his re-appointment as a Director liable to retire by rotation.

There has been no change in the Composition of the Board of Directors during the Financial year 2018-19.

Key Managerial Personnel

There has been no change in the Composition of the Key Managerial Personnel of the Company during the Financial Year 2018-19.

Ms. Anushree Biswas was appointed as Company Secretary & Compliance Officer of the Company with effect from 13th August, 2019.

Ms. Namrata Jain designated as Company Secretary & Compliance Officer of the Company, resigned from the post with effect from 26th June, 2019.

Mr. Ramesh Kumar Jhunjunwala, Chief Financial Officer of the Company was appointed as Compliance Officer of the Company with effect from 27th June, 2019.

Deposits

Your Company has not accepted any deposits within the meaning of Section 73 and 76 of the companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

Compliance of Secretarial Standards

The Company complies with all applicable Secretarial Standards.

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, Lalbazar Street
Kolkata - 700 001
Date : 13th August, 2019

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

Sd/-
Sarita Singhania
(Whole-time Director)
(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, 2019
 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	CIN	L15495WB1911PLC002275
ii	Registration Date	26/08/1911
iii	Name of the Company	Diana Tea Company Limited
iv	Category / Sub-Category of the Company	Company Limited By Shares/ Indian Non-Government Company
v	Address of the Registered office and contact details	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	Whether listed Company	Yes
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	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-700001	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 01/04/2018]				No of Shares held at the end of the Year [As on 31/03/2019]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
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	—	—	—	—	—	—	—	—	—
Sub-total (A)(1):	9194854	0	9194854	61.3358	9194854	0	9194854	61.3358	0.0000
(2) Foreign									
a) NRIs Individuals	—	—	—	—	—	—	—	—	—
b) Other Individuals	—	—	—	—	—	—	—	—	—
c) Bodies Corp.	—	—	—	—	—	—	—	—	—
d) Banks/FI	—	—	—	—	—	—	—	—	—
e) Any other	—	—	—	—	—	—	—	—	—
Sub-total (A)(2):	0	0	0	0.0000	0	0	0	0.0000	0.0000
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	9194854	0	9194854	61.3358	9194854	0	9194854	61.3358	0.0000
B. Public Shareholding									
1. Institutions									
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)	—	—	—	—	—	—	—	—	—
Sub-total(B)(1):	0	0	0	0.0000	0	0	0	0.0000	0.0000
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	387764	17768	405532	2.7052	331378	17258	348636	2.3256	-0.3796
ii) Overseas	—	—	—	—	—	—	—	—	—
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	3828479	65429	3893908	25.9750	3940917	61549	4002466	26.6991	0.7241
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1112677	0	1112677	7.4223	1139002	0	1139002	7.5979	0.1756

Annexure to the Directors' Report

Category of Shareholders	No of Shares held at the beginning of the Year [As on 01/04/2018]				No of Shares held at the end of the Year [As on 31/03/2019]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others (Specify)									
Non Resident Indians	131031	0	131031	0.8741	137890	0	137890	0.9198	0.0457
Custodian of Enemy Property	0	14742	14742	0.0983	0	14742	14742	0.0983	0.0000
Clearing Members	132400	0	132400	0.8832	43880	0	43880	0.2927	-0.5905
Investor Education and Protection Fund Authority	105856	0	105856	0.7061	109530	0	109530	0.7306	0.0245
Sub-total(B)(2):	5698207	97939	5796146	38.6642	5702597	93549	5796146	38.6640	-0.0002
Total Public Shareholding (B)=(B)(1)+ (B)(2)	5698207	97939	5796146	38.6642	5702597	93549	5796146	38.6640	-0.0002
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	14893061	97939	14991000	100.0000	14897451	93549	14991000	100.0000	0.0000

(ii) Shareholding of Promoters :-

Sl. No.	Shareholder's Name	Shareholding at the beginning of the Year [As on 01/04/2018]			Shareholding at the end of the Year [As on 31/03/2019]			% 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	-	-
	TOTAL	9194854	61.3358	-	9194854	61.3358	-	-

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 1.04.2018	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 CHANGES DURING THE YEAR			
	At the end of the Year 31.03.2019			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	MAHENDRA GIRDHARILAL				
	At the beginning of the Year-01/04/2018	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)-31/03/2019	112113	0.7479	112113	0.7479
2	MEC EXIM PRIVATE LIMITED *				
	At the beginning of the Year-01/04/2018	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) 31/03/2019	60000	0.4002	60000	0.4002
3	BHAIRAVI KAUSHIK KAMDAR				
	At the beginning of the Year-01/04/2018	69052	0.4606		
	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): 31/03/2019	69052	0.4606	69052	0.4606

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
4	K.K. MEHTA				
	At the beginning of the Year 01/04/2018	60400	0.4029		
	Date wise Increase / Decrease in Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc): 06/04/2018-Transfer	4000	0.0267	64400	0.4296
	27/04/2018-Transfer	4297	0.0287	68697	0.4583
	04/05/2018-Transfer	2303	0.0154	71000	0.4736
	11/05/2018-Transfer	1931	0.0129	72931	0.4865
	18/05/2018-Transfer	19469	0.1299	92400	0.6164
	25/05/2018 - Transfer	7745	0.0517	100145	0.6680
	06/07/2018 - Transfer	4173	0.0278	104318	0.6959
	13/07/2018 - Transfer	150	0.0010	104468	0.6969
	20/07/2018 - Transfer	7944	0.0530	112412	0.7499
	27/07/2018 - Transfer	1642	0.0110	114054	0.7608
	10/08/2018 - Transfer	46	0.0003	114100	0.7611
	17/08/2018 - Transfer	300	0.0020	114400	0.7631
	24/08/2018 - Transfer	-5235	0.0349	109165	0.7282
	31/08/2018 - Transfer	-7165	0.0478	102000	0.6804
	07/09/2018 - Transfer	-5268	0.0351	96732	0.6453
	14/09/2018 - Transfer	-1932	0.0129	94800	0.6324
	21/09/2018 - Transfer	-4204	0.0280	90596	0.6043
	12/10/2018 - Transfer	3305	0.0220	93901	0.6264
	23/11/2018 - Transfer	-7168	0.0478	86733	0.5785
	30/11/2018 - Transfer	-788	0.0053	85945	0.5733
	07/12/2018 - Transfer	-1145	0.0076	84800	0.5657
	31/12/2018 - Transfer	-2000	0.0133	82800	0.5523
	11/01/2019 - Transfer	-2200	0.0147	80600	0.5377
	18/01/2019 - Transfer	-3300	0.0220	77300	0.5156
	25/01/2019 - Transfer	-300	0.0020	77000	0.5136
	15/02/2019 - Transfer	1000	0.0067	78000	0.5203
	08/03/2019 - Transfer	-988	0.0066	77012	0.5137
	29/03/2019 - Transfer	-4802	0.0320	72210	0.4817
	At the End of the Year(or on the date of separation, if Separated during the Year) 31/03/2019	72210	0.4817	72210	0.4817
5	INDU DEVI MOHATTA				
	At the beginning of the Year 01/04/2018	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) 31/03/2019	129423	0.8633	129423	0.8633

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
6	Chandrakala Mehta				
	At the beginning of the Year 01/04/2018	79984	0.5335		
	Date wise Increase / Decrease in Share holding during the Year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc): 20/04/2018- Transfer	180	0.0012	80164	0.5347
	At the End of the Year (or on the date of separation, if Separated during the Year) 31/03/2019	80164	0.5347	80164	0.5347
7.	R N RUBESH				
	At the beginning of the Year 01/04/2018	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) 31/03/2019	114568	0.7642	114568	0.7642
8.	SANGEETHA S				
	At the beginning of the Year 01/04/2018	75000	0.5003		
	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) 31/03/2019	75000	0.5003	75000	0.5003
9	MOHAMMAD ALI				
	At the beginning of the Year 01/04/2018	98837	0.6593		
	Date wise Increase / Decrease in Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):06/04/2018 –Transfer	1200	0.0080	100037	0.6673
	18/05/2018 - Transfer	2939	0.0196	102976	0.6869
	25/05/2018 - Transfer	4000	0.0267	106976	0.7136
	07/09/2018 - Transfer	-1705	0.0114	105271	0.7022
	07/12/2018 - Transfer	1100	0.0073	106371	0.7096
	At the End of the Year (or on the date of separation, if Separated during the year) 31/03/2019	106371	0.7096	106371	0.7096
10	PRIYAL CHETAN KOTHARI #				
	At the beginning of the Year 01/04/2018	100000	0.6671		
	Date wise Increase / Decrease in Share holding during the Year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc):11/05/2018-Transfer	-22746	0.1517	77254	0.5153
	18/05/2018- Transfer	-77254	0.5153	0	0.0000
	At the End of the Year (or on the date of separation, if Separated during the year) 31/03/2019	0	0.0000	0	0.0000

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
11	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS				
	At the beginning of the Year 01/04/2018	105856	0.7061		
	Date wise Increase / Decrease in Share holding during the Year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc): 23/11/2018-Transfer	2740	0.0183	108596	0.7243
	30/11/2018-Transfer	934	0.0062	109530	0.7306
	At the End of the Year (or on the date of separation, if Separated during the Year) 31/03/2019	109530	0.7306	109530	0.7306

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

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

(v) Shareholding of Directors and Key Managerial Personnel :

Sl. No.	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:01/04/2018	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: 31/03/2019	362369	2.4172	362369	2.4172
2.	Sarita Singhania				
	At the beginning of the Year:01/04/2018	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: 31/03/2019	500491	3.3386	500491	3.3386

Annexure to the Directors' Report

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
Indebtedness at the beginning of the financial year				
i) Principal Amount	1100.03	31.67	-	1131.70
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	4.42	-	4.42
Total { i) + ii) + iii)}	1100.03	36.09	-	1136.12
Change in Indebtedness during the financial year				
• Addition	430.06	77.50	-	507.56
• Reduction	-280.93	8.75	-	-272.18
Net Change	710.99	68.75	-	779.74
Indebtedness at the end of the financial year				
i) Principal Amount	1811.02	100.42	-	1911.44
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	6.72	-	6.72
Total { i) + ii) + iii)}	1811.02	107.14	-	1918.16

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	47.04	33.60	80.64
	(b) Value of perquisites u/s 17(2) 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 (A)	47.04	33.60	80.64
	Ceiling as per the Act	The limit is as per the provisions of the Companies Act, 2013		

Annexure to the Directors' Report

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	0.20	0.18	0.38	0.76
	• Commission				
	• Others	0.02	0.02	0.02	0.06
	(Separate Meeting of Independent Directors)				
	Total (1)	0.22	0.20	0.40	0.82
2.	Other Non-Executive Directors				
	• Fee for attending board /committee meetings	-	-	-	-
	• Commission	-	-	-	-
	• Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	0.22	0.20	0.40	0.82
	Total Managerial Remuneration Overall Ceiling as per the Act	The limit is as per the provisions of the Companies Act, 2013			

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

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Ramesh Kumar Jhunjhunwala Chief Financial Officer	Namrata Jain	Total Amount
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6.34	4.22	10.56
	(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	6.34	4.22	10.56

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no Penalties / Punishment / Compounding of offence 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, Lalbazar Street
Kolkata - 700 001
Date : 13th August, 2019

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

Sd/-
Sarita Singhania
(Whole-time Director)
(DIN: 00343786)



Management DISCUSSION AND ANALYSIS

Industry Structure and Development

The total world tea production was about 5856 million kilograms in 2018 as compared to 5697 million kilograms in 2017 out of which contribution from Indian Tea crop was approximately 1349 million kilograms against 1278 million kilograms last year. Kenya also contributed majorly to the excess production. Total Indian export was 254.50 kilograms against last year's 256.57 kilograms. The contribution of small growers in India tea production continue to swell every year and has almost reached 50% of the total crop whereas production from the organized sector is declining consistently. Global tea consumption is likely to grow due to rising population and tea being recognized as a health drink. Indian tea consumption continues to grow at a steady rate of 3% CAGR.

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 try to overcome such situation at the earliest.

Opportunities Threats, Risks and Concerns

Global tea production is rising every year and so is the consumption. Being agricultural in nature, production is directly linked to the weather conditions prevailing during the year and tends to affect the production in adverse conditions. Furthermore, mushrooming of small growers in the Indian tea sectors is challenging the survivability

of organized tea gardens as there is no level playing field between the two. The latter is burdened with huge social cost falling under Plantation Labour Act, whereas small growers are not affected by it. Rising cost in form of higher wages and other inputs not supported by increase in price realization, continues to pose major threat on survivability of organized sector.

Outlook

Current year outlook continues to be extremely challenging wherein overall cost continues to go high in form of wages and other inputs, failing to convert into higher realization, thus effecting the bottom line of the tea companies adversely. Our company emphasizes on putting proper policies and strategies in form of developmental work in field and modernization work in the factory to improve quality and to reduce costs. This will enable us to survive in this difficult scenario.

Financial Review and Analysis

The Company's financial position is strong enough which has helped company to pass through in turbulent times. The development and modernization 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.

