



# DIANA TEA COMPANY LTD

Diana • Baintgoorie • Good Hope

## FORM A

Pursuant to Regulation Clause 33(3)(d) of SEBI (listing Obligation and Disclosures Requirements) Regulation 2015.

1 Name of the Company DIANA TEA COMPANY LIMITED

2 Annual financial statement for the 15 months period ended: 31st March, 2016

3 Type of Audit observation :

### Appeared as Emphasis of Matter

I The auditors' in their audit report have drawn attention to:

a) Non-Provision of part of Gratuity Liability as per Accounting Standard 15 - Employee Benefits.

b) Further attention is drawn regarding non-provision of loans and advances receivable which is doubtful of recovery.

c) Further attention is also drawn regarding non-provision of diminution in value of long term investments in respect of quoted investments.

4 Frequency of observation :

II. Audit observation no. 3I(a) and 3I(c) is being referred since more than 20 years.

Audit observation no. 3I(b) is being referred since FY 2012.

For Das & Prasad  
A.K. Agarwal  
(Statutory Auditor)

H.M. Parekh  
(Audit Committee Chairman)

Ramesh Kumar Jhunjunwala  
(Chief Financial Officer)

Sandeep Singhania  
(Managing Director)



### AARES GROUP

Regd. Off. : Sir RNM House (4th Floor), 3/B. Lal Bazar Street, Kolkata - 700 001  
Phone : 2248 8672, 4066 1590-93, Fax : 2248 7571 E-mail : [contactus@dianatea.in](mailto:contactus@dianatea.in)  
CIN : L15495WB1911PLC002275

# Diana Tea Company Limited

ANNUAL REPORT 2015 - 16



# Corporate Information

## BOARD OF DIRECTORS

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

## BOARD COMMITTEES

### Audit Commiġee

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

### Nomination and Remuneration Committee

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

### Stakeholders Relationship Committee

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

## COMPANY SECRETARY

Mr. Manoj Agarwala

## CHIEF FINANCIAL OFFICER

Mr. Ramesh Kumar Jhunjhunwala

## AUDITORS

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

## SECRETARIAL AUDITORS

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

## BANKERS

United Bank of India  
Punjab National Bank  
HDFC Bank Ltd.

## GARDENS

Diana Tea Estate  
P. O. Banarhat - 735 202  
Dist. : Jalpaiguri

Baintgoorie Tea Estate  
P. O. Mal - 735 221  
Dist. : Jalpaiguri

Good Hope Tea Estate  
P. O. Dam Dim - 735 209  
Dist. : Jalpaiguri

## REGISTERED OFFICE

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

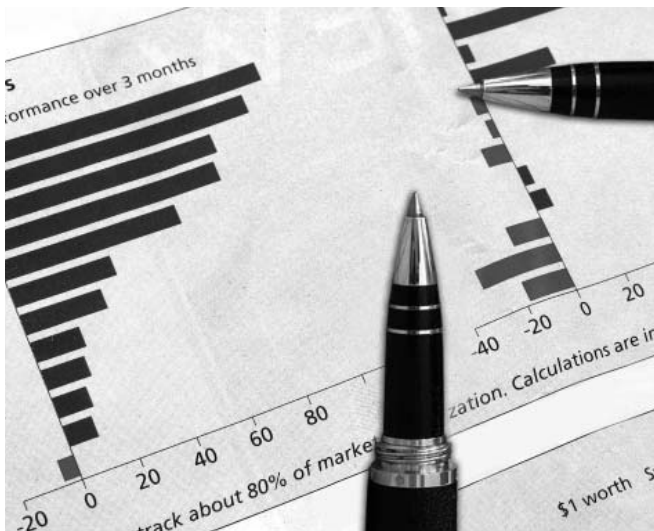
## REGISTRAR & SHARE TRANSFER AGENTS

M/s. Maheshwari Datamatics Pvt. Ltd.  
6, Mangoe Lane, 2nd Floor, Kolkata - 700 001  
Phone : (033) 2243-5029/5809, 2248-2248  
Fax : (033) 2248-4787  
E-mail : [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com)

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## Directors' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting their 105th Annual Report along with the Audited Accounts for the Fifteen months period ended 31st March, 2016.

### Financial Results

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

(₹ in Lakhs)

| Particulars   | 15 Months Period Ended<br>31st March, 2016 | 12 Months Period Ended<br>31st December, 2014 |
|---|--|---|
| Profit before Depreciation and Amortization Expense, Finance Costs & Taxation | (771.74)                                   | 462.58  |
| Less : Depreciation and Amortization Expense                                  | 114.04                                     | 95.06   |
| Finance Costs   | 158.55                                     | 103.77  |
| <b>Profit/ (Loss) before Tax</b>  | <b>(1044.33)</b>                           | <b>263.75</b>                                 |
| Less : Provision for Tax Expenses (net)                                       | (46.39)                                    | 47.21   |
| <b>Profit/ (Loss) after Tax</b>   | <b>(997.94)</b>                            | <b>216.54</b>                                 |
| Add : Balance brought forward from previous year                              | 226.37                                     | 150.31  |
| Add : Transfer from General Reserve   | 1050.00                                    | -   |
| Less : Depreciation Adjusted as per revised calculation                       | 7.69                                       | -   |
| <b>Amount available for appropriation</b>                                     | <b>270.74</b>                              | <b>366.85</b>                                 |
| <b>Appropriations :</b>   |  |   |
| Proposed Dividend   | 37.48                                      | 37.48   |
| Provision for tax on Proposed Dividend  | 3.05                                       | 3.00  |
| Transfer to General Reserve   | -  | 100.00  |
| Balance carried forward   | 230.21                                     | 226.37  |
|   | <b>270.74</b>                              | <b>366.85</b>                                 |

**Note: The above Financial Results for the fifteen months period ended 31st March 2016, have been prepared to comply with Section 2 (41) of the Companies Act, 2013 and hence the previous year figures are not comparable.**

## Directors' Report

### State of Company's Affairs

The year under review had started with yet another year of uncertain weather condition wherein drought persisted till end of April with high pest infestation. However with prudent practices followed by the company like 100% irrigation as well as good pest management, our company's own crop was higher by 72,000 kgs. during the season. We continued to have a selective approach towards procurement of bought leaf keeping quality in mind. Hence our production from bought leaf was restricted to 2,53,384 kgs. with higher margin.

In 2015 the Indian tea production was more or less at par with last year. Market sentiments throughout the year was sluggish which was reflected in the average price realization of Siliguri Auction Centre for the year which was lower by ₹ 6/- per kg. when compared to last year. However, gap between quality and non-quality tea continued to widen wherein the quality tea continued to sell readily at firm levels whereas medium to poor quality tea struggled to sell in the market. Your company's effort to make quality teas had paid dividend by way of higher realization of ₹ 147/- for 15 months when compared to Siliguri Auction average realization of ₹ 119.21 per kg. and our last year's average realization of ₹ 145/- per kg. Cost burden on tea industry is increasing year by year by way of higher wages, salaries and cost of inputs. Droughty condition has increased the cost of irrigation as well as pest management which has put immense pressure on the profitability of the tea companies. In case of our company since we have decided to change the financial year of our company from December ending to March ending, in compliance with the provisions of section 2(41) of Companies Act, 2013, the additional cost burden of three unproductive months from January to March 2016 has resulted in huge loss of ₹ 997.94 Lakhs for the entire period of January 2015 to March, 2016. Your company continued with the policy of improving the yields of tea estates by way of regular developmental work through uprooting and replanting of old tea bushes with new ones and improvisation of its quality by modernizing its factory. This has helped us in improving our quality as well as economy of our tea estates. Our gardens have 100% irrigation facility to take care of droughty conditions which has become a regular phenomena every year.

### Prospects

Current year looks to be a very challenging for the tea industry as the year has started with a robust production in Northern Indian wherein crop till end of April is higher by 15 million kgs. when compared to last year. The higher production has resulted in negative sentiments prevailing in

the tea market with sluggish demand. However, quality tea continues to attract demand from various segments whereas non-quality tea is being neglected. In addition to that cost escalation on account of longer period of irrigation and pest control alongwith increased wages & salaries is putting lot of pressure on the margins of tea industry. Global tea production is ahead by 50 million kgs. and most of it is being contributed by Kenya. All these factors combined together has created a bearish sentiment in the market. However, with domestic consumption growing steadily at 3% CAGR and appetite for quality tea by packeters is increasing because of their increasing market share, the realization for quality tea is expected to be firm. During the current year your company's production till May is higher by more than 50,000 kgs. with improved realization when compared to corresponding last year.

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

Plant protection code has been introduced by Tea Board and your company's policy is to follow the same. Your company is taking full advantage of various subsidies provided by Tea Board.

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

### Change in nature of business, if any

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

### Change in Financial Year

In compliance with the provisions of Section 2(41) of the Companies Act, 2013 your Company at the Board Meeting held on August 14, 2015 decided to change its financial year from 'January-December' to 'April-March'. Accordingly, the last financial year of your Company was extended up to March 31, 2016 covering a period of fifteen months commencing from January 1, 2015. Your Company shall henceforth follow its Financial Year commencing from April 1 and ending on March 31, every year.

## Directors' Report

### Transfer to Reserves

Your Directors do not propose to transfer any amount to the General Reserves.

### Transfer from Reserves

Due to absence of profit during the financial period the Company has decided to meet the dividend payment obligation out of the accumulated profits from previous years in compliance with section 123 of the Companies Act, 2013 and other applicable Rules thereto.

### Dividend

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

### Details of Board meetings

During the fifteen months period, 5 Board meetings were held, details of which are given below:

| Date of the meeting | No. of Directors attended the meeting |
|---------------------|---------------------------------------|
| 27.02.2015          | 5                                     |
| 11.05.2015          | 5                                     |
| 14.08.2015          | 5                                     |
| 14.11.2015          | 4                                     |
| 12.02.2016          | 5                                     |

### Share Capital

During the financial period ended 31st March, 2016 there is no change in the issued and subscribed capital of your Company. The outstanding capital as on 31st March, 2016 is ₹ 749.55 lakhs comprising of 1,49,91,000 equity shares of ₹ 5/- each.

### Extract of Annual Return

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

### Committees of Board

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

#### a. Audit Committee

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

- During the fifteen months period, the Committee had met 5 times as on February 27, 2015, May 11, 2015, August 14, 2015, November 14, 2015 and February 12, 2016.

#### Recommendation by audit committee:

There is no recommendation of audit committee which has not been accepted by the Board during the fifteen months period.

#### • Vigil mechanism

The Company has established a Vigil Mechanism / Whistle Blower Policy which oversees through the Audit Committee and addresses genuine concerns expressed by the employees and other Directors. The Company has also made provisions for adequate safeguards against victimisation of its employees and Directors who express their concerns. The Chairman of Audit Committee can be directly accessed by any employee for reporting issues which need to be brought to the notice of the Board. The Vigil Mechanism / Whistle Blower Policy of the Company has been uploaded on the website of the Company: [www.dianatea.in](http://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            |

During the fifteen months period, the Committee had met 2 times as on February 27, 2015 and August 14, 2015.

#### c. Stakeholders Relationship Committee

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

During the fifteen months period, the Committee had met 12 times as on January 15, 2015, January 22, 2015, February 5, 2015, February 19, 2015, March 4, 2015, March 12, 2015, March 19, 2015, April 23, 2015, May 7, 2015, May 28, 2015, July 23, 2015 and March 17, 2016.

## Directors' Report

### 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 Listing Regulations Management Discussion and Analysis Report is attached as Annexure "B" forming part of this report.

### Directors' Responsibility Statement

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

- (a) in the preparation of the annual accounts, for the financial period ended 31st March, 2016, 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 period ended 31st March, 2016 and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of 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. A report on Corporate Governance together with the certificate of the Auditors confirming compliance of conditions of Corporate Governance as stipulated under Schedule V(E) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the Stock Exchange is annexed as Annexure "C".

### Related party transactions

The related party transactions entered into during the period were in ordinary course of business and also on arm's length basis in compliance with the applicable provisions of the Companies Act, 2013 and SEBI 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 is obtained for the transactions which are foreseen and repetitive in nature. The Policy on Related Party Transactions as approved by the Board is uploaded on the Company's web link: [www.dianatea.in/Policy-on-Related-Party-transactions\\_7.pdf](http://www.dianatea.in/Policy-on-Related-Party-transactions_7.pdf).

### Details of conservation of energy, technology absorption, foreign exchange earnings and outgo

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

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

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

### Annual Evaluation of Board's Performance

During the financial period, the Board evaluated its own performance as well as that of its Committees and individual

## Directors' Report

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

### Auditors and Audit Report

M/s. Das & Prasad, Chartered Accountants were appointed as the Statutory Auditors of the Company in the last Annual General Meeting held on June 26, 2015 to hold office from the conclusion of the Hundred and Fourth Annual General Meeting until the conclusion of the Hundred and Seventh Annual General Meeting. Ratification of appointment of Statutory Auditors is being sought from the members of the Company at the ensuing AGM.

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

### Secretarial audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. MR & Associates, Company Secretaries in Practice (CP No.2551), to undertake the Secretarial Audit of the Company for the financial year ending 31st March, 2017. The Secretarial Audit Report for the financial period ended 31st March, 2016 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 2016-17. However, the company is not required to appoint Cost auditor to conduct the audit of cost records for the financial year 2016-17.

### Human Resources

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

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

### Material changes and commitments

No material changes and commitments have occurred during the fifteen months period which might affect the financial position of the company.

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

Your Company is committed to provide a work environment which ensures that every woman employee is treated with dignity, respect and equality. There is zero-tolerance towards sexual harassment and any act of sexual harassment invites serious disciplinary action.

No complaint has been brought to the notice of the Management during the financial period ended on 31st March, 2016.

### 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 (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### Remuneration Policy

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

### Executive Directors

The Nomination and Remuneration Committee takes into



## Directors' Report

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

### Non-Executive Directors

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

### Significant and material orders passed by the regulators

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

### Internal financial controls

Your Company has adequate Internal Financial Control System at all levels of Management and they are reviewed from time to time. The Internal Audit is carried out in house as well as by firm of Chartered Accountants. The Audit Committee of the Board looks into Auditor's review which is deliberated upon and corrective actions 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 period ended 31st March, 2016.

### 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 the Financial Statement for the period ended March 31, 2016.

### Directors and Key Managerial Personnel

As per provisions of Section 149 and 152 of the companies Act, 2013, Mr. Gautam Bhalla was appointed as an independent Director who shall hold the office from the conclusion of 104th Annual general Meeting upto the expiry of 5 (five) consecutive years or the conclusion of the 109th Annual General Meeting of the Company in the calendar year 2020, whichever is earlier.

As per provisions of Section 152 of the Companies Act, 2013, Mrs. Sarita Singhanian (DIN 00343786) is liable to retire by rotation at the forthcoming Annual General Meeting and being eligible, offer herself for reappointment. The Board recommends her re-appointment. There is no change in Key Managerial Personnel during the financial period.

### Deposits

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

### Acknowledgement

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

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

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

For and on behalf of the Board

Registered Office  
3B, Lal Bazar Street  
Kolkata - 700 001  
Date : May 30, 2016

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

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

## Annexure to the Directors' Report

### Annexure "A"

Form No. MGT 9

#### EXTRACT OF ANNUAL RETURN

As on the fifteen months period ended March 31, 2016

Of

#### DIANA TEA COMPANY LIMITED

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

#### I. REGISTRATION AND OTHER DETAILS :

|     |  |  |
|-----|--|--|
| i   | <b>CIN</b>   | L15495WB1911PLC002275  |
| ii  | <b>Registration Date</b>   | 26.08.1911   |
| iii | <b>Name of the Company</b>   | Diana Tea Company Limited  |
| iv  | <b>Category / Sub-Category of the Company</b>                                    | Company Limited By Shares/ Indian Non-Government Company   |
| v   | <b>Address of the Registered office and contact details</b>                      | Sir R.N.M. House, 3B, Lal Bazar Street , Kolkata-700 001<br>Phone : (033) 2248-8672, 4066 1590-93<br>Fax: (033) 2248-7571<br>Email : contactus@dianatea.in                     |
| vi  | <b>Whether listed company</b>  | Yes  |
| vii | <b>Name, Address and Contact details of Registrar and Transfer Agent, if any</b> | M/s. Maheshwari Datamatics Pvt. Ltd.<br>6, Mangoe Lane, 2nd Floor, Kolkata- 700 001<br>Phone: (033) 2243-5029/5809, 2248-2248 Fax: (033) 2248-4787<br>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.<br>Sir R.N.M. House (4th Floor),<br>3B Lal Bazar Street, Kolkata - 700 001 | U65993WB1973PLC029038 | Holding                       | 54.56            | 2(46)              |

## Annexure to the Directors' Report

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

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

| Category of Shareholders                                | No of Shares held at the beginning of the Period |          |                |                   | No of Shares held at the end of the Period |          |                |                   | % change during the Period |
|---|--|----------|----------------|-------------------|--|----------|----------------|-------------------|----------------------------|
|   | Demat  | Physical | Total          | % of Total Shares | Demat                                      | Physical | Total          | % of Total Shares |                            |
| <b>A. Promoters</b>                                     |  |          |                |                   |  |          |                |                   |                            |
| <b>(1) Indian</b>                                       |  |          |                |                   |  |          |                |                   |                            |
| a) Individual/ HUF                                      | 1003994  | 0        | 1003994        | 6.6973            | 1003994                                    | 0        | 1003994        | 6.6973            | 0.0000                     |
| b) Central Govt   | -  | -        | -              | -                 | -  | -        | -              | -                 | -                          |
| c) State Govt(s)  | -  | -        | -              | -                 | -  | -        | -              | -                 | -                          |
| d) Bodies Corp.   | 8190860  | 0        | 8190860        | 54.6385           | 8190860                                    | 0        | 8190860        | 54.6385           | 0.0000                     |
| e) Banks/Fi   | -  | -        | -              | -                 | -  | -        | -              | -                 | -                          |
| f) Any other  | -  | -        | -              | -                 | -  | -        | -              | -                 | -                          |
| <b>Sub-total (A)(1):</b>                                | <b>9194854</b>                                   | <b>0</b> | <b>9194854</b> | <b>61.3358</b>    | <b>9194854</b>                             | <b>0</b> | <b>9194854</b> | <b>61.3358</b>    | <b>0.0000</b>              |
| <b>(2) Foreign</b>                                      |  |          |                |                   |  |          |                |                   |                            |
| a) NRIs   | -  | -        | -              | -                 | -  | -        | -              | -                 | -                          |
| Individuals   |  |          |                |                   |  |          |                |                   |                            |
| b) Other Individuals                                    | -  | -        | -              | -                 | -  | -        | -              | -                 | -                          |
| c) Bodies Corp.   | -  | -        | -              | -                 | -  | -        | -              | -                 | -                          |
| d) Banks/FI   | -  | -        | -              | -                 | -  | -        | -              | -                 | -                          |
| e) Any other  | -  | -        | -              | -                 | -  | -        | -              | -                 | -                          |
| <b>Sub-total (A)(2):</b>                                | <b>0</b>   | <b>0</b> | <b>0</b>       | <b>0.0000</b>     | <b>0</b>                                   | <b>0</b> | <b>0</b>       | <b>0.0000</b>     | <b>0.0000</b>              |
| <b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b> | <b>9194854</b>                                   | <b>0</b> | <b>9194854</b> | <b>61.3358</b>    | <b>9194854</b>                             | <b>0</b> | <b>9194854</b> | <b>61.3358</b>    | <b>0.0000</b>              |
| <b>B. Public Shareholding</b>                           |  |          |                |                   |  |          |                |                   |                            |
| <b>1. Institutions</b>                                  |  |          |                |                   |  |          |                |                   |                            |
| a) Mutual Funds   | -  | -        | -              | -                 | -  | -        | -              | -                 | -                          |
| b) Banks/FI   | -  | -        | -              | -                 | -  | -        | -              | -                 | -                          |
| c) Central Govt   | -  | -        | -              | -                 | -  | -        | -              | -                 | -                          |
| d) State Govt(s)  | -  | -        | -              | -                 | -  | -        | -              | -                 | -                          |
| e) Venture Capital Funds                                | -  | -        | -              | -                 | -  | -        | -              | -                 | -                          |
| f) Insurance Companies                                  | -  | -        | -              | -                 | -  | -        | -              | -                 | -                          |
| g) FIs  | -  | -        | -              | -                 | -  | -        | -              | -                 | -                          |
| h) Foreign Venture Capital Funds                        | -  | -        | -              | -                 | -  | -        | -              | -                 | -                          |
| i) Others (specify)                                     | -  | -        | -              | -                 | -  | -        | -              | -                 | -                          |
| <b>Sub-total(B)(1):</b>                                 | <b>0</b>   | <b>0</b> | <b>0</b>       | <b>0.0000</b>     | <b>0</b>                                   | <b>0</b> | <b>0</b>       | <b>0.0000</b>     | <b>0.0000</b>              |
| <b>2. Non-Institutions</b>                              |  |          |                |                   |  |          |                |                   |                            |
| a) Bodies Corp.   |  |          |                |                   |  |          |                |                   |                            |

