

Longview Tea Company Limited

Annual Report
for the year ended 31st March, 2019

LONGVIEW TEA COMPANY LIMITED

CIN No. : L15491WB1879PLC000377

BOARD OF DIRECTORS

Shri Pradip Kumar Daga
Shri Yashwant Kumar Daga
Shri Manoj Kumar Agrawal
Smt. Santosh Devi Mall

CHIEF EXECUTIVE OFFICER

Shri Om Prakash Dokania

CHIEF FINANCIAL OFFICER

Shri Vikash Joshi

COMPANY SECRETARY

Smt. Nikita Puria

AUDITORS

M/s. 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
E-mail : 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
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, 2019.

Financial Results

The financial performance of the Company is summarized herein below:

(₹ in lakhs)

Particulars	31st March, 2019	31st March, 2018
Profit before Finance Cost, Depreciation and Amortization & Tax	5.56	27.03
<i>Less: Finance Cost</i>	0.005	6.31
Depreciation and amortization	-	-
Profit/ (Loss) before Tax	5.56	20.72
<i>Less: Tax Expense</i>		
Current Tax	1.07	30.55
Tax adjustment for earlier year	-	0.96
Deferred tax	2.29	(13.19)
Profit for the year	2.20	2.40
Other Comprehensive Income	1.34	(10.41)
Total Comprehensive Income for the year	3.54	(8.01)

Review of Operations

Revenues with other income for financial year ended 31st March, 2019 stood at Rs. 80.19 lakhs and profit before depreciation and amortization, finance cost, and tax, at Rs.5.56 lakhs and profit for the year after tax was Rs. 2.20 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 Pradip Kumar Daga (DIN:00040692), is retiring by rotation at the ensuing Annual General Meeting and being eligible offered himself for re-appointment. The Board recommends his re-appointment.

Pursuant to the provisions of the Companies Act, 2013, Shri Manoj Kumar Agrawal (DIN: 00067194) was appointed as an Independent Non-Executive Director to hold office with effect from 1.10.2014 for a term of five consecutive years up to 30th September 2019. Shri Manoj Kumar Agrawal is eligible for re-appointment as an Independent Non-Executive Director for a second term of five consecutive years. Pursuant to the provisions of the Companies Act, 2013 and based on the recommendation of the Nomination and Remuneration Committee, his re-appointment is proposed at the ensuing Annual General Meeting.

Pursuant to the provisions of the Companies Act, 2013, Smt. Santosh Devi Mall (DIN: 07094393) was appointed as an Independent Non-Executive Director to hold office with effect from 01.04.2015 for a term of five consecutive

years up to 31st March, 2020. Smt. Santosh Devi Mall is eligible for re-appointment as an Independent Non-Executive Director for a second term of five consecutive years. Pursuant to the provisions of the Companies Act, 2013 and based on the recommendation of the Nomination and Remuneration Committee, her re-appointment is proposed at the ensuing Annual General Meeting.

The brief resume and other details relating to the Directors, who are to be appointed/ re-appointed as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) are provided in the Notice of the Annual General Meeting forming part of the Annual Report.

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

Based on the recommendation of the Nomination & Remuneration Committee, the Board at its meeting held on 17th May, 2018 had 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 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 and the said policy was amended from time to time. 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.

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:—

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) 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;
- (c) 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;
- (d) the directors have prepared the annual accounts on a going concern basis; and
- (e) 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,
- (f) 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.

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Number of Board Meetings

During the year five Board meetings were held on 17.05.2018, 28.05.2018, 13.08.2018, 05.11.2018 and 11.02.2019 in respect of which proper notices were given and the proceedings were duly recorded in the minutes book maintained for the purpose. The intervening gap between any two consecutive meetings did not exceed the gap prescribed by the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015. The details of attendance of the directors at the Board Meetings during the year 2018-2019 is given hereunder:

Name	Number of meetings attended
Pradip Kumar Daga	3
Yashwant Kumar Daga	5
Manoj Kumar Agrawal	5
Santosh Devi Mall	5

Pursuant to the Schedule IV of the Companies Act, 2013 and Regulation 25 of the Listing Regulations, a separate meeting of the Independent Directors was held on 11th February 2019 without the attendance of non-independent Directors and members of the management to review the performance of Non-Independent Directors and the Board as whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its' Committees which is necessary to effectively and reasonably perform and discharge their dues.