Details of Significant Changes

The SEBI-LODR (Amendment) Regulation, 2018 introduced the requirement of disclosing details of significant changes (i.e., change of 25% or more as compared to the immediately previous financial year) in the key financial

Annexure to the Directors' Report

ratios, accordingly, such changes are tabled below-

Financial Ratios	Variance	Reasons for Variance
Debtors Turnover	-30.53%	Due to decrease in sales the debtors turnover ratio has been increased.
Inventory Turnover	-28.09%	Due to decrease in sales, which led to higher inventory of unsold stock resulted in increase in Inventory ratio.
Interest Coverage Ratio	-96.48%	Average working capital borrowing was higher during the year due to sharp rise in wages as well as higher production cost and corresponding decrease in sales.
Debt Equity Ratio	76.84%	Due to decrease in sales and increase in working capital and higher capital expenditure resulting in increase in Debt equity ratio.
Operating Profit Margin	-94.77%	Due to decrease in sales and increase in labour cost.
Net Profit Margin	-156.97%	Operating costs increased sharply due to substantial wage increase in North Bengal, which did not translate into higher tea prices thus having an adverse effect on the margins. Financial cost increased because of higher borrowings of working capital and term loans. Depreciation cost was high because of expansion work carried out in the factories.

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, 2019 was 3620.

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.

Registered Office :
3B, Lalbazar Street
Kolkata - 700 001
Date : 13th August, 2019

For and on behalf of the Board
Sd/-
Sandeep Singhania
Managing Director
(DIN: 00343837)

Sd/-
Sarita Singhania
(Whole-time Director)
(DIN: 00343786)



Report on CORPORATE GOVERNANCE

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 [Listing Regulations], our Board have an optimum combination of Executive and Non-Executive Directors with atleast one Woman 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 28, 2018, August 13, 2018, November 14, 2018 and February 14, 2019.

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 (Promoter)	4	Yes	2	-	-	N.A.
Mrs. Sarita Singhania (Whole-time Director)	Executive Non Independent (Promoter)	4	Yes	1	-	-	N.A.
Mr. Harish chandra Maneklal Parekh	Non-Executive Independent Director	2	Yes	7	5	4	-
Mr. Noshir Faramji Tankariwala	Non-Executive Independent Director	2	Yes	-	-	-	-
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 Listing Regulations] 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.

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 31.03.2019.

Report on Corporate Governance

The Directors of the Company are also directors in various other Listed entities as on 31.03.2019 as under:

Directors	Name of Indian Listed entities where the Director is a director (other than Diana Tea Company Ltd)*	Category of Directorship
Mr. Sandeep Singhania	-	-
Mrs. Sarita Singhania	-	-
Mr. Harish Chandra Maneklal Parekh	The Grob Tea Co Ltd Gillanders Arbuthnot & Co Ltd Williamson Magor & Co. Ltd. The Peria Karamalai Tea And Produce Company Limited Rossell India Limited	Independent Independent Independent Independent Independent
Mr. Noshir Faramji Tankariwala	-	-
Mr. Gautam Bhalla	-	-

During the year under review, there were no such instances wherein the Board had not accepted any recommendation of the Committees of the Board.

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. The Board hereby give confirmation that in the opinion of the board, the independent directors fulfill the conditions specified in these regulations and are independent of the management. Further, there is no resignation of Independent Director who resigns before the expiry of the tenure.

Separate Meeting of Independent Directors:

As stipulated by the code of Independent Directors under Companies Act, 2013 and the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on 16.02.2019 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.

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 as amended by SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 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 18.09.2018.

Ms. Namrata Jain, Company Secretary & Compliance officer, 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.

Report on Corporate Governance

- c. Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- d. Reviewing the adequacy of internal audit function.
- e. Discussing with internal and external auditors any significant finding and follow-up on such issues.
- f. Reviewing key accounting matters and developments.
- g. Reviewing the utilization of funds raised by the Company.
- h. Reviewing the statutory compliance system.
- i. Reviewing the related parties' transactions.
- j. Review the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.
- k. Reviewing other matters as directed by the Board.

Four Meetings of Audit Committee were held for the financial year 2018-19 as on May 28, 2018, August 13, 2018, November 14, 2018 and February 14, 2019.

Attendance Record of the Audit Committee Meeting:

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

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. Recommending to the board, all remuneration, in whatever form, payable to Senior Management.
5. To assist the Board in fulfilling responsibilities entrusted from time-to-time.
6. To help in determining the appropriate size, diversity and composition of the Board.
7. Evaluating each director's performance and performance of the Board as a whole.

Two meetings of the Nomination & Remuneration Committee were held as on August 13, 2018, and February 14, 2019.

Attendance record of the Nomination & Remuneration Committee meeting:

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

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.

Key skills/expertise/competence of the Board of Directors

The Board of Directors of the Company comprises qualified members who bring in the required skills, expertise, and competence to allow them to make effective contribution to the Board and its Committees. The Board members are committed to ensuring that the Board is in well compliance with the highest standards of corporate governance. In terms of SEBI Listing Regulations, 2015, the Company identified the following list of core skills/expertise/competencies as is required in the context of the Company's business(es) and sector(s) for it to function effectively and those which are actually available with the Board:

Report on Corporate Governance

Skills/Expertise/Competencies	Details
Behavioral	Fulfilling a director's duties and responsibilities, putting the organisation's interests before personal interests, acting ethically, active contributor, collaborative, performance oriented and professional.
Financial	Qualifications and/or experience in accounting and / or finance and the ability to analyse key financial statements, Leadership of a financial firm or management of the finance function of an expertise, resulting in proficiency in complex financial management, capital allocation, and financial reporting processes, or experience in actively supervising a principal financial officer, auditor or person performing similar functions.
Diversity	Representation of gender, ethnic, geographic, cultural or other perspectives that expand the Board's understanding of the needs and viewpoints of the Company's customers, partners, employees, governments, and other stakeholders worldwide.
Industry	Experience in the financial services sector in which the Company operates. Experience in driving business success in markets around the world, with an understanding of diverse business environments, economic conditions, cultures, and regulatory frameworks, and a broad perspective on global market opportunities.
Technology	Significant backgrounds in technology, resulting in knowledge of how to anticipate technological trends, generate disruptive innovation, and extend or create new business models.
Strategic Expertise	Ability to understand, critically assess and review business strategies including acquisitions and other business combinations.
Board service and governance	Service on a public company board to develop insights about maintaining board and management accountability, protecting shareholder interests, and observing appropriate governance practices.

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.

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	42.00	5.04	47.04
Mrs. Sarita Singhania	30.00	3.60	33.60

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	0.14	0.08
Mr. Gautam Bhalla	0.28	0.12
Mr. N. F. Tankariwala	0.14	0.06
Total	0.56	0.26

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 pecuniary relationship or transactions of the non-executive Directors with the Company.

Report on Corporate Governance

- (i) The above details of remuneration or fees paid are all elements of remuneration package of individual directors summarized under major groups.
- (ii) Apart from the above mentioned details of remuneration or fees paid there are no other fixed component and performance linked incentives based on the performance criteria.
- (iii) Service contract, notice period and severance fees: There are no separate provisions for such.
- (iv) There are no stock options offered to any Directors of the Company.

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 2018-19.

Four Meeting was held during the financial year 2018-19 as on May 28, 2018, August 13, 2018, November 14, 2018 and February 16, 2019,

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 April 1, 2018	Nil
b)	Complaints received from investors	0
c)	Complaints replied/resolved to the satisfaction of shareholders	0
d)	Complaints pending on March 31, 2019	Nil

There were no investors' complaints pending against the company as on 31st March, 2019 on SCORES, the web based complaint redressal system of SEBI.

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:

Ms. Anushree Biswas, Company Secretary & 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

* (Note Ms. Namrata Jain was the Company Secretary & Compliance Officer during the FY 2018-19, however she resigned from the post w.e.f. 26th June, 2019)

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
2017-18	18.09.2018	10:30 a.m.	Gyan Manch Education Society Hall, 11, Pretoria Street, Kolkata-700071
2016-17	12.08.2017	10:30 a.m.	Gyan Manch Education Society Hall, 11, Pretoria Street, Kolkata-700071
2015-2016 (15 Months)	21.09.2016	10:30 a.m.	Gyan Manch Education Society Hall, 11, Pretoria Street, Kolkata-700071

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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
2017-18	1.Payment of Remuneration to Mr. Sandeep Singhania (DIN.00343837), Managing Director of the Company for remaining period of his tenure. 2.Continuation of Directorship of Mr. Harish.Parekh, as Non-Executive Independent Director who has attained the age of 75 years with effect from 1 st April, 2019 for the remaining period of his Directorship. 3. Continuation of Directorship of Mr. N.F. Tankariwala, as Non-Executive Independent Director who has attained the age of 75 years with effect from 1 st April, 2019 for the remaining period of his Directorship.
2016-17	NIL
2015-2016 (15 Months)	1. Re-appointment of Mrs. Sarita Singhania as Whole-time Director (WTD) of the Company for a period of 5 years.

c) Details regarding Resolutions passed through postal ballot :

During the financial year 2018-19, no Special Resolutions was 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. In case any Special Resolution needs to be passed through Postal Ballot during the financial year 2018-2019, the procedure for conducting the postal ballot as laid down under Section 110 of the Companies Act, 2013 and the Rules made there under shall be complied with.

d) Extraordinary General Meeting:

No Extraordinary General Meeting of the members was held during the financial year 2018-19.

7. DISCLOSURES

- a. 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 was revised on 14.02.2019 and which is available in the web link: www.dianatea.in/Policy-on-Related-Party-transactions_7.pdf

Details of all related party transactions forms 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.

- b. 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.
- c. 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.
- d. The Company does not have any subsidiaries. However the Company has formulated policy for determining 'material' subsidiaries which was revised on 14.02.2019 and which is available on the web link: http://www.dianatea.in/Policy_for_determining_material_subsidiaries_8.pdf
- e. 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.
- f. The Company has complied with the mandatory requirements as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges.
- g. During the financial year 2018-2019, the Company has complied with the requirements of Corporate

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Governance Report of sub paras (2) to (10) of the Point C of Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

- h. The Company has complied with the regulations 17-20, 22-23, 25-27 and Clauses (b) to (i) of regulations 46(2) of Listing Regulations during the financial year 2018-2019.
- i. The Company has established a vigil mechanism for Directors and employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of code of conduct or ethics policy. The mechanism also provides for adequate safeguards against victimization of director(s) / employee(s) who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in the exceptional cases and also prevent leak of Unpublished Price Sensitive Information as per SEBI (Prohibition of Insider Trading)(Amendment) Regulations, 2018 . The policy on Vigil Mechanism has been placed in the website of the Company: www.dianatea.in at the weblink: http://www.dianatea.in/Whistle_Blower_Diana.pdf. No personnel has been denied access to Audit committee in the related matter.
- j. 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.
- k. Other non-mandatory requirements shall be adopted as and when considered appropriate.
- l. The Company does not have any of its securities lying in demat/unclaimed suspense account arising out of public/bonus/right issues as at 31st March, 2019. Hence, the particulars relating to aggregate number of shareholders and the outstanding securities in suspense account and other related matters are not applicable.
- m. The total fees paid by the Company on a consolidated basis to B.Nath & Company, Statutory Auditors of the Company forming part of the same network, aggregate 2.41 Lakhs.
- n. **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.
- o. **Compliance Certificate by Practicing Company Secretary**

The Company has obtained a certificate from the Practicing Company Secretary regarding compliance of conditions of Corporate Governance as stipulated in Schedule V of the Listing Regulations, which is annexed herewith and forms part of this Annual Report.

p. Policy against Sexual and Workplace Harassment

The Company is committed to provide and promote a safe, healthy and congenial atmosphere irrespective of gender, caste, creed or social class of the employees. The Company in its endeavour to provide a safe and healthy work environment for all its employees has developed a policy to ensure zero tolerance towards verbal, physical, psychological conduct of a sexual nature by any employee or stakeholder that directly or indirectly harasses, disrupts or interferes with another's work performance or creates an intimidating, offensive or hostile environment such that each employee can realize his / her maximum potential. Further, the Company has created an online module for the employees which will help the learner to understand the costs of sexual harassment at workplace and the importance of prevention of sexual harassment. Further, the module will familiarise the employees not just about the legal requirements but also the moral and ethical reasons why organisations must promote healthy workplace. The Company has put in place a 'Policy on Prevention of Sexual Harassment' as per The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ('Act'). The Policy is meant to sensitize the employees about their fundamental right to have safe and healthy environment at workplace. As per the Policy, any employee may report his / her complaint to the Internal Complaint Committee formed for this purpose. The Company affirms that during the year under review adequate access was provided to any complainant who wished to register a complaint under the Policy. The details of complaints during the Financial Year 2018-19 pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Company's Policy on Prevention of Sexual Harassment is as under:

Number of complaints filed	Number of complaints disposed off	Number of complaints pending
NIL	NIL	NIL

Report on Corporate Governance

q. MEANS OF COMMUNICATION

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

8. GENERAL SHAREHOLDERS' INFORMATION:

(a) AGM date, time and venue:

Thursday, September 19, 2019 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 March 31, 2019 Publication of Results will be as follows:

Period	Approval by the Board of Director (tentative)
1 st Quarter ending June 30, 2019	Within 14 th August, 2019
2 nd Quarter ending September 30, 2019	Within 14 th November, 2019
3 rd Quarter ending December 31, 2019	Within 14 th February, 2020
Final Audited Results of 31 st March 2020 including 4 th Quarter	Within 30 th May, 2020
AGM for the year ending 31 st March, 2020	Within 30 th September 2020

(c) Dividend payment date

Not Applicable for the current year.