## Annexure to the Directors' Report

|   |                 |               |                 |                 |                 |               |                 |                 |               |
|---|-----------------|---------------|-----------------|-----------------|-----------------|---------------|-----------------|-----------------|---------------|
| i) Indian   | 1961173         | 50422         | 2011595         | 13.4187         | 1180482         | 50422         | 1230904         | 8.2110          | -38.8096      |
| ii) Overseas  | -               | -             | -               | -               | -               | -             | -               | -               | -             |
| b) Individuals  |                 |               |                 |                 |                 |               |                 |                 |               |
| i) Individual shareholders holding nominal share capital upto ₹ 1 Lakh          | 2758494         | 141360        | 2899854         | 19.3440         | 2822265         | 136745        | 2959010         | 19.7386         | 2.0400        |
| ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh | 826402          | 0             | 826402          | 5.5126          | 762953          | 0             | 762953          | 5.0894          | -7.6777       |
| c) Others (Specify)   |                 |               |                 |                 |                 |               |                 |                 |               |
| Non Resident Indians  | 39895           | 14742         | 54637           | 0.3645          | 95876           | 0             | 95876           | 0.6396          | 75.4782       |
| Custodian of Enemy Property   | 0               | 0             | 0               | 0.0000          | 0               | 14742         | 14742           | 0.0983          | 100.0000      |
| Clearing Members  | 3658            | 0             | 3658            | 0.0244          | 732661          | 0             | 732661          | 4.8873          | 19929.0049    |
| <b>Sub-total(B)(2):</b>   | <b>5589622</b>  | <b>206524</b> | <b>5796146</b>  | <b>38.6642</b>  | <b>5594237</b>  | <b>201909</b> | <b>5796146</b>  | <b>38.6642</b>  | <b>0.0000</b> |
| <b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>                             | <b>5589622</b>  | <b>206524</b> | <b>5796146</b>  | <b>38.6642</b>  | <b>5594237</b>  | <b>201909</b> | <b>5796146</b>  | <b>38.6642</b>  | <b>0.0000</b> |
| <b>C. Shares held by Custodian for GDRs &amp; ADRs</b>                          | -               | -             | -               | -               | -               | -             | -               | -               | -             |
| <b>Grand Total (A+B+C)</b>  | <b>14784476</b> | <b>206524</b> | <b>14991000</b> | <b>100.0000</b> | <b>14789091</b> | <b>201909</b> | <b>14991000</b> | <b>100.0000</b> | <b>0.0000</b> |

### (ii) Shareholding of Promoters

| Sl No. | Shareholder's Name          | Shareholding at the beginning of the period |                                  |  | Shareholding at the end of the period |                                  |  | % change in share holding during the period |
|--------|-----------------------------|---|----------------------------------|--|---------------------------------------|----------------------------------|--|---|
|        |                             | No. of Shares                               | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares                         | % of total Shares of the company | % of Shares Pledged / encumbered to total shares |   |
| 1.     | Sandeep Singhania           | 362369                                      | 2.4172                           | -  | 362369                                | 2.4172                           | -  | -   |
| 2.     | Sarita Singhania            | 500491                                      | 3.3386                           | -  | 500491                                | 3.3386                           | -  | -   |
| 3.     | Radheshyam Singhania [HUF]  | 129204                                      | 0.8619                           | -  | 129204                                | 0.8619                           | -  | -   |
| 4.     | Devang Singhania            | 5000  | 0.0334                           | -  | 5000                                  | 0.0334                           | -  | -   |
| 5.     | Vani Singhania              | 3192  | 0.0213                           | -  | 3192                                  | 0.0213                           | -  | -   |
| 6.     | Surbhi Pratik Dalmia        | 3000  | 0.0200                           | -  | 3000                                  | 0.0200                           | -  | -   |
| 7.     | Shachi Singhania            | 500   | 0.0033                           | -  | 500                                   | 0.0033                           | -  | -   |
| 8.     | Arjun Kumar Singhania [HUF] | 238   | 0.0016                           | -  | 238                                   | 0.0016                           | -  | -   |
| 9.     | Diana Capital Ltd.          | 8179340                                     | 54.5617                          | -  | 8179340                               | 54.5617                          | -  | -   |
| 10.    | Singhania Builders Limited  | 11520                                       | 0.0768                           | -  | 11520                                 | 0.0768                           | -  | -   |
|        | <b>TOTAL</b>                | <b>9194854</b>                              | <b>61.3358</b>                   | <b>-</b>   | <b>9194854</b>                        | <b>61.3358</b>                   | <b>-</b>   | <b>-</b>                                    |

## Annexure to the Directors' Report

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

| Sl. No. |   | Shareholding at the beginning of the period |                                  | Cumulative Shareholding during the period |                                  |
|---------|---|---|----------------------------------|---|----------------------------------|
|         |   | No. of shares                               | % of total shares of the company | No. of shares                             | % of total shares of the company |
|         | At the beginning of the Period  | 9194854                                     | 61.3358                          |   |                                  |
|         | Date wise Increase /Decrease in Promoters Share holding during the Period specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | <b>NO CHANGE DURING THE PERIOD</b>          |                                  |   |                                  |
|         | At the end of the Period  |   |                                  | 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 period |                                  | Cumulative shareholding during the period |                                  |
|---------|---|---|----------------------------------|---|----------------------------------|
|         |   | No. of shares                               | % of total shares of the company | No. of shares                             | % of total shares of the company |
| 1       | <b>MOHAN OVERSEAS (P) LTD</b>   |   |                                  |   |                                  |
|         | At the beginning of the Period 01/01/2015   | 200169                                      | 1.3353                           |   |                                  |
|         | Date wise Increase / Decrease in Share holding during the Period specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc): | <b>NO CHANGE DURING THE PERIOD</b>          |                                  |   |                                  |
|         | At the End of the Period ( or on the date of separation, if Separated during the Period) 31/03/2016   |   |                                  | 200169                                    | 1.3353                           |
| 2       | <b>AUM CAPITAL MARKET PRIVATE LIMITED</b>   |   |                                  |   |                                  |
|         | At the beginning of the Period 01/01/2015   | 213500                                      | 1.4242                           |   |                                  |
|         | Date wise Increase / Decrease in Share holding during the Period specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc): |   |                                  |   |                                  |
|         | 02/01/2015-Transfer   | 1161  | 0.0077                           | 214661                                    | 1.4319                           |
|         | 09/01/2015-Transfer   | -58000                                      | 0.3869                           | 156661                                    | 1.0450                           |
|         | 16/01/2015-Transfer   | 123921                                      | 0.8266                           | 280582                                    | 1.8717                           |
|         | 23/01/2015-Transfer   | -58237                                      | 0.3885                           | 222345                                    | 1.4832                           |
|         | 30/01/2015-Transfer   | -59761                                      | 0.3986                           | 162584                                    | 1.0845                           |
|         | 06/02/2015-Transfer   | -500  | 0.0033                           | 162084                                    | 1.0812                           |
|         | 13/02/2015-Transfer   | 1322  | 0.0088                           | 163406                                    | 1.0900                           |
|         | 20/02/2015-Transfer   | -7084                                       | 0.0473                           | 156322                                    | 1.0428                           |
|         | 06/03/2015-Transfer   | 105   | 0.0007                           | 156427                                    | 1.0435                           |
|         | 13/03/2015-Transfer   | -376  | 0.0025                           | 156051                                    | 1.0410                           |
|         | 27/03/2015-Transfer   | -778  | 0.0052                           | 155273                                    | 1.0358                           |
|         | 31/03/2015-Transfer   | -273  | 0.0018                           | 155000                                    | 1.0340                           |
|         | 10/04/2015- Transfer  | 9999  | 0.0667                           | 164999                                    | 1.1007                           |
|         | 22/05/2015 - Transfer   | -1459                                       | 0.0097                           | 163540                                    | 1.0909                           |
|         | 29/05/2015 - Transfer   | 111460                                      | 0.7435                           | 275000                                    | 1.8344                           |

## Annexure to the Directors' Report

| Sl. No.  | For Each of the Top 10 Shareholders   | Shareholding at the beginning of the period |                                  | Cumulative shareholding during the period |                                  |
|----------|---|---|----------------------------------|---|----------------------------------|
|          |   | No. of shares                               | % of total shares of the company | No. of shares                             | % of total shares of the company |
|          | 12/06/2015 - Transfer   | 166542                                      | 1.1109                           | 441542                                    | 2.9454                           |
|          | 19/06/2015 - Transfer   | -162  | 0.0011                           | 441380                                    | 2.9443                           |
|          | 07/08/2015 - Transfer   | 17000                                       | 0.1134                           | 458380                                    | 3.0577                           |
|          | 14/08/2015 - Transfer   | -17000                                      | 0.1134                           | 441380                                    | 2.9443                           |
|          | 21/08/2015 - Transfer   | 17500                                       | 0.1167                           | 458880                                    | 3.0610                           |
|          | 28/08/2015 - Transfer   | 251716                                      | 1.6791                           | 710596                                    | 4.7402                           |
|          | 04/09/2015 - Transfer   | -7016                                       | 0.0468                           | 703580                                    | 4.6933                           |
|          | 11/09/2015 - Transfer   | 44  | 0.0003                           | 703624                                    | 4.6936                           |
|          | 18/09/2015 - Transfer   | 22730                                       | 0.1516                           | 726354                                    | 4.8453                           |
|          | 30/09/2015 - Transfer   | -24534                                      | 0.1637                           | 701820                                    | 4.6816                           |
|          | 09/10/2015 - Transfer   | -4210                                       | 0.0281                           | 697610                                    | 4.6535                           |
|          | 16/10/2015 - Transfer   | 1035  | 0.0069                           | 698645                                    | 4.6604                           |
|          | 23/10/2015 - Transfer   | -1165                                       | 0.0078                           | 697480                                    | 4.6527                           |
|          | 30/10/2015 - Transfer   | -3000                                       | 0.0200                           | 694480                                    | 4.6326                           |
|          | 06/11/2015 - Transfer   | 131   | 0.0009                           | 694611                                    | 4.6335                           |
|          | 13/11/2015 - Transfer   | -96   | 0.0006                           | 694515                                    | 4.6329                           |
|          | 20/11/2015 - Transfer   | 538   | 0.0036                           | 695053                                    | 4.6365                           |
|          | 27/11/2015 - Transfer   | -3673                                       | 0.0245                           | 691380                                    | 4.6120                           |
|          | 04/12/2015 - Transfer   | 1000  | 0.0067                           | 692380                                    | 4.6186                           |
|          | 11/12/2015 - Transfer   | -1000                                       | 0.0067                           | 691380                                    | 4.6120                           |
|          | 18/12/2015 - Transfer   | 319   | 0.0021                           | 691699                                    | 4.6141                           |
|          | 25/12/2015 - Transfer   | -319  | 0.0021                           | 691380                                    | 4.6120                           |
|          | 31/12/2015 - Transfer   | 751   | 0.0050                           | 692131                                    | 4.6170                           |
|          | 08/01/2016 - Transfer   | -751  | 0.0050                           | 691380                                    | 4.6120                           |
|          | 15/01/2016 - Transfer   | -12451                                      | 0.0831                           | 678929                                    | 4.5289                           |
|          | 22/01/2016 - Transfer   | -350  | 0.0023                           | 678579                                    | 4.5266                           |
|          | 19/02/2016 - Transfer   | 443   | 0.0030                           | 679022                                    | 4.5295                           |
|          | 26/02/2016 - Transfer   | -443  | 0.0030                           | 678579                                    | 4.5266                           |
|          | 25/03/2016 - Transfer   | 29559                                       | 0.1972                           | 708138                                    | 4.7238                           |
|          | 31/03/2016-Transfer   | -29559                                      | 0.1972                           | 678579                                    | 4.5266                           |
|          | At the End of the Period (or on the date of separation, if separated during the Period) 31/03/2016  |   |                                  | 678579                                    | 4.5266                           |
| <b>3</b> | <b>VEEPOINT COMMERCE PRIVATE LIMITED</b>  |   |                                  |   |                                  |
|          | At the beginning of the Period 01/01/2015   | 0   | 0.0000                           |   |                                  |
|          | Date wise Increase /Decrease in Share holding during the Period specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc): |   |                                  |   |                                  |
|          | 27/03/2015-Transfer   | 870730                                      | 5.8084                           | 870730                                    | 5.8084                           |
|          | 29/05/2015 - Transfer   | -120000                                     | 0.8005                           | 750730                                    | 5.0079                           |
|          | 07/08/2015 - Transfer   | -42000                                      | 0.2802                           | 708730                                    | 4.7277                           |

## Annexure to the Directors' Report

| Sl. No.   | For Each of the Top 10 Shareholders   | Shareholding at the beginning of the period |                                  | Cumulative shareholding during the period |                                  |
|-----------|---|---|----------------------------------|---|----------------------------------|
|           |   | No. of shares                               | % of total shares of the company | No. of shares                             | % of total shares of the company |
|           | 28/08/2015 - Transfer   | -250000                                     | 1.6677                           | 458730                                    | 3.0600                           |
|           | At the End of the Period (or on the date of separation, if Separated during the Period): 31/03/2016   |   |                                  | 458730                                    | 3.0600                           |
| <b>4</b>  | <b>MAHENDRA GIRDHARILAL</b>   |   |                                  |   |                                  |
|           | At the beginning of the Period 01/01/2015   | 112113                                      | 0.7479                           |   |                                  |
|           | Date wise Increase / Decrease in Share holding during the Period specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc): | <b>NO CHANGE DURING THE PERIOD</b>          |                                  |   |                                  |
|           | At the End of the Period (or on the date of separation, if Separated during the Period) 31/03/2016  |   |                                  | 112113                                    | 0.7479                           |
| <b>5</b>  | <b>MEC EXIM PRIVATE LIMITED</b>   |   |                                  |   |                                  |
|           | At the beginning of the Period 01/01/2015   | 60000                                       | 0.4002                           |   |                                  |
|           | Date wise Increase / Decrease in Share holding during the Period specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc): | <b>NO CHANGE DURING THE PERIOD</b>          |                                  |   |                                  |
|           | At the End of the Period (or on the date of separation, if Separated during the Period) 31/03/2016  |   |                                  | 60000                                     | 0.4002                           |
| <b>6</b>  | <b>DIAMOND TRADECOM PRIVATE LIMITED #</b>   |   |                                  |   |                                  |
|           | At the beginning of the Period 01/01/2015   | 56800                                       | 0.3789                           |   |                                  |
|           | Date wise Increase / Decrease in Share holding during the Period specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc): |   |                                  |   |                                  |
|           | 16/01/2015 – Transfer   | -2000                                       | 0.0133                           | 54800                                     | 0.3656                           |
|           | 23/01/2015-Transfer   | -4800                                       | 0.0320                           | 50000                                     | 0.3335                           |
|           | 08/01/2016-Transfer   | -17500                                      | 0.1167                           | 32500                                     | 0.2168                           |
|           | 15/01/2016-Transfer   | -5000                                       | 0.0334                           | 27500                                     | 0.1834                           |
|           | At the End of the Period (or on the date of separation, if Separated during the Period) 31/03/2016  |   |                                  | 27500                                     | 0.1834                           |
| <b>7.</b> | <b>HEMANYA VANIJYA PRIVATE LIMITED #</b>  |   |                                  |   |                                  |
|           | At the beginning of the Period 01/01/2015   | 930497                                      | 6.2070                           |   |                                  |
|           | Date wise Increase / Decrease in Share holding during the Period specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc): |   |                                  |   |                                  |
|           | 09/01/2015-Transfer   | 58000                                       | 0.3869                           | 988497                                    | 6.5939                           |
|           | 16/01/2015-Transfer   | -124421                                     | 0.8300                           | 864076                                    | 5.7640                           |
|           | 23/01/2015-Transfer   | -155346                                     | 1.0363                           | 708730                                    | 4.7277                           |

## Annexure to the Directors' Report

| Sl. No.   | For Each of the Top 10 Shareholders   | Shareholding at the beginning of the period |                                  | Cumulative shareholding during the period |                                  |
|-----------|---|---|----------------------------------|---|----------------------------------|
|           |   | No. of shares                               | % of total shares of the company | No. of shares                             | % of total shares of the company |
|           | 27/03/2015-Transfer   | -708730                                     | 4.7277                           | 0   | 0.0000                           |
|           | At the End of the Period (or on the date of separation, if Separated during the Period) 31/03/2016  |   |                                  | 0   | 0.0000                           |
| <b>8</b>  | <b>RELIGARE FINVEST LTD</b>   |   |                                  |   |                                  |
|           | At the beginning of the Period 01/01/2015   | 240000                                      | 1.6010                           |   |                                  |
|           | Date wise Increase / Decrease in Share holding during the Period specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc): |   |                                  |   |                                  |
|           | 26/06/2015-Transfer   | -500  | 0.0033                           | 239500                                    | 1.5976                           |
|           | At the End of the Period (or on the date of separation, if Separated during the Period): 31/03/2016   |   |                                  | 239500                                    | 1.5976                           |
| <b>9</b>  | <b>KAMAL RAJ MEHTA #</b>  |   |                                  |   |                                  |
|           | At the beginning of the Period 01/01/2015   | 50850                                       | 0.3392                           |   |                                  |
|           | Date wise Increase / Decrease in Share holding during the Period specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc): |   |                                  |   |                                  |
|           | 26/06/2015 –Transfer  | 95  | 0.0006                           | 50945                                     | 0.3398                           |
|           | At the End of the Period (or on the date of separation, if Separated during the Period) 31/03/2016  |   |                                  | 50945                                     | 0.3398                           |
| <b>10</b> | <b>DINESH CHANDRA TRIPATHI</b>  |   |                                  |   |                                  |
|           | At the beginning of the Period 01/01/2015   | 42101                                       | 0.2808                           |   |                                  |
|           | Date wise Increase / Decrease in Share holding during the Period specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc): |   |                                  |   |                                  |
|           | 02/01/2015-Transfer   | -135  | 0.0009                           | 41966                                     | 0.2799                           |
|           | 09/01/2015-Transfer   | -1289                                       | 0.0086                           | 40677                                     | 0.2713                           |
|           | 16/01/2015-Transfer   | -425  | 0.0028                           | 40252                                     | 0.2685                           |
|           | 23/01/2015-Transfer   | -262  | 0.0017                           | 39990                                     | 0.2668                           |
|           | 30/01/2015-Transfer   | 1319  | 0.0088                           | 41309                                     | 0.2756                           |
|           | 06/02/2015-Transfer   | 399   | 0.0027                           | 41708                                     | 0.2782                           |
|           | 20/02/2015-Transfer   | 233   | 0.0016                           | 41941                                     | 0.2798                           |
|           | 27/02/2015-Transfer   | -242  | 0.0016                           | 41699                                     | 0.2782                           |
|           | 06/03/2015-Transfer   | -100  | 0.0007                           | 41599                                     | 0.2775                           |
|           | 13/03/2015-Transfer   | 416   | 0.0028                           | 42015                                     | 0.2803                           |
|           | 20/03/2015-Transfer   | -550  | 0.0037                           | 41465                                     | 0.2766                           |
|           | 27/03/2015-Transfer   | -802  | 0.0053                           | 40663                                     | 0.2712                           |
|           | 31/03/2015-Transfer   | -397  | 0.0026                           | 40266                                     | 0.2686                           |



