

# **Longview Tea Company Limited**

**Annual Report**  
**for the year ended 31st March, 2018**

## **LONGVIEW TEA COMPANY LIMITED**

CIN No. : L15491WB1879PLC000377

### **BOARD OF DIRECTORS**

Pradip Kumar Daga (DIN : 00040692)

Yashwant Kumar Daga (DIN : 00040632)

Manoj Kumar Agrawal (DIN : 00067194)

Santosh Devi Mall (DIN : 07094393)

### **CHIEF EXECUTIVE OFFICER**

Om Prakash Dokania

### **CHIEF FINANCIAL OFFICER**

Sourabh Agrawal

### **COMPANY SECRETARY**

Ankita Agarwal

### **AUDITORS**

V. Singhi & Associates

*Chartered Accountants*

### **REGISTERED OFFICE**

16, Hare Street

Kolkata - 700 001

Phone : 033-2248-2391/2/3

Fax : 033-2248 9382

Website : [www.longviewtea.org](http://www.longviewtea.org)

E-mail : [info@longviewtea.org](mailto:info@longviewtea.org)

### **REGISTRAR & SHARE**

#### **TRANSFER AGENT**

Maheshwari Datamatics Pvt. Ltd.

23, R. N. Mukherjee Road, Kolkata - 700 001

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

Fax : 033-2248-4787

E-mail : [mdpl@cal.vsnl.net.in](mailto:mdpl@cal.vsnl.net.in)

[mdpldc@yahoo.com](mailto:mdpldc@yahoo.com)

## BOARD'S REPORT

Dear Members,

We have pleasure in presenting the Annual Report together with the Financial Statements of the Company for the year ended 31st March, 2018.

### Financial Results

The financial performance of the Company is summarized herein below:

(₹ in lakhs)

Particulars	31st March, 2018	31st March, 2017
Profit before Finance Cost, Depreciation and Amortization & Tax	27.03	6.12
Less: Finance Cost	6.31	5.98
Depreciation and amortization	-	-
Profit before Exceptional Items and Tax	20.72	0.14
Exceptional Items	-	-
Profit before Tax	20.72	0.14
Current tax	(30.55)	28.09
Tax adjustment for earlier year	(0.96)	-
MAT Credit Entitlement	12.12	(28.09)
Deferred tax	1.07	(0.68)
Profit for the year	2.40	(0.54)

### Review of Operations

Revenues with other income for financial year ended 31st March, 2018 stood at ₹ 151.58 lakhs and profit before depreciation and amortization, finance cost, and tax, at ₹ 27.03 and profit for the year after tax was ₹ 2.40 lakhs/-.

### Dividend

Due to the inadequacy of the profit and to conserve the resources of the Company, your Directors do not recommend any dividend for the year.

### Subsidiaries/Associate Companies

The Company does not have any Subsidiary or Associate Company.

### Directors & KMP

The Board consists of non-executive directors including independent directors who have wide and varied experience in different disciplines of corporate functioning.

In terms of Articles of Association of the Company read with section 150, 152 of the Companies Act, 2013, Shri Yashwant Kumar Daga (DIN:00040632), is retiring by rotation and being eligible offered himself for re-appointment.

Shri Sourabh Agarwal, Chief Financial Officer and Smt. Ankita Agarwal, Company Secretary have resigned from the Company w.e.f 15th May, 2018.

The Board at its meeting held on 17th May, 2018 has approved the appointment of Shri Vikas Joshi as Chief Financial Officer (Key Managerial Personnel) & Nikita Puria as Company Secretary (Key Managerial Personnel) w.e.f. 17th May, 2018.

### Declaration from Independent Directors

All Independent directors have submitted their declaration under section 149(7) of the Companies Act, 2013 that they meet the criteria of Independence as provided under section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (LODR) Regulations, 2015.

**Nomination & Remuneration Policy**

The Company pursuant to the provisions of Section 178 of the Companies Act, 2013 and in terms of Regulation 19(4) of the SEBI Listing Regulations has formulated a policy on Nomination and Remuneration for its Directors, Key Managerial Personnel and senior management. The detail of the said policy is annexed herewith and marked as Annexure I forming part of this report. The said policy is also available at the website of the Company at [www.longviewtea.org](http://www.longviewtea.org).