(d) Listing on Stock Exchanges:

The Company's securities are listed at:

	Name of the Stock Exchange	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

* The Company has applied for delisting of shares from The Calcutta Stock Exchange Ltd.

However, The Company had been suspended for trading from The Calcutta Stock Exchange

Custodial fees to Depositories: The custodial fee has been paid to NSDL and CDSL upto 31st March, 2019

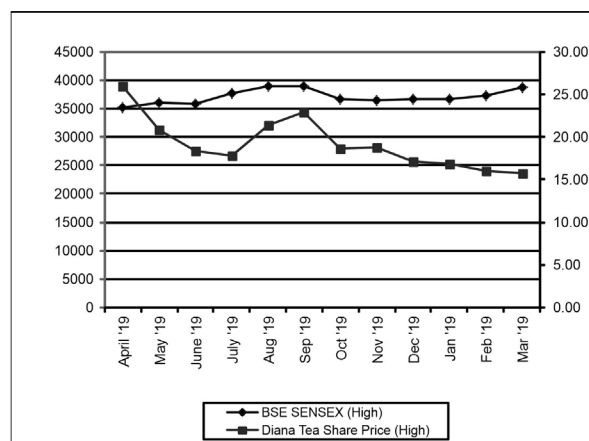
The Listing Fees has been paid to BSE Ltd upto 31st March, 2019.

(e) Stock Price Data:

(Amount in ₹)

Month	BSE Ltd.	
	High	Low
April 2018	25.90	18.95
May 2018	20.85	15.55
June 2018	18.30	15.40
July 2018	17.80	14.45
August 2018	21.45	16.55
September 2018	22.95	15.40
October 2018	18.70	13.00
November 2018	18.80	15.25
December 2018	17.10	14.30
January 2019	16.90	14.10
February 2019	16.00	12.65
March 2019	15.75	13.10

(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-700001

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 Listing Regulations.

(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).

(j) i) Distribution of share holding as on 31st March , 2019:

Group of shares	No. of shareholders	% age	No. of Shares held	% age to total shares
1 to 500	5261	77.0730	741646	4.9473
501 to 1000	713	10.4454	608168	4.0569
1001 to 2000	385	5.6402	615870	4.1083
2001 to 3000	151	2.2121	389595	2.5989
3001 to 4000	74	1.0841	270718	1.8059
4001 to 5000	80	1.1720	382808	2.5536
5001 to 10000	95	1.3917	703360	4.6918
Above 10000	67	0.9815	11278835	75.2373
Total	6826	100.0000	14991000	100.0000

ii) Share holding pattern as on 31st March , 2019:

Category	No. of shareholders	No. of shares held	% of shareholding
Promoters	10	9194854	61.3358
Private Body Corporates	72	348636	2.3256
Individuals	6645	5141468	34.2972
Qualified Foreign Investors/NRI	41	137890	0.9198
Clearing Member	25	43880	0.2927
Custodian of Enemy Properties	32	14742	0.0983
IEPF	1	109530	0.7306
Total	6826	14991000	100

iii) Dematerialisation of shares and liquidity as on 31st March, 2019 :

Nature of holding	Holders	Shares	Percentage
Physical	583	93549	0.62
Dematerialized	6953	14897451	99.38
Total	7536	14991000	100

International Securities Identification Number (ISIN): INE012E01035

(k) Certification regarding non disqualification or non-debarment of Directors

The Company has obtained a certificate from Mr. Mohan Ram Goenka (Membership No. FCS 4515, Certificate of Practise

Report on Corporate Governance

No. 2551) certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India (SEBI) /Ministry of Corporate Affairs (MCA) or any such statutory authority. A copy of the said certificate is set out as an annexure to the Corporate Governance Report and forms part of this Annual Report.

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

Not applicable

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

Not applicable

(n) 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 P.O. Banarhat -735202	b) Baintgoorie Tea Estate P.O. Mal -735221	c) Goodhope Tea Estate P.O. Dam Dim-735209
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(o) Credit Ratings

Agency	CRISIL
Long –Term Rating	CRISIL BBB/Stable
Short–Term Rating	CRISIL A3+

There has been no revision in any of the credit ratings assigned by the credit rating agencies during the Financial Year 2018-19.

(p) 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-700001
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, Lalbazar Street
Kolkata - 700 001
Date : 13th August, 2019

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

Sd/-
Sarita Singhania
(Whole-time Director)
(DIN: 00343786)

Report on Corporate Governance

Annexure-“C” (A)

To,
The Members,
DIANA TEA CO LTD
Sir R N House
3B Lal Bazar Street
Kolkata - 700 001

CERTIFICATE OF NO-DISQUALIFICATION / NO-DEBARMENT OF DIRECTORS

Based on our verification of the declarations provided Diana Tea Co Ltd ('the Company') by its Directors and the documents and information available on the website of the Ministry of Corporate Affairs, BSE Limited and in the public domain as on August 13, 2019, We certify that, none of the Directors of the Company (as listed in Table A) is debarred or disqualified for being appointed or continuing as a director of the Company, by the Securities and Exchange Board of India or Ministry of Corporate Affairs or any such statutory authority.

This Certificate has been issued in terms of Item C(10)(i) of Schedule V to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Table A

Sr. No.	Name of the Directors	Director Identification Number
1	Mr. Harischandra Parekh Maneklal	00026530
2	Mr. Noshir Faramji Tankariwala	00035400
3	Mrs. Sarita Singhanian	00343786
4	Mr. Sandeep Singhanian	00343837
5	Mr. Gautam Bhalla	00675609

For M R & Associates
Company Secretaries
Sd/
[M R Goenka]
Partner
FCS No. :4515
C P No. :2551

Place: Kolkata
Date: 13.08.2019

Report on Corporate Governance

CEO/CFO Certification

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

We, Sandeep Singhania, Managing Director and Ramesh Kumar Jhunjhunwala, 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, 2019.
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, if any, in internal controls during the financial year 2018-19;
 - b) significant changes, if any, in accounting policies during the financial year 2018-19 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: 13th August, 2019

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

Sd/-
Ramesh Kumar Jhunjhunwala
(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 March 31, 2019.

Place: Kolkata
Date: 13th August, 2019

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
3/B, 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, 2019, 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.

Shantiniketan Building
8, Camac Street
2nd Floor, Room No. 4
Kolkata - 700 017
Date: 13th August, 2019

For **B. NATH & CO**
Chartered Accountants
Firm Regn. No.307057E

Sd/-
Gaurav More
Partner
Membership No. 306466

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 March 31, 2019 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 conveyorisation 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 Rs. 27.94 lakhs

B) Technology Absorption

- i) The efforts made by the Company towards technology absorption during the yearperiod 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 conveyorisation 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 Rs. 11.34 lakhs for the financial year ended March 31st, 2019.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

During the financial year the foreign exchange outgo was Rs.70.22 lakhs and the foreign exchange earning was NIL.

For and on behalf of the Board

Sd/-

Sandeep Singhania
(Managing Director)
DIN: 00343837

Sd/-

Sarita Singhania
(Whole-time Director)
DIN: 00343786

Registered Office
3B, Lal Bazar Street
Kolkata- 700 001.
Date : 13th August, 2019

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 31.03.2019 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year ended 31.03.2019 are as under :

Sl. No.	Name of Director/ KMP and Designation	Designation	Remuneration of Director/KMP for the financial year 2018-19 (₹ in lakhs)	% increase in remuneration for the financial year 2018-19	Ratio of remuneration of each director to the median remuneration of the employees for the financial year 2018-19
1.	Sandeep Singhania	Managing Director	47.04	NA	NA
2.	Sarita Singhania	Director (Sales & Marketing)	33.60	NA	NA
3.	Ramesh Kumar Jhunjunwala	Chief Financial Officer *	6.34	31.53 (approx)	6.34:1
4.	Namrata Jain	Company Secretary & Compliance Officer**	4.22	NA	4.22:1

Notes:

*Mr.Ramesh Kumar Jhunjunwala was partly employed in the Financial year 2017-18 with effect from 17th May, 2017. Therefore the percentage increase in Remuneration is in approx.

**Ms. Namrata Jain was employed only for a part of the previous year as her employment commenced with effect from 12th February, 2018. Therefore the percentage increase in Remuneration cannot be calculated.

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 ₹ 1 Lakhs
- (iii) During the Financial year, there was an increase of 12.35% in the median remuneration of employees.
- (iv) There were 3620 permanent employees on the rolls of Company as on March 31, 2019.
- (v) Average percentage increase made in the salaries of employees other than the key managerial personnel in the last financial year was (1.91%) around whereas the increase in the key managerial remuneration for the same financial period was 5.25% .
- (vi) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

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

There were no employee who was employed for throughout and part of the year and was in receipt of remuneration exceeding the limits laid down in the Companies Act, 2013.

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

Names of the employees	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	47.04	Otherwise	B. Com. 28 years	21.10.1991	47 years	-	2.4172	-
Sarita Singhania	Whole Time Director	33.60	Otherwise	B.A. 22 years	11.11.2013	55 years	-	3.3386	-
Devang Singhania	Executive Business Development	10.75	Otherwise	Graduate 5 Years	03.03.2014	24 years	-	0.0334	Sarita Singhania
Sudershan Kumar Babal	Chief General Manager (Plantation)	8.55	Otherwise	B.A. 44 years	27.11.2004	63 years	Rajabhat Tea Garden	-	-
Varda Singhania	Executive Marketing	6.72	Otherwise	Graduate 1 Year	01.04.2018	23 years	-	-	Sandeep Singhania
Rakesh Jain	Executive Marketing	6.25	Otherwise	Graduate 13 years	11.07.2006	43 years	Balaji Agro Pvt Ltd	-	-
Rakesh Gaur	Manager	6.09	Otherwise	M.A. 24 years	15.06.2007	48 years	Tukdula Tea Estate	-	-
Smt. Meenakshi Babal	Personal Assistant to Chief General Manager (Plantation)	6.02	Otherwise	B. A. 44 years	27.11.2004	62 years	Rajabhat Tea Garden	-	Sudarshan Kumar Babal
Ramesh Kumar Jhunjhunwala	Chief Financial Officer	6.34	Otherwise	B.COM 12 years	01.12.2007	60 years	-	-	-
Shanker Sinha	Manager	5.65	Otherwise	B.Com. and LLB 23 years	04.04.2001	50 years	Nagrakata Tea Estate	-	-

For and on behalf of the Board

Registered Office :
3B, Lalbazar Street
Kolkata - 700 001
Date : 13th August, 2019

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

Sd/-
Sarita Singhania
(Whole-time Director)
(DIN: 00343786)

Annexure to the Directors' Report

Annexure "F"

Form No. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

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

To,
The Members,
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's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has, during the audit period covering financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.
3. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:
 - i) The Companies Act, 2013 (the Act), amendment 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) 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 (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable regulations /guidelines/circulars as may be issued by SEBI from time to time;

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

- (a) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2016; and
- (f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018

Annexure to the Directors' Report

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

- (a) Food Safety and Standards Act, 2006
- (b) Tea Act, 1953
- (c) Plantations Labour Act, 1951
- (d) Essential Commodities Act, 1955
- (e) The Tea Waste (Control) Order, 1959
- (f) 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 as issued and mandated by the Institute of Company Secretaries of India;
- (ii) The Listing Agreement entered into by the Company with BSE Ltd.

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

We further report that

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

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

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 the Company had Obtained approval of shareholders by way of Special Resolution passed at Annual General Meeting of the Company held on 18.09.2018 for

- i. Continuation of payment of remuneration to Managing Director for the remaining period of his tenure;
- ii. Continuation of Directorship of Mr. Harish Parekh as Independent Director who has attained the age of 75 years with effect from 1st April, 2019;
- iii. Continuation of Directorship of Mr. N. F. Tankariwala Independent Director who has attained the age of 75 years with effect from 1st April, 2019.

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

**For MR & Associates
Company Secretaries**

**Place: Kolkata
Date : 13th August, 2019**

**Sd/-
[MR Goenka]
Partner
FCS No.: 4515
C P No.: 2551**

Annexure to the Directors' Report

Annexure "A"

**(TO THE SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019)**

To,
The Members,
Diana Tea Company Limited
Sir R. N. M. 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/-
[MR Goenka]
Partner
FCS No.: 4515
C P No.: 2551

Place: Kolkata
Date : 13th August, 2019

Statement of Financial Accounts

Independent

Auditors' Report

TO THE MEMBERS OF DIANA TEA COMPANY LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Diana Tea Company Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to following:

- The company has not made provision for part of gratuity liability as per actuarial valuation as per Ind AS 19 - Employee Benefits.
- The loans and advances include amounts receivable from two 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 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.

