



**The Grob  
Tea Company  
Limited**

**2014-15**

**REPORT &  
ACCOUNTS**

*Registered 7th January, 1895***CORPORATE INFORMATION****Board of Directors:**

Mr. P.K.Agarwal, Non-Executive Director  
 Mr. M.K.Agarwal, Non-Executive Director  
 Mr. H.Parekh, Independent Director  
 Mr. P.J. Bhide, Independent Director  
 Mrs. P. Singhania, Independent Director  
 Mr. I.B.Sharaf, Executive Director

**Chief Financial Officer and Company Secretary :**

Mr. B L Patawari

**Auditors:**

M/s. G.P.Agrawal & Co.  
 Chartered Accountants

**Bankers:**

United Bank of India  
 State Bank of India  
 HDFC Bank

**Stock Exchange:**

The Calcutta Stock Exchange Ltd.  
 7, Lyons Range,  
 Kolkata – 700 001

**Registered Office:**

“HAUTE STREET” 9th Floor  
 86A, Topsia Road,  
 Kolkata – 700 046  
 Phone: 033-40031325/26  
 Fax : 033 40040892  
 E-Mail : grobtea@rawalwasia.co.in  
 CIN : L15494WB1895PLC000963

**Tea Estates:**

**Dessoie Tea Estate**  
 P.O. Mariani, Assam

**Doyang Tea Estate**  
 P.O. Oating, Assam

**Kanu Tea Estate**  
 P.O. Sapekhati, Assam

**Teen Ali Tea Estate**  
 P.O. Naharkatia, Assam

**Pathemara Tea Estate**  
 P.O. Thaligram, Assam

**Martycherra Tea Estate**  
 P.O. Kumbhirgram, Assam

**Registrar & Share Transfer Agents**

Niche Technologies Pvt. Ltd.  
 D-511, Bagree Market, 5th Floor  
 71, B R B Basu Road, Kolkata  
 Phone No. 033 22357270/7271  
 Fax No. 033 22156823  
 E-Mail : nichetechpl@nichetechpl.com  
 CIN:U74140WB1994PTC062636

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## DIRECTORS REPORT TO THE MEMBERS

Your Directors have pleasure in presenting the annual report together with Audited Accounts of the Company for the year ended 31st March 2015.

<b>Financial Results</b>	<b>2014-15</b> <b>(₹ in Lacs)</b>	<b>2013-14</b> <b>(₹ in Lacs)</b>
Profit before Depreciation & Tax	<b>491.42</b>	<b>698.70</b>
Less: Depreciation	<b>345.66</b>	<b>244.10</b>
Profit before taxation	<b>145.76</b>	<b>454.60</b>
Provision for Taxation		
— Current Tax	<b>50.00</b>	<b>85.00</b>
— Deferred Tax	<b>—</b>	<b>(12.50)</b>
Profit after Tax	<b>95.76</b>	<b>382.10</b>
Add : Profit brought forward	<b>1713.19</b>	<b>1558.29</b>
Balance available for appropriation	<b>1808.95</b>	<b>1940.39</b>
Proposed Dividend	<b>23.25</b>	<b>23.25</b>
Tax on proposed Dividend	<b>4.65</b>	<b>3.95</b>
Transferred to General Reserve	<b>—</b>	<b>200.00</b>
Balance carried forward	<b>1781.05</b>	<b>1713.19</b>

### DIVIDEND

The Directors have recommended a dividend of ₹ 2 Per Equity Share of ₹ 10 each (Previous Year- ₹ 2 per Equity Share) for the year ended 31st March, 2015, subject to approval of the shareholders at the ensuing Annual General Meeting .

### TRANSFER TO RESERVE

No amount was transferred to the reserves during the financial year ended 31st March, 2015.

### PERFORMANCE

During the year under review, the company achieved a production of 38.81 lacs kgs of Tea as compared to 38.09 lacs kgs in the previous year. Unfavourable weather with drought during early part of the season and deficit rainfall affected the crop adversely. However, the Company was able to procure outsourced green leaf which helped to maintain the total crop at same level as compared to last year.

Average price realization for the company's tea for the year was ₹ 162.59 per kg which was higher as compared to ₹ 160.75 in previous year. However, the steep rise in employees cost due to wage revision as per industry wise Agreement, upward cost of inputs specially Power, Gas, cost of other inputs and provision of higher depreciation due to adoption of Schedule II of Companies Act, 2013 have affected adversely the profitability of the Company.

### PROSPECTS

The prospect of the crop for the year 2015-16 is also not encouraging due to erratic weather condition. But the total crop of the Company will go up due to acquisition of Martycherra Tea Estate. The Company is emphasized to produce quality tea to fetch better realization.

### PUBLIC DEPOSIT

During the Financial Year 2014-15, the Company has not accepted any deposit within the meaning of Sec 73 and 74 of the Companies Act, 2013.

## **DIRECTORS' REPORT TO THE MEMBERS (Contd)**

### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company Mrs. P Singhania was appointed as an Additional Director (Independent) of the Company with effect from 28th May 2015 subject to the approval of member in the ensuing Annual General Meeting confirming her as a Independent Director under Sec 149, 150 and 152 read with Schedule IV of the Act for a term of three consecutive years upto 31st March 2018 on non-rotational basis. The Company has received requisite notice in writing from a member proposing Mrs. P Singhania for appointment as an Independent Director.

Mr. P K Agarwal, Non-Executive Director, will retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment .The Board of Directors recommend his re-appointment.

Mr.I B Sharaf, Executive Director and Mr. B L Patawari, CFO & Company Secretary are the Key Managerial Personnel of the Company in accordance with the provisions of Sections 2(51), 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### **DECLARATION OF INDEPENDENCE**

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the provisions of Companies Act, 2013 read with the Schedules and Rules issued there under as well as Clause 49 of the Listing Agreement.

### **NUMBER OF MEETINGS OF THE BOARD**

The Board meets at regular intervals to discuss and decide on business policy and strategy apart from other Board business. The details of the number of Board meetings of the Company are set out in the Corporate Governance Report which forms part of this Report.

### **COMMITTEE OF THE BOARD**

During the year, in accordance with the Companies Act, 2013 and Clause 49 of Listing Agreement, the Board constituted some of its Committees to focus on specific areas and make decision within the authority delegated to each of the Committees. All decision and recommendations of the Committees are placed before the Board either for information or approval. There are currently four Committees of the Board, as follows:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Risk Management Committee

The composition , scope and powers of the aforementioned Committees together with details of meeting held during the year under review, forms part of the corporate Governance Report.

### **MANAGEMENT DISCUSSION AND ANALYSIS AND CORPORATE GOVERNANCE REPORT**

In terms of the listing agreement with Calcutta Stock Exchange, Report on Management Discussion & Analysis and the Report on Corporate Governance along with the Certificate from the Practising Company Secretary certifying the compliance of Corporate Governance have been attached and forms part of Annual Report marked as Annexure "A" and "B" respectively.

### **EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in Form MGT- 9 in accordance with Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 are set out herewith as Annexure "C" to this Report.

### **DIRECTORS RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 134(5) of the Companies Act 2013, your directors confirm that:

- a) in the preparation of the annual accounts for the financial year ended 31st March, 2015, the applicable accounting standards had been followed along with proper explanation relating to material departures;

## **DIRECTORS' REPORT TO THE MEMBERS (Contd)**

- 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 as at 31st March, 2015 and of the profit /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 devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- f) 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.

## **AUDITORS AND AUDITOR'S REPORT**

### **Auditors**

M/s. G.P. Agarwal & Co., Chartered Accountants, Auditors of the Company, retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Audit Committee and the Board of Directors have recommended their re-appointment. The Auditors' Report for the financial year 2014-15 does not contain any qualification, reservation or adverse remark.

### **Cost Auditor**

The provision pertaining to maintenance of Cost records as prescribed under section 148(1) of the Companies Act, 2013 is not applicable to the company.

### **Secretarial Audit**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, The Company has appointed HM Choraria & Co, Practicing Company Secretary to conduct the Secretarial Audit of your Company. The Secretarial Audit Report is annexed herewith as Annexure "D" to this Report.

## **DISCLOSURE RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND PARTICULARS OF EMPLOYEES**

The company has no employee who are covered under Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. However, the information required under Section 197 of the Companies Act, 2013 read with Rule 5(1) Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is set out in Annexure "E" to this Report.

## **LOANS GUARANTEE OR INVESTMENT**

During the year under review the Company has not given any loan or provided any guarantee and made any investment pursuant to Section 186(1) of Companies Act, 2013

## **RELATED PARTY TRANSACTIONS**

During the financial year 2014-15, the Company has entered into transactions with related which were in the ordinary course of business and on arms' length basis and in accordance with the provisions of the Companies Act, 2013. Further, there were no transactions with related parties which qualify as material transactions under the Listing Agreement. Thus, disclosure in Form AOC-2 is not required.

The details of the related party transactions as required under Accounting Standard - 18 are set out in Note 27 to the financial statements forming part of this Annual Report.

## **DIRECTORS' REPORT TO THE MEMBERS (Contd)**

### **VIGIL MECHANISM**

The Company is committed to ethical, moral and legal business conduct. Accordingly, the Board of Directors have formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177 (10) of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The detail of Whistle Blower Policy of the Company has been outlined in the Corporate Governance Report which forms part of this report.

### **BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, Independent Directors at their meeting without the participation of the Non-independent Directors and Management, considered/evaluated the Boards' performance and other Non-independent Directors. The Board subsequently evaluated its own performance, the working of its Committees and Independent Directors.

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, is set out herewith as Annexure "F" to this Report.

### **CORPORATE SOCIAL RESPONSIBILITY**

The provisions of Section 135 of the Companies Act, 2013 pertaining to Corporate Social Responsibility are not applicable to the Company.

### **DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013**

The Company is committed to provide a safe and conducive work environment to its employees. During the year under review, no case of sexual harassment was reported.

### **SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS**

There are no significant/material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its operations in future.

### **ACKNOWLEDGEMENT**

The Directors wish to place on record their appreciation of the devoted services rendered by all the employees of the Company and sincerely convey their appreciation to customers, shareholders, vendors, bankers, business associates, regulatory and government authorities for their continued support.

For and on behalf of the Board

**M.K.AGARWAL** Director  
(DIN NO. 00697746)

**I.B.SHARAF** Executive Director  
(DIN NO. 00047266)

Kolkata  
Dated: 28th May, 2015

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

(Forming part of Director's Report for the financial year ended 31st March, 2015)

**Industry Structure and Developments :** India being the largest producer of quality black tea, produced around 1185 million Kgs of tea against 1200 million Kgs during the calendar year 2013. The consumption pattern during the year remains sluggish. However, the Tea prices in India were higher by around 3% due to inventory and production.

**Opportunity and Threat :** Government of India/Tea Board are continuously taking promotional efforts for better marketing and brand building initiative which are likely to benefit the industry in long run .The initiative of Trustee Programme will also benefit the industry.

The unpredictable weather condition and cyclic nature of business always remains matter of concern.

**Product-wise Performance :** During the year under review, the production of Black Tea was maintained on the same level of last year despite adverse weather conditions. The average realization price was also improved slightly due to improvement in quality of tea produce. The details of performance is given below -

Year	Production (Lac Kgs)	Sales (Lac Kgs.)	Average Realisation (₹ Per Kg.)
2014-15	38.81	37.32	162.59
2013-14	38.09	36.97	160.75
Change (%)	1.89 %	0.95 %	1.15 %

**Outlook :** The current season has started with a unfavourable weather drought like condition which affected the crop. The cost of production is going up with steep increase in wages and cost of others inputs. So the quality needs to be improved continuously to fetch better prices which will more than compensate the cost.

**Risk and Concern :** The Tea Industry is largely dependent on the vagaries of nature. The Industry is highly labour intensive and is subject to stringent labour laws. High labour costs, high social costs, high infrastructure costs and increasing energy and other input costs remain major problems for the Tea Industry. Shortage of labour during peak season is also a cause for concern.

**Discussion on Financial Performance with respect to Operational Performance :** The Company's policy for improving the quality teas has resulted better realization despite adverse market conditions.