**Directors' Responsibility Statement**

In accordance with the provisions of section 134(5) with respect to Directors' Responsibility Statement, the Board hereby confirms and submits that:—

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- the directors have 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 at the end of the financial year and of the profit and loss of the company for that period;
- the directors have taken proper and sufficient care for the maintenance of adequate accounting records for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the directors have prepared the annual accounts on a going concern basis; and
- the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively,
- the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**Number of Board Meetings**

During the year four Board meetings were held on 30.05.2017, 28.08.2017, 13.12.2017 and 14.02.2018 in respect of which proper notices were given and the proceedings were duly recorded in the minutes book maintained for the purpose. The maximum time gap between two meetings was less than 120 days as stipulated under SEBI's Listing Obligations and Disclosure Requirements, Regulations 2015. The details of attendance of the directors at the Board Meetings during the year 2017-2018 is given hereunder:

Name	Number of meetings attended
Pradip Kumar Daga	2
Yashwant Kumar Daga	4
Manoj Kumar Agrawal	4
Santosh Devi Mall	4

**Board Evaluation**

Pursuant to the Provisions of the Companies Act, 2013 and in accordance with the SEBI Listing Regulations, the Board has carried out an annual evaluation of its own performance, the directors individually, as well as the evaluation of the working of its committees. At the meeting of the Board, all the relevant factors that were material for evaluating the performance of the committees and of the Board were discussed in detail. The performance evaluation of the Chairman was carried out by the Independent Directors taking into account views of Non-Executive Directors. The Directors expressed their satisfaction with the evaluation process.

**Internal Financial Control and their adequacy**

The Board has adopted the policies and procedures 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 disclosures. The internal auditor monitors and evaluates the efficacy and adequacy of internal control systems in the Company. The details in respect of internal financial control and their adequacy are included in the Management Discussion & Analysis, which forms part of this report.

**Corporate Governance & Management Discussion & Analysis**

The Company does not fall under the applicability of the Corporate Governance as laid out in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Thus, a report on Corporate Governance does not form part of this report.

Pursuant to SEBI Listing Regulations, report on Management Discussion and Analysis has been enclosed as part of Board's Report.

**Auditors' and their Report**

M/s. V Singhi & Associates, Statutory Auditors, holds office until the conclusion of the Annual General Meeting to be held in the year 2022.

The Auditors Report does not contain any reservations, qualifications, or adverse remarks and are self-explanatory.

**Secretarial Auditor**

Pursuant to the provisions of section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, the Company had appointed Drolia & Co. Company Secretaries for conducting the Secretarial Audit of the Company for the financial year 2017-18. The Secretarial Audit Report, pursuant to Section 204(1) of the Companies Act, 2013, for the financial year ended 31 March 2018 is given in Annexure II attached hereto and forms part of this report.

The Secretarial Audit report for the financial year ended 31/03/2018 does not contain any reservation, qualification or adverse remarks and forms part of the Board's Report.

**Audit Committee**

The Audit Committee of the Company was constituted by Board. The Committee comprised of Shri Manoj Kumar Agrawal as Chairman, Smt. Santosh Devi Mall and Shri Yashwant Kumar Daga as Members. The Company Secretary is the Secretary of the Committee. During the year, there are no instances where the Board had not accepted the recommendations of the Audit Committee.

**Vigil Mechanism**

The Company has established a vigil mechanism that enables the directors and employees to report genuine concerns. The Vigil Mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism and also provide for direct access to the Chairman/CEO/ Chairman of the Audit Committee in exceptional cases. The details of the vigil mechanism are also available on the Company's website at <http://longviewtea.org/investor/Vigil.pdf>.

**Risk Management**

The Board has approved and implemented Risk Management Policy of the Company including identification and element of risks. The Audit Committee has been delegated the responsibility for monitoring and reviewing risk management, assessment and minimization procedures, and identifying, reviewing and mitigating all elements of risk which the Company may be exposed to.

**Corporate Social Responsibility**

Due to the non-applicability of the conditions for forming the Corporate Social Responsibility Committee, such committee has not been formed by the company.

**Deposits**

The Company has not accepted Deposit from the members or the general Public during the year. There are no outstanding deposits in terms of Companies (Acceptance of Deposits) Rules, 2014.

**Loans, Guarantees & Investments**

The particulars of loans, guarantees and investments have been disclosed in the financial statements of the Company.