Our Opinion is not modified in respect of above matters

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter (KAM)	Auditor's Response
1.	Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 Revenue from Contracts with customers(New Revenue Accounting Standards)	Our audit procedures included the following:- We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:

Independent Auditors' Report

Sr. No.	Key Audit Matter (KAM)	Auditor's Response
	<ul style="list-style-type: none"> The application of new accounting standards involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of basis used to measure revenue recognized over a period and estimate of variable consideration. Additionally, new revenue accounting standards contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to Balance Sheet date. 	<ul style="list-style-type: none"> Evaluated the design of internal controls relating to implementation of the new revenue accounting standard. Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, re-performance and inspection of evidence in respect of operation of these controls. Tested the relevant information technology systems access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard. Selected a sample of continuing and new contracts and performed the following procedures : <ul style="list-style-type: none"> Read, analysed and identified the distinct performance obligations in these contracts. - Compared these performance obligations with that identified and recorded by the Company. Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration. Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts. Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged With Governance for the Standalone Financial Statement

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flow of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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

Independent Auditors' Report

judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought

Independent

Auditors' Report

to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) 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 March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended 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 30 to the Ind AS 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 were no amounts, which were required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **B Nath & Co**

Chartered Accountants

(Firm's Registration No. 307057E)

Sd/-

Gaurav More

Partner

(Membership No.306466)

Place: Kolkata

Date: May 28, 2019

Annexure A

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 March 31, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Annexure A

to the Independent Auditors' Report

Opinion

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

Place: Kolkata
Date: May 28, 2019

For **B Nath & Co**
Chartered Accountants
(Firm's Registration No. 307057E)
Sd/-
Gaurav More
Partner
(Membership No.306466)

Annexure B

to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the period ended March 31, 2019, 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 the 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), iii(b) and iii(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 complied with the provision of Sections 186 of the Companies Act, 2013 in respect of making investments. The Company has not given any loan or granted any security in terms of Section 185 and 186 of the Act;
- (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 is not applicable to the Company;
- (vi) According to the information and explanations given to us, in our opinion, the Company have, prima facie, made and maintained the prescribed cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under subsection (1) of Section 148 of the Companies Act, 2013. We have, however, not made a detailed examination of the cost records with a view to determining whether they are accurate or complete;
- (vii) a) According to the information and explanation given to us and on the basis of our examination of the records of the company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Service Tax, Value Added Tax, GST, Cess or other material statutory dues have been generally regularly deposited during the period 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, GST, cess or other material statutory dues were in arrears as at March 31, 2019 for a period of more than six months from the date they become payable;
- b) According to the information and explanation given to us, the following dues of vat, sales-tax, central sales tax, excise, service tax and ESI have not been deposited by the company on account of dispute as at March 31, 2019:

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
Central Sales Tax Act, 1956	CST	15.28	FY 2010-2011	Senior Joint Commissioner of Commercial Taxes, Chowringhee Circle, Kolkata

- (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 March 31, 2019. Accordingly paragraph 3(ix) of the Order is not applicable.

Annexure B

to the Independent Auditors' Report

- (x) Based on the audit procedures performed and the information and explanations given to us, we report that no material fraud on or by the Company has been noticed or reported during the period, 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) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian 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 period 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 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.

For **B Nath & Co**

Chartered Accountants

(Firm's Registration No. 307057E)

Sd/-

Gaurav More

Partner

(Membership No.306466)

Place: Kolkata

Date: May 28, 2019

Balance Sheet

as at 31st March, 2019

(₹ in Lakhs)

	Notes	As at 31st March, 2019	As at 31st March, 2018
ASSETS			
Non-Current Assets			
(a) Property, Plant And Equipment	3.1	6,296.04	5,812.62
(b) Capital Work-In-Progress	3.2	1.08	162.50
(c) Financial Assets :			
(i) Investments	4	297.22	309.97
(ii) Other Financial Assets	6	2.71	2.71
(d) Deferred Tax Assets (Net)	7	59.58	21.94
(e) Other Non Current Assets	8	277.08	274.50
Total Non-Current Assets		6,933.71	6,584.24
Current Assets			
(a) Inventories	9	478.47	649.90
(b) Financial Assets:			
(i) Investments	4	160.58	61.10
(ii) Trade Receivables	10	110.81	155.80
(iii) Cash and Cash Equivalents	11	124.42	34.12
(iv) Bank balance other than (iii) above	12	67.38	47.69
(v) Loans	5	913.50	954.00
(vi) Other Financial Assets	6	33.49	40.10
(c) Other Current Assets	8	332.91	103.99
Total Current Assets		2,221.56	2,046.70
Total Assets		9,155.27	8,630.94
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	13	749.55	749.55
(b) Other Equity	14	5,242.38	5,524.06
Total Equity		5,991.93	6,273.61
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities:			
(i) Borrowings	15	1,227.88	840.94
(b) Other Non Current Liabilities	18	182.06	19.98
Total Non-Current Liabilities		1,409.94	860.92
Current Liabilities			
(a) Financial Liabilities:			
(i) Borrowings	15	536.81	187.13
(ii) Trade Payables	16		
(a) Total Outstanding Dues Of Micro Enterprises and Small Enterprises		8.91	-
(b) Total Outstanding Dues Of Creditors other than Micro Enterprises and Small Enterprises		323.34	420.16
(iii) Other Financial Liabilities	17	335.34	451.95
(b) Other Current Liabilities	18	278.16	213.94
(c) Provisions	19	270.84	223.23
Total Current Liabilities		1,753.40	1,496.41
Total Equity and Liabilities		9,155.27	8,630.94

Summary of Significant Accounting Policies

1-2

The Accompanying Notes referred to above form an integral part of the financial statements.

In terms of our report of even date

For and on behalf of the Board

For **B. Nath & Company**

Chartered Accountants

Firm Registration No. 307057E

Sd/-

Gaurav More

Partner

Membership No. 306466

Place: Kolkata

Date : 28th May, 2019

Sd/-

Sandeep Singhania

Managing Director

(DIN : 00343837)

Sd/-

Namrata Jain

Company Secretary

(Membership No.51075)

Sd/-

Sarita Singhania

Director (Sales & Marketing)

(DIN : 00343786)

Sd/-

Ramesh Kumar Jhunjunwala

Chief Financial Officer

Statement of Profit and Loss

for the year ended 31st March, 2019

(₹ in Lakhs)

	Notes	Year ended 31st March, 2019	Year ended 31st March, 2018
INCOME			
Revenue from operations	20	6,230.69	6,086.02
Other income	21	162.07	136.57
Total Revenue		6,392.76	6,222.59
EXPENSES			
Cost of Raw Materials Consumed	22	743.24	533.64
Change in Inventories Of Work-In-Progress, Stock-In-Trade, By-Products and Finished Goods	24	51.85	114.73
Employee Benefit Expenses	25	3,409.89	3,079.62
Finance Costs	26	175.72	137.59
Depreciation and Amortisation Expenses	27	154.87	134.41
Excise Duty On Sale Of Goods	23	-	4.43
Other Expenses	28	2,006.42	1,950.82
Total Expenses		6,541.99	5,955.24
Profit/(Loss) before Tax		(149.23)	267.35
Less: Tax expenses			
Current Tax		-	36.15
Deferred Tax		(34.20)	19.61
MAT credit entitlement		-	(13.57)
Income Tax relating to earlier years		3.47	(0.45)
Profit/(Loss) for the year		(118.50)	225.61
Other Comprehensive Income/ (Expenses) (OCI)			
Items that will not be reclassified to profit or loss:			
Net (Loss)/ gain on FVTOCI equity securities		(15.03)	(2.60)
Tax effect on above		3.45	-
		(11.58)	(2.60)
Total Other Comprehensive Income/ (Expenses) (OCI)		(11.58)	(2.60)
Total Comprehensive Profit/ (Loss) for the year		(130.08)	223.01
Earnings per equity share [nominal value ₹ 10 per share - Basic & Diluted (₹)]	29		
Basic (₹)		(0.79)	1.50
Diluted (₹)		(0.79)	1.50

Summary of Significant Accounting Policies

1-2

The Accompanying Notes referred to above form an integral part of the financial statements.

In terms of our report of even date

For and on behalf of the Board

For **B. Nath & Company**

Chartered Accountants

Firm Registration No. 307057E

Sd/-

Gaurav More

Partner

Membership No. 306466

Place: Kolkata

Date : 28th May, 2019

Sd/-

Sandeep Singhania

Managing Director

(DIN : 00343837)

Sd/-

Namrata Jain

Company Secretary

(Membership No.51075)

Sd/-

Sarita Singhania

Director (Sales & Marketing)

(DIN : 00343786)

Sd/-

Ramesh Kumar Jhunjunwala

Chief Financial Officer

Cash Flow Statement

for the year ended 31st March, 2019

(₹ in Lakhs)

	Year ended 31st March, 2019		Year ended 31st March, 2018	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit/(Loss) before tax		(149.23)		267.35
Adjustments for :				
Depreciation & Amortization Expense	154.87		134.41	
Finance Costs	175.72		137.59	
Loss on Sale of Fixed Asset (Net)	7.70		2.32	
Deferred Government Grants	(65.16)		(6.98)	
Loss on Discard of Tea Plantation	4.09		3.21	
Dividend Income	(1.72)		(0.23)	
Interest Income	(80.90)		(122.11)	
Sundry Balances Written Back	-	194.60	(2.12)	146.09
Operating Profit before Working Capital Changes		45.37		413.44
Adjustments for:				
(Increase)/ Decrease in Inventories	171.43		(58.40)	
(Increase)/ Decrease in Trade Receivables, Advances & Other Assets	97.93		701.12	
Increase/ (Decrease) in Trade Payables, Other Liabilities & Provision	121.37	390.73	(541.84)	100.88
Cash Generated from Operations		436.10		514.32
Taxes Paid (Net of Refund)		12.19		37.29
Net Cash (Outflow)/ Inflow from Operating Activities		423.91		477.03
B. CASH FLOW FROM INVESTING ACTIVITIES				
Acquisition of Property, Plant & Equipments	(605.27)		(695.26)	
Sale of Property, Plant & Equipments	5.58		2.59	
Capital Subsidy Received	35.29		15.07	
Purchase of Capital Goods	(2.58)		-	
Interest Received	87.50		221.14	
Dividend Received	1.72		0.23	
Sale of Investments	-		0.54	
Acquisition of Investments	(101.75)	(579.51)	(112.41)	(568.10)
Net Cash (Outflow)/Inflow from Investing Activities		(579.51)		(568.10)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Long Term Borrowings	430.06		233.90	
Dividend Paid (including Tax on Dividend)	(40.57)		(40.48)	
Interest and Other Finance Charges Paid	(143.59)	245.90	(136.81)	56.61
Net Cash Inflow/(Out flow) from Financing Activities		245.90		56.61
Net Increase/ (Decrease) in Cash & Cash Equivalents (A + B + C)		90.30		(34.46)
Cash & Cash Equivalents as at Opening		34.12		68.58
Cash & Cash Equivalents as at Closing		124.42		34.12

Cash Flow Statement

for the year ended 31st March, 2019

(₹ in Lakhs)

1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind AS 7 on 'Statement of Cash Flow'.
2. Previous Year figures have been recast/regrouped wherever considered necessary to make them comparable with current period figures.

Components of Cash and Cash Equivalents	As at 31st March, 2019	As at 31st March, 2018
Cash on hand	11.89	4.50
Balances with Banks in :		
- Current Accounts	112.53	29.62
Total Cash & Cash Equivalents	124.42	34.12

In terms of our report of even date

For **B. Nath & Company**

Chartered Accountants

Firm Registration No. 307057E

Sd/-

Gaurav More

Partner

Membership No. 306466

Place: Kolkata

Date : 28th May, 2019

For and on behalf of the Board

Sd/-

Sandeep Singhania

Managing Director

(DIN : 00343837)

Sd/-

Namrata Jain

Company Secretary

(Membership No.51075)

Sd/-

Sarita Singhania

Director (Sales & Marketing)

(DIN : 00343786)

Sd/-

Ramesh Kumar Jhunjunwala

Chief Financial Officer

Statement of Changes in Equity

for the year ended 31st March, 2019

A. Equity Share Capital

(₹ in Lakhs)

	As at 31st March, 2019	As at 31st March, 2018
At the beginning of the year	749.55	749.55
Add: Addition during the year	-	-
At the End of the year	749.55	749.55

B. Other Equity

	Reserve & Surplus			Other Reserves			Total Equity
	Securities Premium	General Reserve	Retained Earning	Capital Reserve	Revaluation Reserve	FVOCI Equity Investments	
Balance as at 31st March, 2017	323.61	3,301.94	39.00	0.10	1,775.79	(16.55)	5,423.89
Add: Profit/(Loss) for the year	-	-	225.61	-	-	-	225.61
Add: Other Comprehensive Income	-	-	-	-	-	(2.60)	(2.60)
Add: Transferred from/ (to) statement of Profit & Loss	-	200.00	(200.00)	-	-	-	-
Less : Assets discarded during the period	-	-	-	-	(82.31)	-	(82.31)
Add/ (Less): Depreciation on Revaluation	-	-	30.85	-	(30.85)	-	-
Add/ (Less): Profit/ loss on sale of Equity Instrument	-	-	0.35	-	-	(0.35)	-
Transactions with owners in their capacity as owners:							
Less: Dividend paid during the year	-	-	(37.48)	-	-	-	(37.48)
Less: Dividend Tax paid during the year	-	-	(3.05)	-	-	-	(3.05)
Balance as at 31st March, 2018	323.61	3,501.94	55.28	0.10	1,662.63	(19.50)	5,524.06
Add: Profit/(Loss) for the year	-	-	(118.50)	-	-	-	(118.50)
Add: Other Comprehensive Income	-	-	3.45	-	-	(15.03)	(11.58)
Add: Transferred from/ (to) statement of Profit & Loss	-	(150.00)	150.00	-	-	-	-
Less : Assets discarded during the period	-	-	-	-	(111.03)	-	(111.03)
Add/ (Less): Depreciation on Revaluation	-	-	29.74	-	(29.74)	-	-
Transactions with owners in their capacity as owners:							
Less: Dividend paid during the year	-	-	(37.48)	-	-	-	(37.48)
Less: Dividend Tax paid during the year	-	-	(3.09)	-	-	-	(3.09)
Balance as at 31st March, 2019	323.61	3,351.94	79.40	0.10	1,521.86	(34.53)	5,242.38