## Annexure to the Directors' Report

| Sl. No.               | For Each of the Top 10 Shareholders | Shareholding at the beginning of the period |                                  | Cumulative shareholding during the period |                                  |
|-----------------------|-------------------------------------|---|----------------------------------|---|----------------------------------|
|                       |                                     | No. of shares                               | % of total shares of the company | No. of shares                             | % of total shares of the company |
| 03/04/2015 - Transfer | -57                                 | 0.0004                                      | 40209                            | 0.2682                                    |                                  |
| 10/04/2015 - Transfer | -60                                 | 0.0004                                      | 40149                            | 0.2678                                    |                                  |
| 17/04/2015 - Transfer | 147                                 | 0.0010                                      | 40296                            | 0.2688                                    |                                  |
| 24/04/2015 - Transfer | 247                                 | 0.0016                                      | 40543                            | 0.2704                                    |                                  |
| 01/05/2015 - Transfer | -25                                 | 0.0002                                      | 40518                            | 0.2703                                    |                                  |
| 08/05/2015 - Transfer | -345                                | 0.0023                                      | 40173                            | 0.2680                                    |                                  |
| 22/05/2015 - Transfer | -100                                | 0.0007                                      | 40073                            | 0.2673                                    |                                  |
| 29/05/2015 - Transfer | -509                                | 0.0034                                      | 39564                            | 0.2639                                    |                                  |
| 12/06/2015 - Transfer | -1392                               | 0.0093                                      | 38172                            | 0.2546                                    |                                  |
| 19/06/2015 - Transfer | 2667                                | 0.0178                                      | 40839                            | 0.2724                                    |                                  |
| 26/06/2015 - Transfer | 3689                                | 0.0246                                      | 44528                            | 0.2970                                    |                                  |
| 03/07/2015 - Transfer | -276                                | 0.0018                                      | 44252                            | 0.2952                                    |                                  |
| 10/07/2015 - Transfer | 346                                 | 0.0023                                      | 44598                            | 0.2975                                    |                                  |
| 17/07/2015 - Transfer | -875                                | 0.0058                                      | 43723                            | 0.2917                                    |                                  |
| 24/07/2015 - Transfer | -412                                | 0.0027                                      | 43311                            | 0.2889                                    |                                  |
| 21/08/2015 - Transfer | -1525                               | 0.0102                                      | 41786                            | 0.2787                                    |                                  |
| 28/08/2015 - Transfer | -906                                | 0.0060                                      | 40880                            | 0.2727                                    |                                  |
| 04/09/2015 - Transfer | 6046                                | 0.0403                                      | 46926                            | 0.3130                                    |                                  |
| 11/09/2015 - Transfer | 990                                 | 0.0066                                      | 47916                            | 0.3196                                    |                                  |
| 18/09/2015 - Transfer | 724                                 | 0.0048                                      | 48640                            | 0.3245                                    |                                  |
| 30/09/2015 - Transfer | -200                                | 0.0013                                      | 48440                            | 0.3231                                    |                                  |
| 09/10/2015 - Transfer | -200                                | 0.0013                                      | 48240                            | 0.3218                                    |                                  |
| 16/10/2015 - Transfer | -50                                 | 0.0003                                      | 48190                            | 0.3215                                    |                                  |
| 23/10/2015 - Transfer | 6040                                | 0.0403                                      | 54230                            | 0.3618                                    |                                  |
| 30/10/2015 - Transfer | -350                                | 0.0023                                      | 53880                            | 0.3594                                    |                                  |
| 13/11/2015 - Transfer | -100                                | 0.0007                                      | 53780                            | 0.3587                                    |                                  |
| 20/11/2015 - Transfer | -2811                               | 0.0188                                      | 50969                            | 0.3400                                    |                                  |
| 27/11/2015 - Transfer | -1503                               | 0.0100                                      | 49466                            | 0.3300                                    |                                  |
| 04/12/2015 - Transfer | -3659                               | 0.0244                                      | 45807                            | 0.3056                                    |                                  |
| 11/12/2015 - Transfer | 375                                 | 0.0025                                      | 46182                            | 0.3081                                    |                                  |
| 18/12/2015 - Transfer | -639                                | 0.0043                                      | 45543                            | 0.3038                                    |                                  |
| 25/12/2015 - Transfer | -711                                | 0.0047                                      | 44832                            | 0.2991                                    |                                  |
| 31/12/2015 - Transfer | -1732                               | 0.0116                                      | 43100                            | 0.2875                                    |                                  |
| 08/01/2016 - Transfer | -678                                | 0.0045                                      | 42422                            | 0.2830                                    |                                  |
| 15/01/2016 - Transfer | -6199                               | 0.0414                                      | 36223                            | 0.2416                                    |                                  |
| 22/01/2016 - Transfer | -104                                | 0.0007                                      | 36119                            | 0.2409                                    |                                  |
| 29/01/2016 - Transfer | -1530                               | 0.0102                                      | 34589                            | 0.2307                                    |                                  |
| 05/02/2016 - Transfer | -552                                | 0.0037                                      | 34037                            | 0.2270                                    |                                  |
| 12/02/2016 - Transfer | 2382                                | 0.0159                                      | 36419                            | 0.2429                                    |                                  |
| 19/02/2016 - Transfer | 461                                 | 0.0031                                      | 36880                            | 0.2460                                    |                                  |
| 26/02/2016 - Transfer | -13                                 | 0.0001                                      | 36867                            | 0.2459                                    |                                  |
| 04/03/2016 - Transfer | 306                                 | 0.0020                                      | 37173                            | 0.2480                                    |                                  |

## Annexure to the Directors' Report

| Sl. No.   | For Each of the Top 10 Shareholders  | Shareholding at the beginning of the period |                                  | Cumulative shareholding during the period |                                  |
|-----------|--|---|----------------------------------|---|----------------------------------|
|           |  | No. of shares                               | % of total shares of the company | No. of shares                             | % of total shares of the company |
|           | 11/03/2016 - Transfer  | -75   | 0.0005                           | 37098                                     | 0.2475                           |
|           | 18/03/2016 - Transfer  | -600  | 0.0040                           | 36498                                     | 0.2435                           |
|           | 25/03/2016 - Transfer  | -140  | 0.0009                           | 36358                                     | 0.2425                           |
|           | 31/03/2015- Transfer   | 4   | 0.0000                           | 36362                                     | 0.2426                           |
|           | At the End of the Period (or on the date of separation, if Separated during the Period) 31/03/2016   |   |                                  | 36362                                     | 0.2426                           |
| <b>11</b> | <b>INDU DEVI MOHATTA</b>   |   |                                  |   |                                  |
|           | At the beginning of the Period 01/01/2015  | 129423                                      | 0.8633                           |   |                                  |
|           | Date wise Increase / Decrease in Share holding during the Period specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc  | <b>NO CHANGE DURING THE PERIOD</b>          |                                  |   |                                  |
|           | At the End of the Period (or on the date of separation, if Separated during the Period) 31/03/2016   |   |                                  | 129423                                    | 0.8633                           |
| <b>12</b> | <b>R N RUBESH</b>  |   |                                  |   |                                  |
|           | At the beginning of the Period 01/01/2015  | 146025                                      | 0.9741                           |   |                                  |
|           | Date wise Increase / Decrease in Share holding during the Period specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc  |   |                                  |   |                                  |
|           | 28/08/2015 - Transfer  | -20000                                      | 0.1334                           | 126025                                    | 0.8407                           |
|           | 04/09/2015 - Transfer  | -11457                                      | 0.0764                           | 114568                                    | 0.7642                           |
|           | At the End of the Period (or on the date of separation, if Separated during the Period) 31/03/2016   |   |                                  | 114568                                    | 0.7642                           |
| <b>13</b> | <b>AMIT MEHTA</b>  |   |                                  |   |                                  |
|           | At the beginning of the Period 01/01/2015  | 0   | 0.0000                           |   |                                  |
|           | Date wise Increase / Decrease in Share holding during the Period specifying the reasons for increase / decrease (e.g. allotment /transfer/ bonus/ sweat equity etc     |   |                                  |   |                                  |
|           | 23/01/2015-Transfer  | 160000                                      | 1.0673                           | 160000                                    | 1.0673                           |
|           | 12/06/2015 - Transfer  | -160000                                     | 1.0673                           | 0   | 0.0000                           |
|           | At the End of the Period (or on the date of separation, if Separated during the Period) 31/03/2016   |   |                                  | 0   | 0.0000                           |
| <b>14</b> | <b>SANGEETHA S *</b>   |   |                                  |   |                                  |
|           | At the beginning of the Period 01/01/2015  | 0   | 0.0000                           |   |                                  |
|           | Date wise Increase / Decrease in Share holding during the Period specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc. |   |                                  |   |                                  |

## Annexure to the Directors' Report

| Sl. No.   | For Each of the Top 10 Shareholders   | Shareholding at the beginning of the period |                                  | Cumulative shareholding during the period |                                  |
|-----------|---|---|----------------------------------|---|----------------------------------|
|           |   | No. of shares                               | % of total shares of the company | No. of shares                             | % of total shares of the company |
|           | 27/02/2015 - Transfer   | 20208                                       | 0.1348                           | 20208                                     | 0.1348                           |
|           | 20/03/2015 - Transfer   | 8396  | 0.0560                           | 28604                                     | 0.1908                           |
|           | 31/03/2015 - Transfer   | 752   | 0.0050                           | 29356                                     | 0.1958                           |
|           | 10/04/2015 - Transfer   | 4113  | 0.0274                           | 33469                                     | 0.2233                           |
|           | 24/04/2015 - Transfer   | 11005                                       | 0.0734                           | 44474                                     | 0.2967                           |
|           | 01/05/2015 - Transfer   | 5026  | 0.0335                           | 49500                                     | 0.3302                           |
|           | 08/05/2015 - Transfer   | 5237  | 0.0349                           | 54737                                     | 0.3651                           |
|           | 15/05/2015 - Transfer   | 2948  | 0.0197                           | 57685                                     | 0.3848                           |
|           | 17/07/2015 - Transfer   | 621   | 0.0041                           | 58306                                     | 0.3889                           |
|           | 31/07/2015 - Transfer   | 1000  | 0.0067                           | 59306                                     | 0.3956                           |
|           | 14/08/2015 - Transfer   | 6260  | 0.0418                           | 65566                                     | 0.4374                           |
|           | 21/08/2015 - Transfer   | 284   | 0.0019                           | 65850                                     | 0.4393                           |
|           | At the End of the Period (or on the date of separation, if Separated during the Period) 31/03/2016  |   |                                  | 65850                                     | 0.4393                           |
| <b>15</b> | <b>P K ABDUL SAMAD *</b>  |   |                                  |   |                                  |
|           | At the beginning of the Period 01/01/2015   | 0   | 0.0000                           |   |                                  |
|           | Date wise Increase / Decrease in Share holding during the Period specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc |   |                                  |   |                                  |
|           | 27/11/2015 - Transfer   | 5000  | 0.0334                           | 5000                                      | 0.0334                           |
|           | 04/12/2015 - Transfer   | 33000                                       | 0.2201                           | 38000                                     | 0.2535                           |
|           | 11/12/2015 - Transfer   | 500   | 0.0033                           | 38500                                     | 0.2568                           |
|           | 25/12/2015 - Transfer   | 1500  | 0.0100                           | 40000                                     | 0.2668                           |
|           | 08/01/2016 - Transfer   | 7300  | 0.0487                           | 47300                                     | 0.3155                           |
|           | 15/01/2016 - Transfer   | 5700  | 0.0380                           | 53000                                     | 0.3535                           |
|           | 22/01/2016 - Transfer   | 1200  | 0.0080                           | 54200                                     | 0.3616                           |
|           | 05/02/2016 - Transfer   | 1800  | 0.0120                           | 56000                                     | 0.3736                           |
|           | At the End of the Period (or on the date of separation, if Separated during the Period) 31/03/2016  |   |                                  | 56000                                     | 0.3736                           |

\* Not in the list of Top 10 shareholders as on 01/01/2015. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2016.

# ceased to be in the list of Top 10 shareholders as on 31/03/2016. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01/01/2015.

## Annexure to the Directors' Report

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

| Sl. No. | For Each of the Directors and KMP  | Shareholding at the beginning of the Period |                                  | Cumulative Shareholding during the Period |                                  |
|---------|--|---|----------------------------------|---|----------------------------------|
|         |  | No. of shares                               | % of total shares of the company | No. of shares                             | % of total shares of the company |
| 1.      | At the beginning of the Period : 01/01/2015  |   |                                  |   |                                  |
|         | Sandeep Singhania  | 362369                                      | 2.4172                           |   |                                  |
|         | Date wise Increase / Decrease in Share holding during the Period specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | <b>NO CHANGE DURING THE PERIOD</b>          |                                  |   |                                  |
|         | At the end of the Period: 31/03/2016   |   |                                  |   |                                  |
|         | Sandeep Singhania  |   |                                  | 362369                                    | 2.4172                           |
| 2.      | At the beginning of the Period:01/01/2015  |   |                                  |   |                                  |
|         | Sarita Singhania   | 500491                                      | 3.3386                           |   |                                  |
|         | Date wise Increase / Decrease in Share holding during the Period specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | <b>NO CHANGE DURING THE PERIOD</b>          |                                  |   |                                  |
|         | At the end of the Period: 31/03/2016   |   |                                  |   |                                  |
|         | Sarita Singhania   |   |                                  | 500491                                    | 3.3386                           |

### V. INDEBTEDNESS

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

(₹ in Lakhs)

|  | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| <b>Indebtedness at the beginning of the financial Period</b> |                                  |                 |          |                    |
| i) Principal Amount  | 676.70                           | 231.97          | -        | 908.67             |
| ii) Interest due but not paid                                | 2.57                             | -               | -        | 2.57               |
| iii) Interest accrued but not due                            | 11.24                            | 2.38            | -        | 13.62              |
| <b>Total { i) + ii) + iii)}</b>                              | <b>690.51</b>                    | <b>234.35</b>   | <b>-</b> | <b>924.86</b>      |
| <b>Change in Indebtedness during the financial Period</b>    |                                  |                 |          |                    |
| • Addition   | 417.2                            | -               | -        | 417.2              |
| • Reduction  | -                                | (215.33)        | -        | (215.33)           |
| <b>Net Change</b>  | <b>417.2</b>                     | <b>(215.33)</b> | <b>-</b> | <b>201.87</b>      |
| <b>Indebtedness at the end of the financial Period</b>       |                                  |                 |          |                    |
| i) Principal Amount  | 1102.64                          | 17.12           | -        | 1119.76            |
| ii) Interest due but not paid                                | -                                | -               | -        | -                  |
| iii) Interest accrued but not due                            | 5.07                             | 1.90            | -        | 6.97               |
| <b>Total { i) + ii) + iii)}</b>                              | <b>1107.71</b>                   | <b>19.02</b>    | <b>-</b> | <b>1126.73</b>     |

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

## Annexure to the Directors' Report

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

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

(₹ in Lakhs)

| Sl. No. | Particulars of Remuneration   | Mr. Sandeep Singhania<br>Managing Director                            | Mrs. Sarita Singhania<br>Whole time Director | Total Amount<br>(₹) |
|---------|---|---|--|---------------------|
| 1.      | Gross salary  |   |  |                     |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 46.01   | 27.81  | 73.82               |
|         | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | -   | -  | -                   |
|         | (c) Profits in lieu of salary under   | -   | -  | -                   |
| 2.      | Stock Option  | -   | -  | -                   |
| 3.      | Sweat Equity  | -   | -  | -                   |
| 4.      | . Commission<br>- as % of profit<br>- Others, specify...                            | -   | -  | -                   |
| 5.      | Others, please specify  | -   | -  | -                   |
|         | Total (A)   | 46.01   | 27.81  | 73.82               |
|         | Ceiling as per the Act  | The limit is as per Schedule V(Section II) of the Companies Act, 2013 |  |                     |

#### B. Remuneration to other directors:

(₹ in Lakhs)

| Sl. No. | Particulars of Remuneration                    | Name of Director | Name of Director | Name of Director | Total Amount<br>(₹) |
|---------|--|------------------|------------------|------------------|---------------------|
|         |  | H.M.Parekh       | N.F.Tankariwala  | Gautam Bhalla    |                     |
| 1.      | Independent Directors                          |                  |                  |                  |                     |
|         | • Fee for attending board / committee meetings | 0.49             | 0.435            | 0.525            | 1.45                |
|         | • Commission                                   | -                | -                | -                | -                   |
|         | • Others                                       | 0.02             | 0.02             | 0.02             | 0.06                |
|         | (Separate Meeting of Independent Directors)    |                  |                  |                  |                     |
|         | Total (1)                                      | 0.51             | 0.455            | 0.545            | 1.51                |
| 2.      | Other Non-Executive Directors                  |                  |                  |                  |                     |
|         | • Fee for attending board / committee meetings | -                | -                | -                | -                   |
|         | • Commission                                   | -                | -                | -                | -                   |
|         | • Others, please specify                       | -                | -                | -                | -                   |
|         | Total (2)                                      | -                | -                | -                | -                   |
|         | Total (B)=(1+2)                                | 0.51             | 0.455            | 0.545            | 1.51                |
|         | Total Managerial Remuneration                  | ₹ 60.00 Lakhs    |                  |                  |                     |
|         | Overall Ceiling as per the Act                 |                  |                  |                  |                     |

## Annexure to the Directors' Report

### C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER/WTD

(₹ in Lakhs)

| Sl. No. | Particulars of Remuneration  | Manoj Agarwala<br>Company Secretary | Ramesh Kumar<br>Jhunjunwala<br>Chief Financial Officer | Total Amount |
|---------|--|-------------------------------------|--|--------------|
| 1       | Gross salary<br>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961<br>(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961<br>(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961 | 7.89                                | 5.61   | 13.50        |
| 2       | Stock Option   | -                                   | -  | -            |
| 3       | Sweat Equity   | -                                   | -  | -            |
| 4       | Commission<br>- as % of profit<br>- Others, specify...   | -                                   | -  | -            |
| 5       | Others, please specify   | -                                   | -  | -            |
|         | Total  | 7.89                                | 5.61   | 13.50        |

### 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 period.

For and on behalf of the Board

Registered Office  
3B, Lal Bazar Street  
Kolkata - 700 001  
Date : May 30, 2016

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

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



Annexure to the Directors' Report

### INDUSTRY STRUCTURE AND DEVELOPMENT

The world crop increased over 2014 calendar year by 0.45% from 5177.19 million kgs. to 5200.32 million kgs. The major crop increase came from China where crop increased by 135 million kgs. However, Kenyan crop declined by about 40 million kgs. whereas Sri Lankan crop also declined by about 9 million kgs. India had also contributed to the decline of 16 million kgs. It will be interesting to note that 36% of the total Indian tea production is contributed by small growers and contribution from organized sector is declining every year because of uncertain weather conditions and draught in the initial part of the year which has become a regular phenomena followed by severe pest attack.

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

### SEGMENT ANALYSIS

Tea crop is entirely dependent on weather conditions being agriculture in nature. With continued uncertain weather conditions, the crop tends to suffer because of excessive rainless period followed by pest infestation. However, with our prudent field practices and 100% irrigation facilities, we have been able to outperform by way of higher production by 72,000 Kgs. when compared to previous year.

### OPPORTUNITIES AND THREATS

The Global tea production has been more or less stagnant during past years with small range variation depending upon the weather condition. Global demand is likely to grow up by 2% to 3% which would create lower inventory level. India's own consumption is growing steadily at 3% CAGR whereas production of tea is more or less consistent in last few years which will boost the Indian tea market in coming years. However, Indian exports are steadily coming

## Management DISCUSSION AND ANALYSIS

### Annexure-“B”

down and has lost major chunk to other exporting countries like Sri Lanka, Kenya and China.

### RISKS AND CONCERNS

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

### OUTLOOK

Current year has been started with higher production in North India till the month of April which has resulted a negative sentiment in the market with price realization lower when compared to last year. However, quality tea continues to sell at firm levels whereas non-quality tea is being neglected. Higher cost of production due to high wages and salaries, cost of inputs and increased period of irrigation is likely to dent profitability of tea companies. Strategies needs to be implemented to survive in this difficult scenario by way of improving the yields, enhancing the quality and reduction in costs.

### FINANCIAL REVIEW AND ANALYSIS

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

## Management Discussion and analysis

### 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 quantitative and qualitative. The total number of people employed in your Company as on 31st March, 2016 was 3787.

### CAUTIONARY STATEMENT

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

For and on behalf of the Board

Registered Office  
3B, Lal Bazar Street  
Kolkata - 700 001  
Date : May 30, 2016

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

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





# Report on Corporate GOVERNANCE

Annexure to the Directors' Report

Annexure-“C”

## COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

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

### 1. BOARD OF DIRECTORS

#### Composition :

As per Clause 49(II)(A)(1) of erstwhile Listing Agreement

and 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 Women Director and not less than 50% of the Board of directors consists of Non-Executive Directors.

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

During the Period starting from January 1, 2015 to March 31, 2016, five Board meetings were held as on February 27, 2015, May 11, 2015, August 14, 2015, November 14, 2015 and February 12, 2016.

| 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          | 5                              | Yes                        | 3                                  | -  | -  | N.A.  |
| Mrs. Sarita Singhania (Whole-time Director) | Executive Non Independent          | 5                              | Yes                        | 1                                  | -  | -  | N.A.  |
| Mr. Harischandra Maneklal Parekh            | Non-Executive Independent Director | 5                              | Yes                        | 7                                  | 5  | 4  | -   |
| Mr. Noshir Faramji Tankariwala              | Non-Executive Independent Director | 4                              | Yes                        | -                                  | -  | -  | -   |
| Mr. Gautam Bhalla                           | Non-Executive Independent Director | 5                              | 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 Clause 49(II)(D) of the erstwhile Listing Agreement and 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.

## Report on Corporate Governance

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

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

\*\*\*Represents number of shares and convertible instruments held by non-executive directors as on March 31, 2016.

