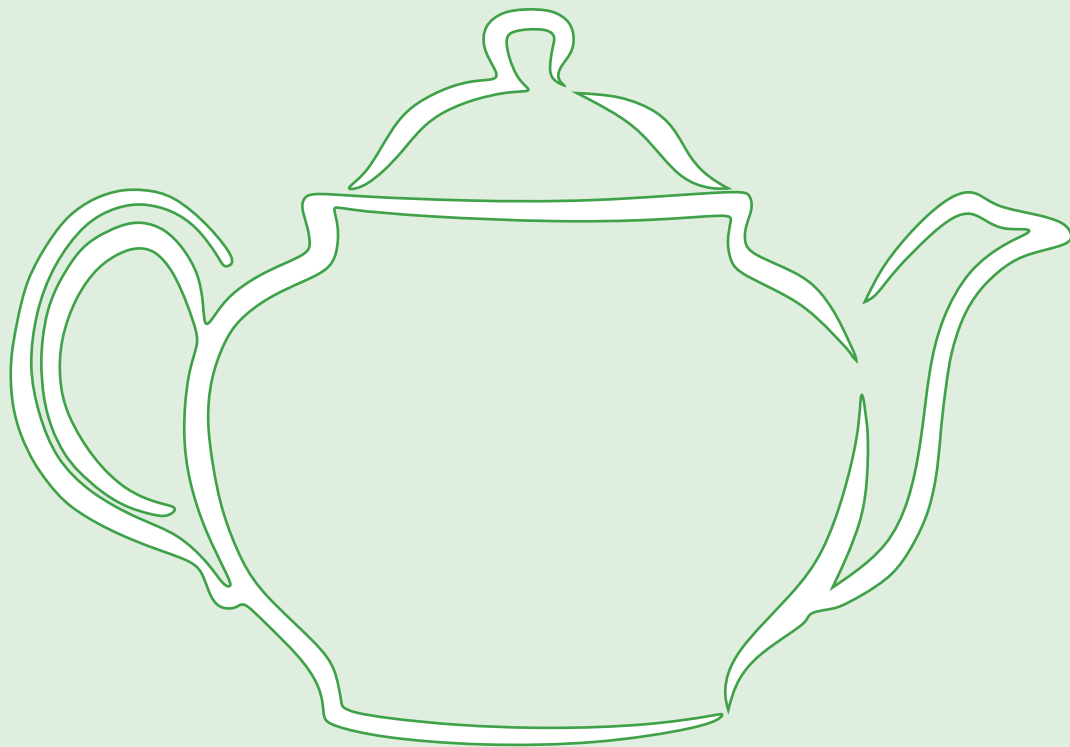


# 121ST ANNUAL REPORT



**RYDAK SYNDICATE LIMITED**

FOR THE YEAR ENDED 31ST MARCH, 2019

## CORPORATE INFORMATION

### **BOARD OF DIRECTORS**

Mr. Rajvinder Singh	Whole Time Director
Mr. Subir Das	Non-Executive Independent Director
Ms. S. Charkrabortti	Non-Executive Independent Director
Mr. S. Kar	Non-Executive Director

### **KEY MANAGERIAL PERSONNEL**

Mr. Vishnu Sharma	Chief Financial Officer
Mr. Aditya Gupta	Company Secretary

### **REGISTERED OFFICE**

4, Dr. Rajendra Prasad Sarani  
Kolkata – 700 001  
Phone : (033) 2230 4351  
Fax : (033) 2230 7555  
E-mail : rydak.cs@gmail.com

### **CIN**

L65993WB1900PLC001417

### **BANKER**

Axis Bank Limited  
Kotak Mahindra Bank Limited

### **STATUTORY AUDITORS**

#### **M.C. Das & Co.**

Chartered Accountants  
53, College Street, 1<sup>st</sup> Floor,  
Kolkata – 700 073

### **REGISTRAR AND SHARE TRANSFER AGENTS**

#### **Niche Technologies Pvt. Ltd.**

3A, Auckland Place, 7th Floor, Room No. 7A & 7B  
Kolkata - 700 017  
Phone : (033) 2280 6616 / 17 / 18  
Fax : (033) 2280 6619  
Email : nichetechpl@nichetechpl.com  
Website : www.nichetechpl.com

### **Contents**

Notice	2
Directors' Report	9
Independent Auditor's Report	32
Balance Sheet	36
Statement of Profit & Loss	37
Statement of changes in equity	38
Cash Flow Statement	39
Notes to Financial Statements	40
Consolidated Accounts	62
Intimation to Shareholder	95

**NOTICE OF THE 121ST GENERAL MEETING**

To,  
The Members of  
**RYDAK SYNDICATE LIMITED**

Notice is hereby given that the 121st Annual General Meeting ('AGM') of the Members of Rydak Syndicate Limited will be held on **Thursday, July 25, 2019 at 12:00 noon at the Sitaram Seksaria Auditorium, Bhartiya Bhasha Parishad, 36A Shakespeare Sarani, Kolkata-700017** to transact the following business:

**ORDINARY BUSINESS:****1. Adoption of Financial Statements**

To receive, consider and adopt the Audited Financial Statements (including the Audited Consolidated and Standalone Financial Statements) of the Company for the financial year ended March 31, 2019 and the Reports of the Board of Directors' and the Auditors' thereon.

**2. Declaration of Dividend**

To declare dividend on the Equity Shares of the Company for the year ended March 31, 2019.

**3. Appointment of Director**

To elect a Director in place of Mr. Suddhabrata Kar (DIN: 07697341) a Non Executive Director of the Company pursuant to the provisions of Section 152 of the Companies Act, 2013, who retires by rotation and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS****4. Revision in terms of appointment of Mr. Rajvinder Singh (DIN: 06931916) as a Whole Time Director**

To consider and, if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution**:-

**"RESOLVED THAT** pursuant to the recommendation of the Nomination & Remuneration Committee of the Company and pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and Rules made there under, as amended from time to time read with Schedule V to the Companies Act and subject to the approval of the Central Government, if necessary, approval of the Members of the Company be and is hereby granted for revision in the terms of remuneration of Mr. Rajvinder Singh (DIN:06931916) a Whole Time Director of the Company with effect from 1st April, 2019 on the following terms & conditions:

PARTICULARS	:	AMOUNT (p.m.)
Basic Salary	:	71,000/-
Helper Allowance	:	30,000/-
Education Allowance	:	30,000/-
Visiting Allowance	:	40,000/-

**PERQUISITES**

Leave Fare Assistance & Medical Benefit as per Company's Policy. Company provides him accommodation with gas, fuels, electricity & furnishing. Company also provides other facilities like Car, Telephone, Club Membership & Entertainment Expenses.

**PERQUISITES**

Leave Fare Assistance & Medical Benefit as per Company's Policy. Company provides him accommodation with gas, fuels, electricity & furnishing. Company also provides other facilities like Car, Telephone, Club Membership & Entertainment Expenses.

**RESOLVED FURTHER THAT** the overall managerial remuneration payable to Mr. Rajvinder Singh shall be such amount as may be fixed by the Board from time to time on recommendation of Nomination & Remuneration Committee but not exceeding the limits specified in Schedule V of the Companies Act, 2013 as may be agreed to by the Board and Mr. Rajvinder Singh.

**RESOLVED FURTHER THAT** the Board of Directors of the Company or the Company Secretary be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

Registered Office:  
4, Dr. Rajendra Prasad Sarani  
Kolkata- 700001  
CIN: L65993WB1900PLC001417  
Tel: (033) 2230-4351, Fax: (033) 2230-7555  
Email: rydak.cs@gmail.com/rydak@vsnl.net  
Web: [www.rydak Syndicate.com](http://www.rydak Syndicate.com)  
Date: May 30, 2019

By Order of the Board of Directors  
For **Rydak Syndicate Limited**

**Aditya Gupta**  
Company Secretary

## Notice (Contd.)

### NOTES FORMING PART OF THE NOTICE TO MEMBERS:

#### 1. Explanatory Statement

The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, setting out the material facts concerning Item No. 4 is annexed hereto and forms part of the Notice. Information under Regulation 36 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to the Director proposed to be reappointed is provided in Annexure to this Notice.

#### 2. Proxies

**A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE 'MEETING') IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

**PURSUANT TO THE PROVISIONS OF SECTION 105 OF THE COMPANIES ACT, 2013 AND RULES FRAMED THEREUNDER A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING 50 (FIFTY) AND HOLDING IN THE AGGREGATE NOT MORE THAN 10 (TEN) PER CENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. HOWEVER, A MEMBER HOLDING MORE THAN 10 (TEN) PER CENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER MEMBER.**

The Instrument appointing the Proxy, in order to be valid and effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 (forty-eight) hours before the commencement of the Meeting. Proxies submitted on behalf of companies, societies etc. must be supported by an appropriate resolution / authority, as applicable.

In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

#### 3. Important Dates For Members

**Cut Off Date:** Cutoff Date will be 18th July, 2019 to determine Members entitled to undertake voting.

**Electronic Voting Period:** Electronic voting period begins on Monday, 22nd July, 2019 (9.00 a.m. IST) and ends on Wednesday, 24<sup>th</sup> July, 2019 (5.00 p.m. IST) both days inclusive.

Voting Facility will also be provided at the venue of AGM on July 25, 2019 to those Members who are eligible to vote but who have not cast their votes through remote e-voting and who are present at the venue of the AGM.

#### 4. Communication

Electronic copy of the Notice of the Annual General Meeting ('AGM') along with the Annual Report 2018-2019 of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the Members whose email IDs are registered with the Company's Registrar and Share Transfer Agents / Depository Participants for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their email IDs, physical copies of the Notice of the AGM of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent through permitted mode.

Members may also note that the Notice of the 121<sup>st</sup> Annual General Meeting and the Annual Report for 2018-2019 will also be available on the Company's website [www.rydaksyndicate.com](http://www.rydaksyndicate.com) for their download. For any communication, the shareholders may also send requests to the Company's investor email id: [rydak.cs@gmail.com](mailto:rydak.cs@gmail.com).

#### 5. Corporate Representation

A Corporate Member shall be deemed to be present personally only if it is represented in accordance with the Section 113 of the Companies Act, 2013, supported by a certified true copy of the resolution passed by the Board of Directors of the Company authorizing the Representative to attend and vote at the meeting on behalf of the Corporate Member.

#### 6. Registrar & Share Transfer Agents and Depository Participant

Niche Technologies Pvt. Ltd. is the Registrar and Share Transfer Agent (RTA) of the Company. All investor related communication may be addressed to the following address:

Niche Technologies Pvt. Ltd.

3A Auckland Place,

7<sup>th</sup> Floor, Room No.-7A & 7B

Kolkata – 700017

Phone No. : 033 2280 6616 / 17 / 18; Telefax: 033 2280 6619

Email: [nichetechpl@nichetechpl.com](mailto:nichetechpl@nichetechpl.com)

Members holding Shares in physical mode are requested to intimate changes in their address to Niche Technologies Pvt. Ltd. Members holding shares in electronic mode are requested to send the intimation for change of address to their respective Depository Participants. Any such changes effected by the Depository Participants will automatically reflect in the Company's subsequent records.

## Notice (Contd.)

### 7. Nomination Facility

Members holding shares in physical form and desirous of making / changing Nomination in respect of their shareholdings in the Company, as permitted under Section 72 of the Companies Act, 2013 and Rules made thereunder, are requested to submit an application for this purpose to the Company's Registrar and Share Transfer Agents ('RTA'), Niche Technologies Pvt. Ltd., who will provide the form on request. In respect of shares held in electronic / demat form, the Members may please contact their respective depository participant.

### 8. Book Closure

Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from 19<sup>th</sup> July 20, 2019 to 25th July, 2019 (both days inclusive).

### 9. Dividend

Subject to the provisions of Section 123 of the Companies Act, 2013, dividend on Equity Shares for the year ended March 31, 2019 as recommended by the Board, if sanctioned at the Meeting, will be electronically credited / dispatched within a period of 30 days from the date of declaration, to those members whose name appear on the Register of Members as on July 18, 2019.

Members who are holding shares in electronic form may note that bank particulars registered with their respective Depository Participants will be used by the Company for electronic credit / despatch of dividend. The Company or its Registrar and Share Transfer Agents cannot act on any request received directly from the Members holding Shares in electronic form for any change of bank particulars or bank mandates.

### 10. Unclaimed Dividend

Members wishing to claim dividends, which remain unclaimed, are requested to correspond with the Share Department of the Company, at the Company's registered office. Pursuant to the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded the details of the unpaid and unclaimed amounts lying with the Company on the website of the Company ([www.rydaksyndicate.com](http://www.rydaksyndicate.com)), as also on the website of the Ministry of Corporate Affairs ([www.mca.gov.in](http://www.mca.gov.in)). Those Members, who have not encashed their dividends are requested to correspond with the Company's Registrar & Share Transfer Agents as mentioned above or to the Company Secretary at the Company's Registered Office or via mail at [rydak.cs@gmail.com](mailto:rydak.cs@gmail.com).

### 11. Transfer Of Unclaimed Shares To The IEPF Authority

Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, ("Rules") as amended from time to time all equity shares of the Company on which dividend has not been paid or claimed for seven consecutive years shall be transferred by the Company to the Investor Education and Protection Fund ("IEPF"). No claim shall lie against the Company in respect of these equity shares post their transfer to IEPF. Upon transfer, the Shareholders will be able to claim these equity shares only from the IEPF Authority by making an online application the details of which are available at [www.iepf.gov.in](http://www.iepf.gov.in)

### 12. Go Green Initiative

The Company is sending Notices for General Meetings, Financial Statements, etc. through email to members whose email IDs are registered with the Company. While going through the Register of Members, it is noticed that there are Members who have not registered their email IDs with the Company. In compliance with the provisions of Rule 18 of the Companies (Management and Administration) Rules, 2014 and the applicable provisions of the Companies Act, 2013, Members holding shares in physical form are requested to register their email IDs with the Company's Registrar and Share Transfer Agents i.e. Niche Technologies Pvt. Ltd. and Members holding shares in electronic / demat mode are requested to register their email IDs with their respective Depository Participants. Members are requested to carry their copies of the Annual Report to the Meeting.

### 13. Dematerialization of Shareholding

Members are requested to dematerialize their shareholding to avoid inconvenience. Members whose shares are in electronic mode are requested to inform change of address and updates of bank account(s) to their respective Depository Participants. Members are encouraged to use the National Electronic Clearing Services (NECS) for receiving dividends.

### 14. Bank Account Details

Regulation 12 and Schedule-I of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, requires all Companies to use the facilities of electronic clearing services for payment of dividend.

You are requested to submit your Bank Details along with an original cancelled cheque or a xerox copy of the cheque to our Registrar, Niche Technologies Pvt. Ltd. to enable them to update our records, in case you hold shares in physical form and to your Depository Participants in respect of shares held by you in dematerialised form.

### 15. Mandatory PAN Submission

The Securities and Exchange Board of India ('SEBI') has mandated the submission of Permanent Account Number ('PAN') by every participant in securities market. Members holding Shares in electronic form are therefore requested to submit the PAN details to their Depository Participants with whom they are maintaining their demat accounts. Members holding Shares in physical form must submit their PAN details to the Company's Registrar and Share Transfer Agents, Niche Technologies Private Limited.

## Notice (Contd.)

### 16. Associate Company's Accounts:

In accordance with the provisions of Section 136 of the Companies Act, 2013, the Company will provide a copy of separate audited financial statements in respect of each of its associate, to any shareholder of the Company on making requisition to the Company Secretary at the registered office of the Company or email at rydak.cs@gmail.com.

### 17. Inspection by Members

All Statutory Registers and relevant documents referred to in the Notice and the Explanatory Statement shall be available for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays, Sundays and public holidays, during working hours upto the date of the Annual General Meeting. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of Companies Act, 2013 and the Register of Contracts or arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the Members at the Annual General Meeting.

### 18. Voting through electronic means (E-voting)

Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Company is pleased to provide the members the facility to exercise their right to vote by electronic means. As an alternative to voting physically at the AGM, the business may be transacted through e-Voting Services provided by **Central Depository Services (India) Limited (CDSL)**.

Similarly, members opting to vote physically can do the same by remaining present at the Meeting and should not exercise the option for e-voting. However, in case Members cast their vote exercising both the options, i.e. physically and e-voting, then votes cast through e-voting shall only be taken into consideration and treated valid whereas votes cast physically at the meeting shall be treated as invalid. Members are requested to follow the instruction below to cast their vote through e-voting.

1. The instructions for shareholders voting electronically are as under:

- i. The remote e-voting period begins on **Monday, July 22, 2019 (9:00 a.m. IST) and ends on Wednesday, July 24, 2019 (inclusive of both days) (5:00 p.m. IST)**. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of July 18, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period.

- ii. Click on "Shareholders" tab.

- iii. Now enter your User Id:

- a. For CDSL: 16 digits beneficiary ID;

- b. For NSDL: 8 character DP ID followed by 8 Digits Client ID;

- c. Members holding shares in Physical Form should enter Folio Number registered with the Company, excluding the special characters.

- iv. Next enter the Image Verification as displayed and Click on Login.

If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

- v. If you are a first time user follow the steps given below:

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

## Notice (Contd.)

- vi. After entering these details appropriately, click on "SUBMIT" tab.
  - vii. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach "Password Creation" menu wherein they are required to mandatory enter their login password in the new password field. Kindly note that this password is to be used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - viii. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
  - ix. Click on the EVSN for the relevant Company name i.e., "RYDAK SYNDICATE LIMITED" on which you choose to vote.
  - x. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option "YES/NO" as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
  - xi. Click on the "RESOLUTION FILE LINK" if you wish to view the entire Resolution details.
  - xii. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
  - xiii. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
  - xiv. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
  - xv. If Demat account holder has forgotten the same password then enter the User ID and the Image Verification Code and click on Forgot Password & enter the details as prompted by the system.
  - xvi. Notes for Institutional Shareholders:  
 Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.  
 A scanned copy of the Registration Form bearing the stamp & signed of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).  
 After receiving the login details they have to create a compliance user using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.  
 The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.  
 A scanned copy of the Board resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.  
 In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact them at 1800 200 5533.
  - xvii. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.  
 Institutional Members / Bodies Corporate (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote through e-mail at [rydak.cs@gmail.com](mailto:rydak.cs@gmail.com) and [aklabhcs@gmail.com](mailto:aklabhcs@gmail.com) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) without which the vote shall not be treated as valid. The voting right of shareholders shall be in proportion to their shares of the paid-up equity capital of the Company and shall have one vote per equity share held by them as on the cut-off date of 18<sup>th</sup> July, 2019. The facility of e-voting would be provided once for every folio / client id, irrespective of the number of joint holders.
2. The notice of Annual General Meeting will be sent to the members, whose names appear in the register of members / depositories as at closing hours of business, on 31<sup>st</sup> May, 2019.
- Investors who became members of the Company subsequent to the dispatch of the Notice / Email and holds the shares as on the cut-off date i.e. July 18, 2019, are requested to send the written / email communication to the Company at [rydak.cs@gmail.com](mailto:rydak.cs@gmail.com) by mentioning their Folio No. / DP ID and Client ID to obtain the Login-ID and Password for e-voting.

# Notice (Contd.)

## 19. Scrutinizer

The Company has appointed Mr. Atul Kumar Labh, Practicing Company Secretary (FCS No. 4848/C.P. No. 3238), as Scrutinizer for conducting the electronic voting process (both remote e-voting and voting at the AGM through Insta Poll) in a fair and transparent manner.

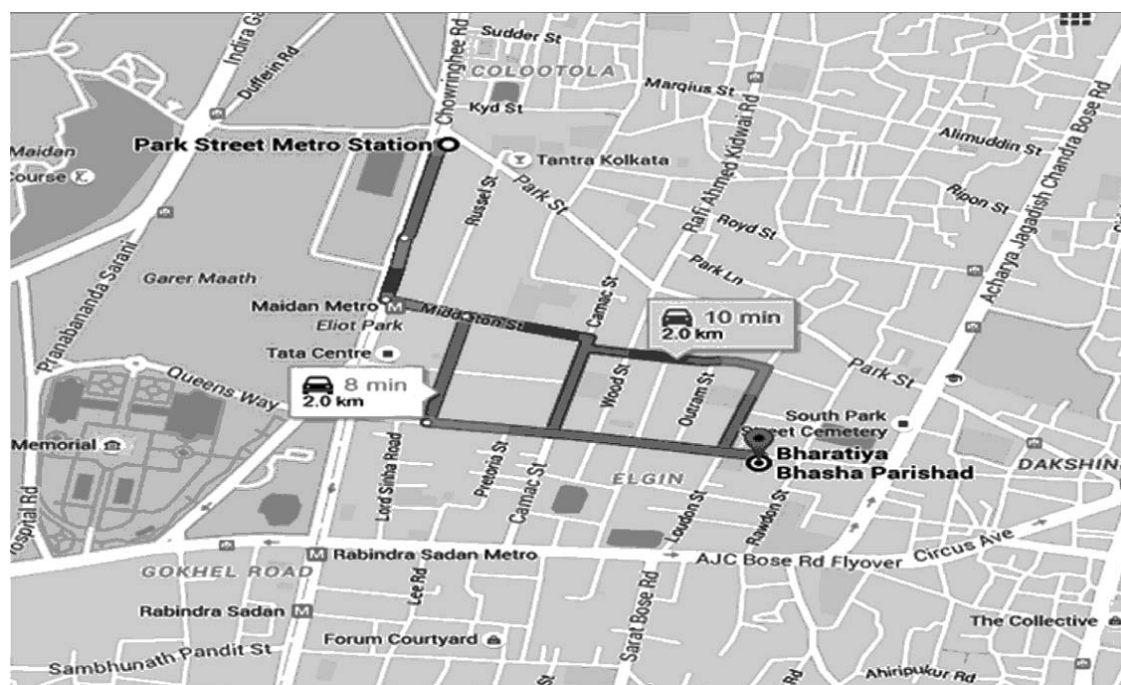
## 20. Declaration of Results

The results shall be declared on or after the AGM, but not later than two days from the conclusion of the date of the AGM. The results declared along with the Scrutinizer's Report shall be placed on the website of the Company [www.rydaksyndicate.com](http://www.rydaksyndicate.com) and on the website of CDSL viz [www.evotingindia.com](http://www.evotingindia.com) within two days of the passing of the resolutions at the 121<sup>st</sup> Annual General Meeting on July 25, 2019 and will be communicated to the Stock Exchange where the Company's Shares are listed, i.e. The Calcutta Stock Exchange Ltd.

## 21. Route Map of the Venue of the Meeting:

A Route Map showing directions to reach to the venue of the 121<sup>st</sup> AGM of the Company is given at the end of this Notice as per the requirement of the Secretarial Standard - 2 on "General Meeting".

**VENUE**  
**Sitaram Seksaria Auditorium, Bhartiya Bhasha Parishad**  
**36A, Shakespeare Sarani, Kolkata-700017**  
 (The prominent landmark near the Venue is Rani Birla Girl's College)





**Notice** *(Contd.)***EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013****Item No: 4**

Mr. Rajvinder Singh was appointed as a Whole Time Director of the Company for a period of 5 years w.e.f 2nd February, 2018. He has been discharging his responsibilities of the company very creditably as a Whole Time Director. In view of the same and to bring his remuneration at par with industry standards, it is proposed to increase his remuneration for the balance tenure of his appointment. The Nomination & Remuneration Committee at its meeting held on 30th May, 2019 has approved and recommended the increase in the remuneration payable to Mr. Singh and the same was duly approved by the Board of Directors. The details of the revised remuneration payable are given in the resolution set forth at item no 4 of the notice.

In accordance with Section 196, 197 read with Schedule V (as amended) and applicable rules under the Companies Act, 2013, the approval of the members is being sought for the said increase in remuneration payable to Mr. Singh.

No other Director, Key Managerial Personnel or their relatives, except Mr. Rajvinder Singh to whom the resolution relates, are in any way interested or concerned financially or otherwise, in respect of the said resolution.

The Board of Directors of the Company recommends the resolution for the approval of the members.

Registered Office:

4, Dr. Rajendra Prasad Sarani

Kolkata- 700001

CIN: L65993WB1900PLC001417

Tel: (033) 2230-4351 , Fax: (033) 2230-7555

Email: rydak.cs@gmail.com/rydak@vsnl.net

Web: [www.rydaksyndicate.com](http://www.rydaksyndicate.com)

Date: May 30, 2019

By Order of the Board of Directors

For **Rydak Syndicate Limited**

**Aditya Gupta**

Company Secretary

## Directors' Report

### To the Members,

Your Directors are pleased to present the 121st Annual Report, together with the Audited Financial Statements and the Auditors' Report of the Company for the financial year ended March 31, 2019.