Statement of Changes in Equity

for the year ended 31st March, 2019

Description of reserves in statement of changes in equity

i) Share Premium Account:

This reserve is used to record the premium on issue of shares. The reserve is available for utilisation in accordance with the provisions of the Act.

ii) General Reserve:

General reserve is created and utilised in compliance with the provisions of the Act.

iii) Retained Earnings:

Retained earnings represents accumulated profits earned by the company and remaining undistributed as on date.

iv) Capital Reserves:

This reserve was created on account of forfeiture of shares in earlier years and shall be utilised in accordance with the provisions of the Act.

v) Revaluation Reserve:

Revaluation Surplus, is the excess of market value over the carrying value of certain assets. The said reserve is utilised for adjustment of depreciation attributable to such excess amount and is credited to retained earnings .

vi) FVOCI Equity Investments:

The Company has elected to recognise changes in the fair value of certain investments in equity instruments through other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

In terms of our report of even date

For **B. Nath & Company**

Chartered Accountants

Firm Registration No. 307057E

Sd/-

Gaurav More

Partner

Membership No. 306466

Place: Kolkata

Date : 28th May, 2019

For and on behalf of the Board

Sd/-

Sandeep Singhania

Managing Director

(DIN : 00343837)

Sd/-

Namrata Jain

Company Secretary

(Membership No.51075)

Sd/-

Sarita Singhania

Director (Sales & Marketing)

(DIN : 00343786)

Sd/-

Ramesh Kumar Jhunjunwala

Chief Financial Officer

Notes to the financial statements

as at and for the year ended 31st March, 2019

1. CORPORATE INFORMATION

Diana Tea Company Limited (the Company) is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its equity shares are listed on stock exchanges in India. It is engaged in the business of manufacturing and sale of tea and having its tea estates in the state of West Bengal. The estates have processing factories capable of producing CTC tea with installed combined capacity of 5000 tones.

2. SIGNIFICANT ACCOUNTING POLICIES

A) Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013. The Company adopted Ind AS from 1st April, 2017.

B) Basis of Preparation

The financial statements of the Company have been prepared in accordance with the relevant provisions of the Companies Act, 2013, Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per Company's operating cycle and other criteria set out in Schedule-III of the Companies Act 2013. Based on the nature of business, the Company has ascertained its operating cycle as 12 months for the purpose of Current or non-current classification of assets and liabilities.

The financial statements have been prepared on historical cost basis, except for financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/ or disclosures in these financial statements is determined on such a basis, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 – Inventories or value in use in Ind AS 36 – Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

C) Use of estimates and critical accounting judgments

The preparation of the financial statements require the use of accounting estimates which, by definition, will seldom equal the actual result. Management also needs to exercise judgment in applying the Company's accounting policies.

This note provides an overview of the areas that involved a high degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Critical estimates and judgments

The areas involving critical estimates and judgments are:

Notes to the financial statements

as at and for the year ended 31st March, 2019

i) Taxation

The Company is engaged in agricultural activities and also subject to tax liability under MAT provisions. Significant judgment is involved in determining the tax liability for the Company. Also there are many transactions and calculations during the ordinary course of business for which the ultimate tax determination is uncertain. Further judgment is involved in determining the deferred tax position on the Balance Sheet date.

ii) Depreciation and amortisation

Depreciation and amortisation is based on management estimates of the future useful lives of the property, plant and equipment and intangible assets. Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful life and in the depreciation and amortisation charges.

iii) Employee Benefits

The present value of the defined benefit obligations and long term employee benefits depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact the carrying amount of defined benefit obligations.

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the obligations. In determining the appropriate discount rate, the Company considers the interest rates of Government securities that have terms to maturity approximating the terms of the related defined benefit obligation. Other key assumptions for obligations are based in part on current market conditions.

iv) Provisions and Contingencies

Provisions and contingencies are based on Management's best estimate of the liabilities based on the facts known at the Balance Sheet date.

D) Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any. For this purpose, cost includes deemed cost which represents the carrying value of property, plant and equipment recognised as at 1st April, 2016 measured as per the previous Generally Accepted Accounting Principles (GAAP).

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

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

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

E) Intangibles

Subsequent to initial recognition, intangible assets with definite useful lives are reported at cost less accumulated amortisation and accumulated impairment losses.

F) Depreciation and amortisation of property, plant and equipment and intangible assets

- (i) Depreciation is provided on prorata basis on straight line method at the rates determined based on estimated useful lives of tangible assets where applicable, specified in Schedule II to the Act. These charges are commenced from the dates the assets are available for their intended use and are spread over their estimated useful economic lives or, in the case of leased assets, over the lease period, if shorter. The estimated useful lives of assets and

Notes to the financial statements

as at and for the year ended 31st March, 2019

residual values are reviewed regularly and, when necessary, revised. No further charge is provided in respect of assets that are fully written down but are still in use. Depreciation on assets under construction commences only when the assets are ready for their intended use.

(ii) Bearer Plants are depreciated from the date when they are ready for commercial harvest.

(iii) Leasehold Land is amortised over the tenure of respective leases.

G) Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other operating income.

Government grants relating to the acquisition/ construction of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other operating income.

H) Impairment

At each Balance Sheet date, the Company reviews the carrying values of its property, plant and equipment and intangible assets to determine whether there is any indication that the carrying value of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the extent of impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is recognised in the statement of profit and loss as and when the carrying value of an asset exceeds its recoverable amount.

Where an impairment loss subsequently reverses, the carrying value of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount so that the increased carrying value does not exceed the carrying value that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised in the statement of profit and loss immediately.

I) Leases

The Company determines whether an arrangement contains a lease by assessing whether the fulfillment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to use that asset to the Company in return for payment. Where this occurs, the arrangement is deemed to include a lease and is accounted for either as finance or operating lease.

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

The Company as lessee

(i) **Operating lease** – Rentals payable under operating leases are charged to the statement of profit and loss on a straight line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred. In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Notes to the financial statements

as at and for the year ended 31st March, 2019

- (ii) **Finance lease** – Finance leases are capitalised at the commencement of lease, at the lower of the fair value of the property or the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the statement of profit and loss over the period of the lease.

J) Financial instruments

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

Effective interest method

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

a) Financial assets

Cash and bank balances

Cash and bank balances consist of:

- (i) **Cash and cash equivalents** - which includes cash in hand, deposits held at call with banks and other short term deposits which are readily convertible into known amounts of cash, are subject to an insignificant risk of change in value and have maturities of less than one year from the date of such deposits. These balances with banks are unrestricted for withdrawal and usage.
- (ii) **Other bank balances** - which includes balances and deposits with banks that are restricted for withdrawal and usage.

Financial assets at amortised cost

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

Financial assets measured at fair value

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

The Company in respect of equity investments (other than in subsidiaries, associates and joint ventures) which are not held for trading has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of such equity instruments. Such an election is made by the Company on an instrument by instrument basis at the time of initial recognition of such equity investments.

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through the statement of profit and loss.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits and trade receivables

Notes to the financial statements

as at and for the year ended 31st March, 2019

- Financial assets that are debt instruments and are measured as at FVTOCI
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cashflows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The Balance Sheet presentation for various financial instruments is described below:

Financial assets measured as at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the Balance Sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

Derecognition of financial assets

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

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

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

b) Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

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

Notes to the financial statements

as at and for the year ended 31st March, 2019

Financial Liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant. Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

Derecognition of financial liabilities

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

Derivative financial instruments

In the ordinary course of business, the Company uses certain derivative financial instruments to reduce business risks which arise from its exposure to foreign exchange and interest rate fluctuations. The instruments are confined principally to forward foreign exchange contracts and interest rate swaps. The instruments are employed as hedges of transactions included in the financial statements or for highly probable forecast transactions/firm contractual commitments. These derivatives contracts do not generally extend beyond six months except for interest rate derivatives.

Derivatives are initially accounted for and measured at fair value from the date the derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

K) Employee benefits

Defined contribution plans

Payments to defined contribution plans are charged as an expense as they fall due. Payments made to state managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Company's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

Defined benefit plans

For defined benefit retirement schemes the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each Balance Sheet date. Re-measurement gains and losses of the net defined benefit liability/(asset) are recognised immediately in other comprehensive income. The service cost and net interest on the net defined benefit liability/(asset) is treated as a net expense within employment costs.

Past service cost is recognised as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognised, whichever is earlier.

The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as reduced by the fair value plan assets.

Compensated absences

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

L) 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.

Notes to the financial statements

as at and for the year ended 31st March, 2019

M) Provision

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

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

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

N) Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

O) Income taxes

Tax expense for the year comprises current and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the Balance Sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on the tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to cover or settle the carrying value of its assets and liabilities.

Deferred tax assets and liabilities are offset to the extent that they relate to taxes levied by the same tax authority and there are legally enforceable rights to set off current tax assets and current tax liabilities within that jurisdiction.

Current and deferred tax are recognised as an expense or income in the statement of profit and loss, except when they relate to items credited or debited either in other comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or directly in equity.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. MAT is recognised as deferred tax assets in the Balance Sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

P) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair

Notes to the financial statements

as at and for the year ended 31st March, 2019

value of the consideration received or receivable net of discounts, taking into account contractually defined terms and excluding taxes or duties collected on behalf of the government.

Sale of Goods

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

Interest Income

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

Q) Borrowing Costs

Borrowings costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for the intended use or sale.

R) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Balance Sheet.

S) Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment, if any.

T) Segment Reporting

Identification of Segments

The Company has identified Tea products as its sole operating segment and the same has been treated as primary segment. The Company's secondary geographical segments have been identified based on the location of customers and then demarcated into Indian and overseas revenue earnings.

U) Earnings Per Share

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

V) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. The company does not recognize a contingent liability but discloses its existence in the financial statements.

Notes to the financial statements

as at and for the year ended 31st March, 2019

(₹ in Lakhs)

3.1 PROPERTY, PLANT & EQUIPMENT

	Tangible Assets							
	Land & Plantation	Building	Roads & Bridges	Plant & Machinery and Electrical Installations	Water Installations	Furniture, Fittings & Other Equipments	Vehicles	Total
Gross Block (At Cost):								
As at 31st March, 2017	4,003.73	377.82	28.94	481.94	465.57	27.25	116.92	5,502.17
Additions	196.77	37.47	-	382.79	9.49	8.07	20.82	655.41
Disposals/Discard	85.53	-	-	-	-	-	9.73	95.26
As at 31st March, 2018	4,114.97	415.29	28.94	864.73	475.06	35.32	128.01	6,062.32
Additions	201.32	24.58	-	474.17	0.61	15.95	50.06	766.69
Disposals/Discard	115.12	-	-	8.86	-	-	12.83	136.81
As at 31st March, 2019	4,201.17	439.87	28.94	1,330.04	475.67	51.27	165.24	6,692.20
Accumulated Depreciation/Amortisation:								
As at 31st March, 2017	33.61	12.68	3.46	37.43	20.38	5.90	27.73	141.19
Charge for the year	33.86	13.32	3.46	30.21	21.64	5.25	26.67	134.41
Disposals/Discard	-	-	-	-	-	-	25.90	25.90
As at 31st March, 2018	67.47	26.00	6.92	67.64	42.02	11.15	28.50	249.70
Charge for the year	32.74	14.54	3.49	46.97	21.80	6.64	28.70	154.88
Disposals/Discard	-	-	-	0.90	-	-	7.52	8.42
As at 31st March, 2019	100.21	40.54	10.41	113.71	63.82	17.79	49.68	396.16
Net Block								
As at 31st March, 2018	4,047.50	389.29	22.02	797.09	433.04	24.17	99.51	5,812.62
As at 31st March, 2019	4,100.96	399.33	18.53	1,216.33	411.85	33.48	115.56	6,296.04

3.2 Capital Work in Progress

	As at 31st March, 2019	As at 31st March, 2018
Opening Balance	162.50	122.66
Add: Addition Made During the Year	497.52	500.51
Less: Capitalised During the Year	658.94	460.67
Closing Balance	1.08	162.50

Notes to the financial statements

as at and for the year ended 31st March, 2019

(₹ in Lakhs)