Particulars of Directors retiring by rotation and seeking re-appointment have been given in the Notice convening the 105<sup>th</sup> Annual General Meeting and Explanatory Statement, attached thereto.

### Independent Directors

The Non-Executive Independent Directors fulfil the conditions of Independence specified in Section 149 of the Companies Act, 2013 and Clause 49(II)(B) of the erstwhile Listing Agreement and Regulation 16(b) of the Listing Regulations.

### 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 February 15, 2016 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's operations, business model, industry in which the Company operates and their role and responsibilities. The details of such program is posted on the Company's weblink: [http://www.dianatea.in/Directors-familiarisation-programme\\_9.pdf](http://www.dianatea.in/Directors-familiarisation-programme_9.pdf).

## 2. AUDIT COMMITTEE

The Company has an Qualified Independent Audit Committee within the scope as set out in Clause 49 of the Listing Agreement and Regulation 18 of the Listing Regulations 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 June 26, 2015.

Mr. Manoj Agarwala, Company Secretary, is the Secretary of the Committee.

### Terms of Reference

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

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

Five Meetings of Audit Committee were held for the period starting from 01.01.2015 to 31.03.2016 as on February 27, 2015, May 11, 2015, August 14, 2015, November 14, 2015 and February 12, 2016.

Attendance Record of the Audit Committee Meeting:

| Sl. No. | Name of Directors     | No. of Meetings Attended |
|---------|-----------------------|--------------------------|
| 1)      | Mr H.M. Parekh        | 5                        |
| 2)      | Mr. Gautam Bhalla     | 5                        |
| 3)      | Mr. N. F. Tankariwala | 4                        |
| 4)      | Mr. Sandeep Singhania | 5                        |

## Report on Corporate Governance

### 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 read with Clause 49 of the Listing Agreement and Regulation 19 of Listing Regulations.

#### Performance evaluation criteria for Independent Directors:

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

#### Terms of Reference

Terms of reference of this committee are:

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

Two meetings of the Nomination & Remuneration Committee were held as on February 27, 2015 and August 14, 2015.

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

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

### 4. REMUNERATION POLICY

#### Non-Executive Directors:

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

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

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

#### Executive Directors:

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

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

Details of remuneration paid to Directors are as under :

(₹ In Lakhs)

| Name of the Directors | Salary and Allowance | Contribution to Provident Fund | Total |
|-----------------------|----------------------|--------------------------------|-------|
| Mr Sandeep Singhania  | 41.08                | 4.93                           | 46.01 |
| Mrs. Sarita Singhania | 24.83                | 2.98                           | 27.81 |

## Report on Corporate Governance

Sitting Fees paid to the Non-Executive Directors during the Fifteen Months Period are as under :

| Name of Non-Executive Directors | Sitting fees (₹ in Lakhs) |                   |
|---------------------------------|---------------------------|-------------------|
|                                 | Board Meeting             | Committee Meeting |
| Mr. H.M. Parekh                 | 0.35                      | 0.14              |
| Mr. N. F. Tankariwala           | 0.28                      | 0.155             |
| Mr. Gautam Bhalla               | 0.35                      | 0.175             |
| <b>Total</b>                    | <b>0.98</b>               | <b>0.47</b>       |

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

### 5. STAKEHOLDERS RELATIONSHIP COMMITTEE

Pursuant to provisions of section 178(5) of Companies Act, 2013 the committee was reconstituted on February 27, 2015 and 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 period starting from January 1, 2015 to March 31, 2016.

Total Twelve meetings were held during the period of fifteen months as on January 15, 2015, January 22, 2015, February 5, 2015, February 19, 2015, March 4, 2015, March 12, 2015, March 19, 2015, April 23, 2015, May 7, 2015, May 28, 2015, July 23, 2015 and March 17, 2016.

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 January 1, 2015 | Nil |
| b) | Complaints received from investors   | 2   |
| c) | Complaints replied/resolved to the satisfaction of shareholders              | 2   |
| d) | Complaints pending on March 31, 2016   | Nil |

There were also no investors' complaints pending against the company as on March 31, 2016 on SCORES, the web based complaint redressal system of SEBI.

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

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

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

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

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

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

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

Mr. Manoj Agarwala, Company Secretary  
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

### 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 | Date       | Time       | Location   |
|----------------|------------|------------|--|
| 2014           | 26.06.2015 | 10:30 a.m. | Gyan Manch Education Society Hall, 11, Pretoria Street, Kolkata - 700071 |
| 2013           | 28.06.2014 | 10:30 a.m. | Gyan Manch Education Society Hall, 11, Pretoria Street, Kolkata - 700071 |
| 2012           | 22.06.2013 | 10:30 a.m. | Gyan Manch Education Society Hall, 11, Pretoria Street, Kolkata - 700071 |

## Report on Corporate Governance

### 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 | Special Resolution   |
|----------------|--|
| 2014           | 1. Re-appointment of Mr. H.M. Parekh as Independent Director of the Company who is not liable to retire by Rotation.         |
|                | 2. Re-appointment of Mr. N.F. Tankariwala as Independent Director of the Company who is not liable to retire by Rotation.    |
|                | 3. Ratification of Remuneration of Cost Auditor.   |
|                | 4. Re-appointment of Mr. Sandeep Singhania as Managing Director of the Company.  |
| 2013           | 1. Appointment of Mrs. Sarita Singhania as Whole-Time Director of the company, designated as Director (Sales and Marketing). |
|                | 2. Fixation of Borrowing Limits of the Company.  |
|                | 3. Creation of charge On Company's Properties.   |
| 2012           | No Special Resolution was passed at the Annual General Meeting held on June 22,2013  |

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

During the period starting from Januar 1, 2015 to March 31, 2016, no Special Resolutions were passed through Postal Ballot. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing Special Resolutions through Postal Ballot.

### d) Extraordinary General Meeting:

No Extraordinary General Meeting of the members was held during the period starting from January 1, 2015 to March 31, 2016.

## 7. DISCLOSURES

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

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

The omnibus approval of the Audit Committee is taken for all proposed related party transactions and the details of all related party transactions actually

entered into in the preceding quarter is placed before the Audit Committee in the next meeting.

2. No penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital market for non-compliance by the Company during the last three years.
3. Business risk evaluation and management is an ongoing process within the Company. The Company has been addressing various risks impacting the Company and presently there is no risk which is threatening the company.
4. The Company does not have any subsidiaries. However the Company has formulated policy for determining 'material' subsidiaries which is available on the web link: [http://www.dianatea.in/Policy\\_for\\_determining\\_material\\_subsidaries\\_8.pdf](http://www.dianatea.in/Policy_for_determining_material_subsidaries_8.pdf)
5. The Company is not required to adopt discretionary Requirements as specified in Regulation 27(1) of the Listing Regulations because no such activities took place in the company.
6. The Company has complied with the mandatory requirements as stipulated in Listing Regulations with the Stock Exchanges.
7. The Company has adopted Whistle Blower Policy (Vigil Mechanism) for Directors and employees which has been placed in the website of the Company: [www.dianatea.in](http://www.dianatea.in) at the weblink: [http://www.dianatea.in/Whistle\\_Blower\\_Diana.pdf](http://www.dianatea.in/Whistle_Blower_Diana.pdf). No personnel has been denied to have access to Audit committee in the related matter.

## Report on Corporate Governance

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

9. Other non-mandatory requirements shall be adopted as and when considered appropriate.

### 8. CEO/CFO CERTIFICATION

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) have issued necessary certificate pursuant to the provision of Clause 49 of the SEBI Listing Agreement and Regulation 17(8) and the same is annexed and forms part of the Annual Report.

### 9. MEANS OF COMMUNICATION

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

### 10. GENERAL SHAREHOLDERS' INFORMATION

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

Wednesday, September 21, 2016 at 10:30 A.M.  
Gyan Manch Education Society Hall,  
11, Pretoria Street, Kolkata-700 071

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

The Company has changed its Financial Year from 'January-December' to 'April-March' and extended its Financial Year up to March 31, 2016 covering a period of fifteen months, i.e., from January 01, 2015 to March 31, 2016. The current Financial Year of the Company shall be for a period of twelve months ending on March 31, 2017. Publication of Results will be as follows:

| Period  | Approval by the Board of Director (tentative) |
|---|---|
| 1st Quarter ending June 30, 2016                              | Within 14th August, 2016                      |
| 2nd Quarter ending September 30, 2016                         | Within 14th November, 2016                    |
| 3rd Quarter ending December 31, 2016                          | Within 14th February, 2017                    |
| Final Audited Results of March 31, 2017 including 4th Quarter | Within 30th May, 2017                         |
| AGM for the year ending March 31, 2017                        | September, 2017                               |

#### (c) Dividend payment date

By 2nd week of October, 2016  
(after declaration at AGM)

#### d) Listing on Stock Exchanges :

The Company's securities are listed at :

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

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

Custodial fees to Depositories: The custodial fee has been paid to NSDL and CDSL upto 31<sup>st</sup> March, 2016.

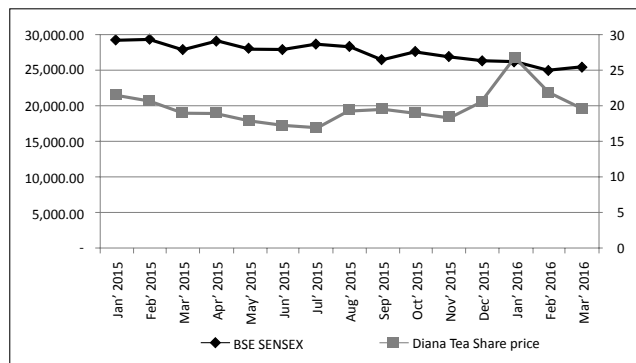
The Listing Fees has been paid to BSE Ltd. upto 31st March, 2016.

## Report on Corporate Governance

### (e) Stock Price Data : (Amount in ₹)

| Month          | BSE Ltd. |       |
|----------------|----------|-------|
|                | High     | Low   |
| January 2015   | 21.50    | 17.00 |
| February 2015  | 20.80    | 14.50 |
| March 2015     | 18.95    | 12.35 |
| April 2015     | 19.00    | 12.50 |
| May 2015       | 17.95    | 12.10 |
| June 2015      | 17.25    | 12.50 |
| July 2015      | 16.95    | 11.05 |
| August 2015    | 19.47    | 14.00 |
| September 2015 | 19.50    | 14.15 |
| October 2015   | 18.90    | 13.50 |
| November 2015  | 18.35    | 12.90 |
| December 2015  | 20.65    | 16.20 |
| January 2016   | 26.70    | 17.65 |
| February 2016  | 21.80    | 15.30 |
| March 2016     | 19.50    | 15.05 |

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



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

As per Regulation 7(1) of the Listing Regulations, 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.

6, Mangoe Lane, 2nd Floor, Kolkata-700001

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

Fax: (033) 2248-4787

E-mail: mdpldc@yahoo.com

### (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 Clause 47(c) of the Listing Agreement and 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).

### Reconciliation of Share Capital Audit Report

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

### (j) a) Distribution of share holding as on March 31, 2016 :

| Group of shares | No. of shareholders | % age         | No. of Shares held | % age to total shares |
|-----------------|---------------------|---------------|--------------------|-----------------------|
| 1 to 500        | 5,548               | 81.83         | 6,69,464           | 4.47                  |
| 501 to 1000     | 568                 | 8.38          | 4,66,093           | 3.11                  |
| 1001 to 2000    | 327                 | 4.82          | 5,08,293           | 3.39                  |
| 2001 to 3000    | 97                  | 1.43          | 2,47,273           | 1.65                  |
| 3001 to 4000    | 57                  | 0.84          | 2,08,372           | 1.39                  |
| 4001 to 5000    | 48                  | 0.71          | 2,26,306           | 1.51                  |
| 5001 to 10000   | 77                  | 1.14          | 5,47,093           | 3.65                  |
| Above 10000     | 58                  | 0.85          | 1,21,18,106        | 80.83                 |
| <b>Total</b>    | <b>6,780</b>        | <b>100.00</b> | <b>1,49,91,000</b> | <b>100.00</b>         |

## Report on Corporate Governance

### b) Share holding pattern as on March 31, 2016:

| Category                        | No. of shareholders | No. of shares held | % of shareholding |
|---------------------------------|---------------------|--------------------|-------------------|
| Promoters                       | 12                  | 91,94,854          | 61.34             |
| Private Body Corporates         | 96                  | 12,30,904          | 8.21              |
| Individuals                     | 6,576               | 37,21,963          | 24.83             |
| Qualified Foreign Investors/NRI | 64                  | 1,10,618           | 0.74              |
| Clearing Member                 | 32                  | 7,32,661           | 4.88              |
| <b>Total</b>                    | <b>6,780</b>        | <b>1,49,91,000</b> | <b>100.00</b>     |

### c) Dematerialisation of shares and liquidity as on March 31, 2016 :

| Nature of holding | Holders      | Shares             | Percentage    |
|-------------------|--------------|--------------------|---------------|
| Physical          | 816          | 2,01,909           | 1.35          |
| Dematerialized    | 5964         | 1,47,89,091        | 98.65         |
| <b>Total</b>      | <b>6,780</b> | <b>1,49,91,000</b> | <b>100.00</b> |

International Securities Identification Number (ISIN): INE012E01035

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

Not applicable

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

Not applicable

### (m) Plant Locations:

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

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

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

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

#### (Registrar & Share Transfer Agents)

M/s. Maheshwari Datamatics Pvt. Ltd.  
 6, Mangoe Lane, 2nd Floor, Kolkata - 700 001  
 Phone (033) 2243-5029/5809, 2248-2248, Fax: (033) 2248-4787  
 E-mail: mdpldc@yahoo.com

For and on behalf of the Board

Registered Office  
 3B, Lal Bazar Street  
 Kolkata - 700 001  
 Date : May 30, 2016

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

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

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



## Report on Corporate Governance

### CEO/CFO Certification

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

We, Sandeep Singhania, Managing Director and Ramesh Kumar 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 fifteen months period ended 31st March, 2016.
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 period are fraudulent, illegal or violative of the Company's code of conduct.
5. We are responsible for establishing and maintaining internal controls and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
6. We have disclosed based on our most recent evaluation, wherever applicable to the Company's Auditors and the Audit Committee of the Company's Board of Directors:
  - a) significant changes in internal controls during the financial period;
  - b) significant changes in accounting policies during the period 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 : May 30, 2016

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 fifteen months period ended March 31, 2016.

Place : Kolkata  
Date : May 30, 2016

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

## Report on Corporate Governance

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

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

We have examined the compliance of conditions of Corporate Governance by Diana Tea Company Limited (the "Company"), for the period ended 31st March, 2016, as stipulated in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015).

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

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

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

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

4, Chowringhee Lane,  
Kolkata - 700 016  
Date : May 30, 2016

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

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

## Annexure to the Directors' Report

### Annexure "D"

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

The information under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the fifteen months period ended March 31, 2016 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 fifteen months period under review the company has not utilized any other alternate sources of energy for its operation.
- iii) The capital investment on energy conservation equipments is ₹ 61.33 Lakhs.

#### B) Technology Absorption

- i) The efforts made by the Company towards technology absorption during the period 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 ₹ 7.42 Lakhs for the fifteen months period ended March 31, 2016.

#### C) FOREIGN EXCHANGE EARNINGS AND OUTGO

During the fifteen months period, the foreign exchange outgo was ₹ 54.87 Lakhs and the foreign exchange earning was NIL.

For and on behalf of the Board

Registered Office  
3B, Lal Bazar Street  
Kolkata - 700 001  
Date : May 30, 2016

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

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

## 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) RULES, 2014

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the fifteen months period ended March 31, 2016 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the fifteen months period ended March 31, 2016 are as under :

| Sl. No. | Name of Director/ KMP     | Designation             | Remuneration of Director/ KMP for the 15 months period (₹ in Lakhs ) | % increase in remuneration for the 15 months period | Ratio of remuneration of each director to the median remuneration of the employees for the 15 months period |
|---------|---------------------------|-------------------------|--|---|---|
| 1.      | Sandeep Singhania         | Managing Director       | 46.01  | 36.12   | 43.41:1   |
| 2.      | Sarita Singhania          | Wholetime Director      | 27.81  | 36.59   | 26.24:1   |
| 3.      | Manoj Agarwala            | Company Secretary       | 7.89   | 33.96   | N.A   |
| 4.      | Ramesh Kumar Jhunjhunwala | Chief Financial Officer | 5.61   | 39.55   | N.A   |

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 fifteen months period was ₹ 1.06 Lakhs.
- (iii) During the Fifteen months Period, there was an increase of 63.08% in the median remuneration of employees.
- (iv) There were 3787 permanent employees on the rolls of Company as on March 31, 2016.
- (v) Relationship between average increase in remuneration and company performance: The average increase in remuneration of employees 52.42%. Employees are granted increments based on their performance in the Company.
- (vi) Comparison of Remuneration of Key Managerial Personnel(s) against the performance of the Company :
- The remuneration of the KMP's are in line with the remuneration policy of the Company as affirmed in item (xii) below. Their remuneration is determined based on their individual performance in the Company.
- (vii) Variations in the market capitalisation of the Company on the Bombay Stock Exchange, price earnings ratio as at the closing date of the current Fifteen months period and previous calendar year and percentage increase over decrease in the market quotations of the shares of the company as compared to the rate at which the company came out with the last public offer :

| Particulars                         | 31st March 2016 | 31st December 2014 | % Change |
|-------------------------------------|-----------------|--------------------|----------|
| Market Capitalisation (₹ in crores) | 26.31           | 26.98              | -2.50    |

Price Earnings Ratio of the company as at March 31, 2016- N.A. as there is no profit and as at December 31, 2014 is 12.50

The company has not made any public issue or right issue of securities in the recent past. The comparison of market quotation of shares with that of the last public offer does not arise.

- (viii) Average percentage increase made in the salaries of employees other than the key managerial personnel in the last financial Period (i.e. 01.01.2015 to 31.03.2016) was around 55.16% whereas the increase in the key managerial remuneration for the same financial period was 36.31%.

## Annexure to the Directors' Report

- (ix) Comparison of remuneration of the key Managerial Personnel against the performance of the company:  
Remuneration of KMPs is based on their individual performance in the Company.
- (x) There are no variable component of remuneration availed by the directors which is based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key managerial Personnel and other Employees.
- (xi) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the fifteen months period- There is no employees who receives remuneration in excess of the highest paid director during the fifteen months period; and
- (xii) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

For and on behalf of the Board

Registered Office  
3B, Lal Bazar Street  
Kolkata - 700 001  
Date : May 30, 2016

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

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

## Annexure to the Directors' Report

Annexure "F"

Form No. MR - 3

### SECRETARIAL AUDIT REPORT

FOR THE FIFTEEN MONTHS PERIOD ENDED 31ST MARCH, 2016

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

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

1. We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **DIANA TEA COMPANY LIMITED** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.
2. Based on our verification of the Company books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the fifteen months period ended on March 31, 2016 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 fifteen months period ended on March 31, 2016 according to the provisions of:
  - i) The Companies Act, 2013 (the Act) and the rules made thereunder;
  - ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
  - iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not Applicable to the Company during the Audit Period);
  - v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
    - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not Applicable to the Company during the Audit Period);
    - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as applicable (Not Applicable to the Company during the Audit Period);
    - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company during the Audit Period);
    - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

## Annexure to the Directors' Report

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable to the Company during the Audit Period);
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not Applicable to the Company during the Audit Period);
- (i) The Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 and other applicable regulations /guidelines/circulars as may be issued by SEBI from time to time to the extent applicable.

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

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

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

- (i) Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India, effective from 1st July' 2015.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange Ltd., The Calcutta Stock Exchange Ltd., Delhi Stock Exchange Association Ltd., Ahmadabad Stock Exchange Ltd.;

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

### We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

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

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

For **MR & Associates**  
Company Secretaries

Sd/-

**[M R Goenka]**

Partner

Place : Kolkata

Date : May 30, 2016

FCS No.:4515

COP No.:2551

## Annexure to the Directors' Report

**“Annexure – A”**  
**(TO THE SECRETARIAL AUDIT REPORT**  
**FOR THE FIFTEEN MONTHS PERIOD ENDED 31ST MARCH, 2016)**

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

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

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

For **MR & Associates**  
*Company Secretaries*

Sd/-

**[M R Goenka]**

*Partner*

FCS No.:4515

COP No.:2551

Place : Kolkata

Date : May 30, 2016



## Independent Auditors' Report

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

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Diana Tea Company Limited** ('the Company'), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the fifteen months period then ended, and a summary of the significant accounting policies and other explanatory information.

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

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

### Auditor's Responsibility

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

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

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

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

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its loss and its cash flows for the period ended on that date.

### Emphasis of Matter

We draw attention to following:

- a) The Company has not made provision for part of gratuity liability as per actuarial valuation as per Accounting Standard 15-Employee Benefits.