**Internal Control System and their Adequacy :** The Company has an adequate system of internal financial control procedures which is commensurate with the size and nature of business. The Internal Control System of the Company is monitored and evaluated by the Internal Auditors appointed by the Company and their Audit Reports are periodically reviewed by the Audit Committee and the Board of Directors.

### Information regarding Human Resources/Industrial Relation

During the year, employer and employee relationship remained cordial.

**Cautionary Statement :** *The forward-looking statements and view expressed in the Management Discussion and Analysis Report are based on certain assumptions. The actual results, performances or achievement may differ materially from those stated therein. The company would not be held liable, in any manner, if the future turns out to be quite different, even materially.*

## REPORT ON CORPORATE GOVERNANCE

(forming part of Director's Report for the financial Year ended 31st March, 2015)

### CORPORATE GOVERNANCE PHILOSOPHY

The Company's philosophy of Corporate Governance is to ensure transparency in all dealings and the functioning of the Board and people working with it at all levels. The company being a labour intensive industry places great emphasis on values such as empowerment and integrity of its employees, safety of the workers, optimum utilization of natural resources and fair & ethical dealings with all, providing medical, educational and welfare facilities.

#### 1. BOARD OF DIRECTORS

##### a) Composition

The Board of Directors of the Company as on 31st March 2015 consist of five Directors as two non-executive promoter Director, one Executive Director and two independent non-executive Director having requisite qualifications and experience in business and industry, finance and management. The composition of the Board is in conformity with Clause 49 of the listing agreement. The names of the Directors and the details of other chairmanship / directorship / committee membership of each Director as on 31st March 2015 is given below:

Name of Director	Category of Director	Number of Directorships in other companies	Number of Committee Memberships in other companies	
			Chairman	Member
Mr. P K Agarwal	Promoter – Non Executive	11	-	-
Mr. M K Agarwal	Promoter – Non Executive	7	-	-
Mr. I B Sharaf	Executive	-	-	-
Mr. H Parekh	Independent	8	5	4
Mr. P J Bhide	Independent	13	2	-

##### Notes:

- Also includes directorship other than Public Limited Company.
- Audit Committee, Remuneration Committee & Stakeholder Grievances Committee are considered.
- None of the Directors on the Board is a Member of more than 10 Committees or Chairman/Chairperson of more than 5 committee as specified in Clause 49, across all the Companies in which he/she is a Director have made necessary disclosures regarding Committee positions held in other public limited companies.

##### b) Number & Dates of Board Meetings/Date of last AGM held

1. The Board met four times during the year and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held are as follows :  
30th May 2014, 12th August 2014, 12th November 2014 and 12th February 2015.  
The last Annual General Meeting of the Company was held on 5th August 2014
2. Necessary information where applicable as mentioned in Annexure 1A to clause 49 of the Listing Agreement has been placed before the Board for its consideration.

##### c) Attendance of each Director at Board Meetings and at the previous Annual General Meeting (AGM)

Sl. No	Name	No. of Board Meetings held	No. of Board Meetings attended	Attendance at the last AGM
1.	Mr. P K Agarwal	4	3	Present
2.	Mr. M K Agarwal	4	4	Present
3.	Mr. I B Sharaf	4	4	Present
4.	Mr. H Parekh	4	4	Present
5.	Mr. P J Bhide	4	4	Absent

##### d) Information about Directors seeking appointment/ re-appointment.

A brief resume of Directors seeking appointment / re-appointment as required under Clause 49 of Listing Agreement is given in Notice dated 28th May, 2015.



## 2. AUDIT COMMITTEE

- I. The audit committee assists the board in the dissemination of financial information and in overseeing the financial and accounting processes in the company. The role and term of reference of the Audit Committee are as follows:
- a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
  - b) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of statutory auditors, fixation of audit fee and also approval of payment for any other services.
  - c) Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
    - Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause
    - Changes, if any, in accounting policies and practices and reasons for the same.
    - Major accounting entries involving estimates based on the exercise of judgment by the management.
    - Significant adjustments made in the financial statements arising out of audit findings.
    - Compliance with listing and other legal requirements relating to financial statements.
    - Disclosure of any related party transactions.
    - Qualifications in the draft audit report
  - d) Reviewing, with the management, the quarterly/ annual financial statements before submission to the board for approval.
  - e) Reviewing with the management, performance of statutory and internal auditors, the adequacy of internal control systems.
  - f) Approval or any subsequent modification of transactions of the company with related parties.
  - g) Scrutiny of inter-corporate loans and investments.
  - h) Reviewing the adequacy of internal audit function including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
  - i) Discussion with the Internal Auditors about any significant findings and follow up thereon.
  - j) Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
  - k) Discussion with the Statutory Auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
  - l) Looking into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
  - m) Reviewing the functioning of Whistle Blower mechanism on regular basis.
  - n) Approval of appointment of CFO after assessing the qualifications, experience & background, etc. of the candidate.
  - o) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee

### II. Composition

The Audit Committee of the Board as on 31st March 2015 comprised of two Non-Executive Independent Director and one Executive Director namely, Mr. P J Bhide, Mr. H Parekh and Mr. I B Sharaf. Mr. P J Bhide a Non-Executive Independent Director, having adequate financial and accounting qualification and expertise, is the Chairman of the Audit Committee. The other member are also financial literate.

### III. Meeting and attendance during the year

Name of the Director	Category	No. of Meetings Held during the year	Attended
Mr. P J Bhide, Chairman	Non-Executive & Independent	3	3
Mr. H Parekh	Non-Executive & Independent	3	3
Mr. I B Sharaf	Executive & Non Independent	3	3

Three Meetings of the Audit Committee were held during the financial year ended 31st March 2015. The dates on which the Audit Committee Meetings were held are as follows :

12th August 2014, 12th November 2014 and 12th February 2015.

The necessary quorum was present at all the meetings.

### 3. NOMINATION AND REMUNERATION COMMITTEE

#### I. Brief description of terms of reference is for :

- appointment of the directors, and key managerial personnel of the Company; and
- fixation of the remuneration package of the Executive Director and Non-Executive Director and sitting fees and other expense payable to the Director for attending meetings of the Board/or Committee.
- to approve, in the event of loss or inadequacy of profit an any year, the minimum remuneration payable to Wholetime Directors within the limit and subject to the parameter prescribed in Schedule to the Companies Act, 2013.

#### II. Composition

The Remuneration Committee of the Board as on 31st March 2015 comprised of Mr. H Parekh, a Non-Executive Independent Director, as the Chairman, Mr. P J Bhide a Non-Executive Independent Director and Mr. P K Agarwal Promoter non-Executive Director.

#### III. Attendance during the year

The committee had met once in the year 2014-2015 on 12th August, 2014.

Name of Director	Category	Attended
Mr. H Parekh	Non-Executive & Independent	1
Mr. P J Bhide	Non-Executive & Independent	1
Mr. P K Agarwal	Promoter Non Executive	1

The details of sitting fees/commission paid to the Directors and salary and perks paid to the Executive Directors and Managing Director of the Company during the year 2014-2015 are given below :-  
(₹ in Lacs.)

Name of Director	Salary	Bonus and Allowances	Monetary value of Perquisites	Meeting Fees	Period of Appointment	Notice Period	No. of Shares Held
Mr. P K Agarwal	—	—	—	0.14	—	—	—
Mr. M K Agarwal	—	—	—	0.14	—	—	—
Mr. I B Sharaf	13.20	2.16	3.01	—	4 years (w.e.f. 27.5.2013)	—	200
Mr. H Parekh	—	—	—	0.16	3 years (w.e.f. 30.05.2014)	—	—
Mr. P J Bhide	—	—	—	0.16	3 years (w.e.f. 30.06.2014)	—	—

#### IV. REMUNERATION POLICY:

The Company has formulated the remuneration policy. The details of this policy are available on the Company's website viz. [www.grobtea.com](http://www.grobtea.com).

#### 4. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTOR

In terms of the provisions of Clause 49 of the Listing Agreement, the Company has laid down a familiarization program for the Independent Directors. The Familiarization Program aims at helping the independent director to understand the Company, its management, roles & responsibilities in the company, operation of the company etc. The detailed program has been uploaded on the website of the Company viz. [www.grobtea.com](http://www.grobtea.com).

#### 5. INDEPENDENT DIRECTOR MEETING

During the year under review, the Independent Directors of the Company met on 12th February, 2015 inter alia, to :

- Evaluate and review the performance of non-independent directors and the Board as a whole;
- Evaluate and assess the quality, quantity and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent directors of the Company were at the meeting.

**6. STAKEHOLDERS' RELATIONSHIP COMMITTEE:**

Mr. P K Agarwal, non-executive director was the Chairman of the committee. Mr. M K Agarwal and Mr. I B Sharaf are the other members of the committee.

The committee met regularly to approve share transfers, transmissions, issue of duplicate share certificates, rematerialisation of shares and all other issues pertaining to shares and also to redress investor grievances like non receipt of dividend warrants, non receipt of share certificates, etc.

All the requests and complaints received from the shareholders were attended to within the stipulated time and nothing was pending for disposal at the end of the year.

**7. RISK MANAGEMENT COMMITTEE**

Periodic assessments to identify the risk areas are carried out and management is briefed on the risks in advance to enable the company to control risk through a properly defined plan. The risks are classified as financial risks, operational risks and market risks. The risks are taken into account while preparing the annual business plan for the year. The Board is also periodically informed of the business risks and the actions taken to manage them.

The company has constituted a Risk Management company with the following composition:

- Mr. I B Sharaf – Executive Director (Chairman)
- Mr. M K Agarwal – Non Executive Director ( Member)
- Mr. S Dasgupta - Chief Executive Officer (Member)

The detail policy is disseminated in the website of the Company [www.grobtea.com](http://www.grobtea.com).

**8. GENERAL BODY MEETING**

The details of the Annual General Meetings held in the last three years are as follows:

Annual General Meetings of the Company :-

Financial Year Ended	Date	Time	Venue
31.03.2012	28th August, 2012	10 A.M.	Bharatiya Bhasha Parishad 36A, Shakespeare Sarani, Kolkata – 700017
31.03.2013	01st August ,2013	10 A.M.	Bharatiya Bhasha Parishad 36A, Shakespeare Sarani, Kolkata – 700017
31.03.2014	05th August, 2014	10 A.M.	Bharatiya Bhasha Parishad 36A, Shakespeare Sarani, Kolkata – 700017

No special resolutions has been passed in AGM/EGM in the last 3 years.

No special resolutions were required to be passed by the shareholders of the company through postal ballot during the year 2014-2015.

**9. VIGIL MECHANISM**

The Company has formulated a Policy of Vigil Mechanism with a view to provide a mechanism for employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of the code of conduct or ethics policy. It also provides for adequate safeguards against victimization of directors/ employees who avail of the mechanism. The company affirms that no personnel has been denied access to the audit committee. The purpose of this Policy is to encourage the Company's employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. The detail policy is disseminated in the website of the Company [www.grobtea.com](http://www.grobtea.com).

**10. DISCLOSURES**

- a) There have been no materially significant related party transactions which may have potential conflict with the interests of the company at large. The necessary disclosures regarding the transactions are given in the notes to accounts.

The Company has also formulated a policy for determining the Material RPT and the details of such policies for dealing with RPT and the Related Party Transactions are disseminated in the website of the Company [www.grobtea.com](http://www.grobtea.com).

- b) The company has followed all Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 while preparing Financial Statements.
- c) No money was raised by the Company through any public issue, right issue, preferential issue etc. in the last financial year.

- d) The Company has complied with all the applicable mandatory requirements stipulated under Clause 49 of Listing Agreement.
- e) There have been no instances of non-compliance in general by the company on any matters related to the capital markets, nor have any penalty been imposed on the company by the Stock Exchanges or SEBI or any other statutory authority on such matters.

#### 11. MEANS OF COMMUNICATIONS

The quarterly results of the company are published in leading newspapers The Echo of India ( all India edition ) and Arthik Lipi (Bengali – local edition) and displayed on the website of the Company namely www.grobtea.com. Quarterly Results including summary of events are presently not being sent to the Shareholders of the Company. No presentations have been made to institutional investors or to analysts.