**Related Parties Transactions**

All related party transactions entered during the year as defined under the Companies Act, 2013 during the financial year, were in ordinary course of business and on arm's length basis. There have been no transactions with the related parties during the financial year which were in conflict with the interests of the Company. There have been no materially significant related party transactions between the Company and the Directors, the management or relative except for those disclosed in the financial statements. Therefore, Form AOC-2 is not applicable.

**Change in the Nature of Business**

No change has been made in nature of business carried out by the Company during the financial year 2017-18.

**Material Changes Affecting Financial Position of the Company**

No material Changes or commitments, affecting the financial position of the Company have occurred between the end of the financial year of the Company, to which the financial statements relate i.e. 31st March, 2018 and date of Board's Report.

**Significant and Material Orders Passed By the Regulators or Courts**

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

**Conservation of Energy, Research and Development, Technology Absorptions and Foreign Exchange Earnings and Outgo**

The Company is in the trading business and has no manufacturing unit. The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required under the Companies Act, 2013, read with the Companies (Accounts) Rules 2014 is not applicable to the Company.

**Particulars of Remuneration of Managerial Personnel and Employees and Related Disclosure**

The information required under section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below.

- Ratio of remuneration of each director to the median remuneration of the employees of the Company for the financial year: None of the Director is being paid remuneration except the sitting fees.
- Percentage increase in the remuneration of Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year:

Sl. No.	Name and Designation	Remuneration for FY 2017-18	% increase in remuneration in the FY 2017-18
1.	Mr. O.P. Dokania (Chief Executive Officer)	48,21,000	33.36%
2.	Mr. Sourabh Agrawal (Chief Financial Officer)*	2,05,500	-
3.	Ms. Ankita Agarwal (Company Secretary)*	4,62,000	5.30%

*\*Shri Sourabh Agarwal, Chief Financial Officer and Smt. Ankita Agarwal, Company Secretary have resigned from the Company w.e.f 15th May, 2018*

**LONGVIEW TEA COMPANY LIMITED**

CIN No. : L15491WB1879PLC000377

- c. Percentage increase in the median remuneration of employees in the financial year : 5.30%
- d. Number of permanent employees on the rolls of the Company: 3
- e. 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 increase of employees other than Key Managerial Personnel in the last financial year was 0%.  
Average increase in the remuneration of Key Managerial Personnel was 12.89%.
- f. The Company affirms that remuneration is as per the Remuneration policy of the Company.

The details as required pursuant to provisions of sub-rule (2) and (3) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any amendment and re-enactment thereof) is given below.

Further none of the employee was drawing in excess of the limits laid down in Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 which needs to be disclosed in the directors report.

**Names of the Top Ten Employees in terms of remuneration drawn**

Name	Designation, Nature of Employment	Remuneration Received (in Rs.)	Qualification, Experience (yrs)	Date of commencement of employment	Age (yrs)	Last Employer designation	Relative of any director of the Company
Mr. Om Prakash Dokania	Chief Executive Officer (CEO), Permanent	48,21,000	CA, B. com	June, 1996	70	Deepak Industries Limited	Nil
Mrs. Ankita Agarwal*	Company Secretary & Compliance Officer, Permanent	4,62,000	CS, B. Com	February, 2016	28	Self- Employed	Nil
Mr. Sourabh Agarwal*	Chief Financial Officer (CFO), Permanent	2,05,500	B. Com	Dec, 2013	31	Pragati Edible Processing Pvt. Ltd.	Nil

\* Shri Sourabh Agarwal, Chief Financial Officer and Smt. Ankita Agarwal, Company Secretary have resigned from the Company w.e.f 15th May, 2018

**Extract of the Annual Return**

An Extract of the Annual Return in Form MGT-9 as on March 31, 2018 pursuant to section 92(3) of the Companies Act, 2013 is annexed herewith and marked as Annexure III forming part of this Report.

**Acknowledgement**

Your Directors place on record their appreciation for the overwhelming co-operation and assistance received from investors, customers, business associates, bankers, vendors, as well as regulatory and governmental authorities. The Directors also wish to appreciate all the contribution received from the employees for their diligence and contribution to the growth of the Company.