### CORPORATE OVERVIEW

Rydak Syndicate Limited is a Company with business in manufacturing of black tea. The Company has its registered office in Kolkata and has six tea estates which are located in Assam and West Bengal Dooar's region.

### FINANCIAL RESULTS (STANDALONE AND CONSOLIDATED)

The performance of the Company for the financial year ended March 31, 2019 is summarised below:

AMOUNT RS. IN LACS

Particulars	Standalone		Consolidated	
	2018-2019	2017-18	2018-2019	2017-18
Total income	9,110.53	11,016.40	9,110.53	11,016.40
Profit Before Interest, Depreciation & Tax	773.91	836.73	773.91	836.73
Finance costs	406.34	335.93	406.34	335.93
Depreciation expense	276.65	257.50	276.65	257.50
Profit Before Tax	90.92	243.30	90.92	243.30
Provision for Current Tax	28.06	96.35	28.06	96.35
Deferred Tax	1.6	26.95	1.6	26.95
Profit After Tax	61.29	120.00	61.29	120.00
Other Comprehensive Income (Net of Taxes)	-11.46	-15.22	-11.46	-15.22
Total Comprehensive Income	49.79	104.78	49.79	104.78

### DIVIDEND

Your Directors recommend a dividend of INR 0.5/- (50 Paise Only) per share aggregating to INR 486,564/- (Rupees Four Lakhs Eighty Six Thousand Five Hundred and Sixty Four Only) for the current financial year subject to approval of the shareholders at the ensuing Annual General Meeting. The dividend, if approved by the members, would result in a cash outflow of INR 486,564/- (Rupees Four Lakhs Eighty Six Thousand Five Hundred and Sixty Four Only) and Dividend Distribution Tax of INR 99,988/- (Rupees Ninety Nine Thousand Nine Hundred Eighty Eight Only) aggregating to a total outflow of INR 5,86,552/- (Rupees Five Lakhs Eighty Six Thousand Five Hundred and Fifty Two).

### TRANSFER TO RESERVES

For the year under review no amount has been proposed to be transferred to General Reserve.

### TRANSFER OF UNCLAIMED DIVIDEND

Dividend declared at the Annual General Meeting held on 26th July, 2012, for the year ended 31st March, 2012, which remains unclaimed, will be transferred to the Investor Education and Protection Fund established by the Central Government pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013. Members are requested to lodge their claims with the Company immediately.

### REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS

Your Directors wish to present details of Business Operations done during the year under review:

- The Company carries on the business of growing, manufacturing and marketing of tea. The market this year was moderate and the company's Six Estates produced a total crop of 53.59 lakhs kgs as compared to 59.58 Lakh kgs., achieved in the previous year. The company's continued policy of making quality teas has paid off during the year..
- The net sales during the year 2018-19 was INR 90.05 Crores as compared to INR 109.33 in the previous financial year.

### CHANGES IN THE NATURE OF BUSINESS

There has been no change in the nature of business of the Company, during the financial year 2018-19.

## Directors' Report (Contd.)

### SHARE CAPITAL

The paid up Equity Share Capital as at March 31, 2019 stood at INR 9,731,280/-. During the year under review, the company has neither issued shares with differential voting rights nor has granted any stock options or sweat equity. As on March 31, 2019, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

### MATERIAL CHANGES & COMMITMENT DURING THE FINANCIAL YEAR

There are no material changes or commitments that have occurred after the close of the year till the date of this Report, which affects the financial position of the Company.

### DIRECTORS

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Mr. Suddhabrata Kar (DIN: 07697341), Non- Executive Director retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment for the consideration of the Members of the Company.

Mr. B.M. Lakshmeesh had resigned from the post of Non- Executive Director with effect from May 31, 2018 owing to his personal reason.

Mr.Kiran Nanoo Desai (DIN: 01639618), Non-Executive Director of the Company ceased to be a director with effect from July, 01 2018 due to his personal reasons

### DECLARATION BY INDEPENDENT DIRECTORS

All the independent directors have given declarations that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013. In the opinion of the Board, they fulfill the conditions of independence as specified in the Act and the Rules made there under and they are independent of the management.

### KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of Section 203 of the Companies Act, 2013, following are the Key Managerial Personnel (KMP) of the Company as on the date of this report:

- a) Mr. Rajvinder Singh, Whole Time Director
- b) Mr. Vishnu Sharma, Chief Financial Officer
- c) Mr. Aditya Gupta, Company Secretary

During the financial year under review following cessation took place:

- Mr D. Nandi , Manager due to resignation;

### MEETING OF THE BOARD AND IT'S COMMITTEES

#### Board Meetings

During the year ended March 31, 2019, 4 (Four) Board Meetings were held Attendance of the Directors has been as follows.

Name of the Director	Whether attended the meetings held on			
	30.05.18	26.07.18	08.11.18	7.02.19
Mr. Rajvinder Singh	YES	YES	YES	YES
Mr. S.Kar	YES	YES	YES	YES
Ms. S. Chakrabortti	YES	YES	YES	YES
Mr S. Das	YES	YES	YES	YES
Mr. K.N. Desai#	YES	NA	NA	NA
Mr. B.M. Lakshmeesh##	YES	NA	NA	NA

# Mr K.N. Desai, Non-Executive Director resigned w.e.f 01.07.2018

# Mr B.M. Lakshmeesh, Non-Executive Director resigned w.e.f 31.05.2018

### Audit Committee

#### i) Composition

The Audit Committee of the Company consists of Ms. S. Chakrabortti, Independent Director as the Chairperson along with Mr. S. Das, Independent Director and Mr. S.Kar, Non- Executive Director, as its Members.

## Directors' Report (Contd.)

### ii) Attendance

The Audit Committee met 4(four) times during the financial year 2017- 2018 and the attendance of the members has been as follows:

Name of the Directors	Whether attended the meetings held on			
	30.05.18	26.07.18	08.11.18	7.02.19
Ms. S. Chakrabortti	YES	YES	YES	YES
Mr. S. Das	YES	YES	YES	YES
Mr. S. Kar	YES	YES	YES	YES

During the year there were no instances where the Board of Directors of the Company had not accepted the recommendations of the Audit Committee.

In compliance with the provisions of Section 177(9) of the Companies Act, 2013 and the Listing Regulations, the Company has formulated a whistle blower policy to establish a vigil mechanism for Directors and employees to report genuine concerns about actual or suspected unethical behavior, malpractice, wrongful conduct, discrimination, sexual harassment, fraud, violation of the Company policies including Code of Conduct without fear of reprisal/retaliation which has been uploaded on the Company's website at [www.rydaksyndicate.com](http://www.rydaksyndicate.com).

### Nomination and Remuneration Committee

#### i) Composition

The Nomination and Remuneration Committee ('NRC') of the Board as on March 31, 2019 comprised of Ms. S. Chakrabortti, Non-executive Director as its Chairman and Mr. S. Kar, Non-executive Director, and Mr. S. Das, Independent Director as its members.

#### ii) Attendance

2 (Two) Meetings of the NRC were held during the financial year ended March 31, 2016 and the attendance of the members has been as follows:

Name of the Director	Whether attended the meetings held on	
	30.05.2018	07.02.19
Ms. S. Chakrabortti	YES	YES
Mr. S. Das	YES	YES
Mr. S.Kar	YES	YES

### PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a structured questionnaire was prepared after taking into consideration the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of the Independent Directors was duly completed. The performance evaluation of the Chairman and the Non- Independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

### DIRECTORS' RESPONSIBILITY STATEMENT

To the best of our knowledge and belief and according to the information and explanations obtained by us, your Directors make the following statement in terms of Section 134(3) (c) of the Companies Act, 2013:

- that in the preparation of Annual Accounts for the year ended March 31, 2019, the applicable Accounting Standards had been followed along with proper explanation relating to material departures, if any;
- that 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 March 31, 2019 and of the profit of the Company for the year ended on that date;
- that 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;
- that the Directors have prepared the annual accounts on a going concern basis;
- that 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;

## Directors' Report (Contd.)

- vi) that the Directors had devised proper systems to ensure compliance with the provision of all applicable laws and that such systems were adequate and operating effectively;

### AUDITORS

#### Statutory Auditors

M/s. M.C. Das & Co., Chartered Accountants (FRN:301110E) were appointed as Statutory Auditors of your Company at the Annual General Meeting held on 27th July, 2017 for a term of five consecutive years

There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

#### Secretarial Auditor

M/s Anjan Kumar Roy & Co., Practicing Company Secretary has been appointed as the Secretarial Auditor of the Company, in accordance with the provisions of Section 204 of the Companies Act, 2013. The Secretarial Audit Report is annexed as **Annexure-A** and forms an integral part of this Report.

Pursuant to Companies Amendment Act, 2017, resolution for ratification of appointment of Statutory Auditor has not been sought.

#### Internal Auditor

The Board of Directors has appointed Mr. Ranajit Ghosh, Cost Accountant as Internal Auditor of the Company, pursuant to Section 138 of the Companies Act, 2013. Reports of the Internal Audit are reviewed by the Audit Committee and the Board of Directors from time to time.

### INTERNAL FINANCIAL CONTROL AND RISK MANAGEMENT

#### Internal Financial Control

The Company has in place adequate internal financial controls with reference to financial statements. The internal financial control system is commensurate with the size, scale and complexities of the operations the Company. On the recommendation of Audit Committee, the Board of Directors has appointed Mr. Ranajit Ghosh, Cost Accountant, has been appointed as an Internal Auditor of the Company.

The Audit Committee reviews the report submitted by the Internal Auditor. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same :

1. Systems have been laid to ensure that all transactions are executed in accordance with management's general and specific authorization;
2. Systems and procedures exist to ensure that all transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and to maintain accountability for aspects and the timely preparation of reliable financial information;
3. Access to assets is permitted only in accordance with management's general and specific authorization. No assets of the Company are allowed to be used for personal purposes, except in accordance with terms of employment or except as specifically permitted;
4. The existing assets of the Company are verified/ checked at reasonable intervals and appropriate action is taken with respect to differences, if any;
5. Proper systems are in place for prevention and detection of frauds and errors and for ensuring adherence to the Company's policies.

#### Risk Management

The development and implementation of risk management policy has been covered in the Management Discussion and Analysis Report, which forms part of this Report.

The Company has formulated a Risk Management Policy after identifying the following elements of risks which pose significant challenges in terms of the operations and impact on financial results of the Company itself:

- a) Tea production is dependent on the vagaries of weather viz crop, temperature and humidity. To combat this risk, the Company has taken a policy of augmenting irrigation and digging of ponds near tea areas to combat lesser rainfall;
- b) Escalation in world crop and demand/ supply dynamics affects the price of tea in India;
- c) The unpredictable nature of Government policy in terms of determination of minimum wages and other labor costs like supply of rations has crucial impact on overall costs and profitability of the Company;
- d) Tea Crop is also dependent on pest activity on the estate. The new Protection Code implemented by Tea Board has reduced the chemicals that can be applied for control of pests and in some cases there is no chemical approved for certain pests which are prevalent in India.

## Directors' Report (Contd.)

The Audit Committee of the Board of Directors of the Company reviews the Company's policy and procedures to ensure the risks associated with the Company's business operations are effectively addressed. No fraud was reported by the Auditors of the Company to the Audit Committee or the Board of Directors during the year under review.

### ECONOMIC SCENARIO AND OUTLOOK

A detailed examination of the economic outlook for the company and the tea industry is included in Management and Discussion Analysis Report in "Annexure F" as required under Regulation 34(2)(e) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015('Listing Regulations').

### CORPORATE SOCIAL RESPONSIBILITY

The Company has not formed any Corporate Social Responsibility Committee as the provisions of Section 135 of the Companies Act, 2013, relating to constitution of such a Committee and the formulation of a Corporate Social Responsibility Policy do not apply to the Company.

### SUBSIDIARY / JOINT VENTURES / ASSOCIATES

As on March 31, 2019 the Company has only one associate i.e., Sangam Investments Limited. In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared consolidated financial statements which form part of the Annual Report. As at the financial year ended March 31, 2019, the Company did not have any Subsidiary Company. The details of performance of Sangam Investments Limited during the financial year 2018-19 are as follows:

(Amount in INR Hundreds)

Particulars	2018-19	2017-18
Total Revenue	127	339
Total Comprehensive Income for the year	(203)	177

Pursuant to the provisions of Section 129(3) of the Act, a statement containing salient features of the financial statements of Sangam Investments Limited in Form AOC-1 in **Annexure – B** is annexed.

### DEPOSITS

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

### LOANS, GUARANTEES OR INVESTMENTS

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

### CONTRACTS OR ARRANGEMENTS MADE WITH THE RELATED PARTIES

All related party transactions are in the ordinary course of business and at arm's length basis, which are not material in nature. All related party transactions are with the approval of the Audit Committee and periodically placed before the Board for review.

The policy on Related Party Transactions as approved by the Board of Directors of the Company may be accessed on the Company's website at [www.rydaksyndicate.com](http://www.rydaksyndicate.com).

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

A statement giving details of conservation of energy, technology absorption and foreign exchange earnings and outgo in terms of Section 134(3)(m) of the Companies Act, 2013 and read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is annexed as **Annexure-C** and forms an integral part of this Report.

### EXTRACT OF ANNUAL REPORT

An extract of the Annual Return in form MGT-9, as required under Section 92 of the Companies Act, 2013, is annexed as **Annexure-D** and forms an integral part of this Report.

### MANAGERIAL REMUNERATION

The information required pursuant to Section 197(12) read with Rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is annexed hereto as **Annexure-E** and forms part of this Report.

## Directors' Report (Contd.)

### PARTICULAR OF EMPLOYEES

There are no employees who are in receipt of remuneration in excess of the limit specified under section 134(3) (q) read with Rule 5 (2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

A statement comprising the names of top ten employees in terms of remuneration drawn and every persons employed throughout the year, who were in receipt of remuneration in terms of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed as **Annexure – F** and forms an integral part of this Report.

### SIGNIFICANT AND MATERIAL ORDERS

There are no significant and material orders passed by the Regulators/ Courts that would impact the going concern status of the Company and its future operations.

### FRAUD REPORTING

There was no fraud reported by the Auditors of the Company to the Audit Committee or the Board of Directors during the year under review.

### OCCUPATIONAL HEALTH AND ENVIRONMENTAL SAFETY

The Company is conscious of the importance of environmentally clean and safe operations. Occupational health and safety remain the management's top priority. Workers are provided with adequate safety equipments while performing their jobs.

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

As required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has constituted an Internal Complaints Committee to review the complaints lodged. During the year under review, no complaints were reported to the Board.

### SECRETARIAL STANDARD

The Company has complied with the applicable secretarial standards issued by the Institute of Company Secretaries of India.

### ACKNOWLEDGEMENT

The Directors wish to place on record, their sincere appreciation for the continued support and cooperation extended to the Company by its Investors, various departments of the Central and the State Government, Banks and Financial Institutions, various governmental regulatory authorities, its customers, suppliers and employees at all levels.

For and on behalf of the Board of Directors

Place : Kolkata  
Date : May 30, 2019

**S. Kar**  
Director  
(DIN : 07697341)

**Rajvinder Singh**  
Whole-time Director  
(DIN: 01639618)

## Annexure 'A' to the Directors' Report

ANNEXURE - A

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31<sup>st</sup> March, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of  
the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
Rydak Syndicate Ltd.  
4, Dr. Rajendra Prasad Sarani,  
Kolkata – 700 001

1. We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Rydak Syndicate Ltd. (hereinafter called 'the Company') during the financial year ended 31st March, 2019. Secretarial Audit was conducted on test check basis, in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.
2. On the basis of aforesaid verification of the secretarial compliance and on the basis of secretarial audit of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, as shown to us during the said audit and also based on the information provided by the Company, its officers, agents and authorized representatives during the conduct of the aforesaid secretarial audit, we hereby report that in our opinion and to the best of our understanding, the Company has, during the audit period covering the financial year ended on 31st March, 2019, complied with the statutory provisions listed hereunder and also the Company has adequate Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:
3. We further report that compliance with applicable laws is the responsibility of the Company and our report constitutes an independent opinion. Our report is neither an assurance for future viability of the Company nor a confirmation of efficient management by the Company.
4. (I) We have examined the secretarial compliance on test check basis of the books, papers, minute books, forms and returns filed and other records maintained by Rydak Syndicate Ltd. for the financial year ended on 31st March, 2019 according to the provisions of the following laws and as shown to us during our audit, as also referred in above paragraphs of this report;
  - (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;
  - (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz. :-
    - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
    - d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, to the extent as applicable.
- (II) We have also examined the secretarial compliance on test check basis records maintained by Rydak Syndicate Ltd. for the financial year ended on 31st March, 2019, according to the provisions of the following laws specifically applicable to the Company and based on the documents shown and information provided to us by the management during our audit, we understand that the company has reasonably complied with the following laws:
  1. The Tea Act, 1953.
  2. The Tea Warehouse (Licensing) Order, 1989.
  3. The Tea Waste Control Order, 1959.
  4. The Tea (Distribution and Export) Control Order, 2005.
  5. Plant Protection Code (Formulated by the Tea Board of India).
  6. Food Safety and Standard Act, 2006.
  7. The Tea Board Guidelines and Orders.
  8. The Tea (Marketing) Control Order, 2003.
  9. West Bengal Tea Plantation Labour Act, 1951.
  10. Assam Plantation Labour Rules, 1956.



**Annexure 'A' to the Directors' Report (Contd.)**

5. We have also examined compliance with the applicable clauses of the following:
  - i. Secretarial Standards issued by The Institute of Company Secretaries of India under Section 118 of the Companies Act, 2013.
6. That on the basis of the audit as referred above, to the best of our knowledge, understanding and belief, we are of the view that during the period under review, the Company has, save and except the observations of the Statutory Auditors of the company in their report for the period under review, if any, complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above in Paragraph 4(I), Paragraph 4(II) and Paragraph 5 of this report, save and except;
  - (i) Form IEPF 4 in respect of transfer of shares to the Investor Education and Protection fund which has to be filed as per the provisions of section 124 of the Companies Act, 2013 read with prescribed rules is still pending.
  - (ii) Form IEPF 7 which is required to be filed pursuant to Rule 6(13) of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, is still pending.
  - (iii) Form IEPF 2 has been filed belatedly on 31/03/2019.
  - (iv) Form MGT 7 has been filed on 25/09/2018, but there is a delay of only 1 day.
7. We have checked the compliance with the provisions of the Standard Listing Agreement entered by the Company with the following Stock Exchanges in India and also with the provisions of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable during the period under review and to the best of our knowledge, belief and understanding, we are of the view that the Company has complied with the secretarial functions and board processes to comply with the applicable provision thereof, during the aforesaid period under review.
  - i. The Calcutta Stock Exchange Limited (CSE)
8. We further report that,
  - a) 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 Companies Act, 2013.
  - b) Adequate notices are given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance.
  - c) Majority decision is carried through and recorded as part of the minutes.
9. 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 laws, rules, regulations and guidelines, generally applicable to the Company.
10. This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this Report.

For, **ANJAN KUMAR ROY & CO.**  
Company Secretaries

**ANJAN KUMAR ROY**  
Proprietor  
FCS No. 5684  
CP. No. 4557

Place : Kolkata  
Date : May 30, 2019

## Annexure 'A' to the Directors' Report (Contd.)

### Annexure A'

(To the Secretarial Audit Report of Rydak Syndicate Ltd. for the financial year ended 31/03/2018)

To,  
The Members,  
Rydak Syndicate Ltd.  
4, Dr. Rajendra Prasad Sarani,  
Kolkata – 700 001

Our Secretarial Audit Report for the financial year ended 31/03/2018 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is limited to expressing an opinion on existence of adequate board process and compliance management system, commensurate to the size of the Company, based on the secretarial records as shown to us during the said audit and also based on the information furnished to us by the officers and agents of the Company during the said audit.
2. We have followed the audit practices and processes as were appropriate, to the best of our understanding, to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to check as to whether correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc. and we have relied on such representation, in forming our opinion.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of compliance procedures on test basis. We would not be liable for any business decision or any consequences arising thereof, made on the basis of our report.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness or accuracy with which the management has conducted the affairs of the Company.

For, **ANJAN KUMAR ROY & CO.**  
Company Secretaries

**ANJAN KUMAR ROY**  
Proprietor  
FCS No. 5684  
CP. No. 4557

Place : Kolkata  
Date : May 30, 2019

## Annexure 'B' to the Directors' Report

Annexure-B

**AOC-1**

Statement containing salient features of the financial statement of subsidiaries/  
associate companies/ joint ventures

**Part "A" – Subsidiaries**

The Company has no subsidiaries

**Part "B": Associates and Joint Ventures –**

Name of Associates/Joint Ventures		Sangam Investments Limited
1.	Latest Audited Balance Sheet Date	March 31, 2019
2.	Shares of Associate/Joint Ventures held by the Company on the year end	24,150 shares
	Amount Venture of Investment in Associates/Joint Venture	INR 123,165
	Extent of Holding %	24.15%
3.	Description of how there is significant influence	There is significant influence due to (%) of share capital
4.	Reason why the associate/joint venture is not consolidated	Not Applicable
5.	Net worth attributable to Shareholding as per latest audited Balance Sheet	INR (769153)
6.	Profit / Loss for the year	
	i. Considered in Consolidation	NIL
	ii. Not Considered in Consolidation	—

For and on behalf of the Board of Directors

Place : Kolkata  
Date : May 30, 2019

**S. Kar**  
Director  
(DIN : 07697341)

**Rajvinder Singh**  
Whole-time Director  
(DIN: 01639618)

## Annexure 'C' to the Directors' Report

(Amount in INR)

Annexure- C

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

**A. POWER & FUEL CONSUMPTION**

Particulars	Year Ended 31st March 2019	Year Ended 31st March 2018
1. <b>Electricity</b>		
a) Purchased Units (in lacs)	52.62	59.64
Amount (INR in lacs)	512.57	583.78
Cost Unit (INR)	9.74	9.79
b) Own Generation		
i) Through Diesel Generator (Units)(lacs) <b>Unit per litre of Diesel oil:</b>	4.55	5.88
Petrol Litre	155,316	197,950
Petrol Rs. (Litre)	67.09	59.64
Total Cost	10,420,252	11,805,252
Cost per Unit (INR)	14.75	20.07
ii) Through Steam Turbine/Generator Units	—	—
2. <b>Coal (used for Drying of Tea)</b>		
Quantity (Metric Tonnes)	2,194.51	4,714.67
Total Cost (INR in lacs)	188.03	458.70
Average Rates (INR per Metric Tonne)	8,568.23	9,719.67

**B. CONSUMPTION PER UNIT OF PRODUCTION**

Particulars	Standards (if any)	Year Ended 31st March 2019	Year Ended 31st March 2018
Tea produced	There is no specific standard as the consumption per unit of production depends on Actual production mix	5,470,398.00	5,958,914.00
Electricity (Unit/kg of tea)		0.96	1.00
Furnace Oil (Litre/Kg. of Tea)		-	-
Coal (Per Kg of Tea)		0.80	0.62

<b>A CONSERVATION OF ENERGY</b>	a)	The Company continues to give priority to conservation of energy as an ongoing process
	b)	To reduce the energy cost the Company has taken considerable energy saving measures through various in-house electrical modifications and the effect of the same has been felt.
	c)	The Form of disclosure of Particulars (Form – A) is not applicable to this Company

**Annexure 'C' to the Directors' Report (Contd.)****B. TECHNOLOGY ABSORPTION**

<b>I. RESEARCH &amp; DEVELOPMENT (R&amp;D)</b>			
a)	Specific areas in which R & D: carried out by the Company	:	NIL
b)	Benefits derived as a result of: above R & D	:	The company makes in-house efforts in order to keep pace with technological developments.
c)	Future Plan of Action:	:	The Company is in the process of organizing and expanding Agency Division in line with the market requirements.
d)	Expenditure on R & D:	:	The Company has not spent any specific amount on Research and Development during the year under review.
i)	Capital:	:	NIL
ii)	Recurring:	:	NIL
iii)	Total:	:	NIL
iv)	Total R & D expenditure as a percentage of total turnover	:	NIL
<b>II. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION</b>			
a)	Efforts in brief made towards technology absorption, adaptation and innovation	:	Further to details set out in part 1 above, the Company is endeavoring to update through in-house effects technology in line with industry requirements for its agency division
b)	Benefits derived as a result of the above efforts e.g. products improvement, cost reduction, production development, import substitution	:	
<b>III FOREIGN EXCHANGE EARNINGS AND OUTGO</b>		:	(1) Earnings Rs. NIL (2) Outgo Rs. NIL