#### 12. CODE OF CONDUCT FOR THE BOARD OF DIRECTORS AND THE SENIOR MANAGEMENT

The Company has a code of conduct for all its Board members and senior management personnel which is available on the website of the Company. It has received necessary declarations affirming compliance with it from all of them and a declaration to this effect duly signed by the Managing Director is attached to this report.

#### 13. GENERAL SHAREHOLDER INFORMATION

##### a) Annual General Meeting

Date and time	: 15th September 2015 at 10.30 a.m
Venue	: Bharatiya Bhasha Parishad 36A, Shakespeare Sarani, Kolkata – 700017
Book Closure Date	: 02.09.2015 to 15.09.2015 (both days inclusive)
Financial Year	: 1st April, 2014 to 31st March, 2015

##### b) Financial Calendar 2014-2015 (tentative)

Financial Reporting for the Quarter Ending :

June 30, 2015	By 15th August ,2015
September 30, 2015	By 15th November, 2015
December 31, 2015	By 15th February, 2016
Audited Result for the Year Ended 31st March, 2016	By 30th May, 2016

##### c) Particulars of Dividend for the year ended 31.03.2015

The Dividend, if approved at AGM will be paid within 30 Days of such approval.

##### d) Listing on Stock Exchange

The Company's Shares are listed at Calcutta Stock Exchange and the Annual Listing Fees for the Year 2015-2016 have been paid to the Stock Exchange.

##### e) Stock Code

Name of the Stock Exchange	Stock Code
Calcutta Stock Exchange (CSE)	10017201
ISIN Number for NSDL & CDSL	INE646C01018

##### f) Stock Market Price Data : No transaction takes place during the year.

##### g) Shareholding Pattern as on 31st March, 2015 :

Sl. No.	Category	Number of Shareholders	No. of Shares Held	% of Share Holding
1.	Promoters & Promoters Group	2	8,70,358	74.88
2.	Financial Institutions, Banks & Mutual Funds	7	1,808	0.16
3.	Private Body Corporates	34	57,549	4.95
4.	NRI / OCB	24	4953	0.42
5.	Individuals	1780	2,27,562	19.58
6.	Trust	1	100	.01

**h) Distribution of Shareholding as on 31st March 2015:**

Number of Equity Shares held	Number of Share holders	Number of Shares	% of Capital
Upto 500	1791	1,52,717	13.1389
501-1000	36	25,906	2.2288
1001-2000	13	18,080	1.5555
2001-3000	1	2,100	0.1807
3001-4000	1	3093	0.2661
4001-5000	1	4076	0.3507
5001-10000	-	-	-
10001 AND ABOVE	5	9,56,358	82.2794
Total	1848	11,62,330	100.00

**i) Registrar and Share Transfer Agents**

Niche Technologies Pvt. Ltd., having its registered office at D-115, Bagree Market, 5th Floor, 71, B R B Basu Road, Kolkata - 700001 are the Registrars for the demat segment and also the share transfer agents of the company, to whom communications regarding share transfer and dematerialization requests must be addressed. All matters connected with share transfer, transmission, dividend payment is handled by the share transfer agent.

**j) Share Transfer System**

The shares received for transfer in physical mode, if in order in all respects are registered and returned within 2 weeks from the date of lodgment.

**k) Dematerialization of Shares and Liquidity**

As on 31st March, 2015 86.97% of the Company's equity shares of Rs. 10/- each representing 10,10,897 shares were in dematerialized form and the balance 13.03% representing 1,51,433 shares were in physical form. The entire shareholding of the Promoters is in the dematerialized form.

**l) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments**

The Company has not issued any GDRs/ADRs/Warrants or any Convertible Instruments.

**m) Plant Locations**

As given on the first page of the Annual Report.

**n) Address for Correspondence**

To contact Registrars & Share Transfer Agents for matters relating to shares

M/s. Niche Technologies Pvt. Ltd.  
D-511, Bagree Market, 5th Floor,  
71, B R B Basu Road, Kolkata – 700 001  
Phone No. : 033 22357270/7271  
Fax : 033 22156823  
E-mail: nichetechpl@nichetechpl.com

For any other general matters or in case of any difficulties / grievance

Mr. B L Patawari  
CFO & Company Secretary  
Phone No. : 033 40031325/26  
Fax : 033 40040892  
E-mail : grobtea@rawalwasia.co.in

For & on behalf of the Board

Kolkata  
Dated : 28th May 2015

M.K.Agarwal                      Director  
DIN NO. 00697746  
I.B.Sharaf                         Executive Director  
DIN NO. 00047266

**DECLARATION REGARDING CODE OF CONDUCT**

This is to confirm that the Company has adopted Codes of Conduct to be followed by the Members of the Board and Senior Management Personnel of the Company respectively in compliance with Clause 49 of the Listing Agreement with the Stock Exchanges. The said Code is available on the Company's website.

I hereby declare that all Board Members and Senior Management Personnel's have affirmed compliance with Code of Conduct of the Company.

For The Grob Tea Company Limited  
I B Sharaf  
Executive Director  
DIN No. 00047266

**MD/CFO CERTIFICATE**

To,  
The Board of Directors,  
The Grob Tea Company Limited

1. We have reviewed the financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
  - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b) these statements together present a true and fair view of the state of affairs of the company and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
3. We accept overall responsibility for establishing and maintaining internal control for financial reporting. This is monitored by the internal audit function, which encompasses the examination and evaluation of the adequacy and effectiveness, of internal control. The internal auditor works with all levels of management and statutory auditors and reports significant issues to the audit committee of the Board. The auditors and audit committee are appraised of any corrective action taken with regard to significant deficiencies in the design or operation of internal controls.
4. We indicate to the auditors and to the audit committee:
  - a) Significant changes in internal control over financial reporting during the year;
  - b) Significant changes in accounting policies during the year; and that the same have been disclosed in the notes to the financial statements; and
  - c) Instances of significant fraud of which we have become aware of and which involve management or other employees having significant role in the company's internal control system and financial reporting. However, during the year there was no such instance.

For & on behalf of the Board

Kolkata  
Dated : 28th May 2015

**I.B.Sharaf** Executive Director  
DIN NO. 00047266

**B. L. Patawari** CFO & Company Secretary

## CERTIFICATE ON CORPORATE GOVERNANCE

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

We have examined the compliance of conditions of Corporate Governance by The Grob Tea Company Limited for the year ended March 31, 2015 as stipulated in Clause 49 of the Listing Agreement of the said company with the stock exchange.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedure 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 in general with the conditions of corporate governance as stipulated in the above mentioned Listing Agreement, however the woman director has been appointed by the company on 28th May, 2015 in compliance with the provisions of section 149 of the companies Act, 2013 and clause 49 of the Listing Agreement.

We state that in respect of Investors' grievances received during the financial year ended on 31st March' 2015, no Investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/ Investors Grievance Committee.

We further 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.

14/2 Old China Bazar Street  
Kolkata-700001

Dated: 28th May, 2015

For **H M CHORARIA & CO.**  
Practising Company Secretaries  
**H M CHORARIA**  
Proprietor  
F.C.S. No. 2398, C. P. No. 1499

**Form No. MGT – 9**  
**EXTRACT OF ANNUAL RETURN**

ANNEXURE – “C”

**as on the financial year ended on March 31, 2015**

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

**I. REGISTRATION AND OTHER DETAILS:**

- i) CIN : L15494WB1895PLC000963
- ii) Registration Date : 7th January, 1895
- iii) Name of the Company : The Grob Tea Co. Ltd.
- iv) Category / Sub-Category of the Company : Public Company having Share Capital
- v) Address of the Registered office and contact details : 86A, Topsia Road, 9th Floor,  
Kolkata - 700046  
Phone: 033- 40031325/26  
Fax : 033- 40040892  
E-mail : grobtea@rawalwasia.co.in  
Website : www.grobtea.com
- vi) Whether listed company : Yes. Listed on Calcutta Stock Exchange
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : Niche Technologies (P) Ltd.  
D-511, Bagree Market, 5th Floor,  
71, B.R.B. Basu Road, Kolkata – 700 001  
Phone : 033-22357270/7271  
Fax : 033-22156823  
E-mail : nichetechpl@nichetechpl.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	Tea	0902/4020	100.00

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

Sl. No.	Name & Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
<b>Not Applicable</b>					

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter(s)</b>									
(1) <b>Indian</b>									
a) Individual/ HUF	0	0	0	0	0	0	0	0	0
b) Central Government	0	0	0	0	0	0	0	0	0
c) State Governments	0	0	0	0	0	0	0	0	0
d) Bodies Corporate	861180	9178	870358	74.88	861180	9178	870358	74.88	0



e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
<b>Sub Total(A) (1)</b>	<b>861180</b>	<b>9178</b>	<b>870358</b>	<b>74.88</b>	<b>861180</b>	<b>9178</b>	<b>870358</b>	<b>74.88</b>	<b>0</b>
<b>(2) Foreign</b>									
a) NRIs Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) BodiesCorporate	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
<b>Sub Total(A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>861180</b>	<b>9178</b>	<b>870358</b>	<b>74.88</b>	<b>861180</b>	<b>9178</b>	<b>870358</b>	<b>74.88</b>	<b>0</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FIs	250	1558	1808	0.16	250	1558	1808	0.16	0
c) CentralGovernment	0	0	0	0	0	0	0	0	0
d) State Governments	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) InsuranceCompanies	0	0	0	0	0	0	0	0	0
g) Foreign Institutional Investors	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
i) Any Other	0	0	0	0	0	0	0	0	0
<b>Sub-total(B)(1)</b>	<b>250</b>	<b>1558</b>	<b>1808</b>	<b>0.16</b>	<b>250</b>	<b>1558</b>	<b>1808</b>	<b>0.16</b>	<b>0</b>
<b>2. Non- Institutions</b>									
a) BodiesCorporate									
i) Indian	54101	3448	57549	4.95	54101	3448	57549	4.95	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	57729	133933	191662	16.49	59266	132296	191562	16.48	-0.01
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	36000	0	36000	3.10	36000	0	36000	3.10	0.00
c) Others(specify)	0	0	0	0	0	0	0	0	0
NRI's	4873	4873	0.42	0	4873	4873	0.42	0.00	
Trust	0	0	0	0	100	0	100	0.01	0.01
Overseas Corporate Bodies	0	80	80	0.01	0	80	80	0.01	0
<b>Sub Total(B)(2)</b>	<b>147830</b>	<b>142334</b>	<b>290164</b>	<b>24.96</b>	<b>149467</b>	<b>140967</b>	<b>290164</b>	<b>24.96</b>	<b>—</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>1009260</b>	<b>153070</b>	<b>1162330</b>	<b>100.00</b>	<b>1010897</b>	<b>151433</b>	<b>1162330</b>	<b>100.00</b>	<b>0</b>

## (ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	RAWALWASIA INDUS. PRIVATE LIMITED	478179	41.14	0	478179	41.14	0	0
2	STRIP COMMDEAL PRIVATE LIMITED	392179	33.74	0	392179	33.74	0	0

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	RAWALWASIA INDUSTRIES PVT. LTD.				
	At the beginning of the year	478179	41.14	478179	44.14
	Increase / Decrease in Promoters Share holding during the year	No Change in Shareholding during the year			
	At the End of the year	478179	41.14	478179	44.14
2.	STRIP COMMDEAL PVT. LTD.				
	At the beginning of the year	392179	33.74	392179	33.74
	Increase / Decrease in Promoters Share holding during the year	No Change in Shareholding during the year			
	At the End of the year	392179	33.74	392179	33.74

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	DHANVANTRI VANIJYA LTD				
	a) At the Beginning of the Year	3093	0.27	3093	0.27
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year	3093	0.27	3093	0.27
2	K. SARLA SINGHI				
	a) At the Beginning of the Year	1750	0.15	1750	0.15
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year	1750	0.15	1750	0.15
3	MAHENDRA GIRDHARILAL				
	a) At the Beginning of the Year	4076	0.35	4076	0.35
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year	4076	0.35	4076	0.35