*Tea is a rich source of anti-oxidant called Flavonoids, which improves blood circulation and health of skin.*

## Independent Auditors' Report

- b) The loans and advances include amounts receivable from three parties, standing since long, in respect of which no confirmation/acknowledgement, schedule of delivery and agreement was available and no provision has been made in the books for such loans and advances. However as per information and explanation given to us, the Company has initiated process of recovery of the same and as per management no provision for such advances is required to be made in the current fifteen months period ended March 31, 2016.
- c) The Company has made long term investments in shares of various companies. The said investments continue to be valued at cost. The market value of said investments are lower than cost, however the Company has not made diminution in value of its investments as required under Accounting Standard 13 - Accounting for Investments, as it considers such investment was as long term investment and in view of the management such diminution are temporary in nature. Accordingly, impact, if any, on the financial statements is currently not ascertainable.

Our Opinion is not modified in respect of these matters

### Report on Other Legal and Regulatory Requirements

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

As required by Section 143 (3) of the Act, we report that:

- a. we have sought and obtained all the information and explanations which to the best of our Knowledge and belief were necessary for the purposes of our audit;
- b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books ;
- c. the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. The matter described in Emphasis of Matters paragraph above, in our opinion, may not have an adverse effect on the functioning of the Company.
- f. on the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
- g. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements as stated in Note no 26 (i) to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Sd/-

**A. K. Agarwal**  
Partner

Membership No. 062368

Place : Kolkata  
Date : May 30, 2016

## Annexure A to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the fifteen months period ended March 31, 2016, 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 period 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 period 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) and iii(b) of the Order are not applicable to the Company and hence, not commented upon.
- (iv) In our opinion and according to information and explanations given to us, the Company has not given any loans, or made investments, guarantees and security, hence the provision of this paragraph is not applicable to the Company.
- (v) The Company has not accepted any deposit from the public covered under Section 73 to 76 of the Companies Act, 2013. Therefore, the provisions of paragraph 3(v) of the Order are not applicable to the Company.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Act. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the central Government under Section 148(1)(d) of the Act and are of opinion that, prima facie, the prescribed – cost records have been maintained. We have, however, not made a detailed examination of cost records with a view to determine whether they are accurate or not.
- (vii) a) According to the records of the Company, undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Service Tax, Value Added Tax, cess or other material statutory dues have been generally regularly deposited during the 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, cess or other material statutory dues were in arrears as at March 31, 2016 for a period of more than six months from the date they become payable.

## Annexure A to the Independent Auditors' Report

- b) According to the information and explanation given to us, the following dues not been deposited by the Company on account of dispute as at 31st March 2016:

| 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 |
| Income Tax Act, 1961                  | Income Tax     | 0.59                | AY 2007-2008                       | Deputy Commissioner of Income Tax  |

- (viii) In our opinion and according to the information given to us, the Company has not defaulted in repayment of dues to banks. There were no debentures outstanding during the period.
- (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 fifteen months period ended March 31, 2016. Accordingly paragraph 3(ix) of the Order is not applicable.
- (x) Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the fifteen months period ended March 31, 2016, nor have we been informed of such case by the management.
- (xi) According to information and explanation given to us, the Company has paid or provided managerial remuneration in accordance with the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company and hence the paragraph 3(xii) is not applicable.
- (xiii) In our opinion and on the basis of information and explanation given to us by the management, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) According to information and explanation given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the 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 to the Company.
- (xvi) In our opinion and on the basis of information and explanation given to us by the management, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Sd/-

**A. K. Agarwal**  
Partner

Membership No. 062368

Place : Kolkata

Date : May 30, 2016

## Annexure B to the Independent Auditors' Report

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

We have audited the internal financial controls over financial reporting of **Diana Tea Company Limited** ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the period ended on that date.

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

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

#### Auditors' Responsibility

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

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

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

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

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

## Annexure B to the Independent Auditors' Report

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sd/-

**A. K. Agarwal**

*Partner*

Membership No. 062368

Place : Kolkata

Date : May 30, 2016

**Balance Sheet** as at 31st March, 2016

(₹ in Lakhs)

|  | Note | As at 31st March, 2016 |                 | As at 31st December, 2014 |                  |
|--|------|------------------------|-----------------|---------------------------|------------------|
| <b>EQUITY AND LIABILITIES</b>                |      |                        |                 |                           |                  |
| <b>Shareholders' Funds</b>                   |      |                        |                 |                           |                  |
| Share capital                                | 1    | 749.55                 |                 | 749.55                    |                  |
| Reserves and surplus                         | 2    | 6,076.47               | 6,826.02        | 7,235.57                  | 7,985.12         |
| <b>Non-current liabilities</b>               |      |                        |                 |                           |                  |
| Long-term borrowings                         | 3    | 428.65                 |                 | 327.34                    |                  |
| Deferred tax liabilities (net)               | 4    | 1.82                   | 430.47          | 139.64                    | 466.98           |
| <b>Current liabilities</b>                   |      |                        |                 |                           |                  |
| Short-term borrowings                        | 5    | 543.04                 |                 | 437.98                    |                  |
| Trade payables                               | 6    | 327.10                 |                 | 240.62                    |                  |
| Other current liabilities                    | 7    | 849.09                 |                 | 725.22                    |                  |
| Short-term provisions                        | 8    | 267.08                 | 1,986.31        | 183.98                    | 1,587.80         |
| <b>TOTAL</b>                                 |      |                        | <b>9,242.80</b> |                           | <b>10,039.90</b> |
| <b>ASSETS</b>                                |      |                        |                 |                           |                  |
| <b>Non-current assets</b>                    |      |                        |                 |                           |                  |
| Fixed assets                                 | 9    |                        |                 |                           |                  |
| - Tangible assets                            |      | 5,945.34               |                 | 5,825.55                  |                  |
| - Capital work-in-progress - tangible assets |      | 0.49                   |                 | 0.18                      |                  |
| Non-current investments                      | 10   | 554.44                 |                 | 363.03                    |                  |
| Long-term loans and advances                 | 11   | 294.69                 |                 | 331.87                    |                  |
| Other non-current assets                     | 12   | 5.77                   | 6,800.73        | 3.27                      | 6,523.90         |
| <b>Current assets</b>                        |      |                        |                 |                           |                  |
| Inventories                                  | 13   | 634.73                 |                 | 1,284.87                  |                  |
| Trade receivables                            | 14   | 120.12                 |                 | 369.52                    |                  |
| Cash and cash equivalents                    | 15   | 115.23                 |                 | 56.64                     |                  |
| Short-term loans and advances                | 16   | 1,447.66               |                 | 1,704.72                  |                  |
| Other current assets                         | 17   | 124.33                 | 2,442.07        | 100.25                    | 3,516.00         |
| <b>TOTAL</b>                                 |      |                        | <b>9,242.80</b> |                           | <b>10,039.90</b> |

Significant Accounting Policies

25

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

In terms of our report of even date

For and on behalf of the Board

For **DAS & PRASAD**

Sd/-

Sd/-

Chartered Accountants

**Manoj Agarwala**  
Company Secretary**Sandeep Singhania**  
Managing Director  
(DIN : 00343837)

Firm Registration No.303054E

Sd/-

**A. K. Agarwal**

Partner

Membership No. 062368

4, Chowringhee Lane, Kolkata - 700 016

Date : May 30, 2016

Sd/-

**Ramesh Kumar Jhunjunwala**  
Chief Financial Officer

Sd/-

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

## Statement of Profit and Loss for the fifteen months period ended 31st March, 2016

(₹ in Lakhs)

|   | Note    | 15 months ended<br>31st March, 2016 | 12 months ended<br>31st December, 2014 |
|---|---------|-------------------------------------|--|
| <b>INCOME</b>   |         |                                     |  |
| Revenue from operations                                     | 18      | 5,616.37                            | 4,379.83                               |
| Other income  | 19      | 217.41                              | 192.84                                 |
| <b>Total Revenue</b>  |         | <b>5,833.78</b>                     | <b>4,572.67</b>                        |
| <b>EXPENSES</b>   |         |                                     |  |
| Cost of material consumed                                   | 20      | 189.74                              | 238.36                                 |
| Changes in inventories of finished goods and stock-in-trade | 21      | 561.22                              | (222.93)                               |
| Employee benefit expenses                                   | 22      | 3,522.73                            | 2,344.74                               |
| Finance costs   | 23      | 158.55                              | 103.77                                 |
| Depreciation and amortization expense                       | 9       | 114.04                              | 95.06                                  |
| Other expenses  | 24      | 2,331.83                            | 1,749.92                               |
| <b>Total Expenses</b>                                       |         | <b>6,878.11</b>                     | <b>4,308.92</b>                        |
| <b>Profit/(Loss) before tax</b>                             |         | <b>(1,044.33)</b>                   | <b>263.75</b>                          |
| <b>Tax expense :</b>  |         |                                     |  |
| Current Tax   |         | 33.80                               | 15.40                                  |
| Less : MAT Credit Entitlement                               |         | 0.39                                | 15.11                                  |
| <b>Net Current Tax</b>                                      |         | <b>33.41</b>                        | <b>0.29</b>                            |
| Income Tax for Earlier Years                                |         | 58.02                               | 2.32                                   |
| Deferred Tax  |         | (137.82)                            | 44.60                                  |
| <b>Total Tax Expense</b>                                    |         | <b>(46.39)</b>                      | <b>47.21</b>                           |
| <b>Profit/(Loss) for the period</b>                         |         | <b>(997.94)</b>                     | <b>216.54</b>                          |
| Earning per equity share in ₹                               |         |                                     |  |
| Basic & Diluted Earning Per Share                           | 26 (XI) | (6.66)                              | 1.44                                   |

Significant Accounting Policies

25

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

In terms of our report of even date

For **DAS & PRASAD**  
Chartered Accountants  
Firm Registration No.303054E  
Sd/-

**A. K. Agarwal**  
Partner

Membership No. 062368  
4, Chowringhee Lane, Kolkata - 700 016  
Date : May 30, 2016

For and on behalf of the Board

Sd/-  
**Manoj Agarwala**  
Company Secretary

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

Sd/-  
**Ramesh Kumar Jhunjunwala**  
Chief Financial Officer

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



**Cash Flow Statement** for the fifteen months period ended 31st March, 2016

(₹ in Lakhs)

|  | 15 months ended<br>31st March, 2016 |                 | 12 months ended<br>31st December, 2014 |          |
|--|-------------------------------------|-----------------|--|----------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>                        |                                     |                 |  |          |
| Net Profit/(Loss) before tax   |                                     | (1,044.33)      |  | 263.75   |
| <b>Adjustments for :</b>   |                                     |                 |  |          |
| Depreciation & Amortization Expense                                  | 114.04                              |                 | 95.06                                  |          |
| Finance Costs  | 158.55                              |                 | 103.77                                 |          |
| Loss on Sale of Fixed Asset (Net)                                    | 1.98                                |                 | 3.09                                   |          |
| Loss on Discard of Tea Plantation                                    | 45.72                               |                 | 9.22                                   |          |
| Provision for diminution of Investment                               | 33.58                               |                 | 0.17                                   |          |
| Investments written off  | 0.48                                |                 | -                                      |          |
| Dividend Income  | (0.33)                              |                 | (0.66)                                 |          |
| Interest Income  | (194.50)                            |                 | (177.44)                               |          |
| Transferred from Capital Reserve                                     | (0.86)                              | 158.66          | (0.50)                                 | 32.71    |
| <b>Operating Profit before Working Capital Changes</b>               |                                     | <b>(885.67)</b> |  | 296.46   |
| <b>Adjustments for :</b>   |                                     |                 |  |          |
| (Increase)/Decrease in Inventories                                   | 650.14                              |                 | (273.81)                               |          |
| Increase/(Decrease) in Trade Payables, Other Liabilities & Provision | 302.51                              |                 | 289.24                                 |          |
| (Increase)/Decrease in Trade Receivable, Advances and Other Assets   | 317.80                              | 1,270.45        | (16.71)                                | (1.28)   |
| <b>Cash Generated from Operations</b>                                |                                     | <b>384.78</b>   |  | 295.18   |
| Tax Paid   |                                     | 36.08           |  | 30.48    |
| <b>Net Cash (Outflow)/Inflow from Operating Activities</b>           |                                     | <b>348.70</b>   |  | 264.70   |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>                        |                                     |                 |  |          |
| Acquisition of Fixed Assets  | (409.02)                            |                 | (302.78)                               |          |
| Sale of Fixed Assets   | 1.00                                |                 | 3.83                                   |          |
| Capital Subsidy Received   | 6.39                                |                 | -                                      |          |
| Interest Received  | 162.44                              |                 | 179.70                                 |          |
| Dividend Received  | 0.33                                |                 | 0.66                                   |          |
| Redemption of Debenture  | -                                   |                 | 5.50                                   |          |
| Acquisition of Investments   | (225.49)                            |                 | -                                      |          |
| Loans Refunded (Granted)   | 176.00                              | (288.35)        | (185.05)                               | (298.14) |
| <b>Net Cash (Outflow)/Inflow from Investing Activities</b>           |                                     | <b>(288.35)</b> |  | (298.14) |

## Cash Flow Statement for the fifteen months period ended 31st March, 2016

(₹ in Lakhs)

|  | 15 months ended<br>31st March, 2016 |               | 12 months ended<br>31st December, 2014 |        |
|--|-------------------------------------|---------------|--|--------|
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>                              |                                     |               |  |        |
| Proceeds from Long-Term Borrowings   | 101.31                              |               | (87.32)                                |        |
| Proceeds from Short-Term Borrowings  | 105.06                              |               | 248.69                                 |        |
| Dividend Paid (including tax on dividend)                                  | (40.36)                             |               | (38.87)                                |        |
| Interest and Other Finance charges paid                                    | (167.77)                            | (1.76)        | (96.04)                                | 26.46  |
| <b>Net Cash Inflow/(Out flow) from Financing Activities</b>                |                                     | <b>(1.76)</b> |  | 26.46  |
| <b>Net Increase/ (Decrease) in Cash &amp; Cash Equivalents (A + B + C)</b> |                                     | <b>58.59</b>  |  | (6.98) |
| Cash & Cash Equivalents as at Opening                                      |                                     | 56.64         |  | 63.62  |
| Cash & Cash Equivalents as at Closing                                      |                                     | 115.23        |  | 56.64  |

### Notes :

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

In terms of our report of even date

For **DAS & PRASAD**

Chartered Accountants

Firm Registration No.303054E

Sd/-

**A. K. Agarwal**

Partner

Membership No. 062368

4, Chowringhee Lane, Kolkata - 700 016

Date : May 30, 2016

For and on behalf of the Board

Sd/-

**Manoj Agarwala**  
Company Secretary

Sd/-

**Sandeep Singhania**  
Managing Director  
(DIN : 00343837)

Sd/-

**Ramesh Kumar Jhunjhunwala**  
Chief Financial Officer

Sd/-

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

## Notes to the financial statements for the fifteen months period ended 31st March, 2016

| <b>NOTE 1 : SHARE CAPITAL</b>                         |                                   | (₹ in Lakhs)                 |  |
|---|-----------------------------------|------------------------------|--|
|   | <b>As at<br/>31st March, 2016</b> | As at<br>31st December, 2014 |  |
| <b>Authorised</b>                                     |                                   |                              |  |
| 2,40,00,000 (2,40,00,000) equity shares of ₹ 5/- each | 1,200.00                          | 1,200.00                     |  |
| <b>Issued, Subscribed &amp; Fully Paid up</b>         |                                   |                              |  |
| 1,49,91,000 (1,49,91,000) equity shares of ₹ 5/- each | 749.55                            | 749.55                       |  |

### Note :

Out of the above Shares :

- a) 89,94,600 Equity Shares of ₹ 5/- each have been allotted as fully paid-up Bonus Shares by way of Capitalisation of Share Premium Account.
- b) 9,24,300 Shares of ₹ 5/- each were allotted as fully paid-up Bonus Shares by way of Capitalisation of General Reserve.
- c) 74,520 Shares of ₹ 5/- each, fully paid were issued as pursuant to contract without payment being received in cash.
- d) 81,79,340 Shares of ₹ 5/- each, fully paid-up are held by Holding Company Diana Capital Limited.
- e) There is no movement in share capital as compared to previous year.
- f) Terms/rights attached to equity shares :
  - (i) 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.
  - (ii) The Company, due to absence of profits in the current period, has recognized the amount of per share dividend as distributions to equity share holders, ₹ 0.25 per share out of accumulated Free Reserve, as per provision of companies Act, 2013 (31st December 2014 : ₹ 0.25 per share).
  - (iii) 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.
- g) Details of Shareholders holding more than 5% equity shares in the Company.

| Name of the Shareholder      | <b>As at<br/>31st March, 2016</b> |           | As at<br>31st December, 2014 |           |
|------------------------------|-----------------------------------|-----------|------------------------------|-----------|
|                              | Numbers                           | % holding | Numbers                      | % holding |
| Diana Capital Ltd.           | 8,179,340                         | 54.56     | 8,179,340                    | 54.56     |
| Hemanya Vanijya Private Ltd. | -                                 | -         | 930,497                      | 6.21      |

## Notes to the financial statements for the fifteen months period ended 31st March, 2016

| <b>NOTE 2 : RESERVES AND SURPLUS</b>  |                                   | (₹ in Lakhs)                 |  |
|---|-----------------------------------|------------------------------|--|
|   | <b>As at<br/>31st March, 2016</b> | As at<br>31st December, 2014 |  |
| <b>A. Share Premium Account</b>   |                                   |                              |  |
| As per last Account   | 323.61                            | 323.61                       |  |
| <b>Closing Balance</b>  | <b>323.61</b>                     | <b>323.61</b>                |  |
| <b>B. Capital Reserve (Revaluation)</b>   |                                   |                              |  |
| As per last Account   | 2,633.55                          | 2,665.09                     |  |
| Less : Assets discarded during the period                                       | 112.08                            | 31.04                        |  |
| Less : Transferred to Statement of Profit and Loss                              | 0.86                              | 0.50                         |  |
| <b>Closing Balance</b>  | <b>2,520.61</b>                   | <b>2,633.55</b>              |  |
| <b>C. Capital Reserve (Share Forfeiture)</b>                                    |                                   |                              |  |
| As per last Account   | 0.10                              | 0.10                         |  |
| <b>Closing Balance</b>  | <b>0.10</b>                       | <b>0.10</b>                  |  |
| <b>D. General Reserve</b>   |                                   |                              |  |
| As per last Account   | 4,051.94                          | 3,951.94                     |  |
| Add/(Less) : Transferred from/(to) Statement of Profit and Loss                 | (1,050.00)                        | 100.00                       |  |
| <b>Closing Balance</b>  | <b>3,001.94</b>                   | <b>4,051.94</b>              |  |
| <b>E. Surplus in the statement of Profit and Loss</b>                           |                                   |                              |  |
| As per last Account   | 226.37                            | 150.31                       |  |
| Less: Depreciation adjusted as per revised calculation[as per Note No.26(viii)] | 7.69                              | -                            |  |
| Add : Profit/(Loss) during the period   | (997.94)                          | 216.54                       |  |
| Add : Transfer from General Reserve   | 1,050.00                          | -                            |  |
| Less : Proposed Dividend  |                                   |                              |  |
| - Dividend [₹ 0.25 (2014 ₹ 0.25) per share]                                     | 37.48                             | 37.48                        |  |
| Tax on proposed dividend  | 3.05                              | 3.00                         |  |
| Amount transferred to General Reserve   | -                                 | 100.00                       |  |
| <b>As at the end of the period</b>  | <b>230.21</b>                     | <b>226.37</b>                |  |
| <b>TOTAL (A+B+C+D+E)</b>  | <b>6,076.47</b>                   | <b>7,235.57</b>              |  |

## Notes to the financial statements for the fifteen months period ended 31st March, 2016

(₹ in Lakhs)

| NOTE 3 : LONG TERM BORROWINGS   |                  | Non Current Maturities |                           | Current Maturities     |                           |
|---|------------------|------------------------|---------------------------|------------------------|---------------------------|
|   |                  | As at 31st March, 2016 | As at 31st December, 2014 | As at 31st March, 2016 | As at 31st December, 2014 |
| <b>A) Secured</b>   |                  |                        |                           |                        |                           |
| <b>Term Loan</b>  |                  |                        |                           |                        |                           |
| Rupee Loan From Banks (#)   | A)               | 324.10                 | 190.10                    | 122.00                 | 122.50                    |
| Rupee loan from Others (##)   | B)               | 80.43                  | 94.16                     | 11.21                  | 4.40                      |
| <b>Deferred Payment Liabilities</b>                                       |                  |                        |                           |                        |                           |
| - Vehicle Loan (###)  | C)               | 24.12                  | 43.03                     | 14.86                  | 16.39                     |
| <b>B) Unsecured</b>   |                  |                        |                           |                        |                           |
| Others  | D)               | -                      | 0.05                      | -                      | 0.05                      |
| <b>TOTAL</b>  | <b>(A+B+C+D)</b> | <b>428.65</b>          | <b>327.34</b>             | <b>148.07</b>          | <b>143.34</b>             |
| Amount disclosed under the head " Other Current Liabilities" (Note No. 7) |                  | -                      | -                         | (148.07)               | (143.34)                  |
|   |                  | <b>428.65</b>          | <b>327.34</b>             | -                      | -                         |

# Term loan from banks includes loan from United Bank of India repayable upto 2026-27 amounting ₹ 324.10 Lakhs (₹ 190.10 Lakhs), bearing interest (a) @ base rate plus 0.75% p.a on term loan amounting ₹ 50.10 Lakhs (b) @ MCLR-Y plus 0.80% on term loan amounting ₹ 274.00 Lakhs. The said term loan is secured by first charge on the current assets of the Company and also secured by Pari Pasu first charge on all immovable asstes 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 aquisitions thereof and also personal gurantee of one director of the Company.