For and on behalf of the Board of Directors

Place: Kolkata  
Dated: 28/05/2018

**Pradip Kumar Daga**  
Director  
(DIN : 00040692)

**Yashwant Kumar Daga**  
Director  
(DIN : 00040632)

## **MANAGEMENT DISCUSSION & ANALYSIS REPORT**

### **Overview**

The company is engaged in the business of trading of Tea and Ferrous Metals and the surplus funds generated from the said business being invested in different avenues to augment the financial position.

### **Industry Structure & Development**

The company is presently engaged in the aforesaid trading activities. With the increase in population in the country the demand for tea is rising every year. The production of tea is dependent on the monsoon every year.

### **Outlook**

The demand for Tea is improving in both domestic as well as foreign markets.

### **Risk and Concerns**

For a trading company timely realization of the bills are major risk and high input cost , lack of skilled labour and transportation cost appear to be major concerns. The Company's Directors and Management ensures that stakeholders are not adversely affected. The Company identifies processes which are exposed to risks, determines mitigation strategies to counter these risks and closely monitor their implementation.

### **Internal Control System and Adequacy**

The Company implemented internal control systems to ensure that all assets are safeguarded and protected against losses and all transactions are reported correctly. The Company's internal control system and procedure is commensurate with the size and nature of business.

### **Financial Performance**

This has been covered in the Director's Report under the section on financial results and operations.

### **Human Resource Development**

Employer-employee relations remained cordial during the year under review. The devotion and commitment of our employees has enabled the Company to fulfill its targets and deadlines in time. The number of employees in the company was three during the year.

### **Cautionary Statement**

Statements on Management Discussion and Analysis describing the Company's objectives, estimates, expectations or predictions may be forward looking, considering the applicable laws and regulations. Actual results may differ from such expectations whether expressed or implied. Several factors that could make a significant difference to the Company's objectives include climatic and economic conditions, demand supply conditions, government regulations and taxations, and other incidental factors.



**Annexure- I**

**EXTRACT FROM NOMINATION AND REMUNERATION POLICY**

**Objective and Purpose of the Policy:**

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the industry to which the Company belongs.
- To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.
- To provide them reward, linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

**Applicability:**

The Policy is applicable to Directors (Executive and Non- Executive), Key Managerial Personnel (KMP) and Senior Management Personnel

**Matters To Be Dealt With, Perused And Recommended To The Board By The Nomination and Remuneration Committee:**

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- Carry out the evaluation of performance of Directors, KMP and Senior Management Personnel and recommend to the Board, their appointment and removal.
- Recommend to the Board, a policy relating to remuneration for the directors, KMP and other employees and recommend to the Board, amendments to such policy as and when required.

**Guiding Principles For Appointment And Removal Of Director, KMP And Senior Management**

- Remuneration policy and arrangements for Directors, KMPs and Senior Management Personnel, shall be determined by the Committee on the basis of Company's financial position, pay and employment conditions prevailing in peer companies or elsewhere in competitive market to ensure that the remuneration and the other terms of employment shall be competitive to ensure that the Company can attract, retain and motivate competent executives.

- Remuneration packages may be composed of fixed and incentive pay depending on short and long term performance objectives appropriate to the working of the Company.

- The Committee considers that a successful remuneration policy must ensure that a significant part of the remuneration package is linked to the achievement of corporate performance targets and a strong alignment of interest with stakeholders.

**Remuneration of the Whole-Time Directors, Directors, KMP And Senior Management Personnel**

1. The remuneration / compensation / commission etc. to the Whole-time Directors and Directors will be determined by the Committee. It shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company, the Companies Act, 2013, the rules made there under and the Listing Agreement with Stock Exchanges as amended from time to time. The Committee shall recommend the remuneration / compensation / commission etc. to be paid to the Whole-time Director and Directors to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
2. Increments to the existing remuneration / compensation structure of Whole time Director and Directors may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders.
3. The Non- Executive / Independent Directors may receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed such amount as may be prescribed by the Central Government from time to time.
4. Commission to Non-executive Directors may be paid within the monetary limit approved by shareholders, as per the applicable provisions of the Companies Act, 2013.
5. The remuneration / compensation / commission etc. to the KMP and Senior Management Personnel will be determined based on the Company's financial position, trends and practices on remuneration prevailing in peer companies, in the industry to which the Company belongs and performance of such KMP and Senior Management Personnel.
6. Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.
7. An Independent Director shall not be entitled to any stock option of the Company.