4	RAJ KUMAR NAHATA				
	a) At the Beginning of the Year	1700	0.15	1790	0.15
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year	1700	0.15	1790	0.15
5	RAMSWARUP DEOTADIN TIWARI				
	a) At the Beginning of the Year	1600	0.14	1600	0.14
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year	1600	0.14	1600	0.14
6	S. N. SUTODIYA				
	a) At the Beginning of the Year	2100	0.18	2100	0.18
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year	2100	0.18	2100	0.18
7	SANWAR MAL GUPTA				
	a) At the Beginning of the Year	20000	1.72	20000	1.72
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year	20000	1.72	20000	1.72
8	SHREE BALAJI COMMOTRADE PVT. LTD.				
	a) At the Beginning of the Year	50000	4.30	50000	4.30
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year	50000	4.30	50000	4.30
9	SUKUMAR CHATTERJEE				
	a) At the Beginning of the Year	1600	0.14	1600	0.14
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year	1600	0.14	1600	0.14
10	VISHNU DASS MITTAL				
	a) At the Beginning of the Year	16000	1.38	16000	1.38
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year	16000	1.38	16000	1.38
	<b>T O T A L</b>	<b>101919</b>	<b>8.77</b>	<b>101919</b>	<b>8.77</b>

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

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	<b>Mr. Indu Bhusan Sharaf</b>				
	At the beginning of the year	0	0	200	0.00
	Change during the year	200	0.00		
At the end of the year (or on the date of separation, if separated during the year)	200	0.00			
2.	<b>Mr. Bajrang Lal Patawari</b>				
	At the beginning of the year	0	0	100	0.00
	Change during the year	100	0.00		
At the end of the year ( or on the date of separation, if separated during the year)	100	0.00			

**V. INDEBTEDNESS**

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	238.98	-	-	238.98
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	238.98	-	-	238.98
<b>Change in Indebtedness during the financial year</b>				
– Addition	220.69	1060.00	-	1280.69
– Reduction	13.10	100.00	-	113.10
<b>Net Change</b>	207.59	960.00	-	1167.59
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	446.57	960.00	-	1406.57
ii) Interest due but not paid				
iii) Interest accrued but not	-	-	-	-
<b>Total (i+ii+iii)</b>	446.57	960.00	-	1406.57

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager :** (₹ in Lacs.)

Sl. No.	Particulars of Remuneration	Name of Executive Director Sri Indu Bhusan Sharaf	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary u/s 17(3) Income- tax Act, 1961	14.01 0.22	14.01 0.22
2.	Stock Option	0.00	0.00
3.	Sweat Equity	0.00	0.00
4.	Commission	0.00	0.00
5.	Others, please specify	0.00	0.00
	<b>Total (A)</b>	14.23	14.23
	Ceiling as per the Act	5% of the net profit of the Company calculated as per Section 198 of the Companies Act, 2013.	

**B. Remuneration to other directors:** (₹ in Lacs.)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Sri. P.K. Agarwal	Sri. M K Agarwal	Sri. H M Parekh	Sri. P J Bhide	
1.	Independent Directors • Fee for attending board, committee meetings	0.00	0.00	0.16	0.16	0.32
	<b>Total (1)</b>	0.00	0.00	0.16	0.16	0.32
2.	Other Non-Executive Directors • Fee for attending board committee meetings	0.14	0.14	0.00	0.00	0.28
	<b>Total (2)</b>	0.14	0.14	0.00	0.00	0.28
	<b>Total (B)=(1+2)</b>	0.14	0.14	0.16	0.16	0.60
	<b>Total Managerial Remuneration (A+B)</b>					14.83
	Overall Ceiling as per the Act	Overall Ceiling as per Cos Act, 2013 is 1 % of the profit of the Company for the year. The Company has not paid any remuneration to the non executive and independent directors.				

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

(₹ in Lacs.)

Sl. No.	Particulars of Remuneration	CFO & Company Secretary	Total Amount
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7.23	7.23
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.00	0.00
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0.00	0.00
2.	Stock Option	0.00	0.00
3.	Sweat Equity	0.00	0.00
4.	Commission- as % of profit- others, specify...	0.00	0.00
5.	Others, please specify	0.00	0.00
	<b>Total (A)</b>	<b>7.23</b>	<b>7.23</b>

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

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority RD / NCLT Court	Appeals made if any (give details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

NIL

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2015**

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

**The Members,  
The Grob Tea Co. Limited  
Haute Street, 9th Floor,  
86A, Topsia Road,  
Kolkata 700 046**

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

Based on our verification of the 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 financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by The Grob Tea Co. Limited for the financial year ended on 31st March, 2015 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;
- (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;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (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;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(vi) We further report that after considering the compliance system prevailing in the Company, and after carrying out test checks of the relevant records and documents maintained by the Company, it has complied with the following laws that are applicable specifically to the Company :

- (a) The Tea Act, 1953,
- (b) Assam Tea Plantation Labour Act, 1951
- (c) Food Safety Standard Act, 2006 and
- (d) Directions given by the Office of the Textile Commission and rules made thereunder

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India, were not applicable to the Company during the year under review hence no comment.
- (ii) The Listing Agreements entered into by the Company with CSE Limited,

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

1. *The Company had appointed the Secretary on 28th May , 2015 to fill up the position lying vacant under section 203 of the Companies Act, 2013.*
2. *The Company has appointed woman director on 28/05/2015, pursuant to the provisions of section 149 and the Companies Act, 2013,*

**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 which were sent at least seven days in advance, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and Clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions is carried through at the Meetings of the Board and Committees and the dissenting members' views, if any, are captured and recorded as part of the minutes of respective meetings.

**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 no specific event has happened and / or no action has been taken by the Company having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

Place : Kolkata:  
Date : 28th May 2015

**H M Choraria & Co.**  
Practising Company Secretaries  
Sd/-  
**( H M Choraria )**  
Proprietor  
FCS No:2398,CP No.: 1499

**ANNEXURE TO THE DIRECTORS REPORT****ANNEXURE – “E”****PARTICULARS OF EMPLOYEES**

**Information required under Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

- A. Ratio of remuneration of Director to the median remuneration of all the employees and percentage increase in the remuneration of Director and CFO & Company Secretary of the Company for the financial year 2014-15 is as follows:

Sl. No.	Name	Designation	Ratio/Times per Median of employee remuneration	Percentage increase in Remuneration
1.	I B Sharaf	Executive Director	16.33	10.91%
2.	B L Patawari	CFO & Company Secretary	NA	7.51%

- B. Percentage increase in the median remuneration of all employees in the financial year 2014-15: About 10.90%
- C. Number of permanent employees on the rolls of the Company: 4194 Employees as on 31st March, 2015.
- D. Explanation on the relationship between average increase in remuneration and Company Performance:  
The increase in remuneration of employees is partly based on Industry wide agreement applicable to the concerned employees and partly on the basis on the performance of the employees. During the year the average increase in remuneration of employee was 11.02% as against decline of profit after tax by 74.94%.
- E. Comparison of the remuneration of the Key Managerial Personnel against the performance of your Company:  
The overall increase of remuneration of KMP is 9.21% as against the decline of profit after tax by 74.94 %.
- F. Variation in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase/decrease in the market quotations of the shares of the Company in comparison to the rate which the Company came out with the last public offer :  
Since there is no movement in share quotation in stock exchange for more than last five years so no comparison of variation in market capitalization and price earning can be made. The company has not made any public issue or right issue of securities in last 20 years, hence no comparison has been made.
- G. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with that percentile increase in the managerial personnel and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration :  
Average salary increase of the employee were 11.02% as against increase in KMP's salary of 9.21% which is not exceptional.
- H. Comparison of remuneration of each Key Managerial Personnel against the performance of the Company:  
Key Managerial Personnel's salary is based on his qualification, working experience , nature of job, industry benchmark and many other factors. Comparison of one against other is not feasible.
- I. Key parameters for the variable component of remuneration paid to the Directors:  
The key parameters for the variable component of remuneration to the Directors are decided by the Nomination and Remuneration Committee in accordance with the principles laid down in the Nomination and Remuneration Policy.
- J. There are no employees of the Company who receive remuneration in excess of the highest paid Director of the Company.
- K. Affirmation: Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and senior management is as per the Remuneration Policy of the Company.



**ANNEXURE TO THE DIRECTORS REPORT****ANNEXURE – “F”**

Particulars of Conservation of Energy and technology absorption in terms of Section 217(1)(e) of the Companies Act 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 forming part of Directors Report for the year 31st March 2015.

**Conservation of Energy** : The Company is continuously focusing on energy conservation with in-depth monitoring of various workstations. Maintenance and overhauls of generators are strictly followed so as to enable a high unit per ltr. delivery. Replacement of old and outdated equipments, wherever required with energy efficient equipment giving higher output with less energy consumption. The energy consumption for domestic purposes has been rationalized through creation of awareness and regular monitoring.

**FORM ‘A’**

Form for disclosure of particulars with respect to conservation of energy

		<u>Current year</u>	<u>Previous year</u>
<b>A.</b>	<b>POWER &amp; FUEL CONSUMPTION</b>		
1)	Electricity		
a)	Purchased Unit (Kwh)	2869650	2488471
	Total Amount (‘)	23715627	19879985
	Rate/Unit (‘)	8.26	7.99
b)	Own Generation		
	Through Diesel Generation	869307	780129
	Unit (Kwh)	3.12	3.09
	Unit per Ltr of Diesel Oil	17.27	18.83
	Cost/Unit (‘)		
2	Coal		
	Qty (tones)	1925	1629
	Total Cost (‘)	12651186	9983850
	Average Rate (‘)	6573	6129
3	Furance Oil		
	Qty (K-Litres)	11100	-
	Total Amount (‘)	605460	-
	Average Rate (per Ltr)	54.55	-
4	Gas		
	Qty in CCU	876582	859695
	Total Cost (‘)	11924788	11236959
	Rate/Unit	13.60	13.07
<b>B.</b>	<b>CONSUMPTION PER UNIT OF PRODUCTION</b>		
	Production of Tea (Kgs)	3880655	3809030
	Electricity (Units)	0.74	0.65
	Furnace Oil (Ltr)(on total production)	0.00	-
	Coal (Kgs)	1.10	1.06
	Other – Gas (Scm)	0.41	0.38

## ANNEXURE TO THE DIRECTOR'S REPORT

### FORM 'B'

ANNEXURE- "F" (Contd)

#### Research and Development (R & D)

- 1 Specific area in which R&D carried out by the Co.
- 2 Benefits as result of above R&D
- 3 Future plan of action
- 4 Expenditure of R&D

Research and Development (R&D) The Company is a member of the Tea Research Association and contributed ₹ 7.89lacs as subscription during the year. The thrust of the Company remains on productivity and quality improvement by efficient Operations.

#### TECHNOLOGY ABSORPTION ADAPTION AND INNOVATION

##### 1. Efforts in brief made towards technology absorption, adaptation and innovation

The Company undertakes modernization and upgradation of factories on a regular basis with improved technology.

##### 2. Benefits derived as a result of the above efforts e.g. quality improvement resulting cost reduction product development, import substitution etc.

Increase in the quality of tea produced resulting higher realization and cost reductions were achieved in some tea estates.

##### 3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the Financial Year) following information may be furnished :

- a) Technology imported
- b) Year of import
- c) Has Technology been fully absorbed No technology was imported
- d) If not absorbed area where this has not taken place, reasons therefore and future plan of actions

#### Foreign Exchange Earnings and Outgo

- a) Foreign Exchange Earning ₹ Nil
- b) Foreign Exchange outgo ₹ 4,21,932

For & on behalf of the Board

M.K.Agarwal Director  
DIN No. 00697746

I.B.Sharaf Executive Director  
DIN NO. 00047266

Kolkata  
Dated : 28th May 2015

## **INDEPENDENT AUDITORS' REPORT**

To the Members of The GROB TEA COMPANY LIMITED

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **The Grob Tea Company Limited ("the Company")**, which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement, and a summary of significant accounting policies and other explanatory information for the year then ended.

### **Management's responsibility for the 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 of these 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 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 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 controls 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by 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 financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2015 and its profit and its cash flows for the year ended on that date.

## Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - i. 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.
  - ii. 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.
  - iii. 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.
  - iv. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - v. On the basis of the written representations received from the directors as at 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as at 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - vi. 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:
    - a. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 27.1 to the financial statements.
    - b. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts. The Company has neither entered into any derivative contract during the year nor have any outstanding derivative contract at the year end.
    - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **G. P. AGRAWAL & CO.**  
 CHARTERED ACCOUNTANTS  
 (F.R No. 302082E)  
**(CA. SUNITA KEDIA)**  
 Membership No. : 60162  
 Partner

7A, KIRAN SHANKAR RAY ROAD,  
 KOLKATA - 700 001  
 Dated : 28th May, 2015

## **ANNEXURE TO INDEPENDENT AUDITORS' REPORT**

Statement referred to in our report of even date to the members of **The Grob Tea Company Limited** on the financial statements for the year ended 31st March, 2015.

- (i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- b) The fixed assets of the Company have been physically verified at the end of the year by the management. To the best of our knowledge, no material discrepancy was noticed on such verification.
- (ii) a) The inventories (excluding stocks lying with third parties) have been physically verified at the end of the year by the management. In respect of inventory lying with third parties, these have been verified with reference to subsequent sale. In our opinion, the frequency of verification is reasonable.
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- c) On the basis of our examination, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between physical stocks and book records were not material and have been properly dealt with in the books of accounts.
- (iii) The Company has not granted any loan, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Act. Therefore, clauses (iii) (a) and (iii)(b) of paragraph 3 of the said order are not applicable to the Company.
- (iv) On the basis of the information and explanation given to us, we are of the opinion that the Company has an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have we been informed of any instance of major weaknesses in the aforesaid internal control system.
- (v) The Company has not accepted any deposit within the meaning of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under. The directives issued by the Reserve Bank of India are not applicable to the Company.
- (vi) As per information and explanations given by the management, maintenance of Cost records as prescribed by the Central Government under Section 148(1) of the act is not applicable to the company.
- (vii) a) On the basis of our examination, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues, to the extent applicable, with appropriate authorities and no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2015 for a period of more than six months from the date of becoming payable.
- b) The disputed statutory dues aggregating to Rs. 39,00,260/- that have not been deposited on account of matters pending before appropriate authorities are as under:

**ANNEXURE TO INDEPENDENT AUDITORS' REPORT (Contd)**

Name of the statute	Nature of dues	Period to which Pertains	Amount (Rs.)	Forum (where the dispute is pending)
Income Tax Act, 1961	Income tax	2008-09	15,47,530	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	2011-12	19,37,270	Commissioner of Income Tax (Appeals)
Central Excise Act, 1944	Excise Duty	2012-13	4,15,460	Commissioner (Appeals)

- c) The amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under has been transferred to such fund within time.
- (viii) The Company does not have accumulated losses as at the end of the financial year and has not incurred any cash loss during the year covered by our audit or in the immediately preceding financial year.
- (ix) The Company has not defaulted in payment of dues to financial institutions or banks. The Company has not issued any debentures.
- (x) On the basis of our examination and according to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from banks or financial institutions.
- (xi) On the basis of our examination and according to the information and explanations given to us, the term loans have been applied for the purpose for which the loans were obtained.
- (xii) In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year that causes the financial statements materially misstated.

For **G. P. AGRAWAL & CO.**  
 CHARTERED ACCOUNTANTS  
 (F.R No. 302082E)  
**(CA. SUNITA KEDIA)**  
 Membership No. : 60162  
 Partner

7A, KIRAN SHANKAR RAY ROAD,  
 KOLKATA - 700 001  
 Dated : 28th May, 2015

**BALANCE SHEET AS AT 31ST MARCH, 2015**

	Note No.	<u>As at 31st March, 2015</u>		<u>As at 31st March, 2014</u>	
		₹	₹	₹	₹
<b>I EQUITY AND LIABILITIES</b>					
<b>1 Shareholders' Funds</b>					
a) Share capital	2	11,623,300		11,623,300	
b) Reserves and surplus	3	<u>304,874,208</u>	316,497,508	<u>272,655,649</u>	284,278,949
<b>2 Non-Current Liabilities</b>					
a) Long term borrowings	4	251,564		1,684,483	
b) Deferred tax liabilities (Net)	5	—		—	
c) Other long- term liabilities	6	—		3,061,440	
d) Long term provisions	7	<u>31,127,795</u>	31,379,359	<u>20,446,473</u>	25,192,396
<b>3 Current Liabilities</b>					
a) Short term borrowings	8	138,972,672		20,904,405	
b) Trade payables	9	22,299,169		16,906,458	
c) Other current liabilities	10	55,586,253		48,898,036	
d) Short term provisions	11	<u>6,294,914</u>	223,153,008	<u>4,471,569</u>	91,180,468
<b>TOTAL</b>			<u>571,029,875</u>		<u>400,651,813</u>
<b>II ASSETS</b>					
<b>1 Non-Current Assets</b>					
a) Fixed Assets					
i) Tangible assets	12	446,136,331		332,385,309	
b) Non-current investments	13	2,181,543		2,181,543	
c) Long term loans and advances	14	8,191,728		8,070,050	
d) Other non-current assets	15	<u>88,315</u>	456,597,917	<u>—</u>	342,636,902
<b>2 Current Assets</b>					
a) Inventories	16	57,966,729		37,459,660	
b) Trade receivables	17	7,481,290		2,905,583	
c) Cash and bank balances	18	43,285,954		6,235,192	
d) Short term loans & advances	19	5,505,530		6,069,550	
e) Other current assets	20	<u>192,455</u>	114,431,958	<u>5,344,926</u>	58,014,911
<b>TOTAL</b>			<u>571,029,875</u>		<u>400,651,813</u>
Significant accounting policies	1				
Other Disclosures	27				

The accompanying notes 1 to 27 are an integral part of the financial statement.  
As per our report of even date attached.

For G. P. AGRAWAL & CO.  
Chartered Accountants  
F.R No. 302082E  
(CA.Sunita Kedia)  
Partner  
Membership No. 60162

Place: 7A, Kiran Shankar Ray Road  
Kolkata – 700 001  
Dated : 28th May, 2015

M K AGARWAL	}	Directors
H PAREKH		
P J BHIDE		
I B SHARAF		
B L PATAWARI		Executive Director CFO & Company Secretary

**Statement of Profit and Loss Account for the year ended 31st March, 2015**

	Note	Year ended 31st March, 2015		Year ended 31st March, 2014	
		₹	₹	₹	₹
<b>I Revenue from operations</b>					
Sale of goods	21	606,710,743		600,065,522	
Other operating revenue		3,519,323		2,838,263	
Revenue from operations			610,230,066		602,903,785
<b>II Other income</b>	22		14,458,315		17,532,186
<b>III Total Revenue ( I + II )</b>			624,688,381		620,435,971
<b>IV Expense:</b>					
a) Cost of materials consumed - Green leaf			19,701,151		830,161
b) Changes in inventories of finished goods	23		(8,995,419)		(3,227,992)
c) Employee benefits expense	24		276,317,322		248,719,716
d) Finance costs	25		8,334,663		7,906,653
e) Depreciation and amortisation expense			34,565,834		24,410,786
f) Other expenses	26		280,189,019		296,336,571
<b>Total Expenses</b>			610,112,570		574,975,894
<b>V Profit Before Exceptional and Extraordinary Items and Tax ( III - IV )</b>			14,575,811		45,460,077
<b>VI. Exceptional Items</b>			—		—
<b>VII. Profit Before Extraordinary Items &amp; Tax (V+VI)</b>			14,575,811		45,460,077
<b>VIII. Extraordinary Items</b>			—		—
<b>IX. Profit Before Tax ( VII-VIII )</b>			14,575,811		45,460,077
<b>X. Tax Expenses</b>					
1) Current Tax		5,000,000		8,500,000	
2) Deferred Tax		—	5,000,000	(1,250,486)	7,249,514
<b>XI Profit for the year ( IX - X )</b>			9,575,811		38,210,563
<b>XII Earning per equity share (Face value ₹ 10/-):</b>	27.3				
1) Basic			8.24		32.87
2) Diluted			8.24		32.87
Significant accounting policies	1				
Other Disclosures	27				

The accompanying notes 1 to 27 are an integral part of the financial statement.  
As per our report of even date attached.

Place: 7A, Kiran Shankar Ray Road Kolkata – 700 001 Dated : 28th May, 2015	For G. P. AGRAWAL & CO. Chartered Accountants F.R No. 302082E (CA.Sunita Kedia) Partner Membership No. 60162	M K AGARWAL H PAREKH P J BHIDE I B SHARAF B L PATAWARI	} Directors Executive Director CFO & Company Secretary



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015**

	Year ended 31st March, 2015 ₹	Year ended 31st March, 2014 ₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation & extra ordinary item	14,575,811	45,460,077
Adjustment for :		
Depreciation	34,565,834	24,410,786
Finance costs	8,334,663	7,906,653
Interest Received	(1,998,088)	(1,534,474)
Dividend on Long Term Investments	(98,844)	(89,644)
Rent Received	(8,017,078)	(14,022,460)
Liabilities no longer required written back	(3,622,681)	(353,686)
Profit on disposal of Fixed Assets	(374,564)	(518,654)
Sundry Balances Written Off	1,202	31,380
Store written off	—	110,957
Operating Profit before working capital changes	43,366,256	61,400,935
Adjustment for changes in:		
Increase/(Decrease) in Trade Payable	9,015,392	384,054
Increase/(Decrease) in Other Current Liabilities	6,390,105	(790,073)
Increase/(Decrease) in Provisions	10,780,981	1,062,758
Increase/(Decrease) in Trade Receivables	(4,576,911)	6,307,264
Increase/(Decrease) in Inventory	(20,507,069)	(5,735,957)
Increase/(Decrease) in Loans and Advances	442,342	4,216,964
Increase/(Decrease) in Other Current assets	5,087,884	1,422,165
Cash generated from operations before tax & extra ordinary item	49,998,980	68,268,111
Direct Taxes Paid	(3,346,030)	(9,520,542)
Cash generated from operations before extra ordinary item	46,652,950	58,747,569
Extraordinary Item	—	—
Net Cash Flow from Operating Activities (A)	46,652,950	58,747,569
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Addition to Fixed Assets	(149,041,104)	(20,505,454)
Sale of Fixed Assets	757,100	1,282,816
Investment Made	—	—
Sale of Investment	—	—
Dividend Received	98,844	89,644
Investment in Fixed deposits	(5,000,000)	(5,000,000)
Maturity of Fixed deposits	5,000,000	5,000,000
Subsidy received	341,711	—
Interest Received	1,974,362	1,805,589
Rent Received	8,017,078	14,022,460
Security Deposit repaid	(3,061,440)	—
Compensation received from Government	25,432,200	—
Net Cash used in Investing Activities (B)	(115,481,250)	(3,304,944)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from long term borrowings	—	2,994,527
Repayment of long term borrowings	(1,310,029)	(2,875,132)
Proceeds from/(Repayment of) Working capital Borrowings (Net)	118,068,268	(45,596,507)
Interest paid	(7,749,700)	(7,501,053)
Other borrowing costs	(584,963)	(405,600)
Dividend Paid (including tax thereon)	(2,719,736)	(2,701,836)
Net Cash used in Financing Activities (C)	105,703,839	(56,085,601)
<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>36,875,539</b>	<b>(642,978)</b>
Cash and Cash Equivalents (Note 18)		
Opening Balance	808,802	1,451,780
Closing Balance	<b>37,684,341</b>	<b>808,802</b>

**NOTES :**

1. The above Cash Flow Statement has been prepared under the Indirect Method as set out in the Accounting Standard - 3 on Cash Flow Statement. This is the Cash Flow Statement referred to in our report of even date.

For G. P. AGRAWAL & CO.