For and on behalf of the Board of Directors

Place : Kolkata  
Date : May 30, 2019**S. Kar**  
Director  
(DIN : 07697341)**Rajvinder Singh**  
Whole-time Director  
(DIN: 01639618)

## Annexure 'D' to the Directors' Report

### ANNEXURE – D Form No. MGT-9

#### EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies

(Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS :

CIN	L65993WB1900PLC001417
Registration Date	24/07/1900
Name of the Company	Rydak Syndicate Limited
Category/Sub-Category of the Company	Public company limited by shares
Address of the Registered office and contact details	4, Dr. Rajendra Prasad Sarani Kolkata - 700 001
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Niche Technologies Pvt. Ltd. 3A, Auckland Place, 7th Floor, Room No. 7A & 7B Kolkata - 700 017 Phone : (033) 2280 6616 / 17 / 18 Fax : (033) 2280 6619 Email : nichetechpl@nichetechpl.com Website : www.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:-

Name and Description of main products/ services	NIC Code of the Product/ service	% of turnover of the Company
Tea Manufacturing	01271	100

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

Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
Sangam Investments Limited	U65921UP1973PLC003713	Associate	24.15	2(6) of the Companies Act, 2013

#### 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	
A. Promoter									
Indian									
a) Individual/ HUF	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Bodies Corp	485366	NIL	485366	49.77	485366	NIL	485366	49.77	NIL
e) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Any Other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
SUB-TOTAL(A)(1):-	485366	NIL	485366	49.77	485366	NIL	485366	49.77	NIL

## Annexure 'D' to the Directors' Report (Contd.)

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	
<i>Foreign</i>									
g) NRIs-Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
h) Other-Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Bodies Corp.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
j) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
k) Any Other....	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Sub-total(A)(2):-</b>	<b>485366</b>	<b>NIL</b>	<b>485366</b>	<b>49.77</b>	<b>485366</b>	<b>NIL</b>	<b>485366</b>	<b>49.77</b>	<b>NIL</b>
<b>Total Shareholding of Promoter (A) = (A)(1) + (A) (2)</b>	<b>485366</b>	<b>NIL</b>	<b>485366</b>	<b>49.77</b>	<b>485366</b>	<b>NIL</b>	<b>485366</b>	<b>49.77</b>	<b>NIL</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<i>1. Institutions</i>									
a) Mutual Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Banks / FI	NIL	3181	3181	0.327	459	3181	3640	0.374	0.047
c) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Insurance Companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
g) FIIs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
h) Foreign Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
i) Others (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Sub-total(B)(1)</b>	<b>NIL</b>	<b>3181</b>	<b>3181</b>	<b>0.327</b>	<b>459</b>	<b>3181</b>	<b>3640</b>	<b>0.374</b>	<b>0.047</b>
<i>2. Non Institutions</i>									
a) Bodies Corp.									
• Indian	180909	154240	335149	34.440	198325	111457	309782	31.834	-2.606
• Overseas	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Individuals									
• Individual shareholders holding nominal share capital upto INR 1 lakh	31204	103926	135130	13.886	49726	79035	128761	13.232	0.654
• Individual shareholders holding nominal share capital in excess of Rs 1 lakh	10720	NIL	10720	1.102	41997	NIL	41997	4.316	3.214
c) Others(Specify)									
<b>1. NRI</b>	<b>NIL</b>	<b>3582</b>	<b>3582</b>	<b>0.368</b>	<b>NIL</b>	<b>3582</b>	<b>3582</b>	<b>0.368</b>	<b>NIL</b>
<b>2. Overseas Corporate Bodies</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>3. Foreign Nationals</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>4. Clearing Members</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>5. Trusts</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>6. Foreign Bodies - D.R.</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>Sub-total(B)(2)</b>	<b>222833</b>	<b>261748</b>	<b>484581</b>	<b>49.796</b>	<b>290048</b>	<b>194074</b>	<b>484122</b>	<b>49.749</b>	<b>-0.047</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>222833</b>	<b>264929</b>	<b>487762</b>	<b>50.123</b>	<b>290507</b>	<b>197255</b>	<b>487762</b>	<b>50.123</b>	<b>0.000</b>
<b>A. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>Grand Total (A+B+C)</b>	<b>708199</b>	<b>264929</b>	<b>973128</b>	<b>100.00</b>	<b>775873</b>	<b>197255</b>	<b>973128</b>	<b>100.00</b>	<b>0.000</b>

## Annexure 'D' to the Directors' Report (Contd.)

### Shareholding of Promoters

Shareholder's Name	Shareholding at the beginning of the year			Shareholding 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	
Jardine Henderson Limited	485366	49.877	NIL	485366	49.877	NIL	NIL
<b>Total</b>	<b>485366</b>	<b>49.877</b>	<b>NIL</b>	<b>485366</b>	<b>49.877</b>	<b>NIL</b>	<b>NIL</b>

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

Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	<b>NO CHANGE DURING THE YEAR</b>			
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
At the End of the year				
<b>TOTAL</b>	<b>485366</b>	<b>49.877</b>	<b>485366</b>	<b>49.877</b>

### III. Shareholding of top ten shareholders (other than Directors, Promoters and holders of ADRs and GDRs)

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>BACHA F. GUZDAR</b>				
	a) At the Beginning of the Year	7733	0.795		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			7733	0.795
2	<b>GYAN TRADERS LTD</b>				
	a) At the Beginning of the Year	26277	2.700		
	b) Changes during the year				
	Date Reason				
	04/01/2019 Transfer	-26225	2.695	52	0.005
	11/01/2019 Transfer	-52	0.005	0	0.000
	c) At the End of the Year			0	0.000
3	<b>INDISTOCK PVT.LTD.</b>				
	a) At the Beginning of the Year	7393	0.760		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			7393	0.760
4	<b>KANT &amp; CO. LIMITED</b>				
	a) At the Beginning of the Year	100687	10.347		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			100687	10.347



## Annexure 'D' to the Directors' Report (Contd.)

(Amount in INR)

5	<b>LILLY EXPORTERS PVT.LTD.</b>				
	a) At the Beginning of the Year	20319	2.088		
	b) Changes during the year		[NO CHANGES DURING THE YEAR]		
	c) At the End of the Year			20319	2.088
6	<b>MINT INVESTMENTS LIMITED</b>				
	a) At the Beginning of the Year	18848	1.937		
	b) Changes during the year		[NO CHANGES DURING THE YEAR]		
	c) At the End of the Year			18848	1.937
7	<b>MONET SECURITIES PVT.LTD.</b>				
	a) At the Beginning of the Year	58990	6.062		
	b) Changes during the year		[NO CHANGES DURING THE YEAR]		
	c) At the End of the Year			58990	6.062
8	<b>MRIGANK DHANUKA</b>				
	a) At the Beginning of the Year	10720	1.102		
	b) Changes during the year		[NO CHANGES DURING THE YEAR]		
	c) At the End of the Year			10720	1.102
9	<b>SANGAM INVESTMENTS LTD.</b>				
	a) At the Beginning of the Year	10732	1.103		
	b) Changes during the year		[NO CHANGES DURING THE YEAR]		
	c) At the End of the Year			10732	1.103
10	<b>SRIPADAM INVESTMENTS LIMITED</b>				
	a) At the Beginning of the Year	81100	8.334		
	b) Changes during the year		[NO CHANGES DURING THE YEAR]		
	c) At the End of the Year			81100	8.334
11	<b>SANJEEV BUBNA</b>				
	a) At the Beginning of the Year	0	0.000		
	b) Changes during the year				
	Date Reason				
	20/07/2018 Transfer	5000	0.514	5000	0.514
	04/01/2019 Transfer	26225	2.695	31225	3.209
	11/01/2019 Transfer	52	0.005	31277	3.214
	c) At the End of the Year			31277	3.214
	<b>T O T A L</b>	<b>342799</b>	<b>35.227</b>	<b>347799</b>	<b>35.740</b>

## IV. Shareholding of Directors and Key Managerial Personnel:

Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	NIL		NIL	
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL		NIL	

## Annexure 'D' to the Directors' Report (Contd.)

### V. INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	16,31,704	10,92,637	NIL	2,724,341
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total(i+ii+iii)</b>	<b>16,31,704</b>	<b>10,92,637</b>	<b>NIL</b>	<b>2,724,341</b>
<b>Change in Indebtedness during the financial year</b>				
- Addition	4,49,979	NIL	NIL	4,49,979
- Reduction	-	225,287	NIL	225,287
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	20,81,683	839,000	NIL	29,20,683
ii) Interest due but not paid	NIL	28,350	NIL	28,350
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total (i+ii+iii)</b>	<b>20,81,683</b>	<b>8,67,350</b>	<b>NIL</b>	<b>29,49,033</b>

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

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

Sl. No.	Particulars of Remuneration	Name of WTD
		Rajvinder Singh, Whole Time Director
1.	<b>Gross salary</b>	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12,29,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,10,692
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	1,50,000
2.	Stock Option	NIL
3.	Sweat Equity	NIL
4.	Commission - as % of profit - others, specify	NIL
5.	Others, please specify	NIL
	<b>Total(A)</b>	<b>14,89,692</b>
	Ceiling as per Act	-

**Annexure 'D' to the Directors' Report (Contd.)****B. Remuneration to other directors:**

Sl. No.	Particulars of Remuneration	Name of Managing Director/ Whole Time Director / Director				Total Amount
		Ms. S. Chakrabortti	Mr. S. Das	Mr. B. M. Lakshmeesh	Mr. S. Kar	
	<u>Independent Directors</u> ·Fee for attending Board / Committee meetings ·Commission ·Others, please specify	55,000/-	55,000/-			1,10,000/-
2	<b>Total(1)</b>	55,000/-	55,000/-			<b>1,10,000/-</b>
2	<u>Other Non-Executive Directors</u> ·Fee for attending Board / Committee meetings ·Commission ·Others, please specify			5,000/-	50,000/-	55,000/-
	<b>Total(2)</b>			5,000/-	50,000/-	55,000/-
	<b>Total(B)=(1+2)</b>	55,000/-	55,000/-	5,000/-	50,000/-	1,65,000/-
	Total Managerial Remuneration					

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Chief Financial Officer	Company Secretary	Total
1.	Gross salary			
	(a) Salary as per provisions contained in Section17(1) of the Income-tax Act, 1961	8,11,200	4,50,744	12,61,944
	(b) Value of perquisites u/s 17(2) Income tax Act,1961	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income-Tax Act,1961	1,23,000	69,000	1,92,000
2.	Stock Option	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL
4.	Commission - as% of profit -others, specify...	NIL	NIL	NIL
5.	Others, please specify	NIL	NIL	NIL
	<b>Total</b>	<b>9,34,200</b>	<b>5,19,744</b>	<b>14,53,944</b>

## Annexure 'D' to the Directors' Report (Contd.)

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

Type	Section of the Companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority[RD /NCLT/Court]	Appeal made. If any(give details)
<b>A. COMPANY</b>					
Penalty	NIL	NIL	N.A.	N.A.	N.A.
Punishment	NIL	NIL	N.A.	N.A.	N.A.
Compounding	NIL	NIL	N.A.	N.A.	N.A.
<b>B. DIRECTORS</b>					
Penalty	NIL	NIL	N.A.	N.A.	N.A.
Punishment	NIL	NIL	N.A.	N.A.	N.A.
Compounding	NIL	NIL	N.A.	N.A.	N.A.
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NIL				
Punishment					
Compounding					

For and on behalf of the Board of Directors

Place : Kolkata  
Date : May 30, 2019

**S. Kar**  
Director

**Rajvinder Singh**  
Whole-time Director

## Annexure 'E' to the Directors' Report

### Information pertaining to remuneration of employees

Pursuant to section 197(12) read with Rule 5 of the Companies (Appointment and Remuneration) Rules 2014

#### The ratio of remuneration of each Director to the median remuneration of employees of the Company for the financial year 2018-19

All employees median remuneration for FY 2018-19	:	INR 60,120/-
The percentage increase in the median remuneration of employees in the FY 2018-19	:	60.30
The number of permanent employees on the rolls of the Company as on March 31, 2019	:	6467

Name of Director/ KMP	Ratio of remuneration to median	% increase in remuneration in the FY 2019
Mr. S.Kar	All the Directors were paid sitting fees for attending the meeting and the same has not been considered as Remuneration.	
Mr. Subir Das		
Ms. S. Chakrabortti		

KEY MANAGERIAL PERSONNEL	% increase in remuneration in the FY 2019
Mr. Rajvinder Singh, Whole-time Director	19.45
Mr. Aditya Gupta, Company Secretary	21.05
Mr. V. Sharma, Chief Financial Officer	34.57

- A2. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration :**

Average Salary decrease of non-managerial employees is 9.82%;

Average Salary increase of managerial employees<sup>1</sup> is 11.65%;

There are no exceptional circumstances in increase in managerial remuneration.

- Affirmation that the remuneration is as per the remuneration policy of the Company.**

Remuneration paid during the Financial Year ended 31.03.2019 is as per the Remuneration Policy of the Company.

## Annexure 'F' to the Directors' Report (Contd.)

## Particulars of employees pursuant to Section 134(3) of Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Top ten employees in terms of remuneration drawn during the year									
Sl. No.	Name of employee	Designation	Remuneration (INR)	Qualification	Total Experience (in years)	Date of commencement of employment	Age (Years)	Last employment	% of equity shares held
1	Mr. R. Singh	Whole Time Director	1,483,596.00	B.A. in Economics	24	01.10.1994	46	NA	NIL
2	Mr. Shankar Menon	Sr. Marketing	1,262,195.00	Bachelor of Science	38	01.06.2019	62	Parcon India Pvt Ltd	NIL
3	Mr. U. Chakraborty	Estate Manager	1,181,617.00	Bachelor of Science	24	21.06.2010	48	Tirrihannah Tea Co. Ltd.	NIL
4	Mr. A. Mehta	Sr. General Manager-Operations	1,141,600.00	Bachelor of Commerce	32	27.06.1985	53	NA	NIL
5	Mr. R. Mehta	Sr. General Manager-Marketing	1,125,838.00	Bachelor of Commerce	29	03.08.1998	51	NA	NIL
6	Mr. G. S. Pahwa	Estate Manager	1,026,721.00	Bachelor of Science	20	16.02.1998	44	NA	NIL
7	Mr. D. Tiwari	Estate Manager	959,021.00	Bachelor of Arts	30	01.03.2008	54	Gillianders Arbuthnot Co. Limited	NIL
8	Mr. Vishnu Kumar Sharma	Chief Financial Officer	883,200.00	Bachelor of Commerce, CFA	07	02.07.2012	30	NA	NIL
9	Mr. Biswajit Chatterjee	SPL Grade Clerk	864,180.00	Bachelor of Science, Bachelor of Arts, LLB	34	03.03.1986	58	NA	NIL
10	Mr. Tapas Khanra	Tax Manager	718,200.00	Bachelor of Commerce	34	01.07.1997	61	NA	NIL

Note :

- Remuneration received includes salary, perquisites and profits in lieu of salary as per Section 17(1), 17(2) and 17(3) of the Income Tax Act;
- In respect of all the employees, the nature of employment is contractual in accordance with terms and conditions as per Companies Rules, terminable by notice on either side;
- None of the employees mentioned above is relative of any Director of the Company;
- Total experience shown in Column 7 includes service with previous employers;
- None of the employees of the Company are posted and working outside India

For and on behalf of the Board of Directors

Place : Kolkata  
Date : May 30, 2019**S. Kar**  
Director**Rajvinder Singh**  
Whole-time Director

## Management Discussion and Analysis Report

Annexure - F

### INDUSTRY STRUCTURE AND DEVELOPMENTS

India is one of the major tea producing centres of the world with tea produced in the country being one of the finest in the world and enjoys worldwide consumer preference. One of the oldest industries, the tea industry has a large network of retailers, distributors, producers, packers, exporters and auctioneers.

The Company carries on the business of growing and manufacturing of tea. The Company is having six estates which produced a saleable crop of 50.33 lakh kgs as compared to 61.24 lakh kgs in the same period last year.

The average price realization of the Company's tea was Rs.185.43 as compared to Rs. 178.53 in the previous year.

The prospectus for the coming year till the time of writing this report showed an increase in saleable crop due to timely rain and low temperatures.

The net sales in the year 2018-2019 was Rs. 9,005.51 lakhs as compared to Rs. 10933.53 lakhs during the same period in the year 2017-2018. There was an increase of 3.86% in sales realization, which was brought about mainly by an increased pricing in auction during the fiscal year.

Cost in India was substantially higher on account of increase in wages after implementation of new wage agreement and other input costs coupled with loss of crop. This had substantial impact on operating earnings of the year.

### ECONOMIC SCENARIO AND OUTLOOK

The economic scenario for the growing and manufacturing of teas looks bleak for the following reasons:

1. Tea is dependent on the vagaries of weather. Tea growing has been facing the brunt of climate changes in the form of extreme weather conditions. Either drought like conditions or high intensity rainfall has been playing havoc with the crop. Tea crop loss for a short duration of time every year due to extreme weather conditions has become a normal trend for the tea industry of late.
2. The increase in wages for workmen and the threat of imposing minimum wages on tea companies along with added social costs is a reason for concern, which if implemented, would have lasting effects on the tea industry. In the current scenario most companies would find it difficult to keep their heads above water.
3. World crop is increasing day by day and tea prices are directly related to demand and supply. If the price realization of teas does not increase, it will not be possible to bear the additional costs which the industry has to pay.
4. Government policy not to issue rations from the FCI godowns has resulted in the cost of rations doubling up in Assam as they have to be purchased from the open market and supplied to the workers at substantially reduced costs.
5. Cost of inputs such as coal, fuel oil, gas, transportation etc. has been increasing over the years and the present trend suggests that there will be further increase in inputs which would put pressure on the bottom line.

### PRODUCT PERFORMANCE

During the year under review, the production of tea leaf was higher as compared to previous year. Cost of production of tea has risen but prices did not rise commensurately. Strong demand for quality tea persisted and the average realization of the tea sold by the Company was 6.45% higher compared to the previous year.

The Company continues to focus on manufacturing quality tea. In the last couple of years, the Company has implemented prudent production and field practices, invested in latest technology, acquired stringent certifications by ensured compliance with norms.

### OUTLOOK

The review of the global scenario of tea in terms of area, production, yield, export and import indicate overall increase in the quality of tea in the world market over the last two decades and the trend is on the upswing. The current season has started with mixed weather conditions. Shortage of quality tea and increased consumption thereof is expected to have a positive impact on demand and price realization.

### OPPORTUNITIES AND THREATS

As we review the forthcoming year, a threat and opportunity scenario of the world crop in general and the Indian crop in particular has to be considered to evaluate export potential and domestic sales respectively. This is a major indicator of what is likely to happen as we go through the production year.

The continuous promotional efforts and better marketing initiatives taken by the Tea Board are likely to benefit the Industry in the long term.

## Management Discussion and Analysis Report (Contd.)

Erratic weather conditions and shortage of labour are the main threats to the Company.

### RISKS AND CONCERNS

Risks are inevitable in any business. The Industry is highly labour intensive and is subject to stringent labour laws. Substantial increase in labour wages (increase in minimum wages and cost of rations supplied to workers) and, high social cost over most other tea producing countries, high infrastructure costs and increasing energy and other input costs remain the major problems for the Indian Tea Industry. Besides climatic conditions, global production, the strategy of bought leaf and shortage of labour during peak season also affect the fate of the Tea Industry. Being aware of this, the Company has a proper risk management system in place to counter them.

- **Climatic risks:**

Climate change is one unpredictable phenomenon, given that there has been increase in temperatures and decrease in rainfall; both these trends affect productivity of the tea bushes. Tea production is dependent on the vagaries of weather viz crop, temperature and humidity.

To combat this risk, the Company has taken a policy of augmenting irrigation and digging of ponds near tea areas to combat lesser rainfall. It is worth mentioning that the gardens are covered upto 50% by irrigation in both Assam & Dooars.

- **Pests Risks:**

The Company has rigorously enforced an estate-wise, wide mechanism to address pest attacks through the use of PPC-prescribed chemicals under the Trustea Code. This responsible use of chemicals has strengthened the demand for the Company's product.

- **Labour Risk and cost control:**

The Company has invested in automation covering plucking and ploughing activities. The issue of wage settlement for tea workers in the Bengal belt is developing into a major crisis for the Industry.

We have over the years reported our apprehension of increasing cost of production and selling prices are not keeping pace with enhanced costs. Tea is a cyclical Industry and often subject to cyclical prosperity.

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has laid down guidelines, procedures, and policies for better management control which are periodically tested and supplemented by an extensive internal audit program. Significant findings are placed before the Audit Committee and the corrective measures are recommended for implementation.

Further, the Company strives to maintain healthy industrial relations across all locations and employees. The Committee also meets the Company's Statutory Auditors to ascertain, inter alia, their views on the adequacy of internal control systems in the Company and keeps the Board of Directors informed of its major observations from time to time. The Risk Management Policy adopted by the Company has further strengthened the internal control system.

In the opinion of the management, the existing internal checks and controls are effective and adequate, with the nature and size of business.

### HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATIONS

Tea Industry is highly labour intensive. Employee relations remained satisfactory during the period under review. The Company would like to record its appreciation of the wholehearted support and dedication of its employees at all levels in ensuring smooth operations in the production of tea at all the Tea Estates throughout the year.

### CAUTIONARY STATEMENT

The forward looking statements and the views expressed in the Management Discussion and Analysis Report are based on certain assumptions. The actual results, performance or achievements may differ materially from those stated therein. The Company shall not be held liable, in any manner, if the future turns out to be quite different, even materially.

For and on behalf of the Board of Directors

Place : Kolkata  
Date : May 30, 2019

**S. Kar**  
Director

**Rajvinder Singh**  
Whole-time Director



## Independent Auditor's Report

To the Members of Rydak Syndicate Limited

### Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **Rydak Syndicate Limited** ('the Company'), which comprise the balance sheet as at 31 March 2019, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS 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 thereunder.

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 standalone Ind AS financial statements are free from material misstatement.

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

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31 March, 2019, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Key Audit Matters:

1. Adoption of Ind As 115 "Review from Contracts with the Customers" and recognition of Revenue.

We assessed the Group's process to identify the impact of adoption of the new Accounting Standard and conducted substantive testing. and noted that Ind AS 115 is not applicable under the circumstances to the Company.

2. Amendment of Accounting Policy of disclosure of Government Grants:

With effect from 1.4.2018 Ind As-20 has been amended as regards recognition of Government Grants. Previously Ind As 20 required that government Grants related to Assets shall be presented by setting up the Grant as deferred Income. The Amendment Rules

## Independent Auditor's Report (Contd.)

in Ind As 20 now states that Govt, Grants related to Assets can be presented by deducting from the carrying amount of assets, i.e. Property Plant & Equipment as Non-monetary grants can be recognized at a nominal amount.

We assessed the changed policy adopted by the Company. Govt. Subsidy received during the year has been considered fully as other income. However the Deferred Income opening balance have been transferred straightway to Retained Earning.