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 Independent Directors was carried out by the entire Board excluding the Director being evaluated. The performance evaluation of the Chairman and non-independent director was carried out by the Independent 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.

Corporate Governance & Management Discussion & Analysis

The Company is having a Paid-up equity share capital not exceeding Rs. 10 crore and Networth not exceeding Rs. 25 crore and hence as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Corporate Governance requirements as specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of the Listing Regulations are not applicable to the Company. 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, were appointed as Statutory Auditor of the Company at the Annual General Meeting of the Company held on 21st August, 2017 to hold office until the conclusion of the Annual General Meeting to be held in the year 2022.

The Members may note that consequent to the changes made in the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 by the Ministry of Corporate Affairs (MCA) vide notification dated May 7, 2018, the proviso to Section 139(1) of the Companies Act, 2013 read with explanation to sub-rule 7 of Rule 3 of the Companies (Audit and Auditors) Rules, 2014, the requirement of ratification of appointment of Auditors by the Members at every AGM has been done away with. Therefore, the Company is not seeking any ratification of appointment of M/s. V Singhi & Associates, Chartered Accountants as the Auditors of the Company, by the Members at the ensuing Annual General Meeting of the Company.

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 2018-19. The Secretarial Audit Report, pursuant to Section 204(1) of the Companies Act, 2013, for the financial year ended 31 March 2019 is given in Annexure II attached hereto and forms part of this report.

The Secretarial Audit report for the financial year ended 31/03/2019 does not contain any reservation, qualification or adverse remarks and forms part of the Board's Report.

Cost Audit

The maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is not required by the Company.

Audit Committee

The Audit Committee of the Company was constituted by Board. The Committee comprises 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 /Whistle Blower Policy

The Company has formulated a Vigil Mechanism / Whistle Blower Policy in terms of Section 177 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 for the directors and employees to report genuine concerns about instance of any irregularity, unethical or improper practices and/ or misconduct by means of Protected Disclosure to the Vigilance and Ethics Officer or the Chairman of the Audit Committee. The details of the vigil mechanism are also available on the Company's website at <http://longviewtea.org/investor/Vigil%20Mechanism.pdf>

Risk Management

The Board has approved and implemented Risk Management Policy of the Company including identification and element of risks. Your Directors periodically reviews and identifies the element of risk, if any, which may threaten the existence of the Company. During the year no risk existed which may threaten the existence of the Company.

Corporate Social Responsibility

The Company is not falling in any of the criteria provided under the provisions of Section 135 of the Companies Act, 2013, for forming the Corporate Social Responsibility Committee, therefore, such committee has not been formed by the company and the requirement of clause (o) of sub-section (3) of Section 134 of the said act are not applicable to the Company

Deposits

The Company has not accepted any deposit from the Public and as such there are no outstanding deposits in terms of the Chapter V of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014.

Loans, Guarantees & Investments

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

Related Parties Transactions

All related party transactions entered 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. Suitable disclosures as required by the Accounting Standard (Ind AS - 24) has been made in the notes to the Financial Statements.

Change in the Nature of Business

No change has been made in nature of business carried out by the Company during the financial year 2018-19.

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, 2019 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.

- a. 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.

- b. Percentage increase in the remuneration of Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year 2018-19:

Sl. No.	Name and Designation	Designation	% increase in remuneration in the FY 2018-19
1.	Shri O.P. Dokania	Chief Executive Officer	-
2.	Shri Sourabh Agrawal	Chief Financial Officer*	-
3.	Smt. Ankita Agarwal	Company Secretary*	-
4.	Nikita Puria	Company Secretary [#]	-
5.	Shri Vikas Joshi	Chief Financial Officer [#]	-

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

Shri Vikas Joshi, Chief Financial Officer and Nikita Puria, Company Secretary have been appointed w.e.f. 17th May, 2018.