4 INVESTMENTS				
	As at 31st March, 2019		As at 31st March, 2018	
	Nos.	Amount	Nos.	Amount
i) Non-Current at fair value through Other Comprehensive Income (FVOCI)				
A. Quoted				
In fully paid equity shares				
Electrosteel Steels Limited of ₹ 10 each	3,500	1.09	1,75,000	4.27
ITC Limited of ₹ 1 each	300	0.89	200	0.64
Jindal Steel & Power Limited of ₹ 1 each	300	0.54	300	0.66
JSW Steel Limited of ₹ 10 each	3,560	10.43	3,560	10.25
Mukand Engineers Limited of ₹ 10 each	5,189	0.91	5,189	1.91
Nath Bio-Genes (I) Limited of ₹ 10 each	902	4.16	902	3.72
Techindia Nirman Limited of ₹ 10 each	2,378	0.12	2,378	0.18
Raj Rayon Industries Limited of ₹ 1 each	71,900	0.04	71,900	0.25
Reliance Capital Limited of ₹ 10 each	49	0.10	49	0.21
Reliance Home Finance Limited of ₹ 10 each	49	0.01	49	-
Reliance Communications Limited of ₹ 5 each	3,090	0.13	3,090	0.67
Reliance Industries Limited of ₹ 10 each	484	6.60	484	4.27
Srei Infrastructure Finance Limited of ₹10 each	15,600	4.64	11,600	8.54
Step Two Corporation Limited of ₹ 10 each	700	0.05	700	0.07
TCM Limited of ₹ 10 each	800	0.38	800	0.04
Star Cement Limited ₹ 1 each	40,000	39.38	40,000	46.24
Indo Count Industries Ltd. ₹ 2 each	800	0.39	800	0.68
TOTAL (A)		69.86		82.60
B. Unquoted (at cost)				
In fully paid equity shares				
Ambition Vyapaar Private Limited of ₹ 10 each	-	-	1,990	0.01
Diana Capital Limited of ₹ 10 each	1,17,370	24.33	1,17,370	24.33
Jindal Supreme (I) Pvt. Ltd. of ₹ 100 each	20,300	203.00	20,300	203.00
Orkay Industries Limited of ₹ 10 each	2,800	0.01	2,800	0.01
Rank Aqua Estates Limited of ₹ 10 each	1,000	0.01	1,000	0.01
Sonal International Limited of ₹ 10 each	5,000	0.01	5,000	0.01
TOTAL (B)		227.36		227.37
Total Value Of Investment (A+B)		297.22		309.97
Aggregate amount of quoted investments and market value there of		69.86		82.60
Aggregate amount of unquoted investments		227.36		227.37
ii) Current at fair value through Other Comprehensive Income (FVOCI)				
In Mutual funds				
IIFL Special Opportunities Fund	10,28,489	99.39	5,13,905	50.43
Franklin India Focused Equity Fund	66,275	15.20	7,748	1.88
Motilal Oswal Multicap 35 Fund	58,581	15.22	11,361	2.99
L & T India Value Fund	59,649	15.14	10,661	2.88
Aditya Birla Sun Life Equity Fund	2,139	15.63	424	2.92
TOTAL		160.58		61.10
Aggregate amount of quoted investments and market value there of		-		-
Aggregate amount of unquoted investments		160.58		61.10

Notes to the financial statements

as at and for the year ended 31st March, 2019

(₹ in Lakhs)

5 LOANS (Unsecured, considered good unless stated otherwise)		
	As at 31st March, 2019	As at 31st March, 2018
Current		
Loan to Others	913.50	954.00
Total	913.50	954.00

6 OTHER FINANCIAL ASSETS (Unsecured, considered good unless stated otherwise)		
	As at 31st March, 2019	As at 31st March, 2018
A. Non Current		
Security Deposits	2.71	2.71
Total	2.71	2.71
B. Current		
Interest Receivable on :		
Other Advances	33.49	40.10
Total	33.49	40.10

7 DEFERRED TAX ASSETS (Net)		
	As at 31st March, 2019	As at 31st March, 2018
Deferred tax liabilities		
Property, plant and equipment	273.49	224.02
Others	1.21	0.69
(A)	274.70	224.71
Deferred Tax Assets		
Fair Valuation Reserve	3.45	-
Timing Difference u/s 43B	20.61	20.08
Bought Forward Loss	293.97	210.32
MAT credit entitlement	16.25	16.25
(B)	334.28	246.65
Net Deferred Tax Assets/ (Liabilities)	(B-A) 59.58	21.94

Movement in Deferred Tax Assets

Particulars	As at 31st March, 2018	Recognised in the Statement of Profit & Loss	Recognised in the Other Comprehensive Income	As at 31st March, 2019
Deferred tax liabilities				
Property, plant and equipment	224.02	(49.47)	-	273.49
Others	0.69	(0.52)	-	1.21
(A)	224.71	(49.99)		274.70
Deferred Tax Assets				
Fair Valuation Reserve	-	-	(3.45)	3.45
Timing Difference u/s 43B	20.08	(0.53)	-	20.61
Bought Forward Loss	210.32	(83.66)	-	293.97
(B)	230.40	(84.19)	(3.45)	318.03
(B-A)	5.69	(34.20)	(3.45)	43.33
Add: MAT credit entitlement	16.25	-	-	16.25
Net Deferred Tax Assets/ (Liabilities)	21.94	(34.20)	(3.45)	59.58

Notes to the financial statements

as at and for the year ended 31st March, 2019

(₹ in Lakhs)

8 OTHER ASSETS (Unsecured, considered good unless stated otherwise)		
	As at 31st March, 2019	As at 31st March, 2018
A. Non Current		
Capital advances		
Considered good - To Others	271.46	268.88
Deferred Reserve Fund	5.62	5.62
Total	277.08	274.50
B. Current		
Advances recoverable in cash or kind		
- Considered good - To Others	47.13	80.91
Prepaid expenses	12.82	13.49
Balances with statutory / Government authorities	2.76	0.43
Income tax advance (net of provisions)	15.40	6.68
Replantation subsidy receivables	254.80	2.48
Total	332.91	103.99

9 INVENTORIES (valued at lower of cost and net realizable value)		
	As at 31st March, 2019	As at 31st March, 2018
Finished Goods (Stock of Tea & Tea Waste)	244.62	296.45
Stores & Spares(#)	233.85	353.45
Total	478.47	649.90

Stores & spares includes goods in transit amounting ₹ 3.01 Lakhs (Previous year ₹ 3.90 Lakhs).

10 TRADE RECEIVABLES (Current)		
	As at 31st March, 2019	As at 31st March, 2018
Considered good, Unsecured	110.85	156.01
Doubtful	-	-
Total	110.85	156.01
Less: Allowance for doubtful trade receivables	0.04	0.21
Total	110.81	155.80
Ageing of receivables that are post due but not impaired		
60-90 days	0.12	-
91-180 days	0.35	2.52
>180 days	0.79	4.20

The credit period on sales of goods ranges from 30 to 60 days without security. No interest is charged on trade receivables upto the end of the credit period.

In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix. There has been no significant change in the credit quality of receivables past due for more than 180 days.

The Company does not generally hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Company to the counter-party.

In determining the recoverability of a trade receivable, the Company considers any change in the credit quality of the trade

Notes to the financial statements

as at and for the year ended 31st March, 2019

receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

(₹ in Lakhs)

11 CASH AND CASH EQUIVALENTS		
	As at 31st March, 2019	As at 31st March, 2018
Balances with banks:		
On current accounts	112.53	29.62
Cash in hand	11.89	4.50
Total	124.42	34.12

12 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS		
	As at 31st March, 2019	As at 31st March, 2018
Unpaid dividend account (#)	6.16	7.53
Deposits with original maturity for more than 12 months	61.22	40.16
Total	67.38	47.69

Earmarked bank balance are restricted in use and it relates to unclaimed dividend.

13 SHARE CAPITAL		
	As at 31st March, 2019	As at 31st March, 2018
Authorized shares		
2,40,00,000 (2,40,00,000) equity shares of ₹ 5/- each	1,200.00	1,200.00
Issued, subscribed and fully paid-up shares		
1,49,91,000 (1,49,91,000) equity shares of ₹ 5/- each	749.55	749.55
Total	749.55	749.55

(a) Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period

	As at 31st March, 2019	As at 31st March, 2018
At the beginning of the year	1,49,91,000	1,49,91,000
Issued during the period	-	-
At the end of the year	1,49,91,000	1,49,91,000

(b) 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.
 - 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.
- (c) For the period of five years immediately preceding the date at which the Balance Sheet is prepared, the company has a) not allotted any shares other than for cash, b) not allotted any shares by way of bonus, c) not bought back any shares.

Notes to the financial statements

as at and for the year ended 31st March, 2019

(d) Details of shareholders holding more than 5% shares in the Company

(₹ in Lakhs)

Name of the Shareholder	As at 31st March, 2019	As at 31st March, 2018
Equity shares of ₹ 5/- each fully paid		
Diana Capital Limited - Number of Shares	81,79,340	81,79,340
- Percentage of Shareholding	54.56%	54.56%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

14 OTHER EQUITY		
	As at 31st March, 2019	As at 31st March, 2018
Reserves & Surplus		
Securities Premium Account (a)	323.61	323.61
General Reserve (b)	3,351.94	3,501.94
Retained Earnings (c)	79.40	55.28
Total (A) (a to c)	3,754.95	3,880.83
Other Reserves		
Capital Reserve (Share Forfeiture) (d)	0.10	0.10
Capital Reserve (Revaluation) (e)	1,521.86	1,662.63
FVOCI Equity Investments (f)	(34.53)	(19.50)
Total (B) (d to f)	1,487.43	1,643.23
Total Other Equity (A + B)	5,242.38	5,524.06

15 BORROWINGS (at amortised cost)		
	As at 31st March, 2019	As at 31st March, 2018
A. Non Current		
a) Secured		
Term Loans from :		
Banks (#)	1,277.77	846.58
Others (##)	55.79	68.11
(a)	1,333.56	914.69
Deferred Payment Liabilities		
Vehicle Loans (###) (b)	41.07	29.88
Total (a to b)	1,374.63	944.57
Less: Amount disclosed under the head "other current liabilities" (Note No. 17)	(146.75)	(103.63)
Total	1,227.88	840.94
B. Current		
a) Secured		
Cash credits from banks (*) (a)	436.39	155.46
b) Unsecured		
From related Parties (**) (b)	100.42	31.67
Total (a to b)	536.81	187.13

Term loans from banks includes loan from United Bank of India repayable upto 2029-30 amounting to ₹ 1282.02 Lakhs (PY ₹ 849.00 Lakhs), bearing interest @ MCLR-Y plus 0.65%. The said term loan is secured by first charge on the current assets

Notes to the financial statements

as at and for the year ended 31st March, 2019

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 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 ₹ 55.79 Lakhs (PY ₹ 68.11 Lakhs) loan from Tea Board of India bearing interest @ 9.12% p.a. The said is secured by second charge by equitable mortgage of lease hold Tea Estate ranking subsequent to the charge to the bank.

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

The scheduled maturity of long term borrowings (gross) is summarised as under:

(₹ in Lakhs)

	As at 31st March, 2019		As at 31st March, 2018	
	Rupee loan from Banks/ Vehicle Loan	Rupee Loan from Others	Rupee loan from Banks/ Vehicle Loan	Rupee Loan from Others
Borrowings Repayable				
In the First Year	134.43	12.32	91.31	12.32
Current maturities of long term debt	134.43	12.32	91.31	12.32
In the Second Year	169.98	12.32	91.22	12.32
In the Third to Fifth Year	553.47	30.04	333.91	36.96
After Five Year	465.18	1.11	362.44	6.51
Long term borrowings	1,188.63	43.47	787.57	55.79

* 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 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 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.