3. As regards CWIP capitalization in the carrying amount of bearer plants (Harvested), the management according to their consistent Policy has reallocated Gardens' Ordinary expenditure to Capital work in Progress as estimated by the Management

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the balance sheet, the statement of profit and loss, the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
  - (d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;
  - (e) on the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
  - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. the Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statement.
    - ii. the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
    - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **M. C. DAS & Co**  
Chartered Accountants  
Firm's Registration Number: 301110E

**A. K. BANERJEE**  
Partner  
Membership Number: 050243

Kolkata  
30th May, 2019

## Annexure - A to the Auditor's Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2019, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. However updating of the register is in process.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) As explained to us Inventories have been physically verified during the year by the management at reasonable interval ,except for tea lying with Agents.
- (iii) The Company has not granted loans to any bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) The Company has not accepted any deposits under section 73 to 76 of the Companies Act, 2013 from the public.
- (vi) The Central Government has prescribed the maintenance of cost records under section 148(1) of the Act and such records have been made and maintained.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess, GST and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable except for the following:

Green leaf Cess: Rs. 8,13,970

According to the information and explanations given to us, there are no dues of duty of customs which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax, and value added tax have not been deposited by the Company on account of disputes:

Name of the statute	Nature of dues	Amount (in Rs)	Period to which the amount relates	Forum where dispute is pending
Income Tax	Central Tax	36,88,200	2010-11	CIT(A) 2
Income Tax	Central Tax	14,69,390	2013-14	CIT(A) 2
Central Sales Tax Act, 1956	CST`	49,56,717	2012-13	Joint Commissioner Sales Tax
West Bengal Value added Tax	VAT	75,808	2012-13	Joint Commissioner Sales Tax

- (viii) The Company has not defaulted repayment of loans or borrowing from Bank during the year.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **M. C. DAS & Co**  
Chartered Accountants  
Firm's Registration Number: 301110E

**A. K. BANERJEE**  
Partner  
Membership Number: 050243

## Annexure - B to the Auditor's Report

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

We have audited the internal financial controls over financial reporting of **Rydak Syndicate Limited** ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

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

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

#### Auditors' Responsibility

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

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

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

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

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

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

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

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

#### Opinion

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

For **M. C. DAS & Co**

Chartered Accountants

Firm's Registration Number: 301110E

**A. K. BANERJEE**

Partner

Membership Number: 050243

Kolkata  
30th May, 2019

## Balance Sheet as at 31st March 2019

(All amounts in INR hundreds, unless otherwise stated)

Particulars	Note	31st March 2019	31st March 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	4,300,158	3,950,727
Capital work-in-progress	4	1,880,607	1,520,686
Investment in associate	5	1,232	1,232
<b>Financial assets</b>			
Investments	6	93,497	93,497
Non current tax asset (net)	7	478,886	425,344
Deferred tax assets (net)	8	145,864	142,751
Other non-current assets	9	178,315	149,818
<b>Total non-current assets</b>		<b>7,078,559</b>	<b>6,284,055</b>
<b>Current assets</b>			
Inventories	10	2,186,759	2,240,034
Biological assets other than bearer plants	11	41,796	33,844
<b>Financial assets</b>			
(i) Trade receivables	12	250,533	398,303
(ii) Cash and cash equivalents	13	81,511	56,055
(iii) Other financial assets	14	17,469	17,469
Other current assets	15	247,397	270,317
<b>Total current assets</b>		<b>2,825,465</b>	<b>3,016,022</b>
<b>Total assets</b>		<b>9,904,024</b>	<b>9,300,077</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	16	97,313	97,313
Other equity	17	1,928,433	1,773,334
<b>Total equity</b>		<b>2,025,746</b>	<b>1,870,647</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	18	25,726	20,639
Provisions	19	702,714	688,299
Deferred income	20	—	115,488
<b>Total non-current liabilities</b>		<b>728,440</b>	<b>824,426</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
(i) Borrowings	21	2,905,508	2,715,280
(ii) Trade payables	22	2,609,167	2,382,380
(iii) Other financial liabilities	23	700,261	856,590
Deferred income	20	—	1,550
Other current liabilities	24	422,149	230,559
Provisions	25	187,950	121,909
Current tax liabilities	26	324,803	296,736
<b>Total current liabilities</b>		<b>7,149,838</b>	<b>6,605,004</b>
<b>Total equity and liabilities</b>		<b>9,904,024</b>	<b>9,300,077</b>

## ACCOUNTING POLICIES AND NOTES ON ACCOUNTS - 1 &amp; 2

The notes referred to above form an integral part of the Financial Statements.

In terms of our attached Report of even date

For and on behalf of the Board of Directors

For **M. C. DAS & Co**

Chartered Accountants

Firm's Registration Number: 301110E

**A. K. BANERJEE**

Partner

Membership Number: 050243

Place: Kolkata

Date: 30th May, 2019

**Suddhabrata Kar**

Director

DIN: 07697341

**Aditya Gupta**

Company Secretary

**Rajvinder Singh**

Whole-Time Director

DIN: 06931916

**Vishnu Sharma**

Chief Financial Officer

## Statement of Profit & Loss for the year ended 31st March, 2019

(All amounts in INR hundreds, unless otherwise stated)

Particulars	Note	31st March 2019	31st March 2018
<b>Income</b>			
Revenue from operations	27	9,005,514	10,933,532
Other income	28	105,017	82,870
<b>Total income</b>		<b>9,110,531</b>	<b>11,016,402</b>
<b>Expenses</b>			
Cost of materials consumed	29	1,289,579	1,918,215
Changes in inventories of finished goods	30	(87,575)	420,750
Change in carrying amount of biological assets other than bearer plant (gain/(loss))	31	(7,952)	(4,782)
Employee benefits expense	32	5,201,553	5,553,744
Finance costs	33	406,347	335,931
Depreciation expense	3	276,646	257,498
Other expenses	34	1,941,008	2,291,742
<b>Total expenses</b>		<b>9,019,606</b>	<b>10,773,098</b>
<b>Profit before tax</b>		<b>90,925</b>	<b>243,304</b>
<b>Tax expense:</b>			
- Current tax	36	28,066	96,351
- Deferred tax	36	1,600	26,952
<b>Total tax expenses</b>		<b>29,666</b>	<b>123,303</b>
<b>Profit for the year</b>		<b>61,259</b>	<b>120,001</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations	40	(16,178)	(21,475)
Income tax relating to these items	40	4,712	6,255
<b>Other comprehensive income for the year, net of tax</b>		<b>(11,466)</b>	<b>(15,220)</b>
<b>Total comprehensive income for the year</b>		<b>49,793</b>	<b>104,781</b>
<b>Earnings per equity share:</b>			
Basic and Diluted (Nominal value per Share ₹ 10)	35	6.30	12.33

### ACCOUNTING POLICIES AND NOTES ON ACCOUNTS - 1 & 2

The notes referred to above form an integral part of the Financial Statements.

In terms of our attached Report of even date

For and on behalf of the Board of Directors

For **M. C. DAS & Co**

Chartered Accountants

Firm's Registration Number: 301110E

**A. K. BANERJEE**

Partner

Membership Number: 050243

Place: Kolkata

Date: 30th May, 2019

**Suddhabrata Kar**

Director

DIN: 07697341

**Aditya Gupta**

Company Secretary

**Rajvinder Singh**

Whole-Time Director

DIN: 06931916

**Vishnu Sharma**

Chief Financial Officer

## Statement of changes in equity for the year ended 31st March 2019

(All amounts in INR hundreds, unless otherwise stated)

### A. Equity share capital

Description	Amount
As at 01 April 2017	97,313
Changes in equity share capital	—
<b>As at 31st March 2018</b>	<b>97,313</b>
Changes in equity share capital	—
<b>As at 31st March 2019</b>	<b>97,313</b>

### B. Other equity

Description	Reserve and surplus			
	Security Premium account	General reserve	Retained earnings	Total other equity
<b>Balance at 01 April 2017</b>	45,594	1,305,921	328,751	1,680,266
Profit for the year	—	—	120,001	120,001
Other comprehensive income	—	—	(15,220)	(15,220)
<b>Total comprehensive income for the year</b>	—	—	<b>104,781</b>	<b>104,781</b>
Dividend paid	—	—	(9,731)	(9,731)
Tax on dividend	—	—	(1,981)	(1,981)
<b>Balance as at 31st March 2018</b>	<b>45,594</b>	<b>1,305,921</b>	<b>421,819</b>	<b>1,773,334</b>

Description	Reserve and surplus			
	Security Premium account	General reserve	Retained earnings	Total other equity
<b>Balance at 01 April 2018</b>	<b>45,594</b>	<b>1,305,921</b>	<b>421,819</b>	<b>1,773,334</b>
Profit for the year	—	—	61,259	61,259
Other comprehensive income	—	—	(11,466)	(11,466)
<b>Total comprehensive income for the year</b>	—	—	<b>49,793</b>	<b>49,793</b>
Prepayment of Subsidy	—	—	117,039	117,039
Dividend paid	—	—	(9,731)	(9,731)
Tax on dividend	—	—	(2,002)	(2,002)
<b>Balance at 31st March 2019</b>	<b>45,594</b>	<b>1,305,921</b>	<b>576,918</b>	<b>1,928,433</b>

For and on behalf of the Board of Directors

For **M. C. DAS & Co**  
Chartered Accountants  
Firm's Registration Number: 301110E  
**A. K. BANERJEE**  
Partner  
Membership Number: 050243  
Place: Kolkata  
Date: 30th May, 2019

**Suddhabrata Kar**  
Director  
DIN: 07697341

**Aditya Gupta**  
Company Secretary

**Rajvinder Singh**  
Whole-Time Director  
DIN: 06931916

**Vishnu Sharma**  
Chief Financial Officer

## Cash flow statement for the year ended 31st March 2019

(All amounts in INR hundreds, unless otherwise stated)

Particulars	31st March 2019	31st March 2018
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before Tax	90,925	243,304
Adjustments for:		
Depreciation expenses	276,646	257,498
Net gain on fair valuation of financial assets	-	-
Finance cost	406,347	335,931
(Profit)/Loss on sale of property, plant and equipment	(2,950)	0
Loss on sale of property, plant and equipment	-	-
<b>Operating Profit before Working Capital Changes</b>	<b>770,968</b>	<b>836,734</b>
Adjustments for:		
Non-Current/Current financial and other assets	80,699	(167,196)
Inventories	53,275	508,396
Non-Current/Current financial and other liabilities/provisions	236,847	274,238
<b>Cash generated from operations</b>	<b>1,141,789</b>	<b>1,452,172</b>
Income Tax paid	(54,089)	(60,991)
<b>Net cash flow from Operating activities</b>	<b>1,087,700</b>	<b>1,391,181</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payment for purchase of property, plant and equipment	(808,464)	(1,087,505)
Movement In Work-In-Progress	-	-
Interest On FD received	-	-
Proceeds from sale of property, plant and equipment	-	7,105
<b>Net cash used in Investing activities</b>	<b>(808,464)</b>	<b>(1,080,400)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds/(Repayment) of short term borrowings	5,087	-
Proceeds from short term borrowings	190,228	108,313
Interest paid	(437,715)	(435,204)
Dividend paid	(11,733)	(11,713)
<b>Net cash used in financing activities</b>	<b>(254,133)</b>	<b>(338,604)</b>
Net increase in cash & Cash Equivalents	25,103	(27,824)
Cash and Cash equivalents as at the beginning of the year	56,055	83,879
Cash and Cash equivalents as at the end of the year	81,511	56,055

### Note-

- 1) The above cashflow statement have been prepared using "Indirect Method" as set out in Ind AS 7 - Statement of cashflows.
- 2) Cash and cash equivalents includes cash on hand, balances with banks in current account. Refer note 13.
- 3) In case of Company's financing activities (including) borrowings there are no non-cash transactions as impact of changes in foreign exchange rates.
- 4) Previous year figures have been regrouped/rearranged whether considered necessary to conform to current years presentation.

The Notes referred to above from an integral part of the Financial Statements.

In terms of our attached Report of even date

For **M. C. DAS & Co**

Chartered Accountants

Firm's Registration Number: 301110E

**A. K. BANERJEE**

Partner

Membership Number: 050243

Place: Kolkata

Date: 30th May, 2019

For and on behalf of the Board of Directors

**Suddhabrata Kar**

Director

DIN: 07697341

**Aditya Gupta**

Company Secretary

**Rajvinder Singh**

Whole-Time Director

DIN: 06931916

**Vishnu Sharma**

Chief Financial Officer



## Notes to Financial Statements

### 1 General Information

Rydak Tea Company Limited is a Company incorporated under the Companies Act, 1956. The Company's shares are listed on the Calcutta Stock Exchange. The Company is engaged in harvesting, manufacturing and selling of tea.

The financial statements as at 31 March 2019 present the financial position of the Company.

The functional and presentation currency of the Company is Indian Rupee ("INR") which is the currency of the primary economic environment in which the Company operates.

The financial statements for the year ended March 31, 2019 were approved by the Board of Directors and authorised for issue on 30 May 2019.

### 2.0 Significant accounting policies

The significant accounting policies applied by the Company in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements unless otherwise indicated.

#### 2.1 Statement of compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 01, 2016.

These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

#### 2.2 Basis of preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention, except for the following:

- a) certain financial assets and liabilities that is measured at fair value;
- b) certain biological assets (including unplucked green leaves) measured at fair value less cost to sell.

#### 2.3 Use of estimates and critical accounting judgments

In preparation of the financial statements, the Company makes judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Significant judgments and estimates relating to the carrying amounts of assets and liabilities include useful lives of property, plant and equipment, intangible assets, impairment of property, plant and equipment, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies.

#### 2.4 Property, plant and equipment

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

The Company's tea bushes qualify as bearer plants under the definition in Ind AS 41 and are therefore accounted for as a part of property, plant and equipment.

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

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

## Notes to Financial Statements (Contd.)

### 2.5 Biological assets

Tea leaves growing on tea bushes are measured at fair value less cost to sell with changes in fair value recognised in Statement of profit and loss.

### 2.6 Depreciation methods, estimated useful lives and residual value of property, plant and equipment

Depreciation, other than bearer plant, is calculated using written down value method to allocate their cost, net of their residual values on the basis of useful lives prescribed in Schedule II to the Companies Act, 2013, which are also supported by technical evaluation.

Bearer plants are depreciated using straight line method from the date when they are ready for commercial harvest.

The estimated useful lives of assets and residual values are reviewed regularly and, when necessary, revised. No further charge is provided in respect of assets that are fully written down but are still in use.

The estimated useful lives for the main categories of property, plant and equipment and other intangible assets are:

Particulars	Useful life (in years)
Plant and machinery	15
Furniture and Fixture	10
Building	60
Bearer plants	77
Office equipments	3 - 10
Vehicles	8 - 10
Software	5

### 2.7 Impairment of non-financial assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash flows from other assets or group of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

### 2.8 Leases

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

#### Company as lessee

(i) Operating lease – Rentals payable under operating leases are charged to the statement of profit and loss on a straight line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(ii) Finance lease – Finance leases are capitalised at the commencement of lease, at the lower of the fair value of the property or the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest.

### 2.9 Financial Instruments

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

#### Effective interest method

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

## Notes to Financial Statements (Contd.)

### (a) Financial assets

#### Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short term deposits which are readily convertible into known amounts of cash, are subject to an insignificant risk of change in value and have maturities of less than three months from the date of such deposits. These balances with banks are unrestricted for withdrawal and usage.

#### Other bank balances

Other bank balances include balances and deposits with banks that are restricted for withdrawal and usage or having maturities of more than three months from the date of such deposits.

#### Financial assets at amortized cost

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

Financial assets measured at fair value through other comprehensive income.

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

Financial assets measured at fair value through profit or loss.

Financial asset not measured at amortized cost or at fair value through other comprehensive income is carried at fair value through profit or loss.

#### Impairment of financial assets

Loss allowance for expected credit losses is recognized for financial assets measured at amortized cost and fair value through other comprehensive income.

The Company recognises life time expected credit losses for all trade receivables that do not constitute a financing transaction.

For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition.

#### De-recognition of financial assets

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

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

### (b) Financial liabilities and equity instruments

#### Equity instruments

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

#### Financial liabilities

##### Trade and other payables

Financial liabilities such as trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant.

##### Borrowings

Interest-bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method.

## Notes to Financial Statements (Contd.)

### Derecognition of financial liabilities

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

### 2.10 Employee benefits

#### (a) Post employment obligations

##### Defined contribution plans

The Company makes provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

##### Defined benefit plans - Gratuity

The liability or asset recognised in the balance sheet in respect of gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets, if any. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets, if any. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

#### (b) Compensated absences

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

The obligations are presented as current liabilities in the balance sheet since the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

### 2.11 Government grants

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

Government Grant that are receivable as a compensation for expenses or losses incurred for the purpose of giving immediate financial support with no future related cost are recognised in statement of Profit and loss in the year it is received.

Tea Plantation Subsidy and other subsidies is accounted for on acceptance from the concerned authorities.

### 2.12 Provisions

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

### 2.13 Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

## Notes to Financial Statements (Contd.)

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

### 2.14 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable net of discounts, taking into account contractually defined terms and excluding taxes or duties collected on behalf of the government.

#### Sale of goods

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

### 2.15 Income recognition

#### a) Interest income

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

#### b) Dividend income

Dividend income from investments is recognised when the shareholder's rights to receive payment have been established

### 2.16 Inventories

Raw materials including harvested tea leaves, produced from own gardens are measured at lower of cost and net realisable value. Cost being the fair value less cost to sell at the point of harvest of tea leaves.

Raw materials of purchased green leaves, stores and spare parts and finished goods are stated at lower of cost and net realisable value. Cost of finished goods comprise direct material, direct labour and appropriate portion of variable and fixed overhead expenditure. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Cost are assigned to individual items of inventory on the basis of weighted average method. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

### 2.17 Research and development

Revenue expenditure on research and development is recognised as a charge in the Statement Profit and Loss. Capital expenditure on assets acquired for research and development is added to Property, plant and equipment, if any.

### 2.18 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest hundreds as per the requirements of Schedule III, unless stated otherwise.

## Notes to Financial Statements (Contd.)

(All amounts in INR hundreds, unless otherwise stated)

### Note 3 : Property, plant and equipment

Particulars	Gross carrying amount			Accumulated Depreciation			Net carrying amount	
	As at 01 April 2017	Addition/ Adjustments	Deductions/ Adjustments	As at 31st March 2018	As on 01 April 2017	Charge during the year	As at 31st March 2018	As at 31st March 2017
Leasehold land	203,729	—	—	203,729	—	—	203,729	203,729
Bearer plant	2,145,281	517,550	7,105	2,655,726	51,474	58,206	2,546,045	2,093,807
Buildings	298,287	17,682	—	315,969	21,594	18,798	40,392	276,693
Plant & Machinery	995,676	155,773	—	1,151,449	156,999	161,803	318,802	838,676
Furniture & Fixture	3,966	—	—	3,966	900	617	1,517	3,066
Motor & Other Vehicles	66,778	49,627	—	116,405	12,195	16,295	28,490	54,583
Office equipments	6,144	364	—	6,508	2,365	1,779	4,144	3,779
<b>Total</b>	<b>3,719,861</b>	<b>740,996</b>	<b>7,105</b>	<b>4,453,752</b>	<b>245,527</b>	<b>257,498</b>	<b>503,025</b>	<b>3,474,334</b>

Particulars	Gross carrying amount			Accumulated Depreciation			Net Carrying Amount	
	As at 01 April 2018	Addition/ Adjustments	Deductions/ Adjustments	As at 31st March 2019	As on 01 April 2018	Charge during the year	As at 31st March 2019	As at 31st March 2018
Leasehold land	203,729	—	—	203,729	—	—	203,729	203,729
Bearer plant	2,655,726	458,482	—	3,114,208	109,680	56,616	2,947,912	2,546,045
Buildings	315,969	1,177	—	317,146	40,392	18,823	59,215	275,577
Plant & Machinery	1,151,449	141,130	—	1,292,579	318,802	171,593	490,395	832,648
Furniture & Fixture	3,966	878	—	4,844	1,517	555	2,072	2,449
Motor & Other Vehicles	116,405	23,165	—	139,570	28,490	27,735	56,225	87,914
Office equipments	6,508	1,245	—	7,753	4,144	1,324	5,468	2,365
<b>Total</b>	<b>4,453,752</b>	<b>626,077</b>	<b>—</b>	<b>5,079,829</b>	<b>503,025</b>	<b>276,646</b>	<b>779,671</b>	<b>3,950,727</b>

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

(All amounts in INR hundreds, unless otherwise stated)

**Note 4: Capital work-in-progress**

Description	As at 01 April 2017	Addition	Deductions / Adjustments	Closing as at 31st March 2018
Bearer plant - young trees	1,009,309	976,187	(517,550)	1,467,946
Bearer plant - nursery	58,674	50,757	(58,673)	50,758
Others	4,783	347	(3,148)	1,982
<b>Total</b>	<b>1,072,766</b>	<b>1,027,291</b>	<b>(579,371)</b>	<b>1,520,686</b>

Description	As at 01 April 2018	Addition	Deductions / Adjustments	Closing as at 31st March 2019
Bearer plant - young trees	1,467,946	691,735	(458,482)	1,701,199
Bearer plant - nursery	50,758	50,676	(50,758)	50,676
Others	1,982	126,750	–	128,732
<b>Total</b>	<b>1,520,686</b>	<b>869,161</b>	<b>(509,240)</b>	<b>1,880,607</b>

- (i) Property, plant and equipment pledged as security  
Refer to note 18 for information on property, plant and equipment pledged as security by the Company.
- (ii) Contractual obligations  
Refer to note 43 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

**Note: 5 Investment in associate**

Particulars	31st March 2019	31st March 2018
<b>Unquoted</b>		
<b>Investments in equity instruments</b>		
Sangam Investments Ltd 24,150 Equity shares of ₹ 10 each fully paid	1,232	1,232
<b>Total</b>	<b>1,232</b>	<b>1,232</b>
(a) Aggregate amount of unquoted investments	1,232	1,232

**Note: 6 Investments**

Particulars	31st March 2019	31st March 2018
<b>Investment in equity shares designated at FVPL - Others (fully paid up):</b>		
<b>i) Unquoted</b>		
a) Woodland Multiplicity Hospitals Limited 1,130 Equity Shares of ₹ 10 each fully paid up	2,224	2,224
b) ABC Tea Workers' Welfare Services (Formerly Assam Bengal Cereals Ltd.) 1000 Equity Shares of ₹ 10 each fully paid up	100	100
c) Allied International Products Limited - 21,500 Equity Shares of ₹ 10 each fully paid up	215	215
d) Cachar Club Limited - 20 Ordinary Shares of ₹ 10 each fully paid up	21	21
e) Jalpaiguri Club Limited - 20 Ordinary Shares of ₹ 10 each fully paid up	0	0
<b>ii) Quoted</b>		
Dhelakhat Tea Company Limited - 62,924 Equity Shares of ₹ 10 each fully paid up	90,937	90,937
<b>Other Investments through FVTPL</b>	–	–
<b>Investment in preference share - Others</b>	–	–
<b>Unquoted</b>	–	–
3 Preference shares of ₹ 10 each fully paid up	0	0
<b>Total</b>	<b>93,497</b>	<b>93,497</b>
(a) Aggregate carrying amount of quoted investments	90,937	90,937
(b) Aggregate market value of quoted investments	90,937	90,937
(c) Aggregate amount of unquoted investments	2,560	2,560

## Notes to Financial Statements (Contd.)

(All amounts in INR hundreds, unless otherwise stated)

## Note: 7 Non current tax asset (net)

Particulars	31st March 2019	31st March 2018
Advance income tax, tax deducted at source and refund receivable [net of provision for tax of ₹ 125,195 (31st March 2018: ₹ 125,195)]	478,886	425,344
<b>Total</b>	<b>478,886</b>	<b>425,344</b>

## Note: 8 Deferred tax assets (net)

Particulars	31st March 2019	31st March 2018
<b>Deferred tax asset</b>		
Expenses allowable on payment basis	259,433	235,997
Biological asset other than bearer plant	267	267
Inventory - black tea	13,909	13,909
Investments	—	—
<b>Gross deferred tax assets</b>	<b>273,609</b>	<b>250,173</b>
<b>Deferred tax liability</b>		
Property, plant and equipment	116,408	96,372
Biological asset other than bearer plant	—	—
Investments	11,337	11,050
Inventory - black tea	—	—
<b>Gross deferred tax liability</b>	<b>127,745</b>	<b>107,422</b>
<b>Net deferred tax asset</b>	<b>145,864</b>	<b>142,751</b>

## Note: 9 Other non-current assets

Particulars	31st March 2019	31st March 2018
Advance to staff	178,315	149,818
<b>Total</b>	<b>178,315</b>	<b>149,818</b>

## Note: 10 Inventories

Particulars	31st March 2019	31st March 2018
Stock of tea	1,851,668	1,764,093
Stores and spares	335,091	475,941
<b>Total</b>	<b>2,186,759</b>	<b>2,240,034</b>

## Note :11 Biological assets other than bearer plants

Particulars	31st March 2019	31st March 2018
Fair value of biological assets other than bearer plants (Unharvested tea leaves)	41,796	33,844
<b>Total</b>	<b>41,796</b>	<b>33,844</b>

Reconciliation of changes in the carrying amount of biological assets	31st March 2019	31st March 2018
Opening balance	33,844	29,062
Gain/ (loss) arising from changes in fair value less costs to sell	2,738	(3,857)
Increases due to purchases/ flushing during the year	39,058	37,701
Decreases due to harvest during the year	(33,844)	(29,062)
<b>Closing balance</b>	<b>41,796</b>	<b>33,844</b>

Note: Unharvested tea leaves on bushes as at 31st March 2019 was 403,861 kgs (31st March 2018 - 341,723 kgs)



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

(All amounts in INR hundreds, unless otherwise stated)

**Note :12 Trade receivables**

Particulars	31st March 2019	31st March 2018
Unsecured, considered good	250,533	398,303
<b>Total</b>	<b>250,533</b>	<b>398,303</b>

Refer note 39 for credit risk and market risk on trade receivable.