## Rupee Loan from Others includes ₹ 80.43 Lakhs(Previous year ₹ 94.16 Lakhs ) loan from Tea Board bearing interest @ 10.46% p.a. The said loan is secured by second charge by equitable mortgage of lease hold Tea Estate ranking subsequent to the charge of the bank.

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

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

|   | As at 31st March, 2016             |                        | As at 31st December, 2014          |                        |
|---|------------------------------------|------------------------|------------------------------------|------------------------|
|   | Rupee loan from banks/Vehicle Loan | Rupee loan from Others | Rupee loan from banks/Vehicle Loan | Rupee loan from Others |
| <b>Borrowings Repayable</b>                 |                                    |                        |                                    |                        |
| In the first year (Note - 7)                | 136.86                             | 11.21                  | 138.89                             | 4.45                   |
| <b>Current maturities of long-term debt</b> | <b>136.86</b>                      | <b>11.21</b>           | <b>138.89</b>                      | <b>4.45</b>            |
| In the second year                          | 75.52                              | 12.32                  | 127.75                             | 11.26                  |
| In the third to fifth year                  | 52.20                              | 36.96                  | 105.38                             | 35.86                  |
| After five years                            | 220.50                             | 31.15                  | -                                  | 47.09                  |
| <b>Long-term borrowings</b>                 | <b>348.22</b>                      | <b>80.43</b>           | <b>233.13</b>                      | <b>94.21</b>           |

## Notes to the financial statements for the fifteen months period ended 31st March, 2016

(₹ in Lakhs)

| <b>NOTE 4 : DEFERRED TAX LIABILITIES (Net)</b> |              | As at<br>31st March, 2016 | As at<br>31st December, 2014 |
|--|--------------|---------------------------|------------------------------|
| <b>Deferred Tax Liabilities</b>                |              |                           |                              |
| Timing Difference in depreciable Assets        |              | 203.32                    | 171.78                       |
|  | (A)          | <b>203.32</b>             | 171.78                       |
| <b>Deferred Tax Assets</b>                     |              |                           |                              |
| Business Loss Carried Forward                  |              | 141.91                    | 4.71                         |
| Timing Difference u/s 43B                      |              | 59.59                     | 27.43                        |
|  | (B)          | <b>201.50</b>             | 32.14                        |
| <b>Net Deferred Tax Liabilities</b>            | <b>(A-B)</b> | <b>1.82</b>               | 139.64                       |

| <b>NOTE 5 : SHORT TERM BORROWINGS</b> |  |               |        |
|---------------------------------------|--|---------------|--------|
| <b>Secured Loan</b>                   |  |               |        |
| Loan from Banks                       |  |               |        |
| Cash credit Facilities (#)            |  | 525.92        | 206.11 |
| <b>Unsecured Loan</b>                 |  |               |        |
| Loan from Bank (##)                   |  | -             | 200.00 |
| Loan from related Party (###)         |  | 17.12         | 31.87  |
| <b>TOTAL</b>                          |  | <b>543.04</b> | 437.98 |

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

## Unsecured Loan from Bank includes Loan from HDFC Bank Ltd. in Financial year ending December, 2014.

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

| <b>NOTE 6 : TRADE PAYABLES</b>     |  |               |        |
|------------------------------------|--|---------------|--------|
| Micro & Small Enterprises          |  | 1.99          | -      |
| Creditors for goods, services etc. |  | 325.11        | 240.62 |
| <b>TOTAL</b>                       |  | <b>327.10</b> | 240.62 |

**Notes to the financial statements** for the fifteen months period ended 31st March, 2016

(₹ in Lakhs)

| <b>NOTE 7 : OTHER CURRENT LIABILITIES</b>       |                                   |                                      |
|---|-----------------------------------|--------------------------------------|
|   | <b>As at<br/>31st March, 2016</b> | <b>As at<br/>31st December, 2014</b> |
| Current Maturities of Long-term debt (Note - 3) | 148.07                            | 143.34                               |
| Interest accrued & due on borrowings            | -                                 | 2.57                                 |
| Interest accrued & not due on borrowings        | 6.98                              | 13.63                                |
| Unclaimed Dividends                             | 7.19                              | 7.08                                 |
| Advance received from customers                 | 280.75                            | 245.60                               |
| Statutory liabilities                           | 64.19                             | 33.70                                |
| Employee related liabilities                    | 336.97                            | 274.02                               |
| Other payables                                  | 4.94                              | 5.28                                 |
| <b>TOTAL</b>                                    | <b>849.09</b>                     | <b>725.22</b>                        |

| <b>NOTE 8 : SHORT - TERM PROVISIONS</b> |               |               |
|---|---------------|---------------|
|   |               |               |
| Provision for employee benefits         |               |               |
| - Provision for bonus                   | 185.01        | 117.64        |
| - Provision for leave encashment        | 27.51         | 10.17         |
| - Retirement benefits                   | 14.03         | 15.69         |
| Proposed dividend                       | 37.48         | 37.48         |
| Income tax on proposed dividend         | 3.05          | 3.00          |
| <b>TOTAL</b>                            | <b>267.08</b> | <b>183.98</b> |

## Notes to the financial statements for the fifteen months period ended 31st March, 2016

(₹ in Lakhs)

| Description                                 | Gross Block           |                            |  |                        | Depreciation             |                            |  |                       | Net Block                |                          |
|---|-----------------------|----------------------------|--|------------------------|--------------------------|----------------------------|--|-----------------------|--------------------------|--------------------------|
|   | Cost as at 01.01.2015 | Addition During the Period | Cost of Assets sold / discarded/Adjusted | Total as at 31.03.2016 | Balance as on 01.01.2015 | Addition During the Period | Adjustment/ Written Back during the Period | Total upto 31.03.2016 | Balance as at 31.03.2016 | Balance as at 31.12.2014 |
| <b>Tangible</b>                             |                       |                            |  |                        |                          |                            |  |                       |                          |                          |
| Land & Plantation                           | 4,541.25              | 127.82                     | 157.80                                   | 4,511.27               | -                        | -                          | -  | -                     | 4,511.27                 | 4,541.25                 |
| Buildings                                   | 620.79                | 21.75                      | -  | 642.54                 | 245.67                   | 21.01                      | (1.91)                                     | 268.59                | 373.95                   | 375.12                   |
| Roads & Bridges                             | 46.75                 | -                          | -  | 46.75                  | 13.49                    | 4.32                       | -  | 17.81                 | 28.94                    | 33.26                    |
| Plant & Machinery and Electric Installation | 1,048.36              | 126.62                     | 15.28                                    | 1,159.70               | 691.97                   | 24.97                      | 7.95                                       | 708.99                | 450.71                   | 356.39                   |
| Water Installation                          | 556.97                | 119.66                     | 2.13                                     | 674.50                 | 221.98                   | 21.81                      | (0.03)                                     | 243.82                | 430.68                   | 334.99                   |
| Furniture, Fittings & Other Equipments      | 91.00                 | 6.45                       | -  | 97.45                  | 64.25                    | 7.82                       | (5.03)                                     | 77.10                 | 20.35                    | 26.75                    |
| Vehicles                                    | 271.52                | 6.41                       | -  | 277.93                 | 113.73                   | 34.11                      | (0.65)                                     | 148.49                | 129.44                   | 157.79                   |
| <b>TOTAL</b>                                | <b>7,176.64</b>       | <b>408.71</b>              | <b>175.21</b>                            | <b>7,410.14</b>        | <b>1,351.09</b>          | <b>114.04</b>              | <b>0.33</b>                                | <b>1,464.80</b>       | <b>5,945.34</b>          | <b>5,825.55</b>          |
| Previous Year Total                         | 6,917.69              | 314.78                     | 55.83                                    | 7,176.64               | 1,264.68                 | 95.06                      | 8.65                                       | 1,351.09              | 5,825.55                 |                          |

### Capital Work In Progress-Tangible Assets

| Description                           | As at 31.03.2016 | As at 31.12.2014 |
|---------------------------------------|------------------|------------------|
| Opening Balance                       | 0.18             | 12.17            |
| Add : Addition made during the Period | 0.49             | 0.18             |
| Less : Capitalised during the Period  | 0.18             | 12.17            |
| <b>Closing Balance</b>                | <b>0.49</b>      | <b>0.18</b>      |

During the period Company has received Subsidy of ₹ 6.39 Lakhs against Quality Upgradation & Product Diversification Scheme. Accordingly, the company has calculated depreciation on net amount with prospective effect according to Accounting Standard-12.

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

(₹ in Lakhs)

|  | As at 31st March, 2016 |        | As at 31st December, 2014 |        |
|--|------------------------|--------|---------------------------|--------|
|  | Nos.                   | Amount | Nos.                      | Amount |
| <b>Non trade - investments</b>                       |                        |        |                           |        |
| <b>A. Quoted</b>                                     |                        |        |                           |        |
| <b>In fully paid equity shares</b>                   |                        |        |                           |        |
| Agri-Tech (I) Limited of ₹ 10 each                   | 820                    | 0.19   | 820                       | 0.19   |
| Alsa Marine & Harvests Limited of ₹ 10 each          | 800                    | 0.34   | 800                       | 0.34   |
| Ambuja Cements Limited of ₹ 2 each                   | -                      | -      | 615                       | -      |
| Cerebra Integrated Technologies Limited of ₹ 10 each | 15,132                 | 9.26   | 15,132                    | 9.26   |



**Notes to the financial statements** for the fifteen months period ended 31st March, 2016

(₹ in Lakhs)

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

|   | As at<br>31st March, 2016 |               | As at<br>31st December, 2014 |        |
|---|---------------------------|---------------|------------------------------|--------|
|   | Nos.                      | Amount        | Nos.                         | Amount |
| <b>A. Quoted</b>                                  |                           |               |                              |        |
| Dhunseri Investments Limited of ₹ 10 each         | 75                        | -             | 75                           | -      |
| DSQ Software Limited of ₹ 10 each                 | 1,200                     | 3.53          | 1,200                        | 3.53   |
| Electrosteel Steels Limited of ₹ 10 each          | 1,75,000                  | 17.50         | 1,75,000                     | 17.50  |
| Jindal Steel & Power Limited of ₹ 1 each          | 300                       | 1.58          | 300                          | 1.58   |
| JSW Steel Limited of ₹ 10 each                    | 326                       | 2.24          | 326                          | 2.24   |
| Kirloskar Multimedia Limited of ₹ 10 each         | 50,000                    | 5.00          | 50,000                       | 5.00   |
| Kirtivardhan Finvest Services Limited of ₹ 1 each | 560                       | -             | 560                          | -      |
| LCC Infotech Limited of ₹ 2 each                  | 5,000                     | -             | 5,000                        | -      |
| Moving Picture Company (I) Limited of ₹ 10 each   | 6,958                     | 3.83          | 6,958                        | 3.83   |
| Mukand Engineers Limited of ₹ 10 each             | 34,690                    | 29.99         | 34,690                       | 29.99  |
| Namaste Exports Limited of ₹ 10 each              | 500                       | -             | 500                          | -      |
| Nath Bio-Genes (I) Limited of ₹ 10 each           | 902                       | 0.21          | 902                          | 0.21   |
| Techindia Nirman Limited of ₹ 10 each             | 2,378                     | 0.55          | 2,378                        | 0.55   |
| Ojas Techno Chem Product Limited of ₹ 10 each     | 41,900                    | 6.65          | 41,900                       | 6.65   |
| Padmini Technologies Limited of ₹ 10 each         | 7,900                     | 11.57         | 8,100                        | 11.87  |
| Raj Rayon Industries Limited of ₹ 1 each          | 71,900                    | 3.18          | 71,900                       | 3.18   |
| RDL Infotech Limited of ₹ 10 each                 | 25,000                    | 2.50          | 25,000                       | 2.50   |
| Reliance Capital Limited of ₹ 10 each             | 49                        | 0.88          | 49                           | 0.88   |
| Reliance Communications Limited of ₹ 5 each       | 3,090                     | 10.76         | 3,090                        | 10.76  |
| Reliance Industries Limited of ₹ 10 each          | 242                       | 1.69          | 242                          | 1.69   |
| Reliance Infrastructure Limited of ₹ 10 each      | 506                       | 9.77          | 506                          | 9.77   |
| Reliance Power Limited of ₹ 10 each               | 22                        | -             | 22                           | -      |
| Srei Infrastructure Finance Limited of ₹ 10 each  | 21,600                    | 12.69         | 21,700                       | 12.77  |
| Step Two Corporation Limited of ₹ 10 each         | 700                       | 0.07          | 700                          | 0.07   |
| Suvarna Aqua Farm & Exports Limited of ₹ 10 each  | 200                       | 0.03          | 200                          | 0.03   |
| Tata Steel Limited of ₹ 10 each                   | 421                       | 0.83          | 571                          | 0.95   |
| TCM Limited of ₹ 10 each                          | 800                       | 0.28          | 800                          | 0.28   |
| Tecil Chemicals & H.P. Limited of ₹ 10 each       | 200                       | 0.06          | 200                          | 0.06   |
| Emami Limited of ₹ 1 each                         | 20,010                    | 225.49        | -                            | -      |
| <b>TOTAL</b>                                      |                           | <b>360.67</b> |                              | 135.68 |
| Less : Diminution in Value of Quoted Investments  |                           | <b>33.58</b>  |                              | -      |
| <b>TOTAL</b>                                      |                           | <b>327.09</b> |                              | 135.68 |

## Notes to the financial statements for the fifteen months period ended 31st March, 2016

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

(₹ in Lakhs)

|   | As at<br>31st March, 2016 |               | As at<br>31st December, 2014 |        |
|---|---------------------------|---------------|------------------------------|--------|
|   | Nos.                      | Amount        | Nos.                         | Amount |
| <b>B. Unquoted</b>                                  |                           |               |                              |        |
| <b>In fully paid equity shares</b>                  |                           |               |                              |        |
| Ambition Vyapaar Private Limited of ₹ 10 each       | 1,990                     | 0.20          | 2,000                        | 0.20   |
| Diana Capital Limited of ₹ 10 each                  | 1,17,370                  | 24.33         | 1,17,370                     | 24.33  |
| Janak Steel Tubes Limited of ₹ 100 each             | 20,300                    | 203.00        | 20,300                       | 203.00 |
| Orkay Industries Limited of ₹ 10 each               | 2,800                     | 0.67          | 2,800                        | 0.67   |
| Rank Aqua Estates Limited of ₹ 10 each              | 1,000                     | 0.45          | 1,000                        | 0.45   |
| Sonal International Limited of ₹ 10 each            | 5,000                     | 1.80          | 5,000                        | 1.80   |
| <b>TOTAL</b>  |                           | <b>230.45</b> |                              | 230.45 |
| Less : Diminution in Value of Unquoted Investments  |                           | 3.10          |                              | 3.10   |
| <b>TOTAL</b>  |                           | <b>227.35</b> |                              | 227.35 |
| <b>GRAND TOTAL VALUE OF INVESTMENT</b>              |                           | <b>554.44</b> |                              | 363.03 |
| <b>Aggregate Value of Investments</b>               |                           |               |                              |        |
| <b>Quoted</b>                                       |                           | <b>327.09</b> |                              | 135.68 |
| <b>Unquoted</b>                                     |                           | <b>227.35</b> |                              | 227.35 |
| <b>Aggregate Market Value of Quoted Investments</b> |                           | <b>230.36</b> |                              | 49.58  |

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

|                              | As at<br>31st March, 2016 | As at<br>31st December, 2014 |
|------------------------------|---------------------------|------------------------------|
| Capital Advances             |                           |                              |
| - Unsecured, considered good | 285.20                    | 284.83                       |
| Security Deposits            |                           |                              |
| - Unsecured, considered good | 5.62                      | 5.41                         |
| MAT credit receivable        | 3.87                      | 41.63                        |
| <b>TOTAL</b>                 | <b>294.69</b>             | 331.87                       |

### NOTE 12 : OTHER NON-CURRENT ASSETS

|                       | As at<br>31st March, 2016 | As at<br>31st December, 2014 |
|-----------------------|---------------------------|------------------------------|
| Deferred Reserve Fund | 5.77                      | 3.27                         |
| <b>TOTAL</b>          | <b>5.77</b>               | 3.27                         |

## Notes to the financial statements for the fifteen months period ended 31st March, 2016

(₹ in Lakhs)

| <b>NOTE 13 : INVENTORIES</b>    |                                   |                                      |
|---------------------------------|-----------------------------------|--------------------------------------|
|                                 | <b>As at<br/>31st March, 2016</b> | <b>As at<br/>31st December, 2014</b> |
| Stores and spares (#)           | 203.38                            | 292.30                               |
| Stock of tea and tea waste (##) | 431.35                            | 992.57                               |
| <b>TOTAL</b>                    | <b>634.73</b>                     | <b>1,284.87</b>                      |

# Stores and spares includes goods in transit amounting ₹ 11.95 Lakhs (Previous Year ₹ 9.07 Lakhs).

## Stock of Tea includes 2,63,285 Kgs. valuing ₹ 341.27 Lakhs lying with other Parties (Previous year 7,33,503 Kgs. valuing ₹ 937.24 Lakhs).

| <b>NOTE 14 : TRADE RECEIVABLES</b>   |                |               |               |
|--|----------------|---------------|---------------|
| Outstanding for a period exceeding six months from the date they are due for payment |                |               |               |
| - Unsecured, Considered good   |                | 16.39         | 19.71         |
| - Doubtful   |                | 1.09          | 1.09          |
|  |                | 17.48         | 20.80         |
| - Less : Provision   |                | (1.09)        | -             |
|  | A              | 16.39         | 20.80         |
| Others   |                |               |               |
| - Unsecured, considered good   | B              | 103.73        | 348.72        |
| <b>TOTAL</b>   | <b>(A + B)</b> | <b>120.12</b> | <b>369.52</b> |

| <b>NOTE 15 : CASH AND CASH EQUIVALENTS</b> |  |               |              |
|--|--|---------------|--------------|
| Balance with banks :                       |  |               |              |
| Current accounts                           |  | 15.50         | 8.75         |
| Deposit accounts (#)                       |  | 35.38         | 28.97        |
| Unpaid dividend accounts                   |  | 7.19          | 7.08         |
| Cash in hand                               |  | 57.16         | 11.84        |
| <b>TOTAL</b>                               |  | <b>115.23</b> | <b>56.64</b> |

# Pledged with Banks against issue of Bank Guarantees.

## Notes to the financial statements for the fifteen months period ended 31st March, 2016

(₹ in Lakhs)

| <b>NOTE 16 : SHORT-TERM LOANS AND ADVANCES</b>  |                                   |                                      |  |
|---|-----------------------------------|--------------------------------------|--|
|   | <b>As at<br/>31st March, 2016</b> | <b>As at<br/>31st December, 2014</b> |  |
| Unsecured, considered good unless otherwise stated  |                                   |                                      |  |
| Loans and advances :  |                                   |                                      |  |
| - Considered Good   | 1,315.00                          | 1,491.00                             |  |
| Other loans and advances<br>(Other Loans and Advances includes Commercial Advances, advance to employees and unexpired expenses etc.) | 93.01                             | 118.66                               |  |
| Balance with Statutory authorities  | 0.01                              | 0.10                                 |  |
| Income tax advance (net of provisions)  | 39.64                             | 94.96                                |  |
| <b>TOTAL</b>  | <b>1,447.66</b>                   | <b>1,704.72</b>                      |  |

| <b>NOTE 17 : OTHER CURRENT ASSETS</b> |               |               |  |
|---------------------------------------|---------------|---------------|--|
| Interest Accrued on Loans, Deposits   | 121.85        | 89.79         |  |
| Replantation subsidy receivables :    |               |               |  |
| - Considered Good                     | 2.48          | 2.65          |  |
| - Considered Doubtful                 | -             | 7.81          |  |
| <b>TOTAL</b>                          | <b>124.33</b> | <b>100.25</b> |  |

| <b>NOTE 18 : REVENUE FROM OPERATIONS</b> |   |                 |  |                 |  |
|--|---|-----------------|--|-----------------|--|
|  | <b>15 months ended<br/>31st March, 2016</b> |                 | <b>12 months ended<br/>31st December, 2014</b> |                 |  |
| Gross Revenue from sale of Products      | 5,592.30                                    |                 | 4,371.77                                       |                 |  |
| Less : Excise Duty & Cess                | 16.90                                       | 5,575.40        | 15.89  | 4,355.88        |  |
| Other Operating Revenues :               |   |                 |  |                 |  |
| - Replantation Subsidy                   |   | 37.03           |  | 20.51           |  |
| - Miscellaneous Sale                     |   | 3.94            |  | 3.44            |  |
| <b>TOTAL</b>                             |   | <b>5,616.37</b> |  | <b>4,379.83</b> |  |