(₹ in Lakhs)

16 TRADE PAYABLES		
	As at 31st March, 2019	As at 31st March, 2018
(a) Total Outstanding Dues Of Micro Enterprises And Small Enterprises	8.91	-
(b) Total Outstanding Dues Of Creditors Other Than Micro Enterprises and Small Enterprises	323.34	420.16
Total	332.25	420.16

Note: The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. The amount of principal and interest outstanding during the year is given below :

Particulars	As at 31st March, 2019	As at 31st March, 2018
(a) Amounts outstanding but not due as at year end	3.82	-
(b) Amounts due but unpaid as at year end	5.09	-
(c) Amounts paid after appointed date during the year	-	-
(d) Amount of interest accrued and unpaid as at year end	0.85	-
(e) The amount of further interest due and payable even in the succeeding year	-	-
Total	9.76	-

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

Notes to the financial statements

as at and for the year ended 31st March, 2019

(₹ in Lakhs)

17 OTHER FINANCIAL LIABILITIES		
	As at 31st March, 2019	As at 31st March, 2018
Current		
Current Maturities of Long-term borrowings	146.75	103.63
Interest accrued but not due on borrowings	36.56	4.42
Employee related liabilities	145.68	336.18
Unpaid Dividend	6.16	7.53
Others	0.19	0.19
Total	335.34	451.95
18 OTHER LIABILITIES		
	As at 31st March, 2019	As at 31st March, 2018
A. Non Current		
Deferred Government Grant	182.06	19.98
Total	182.06	19.98
B. Current		
Advance from customers	17.27	39.82
Deferred Government Grant	64.33	3.97
Statutory Liabilities	46.84	20.43
Others	149.72	149.72
Total	278.16	213.94
19 PROVISIONS		
	As at 31st March, 2019	As at 31st March, 2018
Current		
Provision for employee benefits:		
Gratuity (Refer Note No. 33)	11.93	12.41
Bonus	223.26	178.70
Leave benefits	35.65	32.12
Total	270.84	223.23

Notes to the financial statements

as at and for the year ended 31st March, 2019

(₹ in Lakhs)

20 REVENUE FROM OPERATIONS			
	Year ended 31st March, 2019	Year ended 31st March, 2018	
Revenue from operations			
Sale of products			
Finished goods	6,202.27	6,074.78	
Other operating revenue			
- Miscellaneous Sale	28.42	11.24	
Total	6,230.69	6,086.02	
21 OTHER INCOME			
	Year ended 31st March, 2019	Year ended 31st March, 2018	
Interest income on Loans & Bank Deposits	80.90	122.11	
Deferred Government Grant Income	65.16	6.98	
Dividend Income	1.72	0.23	
Rent	7.92	4.83	
Insurance & other Claims	6.20	-	
Sundry Balance Written Back	-	2.12	
Profit on Expected Credit Loss	0.17	0.30	
Total	162.07	136.57	
22 COST OF RAW MATERIALS CONSUMED			
	Year ended 31st March, 2019	Year ended 31st March, 2018	
Opening Stock of Raw Materials	-	-	
Add: Purchases	743.24	533.64	
	743.24	533.64	
Less: Closing Stock	-	-	
Cost of raw materials consumed	743.24	533.64	
23 EXCISE DUTY ON SALE OF GOODS			
	Year ended 31st March, 2019	Year ended 31st March, 2018	
Excise duty on sale of goods (upto 30.06.2017)	-	4.43	
Total	-	4.43	
24 CHANGE IN INVENTORIES OF WORK-IN-PROGRESS, STOCK-IN-TRADE, BY-PRODUCTS AND FINISHED GOODS			
	Year ended 31st March, 2019	Year ended 31st March, 2018	(Increase)/ Decrease
Inventories at the end of the year:			
Finished Goods	244.62	296.47	(51.85)
(A)	244.62	296.47	(51.85)
Inventories at the beginning of the year:			
Finished Goods	296.47	411.20	(114.73)
(B)	296.47	411.20	(114.73)
(B-A)	51.85	114.73	-

Notes to the financial statements

as at and for the year ended 31st March, 2019

(₹ in Lakhs)

25 EMPLOYEE BENEFITS EXPENSE		
	Year ended 31st March, 2019	Year ended 31st March, 2018
Salaries, wages and bonus	2,960.98	2,681.99
Contribution to provident fund	269.63	238.40
Gratuity expense (Refer Note No. 33)	83.78	74.29
Workmen and Staff Welfare Expenses	95.50	84.94
Total	3,409.89	3,079.62
26 FINANCE COSTS		
	Year ended 31st March, 2019	Year ended 31st March, 2018
Interest:		
On Term Loans	97.63	62.50
On Cash Credit and Others	71.87	49.06
Other borrowing costs	6.22	26.03
Total	175.72	137.59
27 DEPRECIATION & AMORTIZATION EXPENSE		
	Year ended 31st March, 2019	Year ended 31st March, 2018
Depreciation of tangible assets	154.87	134.41
Total	154.87	134.41
28 OTHER EXPENSES		
	Year ended 31st March, 2019	Year ended 31st March, 2018
Stores & spares consumed	485.03	503.52
Power and fuel	829.99	785.29
Repairs & Maintenance :		
- Buildings	32.75	36.21
- Plant & Machinery	45.12	46.97
- Others	22.77	23.96
Tea Selling Expenses :		
- Brokerage, Commission & Service Charges	62.41	70.75
- Freight, Warehouse and Other Selling Expenses	90.45	88.14
Office Rent	6.79	5.90
Rates and Taxes	10.41	9.13
Travelling Expenses	165.25	151.96
Insurance charges	8.84	7.42
Payment to auditors		
- Audit fees	1.46	1.46
- Tax Audit fees	0.85	0.85
- Other Services	0.10	0.69
Loss on Sale/Discard of Fixed Assets(net)	7.70	2.32
Bad Debts Written Off	4.20	11.76
Loss on Discard of Tea Plantation	4.09	3.21
Loan & Interest No Longer Receivable Written off	34.99	-
Sundry Balances Written off	1.90	-
Miscellaneous expenses	191.32	201.28
Total	2,006.42	1,950.82

Notes to the financial statements

as at and for the year ended 31st March, 2019

29 EARNINGS PER SHARE		
	2018-19	2017-18
Net Profit / (Loss) after tax for calculation of basic and diluted EPS (₹ In Lakhs)	(118.50)	225.61
Weighted average number of equity shares	1,49,91,000	1,49,91,000
Nominal Value of equity shares (₹)	5.00	5.00
Basic Earnings Per Share (₹)	(0.79)	1.50
Diluted Earnings Per Share (₹)	(0.79)	1.50

(₹ in Lakhs)

30 CONTINGENT LIABILITIES		
	2018-19	2017-18
Claims & Govt. demands against the company not acknowledged as debt:		
- Sales Tax matter under dispute/ appeal	27.59	27.59
- Income Tax matter under dispute/ appeal	-	-
Bank Guarantee	154.71	121.70

31 ASSETS PLEDGED AS SECURITY			
The carrying amounts of assets pledged as security for current and non current borrowings are:			
	Notes	As at 31st March, 2019	As at 31st March, 2018
ASSETS			
Non-Current Assets			
(a) Property, plant and equipment	3.1	6,296.04	5,812.62
Total Non-Current Assets pledged as security		6,296.04	5,812.62
Current Assets			
(a) Inventories	9	478.47	649.90
(b) Financial assets:			
(i) Trade receivables	10	110.81	155.80
Total Current Assets pledged as security		589.28	805.70
Total Assets pledged as security		6,885.32	6,618.32

32. CAPITAL COMMITMENTS

As at 31st March, 2019, the company has commitments of ₹ 0.00 Lakhs (Previous year ₹ 162.43 Lakhs) net of advances relating to estimated amount of contracts to be executed on capital account and not provided for.

33. Employee Benefits

a) Defined Contribution Plan (₹ in Lakhs)

Particulars	2018-19	2017-18
Employer's Contribution to Provident Fund	249.93	217.42
Employee's Contribution to Provident Fund	249.93	217.42

b) Defined Benefit Plan - Gratuity

The Gratuity scheme is a final salary defined benefit plan, that provides for lump sum payment at the time of separation; based on scheme rules the benefits are calculated on the basis of last drawn salary and the period of service at the time of separation and paid as lump sum. There is a vesting period of 5 years.

Associated Risks :

Where there is a benefit being promised and benefit being provided, there will always be some uncertainty for the benefit provider and the benefit recipient.

i. Risk to the Beneficiaries (i.e. for Employees)

Insufficient funds: The greatest risk to the beneficiary is that there are insufficient funds available to provide

Notes to the financial statements

as at and for the year ended 31st March, 2019

the promised benefits. This may be due to:

- The insufficient funds set aside, i.e. underfunding
- The insolvency of Employer - The holding of investments which are not matched to the liabilities; or
- A combination of these events

ii. Risk to the Benefit provider (i.e. for employer)

Parameter Risk: Actuarial valuation is done on basis of some assumptions like salary inflation, discount rate and withdrawal assumptions. In case the actual experience varies from the assumptions, fund may be insufficient to pay off the liability.

Risk of Illiquid Assets: Another risk is that the funds, although sufficient, are not available when they are required to finance the benefits. This may be due to assets being locked for longer period or in illiquid assets.

Risk of Benefit Change: There may be a risk that a benefit promised is changed or is changeable within the terms of the contract.

Assets Liability Mismatching Risk: ALM risk arises due to mismatch between assets and liabilities either due to liquidity or changes in interest rates or due to different duration.

(A) Changes in Defined Benefit Obligation

(₹ in Lakhs)

	As at 31st March, 2019	As at 31st March, 2018
Present Value of Defined Benefit Obligation as at the beginning of the year	1,544.10	1,363.95
Current Service Cost	90.68	77.67
Interest Cost	118.89	105.71
Remeasurements - Due to Financial Assumptions	7.31	(23.06)
Remeasurements - Due to Experience Adjustments	40.70	19.83
Present Value of Defined Benefit Obligation as at the end of the year	1,801.68	1,544.10

(B) Changes in the Fair Value of Assets

Fair Value of Plan Assets at the beginning of the year	500.54	464.32
Interest Income	38.54	35.99
Remeasurements - Return on Assets (Excluding Interest Income)	0.67	0.23
Fair Value of Plan Assets at the end of the year	539.75	500.54

(C) Amount recognised in the Balance Sheet

Present Value of Defined Benefit Obligation	1,801.68	1,544.10
Fair Value of Plan Assets	539.75	500.54
Net Assets/ (Liability) recognised in the Balance Sheet	(1,261.93)	(1,043.56)

(D) Current and Non Current Liability and Asset

Non Current Assets	-	-
Current Liabilities	370.04	296.86
Non Current Liabilities	1,431.62	1,247.23

(E) Expense recognized in Statement of Profit and Loss

Total Service Cost	90.68	77.67
Interest cost	118.89	105.71
Expected Return on Plan Assets	(38.54)	(35.99)
Total Expense required to be recognized in Statement of Profit and Loss but not recognised	171.03	147.39

Notes to the financial statements

as at and for the year ended 31st March, 2019

(F) Expense recognized in the Other Comprehensive Income (OCI) for Current Year

(₹ in Lakhs)

	As at 31st March, 2019	As at 31st March, 2018
Remeasurements - Due to Financial Assumptions	7.31	(23.06)
Remeasurements - Due to Experience Adjustments	40.70	19.83
(Return) on Plan Assets (Excluding Interest Income)	(0.67)	(0.23)
Net (Income)/ Expense for the period to be recognized in OCI but not recognised	47.34	(3.46)

G) Sensitivity Analysis

	As at 31st March, 2019		As at 31st March, 2018	
	% increase in DBO	Liability (₹ in Lakhs)	% increase in DBO	Liability (₹ in Lakhs)
Discount Rates				
+ 100 Basis Points	-6.14%	1,691.12	-6.15%	1,449.15
- 100 Basis Points	6.95%	1,926.85	6.96%	1,651.59
Salary Growth				
+ 100 Basis Points	7.07%	1,928.97	7.12%	1,654.05
- 100 Basis Points	-6.34%	1,687.37	-6.35%	1,446.03
Withdrawal Rates				
+ 100 Basis Points	0.74%	1,814.97	0.77%	1,555.99
- 100 Basis Points	-0.82%	1,786.92	-0.85%	1,530.90

(H) Maturity profile of Defined Benefit Obligation

	As at 31st March, 2019	As at 31st March, 2018
i) Year 1	370.04	296.86
ii) Year 2 to Year 5	652.63	401.55
iii) Year 6 to Year 10	736.63	698.48

(I) The Major Categories of Plan Assets as a Percentage of Total Plan

	As at 31st March, 2019		As at 31st March, 2018	
	(₹ in Lakhs)	%	(₹ in Lakhs)	%
Insurance Policies	539.75	100%	500.54	100%

(J) The principal assumptions used in determining gratuity and leave encashment obligations for the company's plans are shown below:

	As at 31st March, 2019	As at 31st March, 2018
Discount rate (per annum)	7.75%	7.50%
Salary increase (per annum)	6.00%	6.00%
Expected rate of return on assets	7.75%	7.50%
Disability Rate	5% of Mortality Rate	
Mortality	Indian Assured Lives Mortality (2006-08)	

Notes to the financial statements

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34. Related Party Disclosures

(a) Name of the related party:

Party	Relationship
I. Holding Company	
A. Diana Capital Limited	
II. Key Managerial Personnel	
A. Mr. Sandeep Singhania	Managing Director
B. Mrs. Sarita Singhania	Whole Time Director
C. Mr. Ramesh Kumar Jhunjunwala	Chief Financial Officer
D. Ms. Namrata Jain	Company Secretary
III. Related Party	
A. Singhania Builders Limited	Enterprise owned and influenced by key managerial personnel or their relatives
B. Mr. Devang Singhania	Relative of KMP
C. Ms. Varda Singhania	Relative of KMP

(b) Transaction during the period:

(₹ in Lakhs)

Sl. No.	Nature of Transaction	Holding Company		Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned/ influenced by Key Managerial Personnel or their relatives	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
1	Loan Taken								
	Diana Capital Ltd.	77.50	91.25	—	—	—	—	—	—
2	Loan Repaid								
	Diana Capital Ltd.	8.75	109.91	—	—	—	—	—	—
3	Interest Paid								
	Diana Capital Ltd.	4.42	4.92	—	—	—	—	—	—
4	Rent Paid								
	Singhania Builders Limited	—	—	—	—	—	—	2.40	2.40
5	Electricity Expenses								
	Singhania Builders Limited	—	—	—	—	—	—	4.08	3.69
6	Maintenance Charges Paid								
	Singhania Builders Limited	—	—	—	—	—	—	0.67	0.61
7	Remuneration Paid								
	Mr. Sandeep Singhania	—	—	47.04	47.04	—	—	—	—
	Mrs. Sarita Singhania	—	—	33.60	33.60	—	—	—	—
8	Salary Paid								
	Mr. Ramesh Kumar Jhunjunwala	—	—	6.34	5.49	—	—	—	—
	Ms. Namrata Jain	—	—	4.22	1.42	—	—	—	—
	Mr. Devang Singhania	—	—	—	—	10.75	5.38	—	—
	Ms. Varda Singhania	—	—	—	—	6.72	—	—	—
9	Advance Taken								
	Ramesh Kumar Jhunjunwala	—	—	—	2.25	—	—	—	—
10	Advance Repaid								
	Ramesh Kumar Jhunjunwala	—	—	0.60	0.75	—	—	—	—

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

Notes to the financial statements

as at and for the year ended 31st March, 2019

(₹ in Lakhs)

Sl. No.	Nature of Transaction	Holding Company		Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned/ influenced by Key Managerial Personnel or their relatives	
11	Balance outstanding on account of Advances								
	Ramesh Kumar Jhunjhunwala	-	-	0.90	1.50	-	-	-	-
	Electricity Expenses								
	Singhania Builders Limited	-	-	-	-	-	-	0.85	0.79
	Loan Taken								
	Diana Capital Ltd.	100.42	31.67	-	-	-	-	-	-
	Interest Payable								
	Diana Capital Ltd.	6.72	4.42	-	-	-	-	-	-

35. SEGMENT INFORMATION:

The Company is engaged in the business of integrated activities of manufacture and sale of tea, predominantly in the domestic market. Hence there are no disclosures to be made under Ind AS -108, other than those already provided in the financial statements.

36. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE:

Dividend

(₹ in Lakhs)

	2018-19	2017-18
Final Dividend for the year 2017-18 @ ₹ 0.25 per share	37.48	-
Tax on final dividend for the year 2017-18	3.08	-
Total	40.56	-

37. Disclosure pursuant to SEBI's (Listing Obligations and Disclosure Requirements) Regulations, 2015:

	As at 31st March, 2019	As at 31st March, 2018
Loans and Advances in the Nature of Loans from Holding		
Diana Capital Limited		
- Balance at the year end (including interest)	100.42	36.10
- Maximum amount outstanding at any time during the year	104.62	86.13

38. Details of Loans and Guarantees given covered under section 186(4) of the Companies Act, 2013:

The Company has made investments in the shares of different companies and given loans to different parties which are general in nature. The loans given are interest bearing which are not lower than the prevailing yield of related government security close to the tenure of the respective loans. Further, the company has not given any guarantee or provided any security.

39. The company has provided deferred tax assets for ₹ 59.58 Lakhs (PY ₹ 21.94 Lakhs) based on the future profitability projection. The management is of the view that future taxable income will be available to realise/ adjust such deferred tax assets.

40. Expenditure in Foreign Currency:

(₹ in Lakhs)

	As at 31st March, 2019	As at 31st March, 2018
Travelling & Others	70.22	93.27
Total	70.22	93.27

41. Trade receivables and trade payables with respect to few parties are subject to confirmation and reconciliation, if any.

Anti oxidants that are in tea, Keeps you always fit and healthy.

Notes to the financial statements

as at and for the year ended 31st March, 2019

42. Capital Management

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long-term and short-term goals of the Company.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity and other long-term/short-term borrowings. The Company's policy is aimed at combination of short-term and long-term borrowings.

The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

(₹ in Lakhs)

	As at 31st March, 2019	As at 31st March, 2018
i) Equity share capital	749.55	749.55
ii) Other equity	5,242.38	5,524.06
Total Equity (a)	5,991.93	6,273.61
i) Borrowings	1,764.69	1,028.07
ii) Current Maturity of long term debt	146.75	103.63
iii) Interest accrued and due on borrowings	36.56	4.42
Total debt (b)	1,948.00	1,136.12
i) Cash and cash equivalents	124.42	34.12
Total cash (c)	124.42	34.12
Net debt {d=(b-c)}	1,823.58	1,102.00
Total capital (equity + net debt)	7,815.51	7,375.61
Net debt to equity ratio	0.30	0.18

43. Financial risk management objectives and policies

The Company's principal financial liabilities, comprise loans and borrowings, trade and other payables, security deposits, employee liabilities, unpaid and finance lease obligation. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a Risk Management Compliance Board that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings and deposits.

The sensitivity analyses in the following sections relate to the position as at 31 March 2019 and 31 March 2018.

The sensitivity analyses have been prepared on the basis that the amount of debts.

The following assumptions have been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31st March 2019 and 31st March 2018.

Notes to the financial statements

as at and for the year ended 31st March, 2019

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company is subject to variable interest rates on some of its interest bearing liabilities. The Company's interest rate exposure is mainly related to debt obligations. The Company also uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like short term loans.

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the Balance Sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

(₹ in Lakhs)

	Increase/ decrease in basis points	Effect on profit before tax	Effect on post-tax equity
31st March, 2019			
₹ In Lakhs	+ 100	(17.81)	(13.18)
₹ In Lakhs	(-) 100	17.81	13.18
31st March, 2018			
₹ In Lakhs	+ 100	(11.98)	(8.90)
₹ In Lakhs	(-) 100	11.98	8.90

Credit risk

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

Customer credit risk is managed by each divisions subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance.

The risk relating to trade receivables is shown under note no 10.

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company has obtained fund and non-fund based working capital lines from various banks. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, buyer's credit and other means of borrowings. The company invests its surplus funds in liquid schemes of mutual funds, which carry no/low mark to market risk.

The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

Notes to the financial statements

as at and for the year ended 31st March, 2019

(₹ in Lakhs)

	On Demand	Less than 1 Year	1 to 5 Years	> 5 Years	Total
31st March, 2019					
Borrowings	536.81	146.75	765.81	466.29	1,915.66
Trade payables	-	332.25	-	-	332.25
Other financial liabilities	-	188.59	-	-	188.59
	536.81	667.59	765.81	466.29	2,436.50
31st March, 2018					
Borrowings	187.13	103.63	474.41	368.95	1,134.12
Trade payables	-	420.16	-	-	420.16
Other financial liabilities	-	348.32	-	-	348.32
	187.13	872.11	474.41	368.95	1,902.60

Agricultural Risk

Cultivation of tea being an agricultural activity, there are certain specific financial risks. These financial risks arise mainly due to adverse weather conditions, logistic problems inherent to remote areas, and fluctuation of selling price of finished goods (tea) due to increase in supply/availability.

The Company manages the above financial risks in the following manner :

- Sufficient inventory levels of agro chemicals, fertilisers and other inputs are maintained so that timely corrective action can be taken in case of adverse weather conditions.
- Slightly higher level of consumable stores viz. packing materials, coal and HSD are maintained in order to mitigate financial risk arising from logistics problems.
- Sufficient working-capital-facility is obtained from banks in such a way that cultivation, manufacture and sale of tea is not adversely affected even in times of adverse conditions.

44. Financial Instruments

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 (I) to the financial statements.

(a) Financial assets and liabilities

The carrying value of financial instruments by categories as of March 31, 2019 is as follows:

(₹ in Lakhs)

	As at 31st March, 2019		As at 31st March, 2018	
	FVOCI	Amortised cost	FVOCI	Amortised cost
Assets:				
Trade receivables	-	110.81	-	155.80
Investments	457.79	-	371.07	-
Loans	-	913.50	-	954.00
Cash and cash equivalents	-	191.79	-	81.81
Other financial assets	-	36.21	-	42.81
Total	457.79	1,252.31	371.07	1,234.42
Liabilities:				
Borrowings	-	1,911.44	-	1,131.70
Other financial liabilities	-	188.59	-	348.32
Trade payables	-	332.25	-	420.16
Total	-	2,432.28	-	1,900.18

Notes to the financial statements

as at and for the year ended 31st March, 2019

Fair value hierarchy:

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

The investments included in Level 2 of fair value hierarchy have been valued using quotes available for similar assets and liabilities in the active market. The investments included in Level 3 of fair value hierarchy have been valued using the cost approach to arrive at their fair value. The cost of unquoted investments approximate the fair value because there is a range of possible fair value measurements and the cost represents estimate of fair value within that range.

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosure are required):

(₹ in Lakhs)

	Level 1	Level 2	Level 3
As at 31st March, 2019			
Financial Assets:			
<i>Financial investments at FVOCI</i>			
Quoted Investments	69.86	-	-
Unquoted Investments	-	160.58	227.36
Total	69.86	160.58	227.36
As at 31st March, 2018			
Financial Assets:			
<i>Financial investments at FVOCI</i>			
Quoted Investments	82.60	-	-
Unquoted Investments	-	61.10	227.37
Total	82.60	61.10	227.37

Notes:

i) There have been no transfers between level 1 and level 2 for the years ended March 31, 2019 and March 31, 2018

45. Figures for the previous year have been regrouped, rearranged and recast wherever necessary.

In terms of our report of even date

For **B. Nath & Company**

Chartered Accountants

Firm Registration No. 307057E

Sd/-

Gaurav More

Partner

Membership No. 306466

Place: Kolkata

Date : 28th May, 2019

For and on behalf of the Board

Sd/-

Sandeep Singhania

Managing Director

(DIN : 00343837)

Sd/-

Namrata Jain

Company Secretary

(Membership No.51075)

Sd/-

Sarita Singhania

Director (Sales & Marketing)

(DIN : 00343786)

Sd/-

Ramesh Kumar Jhunjhunwala

Chief Financial Officer

NOTES

[illegible]

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)

BOOK POST

If undelivered, please return to :

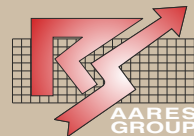
DIANA TEA COMPANY LIMITED

"SIR R.N.M. HOUSE"

3B, Lalbazar Street, Kolkata - 700 001

Phone : (033) 2248 8672, 4066 1590/93, Fax : (033) 2248 7571

E-mail : contactus@dianatea.in



DIANA TEA COMPANY LIMITED

CIN:L15495WB1911PLC002275

Registered Office: Sir RNM House (4th Floor), 3B, Lalbazar Street, Kolkata - 700 001

Phone: (033) - 4066 1590-93, Fax: (033)- 2248 7571, Email: contactus@dianatea.in Website: www.dianatea.in

ATTENDANCE SLIP

I/We hereby record my/our presence at the 108th Annual General Meeting (AGM) of Diana Tea Company Limited on Thursday, September 19, 2019 AT 10:30 A.M. at Gyan Manch Education Society Hall, 11, Pretoria Street, Kolkata- 700071

Folio No/DP ID & Client ID :**Share Holding :****Serial No :****Name :****Name(s) of Joint Holder(s), if any :****Address :**

Proxy's Name in Block Letters

Shareholder's/Proxy's Signature

Note : Please bring the Attendance Slip duly signed to the meeting and hand it over at the Entrance of the Meeting Hall. Duplicate slips will not be issued at the venue of the AGM.

**ELECTRONIC VOTING PARTICULARS**

EVSN(Electronic Voting Sequence Number)	User ID	PAN/SEQUENCE NUMBER
190819013		

Please refer to the AGM Notice for e-voting instructions

**DIANA TEA COMPANY LIMITED**

CIN:L15495WB1911PLC002275

Registered Office: Sir RNM House (4th Floor), 3B, Lalbazar Street, Kolkata - 700 001

Phone: (033) - 4066 1590-93, Fax: (033)- 2248 7571, Email: contactus@dianatea.in Website: www.dianatea.in

PROXY FORM – MGT 11

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) :

Registered Address :

E-mail ID :

Folio No/DP ID & Client ID :

I/We, being the Member(s) of Diana Tea Company Limited, holding.....Equity Shares of the above named Company, hereby appoint :

- 1) Name :Address :
E-mail ID :Signature :or failing him/her;
- 2) Name :Address :
E-mail ID :Signature :or failing him/her;
- 3) Name :Address :
E-mail ID :Signature :

as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 108th Annual General Meeting (AGM) of the Company, to be held on Thursday, September 19, 2019 at 10:30 AM at "Gyan Manch Education Society Hall", 11, Pretoria Street, Kolkata-700 071 or at any adjournment thereof in respect of following resolutions :

Resolution No.	Resolutions	Optional *	
		For	Against
Ordinary Business			
1.	To receive, consider and adopt the Audited Financial Statement for the financial year ended on 31 st March, 2019 and the Reports of the Directors and Auditors thereon.		
2.	To Appoint a Director in place of Mr. Sandeep Singhania (DIN:00343837) who retires by rotation and being eligible, offers himself for re-appointment		
Special Business			
3.	To pass a Special Resolution for payment of remuneration to Mrs. Sarita Singhania, Whole-Time director for remaining period of her tenure.		

Signed thisday of2019

Signature of Shareholder(s).....

Signature of Proxyholder(s).....

Notes : 1. This form of proxy in order to be effective should be duly completed and deposited at the Company's Registered Office or Head & Corporate Office not less than 48 hours before the commencement of the AGM.

2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of 108th AGM of the Company.

3. *It is optional to put a 'X' in the appropriate column against the resolutions indicated in the box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

Affix
Revenue
Stamp of
Rs 1/- here