**Note: 13 Cash and cash equivalents**

Particulars	31st March 2019	31st March 2018
<b>Cash and cash equivalents</b>		
Cash in hand	8,002	10,849
Cheques/Drafts on hand		
<b>Balances with banks:</b>		
- In current account	73,509	45,206
<b>Total</b>	<b>81,511</b>	<b>56,055</b>

**Note: 14 Other financial assets - Current**

Particulars	31st March 2019	31st March 2018
Security deposits	17,469	17,469
<b>Total</b>	<b>17,469</b>	<b>17,469</b>

**Note: 15 Other current assets**

Particulars	31st March 2019	31st March 2018
Balances with excise and other government authorities	140,217	74,772
Advance to vendor	84,616	177,299
Advance to staff	21,257	17,052
Prepaid expenses	1,307	1,194
<b>Total</b>	<b>247,397</b>	<b>270,317</b>

**Note: 16 Equity share capital**

Particulars	31st March 2019	31st March 2018
Authorized shares		
12,00,000 Equity shares of Rs 10 each	120,000	120,000
<b>Issued, subscribed and fully paid-up shares</b>		
9,73,128 Equity shares of ₹ 10 each	97,313	97,313
	<b>97,313</b>	<b>97,313</b>

**(i) Movement in equity share capital**

Particulars	31st March 2019		31st March 2018	
	No. of shares	Amount	No. of shares	Amount
<b>Equity shares</b>				
At the beginning of the year	973,128	97,313	973,128	97,313
Issued during the year	—	—	—	—
<b>Outstanding at the end of the year</b>	<b>973,128</b>	<b>97,313</b>	<b>973,128</b>	<b>97,313</b>

**(ii) Terms / rights attached to equity shares**

The company has only one class of equity shares having a par value of Rs 10/- per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after the distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## Notes to Financial Statements (Contd.)

(All amounts in INR hundreds, unless otherwise stated)

(iii) Details of shareholders holding more than 5 % shares in the company

Particulars	31st March 2019		31st March 2018	
	No. of shares	% of holding	No. of shares	% of holding
Equity shares of Rs 10 each fully paid-up				
1. Jardine Henderson, Limited	485,366	49.88	485,366	49.88
2. Sripadam Investments Ltd.	81,100	8.33	81,100	8.33
3. Kant & Co. Ltd.	100,687	10.35	100,487	10.32
4. Monet Securities Private Limited	58,990	6.06	58,990	6.06

As per records of the Company, the above shareholding represents both legal and beneficial ownership of shares.

(iv) During the period of 5 years immediately preceeding the balance sheet date, no shares were issued for consideration other than cash. Also, no bonus shares were issued and no shares were bought back by the company during the said period.

### Note: 17 Other equity

Particulars	31st March 2019	31st March 2018
<b>Reserve and surplus</b>		
(a) Securities premium account	45,594	45,594
(b) General reserve	1,305,921	1,305,921
(c) Retained earnings	576,918	421,819
<b>Total</b>	<b>1,928,433</b>	<b>1,773,334</b>

#### Note: 17(a) Securities premium account

Particulars	31st March 2019	31st March 2018
Opening balance	45,594	45,594
<b>Closing balance</b>	<b>45,594</b>	<b>45,594</b>

#### Note: 17(b) General reserve

Particulars	31st March 2019	31st March 2018
Opening balance	1,305,921	1,305,921
Amount transferred from retained earnings	–	–
<b>Closing balance</b>	<b>1,305,921</b>	<b>1,305,921</b>

#### Note: 17(c) Retained earnings

Particulars	31st March 2019	31st March 2018
Opening balance	421,819	328,750
Net profit/ (loss) for the year	61,259	120,001
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation, net of tax	(11,466)	(15,220)
Dividend paid	(9,731)	(9,731)
Tax on dividend paid	(2,002)	(1,981)
Remeasurement of Subsidy	117,038	–
<b>Closing balance</b>	<b>576,918</b>	<b>421,819</b>

#### Nature and purpose of other reserves

##### a) Securities premium account

Securities premium account is used to record the premium on issue of shares. The same is utilised in accordance with the provisions of Section 52 of the Companies Act, 2013.

**Notes to Financial Statements (Contd.)***(All amounts in INR hundreds, unless otherwise stated)***b) General reserve**

Under the erstwhile Indian Companies Act, 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act, 2013, the requirement to mandatory transfer a specified percentage of the net profit to general reserve has been withdrawn though the Company may transfer such percentage of its profits for the financial year as it may consider appropriate. Declaration of dividend out of such reserve shall not be made except in accordance with rules prescribed in this behalf under the Act.

**c) Retained earnings**

Retained earnings are the profits that the Company has earned till date, less any transfer to general reserve, dividends or other distributions paid to shareholders.

**Note: 18 Borrowings**

Particulars	31st March 2019	31st March 2018
<b>Secured</b>		
Term loans from banks		
Car loan from Kotak Mahindra Bank/Toyota Financial Services India	40,900	29,700
Less: Current maturities of long term debts (included in Note 23)	15,174	9,061
<b>Total</b>	<b>25,726</b>	<b>20,639</b>

(a) Car loan from Kotak Mahindra bank is secured by hypothecation of Car and carries interest @ 9.5% p.a. (31 March 2019: 31 March 2018: 8.44% ) and is repayable in equal monthly instalments starting from April 2018 (upto March 2021).

(b) Car loan from Toyota Financial Services India is secured by hypothecation of Car and carries interest @ 9.25% p.a. (31 March 2019: 31 March 2018: NIL) and is repayable in equal monthly instalments starting from March 2019 (upto March 2022).

**Note: 19 Provisions (Non-current)**

Particulars	31st March 2019	31st March 2018
<b>Provision for employee benefits</b>		
Provision for gratuity (Refer note 40)	702,714	688,299
<b>Total</b>	<b>702,714</b>	<b>688,299</b>

**Note: 20 Deferred Income**

Particulars	31st March 2019	31st March 2018
Opening balance	117,038	81,725
Grants received during the year	–	36,626
Less: Released to statement of profit and loss	–	(1,313)
Less: Released to Retained Earnings	(117,038)	–
<b>Closing balance</b>	<b>–</b>	<b>117,038</b>

Particulars	31st March 2019	31st March 2018
Current portion	–	1,550
Non-current portion	–	115,488

**Note: 21 Borrowings - Current**

Particulars	31st March 2019	31st March 2018
Loans repayable on demand		
<b>Secured</b>		
Cash credit from banks	2,066,508	1,622,643
<b>Unsecured</b>		
Intercompany deposit	839,000	839,000
Loans from body corporate	–	253,637
<b>Total</b>	<b>2,905,508</b>	<b>2,715,280</b>

**Notes to Financial Statements (Contd.)***(All amounts in INR hundreds, unless otherwise stated)*

- (a) Cash credit (including Working Capital Demand Loans) from banks are secured against hypothecation of stock and other current assets of the Company and second charge on fixed assets pertaining and are repayable on demand. The above loans carry interest @ 9.60 p.a. (31 March 2018 :@ 10.75% p.a. )
- (b) Intercompany deposit from body corporates are unsecured and are repayable on demand. The above deposit carry interest @ 10%p.a (31 March 2018 :@ 10% p.a.)

**Note: 22 Trade payables**

Particulars	31st March 2019	31st March 2018
Trade payables	2,609,167	2,382,380
<b>Total</b>	<b>2,609,167</b>	<b>2,382,380</b>

Note: As per Micro, small and Medium Enterprise.

**Note :23 Other Financial Liabilities**

Particulars	31st March 2019	31st March 2018
Current maturities of long-term borrowings	15,175	9,061
Interest accrued but not due on borrowings	28,350	—
Unpaid dividend	3,777	3,479
Payable to employees	251,368	199,831
Bonus payable	365,236	616,485
Others liability payable	36,355	27,734
<b>Total</b>	<b>700,261</b>	<b>856,590</b>

**Note: 24 Other Current Liabilities**

Particulars	31st March 2019	31st March 2018
Interest accrued and due on borrowings	—	—
Statutory liabilities	422,149	230,559
<b>Total</b>	<b>422,149</b>	<b>230,559</b>

**Note: 25 Provisions (Current)**

Particulars	31st March 2019	31st March 2018
<b>Provision for employee benefits</b>		
Provision for gratuity (Note 40 )	181,270	119,398
Provision for compensated absences	6,680	2,511
<b>Total</b>	<b>187,950</b>	<b>121,909</b>

**Note: 26 Current tax liabilities**

Particulars	31st March 2019	31st March 2018
Provision for tax and FBT [net of advance income tax net of ₹ 29,337 (31 March 2018: ₹ 29,337)]	324,803	296,736
<b>Total</b>	<b>324,803</b>	<b>296,736</b>

**Note: 27 Revenue from operations**

Particulars	31st March 2019	31st March 2018
<b>Sale of goods:</b>		
Manufactured Goods (Sale of Tea)	9,005,514	10,933,532
<b>Total</b>	<b>9,005,514</b>	<b>10,933,532</b>

**Notes to Financial Statements (Contd.)***(All amounts in INR hundreds, unless otherwise stated)***Note: 28 Other income**

Particulars	31st March 2019	31st March 2018
Interest income from financial assets at amortised cost	199	1,074
Sale of tea waste	10,529	12,393
Sale of scrap	2,607	–
Rent income	2,213	744
Profit on sale of property, plant and equipment	2,950	–
Government grant	388	1,313
Sundry receipts	86,131	67,346
<b>Total</b>	<b>105,017</b>	<b>82,870</b>

**Note: 29 Cost of materials consumed**

Particulars	31st March 2019	31st March 2018
Inventory at the beginning of the year	567,378	563,587
Add: Purchases	1,057,292	1,922,006
Less: Inventory at the end of the year	335,091	567,378
<b>Total</b>	<b>1,289,579</b>	<b>1,918,215</b>

\*Purchase includes Raw materials (Green Leaf ) 19,92,180 Kgs - ₹ 3,82,05,732, previous Year 27,87,620 kgs - ₹ 5,57,52,408)

**Note: 30 Changes in inventories of finished goods**

Particulars	31st March 2019	31st March 2018
Opening Stock of Tea	1,764,093	2,184,843
Closing Stock of Tea	1,851,668	1,764,093
<b>(Increase)/Decrease</b>	<b>(87,575)</b>	<b>420,750</b>

**Note: 31 Change in Carrying amount of Biological Assets other than bearer plant (gain/(loss))**

Particulars	31st March 2019	31st March 2018
Opening Fair value of Biological Assets other than bearer plant	33,844	29,062
Closing Fair value of Biological Assets other than bearer plant	41,796	33,844
<b>(Increase)/Decrease</b>	<b>(7,952)</b>	<b>(4,782)</b>

**Note: 32 Employee benefits expense**

Particulars	31st March 2019	31st March 2018
Salaries, Wages and Bonus	4,534,267	4,880,797
Contribution to Provident and other funds	418,738	429,557
Gratuity	126,923	106,016
Workmen and Staff Welfare	121,625	137,373
<b>Total</b>	<b>5,201,553</b>	<b>5,553,744</b>

**Note: 33 Finance costs**

Particulars	31st March 2019	31st March 2018
Interest and finance charges on financial liabilities not at fair value through profit or loss	437,714	435,204
Less: Borrowing cost capitalised during the year	(31,367)	(99,273)
<b>Total</b>	<b>406,347</b>	<b>335,931</b>

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the entity's general borrowing during the year, in this case is 9.60%, (31 March 2018: 9.50%)

## Notes to Financial Statements (Contd.)

(All amounts in INR hundreds, unless otherwise stated)

## Note: 34 Other expenses

Particulars	31st March 2019	31st March 2018
Power and Fuel	1,284,336	1,434,292
Rent	2,763	4,265
Repairs to Buildings	37,720	89,877
Repairs to Machinery	80,879	73,506
Insurance	3,826	3,137
Rates & Taxes	25,691	23,589
Cess/Excise Duty	42,287	48,308
Brokerage & Commission	64,340	61,831
Freight and Transit Charges	64,777	179,875
Cultivation Expenses	24,243	28,713
Director's sitting Fees	1,650	2,350
<b>Auditors' Remuneration:-</b>		
Statutory Audit fees	1,800	1,800
Tax Audit fees	180	150
Other Services	350	790
Miscellaneous Expenses	306,166	339,259
<b>Total:</b>	<b>1,941,008</b>	<b>2,291,742</b>

## Note: 35 Earnings per share

Particulars	31st March 2019	31st March 2018
(a) Profit attributable to equity holders of the company used in calculating basic and diluted earnings per share (INR hundreds)	61,259	120,001
(b) Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share (in numbers)	973,128	973,128
(c) Nominal value of Equity Share (in ₹)	10	10
(d) Basic and diluted earnings per share (INR)	<b>6.30</b>	<b>12.33</b>

## Note 36: Income tax expense

This note provides an analysis of the Company's income tax expense, shows amounts that are recognised in profit or loss or other comprehensive income and how the tax expense is affected by non-assessable and non-deductible items.

Particulars	31st March 2019	31st March 2018
<b>(a) Income tax expense</b>		
Current tax		
Current tax on profits for the year		
Profit and loss	28,066	96,351
<b>Total current tax expense</b>	<b>28,066</b>	<b>96,351</b>
Deferred tax		
Decrease/(increase) in deferred tax assets	(18,722)	(1,833)
(Decrease)/increase in deferred tax liabilities	20,322	28,785
<b>Total deferred tax expense/(benefit)</b>	<b>1,600</b>	<b>26,952</b>
<b>Income tax expense</b>	<b>29,666</b>	<b>123,303</b>

## Notes to Financial Statements (Contd.)

(All amounts in INR hundreds, unless otherwise stated)

Particulars	31st March 2019	31st March 2018
Current tax expense recognised in profit or loss		
Current tax on profits for the year	28,066	96,351
Profit and loss		
Total current tax expense (A)	28,066	96,351
Deferred tax expense recognised in profit or loss		
Deferred taxes	1,600	26,952
Total deferred tax expense recognised in profit or loss (B)	1,600	26,952
Deferred tax expense recognised in Other comprehensive income		
Deferred taxes	4,712	6,255
Total deferred tax expense recognised in Other comprehensive income (C)	4,712	6,255
Total deferred tax for the year (B+C)	6,312	33,207
Total income tax expense recognised in profit or loss (A+B)	29,666	123,303
Total income tax expense recognised in Other comprehensive income (C)	4,712	6,255
<b>Total income tax expense (A+B+C)</b>	<b>34,378</b>	<b>129,558</b>

**Note: 37 Fair value measurements****Financial instruments by category**

Particulars	31st March 2019		31st March 2018	
	FVPL	Amortised cost	FVPL	Amortised cost
<b>Financial assets</b>				
Investments in equity instruments	93,497	—	93,497	—
Investments in preference shares	—	—	—	—
Trade receivables	—	250,533	—	398,303
Cash and cash equivalents	—	81,511	—	56,055
Other financial assets	—	17,469	—	17,469
<b>Total financial assets</b>	<b>93,497</b>	<b>349,513</b>	<b>93,497</b>	<b>471,827</b>
<b>Financial liabilities</b>				
Borrowings	—	40,900	—	29,700
Cash credit from banks	—	2,066,508	—	1,622,643
Intercompany deposit	—	839,000	—	839,000
Loans repayable on demand	—	—	—	253,637
Trade payable	—	2,609,167	—	2,382,380
Interest accrued and due on borrowings	—	28,350	—	—
Unpaid dividend	—	3,777	—	3,479
Payable to Employees	—	251,368	—	199,831
Others liability payable	—	36,355	—	27,734
Provision for bonus	—	365,236	—	616,485
<b>Total financial liabilities</b>		<b>6,240,661</b>	—	<b>5,974,889</b>

**(i) Fair value hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

## Notes to Financial Statements (Contd.)

(All amounts in INR hundreds, unless otherwise stated)

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The entire financial assets and liabilities of the Company is classified as Level 3 in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

**Note:**

- There have been no transfers between Level 1 and Level 2 for the years ended March 31, 2019 and March 31, 2018.
- Costs of unquoted equity instruments has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.
- Fair value of borrowings which do not have an active market or are unquoted is estimated by discounting expected future cash flows using a discount rate equivalent to the risk-free rate of return adjusted for credit spread considered by lenders for instruments of similar maturities which is categorised as level 3 in the fair value hierarchy.

**(ii) Valuation technique used to determine fair value**

Specific valuation techniques used to value financial instruments include:

- The fair value of the financial instruments is determined using discounted cash flow analysis.

The fair values for financial instruments were calculated based on cash flows discounted using current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

**(iii) Fair value of biological assets other than bearer plants**

Particulars	31st March 19	31st March 18
Fair value of biological assets other than bearer plants (Unharvested tea leaves) for which fair value (less cost to sell) are disclosed	41,796	33,844

**Note:** The fair value of biological assets other than bearer plants are to be considered as Level 2 fair values

**Note :38 Capital management**

**(a) Risk management**

The company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through a mixture of equity, long term borrowings and short term borrowings.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The amount mentioned under total equity in balance sheet is considered as Capital.

**(b) Dividends paid and proposed**

Particulars	31st March, 2019	31st March, 2018
(i) Equity shares		
Final dividend for the year ended 31 March 2019 - Re. 0.50 (31 March 2018 - Re. 1) per fully paid share	9,731	9,731
Dividend distribution tax	2,002	1,981
(ii) Dividends not recognised at the end of the year		
In addition to the above dividends, since year end the board has recommended the payment of a final dividend of Re. 0.50 per fully paid equity share (31 March 2018 – Re. 1). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	4,866	9,731
Tax on proposed dividend	1,000	2,001



**Notes to Financial Statements (Contd.)***(All amounts in INR hundreds, unless otherwise stated)***Note: 39 Financial Risk Management**

The Company's activities are exposed to a variety of financial risks: credit risk, liquidity risk and market risk (i.e. foreign currency risk, interest rate risk and price risk).

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk:

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables and financial assets measured at amortised cost.	Ageing analysis Credit ratings	Diversification of bank deposits and credit limits, quality of customers
Liquidity risk	Financial liabilities that are settled by delivering cash or another financial asset.	Cash flow forecasts	Projecting cash flows and considering the level of liquid assets necessary to meet the liabilities
Market risk – security prices	Investments in equity securities	Sensitivity analysis	Portfolio diversification

**(A) Credit risk**

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

**i) Trade receivables**

The Company's trade receivables comprises from various parties. Trade receivables are non-interest bearing. Outstanding customer receivables are regularly monitored. The ageing of trade receivables as of balance sheet date is given below. The age analysis have been considered from the due date:

Particulars	Less than six months	More than six months	Total
Trade receivable as on 31 March 2019 (Gross)	2,50,533	–	2,50,533
Less: Provision for impairment loss	–	–	–
Trade receivable as on 31 March 2019 (Net)	2,50,533	–	2,50,533
Trade receivable as on 31 March 2018 (Gross)	3,98,303	–	3,98,303
Less: Provision for impairment loss	–	–	–
Trade receivable as on 31 March 2018 (Net)	3,98,303	–	3,98,303

The requirement for impairment is analysed at each reporting date. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 37. The Company does not hold collateral as security.

**ii) Other financial instruments and deposits**

Financial instruments that are subject to credit risk and concentration thereof principally consist of trade receivables, loans receivables, investments and cash and cash equivalents held by the Company. None of the financial instruments of the Company result in material concentration of credit risk.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 349,513 as at 31st March 2019, ₹ 471,827 as at 31st March 2018, being the total of the carrying amount of trade receivables and other financial assets.

**(B) Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. This is generally performed in accordance with practice and limits set by the Company.

**(i) Maturities of financial liabilities**

The tables below analyse the group's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

## Notes to Financial Statements (Contd.)

(All amounts in INR hundreds, unless otherwise stated)

Contractual maturities of financial liabilities 31st March 2019	Less than 1 year	More than 1 years	Total
Borrowings and interest thereon	15,175	25,725	40,900
Cash credit from banks	20,66,508	—	20,66,508
Intercompany deposit	8,39,000	—	8,39,000
Loans repayable on demand	—	—	—
Trade payable	26,09,167	—	26,09,167
Interest accrued and due on borrowings	28,350	—	28,350
Unpaid dividend	3,777	—	3,777
Payable to Employees	2,51,368	—	2,51,368
Others liability payable	36,355	—	36,355
Provision for bonus	3,65,236	—	3,65,236
<b>Total financial liabilities</b>	<b>62,14,936</b>	<b>25,725</b>	<b>62,40,661</b>

Contractual maturities of financial liabilities 31st March 2018	Less than 1 year	More than 1 years	Total
Borrowings and interest thereon	11,251	22,502	33,753
Cash credit from banks	16,22,643	—	16,22,643
Intercompany deposit	8,39,000	—	8,39,000
Loans repayable on demand	2,53,637	—	2,53,637
Trade payable	23,82,380	—	23,82,380
Interest accrued and due on borrowings	—	—	—
Unpaid dividend	3,479	—	3,479
Payable to Employees	1,99,831	—	1,99,831
Others liability payable	27,734	—	27,734
Provision for bonus	6,16,485	—	6,16,485
<b>Total financial liabilities</b>	<b>59,56,440</b>	<b>22,502</b>	<b>5,978,942</b>

## (C) Market risk

## (i) Foreign currency risk

Foreign Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's transactions are denominated only in INR and hence the Company is not exposed to any foreign currency risk.

## (ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to the risk of changes in market interest rates because it does not have any floating rate borrowings nor does it have any variable rate financial assets.

## (iii) Price risk

## (a) Exposure

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market. The company's exposure to equity securities price risk arises from investments held by the company in equity securities and classified in the balance sheet as at fair value through other comprehensive income.

## (b) Sensitivity

The table below summarises the impact of increases/decreases of the prices of respective securities on company's equity and total other comprehensive income for the period. The analysis is based on the assumption that the price of the respective securities had increased by 5% or decreased by 5% with all other variables held constant:

Particulars	Impact on profit before tax		Impact on other component of equity	
	31st March 19	31st March 18	31st March 19	31st March 18
Increase by 5% (2018: 5%)*	4,675	4,675	3,313	3,313
Decrease by 5% (2018: 5%)*	(4,675)	(4,675)	(3,313)	(3,313)

\* Holding all other variables constant

**Notes to Financial Statements (Contd.)***(All amounts in INR hundreds, unless otherwise stated)***Note : 40 Employee benefit obligations****(i) Defined contribution plan**

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident fund which is defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are recognised in the Statement of Profit and Loss as they accrue. The amount recognised as an expense towards contribution to Provident fund for the year aggregates to ₹ 418,738 (2017-18: ₹ 429,557).

**(ii) Post-employment obligations****a) Gratuity**

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic (including dearness allowance) salary per month computed proportionately for 15 days (reckoning 26 days for a month) salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to recognised funds in India. Based on actuarial valuation, a provision is recognised in full for the projected obligation over and above the funds held in scheme.

**(iii) Balance sheet recognition****a) Gratuity**

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Particulars	Present value of obligation	Fair value of plan assets	Net amount
1 April 2017	756,932	–	756,932
Current service cost	50,327	–	50,327
Interest expense/(income)	55,689	–	55,689
<b>Total amount recognised in profit or loss</b>	<b>106,016</b>	<b>–</b>	<b>106,016</b>
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)			
Actuarial (gain)/loss from change in financial assumptions	9,740	–	9,740
Actuarial (gain)/loss from unexpected experience	11,735	–	11,735
<b>Total amount recognised in other comprehensive income</b>	<b>21,475</b>	<b>–</b>	<b>21,475</b>
Employer contributions/premium paid	–	(76,726)	76,726
Benefit payments	(76,726)	76,726	(153,452)
31st March 2018	<b>807,697</b>	<b>–</b>	<b>807,697</b>

Particulars	Present value of obligation	Fair value of plan assets	Net amount
1 April 2018	807,697	–	807,697
Current service cost	67,303	–	67,303
Interest expense/(income)	59,620	–	59,620
<b>Total amount recognised in profit or loss</b>	<b>126,923</b>	<b>–</b>	<b>126,923</b>
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)			–
Actuarial (gain)/loss from change in financial assumptions	3,755	–	3,755
Actuarial (gain)/loss from unexpected experience	12,423	–	12,423
<b>Total amount recognised in other comprehensive income</b>	<b>16,178</b>	<b>–</b>	<b>16,178</b>
Employer contributions/ premium paid	–	(66,815)	66,815
Benefit payments	(66,815)	66,815	–
<b>31st March 2019</b>	<b>883,983</b>	<b>–</b>	<b>883,983</b>

## Notes to Financial Statements (Contd.)

(All amounts in INR hundreds, unless otherwise stated)

### (iv) Significant estimates: actuarial assumptions

The significant actuarial assumptions were as follows:

Particulars	31st March 2019	31st March 2018
Discount rate	7.70%	7.75%
Salary growth rate	2.00%	2.00%
Mortality rate	IALM (2006-08) Table	IALM (2006-08) Table
Disability Rate	5% of Mortality Rate	5% of Mortality Rate
Withdrawal rate	1% to 8%	1% to 8%
Retirement Age	58 Years	58 Years
Average Future Service	19.84	16.89

### (v) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Impact on defined benefit obligation			
	31st March 2019		31st March 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (-/+ 1%)	(54,421)	61,881	(82,517)	18,469
Salary growth rate (-/+ 1%)	66,929	(59,403)	23,687	(87,621)
Withdrawal rate (-/+ 1%)	29,708	(33,016)	(11,912)	(60,294)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied while calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

### (vi) The major categories of plan assets

The defined benefit plans are funded with insurance companies of India. The Company does not have any liberty to manage the funds provided to insurance companies. Thus the composition of each major category of plan assets has not been disclosed.