**Notes to the financial statements** for the fifteen months period ended 31st March, 2016

(₹ in Lakhs)

| <b>NOTE 19 : OTHER INCOME</b>              | <b>15 months ended<br/>31st March, 2016</b> | <b>12 months ended<br/>31st December, 2014</b> |
|--|---|--|
| Interest Income on Loans and Bank Deposits | 194.50                                      | 176.61   |
| Interest Income on Debenture               | -   | 0.83   |
| Dividend Income                            | 0.33  | 0.66   |
| Claims                                     | 4.55  | -  |
| Rent                                       | 1.30  | -  |
| Sundry balances Written Back               | 15.87                                       | 14.24  |
| Transferred from Capital Reserve           | 0.86  | 0.50   |
| <b>TOTAL</b>                               | <b>217.41</b>                               | <b>192.84</b>                                  |

| <b>NOTE 20 : COST OF MATERIAL CONSUMED</b> |               |               |
|--|---------------|---------------|
| Green leaf (Purchased and Consumed)        | 189.74        | 238.36        |
| <b>TOTAL</b>                               | <b>189.74</b> | <b>238.36</b> |

| <b>NOTE 21 : CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK IN TRADE</b> |               |                 |
|--|---------------|-----------------|
| Opening Stock of Tea   | 992.57        | 769.64          |
| Closing Stock of Tea   | 431.35        | 992.57          |
| <b>TOTAL</b>   | <b>561.22</b> | <b>(222.93)</b> |

| <b>NOTE 22 : EMPLOYEE BENEFIT EXPENSES</b> |                 |                 |
|--|-----------------|-----------------|
| Salaries, Wages, Bonus and Gratuity        | 3,012.80        | 1,984.53        |
| Contribution to Provident & Other Funds    | 286.08          | 169.95          |
| Workers & Staff Welfare expenses           | 223.85          | 190.26          |
| <b>TOTAL</b>                               | <b>3,522.73</b> | <b>2,344.74</b> |

| <b>NOTE 23 : FINANCE COSTS</b>                |               |               |
|---|---------------|---------------|
| Interest to banks for working capital finance | 90.23         | 39.08         |
| Interest on term loan                         | 37.31         | 42.11         |
| Interest to others                            | 2.80          | 2.41          |
| Bank Charges                                  | 11.11         | 8.67          |
| Interest on Tea Board SPTF Scheme             | 10.95         | 10.26         |
| Hire Purchase Finance Charge                  | 6.15          | 1.24          |
| <b>TOTAL</b>                                  | <b>158.55</b> | <b>103.77</b> |

## Notes to the financial statements for the fifteen months period ended 31st March, 2016

| <b>NOTE 24 : OTHER EXPENSES</b>                  |   | (₹ in Lakhs)                           |  |
|--|---|--|--|
|  | <b>15 months ended<br/>31st March, 2016</b> | 12 months ended<br>31st December, 2014 |  |
| Stores & spares consumed                         | 604.58                                      | 486.80                                 |  |
| Power and fuel                                   | 799.45                                      | 659.75                                 |  |
| Repairs & Maintenance :                          |   |  |  |
| - Buildings                                      | 57.96                                       | 39.03                                  |  |
| - Plant & Machinery                              | 66.97                                       | 40.80                                  |  |
| - Others   | 39.22                                       | 33.93                                  |  |
| Tea Selling Expenses :                           |   |  |  |
| - Brokerage, Commission & Service Charges        | 133.77                                      | 75.82                                  |  |
| - Freight, Warehouse and Other Selling Expenses  | 183.99                                      | 132.92                                 |  |
| Office Rent                                      | 2.85  | 1.80                                   |  |
| Rates and Taxes                                  | 16.07                                       | 7.23                                   |  |
| Insurance charges                                | 10.29                                       | 7.73                                   |  |
| Payment to auditors                              | 4.77  | 3.27                                   |  |
| Loss on Sale/Discard of Fixed Assets (net)       | 1.98  | 3.09                                   |  |
| Provision for Diminution in value of Investments | 33.58                                       | 0.17                                   |  |
| Loss on Discard of Tea Plantation                | 45.72                                       | 9.22                                   |  |
| Donation   | 10.60                                       | 10.28                                  |  |
| Sundry balances Written Off                      | 10.96                                       | 5.11                                   |  |
| Investments Written Off                          | 0.48  | -                                      |  |
| Provision for doubtful debts                     | 1.09  | -                                      |  |
| Miscellaneous expenses                           | 307.50                                      | 232.97                                 |  |
| <b>TOTAL</b>                                     | <b>2,331.83</b>                             | <b>1,749.92</b>                        |  |
| Payment to auditors includes                     |   |  |  |
| <b>Auditor's Remuneration and expenses :</b>     |   |  |  |
| - Audit fees                                     | 1.67  | 1.50                                   |  |
| - Other Services                                 | 2.54  | 1.42                                   |  |
| - Reimbursement of expenses                      | 0.56  | 0.35                                   |  |
| <b>TOTAL</b>                                     | <b>4.77</b>                                 | <b>3.27</b>                            |  |

## Notes to the financial statements for the fifteen months period ended 31st March, 2016

### NOTE 25 : SIGNIFICANT ACCOUNTING POLICIES

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

#### 1) Basis of Preparation

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

#### 2) Use of Estimates

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

#### 3) Revenue Recognition

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

#### 4) Fixed Assets

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

#### 5) Replantation Expenditure

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

#### 6) Impairment of Fixed Assets

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

## Notes to the financial statements for the fifteen months period ended 31st March, 2016

### 7) Depreciation & Amortization

- a) Depreciation on fixed assets has been provided on Straight Line Method as per provision of Section 205(2)(b) of the Companies Act, 1956, applying the rates as prescribed in the Schedule XIV of the Companies Act, 1956 from 1st April 2014 till 31st December 2014 . Further depreciation on fixed assets is provided under Straight line method at the rates determined based on the useful lives of the respective assets and the residual values in accordance with the Schedule II of the Companies Act, 2013 effective from 1st January 2015 till 31st March 2016.
- b) Depreciation on fixed assets added/disposed off during the year is provided on pro-rata basis with reference to the date of addition/disposal.
- c) No provision has been made in respect of amortization of leasehold Land & Plantation.

### 8) Contingent Liabilities

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

### 9) 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.

### 10) Investments

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

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

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

### 12) Retirement Benefits

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

### 13) Income Tax

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



## Notes to the financial statements for the fifteen months period ended 31st March, 2016

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

### 14) Provisions

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

### 15) Borrowing costs

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

### 16) Grants/Subsidies

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

### 17) Foreign Currency Transactions

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

## NOTE 26 : ADDITIONAL INFORMATIONS

| i) Contingent Liability not provided for in respect of                          | (₹ in Lakhs)              |                              |
|---|---------------------------|------------------------------|
|   | As at<br>31st March, 2016 | As at<br>31st December, 2014 |
| Particulars   |                           |                              |
| <b>Claims &amp; Govt. Demand against the company not acknowledged as debt :</b> |                           |                              |
| -Sales Tax Matter under dispute /appeal   | 27.59                     | 42.90                        |
| -Income Tax matter under dispute / appeal                                       | 0.59                      | 9.75                         |
| -Other matter not acknowledged as debt  | 152.60                    | 152.60                       |
| Bank Guarantee  | 104.47                    | 99.79                        |

- ii) Depreciation as calculated includes additional charges of ₹ 0.86 lakhs on revalued assets and an amount equivalent to the additional charges has been transferred to Statement of Profit and Loss from Capital Reserve (Revaluation of Fixed Asset) such transfer according to an authoritative professional view being acceptable for the purpose of the Companies annual accounts.

## Notes to the financial statements for the fifteen months period ended 31st March, 2016

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

|    |  |              |
|----|--|--------------|
| a) | Defined Contribution Plan - Provident Fund | (₹ in Lakhs) |
|    | Employer’s contribution to Provident Fund  | 254.05       |
|    | Employees’ contribution to Provident Fund  | 254.05       |

### b) Defined Benefit Plan – Gratuity

No provision has been made in respect of present liabilities for future payment of gratuity to the staff and workers, which will be charged to accounts as and when paid. According to actuarial valuation under Revised AS-15, the liability for gratuity obligation to staff and workers as on 31st March, 2016 is ₹ 1065.32 Lakhs (Previous Year ₹ 940.06 Lakhs) and the net liability is ₹ 636.81 Lakhs (Previous Year ₹ 573.52 Lakhs).

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

|   |              |
|---|--------------|
| <b>Liability to be recognised in Balance Sheet as on 31.03.2016</b>             | (₹ in Lakhs) |
| Present value of Obligations  | 1065.32      |
| Fair Value of Plan Assets   | 428.51       |
| Net Asset/(Liability) not recognised in the Balance Sheet                       | (636.81)     |
| <b>Change in Plan Assets (Reconciliation of Opening &amp; Closing Balances)</b> |              |
| Fair Value of Plan Assets as on 01.01.2015                                      | 366.54       |
| Expected Return on Plan Assets  | 31.80        |
| Actuarial Gain/(Losses)   | 30.17        |
| Contributions   | -            |
| Benefits Paid   | -            |
| Fair Value of Plan Assets as at 31.03.2016                                      | 428.51       |
| <b>Reconciliation of Opening and Closing Balances of Obligation</b>             |              |
| Change in defined Benefit Obligation  |              |

## Notes to the financial statements for the fifteen months period ended 31st March, 2016

(₹ in Lakhs)

|   |         |
|---|---------|
| Obligation as at 01.01.2015   | 940.06  |
| Current Service Cost  | 80.04   |
| Interest cost   | 100.22  |
| Actuarial Losses/(Gain)   | (55.00) |
| Benefits Paid   | -       |
| Obligation as on 31.03.2016   | 1065.32 |
| <b>Expenditure to be recognised during the period</b>   |         |
| Current Service Cost  | 80.04   |
| Interest Cost   | 100.22  |
| Expected Return on Plan Assets  | (31.80) |
| Net Actuarial Losses/(Gain) Recognised during the period  | (85.18) |
| Total Expenditure/(Income) required to recognise in the Statement of Profit and Loss but not recognised | 63.28   |
| <b>Assumptions</b>  |         |
| Discount Rate (Per Annum)   | 8.00%   |
| Expected Rate of Return on Assets (Per Annum)   | 8.00%   |
| Salary Escalation Rate  | 6.00%   |

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

- vi) In accordance with Accounting Standard - 13 issued by the Council of the Institute of Chartered Accountants of India, the Long Term Investments in respect of quoted and Unquoted investments held by the Company are valued at cost and ₹ 107.58 Lakhs (Previous year ₹ 91.68 Lakhs) being diminution in values thereof has been considered by the management to be temporary and accordingly has not been recognized in this account. These would, however be covered adequately by the Company's period-end Reserves & Surplus. However in respect of Unquoted investments, provision for diminution has been made amounting to ₹ Nil (Previous year ₹ 0.17) and in respect of Quoted investments, provision for diminution has been made amounting to ₹ 33.58 Lakhs (Previous year ₹ Nil) on account of diminution which are of permanent in nature.
- vii) In accordance with the Accounting Standard - 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the Company has reviewed the net deferred tax liability/assets as at 31st March, 2016 and the net deferred tax Liability have been computed ₹ 1.82 Lakhs. Accordingly the deferred tax amounting to ₹ 137.82 Lakhs for the 15 months period has been reversed in the Statement of Profit and Loss.
- viii) The Company has charged depreciation based on the revised remaining useful life of the assets as per the requirement of the Schedule II of the Companies Act, 2013 effected from 1st January 2015. The consequential impact on the depreciation charged for the period is not material. The Company based on the transitional provision provided in note 7(b) of the Schedule II, an amount of ₹ 7.69 Lakhs has been adjusted with retained earnings.
- ix) In the opinion of the Board of Directors of the Company the Current Assets, Loans, Advances and Deposits are approximately of the value stated in the accounts, if realised, in ordinary course of business unless otherwise stated. The provisions for all known liabilities are adequate and not in excess of the amount reasonably required.
- x) The Company is engaged in the business of integrated activities of manufacture and sale of tea, predominantly in the domestic market. Hence, there is no reportable segment as per the Accounting Standard – 17 on "Segment Reporting" as issued by the ICAI.

## Notes to the financial statements for the fifteen months period ended 31st March, 2016

### xi) Earnings Per Share:

| Basic and Diluted Earnings per share |  |                                  |                                     |
|--------------------------------------|--|----------------------------------|-------------------------------------|
| Sl. No.                              | Particulars  | 15 Months ended 31st March, 2016 | 12 months ended 31st December, 2014 |
| a)                                   | Profit /(Loss) for the period attributable to Equity Share Holders (₹ in Lakhs)      | (997.94)                         | 216.54                              |
| b)                                   | Number of Equity Shares of ₹ 5 /- each outstanding during the period. (Nos in Lakhs) | 149.91                           | 149.91                              |
| c)                                   | Basic & Diluted Earnings per share (In ₹)  | (6.66)                           | 1.44                                |

### xii) Related Party Disclosures :

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

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

#### b) Transaction During the Period.

(₹ in Lakhs)

| Sl No. | Type of Transaction              | Key Managerial Personnel |      | Relatives of Key Managerial Personnel |      | Enterprises owned/ influenced by Key Managerial Personnel or their relatives |      | Holding Company |       |
|--------|----------------------------------|--------------------------|------|---------------------------------------|------|--|------|-----------------|-------|
|        |                                  | 2016                     | 2014 | 2016                                  | 2014 | 2016   | 2014 | 2016            | 2014  |
| 1.     | <b>LOAN TAKEN</b>                |                          |      |                                       |      |  |      |                 |       |
|        | Diana Capital Ltd.               |                          |      |                                       |      |  |      | 77.55           | 39.22 |
| 2.     | <b>LOAN REPAID</b>               |                          |      |                                       |      |  |      |                 |       |
|        | Diana Capital Ltd.               |                          |      |                                       |      |  |      | 92.29           | 54.90 |
| 3.     | <b>INTEREST PAID</b>             |                          |      |                                       |      |  |      |                 |       |
|        | Diana Capital Ltd.               |                          |      |                                       |      |  |      | 2.78            | 2.38  |
| 4.     | <b>RENT PAID</b>                 |                          |      |                                       |      |  |      |                 |       |
|        | Singhania Builders Ltd.          |                          |      |                                       |      | 2.85   | 1.80 |                 |       |
| 5.     | <b>ELECTRICITY EXPENSES PAID</b> |                          |      |                                       |      |  |      |                 |       |
|        | Singhania Builders Ltd.          |                          |      |                                       |      | 3.86   | 2.69 |                 |       |

## Notes to the financial statements for the fifteen months period ended 31st March, 2016

(₹ in Lakhs)

| Sl No. | Type of Transaction                      | Key Managerial Personnel |       | Relatives of Key Managerial Personnel |      | Enterprises owned/ influenced by Key Managerial Personnel or their relatives |      | Holding Company |       |
|--------|--|--------------------------|-------|---------------------------------------|------|--|------|-----------------|-------|
|        |  | 2016                     | 2014  | 2016                                  | 2014 | 2016   | 2014 | 2016            | 2014  |
| 6.     | <b>MAINTENANCE CHARGES PAID</b>          |                          |       |                                       |      |  |      |                 |       |
|        | Singhania Builders Ltd.                  |                          |       |                                       |      | 0.69   | 0.54 |                 |       |
| 7.     | <b>REMUNERATION PAID</b>                 |                          |       |                                       |      |  |      |                 |       |
|        | Directors                                | 73.82                    | 54.16 |                                       |      |  |      |                 |       |
| 8.     | <b>SALARY PAID</b>                       |                          |       |                                       |      |  |      |                 |       |
|        | Other KMPs                               | 13.50                    | 9.91  |                                       |      |  |      |                 |       |
|        | Relatives of KMPs                        |                          |       | 11.74                                 | 8.40 |  |      |                 |       |
| 9.     | <b>ADVANCE TAKEN</b>                     |                          |       |                                       |      |  |      |                 |       |
|        | Other KMPs                               | 5.00                     | 0     |                                       |      |  |      |                 |       |
|        | <b>ADVANCE REPAID</b>                    |                          |       |                                       |      |  |      |                 |       |
|        | Other KMPs                               | 1.43                     | 1.50  |                                       |      |  |      |                 |       |
| 10.    | <b>BALANCE OUTSTANDING ON ACCOUNT OF</b> |                          |       |                                       |      |  |      |                 |       |
|        | <b>ADVANCE</b>                           |                          |       |                                       |      |  |      |                 |       |
|        | Other KMPs                               | 5.12                     | 1.55  |                                       |      |  |      |                 |       |
|        | <b>LOAN TAKEN</b>                        |                          |       |                                       |      |  |      |                 |       |
|        | Diana Capital Ltd.                       |                          |       |                                       |      |  |      | 17.13           | 31.87 |
|        | <b>INTEREST PAYABLE</b>                  |                          |       |                                       |      |  |      |                 |       |
|        | Diana Capital Ltd.                       |                          |       |                                       |      |  |      | 1.90            | 2.38  |

### xiii) Expenditure in Foreign Currency

| Particulars         | 15 Months ended<br>31st March, 2016 | 12 months ended<br>31st December, 2014 |
|---------------------|-------------------------------------|--|
| Travelling & Others | 54.87                               | 63.52                                  |

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

| Particulars  | 15 Months ended 31st<br>March, 2016 |                        | 12 months ended 31st<br>December, 2014 |                        |
|--|-------------------------------------|------------------------|--|------------------------|
|  | Quantity<br>(Kgs.)                  | Amount<br>(₹ in Lakhs) | Quantity<br>(Kgs.)                     | Amount<br>(₹ in Lakhs) |
| Green Leaf harvested (Green leaf harvested from Company's own gardens and utilized in the integrated activity of manufacture and value at the intermediate stage is not ascertainable) | 1,34,10,305                         | -                      | 1,22,42,751                            | -                      |
| Green Leaf Purchased   | 11,90,137                           | 189.74                 | 14,25,917                              | 238.36                 |

## Notes to the financial statements for the fifteen months period ended 31st March, 2016

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

| Particulars   | 15 Months ended<br>31st March, 2016 |                           | 12 months ended<br>31st December, 2014 |                           |
|---|-------------------------------------|---------------------------|--|---------------------------|
|   | Quantity<br>(Kgs.)                  | Amount<br>(₹ in<br>Lakhs) | Quantity<br>(Kgs.)                     | Amount<br>(₹ in<br>Lakhs) |
| Actual production [excluding tea issued for sampling, shortage, tea waste destroyed & complimentary 39,864 Kgs. (Previous Year 29,021Kgs.)] | 33,66,179                           | -                         | 31,53,021                              | -                         |
| Opening Stock   | 7,76,801                            | 992.57                    | 6,37,945                               | 769.64                    |
| Purchase  | -                                   | -                         | -                                      | -                         |
| Closing Stock   | 3,56,543                            | 431.35                    | 7,76,801                               | 992.57                    |
| Gross Sales   | 37,86,437                           | 5,592.30                  | 30,14,165                              | 4,371.77                  |

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

| Particulars    | 15 Months ended<br>31st March, 2016 |     | 12 months ended<br>31st December, 2014 |     |
|----------------|-------------------------------------|-----|--|-----|
|                | Amount<br>(₹ in<br>Lakhs)           | %   | Amount<br>(₹ in<br>Lakhs)              | %   |
| All Indigenous | 604.58                              | 100 | 486.80                                 | 100 |

xvii) The current financial year is for a period of 15 months ended on 31st March 2016 ("current period") and accordingly, the figures for the current period are not comparable with figures for the year ended 31st December 2014 ('previous year') presented in the Statement of Profit and Loss, Cash Flow Statement and related notes.