Chartered Accountants

F.R.No.302082E

(CA.Sunita Kedia)

Partner

Membership No. 60162

M K AGARWAL

H PAREKH

P J BHIDE

I B SHARAF

B L PATAWARI

Directors

Executive Director

CFO & Company Secretary

Place: 7A, Kiran Shankar Ray Road

Kolkata – 700 001

Dated : 28th May, 2015

**NOTES TO FINANCIAL STATEMENTS****Note No.1: Significant Accounting Policies****1.1 Basis of Preparation**

- a) The financial statements are prepared in accordance with the historical cost convention and on accrual basis of accounting.
- b) The financial statements have been prepared in accordance with 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 specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 1956 and Companies Act, 2013, to the extent applicable.
- c) The preparation of financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities including Contingent Liabilities as of the date of the financial statements and the reported income and expenses for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.
- d) All Assets and Liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and time between the acquisition of assets for growing and manufacturing tea and their realization in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

**1.2 Fixed Assets**

- a) Fixed Assets are stated at cost less accumulated depreciation. Cost includes taxes, duties, freight and incidental expenses related to the acquisition and installation of the assets.
- b) Depreciation on Fixed Assets is provided to the extent of depreciable amount on the Written Down Value (WDV) Method based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 which reflects the management's estimate of the useful lives of the respective fixed assets.
- c) The cost of extension planting of cultivable land inclusive of cost of development is capitalized as and when incurred.
- d) Leasehold land and development are not depreciated with effect from 30<sup>th</sup> June, 1986 in view of long term nature of lease.
- e) Capital Work-in-Progress comprises the cost of fixed assets that are not yet ready for their intended use at the reporting date.

**1.3 Investments**

Investment which are readily realizable and intended to be held not more than one year from the date on which such investments are made, are classified as current investments. All Other investments are classified as long-term investment. Current Investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long Term Investments are stated at cost less provision for other than temporary diminution in value, to recognize a decline in the value of the investments.

**1.4 Inventories**

- a) Inventories (other than tea waste) are valued at lower of cost or net realizable value after providing for obsolescence, if any. Cost of inventory comprises of purchase price, cost of conversion and other cost incurred in bringing the Inventories to their respective present location and condition. The cost of Inventories is computed on weighted average basis.
- b) Tea wastes are valued at net realizable value.

**1.5 Revenue Recognition**

- a) Sale of goods is recognised at the point of dispatch of finished goods to customers.
- b) Gross turnover is net of sales tax/VAT and inclusive of excise duty.
- c) Dividend income is recognized when the Company's right to receive dividend is established.
- d) Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.
- e) All other income is accounted for on accrual basis.

**1.6 Expenses**

All the expenses are accounted for on accrual basis.

**1.7 Employee Benefits**

- a) Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.
- b) Post employment and other long-term employee benefits are recognized as an expense in the Statement of Profit and Loss for the year in which the employee has rendered services. The expense is recognized at the present

**Notes to Financial Statements(Contd.)**

value of the amount payable determined using actuarial valuations. Actuarial gains and losses in respect of post employment and other long-term employee benefits are recognized in the Statement of Profit and Loss.

**1.8 Borrowing Costs**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such asset. A qualifying asset is one that necessarily takes a substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

**1.9 Insurance Claims**

Insurance claims are recognized when the amount thereof can be reasonably ascertained and the claim is likely to be received.

**1.10 Grants and Subsidies**

- a) Grants and subsidies from the Government are recognised when there is reasonable assurance that the Company would comply with the conditions attached with them and the grant/subsidy would be received.
- b) Grants and subsidies related to specific fixed assets are adjusted with the value of the fixed asset. If not related to a specific fixed asset, it is credited to Capital Reserve.
- c) Grants and subsidies related to revenue items are adjusted with the related expenditure. If not related to a specific expenditure, it is taken as income.

**1.11 Foreign Currency Transactions**

- a) Transactions in foreign currency are initially recorded at the exchange rate at which the transaction is carried out.
- b) Monetary assets and liabilities related to foreign currency transactions remaining outstanding at the year-end are translated at the year-end exchange.
- c) Any income or expense on account of exchange difference either on settlement or on translation at the year end is recognized in the Statement of Profit and Loss.

**1.12 Research & Development**

Revenue expenditure is charged off in the year it is incurred and expenditure of capital nature is capitalized.

**1.13 Taxes on Income**

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognized subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in or more subsequent periods. Deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realized in future.

**1.14 Impairment of Assets**

Wherever events or changes in circumstances indicate that the carrying value of fixed assets may be impaired, the company subjects such assets to test of recoverability, based on discounted cash flows expected from use or disposal of such assets. If the assets are impaired, the Company recognizes an impairment loss as difference between the carrying value and recoverable value.

After impairment, depreciation or amortisation on assets is provided on the revised carrying amount of the respective asset over its remaining useful life.

**1.15 Provisions, Contingent Liabilities and Contingent Assets**

- a) Provisions are recognised in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered probable. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the balance sheet date.
- b) Contingent liabilities are shown by way of Notes to the Accounts in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered not probable.
- c) Contingent assets are not recognized in the Accounts.

**1.16 Earnings Per share**

Basic earnings per share is computed by dividing the profit after tax (including the post tax effect of extra ordinary items, if any) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit after tax (including the post tax effect of any extra ordinary items, if any) by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares.

**1.17 Cash flow statement**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing flows. The cash flows from operating, investing and financing activities of the Company are segregated.

**Notes to Financial Statements (Contd.)**

	<u>As at 31st March 2015</u>	<u>As at 31st March 2014</u>
	₹	₹
<b>2. SHARE CAPITAL</b>		
a) <b>Authorised</b>		
30,00,000 ( Previous Year 30,00,000)		
Equity Shares of ₹ 10/- each	<u>30,000,000</u>	<u>30,000,000</u>
b) <b>Issued, Subscribed and Paid Up</b>		
11,62,330 (Previous Year 11,62,330)		
Equity Shares of ₹ 10/- each fully paid up	<u>11,623,300</u>	<u>11,623,300</u>
c) <b>Rights, preferences and restrictions attached to shares</b>		

The company has only one class of equity shares having par value of ₹ 10/-. The holders of equity shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

d) **Shareholders holding more than 5 % of the equity shares in the Company :**

Name of the Shareholders	As at 31st March 2015		As at 31st March 2014	
	No. of Shares	% held	No. of Shares	% held
M/S Rawalwasia Industries Pvt. Ltd.	478,179	41.14	478,179	41.14
M/s Strip Commodeal Pvt. Ltd.	392,179	33.74	392,179	33.74

	<u>As at 31st March 2015</u>		<u>As at 31st March 2014</u>	
<b>3. RESERVES AND SURPLUS</b>				
Capital Reserve : As per last Account	3,406,507		3,406,507	
Add: Compensation received during the year for acquisition of Land(Note 27.9)	<u>25,432,200</u>	28,838,707	—	3,406,507
<b>General Reserve</b>				
General Reserve : As per last Account	80,000,000		60,000,000	
Add: Transfer from Surplus in the Statement of Profit and Loss	—	80,000,000	<u>20,000,000</u>	80,000,000
Securities Premium Account: As per last Account		17,929,690		17,929,690
<b>Surplus in the Statement of Profit and Loss</b>				
As per last Account	171,319,452		155,828,625	
Add : Profit for the year	<u>9,575,811</u>		<u>38,210,563</u>	
Amount available for appropriation	180,895,263		194,039,188	
<b>Less : Appropriations</b>				
Transferred to General Reserves	—		20,000,000	
Proposed Dividend on Equity Share	2,324,660		2,324,660	
Tax on Dividend	<u>464,792</u>	<u>178,105,811</u>	<u>395,076</u>	<u>171,319,452</u>
		<u>304,874,208</u>		<u>272,655,649</u>

- i) During the year ended 31st March, 2015, the Board of Directors has proposed a dividend of ₹ 2/- (Previous year ₹ 2/-) per equity share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The total dividend appropriation for the year ended March 31, 2015 amounted to ₹ 27,89,452/- (Previous year ₹ 27,19,736 /-) including corporate dividend tax of ₹ 4,64,792/- (Previous year ₹ 3,95,076 /-).

Notes to Financial Statements (Contd.)	As at 31st March 2015	As at 31st March 2014
	₹	₹
<b>4. LONG TERM BORROWINGS</b>		
a) <b>Term loans -Secured</b>		
From HDFC Bank (Car Loan)	251,564	1,684,483
	<u>251,564</u>	<u>1,684,483</u>
b) <b>Nature of securities</b>		
i) Term loans from HDFC bank is secured by way of hypothecation of car purchased. The loan carries interest @ 9% p.a.		
c) <b>Terms of repayments</b>		
i) The outstanding amount of term loans from HDFC bank is repayable in 26 monthly installments, the last installment is due in the month of May, 2016. Out of the 26 monthly installments, 12 monthly installments are payable within 31st March, 2015, therefore, the same has been included in "Current maturities of long term borrowings" under the line item "Other Current Liabilities" (Note No.10).		
<b>5. DEFERRED TAX LIABILITIES</b>		
a) <b>Deferred tax liabilities :</b>		
Fixed assets	3,508,734	6,092,183
b) <b>Deferred tax assets</b>		
Expenses allowable for tax purposes when paid	3,508,734	6,092,183
<b>Net Deferred Tax Laibilities ( a - b)</b>	<u>—</u>	<u>—</u>
Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing taxation laws.		
<b>6. OTHER LONG TERM LIABILITIES</b>		
Security Deposit	<u>—</u>	3,061,440
	<u>—</u>	<u>3,061,440</u>
<b>7. LONG TERM PROVISIONS</b>		
Provision for employee benefits		
Leave Encashment	489,811	304,185
Gratuity	30,637,984	20,142,288
	<u>31,127,795</u>	<u>20,446,473</u>
<b>8. SHORT - TERM BORROWINGS</b>		
a) <b>Loans repayable on demand</b>		
From banks -Secured		
Working capital borrowings		
United bank of India (UBI) - Cash Credit	42,972,672	20,124,930
HDFC Bank - Overdraft	—	779,475
<b>Short Term Loan</b>		
From a bank -Unsecured		
Working capital borrowings		
The Hongkong and Shanghai Banking Corporation Ltd. (HSBC)	40,000,000	—
<b>Other loans and advances</b>		
Inter Corporate Deposit - From Related parties	56,000,000	—
	<u>138,972,672</u>	<u>20,904,405</u>
b) <b>Nature of securities</b>		
i) Cash Credit with UBI is secured by hypothecation of tea, prompts, receivables, other current assets and equitable mortgage of the company's Kanu, Teen Ali, Doyang and Dessoie Tea Estate and also secured against personal guarantee of two Directors of the Company.		
ii) Overdraft Facility with HDFC Bank is secured by pledged of Fixed Deposit of Rs. 50,00,000 with HDFC Bank.		
iii) Short Term Loan of ₹ 4,00,0000 with HSBC bank is repayable on 26th June 2015 with an option of roll over and is secured by personal gurantee of two Directors of the Company. The loan carries interest @ 9.50% p.a.		

**Notes to Financial Statements (Contd.)**

	<b>As at 31st March 2015</b>	<b>As at 31st March 2014</b>
	₹	₹
<b>9. TRADE PAYABLES</b>		
Total outstanding dues of other than Micro and Small Enterprises	<u>22,299,169</u>	<u>16,906,458</u>
<b>10. OTHER CURRENT LIABILITIES</b>		
Current maturities of long-term borrowings	1,432,934	1,310,044
Unpaid Dividend*	601,613	426,391
Other Payables		
Advance from Customer	1,534,314	6,293,755
Statutory liabilities	3,114,591	2,201,758
Unpaid salaries and other payroll dues	43,401,717	32,363,910
Accrued expenses	3,302,737	865,485
Others	2,198,347	5,436,693
	<u>55,586,253</u>	<u>48,898,036</u>

\*There are no amounts due and outstanding to be credited to Investor Education & Protection Fund.