### (vii) Risk exposure

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

#### Investment risk:

The defined benefit plans are funded with insurance companies of India. The Company does not have any liberty to manage the funds provided to insurance companies.

The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the Government of India bonds. If the return on plan asset is below this rate, it will create a plan deficit.

#### Interest risk:

A decrease in the interest rate on plan assets will increase the plan liability.

#### Life expectancy:

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.

#### Salary growth risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

### (viii) Defined benefit liability and employer contributions

Expected contributions to post-employment benefit plans for the year ending 31 March, 2020 are ₹ 310,731

The weighted average duration of the defined benefit obligation is 4.59 years (31 March, 2018 – 5.39 years). The expected maturity analysis of undiscounted gratuity benefits is as follows:

**Notes to Financial Statements (Contd.)***(All amounts in INR hundreds, unless otherwise stated)*

Particulars	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years
<b>31st March, 2019</b>				
Defined benefit obligation (gratuity)	181,269	271,300	167,726	370,541
<b>Total</b>	<b>181,269</b>	<b>271,300</b>	<b>167,726</b>	<b>370,541</b>
<b>31st March, 2018</b>				
Defined benefit obligation (gratuity)	55,901	204,180	142,349	401,635
<b>Total</b>	<b>55,901</b>	<b>204,180</b>	<b>142,349</b>	<b>401,635</b>

**(ix) Compensated absences**

Compensated absences cover the Company's liability for sick and earned leave. As the Company does not have an unconditional right to defer the payment beyond 12 months the entire amount has been treated as current.

**Note : 41 Segment reporting**

The Company is engaged in the business of growing, manufacturing and sale of black tea and is having its manufacturing facilities located in India. The performance of the Company is assessed and reviewed by the Chief Operating Decision Maker ('CODM') as a single operating segment and accordingly growing, manufacturing and sale of black tea is the only operating segment.

The Company is domiciled in India and sells its products in India.

The Company has no customers from whom it derives more than 10% of total revenue.

**Note : 42 Related party disclosure**

- a) **Associate Company** Sangam Investments Limited
- b) **Key management personnel** Mr Rajvinder Singh - (Wholetime Director)  
Mr Vishnu Sharma - (Chief Financial Officer)  
Mr Aditya Gupta (Company Secretary)
- c) **Entities having significant influence over the Company :** Jardine Henderson Ltd.
- d) **Key management personnel compensation**

Particulars	31st March 19	31st March 18
Short-term employee benefits	27,696	23,676
Post-employment benefits	—	—
Long-term employee benefits	—	—
Termination benefits	—	—

**e) Transactions with related party**

The following transactions occurred with related parties:

Particulars	31st March 19	31st March 18
Jardine Henderson Ltd.:		
a) Establishment charge	1,800	1,800
b) Interest on loan	38,789	26,869

**(e) Outstanding balances arising from sales/purchases of goods and services.**

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

Particulars	31st March 19	31st March 18
Trade payables (purchases of goods and services) - Jardine Henderson Ltd.	739,676	463,504
Trade receivables (sale of goods and services) - Jardine Henderson Ltd.	—	—

**Notes to Financial Statements (Contd.)***(All amounts in INR hundreds, unless otherwise stated)***(f) Loans to/from related parties**

Particulars	31st March 19	31st March 18
Loans from Jardine Henderson Ltd.		
Beginning of the year	219000	219000
Loans advanced	0	0
Loan repayments received	0	0
Interest charged	38789	26869
Interest received	0	0
End of the year	219000	219000

There is no allowance account for impaired receivables in relation to any outstanding balances, and no expense has been recognised in respect of impaired receivables due from related parties.

Transactions relating to dividends were on the same terms and conditions that applied to other shareholders.

All outstanding balances are unsecured and are repayable in cash.

**Note : 43 Other notes to accounts**

- Estimated amount of contracts remaining to be executed on Capital Account and not provided for ₹ Nil (31 March 2018 – ₹ Nil)
- Contingent liability not provided for:**
  - In respect of Central sales tax matters under appeal ₹ 49,567 (31 March 2018 ₹ 49,567) and in respect of Value Added Tax matters under appeal ₹ 758 (31 March 2018 ₹ 758)
  - In respect of Income Tax matters under appeal ₹ 51,576 (31 March 2018 ₹ 59,435)
- Certain areas of certain estates of the Company have been acquired by the Governments of West Bengal and Assam under West Bengal Estates Acquisition Act, and Assam Land Ceiling Act, respectively. Compensation, if any, in this regard is yet to be ascertained.
- Loans & Advances include ₹ 83,565 due from Baranagore Jute Factory P.L.C. and other parties (2017-18 – ₹ 83,565) representing old balance being still considered good and recoverable in the opinion of the Management has been treated accordingly in the account.
- Particulars in respect of manufacture of black tea:

*(In kgs)*

Year	Licensed Capacity	Installed Capacity	Actual production	Total saleable tea
2018-19	–	–	5,470,398	5,359,864
2017-18	N.A	Not ascertainable in terms of made tea	6,124,024	5,958,914

**f. Particulars in respect of Sales, Opening and Closing stock of black tea:**

Year	Sales		Opening Stock		Closing Stock	
	Quantity (Kg.)	Amount	Quantity (Kg.)	Amount	Quantity (Kg.)	Amount
2018-19	5,276,864	9,005,514	1,260,902	1,764,093	1,454,436	1,851,668
2017-18	6,123,915	10,933,532	1,425,903	2,184,843	1,260,902	1,764,093

**ACCOUNTING POLICIES AND NOTES ON ACCOUNTS - 1 & 2**

The notes referred to above form an integral part of the Financial Statements.

In terms of our attached Report of even date

For and on behalf of the Board of Directors

For **M. C. DAS & Co**

Chartered Accountants

Firm's Registration Number: 301110E

**A. K. BANERJEE**

Partner

Membership Number: 050243

Place: Kolkata

Date: 30th May, 2019

**Suddhabrata Kar**

Director

DIN: 07697341

**Aditya Gupta**

Company Secretary

**Rajvinder Singh**

Whole-Time Director

DIN: 06931916

**Vishnu Sharma**

Chief Financial Officer

## Independent Auditor's Report

To the Members of Rydak Syndicate Limited

### Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying Consolidated Ind AS financial statements of “**RYDAK SYNDICATE LIMITED**”, and its Associated company, “**SANGAM INVESTMENTS LTD.**”, which comprise the Consolidated Balance Sheet as on 31st March 2019, the Consolidated Statement of Profit & Loss (including other comprehensive income), Consolidated statement of Cash Flows and the statement of changes of equity for the year then ended and a summary of significant accounting policies and other explanatory information (herein after referred to as “Consolidated Ind AS financial statements”).

### Management's Responsibility for the Consolidated Financial Statements.

The Company's Board of Directors ( Rydak Syndicate Limited) is responsible for the matters stated in section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these Consolidated Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes of equity of the company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant Rules issued there under.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS 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 Consolidated Ind AS financial statements are free from material mis-statement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated Ind AS financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. 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 Consolidated Ind AS 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 consolidated Ind AS financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS of the consolidated state of affairs and financial position of the company (along with its Associate Company) as at 31st March, 2019 and its financial performance including other comprehensive income, its Consolidated Cash flows and statement of changes in equity for the year ended on that date.

### Key Audit Matters:

1. Adoption of Ind As 115 “ Review from Contracts with the Customers” and recognition of Revenue.

We assessed the Group's process to identify the impact of adoption of the new Accounting Standard and conducted substantive testing. and noted that Ind AS 115 is not applicable under the circumstances to the Company.

2. Amendment of Accounting Policy of disclosure of Government Grants:

With effect from 1.4.2018 Ind As-20 has been amended as regards recognition of Government Grants. Previously Ind As 20 required that government Grants related to Assets shall be presented by setting up the Grant as deferred Income. The Amendment Rules

## Independent Auditor's Report (Contd.)

in Ind AS 20 now states that Govt. Grants related to Assets can be presented by deducting from the carrying amount of assets, i.e. Property Plant & Equipment as Non-monetary grants can be recognized at a nominal amount.

We assessed the changed policy adopted by the Company. Govt. Subsidy received during the year has been considered fully as other income. However the Deferred Income opening balance have been transferred straightway to Retained Earning.

3. As regards CWIP capitalization in the carrying amount of bearer plants (Harvested), the management according to their consistent Policy has reallocated Gardens' Ordinary expenditure to Capital work in Progress as estimated by the Management

### Report on other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2016 ("the order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
- 2) As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books ;
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and Consolidated Cash Flow Statement and the statement of changes in equity dealt with by this Report are in agreement with the books of account.;
  - d) In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the directors of Rydak Syndicate Limited and on the reports of the statutory Auditor of Associated Company (Sangam Investment Limited), incorporated in India as on 31 March, 2019, taken on record by the respective Board of Directors, none of the directors is disqualified as on 31 March, 2019, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to adequacy of the Internal Financial Control over Financial Reporting of the Company and the operating effectiveness of such controls ,refer to our separate Report in Annexure-B.
  - g) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014 and to the best of our information and according to the explanations given to us:
    - i. The Company (Rydak Syndicate Limited) has disclosed the impact of pending litigations which would impact its financial position and its Consolidated Ind AS financial statements.
    - ii. The Company (Rydak Syndicate limited) has made provision, as required under the applicable law or accounting standards for which there were any material foreseeable losses, if any , on long-term contracts including derivatives contracts.
    - iii) There has been no delay in transferring amounts , required to be transferred to the investor education and protection Fund by the Company (Rydak Syndicate Limited) and its Associated Company incorporated in India.

For **M. C. DAS & Co**  
Chartered Accountants  
Firm's Registration Number: 301110E

**A. K. BANERJEE**  
Partner  
Membership Number: 050243

Kolkata  
30th May, 2019



## Annexure - A to the Auditor's Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the Consolidated Ind AS financial statements for the year ended 31 March 2019, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) As explained to us Inventories have been physically verified during the year by the management at reasonable intervals.
- (iii) The Company has not granted loans to any bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) The Company has not accepted any deposits under section 73 to 76 of the Companies Act, 2013 from the public.
- (vi) The Central Government has prescribed the maintenance of cost records under section 148(1) of the Act and such records have been made and maintained.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess, gst and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable except for the following:

Green leaf cess: Rs. 8,13,970/-

- (b) According to the information and explanations given to us, there are no dues of duty of customs which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax, and value added tax have not been deposited by the Company on account of disputes:

Name of the statute	Nature of dues	Amount (in Rs)	Period to which the amount relates	Forum where dispute is pending
Income Tax	Central Tax	36,88,200/-	2010-11	CIT(A) 2
Income Tax	Central Tax	14,69,390/-	2013-14	CIT(A) 2
Central Sales Tax Act, 1956	CST	49,56,717/-	2012-13	Joint Commissioner Sales Tax
West Bengal Value added Tax	VAT	75,808/-	2012-13	Joint Commissioner Sales Tax

- (viii) The Company has not defaulted repayment of loans or borrowing from Bank during the year.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

**Annexure - A to the Auditor's Report (Contd.)**

- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Consolidated Ind AS financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **M. C. DAS & Co**  
Chartered Accountants  
Firm's Registration Number: 301110E

**A. K. BANERJEE**  
Partner  
Membership Number: 050243

Kolkata  
30th May, 2019

## Annexure - B to the Auditor's Report

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

We have audited the internal financial controls over financial reporting of Consolidated Ind AS financial statements of **THE RYDAK SYNDICATE LIMITED**, ('the Company') and its Associated company, **SANGAM INVESTMENTS LTD.** as on 31 March, 2019, in conjunction with our audit of the Consolidated Ind AS financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

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

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

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

### Meaning of Internal Financial Controls over Financial Reporting

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

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

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

### Opinion

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

For **M. C. DAS & Co**

Chartered Accountants

Firm's Registration Number: 301110E

**A. K. BANERJEE**

Partner

Membership Number: 050243

Kolkata

30th May, 2019

## Consolidated Balance Sheet as at 31st March 2019

(All amounts in INR hundreds, unless otherwise stated)

Particulars	Note	31st March 2019	31st March 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	4,300,158	3,950,727
Capital work-in-progress	4	1,880,607	1,520,686
Investment in associate	5	–	–
<b>Financial assets</b>			
Investments	6	93,497	93,497
Non current tax asset (net)	7	478,886	425,344
Deferred tax assets (net)	8	145,864	142,751
Other non-current assets	9	178,315	149,818
<b>Total non-current assets</b>		<b>7,077,327</b>	<b>6,282,823</b>
<b>Current assets</b>			
Inventories	10	2,186,759	2,240,034
Biological assets other than bearer plants	11	41,796	33,844
<b>Financial assets</b>			
(i) Trade receivables	12	250,533	398,303
(ii) Cash and cash equivalents	13	81,511	56,055
(iii) Other financial assets	14	17,469	17,469
Other current assets	15	247,397	270,317
<b>Total current assets</b>		<b>2,825,465</b>	<b>3,016,022</b>
<b>Total assets</b>		<b>9,902,792</b>	<b>9,298,845</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	16	97,313	97,313
Other equity	17	1,927,201	1,772,102
<b>Total equity</b>		<b>2,024,514</b>	<b>1,869,415</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	18	25,726	20,639
Provisions	19	702,714	688,299
Deferred income	20	–	115,488
<b>Total non-current liabilities</b>		<b>728,440</b>	<b>824,426</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
(i) Borrowings	21	2,905,508	2,715,280
(ii) Trade payables	22	2,609,167	2,382,380
(iii) Other financial liabilities	23	700,261	856,590
Deferred income	20	–	1,550
Other current liabilities	24	422,149	230,559
Provisions	25	187,950	121,909
Current tax liabilities	26	324,803	296,736
<b>Total current liabilities</b>		<b>7,149,838</b>	<b>6,605,004</b>
<b>Total equity and liabilities</b>		<b>9,902,792</b>	<b>9,298,845</b>

## ACCOUNTING POLICIES AND NOTES ON ACCOUNTS - 1 &amp; 2

The notes referred to above form an integral part of the Financial Statements.

In terms of our attached Report of even date

For and on behalf of the Board of Directors

For **M. C. DAS & Co**

Chartered Accountants

Firm's Registration Number: 301110E

**A. K. BANERJEE**

Partner

Membership Number: 050243

Place: Kolkata

Date: 30th May, 2019

**Suddhabrata Kar**

Director

DIN: 07697341

**Aditya Gupta**

Company Secretary

**Rajvinder Singh**

Whole-Time Director

DIN: 06931916

**Vishnu Sharma**

Chief Financial Officer

## Consolidated Statement of Profit & Loss for the year ended 31st March, 2019

(All amounts in INR hundreds, unless otherwise stated)

Particulars	Note	31st March 2019	31st March 2018
<b>Income</b>			
Revenue from operations	27	9,005,514	10,933,532
Other income	28	105,017	82,870
<b>Total income</b>		<b>9,110,531</b>	<b>11,016,402</b>
<b>Expenses</b>			
Cost of materials consumed	29	1,289,579	1,918,215
Changes in inventories of finished goods	30	(87,575)	420,750
Change in carrying amount of biological assets other than bearer plant (gain/(loss))	31	(7,952)	(4,782)
Employee benefits expense	32	5,201,553	5,553,744
Finance costs	33	406,347	335,931
Depreciation expense	3	276,646	257,498
Other expenses	34	1,941,008	2,291,742
<b>Total expenses</b>		<b>9,019,606</b>	<b>10,773,098</b>
<b>Profit before tax</b>		<b>90,925</b>	<b>243,304</b>
<b>Tax expense:</b>			
- Current tax	36	28,066	96,351
- Deferred tax	36	1,600	26,952
<b>Total tax expenses</b>		<b>29,666</b>	<b>123,303</b>
<b>Profit for the year</b>		<b>61,259</b>	<b>120,001</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations	40	(16,178)	(21,475)
Income tax relating to these items	40	4,712	6,255
<b>Other comprehensive income for the year, net of tax</b>		<b>(11,466)</b>	<b>(15,220)</b>
<b>Total comprehensive income for the year</b>		<b>49,793</b>	<b>104,781</b>
<b>Earnings per equity share:</b>			
Basic and Diluted (Nominal value per Share ₹ 10)	35	6.30	12.33

### ACCOUNTING POLICIES AND NOTES ON ACCOUNTS - 1 & 2

The notes referred to above form an integral part of the Financial Statements.

In terms of our attached Report of even date

For and on behalf of the Board of Directors

For **M. C. DAS & Co**

Chartered Accountants

Firm's Registration Number: 301110E

**A. K. BANERJEE**

Partner

Membership Number: 050243

Place: Kolkata

Date: 30th May, 2019

**Suddhabrata Kar**

Director

DIN: 07697341

**Aditya Gupta**

Company Secretary

**Rajvinder Singh**

Whole-Time Director

DIN: 06931916

**Vishnu Sharma**

Chief Financial Officer

## Consolidated Statement of changes in equity for the year ended 31st March 2019

(All amounts in INR hundreds, unless otherwise stated)

### A. Equity share capital

Description	Amount
As at 01 April 2017	97,313
Changes in equity share capital	—
<b>As at 31st March 2018</b>	<b>97,313</b>
Changes in equity share capital	—
<b>As at 31st March 2019</b>	<b>97,313</b>

### B. Other equity

Description	Reserve and surplus			
	Security Premium account	General reserve	Retained earnings	Total other equity
<b>Balance at 01 April 2017</b>	45,594	1,304,689	328,751	1,679,034
Profit for the year	—	—	120,001	120,001
Other comprehensive income	—	—	(15,220)	(15,220)
<b>Total comprehensive income for the year</b>	—	—	<b>104,781</b>	<b>104,781</b>
Dividend paid	—	—	(9,731)	(9,731)
Tax on dividend	—	—	(1,982)	(1,982)
<b>Balance as at 31st March 2018</b>	<b>45,594</b>	<b>1,304,689</b>	<b>421,819</b>	<b>1,772,102</b>

Description	Reserve and surplus			
	Security Premium account	General reserve	Retained earnings	Total other equity
<b>Balance at 01 April 2018</b>	45,594	1,304,689	421,819	1,772,102
Profit for the year	—	—	61,259	61,259
Other comprehensive income	—	—	(11,466)	(11,466)
<b>Total comprehensive income for the year</b>	—	—	<b>49,793</b>	<b>49,793</b>
Prepayment of Subsidy	—	—	117,039	117,039
Dividend paid	—	—	(9,731)	(9,731)
Tax on dividend	—	—	(2,002)	(2,002)
<b>Balance at 31st March 2019</b>	<b>45,594</b>	<b>1,304,689</b>	<b>576,918</b>	<b>1,927,201</b>

For and on behalf of the Board of Directors

For **M. C. DAS & Co**

Chartered Accountants

Firm's Registration Number: 301110E

**A. K. BANERJEE**

Partner

Membership Number: 050243

Place: Kolkata

Date: 30th May, 2019

**Suddhabrata Kar**

Director

DIN: 07697341

**Aditya Gupta**

Company Secretary

**Rajvinder Singh**

Whole-Time Director

DIN: 06931916

**Vishnu Sharma**

Chief Financial Officer

## Consolidated Cash flow statement for the year ended 31st March 2019

(All amounts in INR hundreds, unless otherwise stated)

Particulars	31st March 2019	31st March 2018
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before Tax	90,925	243,304
Adjustments for:		
Depreciation expenses	276,646	257,498
Net gain on fair valuation of financial assets	-	-
Finance cost	406,347	335,931
(Profit)/Loss on sale of property, plant and equipment	(2,950)	0
Loss on sale of property, plant and equipment	-	-
<b>Operating Profit before Working Capital Changes</b>	<b>770,968</b>	<b>836,734</b>
Adjustments for:		
Non-Current/Current financial and other assets	80,699	(167,196)
Inventories	53,275	508,396
Non-Current/Current financial and other liabilities/provisions	236,847	274,238
<b>Cash generated from operations</b>	<b>1,141,789</b>	<b>1,452,172</b>
Income Tax paid	(54,089)	(60,991)
<b>Net cash flow from Operating activities</b>	<b>1,087,700</b>	<b>1,391,181</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payment for purchase of property, plant and equipment	(808,464)	(1,087,505)
Movement In Work-In-Progress	-	-
Interest On FD received	-	-
Proceeds from sale of property, plant and equipment	-	7,105
<b>Net cash used in Investing activities</b>	<b>(808,464)</b>	<b>(1,080,400)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds/(Repayment) of short term borrowings	5,087	-
Proceeds from short term borrowings	190,228	108,313
Interest paid	(437,715)	(435,204)
Dividend paid	(11,733)	(11,713)
<b>Net cash used in financing activities</b>	<b>(254,133)</b>	<b>(338,604)</b>
Net increase in cash & Cash Equivalents	25,103	(27,824)
Cash and Cash equivalents as at the beginning of the year	56,055	83,879
Cash and Cash equivalents as at the end of the year	81,511	56,055

### Note-

- 1) The above cashflow statement have been prepared using "Indirect Method" as set out in Ind AS 7 - Statement of cashflows.
- 2) Cash and cash equivalents includes cash on hand, balances with banks in current account. Refer note 13.
- 3) In case of Company's financing activities (including) borrowings there are no non-cash transactions as impact of changes in foreign exchange rates.
- 4) Previous year figures have been regrouped/rearranged whether considered necessary to conform to current years presentation.

The Notes referred to the Report are an integral part of the Financial Statements. For and on behalf of the Board of Directors

For **M. C. DAS & Co**

Chartered Accountants

Firm's Registration Number: 301110E

**A. K. BANERJEE**

Partner

Membership Number: 050243

Place: Kolkata

Date: 30th May, 2019

**Suddhabrata Kar**

Director

DIN: 07697341

**Aditya Gupta**

Company Secretary

**Rajvinder Singh**

Whole-Time Director

DIN: 06931916

**Vishnu Sharma**

Chief Financial Officer

## Notes to Consolidated Financial Statements

### 1 General Information

Rydak Tea Company Limited is a Company incorporated under the Companies Act, 1956. The Company's shares are listed on the Calcutta Stock Exchange. The Company is engaged in harvesting, manufacturing and selling of tea.

The financial statements as at 31 March 2019 present the financial position of the Company.

The functional and presentation currency of the Company is Indian Rupee ("INR") which is the currency of the primary economic environment in which the Company operates.

The financial statements for the year ended March 31, 2019 were approved by the Board of Directors and authorised for issue on 30 May 2019.

### 2.0 Significant accounting policies

The significant accounting policies applied by the Company in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements unless otherwise indicated.

#### 2.1 Statement of compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 01, 2016.

These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

#### 2.2 Basis of preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention, except for the following:

- a) certain financial assets and liabilities that is measured at fair value;
- b) certain biological assets (including unplucked green leaves) measured at fair value less cost to sell.

### 2.3 Principles of consolidation and equity accounting

#### (i) Associates

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (ii) below), after initially being recognised at cost.

#### (ii) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

- (iii) The difference between the cost of the investment and the Group's share of the net fair value of the investee's identifiable assets and liabilities at the time of acquisition of share in the associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be.
- (iv) The financial statements of the associates used in the consolidation are drawn up to the same reporting date as that of the Group i.e. 31st March, 2019.
- (v) In case of one associate viz., Sangam Investments Ltd, as Group's share of loss exceeds the carrying amount of investment, the loss over the value of the investment has not been considered in Consolidated Financial Statement and investment is considered at Nil value.