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

In terms of our report of even date

For **DAS & PRASAD**  
Chartered Accountants  
Firm Registration No.303054E  
Sd/-

**A. K. Agarwal**  
Partner  
Membership No. 062368  
4, Chowringhee Lane, Kolkata - 700 016  
Date : May 30, 2016

For and on behalf of the Board

Sd/-  
**Manoj Agarwala**  
Company Secretary

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

Sd/-  
**Ramesh Kumar Jhunjunwala**  
Chief Financial Officer

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





## Diana Tea Company Limited

CIN : L15495WB1911PLC002275

Sir R. N. M. House

3B, Lal Bazar Street, Kolkata - 700 001

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

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

### Notice

**NOTICE** is hereby given that the 105th Annual General Meeting of the members of **Diana Tea Company Limited** will be held on Wednesday, September 21, 2016 at Gyan Manch Education Society Hall, 11, Pretoria Street, Kolkata – 700 071 at 10.30 A.M. to transact the following business:

#### **ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Financial Statements for the fifteen months period ended on March 31, 2016 and the Reports of the Directors and Auditors thereon.
2. To declare Dividend on Equity Shares.
3. To appoint a Director in place of Mrs. Sarita Singhania (DIN:00343786) who retires by rotation and being eligible, offer herself for re-appointment.
4. To ratify the appointment of auditors of the Company, and to fix their remuneration and to pass, with or without modification(s), the following resolution as an **Ordinary Resolution :**

“**RESOLVED THAT** pursuant to the provisions of Sections 139,142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, pursuant to the recommendations of the Audit Committee of the Board of Directors and pursuant to the resolution passed by the members at the Annual General Meeting held on June 26, 2015, the appointment of M/s. Das & Prasad, Chartered Accountants [Firm Registration No. 303054E] as Statutory Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of next Annual General Meeting of the Company be and is hereby ratified and that the Board of Directors of the Company be and is hereby authorized to fix the remuneration payable to them for the financial year ending March 31, 2017, as may be determined by the Audit Committee in consultation with the Statutory Auditors.”

#### **SPECIAL BUSINESS :**

5. To consider and, if thought fit to pass, with or without modification(s), the following resolutions as a **Special Resolution :**

“**RESOLVED THAT** in accordance with the provisions of Sections 196, 197, 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013, and the Rules made thereunder, including the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force), and the Articles of Association of the Company and subject to such other approvals as may be necessary, the consent and approval of the Company be and is hereby accorded to the re-appointment of Mrs. Sarita Singhania (DIN: 00343786) as Whole-time Director (WTD) of the Company who will be designated as Director (Sales & Marketing) for a period of 5 (five) years with effect from November 11, 2016 on such terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Mrs. Sarita Singhania subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof. Mrs. Sarita Singhania (DIN: 00343786) shall also be liable to retire by rotation at the Annual General Meetings in accordance with Section 152 of the Companies Act, 2013.”

“**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year of the Company during the term of Mrs. Sarita Singhania’s office as Whole-time Director, the remuneration set out in the draft Letter of appointment be paid or granted to Mrs. Sarita Singhania as minimum remuneration provided that the total remuneration by way of salary and other allowances shall not exceed the ceiling provided in Section II of Part II of Schedule V to the said Act or such other amount as may be provided in the said Schedule V as may be amended from time to time or any equivalent statutory re-enactment(s) thereof”.



**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to vary or increase the remuneration (subject to the approval of Nomination and Remuneration Committee) in the draft Letter of appointment to the extent the Board of Directors may consider appropriate and as may be permitted or authorized in accordance with any provision under the Act for the time being in force provided, however, that the remuneration payable to Mrs. Sarita Singhania shall be within the limits set out in the said Act including the said Schedule V to the Act or any amendments thereto or any modification(s) or statutory re-enactment(s) thereof and / or any rules or regulations framed there under and the terms of the aforesaid Letter between the Company and Mrs. Sarita Singhania shall be suitably modified to give effect to such variation or increase as the case may be subject to the maximum limit as specified in the agreement as entered into between Mrs. Sarita Singhania and the Company.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

|  |   |
|--|---|
| Registered Office :<br>3B, Lal Bazar Street<br>Kolkata - 700 001<br>Date: May 30, 2016 | For and on behalf of the Board<br>Sd/-<br><b>Manoj Agarwala</b><br><i>Company Secretary</i><br>Membership No.-23053 |
|--|---|

**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) Corporate members intending to send their authorized representatives 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.

- 3) The Companies Act, 2013 under Section 2(41) mandates all the Companies to have a uniform financial year commencing from April 1 and ending on March 31. At the Board Meeting held on August 14, 2015 it was decided to change the financial year of the Company from January-December to April-March. Accordingly, the Financial Year 2015 was extended up to March 31, 2016 covering a period of fifteen months commencing from January 1, 2015.

Henceforth, the Company shall follow its Financial Year starting from April 1 every year and ending on March 31 in the subsequent year.

- 4) The Statement pursuant to Section 102(1) of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
- 5) The Register of Members and Share Transfer Register of the Company will remain closed from September 14, 2016 to September 21, 2016 (both days inclusive) for the purpose of Annual General Meeting and payment of dividend.
- 6) The dividend on Equity Shares as recommended by the Board, if declared, will be payable on or after September 21, 2016 to those members whose names appear on the Register of Members of the Company as on September 21, 2016 or to their mandates. In respect of dematerialized shares, the dividend will be payable on the basis of beneficial ownership details to be furnished by NSDL and CDSL for the purpose.
- 7) The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use bank details furnished by the investors for distributing dividends or other cash benefits to them through National Electronic Clearing Services (NECS), wherever NECS and bank details are available. In the absence of NECS facility, companies are required to print the bank details, if available, on the payment instrument for distribution of dividends to the investors. Therefore, members holding shares in physical mode are requested to provide their bank details to the Company/RTA. Members holding shares in demat mode are requested to record the NECS mandate with their Depository Participant(s) concerned.
- 8) 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., 6, Mangoe Lane, 2nd Floor, Kolkata -700 001.

- 9) 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.
- 10) Pursuant to Section 205A of the Companies Act, 1956 (Section 124 of the Companies Act, 2013 as amended) any money transferred to the unpaid dividend account of a Company remaining unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred to Investor Education and Protection Fund and thereafter no claim shall lie in respect thereof. So, members are advised to claim the same from the Company immediately. Members who have not so far encashed their Dividend warrants for the Accounting Year ended 31st December, 2008 to 31st December, 2014 may immediately approach the Registrars for revalidation of unclaimed Dividend Warrants.
- 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 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.
- 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 Saturday, 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 substituted by the Companies (Management and Administration) Amendment, Rules 2015, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 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 105th Annual General Meeting and the Annual Report for the fifteen months period ending on March 31, 2016 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 will be stated in the advertisement published pursuant to the Company (Management and Administration) Amendment Rules, 2015.
- 21) The e-voting period commences on Sunday, September 18, 2016 (10.00 A.M. IST) and ends on Tuesday, September 20, 2016 (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 September 14, 2016 ('Cut-off date') may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting on Tuesday September 20, 2016 after 5.00 P.M. IST. Once the vote on a resolution is cast by the Member, he/she shall not be allowed to change it subsequently.
- 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 and is available for the purpose of ascertaining the requisite majority, was appointed by the Board of Directors as the Scrutinizer to scrutinize the voting process (electronically or otherwise) for 105th 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 first count the votes cast at the meeting, 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 working 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.
- Further, in accordance with Regulation 44(3) of the Securities and Exchange Board of India (Listing Obligations 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 (AGM). The results declared along with the consolidated scrutinizer's report shall be placed on the Company's website [www.dianatea.in](http://www.dianatea.in) and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com). The result 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 declared along with the Scrutinizer's report shall be placed on the Company's website [www.dianatea.in](http://www.dianatea.in) and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com) immediately and communicated to BSE Limited.
- 26) In case of any queries/grievances relating to e-voting process, the Members may contact Mr. Arghya Majumder, Central Depository Services Limited, 57, J.L. Neheru Road, Horizon Building, 2nd Floor, Kolkata-71, at e-mail ID: [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com), at Toll Free No. 1800-200-5533 who will address the grievances connected with the electronic voting. Members may also write to the Company Secretary at [contactus@dianatea.in](mailto:contactus@dianatea.in) or Registered Office address.
- 27) Please see the instructions below for details on e-voting facility.
- (i) The e-voting period commences on Sunday, September 18, 2016 (10.00 A.M. IST) and ends on Tuesday, September 20, 2016 (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 September 14, 2016 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" September 14, 2016, 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 would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on “Shareholders” tab 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](http://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:

| <b>For Members holding shares in Demat Form and Physical Form</b> |   |
|---|---|
| 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"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul> |
| Dividend Bank Details<br>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"> <li>• 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 (v).</li> </ul>   |

- (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](http://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](http://www.evotingindia.com), under help section or write an email to helpdesk.evoting@cdslindia.com

Registered Office:  
3B, Lal Bazar Street  
Kolkata - 700 001  
Date: May 30, 2016

For and on behalf of the Board  
Sd/-  
**Manoj Agarwala**  
Company Secretary  
Membership No.-23053

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

### ITEM 5

Mrs. Sarita Singhania (DIN: 00343786) during her term as Whole-time Director of the Company had done her best for all round development and growth of the Company. Therefore, on recommendation of the Nomination and Remuneration Committee, the "Board" at their meeting held on May 30, 2016, re-appointed Mrs. Sarita Singhania as the Whole-time Director (Sales & Marketing) of the Company for a further period of five years from November 11, 2016 to November 10, 2021, subject to the approval of the shareholders of the Company.

Mrs. Sarita Singhania aged 52 years is an arts graduate from Kurukshetra University, Haryana, and is associated with the Company since 1996. She has 20 years wide experience in tea industry and she looks after day to day business operation of the company.

With the introduction of Schedule V of the Companies Act, 2013 ('the Act') the Company having profits in a financial year may pay remuneration to a Managerial Person(s) not exceeding the limits specified in Section 197 of the Act and in cases where there is no profits or its profits are inadequate, the Company can pay remuneration to its managerial person in accordance with Section II of Part II of Schedule V to the Act. Hence, it has been thought prudent to obtain the approval of the shareholders by way of a Special Resolution for payment of remuneration to Mrs. Sarita Singhania (DIN: 00343786) Whole-time Director(Sales & Marketing) of the Company in the absence/inadequacy of profits in any financial year as per limits and the terms and conditions approved earlier as under:

The main terms and conditions of re-appointment of Mrs. Sarita Singhania as set out in the agreement placed before the meeting are as follows:-

1. Mrs. Sarita Singhania (hereinafter called "Mrs. Singhania") be re-appointed as Whole-time Director of the Company for a period of five years with effect from November 11, 2016. During currency of such five years period of Directorship of Mrs. Singhania will be liable to retire by rotation at the Annual General Meetings in accordance with Section 152 of the Companies Act, 2013.
2. As Whole-time Director of the Company, Mrs. Singhania shall devote whole of her time, attention and ability to the business and affairs of the Company, subject to the superintendence, control and directions of the Board. Mrs. Singhania shall be entitled to have the management of the whole or substantially the whole of the affairs of the Company.
3. In consideration of her services as Whole-time Director, Mrs. Singhania shall be entitled to receive the following by way of remuneration:
  - 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) **Period** : November 11, 2016 to November 10, 2021  
5 (five) years.
  - c) **Commission** :  
Commission as determined by the Board of Directors within the overall ceiling on managerial remuneration laid down in Section 2(78) and Section 197 of the Companies Act, 2013 and based on the net profits of the Company in any particular year.

d) **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.

e) **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 Section II of Part II of Schedule V to the Companies Act, 2013 including any amendment(s), modification(s), variation(s) or re-enactment thereof.

4. **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.

The "Board" commends the Special Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

The draft of the Agreement, proposed to be entered into between Company and Mrs. Sarita Singhania is open for inspection at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on all working days except Saturday up to the date of the Annual General Meeting.

The above material terms of re-appointment and remuneration payable to Mrs. Singhania as set out in the accompanying Notice should be considered an abstract and the Memorandum of Interest, pursuant to the provision of Section 190 of the Companies Act, 2013.

Save and except Mrs. Sarita Singhania, being an appointee, none of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, are concerned or interested, financially or otherwise, in these resolutions, except and to the extent of their shareholdings, if any in the Company.

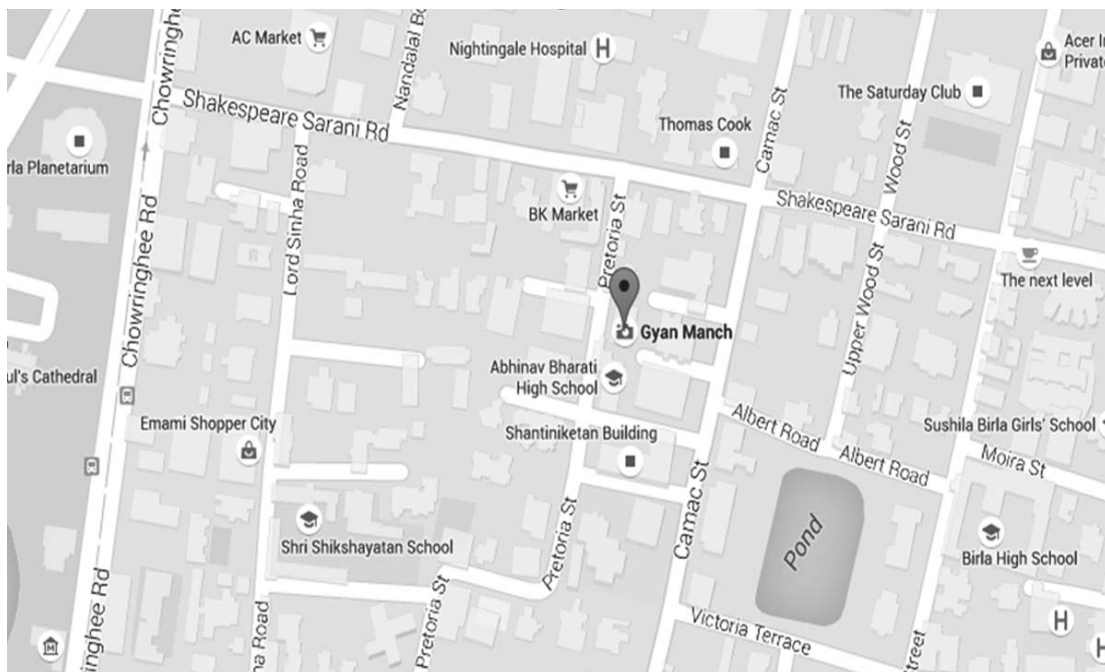
Registered Office:  
3B, Lal Bazar Street  
Kolkata - 700 001  
Date: May 30, 2016

For and on behalf of the Board  
Sd/-  
**Manoj Agarwala**  
Company Secretary  
Membership No.-23053

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

|  |   |
|--|---|
| Name of Director   | Mrs. Sarita Singhania   |
| Date of Birth  | 17.12.1963  |
| Qualification  | Arts Graduate   |
| Date of Appointment  | 11.11.2013  |
| Terms and Conditions of Appointment  | As per Letter of Appointment  |
| Nature of Expertise in Specific Functional Areas   | Tea Plantation & Marketing  |
| The Remuneration last drawn by Mrs. Sarita Singhania, if applicable  | Basic Salary: ₹ 2,00,000/- per month  |
| Details of Remuneration sought to be paid  | Basic Salary Range : ₹ 2,50,000/- per month to ₹ 4,00,000/- per month   |
| List of Other Public Companies in which Directorship held (excluding in Foreign Companies)   | SINGHANIA BUILDERS 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 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   | Mrs. Sarita 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   | 5,00,491 Shares of ₹ 5/- each   |
| The number of Meetings of the Board attended during the fifteen months period  | Mrs. Sarita Singhania attended 5 Board meetings out of total 5 Board meetings held during the period.   |

**ROUTE MAP TO THE AGM VENUE OF DIANA TEA COMPANY LIMITED TO BE HELD ON WEDNESDAY, SEPTEMBER 21, 2016 AT 10:30 A.M.**



**E-COMMUNICATION REGISTRATION FORM**

To

M/s. Maheshwari Datamatics Pvt. Ltd.  
6, Mangoe Lane, 2nd Floor  
Kolkata – 700 001  
Phone : (033) 2243-5029/5809, 2248-2248  
Fax : (033) 2248-4787  
E-mail : mdpldc@yahoo.com

Dear Sir,

**Sub: Registration of my e-mail address - Green Initiative in Corporate Governance**

I agree to receive the documents in electronic mode.

Please register my e-mail address, PAN & contact details in your records.

|                                    |  |
|------------------------------------|--|
| Folio No                           |  |
| Email Id                           |  |
| PAN No.                            |  |
| Phone No.                          |  |
| Mobile No.                         |  |
| Name of First/Sole Holder          |  |
| Signature of the First/Sole Holder |  |

Date : \_\_\_\_\_

**Notes:**

1. Shareholder(s) are requested to keep the Registrar & Share Transfer Agents informed of any change in their email address.
2. Shareholder(s) are requested to attach a self attested copy of PAN.
3. The above email address will be registered subject to verification of your signature with the specimen signature registered with the Registrar & Share Transfer Agents.





**DIANA TEA COMPANY LIMITED**

CIN: L15495WB1911PLC002275

Regd. Office: SIR R N M HOUSE, 3B LAL BAZAR STREET, KOLKATA 700001, Phone: (033) - 40661590-93, Fax: (033) - 22487571

E-mail: [contactus@dianatea.in](mailto:contactus@dianatea.in) Website: [www.dianatea.in](http://www.dianatea.in)**ATTENDANCE SLIP**

Name:  
 Name(s) of joint Holder(s), if any:  
 Address:  
 Folio No.. \*DP ID & \*Client ID No.:

Serial No:  
 No. Of Shares:

I/We ..... hereby record my/our presence at **105<sup>TH</sup> ANNUAL GENERAL MEETING ON WEDNESDAY, SEPTEMBER 21, 2016 AT 10:30 A.M. at Gyan Manch Education Society Hall, 11, Pretoria Street, Kolkata-700071.**

Name of Proxy (in BLOCK LETTERS)

Signature of Shareholder/Proxy Present

Please cut here and bring the Attendance Slip duly signed, to the meeting and hand it over at the entrance. Duplicate slips will not be issued at the venue of the Meeting.

\* Applicable for shares held in electronic form.

**ELECTRONIC VOTING PARTICULARS**

| EVSN (E-Voting Sequence Number) | User ID | Password/PIN |
|---------------------------------|---------|--------------|
|                                 |         |              |

Please refer to the AGM Notice for e-voting instruction

**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]

**DIANA TEA COMPANY LIMITED**

CIN: L15495WB1911PLC002275

Regd. Office: SIR R N M HOUSE, 3B LAL BAZAR STREET, KOLKATA 700001, Phone: (033) - 40661590-93, Fax: (033) - 22487571

E-mail: [contactus@dianatea.in](mailto:contactus@dianatea.in) Website: [www.dianatea.in](http://www.dianatea.in)**105<sup>TH</sup> ANNUAL GENERAL MEETING ON WEDNESDAY, SEPTEMBER 21, 2016 AT 10:30 A.M.**

I/We, being the member(s), holding.....shares of Diana Tea Company Limited 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 **105<sup>TH</sup> ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD ON WEDNESDAY, SEPTEMBER 21, 2016 AT 10:30 A.M.** AT "Gyan Manch Education Society Hall", 11, Pretoria Street, Kolkata-700071 and at any adjournment thereof in respect of such resolutions as are indicated below:

| Resolution No.           | Resolutions   | Optional* |         |
|--------------------------|---|-----------|---------|
|                          |   | For       | Against |
| <b>ORDINARY BUSINESS</b> |   |           |         |
| 1.                       | Consider and adopt the Audited Financial Statement for the fifteen months period ended on March 31, 2016 and the Reports of the Directors and Auditors thereon. |           |         |
| 2.                       | Declare Dividend on Equity Shares.  |           |         |
| 3.                       | Appointment of a Director in place of Mrs. Sarita Singhania (DIN:00343786) who retires by rotation and being eligible, offer herself for re-appointment.        |           |         |
| 4.                       | Ratification of appointment of M/s. Das & Prasad, Chartered Accountants, Statutory Auditors of the Company.   |           |         |
| <b>SPECIAL BUSINESS</b>  |   |           |         |
| 5.                       | Re-Appointment of Mrs. Sarita Singhania as Whole-Time Director of the Company and approval of overall remuneration payable to her.                              |           |         |

Signed this .....day of .....2016

Member's Folio / DP ID & Client ID No.....Signature of Shareholder (s).....

Signature of Proxy holder(s).....

Affix  
Revenue  
Stamp

**Note :** 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of Meeting.

2 For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 105<sup>th</sup> Annual General Meeting.

\*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.



## 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, Lal Bazar Street, Kolkata - 700 001

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

E-mail : [contactus@dianatea.in](mailto:contactus@dianatea.in), Website : [www.dianatea.in](http://www.dianatea.in)

CIN : L15495WB1911PLC002275