**11. SHORT TERM PROVISIONS**

Provision For Employee benefit		
Leave encashment	938,863	839,204
Other provisions		
Provision for taxation ( Net of advance tax )	2,566,599	912,629
Proposed dividend	2,324,660	2,324,660
Tax on proposed dividend	464,792	395,076
	<u>6,294,914</u>	<u>4,471,569</u>

**Notes to Financial Statements (Contd.)**

(in Rupees)

Particulars	G R O S S B L O C K						D E P R E C I A T I O N				N E T B L O C K	
	Cost as at 1st April 2014 ₹	Additions during the year ₹	Sold/ Discarded during the year ₹	Adjustment during the year ₹	Cost as at 31st March 2015 ₹	Depreciation upto 1st April 2014 ₹	Depreciation for the year ₹	Disposal/ Adjustment ₹	Depreciation upto 31st March 2015 ₹	Net Balance as at 31st March 2015 ₹	Net Balance as at 31st March 2014 ₹	
Leasehold Land and Development	86,183,068	65,000,000	-	-	151,183,068	8,013,161	-	-	8,013,161	143,169,907	78,169,907	
Building	240,068,483	25,000,000	-	-	265,068,483	62,142,597	9,375,588	-	71,518,184	193,550,299	177,925,886	
Machinery	108,236,483	33,375,019	7,150,221	213,212	134,248,069	79,288,693	6,976,262	6,792,710	79,472,244	54,775,824	28,947,790	
Motor Vehicle	36,714,705	4,820,485	490,000	-	41,045,190	20,892,098	5,724,975	465,500	26,151,573	14,893,617	15,822,607	
Electric Installations	19,590,544	2,250,000	-	-	21,840,544	16,175,835	1,080,730	-	17,256,565	4,583,979	3,414,709	
Water Supply Scheme	26,882,852	9,536,270	-	128,499	36,290,622	17,489,372	2,390,209	-	19,879,580	16,411,042	9,393,480	
Refrigerator	380,307	61,360	10,500	-	431,167	309,402	16,557	9,975	315,984	115,183	70,905	
Office Equipment	943,901	1,085,547	-	-	2,029,448	464,920	477,322	-	942,243	1,087,205	478,981	
Furniture	16,640,583	6,735,282	-	-	23,375,865	5,296,081	3,392,463	-	8,688,544	14,687,321	11,344,502	
Fencing	6,467,668	-	-	-	6,467,668	3,519,527	2,624,757	-	6,144,284	323,384	2,948,141	
Tubewell	1,226,030	-	-	-	1,226,030	437,765	657,340	-	1,095,106	130,924	788,265	
Air Conditioner	1,955,290	74,465	-	-	2,029,755	814,802	218,090	-	1,032,892	996,863	1,140,488	
Computer	5,221,583	1,102,675	-	-	6,324,258	3,281,933	1,631,542	-	4,913,476	1,410,783	1,939,650	
<b>Total</b>	<b>550,511,496</b>	<b>149,041,104</b>	<b>7,650,721</b>	<b>341,711</b>	<b>691,560,167</b>	<b>218,126,186</b>	<b>34,565,834</b>	<b>7,268,185</b>	<b>245,423,836</b>	<b>446,136,331</b>	<b>332,385,309</b>	
<b>Previous Year</b>	<b>531,571,066</b>	<b>20,505,454</b>	<b>1,565,025</b>	<b>-</b>	<b>550,511,496</b>	<b>194,516,263</b>	<b>24,410,786</b>	<b>800,863</b>	<b>218,126,186</b>	<b>332,385,309</b>	<b>337,054,803</b>	

**Notes :** 1) Depreciation for the current year has been aligned to meet the requirements of Schedule II to the Companies Act, 2013. Had the company continued to charge the depreciation based on rates and manner as specified under erstwhile Schedule XIV to the Companies Act, 1956, depreciation expense would have been lower by Rs. 88,216 and Profit Before Tax for the year ended 31st March, 2015 and Fixed Assets would have been higher by the like amount. Further, depreciation for the year adjusted with the excess depreciation charged in earlier year ₹ 57,843 (Previous Year ₹ Nil)

2) This represents capital subsidy of ₹ 3,41,711 received during the year in respect of assets capitalised in earlier years.

3) Additions made during the year includes Assets of ₹ 12,76,30,412 of Martycherra Tea Estate acquired w.e.f. 01st January 2015.

4) Building include ₹ 13,07,49,000/- (Previous Year ₹ 13,07,49,000/-) in respect of which the deed of conveyance is yet to be executed.

5) Leasehold Land and Development includes ₹ 6,50,00,000 on account of Martycherra Tea Estate in respect of which the deed of conveyance is pending and under process with appropriate authority.

**Notes to Financial Statements (Contd.)****13 : NON CURRENT INVESTMENTS**

	Face value ₹	As at 31st March 2015		As at 31st March 2014		
		Units	₹	Units	₹	
<b>Long Term</b> (Valued at cost less provision for other than temporary diminution)						
Other than trade, fully paid up						
Quoted	In equity shares of companies:					
	The Methoni Tea Co. Ltd.	10	1,000	4,375	1,000	4,375
	Castrol India Ltd. (Include 196 Bonus shares)	10	392	37,516	392	37,516
	Bata India Ltd.	10	4,400	572,720	4,400	572,720
	Hindustan Lever Ltd.	1	5,000	1,551,481	5,000	1,551,481
	Aggregate book value of quoted Investments (A)			<u>2,166,092</u>		<u>2,166,092</u>
Unquoted	In equity shares of companies:					
	The Orissa Tea Plantation Ltd.	10	100	1,000	100	1,000
	ABC Tea Workers Welfare Services	10	625	6,250	625	6,250
	Jadavpur Entrepreneurship Development Pvt.Ltd. (in Liquidation)	100	20	1	20	1
	In 5% Non-Redeemable Debenture Stock :					
	Woodlands Hospital & Medical Research Centre Ltd.		—	6,000	—	6,000
	5% Debenture Stock in Shillong Club Ltd.		—	2,200	—	2,200
	Aggregate book value of unquoted Investments (B)			<u>15,451</u>		<u>15,451</u>
	<b>Total (A) + (B)</b>			<u>2,181,543</u>		<u>2,181,543</u>
	Aggregate market value of Quoted Investments			9,379,161		8,194,722

**14. LONG TERM LOANS AND ADVANCES**

(Unsecured, considered good)

	As at 31st March 2015	As at 31st March 2014
	₹	₹
Capital Advance	—	115,000
Security and other Deposits	8,191,728	7,955,050
	<u>8,191,728</u>	<u>8,070,050</u>



**Notes to Financial Statements (Contd.)**

	<b>As at 31st March 2015</b>	<b>As at 31st March 2014</b>
	₹	₹
<b>15. OTHER NON-CURRENT ASSETS</b>		
Interest accrued but not due on deposits	88,315	—
	<u>88,315</u>	<u>—</u>
<b>16. INVENTORIES</b>		
Stores and Spare Parts	34,887,218	23,375,567
Finished Goods -Tea	23,079,512	14,084,093
	<u>57,966,729</u>	<u>37,459,660</u>
<b>17. TRADE RECEIVABLES</b>		
Outstanding for a period exceeding six months from due date	879,552	90,969
Others	6,601,738	2,814,614
	<u>7,481,290</u>	<u>2,905,583</u>
<b>18. CASH AND BANK BALANCES</b>		
<b>Cash and cash equivalents</b>		
Balances with banks		
On Current Accounts	37,303,299	507,233
Cash - in - hand	381,042	301,569
Cash and cash equivalents	<u>37,684,341</u>	<u>808,802</u>
<b>Other Bank Balances:</b>		
Unpaid dividend accounts (Earmarked balances)	601,613	426,391
Fixed deposit pledged as security against borrowings (Current portion of original maturity period of more than 12 months)	5,000,000	5,000,000
	<u>43,285,954</u>	<u>6,235,192</u>
<b>19. SHORT TERM LOANS AND ADVANCES</b> (Unsecured, considered good)		
Advance to suppliers and others	4,493,319	5,021,479
Balances with Excise Authority	169,531	65,132
Prepaid expenses	842,681	982,939
	<u>5,505,530</u>	<u>6,069,550</u>
<b>20. OTHER CURRENT ASSETS</b> (Unsecured, considered good)		
Interest accrued and due on deposits	184,589	249,176
Rent receivable	—	4,504,676
Other receivables	7,866	591,074
	<u>192,455</u>	<u>5,344,926</u>

**Notes to Financial Statements (Contd.)**

	Year ended 31st March 2015		Year ended 31st March 2014	
	₹	₹	₹	₹
<b>21. REVENUE FROM OPERATIONS</b>				
Sale of goods (Gross)				
Finished goods- Tea		606,710,743		600,065,522
Other operating revenues				
Replanting subsidy	1,679,850		1,989,383	
Sale of tea seeds	5,500		234,380	
Sale of green leaf	539,400		—	
Sale of tea waste	1,294,573	3,519,323	614,500	2,838,263
<b>Revenue from operations</b>		<u>610,230,066</u>		<u>602,903,785</u>
<b>22. OTHER INCOME</b>				
Interest – On Deposits		1,514,800		1,534,474
– On Advances		483,288		—
Dividend income - Long Term Investments		98,844		89,644
Other non-operating income				
Profit on Sale of Fixed Assets		374,564		518,654
Rent Received		8,017,078		14,022,460
Liabilities no longer required Written Back		3,622,681		353,686
Insurance claim		—		150,048
Miscellaneous Receipts		347,060		863,220
		<u>14,458,315</u>		<u>17,532,186</u>
<b>23. CHANGES IN INVENTORIES OF FINISHED GOODS</b>				
Opening Stock of Finished Goods -Tea		14,084,093		10,856,101
Less: Closing Stock of Finished Goods -Tea		23,079,512		14,084,093
		<u>(8,995,419)</u>		<u>(3,227,992)</u>
<b>24. EMPLOYEE BENEFITS EXPENSE</b>				
Salaries & Wages		234,832,909		218,244,583
Contribution to Providend & Other Funds		32,940,889		22,381,993
Staff Welfare		8,543,524		8,093,138
		<u>276,317,322</u>		<u>248,719,716</u>

**Notes to Financial Statements (Contd.)**

	Year ended 31st March 2015		Year ended 31st March 2014	
	₹	₹	₹	₹
<b>25. FINANCE COSTS</b>				
Interest on:				
– long term borrowings		—		200,184
– short term borrowings		7,678,840		7,300,869
– Others		70,860		—
Other borrowing Cost		584,963		405,600
		<u>8,334,663</u>		<u>7,906,653</u>
<b>26. OTHER EXPENSES</b>				
Power and Fuel		66,776,843		42,193,928
Consumption of Stores & Spare Parts		134,705,592		171,379,131
Packing Materials		4,388,926		3,326,663
Tea Cess		1,942,040		1,909,288
Transport and Maintenance		3,194,587		6,043,202
Repairs - Building	6,349,981		8,222,492	
- Machinery	<u>2,998,559</u>	9,348,540	<u>5,279,348</u>	13,501,840
Rent		300,000		300,000
Donation		2,056,000		1,651,000
Rates and Taxes		8,421,124		9,524,454
Miscellaneous expenses		10,788,416		10,007,130
Insurance		1,528,339		1,744,617
Travelling & Conveyance		4,580,801		2,942,133
Directors Fees		60,000		20,000
Auditors' Remuneration -				
– Statutory Audit	250,000		225,000	
– Tax Audit	40,000		25,000	
– Reimburshment of Expenses	11,295		3,680	
– Other services	<u>120,000</u>	421,295	<u>47,500</u>	301,180
Internal Auditors' Fees		150,000		150,000
Selling and Distribution Expenses		15,257,890		16,220,680
Freight Charges		16,267,424		14,978,990
Stores Written Off		—		110,957
Sundry Balances Written Off		1,202		31,380
		<u>280,189,019</u>		<u>296,336,572</u>

**Notes to Financial Statements (Contd.)**

As at 31st March, 2015	As at 31st March, 2014
₹	₹

**27. OTHER DISCLOSURES****27.1 Contingent liabilities and commitments (to the extent not provided for)**

- a) Contingent liability not provided for in respect of :

Claims against the company not acknowledged as debts -

– Central excise demand- under appeal	595,460	595,460
– Income Tax Demand - under appeal	34,84,800	—

The amounts shown above represent the best possible estimates arrived at on the basis of available information. The uncertainties and timing of the cash flows are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be estimated accurately. The Company does not expect any reimbursements in respect of the above contingent liabilities.