- c. Percentage increase in the median remuneration of employees in the financial year : Nil
- 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 increase in salary of employees other than Key Managerial Personnel in the last financial year was 0%. Average increase in the remuneration of Key Managerial Personnel was Nil.

- 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	% of Equity Shares held	Relative of any director of the Company
Shri Om Prakash Dokania	Chief Executive Officer (CEO), Permanent	48,21,000	CA, B. com	June, 1996	71	Deepak Industries Limited	0.01	Nil
Smt. Ankita Agarwal*	Company Secretary & Compliance Officer, Permanent	-	CS, B. Com,8	February, 2016	29	Self- Employed	Nil	Nil
Shri Sourabh Agarwal*	Chief Financial Officer (CFO), Permanent	-	B. Com,8	Dec, 2013	32	Pragati Edible Processing Pvt Ltd	Nil	Nil

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Name	Designation, Nature of Employment	Remuneration Received (in Rs.)	Qualification, Experience (yrs)	Date of commencement of employment	Age (yrs)	Last Employer designation	% of Equity Shares held	Relative of any director of the Company
Nikita Puria [#]	Company Secretary & Compliance Officer, Permanent	3,70,340	CS, B. Com,	May, 2018	28	Self- Employed	Nil	Nil
Shri Vikas Joshi [#]	Chief Financial Officer (CFO), Permanent	4,21,420	B. Com,	May, 2018	48	Mars Plywood Industries Pvt. Ltd.	Nil	Nil

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

Shri Vikas Joshi, Chief Financial Officer and Nikita Puria, Company Secretary have been appointed w.e.f 17th May, 2018

Internal Complaint Committee

The Company is committed to provide a safe and conducive work environment to its employees. Due to having less than 10 workers, Internal Complaint Committee has not been constituted under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Also the Company has not received any complaint under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, during the year.

Extract of the Annual Return

An Extract of the Annual Return in Form MGT-9 as on March 31, 2019 pursuant to section 92(3) of the Companies Act, 2013 is annexed herewith and marked as Annexure III forming part of this Report.

Compliance with Secretarial Standards

The Company has complied with applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

Acknowledgement

Your Directors would like to express their sincere appreciation for the assistance and cooperation received from the Members and employees during the year under review.

For and on behalf of the Board of Directors

Place: Kolkata
Dated: 29/05/2019

Pradip Kumar Daga
Director
(DIN : 00040692)

Yashwant Kumar Daga
Director
(DIN : 00040632)

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Industry Structure & Development

At 7.3%, India outperformed China in the year and emerged as the fastest growing large economy. The key contributors to this growth include its robust private consumption, the implementation of GST, an array of structural reforms and low food inflation.

Opportunities, Threats and Outlook

Global consumption of Tea is likely to grow on the back of changing consumer habits towards natural health and wellness beverages. More importantly, the pace of consumption expansion within India is likely to be strong. Tea will remain a durable everyday beverage choice especially in a developing economy and face limited competition from other alternatives.

Risk and Concerns

For a trading company timely realization of the bills is major risk. 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

- a) This has been covered in the Director's Report under the section on financial results and operations.
- b) Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios along with detailed explanations therefor -

Ratios	F.Y. 2018-19	F.Y. 2017-18	Change (%)
Debtors Turnover	-	7.26	-100.00%
Interest Coverage Ratio	1113.04	4.28	25905.61%
Current Ratio	25.76	9.35	175.51%

- Debtors' Turnover for the year ended 31st March, 2019 is Nil, since there has been no Sales in the F.Y 2018-19 and therefore the Debtors' Turnover has declined
 - Higher Change in Interest Coverage Ratio is due to lower interest expense for the year ended 31st March, 2019 in comparison to the previous year
 - Current Ratio for the year ended 31st March, 2019 has increased due to increase in Current Assets, mainly Investments and decrease in Current Liabilities mainly Trade Payables.
- c) There has been no change in Return on Net Worth as compared to the immediately previous financial year.

Human Resource Development

Employer-employee relations remained cordial during the year under review. 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.