## Notes to Consolidated Financial Statements (Contd.)

### 2.4 Use of estimates and critical accounting judgments

In preparation of the financial statements, the Company makes judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Significant judgments and estimates relating to the carrying amounts of assets and liabilities include useful lives of property, plant and equipment, intangible assets, impairment of property, plant and equipment, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies.

### 2.4 Property, plant and equipment

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

The Company's tea bushes qualify as bearer plants under the definition in Ind AS 41 and are therefore accounted for as a part of property, plant and equipment.

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

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

### 2.5 Biological assets

Tea leaves growing on tea bushes are measured at fair value less cost to sell with changes in fair value recognised in Statement of profit and loss.

### 2.6 Depreciation methods, estimated useful lives and residual value of property, plant and equipment

Depreciation, other than bearer plant, is calculated using written down value method to allocate their cost, net of their residual values on the basis of useful lives prescribed in Schedule II to the Companies Act, 2013, which are also supported by technical evaluation.

Bearer plants are depreciated using straight line method from the date when they are ready for commercial harvest.

The estimated useful lives of assets and residual values are reviewed regularly and, when necessary, revised. No further charge is provided in respect of assets that are fully written down but are still in use.

The estimated useful lives for the main categories of property, plant and equipment and other intangible assets are:

Particulars	Useful life (in years)
Plant and machinery	15
Furniture and Fixture	10
Building	60
Bearer plants	77
Office equipments	3 - 10
Vehicles	8 - 10
Software	5

### 2.7 Impairment of non-financial assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely

## Notes to Consolidated Financial Statements (Contd.)

independent of the cash flows from other assets or group of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

### 2.8 Leases

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

#### Company as lessee

(i) Operating lease – Rentals payable under operating leases are charged to the statement of profit and loss on a straight line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(ii) Finance lease – Finance leases are capitalised at the commencement of lease, at the lower of the fair value of the property or the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest.

### 2.9 Financial Instruments

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

#### Effective interest method

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

#### (a) Financial assets

##### Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short term deposits which are readily convertible into known amounts of cash, are subject to an insignificant risk of change in value and have maturities of less than three months from the date of such deposits. These balances with banks are unrestricted for withdrawal and usage.

##### Other bank balances

Other bank balances include balances and deposits with banks that are restricted for withdrawal and usage or having maturities of more than three months from the date of such deposits.

##### Financial assets at amortized cost

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

Financial assets measured at fair value through other comprehensive income.

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

Financial assets measured at fair value through profit or loss.

Financial asset not measured at amortized cost or at fair value through other comprehensive income is carried at fair value through profit or loss.

##### Impairment of financial assets

Loss allowance for expected credit losses is recognized for financial assets measured at amortized cost and fair value through other comprehensive income.

## Notes to Consolidated Financial Statements (Contd.)

The Company recognises life time expected credit losses for all trade receivables that do not constitute a financing transaction.

For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition.

### De-recognition of financial assets

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

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

### (b) Financial liabilities and equity instruments

#### Equity instruments

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

#### Financial liabilities

##### Trade and other payables

Financial liabilities such as trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant.

##### Borrowings

Interest-bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method.

##### Derecognition of financial liabilities

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

## 2.10 Employee benefits

### (a) Post employment obligations

#### Defined contribution plans

The Company makes provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

#### Defined benefit plans - Gratuity

The liability or asset recognised in the balance sheet in respect of gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets, if any. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets, if any. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

### (b) Compensated absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the

## Notes to Consolidated Financial Statements (Contd.)

(All amounts in INR hundreds, unless otherwise stated)

employee renders the related service are recognised based on actuarial valuation at the present value of the obligation as on the reporting date.

The obligations are presented as current liabilities in the balance sheet since the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

### 2.11 Government grants

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

Government Grant that are receivable as a compensation for expenses or losses incurred for the purpose of giving immediate financial support with no future related cost are recognised in statement of Profit and loss in the year it is received.

Tea Plantation Subsidy and other subsidies is accounted for on acceptance from the concerned authorities.

### 2.12 Provisions

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

### 2.13 Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

### 2.14 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable net of discounts, taking into account contractually defined terms and excluding taxes or duties collected on behalf of the government.

#### Sale of goods

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

### 2.15 Income recognition

#### a) Interest income

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

**b) Dividend income**

Dividend income from investments is recognised when the shareholder's rights to receive payment have been established

**2.16 Inventories**

Raw materials including harvested tea leaves, produced from own gardens are measured at lower of cost and net realisable value. Cost being the fair value less cost to sell at the point of harvest of tea leaves.

Raw materials of purchased green leaves, stores and spare parts and finished goods are stated at lower of cost and net realisable value. Cost of finished goods comprise direct material, direct labour and appropriate portion of variable and fixed overhead expenditure. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Cost are assigned to individual items of inventory on the basis of weighted average method. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**2.17 Research and development**

Revenue expenditure on research and development is recognised as a charge in the Statement Profit and Loss. Capital expenditure on assets acquired for research and development is added to Property, plant and equipment, if any.

**2.18 Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest hundreds as per the requirements of Schedule III, unless stated otherwise.

## Notes to Consolidated Financial Statements (Contd.)

(All amounts in INR hundreds, unless otherwise stated)

### Note 3 : Property, plant and equipment

Particulars	Gross carrying amount			Accumulated Depreciation			Net carrying amount	
	As at 01 April 2017	Addition/ Adjustments	Deductions/ Adjustments	As at 31st March 2018	As on 01 April 2017	Charge during the year	As at 31st March 2018	As at 31st March 2017
Leasehold land	203,729	—	—	203,729	—	—	203,729	203,729
Bearer plant	2,145,281	517,550	7,105	2,655,726	51,474	58,206	2,546,045	2,093,807
Buildings	298,287	17,682	—	315,969	21,594	18,798	40,392	276,693
Plant & Machinery	995,676	155,773	—	1,151,449	156,999	161,803	318,802	838,676
Furniture & Fixture	3,966	—	—	3,966	900	617	1,517	3,066
Motor & Other Vehicles	66,778	49,627	—	116,405	12,195	16,295	28,490	54,583
Office equipments	6,144	364	—	6,508	2,365	1,779	4,144	3,779
<b>Total</b>	<b>3,719,861</b>	<b>740,996</b>	<b>7,105</b>	<b>4,453,752</b>	<b>245,527</b>	<b>257,498</b>	<b>503,025</b>	<b>3,474,334</b>

Particulars	Gross carrying amount			Accumulated Depreciation			Net Carrying Amount	
	As at 01 April 2018	Addition/ Adjustments	Deductions/ Adjustments	As at 31st March 2019	As on 01 April 2018	Charge during the year	As at 31st March 2019	As at 31st March 2018
Leasehold land	203,729	—	—	203,729	—	—	203,729	203,729
Bearer plant	2,655,726	458,482	—	3,114,208	109,680	56,616	2,947,912	2,546,045
Buildings	315,969	1,177	—	317,146	40,392	18,823	59,215	275,577
Plant & Machinery	1,151,449	141,130	—	1,292,579	318,802	171,593	490,395	832,648
Furniture & Fixture	3,966	878	—	4,844	1,517	555	2,072	2,449
Motor & Other Vehicles	116,405	23,165	—	139,570	28,490	27,735	56,225	87,914
Office equipments	6,508	1,245	—	7,753	4,144	1,324	5,468	2,365
<b>Total</b>	<b>4,453,752</b>	<b>626,077</b>	<b>—</b>	<b>5,079,829</b>	<b>503,025</b>	<b>276,646</b>	<b>779,671</b>	<b>3,950,727</b>

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

(All amounts in INR hundreds, unless otherwise stated)

**Note 4: Capital work-in-progress**

Description	As at 01 April 2017	Addition	Deductions / Adjustments	Closing as at 31st March 2018
Bearer plant - young trees	1,009,309	976,187	(517,550)	1,467,946
Bearer plant - nursery	58,674	50,757	(58,673)	50,758
Others	4,783	347	(3,148)	1,982
<b>Total</b>	<b>1,072,766</b>	<b>1,027,291</b>	<b>(579,371)</b>	<b>1,520,686</b>

Description	As at 01 April 2018	Addition	Deductions / Adjustments	Closing as at 31st March 2019
Bearer plant - young trees	1,467,946	691,735	(458,482)	1,701,199
Bearer plant - nursery	50,758	50,676	(50,758)	50,676
Others	1,982	126,750	—	128,732
<b>Total</b>	<b>1,520,686</b>	<b>869,161</b>	<b>(509,240)</b>	<b>1,880,607</b>

- (i) Property, plant and equipment pledged as security  
Refer to note 18 for information on property, plant and equipment pledged as security by the Company.
- (ii) Contractual obligations  
Refer to note 43 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

**Note: 5 Investment in associate**

Particulars	31st March 2019	31st March 2018
<b>Unquoted</b>		
<b>Investments in equity instruments</b>		
Sangam Investments Ltd 24,150 Equity shares of ₹ 10 each fully paid	—	—
<b>Total</b>	—	—
(a) Aggregate amount of unquoted investments	—	—

**Note: 6 Investments**

Particulars	31st March 2019	31st March 2018
<b>Investment in equity shares designated at FVPL - Others (fully paid up):</b>		
<b>i) Unquoted</b>		
a) Woodland Multiplicity Hospitals Limited - 1,130 Equity Shares of ₹ 10 each fully paid up	2,224	2,224
b) ABC Tea Workers' Welfare Services (Formerly Assam Bengal Cereals Ltd.) 1000 Equity Shares of ₹ 10 each fully paid up	100	100
c) Allied International Products Limited - 21,500 Equity Shares of ₹ 10 each fully paid up	215	215
d) Cachar Club Limited - 20 Ordinary Shares of ₹ 10 each fully paid up	21	21
e) Jalpaiguri Club Limited - 20 Ordinary Shares of ₹ 10 each fully paid up	0	0
<b>ii) Quoted</b>		
Dhelakhat Tea Company Limited - 62,924 Equity Shares of ₹ 10 each fully paid up	90,937	90,937
<b>Other Investments through FVTPL</b>	—	—
<b>Investment in preference share - Others</b>	—	—
<b>Unquoted</b>	—	—
3 Preference shares of ₹ 10 each fully paid up	0	0
<b>Total</b>	<b>93,497</b>	<b>93,497</b>
(a) Aggregate carrying amount of quoted investments	90,937	90,937
(b) Aggregate market value of quoted investments	90,937	90,937
(c) Aggregate amount of unquoted investments	2,560	2,560

## Notes to Consolidated Financial Statements (Contd.)

(All amounts in INR hundreds, unless otherwise stated)

## Note: 7 Non current tax asset (net)

Particulars	31st March 2019	31st March 2018
Advance income tax, tax deducted at source and refund receivable [net of provision for tax of ₹ 125,195 (31st March 2018: ₹ 125,195)]	478,886	425,344
<b>Total</b>	<b>478,886</b>	<b>425,344</b>

## Note: 8 Deferred tax assets (net)

Particulars	31st March 2019	31st March 2018
<b>Deferred tax asset</b>		
Expenses allowable on payment basis	259,433	235,997
Biological asset other than bearer plant	267	267
Inventory - black tea	13,909	13,909
Investments	—	—
<b>Gross deferred tax assets</b>	<b>273,609</b>	<b>250,173</b>
<b>Deferred tax liability</b>		
Property, plant and equipment	116,408	96,372
Biological asset other than bearer plant	—	—
Investments	11,337	11,050
Inventory - black tea	—	—
<b>Gross deferred tax liability</b>	<b>127,745</b>	<b>107,422</b>
<b>Net deferred tax asset</b>	<b>145,864</b>	<b>142,751</b>

## Note: 9 Other non-current assets

Particulars	31st March 2019	31st March 2018
Advance to staff	178,315	149,818
<b>Total</b>	<b>178,315</b>	<b>149,818</b>

## Note: 10 Inventories

Particulars	31st March 2019	31st March 2018
Stock of tea	1,851,668	1,764,093
Stores and spares	335,091	475,941
<b>Total</b>	<b>2,186,759</b>	<b>2,240,034</b>

## Note :11 Biological assets other than bearer plants

Particulars	31st March 2019	31st March 2018
Fair value of biological assets other than bearer plants (Unharvested tea leaves)	41,796	33,844
<b>Total</b>	<b>41,796</b>	<b>33,844</b>

Reconciliation of changes in the carrying amount of biological assets	31st March 2019	31st March 2018
Opening balance	33,844	29,062
Gain/ (loss) arising from changes in fair value less costs to sell	2,738	(3,857)
Increases due to purchases/ flushing during the year	39,058	37,701
Decreases due to harvest during the year	(33,844)	(29,062)
<b>Closing balance</b>	<b>41,796</b>	<b>33,844</b>



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

(All amounts in INR hundreds, unless otherwise stated)

Note: Unharvested tea leaves on bushes as at 31st March 2019 was 403,861 kgs (31st March 2018 - 341,723 kgs)

**Note :12 Trade receivables**

Particulars	31st March 2019	31st March 2018
Unsecured, considered good	250,533	398,303
<b>Total</b>	<b>250,533</b>	<b>398,303</b>

Refer note 39 for credit risk and market risk on trade receivable.

**Note: 13 Cash and cash equivalents**

Particulars	31st March 2019	31st March 2018
<b>Cash and cash equivalents</b>		
Cash in hand	8,002	10,849
Cheques/Drafts on hand		
<b>Balances with banks:</b>		
- In current account	73,509	45,206
<b>Total</b>	<b>81,511</b>	<b>56,055</b>

**Note: 14 Other financial assets - Current**

Particulars	31st March 2019	31st March 2018
Security deposits	17,469	17,469
<b>Total</b>	<b>17,469</b>	<b>17,469</b>

**Note: 15 Other current assets**

Particulars	31st March 2019	31st March 2018
Balances with excise and other government authorities	140,217	74,772
Advance to vendor	84,616	177,299
Advance to staff	21,257	17,052
Prepaid expenses	1,307	1,194
<b>Total</b>	<b>247,397</b>	<b>270,317</b>

**Note: 16 Equity share capital**

Particulars	31st March 2019	31st March 2018
Authorized shares		
12,00,000 Equity shares of Rs 10 each	120,000	120,000
<b>Issued, subscribed and fully paid-up shares</b>		
9,73,128 Equity shares of ₹ 10 each	97,313	97,313
	<b>97,313</b>	<b>97,313</b>

**(i) Movement in equity share capital**

Particulars	31st March 2019		31st March 2018	
	No. of shares	Amount	No. of shares	Amount
<b>Equity shares</b>				
At the beginning of the year	973,128	97,313	973,128	97,313
Issued during the year	—	—	—	—
<b>Outstanding at the end of the year</b>	<b>973,128</b>	<b>97,313</b>	<b>973,128</b>	<b>97,313</b>

**(ii) Terms / rights attached to equity shares**

The company has only one class of equity shares having a par value of Rs 10/- per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after the distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the

## Notes to Consolidated Financial Statements (Contd.)

(All amounts in INR hundreds, unless otherwise stated)

shareholders.

(iii) Details of shareholders holding more than 5 % shares in the company

Particulars	31st March 2019		31st March 2018	
	No. of shares	% of holding	No. of shares	% of holding
Equity shares of Rs 10 each fully paid-up				
1. Jardine Henderson, Limited	485,366	49.88	485,366	49.88
2. Sripadam Investments Ltd.	81,100	8.33	81,100	8.33
3. Kant & Co. Ltd.	100,687	10.35	100,487	10.32
4. Monet Securities Private Limited	58,990	6.06	58,990	6.06

As per records of the Company, the above shareholding represents both legal and beneficial ownership of shares.

(iv) During the period of 5 years immediately preceeding the balance sheet date, no shares were issued for consideration other than cash. Also, no bonus shares were issued and no shares were bought back by the company during the said period.

## Note: 17 Other equity

Particulars	31st March 2019	31st March 2018
<b>Reserve and surplus</b>		
(a) Securities premium account	45,594	45,594
(b) General reserve	1,304,689	1,304,689
(c) Retained earnings	576,918	421,819
<b>Total</b>	<b>1,927,201</b>	<b>1,772,102</b>

## Note: 17(a) Securities premium account

Particulars	31st March 2019	31st March 2018
Opening balance	45,594	45,594
<b>Closing balance</b>	<b>45,594</b>	<b>45,594</b>

## Note: 17(b) General reserve

Particulars	31st March 2019	31st March 2018
Opening balance	1,304,689	1,304,689
Amount transferred from retained earnings	–	–
<b>Closing balance</b>	<b>1,304,689</b>	<b>1,304,689</b>

## Note: 17(c) Retained earnings

Particulars	31st March 2019	31st March 2018
Opening balance	421,819	328,750
Net profit/ (loss) for the year	61,259	120,001
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation, net of tax	(11,466)	(15,220)
Dividend paid	(9,731)	(9,731)
Tax on dividend paid	(2,002)	(1,981)
Remeasurement of Subsidy	117,039	–
<b>Closing balance</b>	<b>576,918</b>	<b>421,819</b>

## Nature and purpose of other reserves

## a) Securities premium account

Securities premium account is used to record the premium on issue of shares. The same is utilised in accordance with the provisions of Section 52 of the Companies Act, 2013.

**Notes to Consolidated Financial Statements (Contd.)***(All amounts in INR hundreds, unless otherwise stated)***b) General reserve**

Under the erstwhile Indian Companies Act, 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act, 2013, the requirement to mandatory transfer a specified percentage of the net profit to general reserve has been withdrawn though the Company may transfer such percentage of its profits for the financial year as it may consider appropriate. Declaration of dividend out of such reserve shall not be made except in accordance with rules prescribed in this behalf under the Act.

**c) Retained earnings**

Retained earnings are the profits that the Company has earned till date, less any transfer to general reserve, dividends or other distributions paid to shareholders.

**Note: 18 Borrowings**

Particulars	31st March 2019	31st March 2018
<b>Secured</b>		
Term loans from banks		
Car loan from Kotak Mahindra Bank/Toyota Financial Services India	40,900	29,700
Less: Current maturities of long term debts (included in Note 23)	15,174	9,061
<b>Total</b>	<b>25,726</b>	<b>20,639</b>

(a) Car loan from Kotak Mahindra bank is secured by hypothecation of Car and carries interest @ 9.5% p.a. (31 March 2018: 8.44%) and is repayable in equal monthly instalments starting from April 2018 (upto March 2021).

(b) Car loan from Toyota Financial Services India is secured by hypothecation of Car and carries interest @ 9.25% p.a. (31 March 2018: NIL) and is repayable in equal monthly instalments starting from March 2019 (upto March 2022).

**Note: 19 Provisions (Non-current)**

Particulars	31st March 2019	31st March 2018
<b>Provision for employee benefits</b>		
Provision for gratuity (Refer note 40)	702,714	688,299
<b>Total</b>	<b>702,714</b>	<b>688,299</b>

**Note: 20 Deferred Income**

Particulars	31st March 2019	31st March 2018
Opening balance	117,038	81,725
Grants received during the year	–	36,626
Less: Released to statement of profit and loss	–	(1,313)
Less: Released to Retained Earnings	(117,038)	–
<b>Closing balance</b>	<b>–</b>	<b>117,038</b>

Particulars	31st March 2019	31st March 2018
Current portion	–	1,550
Non-current portion	–	115,488

**Note: 21 Borrowings - Current**

Particulars	31st March 2019	31st March 2018
Loans repayable on demand		
<b>Secured</b>		
Cash credit from banks	2,066,508	1,622,643
<b>Unsecured</b>		
Intercompany deposit	839,000	839,000
Loans from body corporate	–	253,637
<b>Total</b>	<b>2,905,508</b>	<b>2,715,280</b>

**Notes to Consolidated Financial Statements (Contd.)***(All amounts in INR hundreds, unless otherwise stated)*

- (a) Cash credit (including Working Capital Demand Loans) from banks are secured against hypothecation of stock and other current assets of the Company and second charge on fixed assets pertaining and are repayable on demand. The above loans carry interest @ 9.60 p.a. (31 March 2018 :@ 10.75% p.a. )
- (b) Intercompany deposit from body corporates are unsecured and are repayable on demand. The above deposit carry interest @ 10%p.a (31 March 2018 :@ 10% p.a.)

**Note: 22 Trade payables**

Particulars	31st March 2019	31st March 2018
Trade payables	2,609,167	2,382,380
<b>Total</b>	<b>2,609,167</b>	<b>2,382,380</b>

Note: As per Micro, small and Medium Enterprise.

**Note :23 Other Financial Liabilities**

Particulars	31st March 2019	31st March 2018
Current maturities of long-term borrowings	15,175	9,061
Interest accrued but not due on borrowings	28,350	—
Unpaid dividend	3,777	3,479
Payable to employees	251,368	199,831
Bonus payable	365,236	616,485
Others liability payable	36,355	27,734
<b>Total</b>	<b>700,261</b>	<b>856,590</b>

**Note: 24 Other Current Liabilities**

Particulars	31st March 2019	31st March 2018
Interest accrued and due on borrowings	—	—
Statutory liabilities	422,149	230,559
<b>Total</b>	<b>422,149</b>	<b>230,559</b>

**Note: 25 Provisions (Current)**

Particulars	31st March 2019	31st March 2018
<b>Provision for employee benefits</b>		
Provision for gratuity (Note 40 )	181,270	119,398
Provision for compensated absences	6,680	2,511
<b>Total</b>	<b>187,950</b>	<b>121,909</b>

**Note: 26 Current tax liabilities**

Particulars	31st March 2019	31st March 2018
Provision for tax and FBT [net of advance income tax net of ₹ 29,337 (31 March 2018: ₹ 29,337)]	324,803	296,736
<b>Total</b>	<b>324,803</b>	<b>296,736</b>

**Note: 27 Revenue from operations**

Particulars	31st March 2019	31st March 2018
<b>Sale of goods:</b>		
Manufactured Goods (Sale of Tea)	9,005,514	10,933,532
<b>Total</b>	<b>9,005,514</b>	<b>10,933,532</b>

**Notes to Consolidated Financial Statements (Contd.)***(All amounts in INR hundreds, unless otherwise stated)***Note: 28 Other income**

Particulars	31st March 2019	31st March 2018
Interest income from financial assets at amortised cost	199	1,074
Sale of tea waste	10,529	12,393
Sale of scrap	2,607	–
Rent income	2,213	744
Profit on sale of property, plant and equipment	2,950	–
Government grant	388	1,313
Sundry receipts	86,131	67,346
<b>Total</b>	<b>105,017</b>	<b>82,870</b>

**Note: 29 Cost of materials consumed**

Particulars	31st March 2019	31st March 2018
Inventory at the beginning of the year	567,378	563,587
Add: Purchases	1,057,292	1,922,006
Less: Inventory at the end of the year	335,091	567,378
<b>Total</b>	<b>1,289,579</b>	<b>1,918,215</b>

\*Purchase includes Raw materials (Green Leaf ) 19,92,180 Kgs - ₹ 3,82,05,732, previous Year 27,87,620 kgs - ₹ 5,57,52,408)

**Note: 30 Changes in inventories of finished goods**

Particulars	31st March 2019	31st March 2018
Opening Stock of Tea	1,764,093	2,184,843
Closing Stock of Tea	1,851,668	1,764,093
<b>(Increase)/Decrease</b>	<b>(87,575)</b>	<b>420,750</b>

**Note: 31 Change in Carrying amount of Biological Assets other than bearer plant (gain/(loss))**

Particulars	31st March 2019	31st March 2018
Opening Fair value of Biological Assets other than bearer plant	33,844	29,062
Closing Fair value of Biological Assets other than bearer plant	41,796	33,844
<b>(Increase)/Decrease</b>	<b>(7,952)</b>	<b>(4,782)</b>

**Note: 32 Employee benefits expense**

Particulars	31st March 2019	31st March 2018
Salaries, Wages and Bonus	4,534,267	4,880,797
Contribution to Provident and other funds	418,738	429,557
Gratuity	126,923	106,016
Workmen and Staff Welfare	121,625	137,374
<b>Total</b>	<b>5,201,553</b>	<b>5,553,744</b>

**Note: 33 Finance costs**

Particulars	31st March 2019	31st March 2018
Interest and finance charges on financial liabilities not at fair value through profit or loss	437,714	435,204
Less: Borrowing cost capitalised during the year	(31,367)	(99,273)
<b>Total</b>	<b>406,347</b>	<b>335,931</b>

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the entity's general borrowing during the year, in this case is 9.60%, (31 March 2018: 9.50%)

## Notes to Consolidated Financial Statements (Contd.)

(All amounts in INR hundreds, unless otherwise stated)

## Note: 34 Other expenses

Particulars	31st March 2019	31st March 2018
Power and Fuel	1,284,336	1,434,292
Rent	2,763	4,265
Repairs to Buildings	37,720	89,877
Repairs to Machinery	80,879	73,506
Insurance	3,826	3,137
Rates & Taxes	25,691	23,589
Cess/Excise Duty	42,287	48,308
Brokerage & Commission	64,340	61,831
Freight and Transit Charges	64,777	179,875
Cultivation Expenses	24,243	28,713
Director's sitting Fees	1,650	2,350
<b>Auditors' Remuneration:-</b>		
Statutory Audit fees	1,800	1,800
Tax Audit fees	180	150
Other Services	350	790
Miscellaneous Expenses	306,166	339,259
<b>Total:</b>	<b>1,941,008</b>	<b>2,291,742</b>

## Note: 35 Earnings per share

Particulars	31st March 2019	31st March 2018
(a) Profit attributable to equity holders of the company used in calculating basic and diluted earnings per share (INR hundreds)	61,259	120,001
(b) Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share (in numbers)	973,128	973,128
(c) Nominal value of Equity Share (in ₹)	10	10
(d) Basic and diluted earnings per share (INR)	<b>6.30</b>	<b>12.33</b>

## Note 36: Income tax expense

This note provides an analysis of the Company's income tax expense, shows amounts that are recognised in profit or loss or other comprehensive income and how the tax expense is affected by non-assessable and non-deductible items.