In the opinion of the management, no provision is considered necessary for the disputes mentioned above on the grounds that there are fair chances of successful outcome of appeals.

- b) Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for	—	1,294,103
Advances paid against above	—	115,000

**27.2 Employee Benefits :**

- a) **Defined Contribution Plan:**

Employee benefits in the form of Provident Fund are considered as defined contribution plan.

The contributions to the funds are made in accordance with the relevant statute and are recognized as an expense when employees have rendered service entitling them to the contributions. The contribution to defined contribution plan, recognized as expense for the year is as under:

Defined Contribution Plan	Year ended 31st March, 2015 ₹	Year ended March, 2014 ₹
Employers' Contribution to Provident Fund	17,140,111	16,131,728

- b) **Defined Benefit Plan:**

Post employment and other long-term employee benefits in the form of gratuity and leave encashment is considered as defined benefit obligation. The present value of obligation is determined based on actuarial valuation using projected unit credit method as at the Balance Sheet date. The amount of defined benefits recognized in the balance sheet represent the present value of the obligation as adjusted for unrecognized past service cost, and as reduced by the fair value of plan assets.

**Notes to Financial Statements (Contd.)**

31st March, 2015		31st March, 2014	
Gratuity	Leave Encashment	Gratuity	Leave Encashment
(Funded)	(Unfunded)	(Funded)	(Unfunded)
₹	₹	₹	₹

**I. Components of Employer Expenses**

Current service Cost	4,533,873	229,721	3,721,228	19,732
Past Service Cost	5,118,148	-	-	-
Interest Cost	6,644,611	102,905	6,060,926	82,646
Expected Return on Plan Asset	5,653,001	-	4,967,535	-
Actuarial (gain)/loss recognized in the year	1,269,288	(38,288)	2,058,865	196,896
Net Exp. Recognised In Statement of Profit & Loss	6,282,761	294,338	2,755,754	299,274

**II. Change in Present Value of Defined Benefit obligation**

Present Value of Defined Benefit Obligation	83,057,637	1,143,389	75,761,580	918,285
Interest Cost	6,644,611	102,905	6,060,926	82,646
Past Service Cost	5,118,148	-	-	-
Current Service Cost	4,533,873	229,721	3,721,228	19,732
Benefits Paid	(731,763)	(9,053)	(427,232)	(74,170)
Actuarial (Gain)/Losses	1,269,288	(38,288)	(2,058,865)	196,896
Present Value of Obligation at the End of the Year	99,891,794	1,428,674	83,057,637	1,143,389

**III Change in Fair Value Asset during the year end**

Plan Assets at the Beginning of the year	62,915,349	-	56,456,946	-
Expected Return on Plan Assets	5,653,001	-	4,967,535	-
Actual Company Contribution	1,417,223	9,053.00	1,918,100	74,170
Benefits Paid	(731,763)	(9,053.00)	(427,232)	(74,170)
Actuarial Gain/(Losses)	-	-	-	-
Plan Assets at the End of the Year	69,253,810	-	62,915,349	-

**IV Net Assets/(Liability) recognized as at the Balance sheet date**

Present Value of Defined Benefit Obligation	99,891,794	1,428,674	83,057,637	1,143,389
Fair Value of Plan Assets	69,253,810	-	62,915,349	-
Funded Status - Deficit	(30,637,984)	(1,428,674)	(20,142,288)	(1,143,389)
Net liability recognized in Balance Sheet	(30,637,984)	(1,428,674)	(20,142,288)	(1,143,389)

**V Actuarial Assumption**

Discounted Rate (Per Annum)	8%	9%	8%	8%
Expected Rate of return on Plan Assets (Per Annum)	Not available	N.A.	Not available	N.A.
Salary Increases	5%	5%	5%	5%
Retirement/Superannuation Age	58	58	58	58
Mortality	LIC 94-96 ultimate	IALM 06-08 ultimate	LIC 94-96 ultimate	IALM 06-08 ultimate

**VI Expected Employer's Contribution for the next year**

Expected Employer's Contribution for the next year	Not available	N.A.	Not available	N.A.
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**Notes to Financial Statements (Contd.)****VI Basis of estimate of rate of escalation in salary**

The estimates of rate of escalation in salary, considered in actuarial valuation, take into inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

**VIII Other Disclosure :**

- a) The Gratuity Expenses have been recognized in "Contribution to Provident & other funds " and Leave Encashment in "Salaries & Wages" under note no. 24.

	Gratuity		Leave encashment	
	2014 - 2015		2013 - 2014	
	₹	₹	₹	₹
<b>b) Disclosure related to previous years</b>				
Present value of Defined Benefit Obligation	99,891,794	1,428,674	83,057,637	1,143,389
Fair Value on Plan Assets	69,253,810	—	62,915,349	—
Funded Status (Surplus/(deficit))	(30,637,984)	(1,428,674)	(20,142,288)	(1,143,389)
Experience adjustments of plan assets Gain/(Loss)	—	—	—	—
Experience adjustments of Obligation (Gain)/Loss	—	—	—	—
	2012 - 2013		2011 - 2012	
	₹	₹	₹	₹
Present value of Defined Benefit Obligation	75,761,580	918,285	64,306,594	562,478
Fair Value on Plan Assets	56,456,946	—	50,956,404	—
Funded Status (Surplus/(deficit))	(19,304,634)	(918,285)	(13,350,190)	(562,478)
Experience adjustments of plan assets Gain/(Loss)	—	—	—	—
Experience adjustments of Obligation (Gain)/Loss	—	—	—	—
	2010 - 2011			
	₹	₹		
Present value of Defined Benefit Obligation	60,396,212	505,006		
Fair Value on Plan Assets	45,732,942	—		
Funded Status (Surplus/(deficit))	(14,663,270)	(505,006)		
Experience adjustments of plan assets Gain/(Loss)	—	—		
Experience adjustments of Obligation (Gain)/Loss	—	—		

- b) Expected Employer's contribution for the next year, major category of plan assets and experience arising on Plan Liabilities and Plan Assets in respect of gratuity are not available and therefore, not disclosed.

**27.3 Earning Per Share - The numerators and denominators used to calculate Basic/Diluted Earnings Per Share :**

	As at 31st March, 2015	As at 31st March, 2014
	₹	₹
a) Amount used as the numerator (₹)		
Profit after Tax attributable to Shareholders	9,575,811	38,210,563
b) Basic/weighted average number of Equity Share used as the denominator (B)	1,162,330	1,162,330
c) Nominal Value of Equity Shares (₹)	10	10
d) Basic/Diluted Earnings Per Share - (A/B) (₹)	<b>8.24</b>	<b>32.87</b>

**Notes to Financial Statements (Contd.)****27.4. Related party disclosures as per Accounting Standard - 18 are given below :****a) Name of the related parties and description of relationship :**

- i) Key Managerial Personnel (KMP) :
- Mr. P K Agarwal , Director  
Mr. M K Agarwal, Director  
Mr. I.B.Sharaf, Executive Director
- ii) Enterprises over which KMP and their relatives have significant influence :
- a) Shroff Chemicals Pvt. Ltd.  
b) Banka Enterprises Pvt. Ltd.  
c) Gillanders Arbuthnot & Co. Ltd.  
d) Rawalwasia Manufacture Company Pvt. Ltd.  
e) Transmission Projects Pvt. Ltd.  
f) K L Mechanical Works Pvt. Ltd.  
g) Teletronics Products Pvt. Ltd.  
h) Strip Commodeal Pvt. Ltd.  
i) SRTR Realtors Pvt. Ltd.  
j) Rawalwasia Industries Pvt. Ltd.  
k) Platinum Dealers Pvt. Ltd.  
l) Altius Distributors Pvt. Ltd.  
m) Altius Pharmachem

**b) Transactions with Related parties :****Nature of Transaction**

	Enterprise over which KMP and their relatives have significant influence		Key Management Personnel	
	31-03-2015	31-03-2014	31-03-2015	31-03-2014
	₹	₹	₹	₹
<b>Rent Received :-</b>				
Shroff Chemicals Pvt. Ltd.	94,392	94,392	—	—
Banka Enterprises Pvt. Ltd.	94,392	94,392	—	—
Rawalwasia Manufacture Company Pvt. Ltd.	67,416	67,416	—	—
Transmission Projects Pvt. Ltd.	67,416	67,416	—	—
K L Mechanical Works Pvt. Ltd.	94,392	94,392	—	—
Teletronics Products Pvt. Ltd.	94,392	94,392	—	—
SRTR Realtors Pvt. Ltd.	94,392	94,392	—	—
Rawalwasia Industries Pvt. Ltd.	94,392	94,392	—	—
Platinum Dealers Pvt. Ltd.	94,392	94,392	—	—
Altius Distributors Pvt. Ltd.	94,392	31,464	—	—
Altius Pharmachem	62,928	94,392	—	—

**Notes to Financial Statements (Contd.)****b) Transactions with Related parties :  
Nature of Transaction**

	Enterprise over which KMP and their relatives have significant influence		Key Management Personnel	
	31-03-2015	31-03-2014	31-03-2015	31-03-2014
<b>Loans Taken :</b>				
Shroff Chemicals (P) Ltd.	35,000,000.00	--	--	--
Banka Enetrprises (P) Ltd.	31,000,000.00	--	--	--
<b>Loans Repaid :</b>				
Banka Enetrprises (P) Ltd.	10,000,000.00	--	--	--
<b>Interest on Loan Taken :</b>				
Shroff Chemicals (P) Ltd.	1,001,507	--	--	--
Banka Enetrprises (P) Ltd.	637,260	--	--	--
<b>Receiving of Services</b>				
Mr. I.B.Sharaf (Directors Remuneration)	--	--	1,836,893	1,656,205
<b>Outstanding balance :</b>				
Shroff Chemicals (P) Ltd.	35,000,000.00	--	--	--
Banka Enetrprises (P) Ltd.	21,000,000.00	--	--	--

- c) There is no provision for doubtful debt and no amount has been written off/ written back during the year in respect of amount due from or due to related parties.
- d) The transactions with related parties have been entered at an amount which are not materially different from those on normal commercial terms.

**27.5 Segment Reporting**

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 AS - 17 on " Segment Reporting " as notified pursuant to the Companies ( Accounting Standards) Rules, 2006.

**27.6 Disclosure under Clause 32 of the Listing Agreement**

There are no transaction (other than transactions with related parties as given in para 4 above ) which are required to be disclosed under Clause 32 of the listing Agreement with the Stock Exchanges where the Equity Shares of the Company are Listed.

**27.7** The company has not received any memorandum as required to be filed by the suppliers with the notified authority under Micro, Small and Medium Enterprises Development Act 2006 for claiming their status as micro, small or medium enterprises. Therefore, there is no due outstanding to Micro and Small Enterprises (Previous year Nil).

**27.8** Salaries and Wages excludes ₹ 1,60,917/- ( Previous year ₹ 450/- ) and Stores and Spares consumed excludes ₹ 1,46,826/- (Previous year ₹ 27,986/-) debited to other accounts.

**27.9** Compensation received from Govt. of Assam for acquisition of certain part of Land of Kanu T.E. amounting to ₹ 2,54,32,200 is added to the Capital Reseve account.



**Notes to Financial Statements (Contd.)****27.10 Consumption of spare parts and components \***

	31-03-2015		31-03-2014	
	₹	%	₹	%
Imported	—	—	—	—
Indigenous	134,705,592	100	171,379,131	100
	<u>134,705,592</u>	<u>100</u>	<u>171,379,131</u>	<u>100</u>

\* Spare parts includes store items also.

**27.11 Earnings in Foreign Exchange**

Nil

Nil

**27.12 Expenditure incurred in Foreign Currency ₹**

421,932

613,566

**27.13** The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

As per our report of even date attached.

For G. P. AGRAWAL & CO.

Chartered Accountants

F.R No.302082E

(CA.Sunita Kedia)

Partner

Membership No. 60162

M K AGARWAL

H PAREKH

P J BHIDE

I B SHARAF

B L PATAWARI

} Directors

Executive Director

CFO & Company Secretary

Place: 7A, Kiran Shankar Ray Road

Kolkata – 700 001

Dated : 28th May, 2015

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