Particulars	31st March 2019	31st March 2018
<b>(a) Income tax expense</b>		
Current tax		
Current tax on profits for the year		
Profit and loss	28,066	96,351
<b>Total current tax expense</b>	<b>28,066</b>	<b>96,351</b>
Deferred tax		
Decrease/(increase) in deferred tax assets	(18,722)	(1,833)
(Decrease)/increase in deferred tax liabilities	20,322	28,785
<b>Total deferred tax expense/(benefit)</b>	<b>1,600</b>	<b>26,952</b>
<b>Income tax expense</b>	<b>29,666</b>	<b>123,303</b>

## Notes to Consolidated Financial Statements (Contd.)

(All amounts in INR hundreds, unless otherwise stated)

Particulars	31st March 2019	31st March 2018
Current tax expense recognised in profit or loss		
Current tax on profits for the year	28,066	96,351
Profit and loss		
Total current tax expense (A)	28,066	96,351
Deferred tax expense recognised in profit or loss		
Deferred taxes	1,600	26,952
Total deferred tax expense recognised in profit or loss (B)	1,600	26,952
Deferred tax expense recognised in Other comprehensive income		
Deferred taxes	4,712	6,255
Total deferred tax expense recognised in Other comprehensive income (C)	4,712	6,255
Total deferred tax for the year (B+C)	6,312	33,207
Total income tax expense recognised in profit or loss (A+B)	29,666	123,303
Total income tax expense recognised in Other comprehensive income (C)	4,712	6,255
<b>Total income tax expense (A+B+C)</b>	<b>34,378</b>	<b>129,558</b>

**Note: 37 Fair value measurements****Financial instruments by category**

Particulars	31st March 2019		31st March 2018	
	FVPL	Amortised cost	FVPL	Amortised cost
<b>Financial assets</b>				
Investments in equity instruments	93,497	—	93,497	—
Investments in preference shares	—	—	—	—
Trade receivables	—	250,533	—	398,303
Cash and cash equivalents	—	81,511	—	56,055
Other financial assets	—	17,469	—	17,469
<b>Total financial assets</b>	<b>93,497</b>	<b>349,513</b>	<b>93,497</b>	<b>471,827</b>
<b>Financial liabilities</b>				
Borrowings	—	40,900	—	29,700
Cash credit from banks	—	2,066,508	—	1,622,643
Intercompany deposit	—	839,000	—	839,000
Loans repayable on demand	—	—	—	253,637
Trade payable	—	2,609,167	—	2,382,380
Interest accrued and due on borrowings	—	28,350	—	—
Unpaid dividend	—	3,777	—	3,479
Payable to Employees	—	251,368	—	199,831
Others liability payable	—	36,355	—	27,734
Provision for bonus	—	365,236	—	616,485
<b>Total financial liabilities</b>		<b>6,240,661</b>	—	<b>5,974,889</b>

**(i) Fair value hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

## Notes to Consolidated Financial Statements (Contd.)

(All amounts in INR hundreds, unless otherwise stated)

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The entire financial assets and liabilities of the Company is classified as Level 3 in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

**Note:**

- There have been no transfers between Level 1 and Level 2 for the years ended March 31, 2019 and March 31, 2018.
- Costs of unquoted equity instruments has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.
- Fair value of borrowings which do not have an active market or are unquoted is estimated by discounting expected future cash flows using a discount rate equivalent to the risk-free rate of return adjusted for credit spread considered by lenders for instruments of similar maturities which is categorised as level 3 in the fair value hierarchy.

**(ii) Valuation technique used to determine fair value**

Specific valuation techniques used to value financial instruments include:

- The fair value of the financial instruments is determined using discounted cash flow analysis.

The fair values for financial instruments were calculated based on cash flows discounted using current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

**(iii) Fair value of biological assets other than bearer plants**

Particulars	31st March 19	31st March 18
Fair value of biological assets other than bearer plants (Unharvested tea leaves) for which fair value (less cost to sell) are disclosed	41,796	33,844

**Note:** The fair value of biological assets other than bearer plants are to be considered as Level 2 fair values

**Note :38 Capital management**

**(a) Risk management**

The company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through a mixture of equity, long term borrowings and short term borrowings.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The amount mentioned under total equity in balance sheet is considered as Capital.

**(b) Dividends paid and proposed**

Particulars	31st March, 2019	31st March, 2018
(i) Equity shares		
Final dividend for the year ended 31 March 2019 - Re. 0.50 (31 March 2018 - Re. 1) per fully paid share	9,731	9,731
Dividend distribution tax	2,002	1,981
(ii) Dividends not recognised at the end of the year		
In addition to the above dividends, since year end the board has recommended the payment of a final dividend of Re. 0.50 per fully paid equity share (31 March 2018 - Re. 1). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	4,866	9,731
Tax on proposed dividend	1,000	2,001



## Notes to Consolidated Financial Statements (Contd.)

(All amounts in INR hundreds, unless otherwise stated)

### Note: 39 Financial Risk Management

The Company's activities are exposed to a variety of financial risks: credit risk, liquidity risk and market risk (i.e. foreign currency risk, interest rate risk and price risk).

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk:

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables and financial assets measured at amortised cost.	Ageing analysis Credit ratings	Diversification of bank deposits and credit limits, quality of customers
Liquidity risk	Financial liabilities that are settled by delivering cash or another financial asset.	Cash flow forecasts	Projecting cash flows and considering the level of liquid assets necessary to meet the liabilities
Market risk – security prices	Investments in equity securities	Sensitivity analysis	Portfolio diversification

#### (A) Credit risk

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

##### i) Trade receivables

The Company's trade receivables comprises from various parties. Trade receivables are non-interest bearing. Outstanding customer receivables are regularly monitored. The ageing of trade receivables as of balance sheet date is given below. The age analysis have been considered from the due date:

Particulars	Less than six months	More than six months	Total
Trade receivable as on 31 March 2019 (Gross)	2,50,533	–	2,50,533
Less: Provision for impairment loss	–	–	–
Trade receivable as on 31 March 2019 (Net)	2,50,533	–	2,50,533
Trade receivable as on 31 March 2018 (Gross)	3,98,303	–	3,98,303
Less: Provision for impairment loss	–	–	–
Trade receivable as on 31 March 2018 (Net)	3,98,303	–	3,98,303

The requirement for impairment is analysed at each reporting date. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 37. The Company does not hold collateral as security.

##### ii) Other financial instruments and deposits

Financial instruments that are subject to credit risk and concentration thereof principally consist of trade receivables, loans receivables, investments and cash and cash equivalents held by the Company. None of the financial instruments of the Company result in material concentration of credit risk.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 349,513 as at 31st March 2019, ₹ 471,827 as at 31st March 2018, being the total of the carrying amount of trade receivables and other financial assets.

#### (B) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. This is generally performed in accordance with practice and limits set by the Company.

##### (i) Maturities of financial liabilities

The tables below analyse the group's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

## Notes to Consolidated Financial Statements (Contd.)

(All amounts in INR hundreds, unless otherwise stated)

Contractual maturities of financial liabilities 31st March 2019	Less than 1 year	More than 1 year	Total
Borrowings and interest thereon	15,175	25,725	40,900
Cash credit from banks	20,66,508	—	20,66,508
Intercompany deposit	8,39,000	—	8,39,000
Loans repayable on demand	—	—	—
Trade payable	26,09,167	—	26,09,167
Interest accrued and due on borrowings	28,350	—	28,350
Unpaid dividend	3,777	—	3,777
Payable to Employees	2,51,368	—	2,51,368
Others liability payable	36,355	—	36,355
Provision for bonus	3,65,236	—	3,65,236
<b>Total financial liabilities</b>	<b>62,14,936</b>	<b>25,725</b>	<b>62,40,661</b>

Contractual maturities of financial liabilities 31st March 2018	Less than 1 year	More than 1 year	Total
Borrowings and interest thereon	11,251	22,502	33,753
Cash credit from banks	16,22,643	—	16,22,643
Intercompany deposit	8,39,000	—	8,39,000
Loans repayable on demand	2,53,637	—	2,53,637
Trade payable	23,82,380	—	23,82,380
Interest accrued and due on borrowings	—	—	—
Unpaid dividend	3,479	—	3,479
Payable to Employees	1,99,831	—	1,99,831
Others liability payable	27,734	—	27,734
Provision for bonus	6,16,485	—	6,16,485
<b>Total financial liabilities</b>	<b>59,56,440</b>	<b>22,502</b>	<b>5,978,942</b>

## (C) Market risk

## (i) Foreign currency risk

Foreign Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's transactions are denominated only in INR and hence the Company is not exposed to any foreign currency risk.

## (ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to the risk of changes in market interest rates because it does not have any floating rate borrowings nor does it have any variable rate financial assets.

## (iii) Price risk

## (a) Exposure

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market. The company's exposure to equity securities price risk arises from investments held by the company in equity securities and classified in the balance sheet as at fair value through other comprehensive income.

## (b) Sensitivity

The table below summarises the impact of increases/decreases of the prices of respective securities on company's equity and total other comprehensive income for the period. The analysis is based on the assumption that the price of the respective securities had increased by 5% or decreased by 5% with all other variables held constant:

Particulars	Impact on profit before tax		Impact on other component of equity	
	31st March 19	31st March 18	31st March 19	31st March 18
Increase by 5% (2018: 5%)*	4,675	4,675	3,313	3,313
Decrease by 5% (2018: 5%)*	(4,675)	(4,675)	(3,313)	(3,313)

\* Holding all other variables constant

**Notes to Consolidated Financial Statements (Contd.)***(All amounts in INR hundreds, unless otherwise stated)***Note : 40 Employee benefit obligations****(i) Defined contribution plan**

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident fund which is defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are recognised in the Statement of Profit and Loss as they accrue. The amount recognised as an expense towards contribution to Provident fund for the year aggregates to ₹ 418,738 (2017-18: ₹ 429,557).

**(ii) Post-employment obligations****a) Gratuity**

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic (including dearness allowance) salary per month computed proportionately for 15 days (reckoning 26 days for a month) salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to recognised funds in India. Based on actuarial valuation, a provision is recognised in full for the projected obligation over and above the funds held in scheme.

**(iii) Balance sheet recognition****a) Gratuity**

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Particulars	Present value of obligation	Fair value of plan assets	Net amount
1 April 2017	756,932	–	756,932
Current service cost	50,327	–	50,327
Interest expense/(income)	55,689	–	55,689
<b>Total amount recognised in profit or loss</b>	<b>106,016</b>	<b>–</b>	<b>106,016</b>
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)			
Actuarial (gain)/loss from change in financial assumptions	9,740	–	9,740
Actuarial (gain)/loss from unexpected experience	11,735	–	11,735
<b>Total amount recognised in other comprehensive income</b>	<b>21,475</b>	<b>–</b>	<b>21,475</b>
Employer contributions/premium paid	–	(76,726)	76,726
Benefit payments	(76,726)	76,726	(153,452)
31st March 2018	<b>807,697</b>	<b>–</b>	<b>807,697</b>

Particulars	Present value of obligation	Fair value of plan assets	Net amount
1 April 2018	807,697	–	807,697
Current service cost	67,303	–	67,303
Interest expense/(income)	59,620	–	59,620
<b>Total amount recognised in profit or loss</b>	<b>126,923</b>	<b>–</b>	<b>126,923</b>
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)			–
Actuarial (gain)/loss from change in financial assumptions	3,755	–	3,755
Actuarial (gain)/loss from unexpected experience	12,423	–	12,423
<b>Total amount recognised in other comprehensive income</b>	<b>16,178</b>	<b>–</b>	<b>16,178</b>
Employer contributions/ premium paid	–	(66,815)	66,815
Benefit payments	(66,815)	66,815	–
<b>31st March 2019</b>	<b>883,983</b>	<b>–</b>	<b>883,983</b>

**Notes to Consolidated Financial Statements (Contd.)***(All amounts in INR hundreds, unless otherwise stated)***(iv) Significant estimates: actuarial assumptions**

The significant actuarial assumptions were as follows:

Particulars	31st March 2019	31st March 2018
Discount rate	7.70%	7.75%
Salary growth rate	2.00%	2.00%
Mortality rate	IALM (2006-08) Table	IALM (2006-08) Table
Disability Rate	5% of Mortality Rate	5% of Mortality Rate
Withdrawal rate	1% to 8%	1% to 8%
Retirement Age	58 Years	58 Years
Average Future Service	19.84	16.89

**(v) Sensitivity analysis**

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Impact on defined benefit obligation			
	31st March 2019		31st March 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (-/+ 1%)	(54,421)	61,881	(82,517)	18,469
Salary growth rate (-/+ 1%)	66,929	(59,403)	23,687	(87,621)
Withdrawal rate (-/+ 1%)	29,708	(33,016)	(11,912)	(60,294)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied while calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

**(vi) The major categories of plan assets**

The defined benefit plans are funded with insurance companies of India. The Company does not have any liberty to manage the funds provided to insurance companies. Thus the composition of each major category of plan assets has not been disclosed.

**(vii) Risk exposure**

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

**Investment risk:**

The defined benefit plans are funded with insurance companies of India. The Company does not have any liberty to manage the funds provided to insurance companies.

The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the Government of India bonds. If the return on plan asset is below this rate, it will create a plan deficit.

**Interest risk:**

A decrease in the interest rate on plan assets will increase the plan liability.

**Life expectancy:**

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.

**Salary growth risk**

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

**(viii) Defined benefit liability and employer contributions**

Expected contributions to post-employment benefit plans for the year ending 31 March, 2020 are ₹ 310,731

The weighted average duration of the defined benefit obligation is 4.59 years (31 March, 2018 – 5.39 years). The expected maturity analysis of undiscounted gratuity benefits is as follows:

**Notes to Consolidated Financial Statements (Contd.)***(All amounts in INR hundreds, unless otherwise stated)*

Particulars	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years
<b>31st March, 2019</b>				
Defined benefit obligation (gratuity)	181,269	271,300	167,726	370,541
<b>Total</b>	<b>181,269</b>	<b>271,300</b>	<b>167,726</b>	<b>370,541</b>
<b>31st March, 2018</b>				
Defined benefit obligation (gratuity)	55,901	204,180	142,349	401,635
<b>Total</b>	<b>55,901</b>	<b>204,180</b>	<b>142,349</b>	<b>401,635</b>

**(ix) Compensated absences**

Compensated absences cover the Company's liability for sick and earned leave. As the Company does not have an unconditional right to defer the payment beyond 12 months the entire amount has been treated as current.

**Note : 41 Segment reporting**

The Company is engaged in the business of growing, manufacturing and sale of black tea and is having its manufacturing facilities located in India. The performance of the Company is assessed and reviewed by the Chief Operating Decision Maker ('CODM') as a single operating segment and accordingly growing, manufacturing and sale of black tea is the only operating segment.

The Company is domiciled in India and sells its products in India.

The Company has no customers from whom it derives more than 10% of total revenue.

**Note : 42 Related party disclosure**

- a) **Associate Company** Sangam Investments Limited
- b) **Key management personnel** Mr Rajvinder Singh - (Wholtime Director)  
Mr Vishnu Sharma - (Chief Financial Officer)  
Mr Aditya Gupta (Company Secretary)
- c) **Entities having significant influence over the Company :** Jardine Henderson Ltd.
- d) **Key management personnel compensation**

Particulars	31st March 19	31st March 18
Short-term employee benefits	27,696	23,676
Post-employment benefits	—	—
Long-term employee benefits	—	—
Termination benefits	—	—

**e) Transactions with related party**

The following transactions occurred with related parties:

Particulars	31st March 19	31st March 18
Jardine Henderson Ltd.:		
a) Establishment charge	1,800	1,800
b) Interest on loan	38,789	26,869

**(e) Outstanding balances arising from sales/purchases of goods and services.**

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

Particulars	31st March 19	31st March 18
Trade payables (purchases of goods and services) - Jardine Henderson Ltd.	739,676	463,504
Trade receivables (sale of goods and services) - Jardine Henderson Ltd.	—	—

**(f) Loans to/from related parties**

Particulars	31st March 19	31st March 18
Loans from Jardine Henderson Ltd.		
Beginning of the year	219,000	219,000
Loans advanced	0	0
Loan repayments received	0	0
Interest charged	38,789	26,869
Interest received	0	0
End of the year	219,000	219,000

## Notes to Consolidated Financial Statements (Contd.)

(All amounts in INR hundreds, unless otherwise stated)

There is no allowance account for impaired receivables in relation to any outstanding balances, and no expense has been recognised in respect of impaired receivables due from related parties.

Transactions relating to dividends were on the same terms and conditions that applied to other shareholders.

All outstanding balances are unsecured and are repayable in cash.

### Note : 43 Other notes to accounts

- a. Estimated amount of contracts remaining to be executed on Capital Account and not provided for ₹ Nil (31 March 2018 – ₹ Nil)
- b. **Contingent liability not provided for:**
  - i) In respect of Central sales tax matters under appeal ₹ 49,567 (31 March 2018 ₹ 49,567 ) and in respect of Value Added Tax matters under appeal ₹ 758 (31 March 2018 ₹ 758)
  - ii) In respect of Income Tax matters under appeal ₹ 51,57,590 (31 March 2018 ₹ 59,43,480 )
- c. Certain areas of certain estates of the Company have been acquired by the Governments of West Bengal and Assam under West Bengal Estates Acquisition Act, and Assam Land Ceiling Act, respectively. Compensation, if any, in this regard is yet to be ascertained.
- d. Loans & Advances include ₹ 83,565 due from Baranagore Jute Factory P.L.C. and other parties (2017-18 – ₹ 83,565) representing old balance being still considered good and recoverable in the opinion of the Management has been treated accordingly in the account.
- e. Particulars in respect of manufacture of black tea:

(In kgs)

Year	Licensed Capacity	Installed Capacity	Actual production	Total saleable tea
2018-19	—	—	5,470,398	5,359,864
2017-18	N.A	Not ascertainable in terms of made tea	6,124,024	5,958,914

- f. Particulars in respect of Sales, Opening and Closing stock of black tea:

Year	Sales		Opening Stock		Closing Stock	
	Quantity (Kg.)	Amount	Quantity (Kg.)	Amount	Quantity (Kg.)	Amount
2018-19	5,276,864	9,005,514	1,260,902	1,764,093	1,454,436	1,851,668
2017-18	6,123,915	10,933,532	1,425,903	2,184,843	1,260,902	1,764,093

### Note: 44 Interests in other entity

#### Interest in associate

Set out below is the associate of the Group as at 31st March 2018. The entities listed below have share capital consisting solely of equity shares, which are held directly by the Group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of the entity	Place of business/ country of incorporation	Relation- ship	Accounting method	% of Ownership Interest		Principal activities
				31st March 2019	31st March 2018	
Sangam Investments Limited	India	Associate	Equity method	24.15%	24.15%	Trading and investment activities

#### (i) Summarised financial information for associate

The tables below provide summarised financial information for the associate. The information disclosed reflects the amounts presented in the financial statements of the relevant associate and not SIL's share of those amounts.

Summarised balance sheet	Sangam Investments Limited	
	31st March 2019	31st March 2018
Total current assets	3,981	4,013
Total non-current assets	804	804
Total current liabilities	36,635	36,464
Total non-current liabilities		
<b>Net assets</b>	<b>(31,849)</b>	<b>(31,647)</b>

**Notes to Consolidated Financial Statements (Contd.)***(All amounts in INR hundreds, unless otherwise stated)*

Summarised statement of profit and loss	Sangam Investments Limited	
	31st March 2019	31st March 2018
Revenue	127	339
Profit for the year	330	177
Other comprehensive income	-	-
Total comprehensive income	330	177

Reconciliation to carrying amounts	Sangam Investments Limited	
	31st March 2019	31st March 2018
Closing net assets	(31,849)	(31,647)
Group's share in %	24.15%	24.15%
Group's shares	(7,643)	(7,643)
Group's shares of losses exceeding investments not recognised	7,643	7,643
Carrying amount	-	-

**Details of equity accounted investments**

Name of the Group	Original Cost of Investment	Goodwill/(Capital Reserve)	Accumulated profit/(loss) as at 31st March 2019	Carrying amount of investments as at 31st March 2019
Rydak Syndicate Ltd.	1,232	-	(1,232)	-
<b>Total</b>	<b>1,232</b>	<b>-</b>	<b>(1,232)</b>	<b>-</b>
Name of the Group	Original Cost of Investment	Goodwill/(Capital Reserve)	Accumulated profit/(loss) as at 31st March 2018	Carrying amount of investments as at 31st March 2018
Rydak Syndicate Ltd.	1,232	-	(1,232)	-
<b>Total</b>	<b>1,232</b>	<b>-</b>	<b>(1,232)</b>	<b>-</b>

**ACCOUNTING POLICIES AND NOTES ON ACCOUNTS - 1 & 2**

The notes referred to above form an integral part of the Financial Statements.

In terms of our attached Report of even date

For and on behalf of the Board of Directors

For **M. C. DAS & Co**

Chartered Accountants

Firm's Registration Number: 301110E

**A. K. BANERJEE**

Partner

Membership Number: 050243

Place: Kolkata

Date: 30th May, 2019

**Suddhabrata Kar**

Director

DIN: 07697341

**Aditya Gupta**

Company Secretary

**Rajvinder Singh**

Whole-Time Director

DIN: 06931916

**Vishnu Sharma**

Chief Financial Officer

Dear Shareholder,

**Sub: Intimation of due date of transfer of equity shares to the Investor Education and Protection Fund**

NOTICE is hereby given to the shareholders of Rydak Syndicate Limited ("the Company") that pursuant to Section 124(6) of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended (hereinafter called 'the Rules'), all shares in respect of which dividend has not been paid or claimed for seven (7) consecutive years or more, by any shareholder shall be transferred by the Company to the Investor Education and Protection Fund Authority (IEPF Authority) in terms of the said Rules.

You are requested to claim the unpaid/unclaimed dividend amount for the financial year 2011-2012 and onwards (year wise statement of unclaimed dividend has been uploaded on the website of the Company at **www.rydaksyndicate.com**), by writing a letter to the Company to issue duplicate Dividend Warrant(s) along with an undertaking (format uploaded on the website of the Company at **www.rydaksyndicate.com**) duly executed.

Please note that in case you do not claim the above mentioned dividend(s), the equity shares held in your name shall be transferred to the IEPF Authority and the original shares registered in your name will stand automatically cancelled. Thereafter the shares may be claimed only from the IEPF Authority.

Shareholders can claim back from the IEPF Authority the shares so transferred as well as unclaimed dividends and corporate benefits accruing on such shares, if any, by following the process prescribed in the Rules. No claim shall lie against the Company with respect to the unclaimed dividend(s) and shares transferred to the IEPF pursuant to the Rules.

In case shareholders have any query on the above subject matter and the Rules, they may contact the Company or the Company's Registrars & Share Transfer Agent, Niche Technology Pvt. Ltd., 3A, Auckland Place, 7th Floor, Room No. 7A & 7B, Kolkata - 700 017.

Yours faithfully,

For **Rydak Syndicate Limited**

**Aditya Gupta**

Company Secretary



## Notes

*If undelivered, please return to :*

**RYDAK SYNDICATE LIMITED**

CIN : L65993WB1900PLC001417

4, Dr. Rajendra Prasad Sarani

Kolkata - 700 001