

The Methoni Tea Company Limited



**Report and Accounts
for the year
Ended 31st March
2014**

Corporate Information

Board of Directors

H. M. Parekh
R. P. Bubna
S. Bubna
P. Tusnial

Auditors :

Dhandhanias & Associates
Chartered Accountants
13 Crooked Lane,
Kolkata : 700 069

Bankers

UCO Bank
HDFC bank

Registered Office :

75-C Park Street
First Floor
Kolkata : 700016
Phone : 2229-3241, 2229-7638
Fax : 91-33-22496587
e-mail : methoni@methonitea.com

Tea Estate

Methoni Tea Estate
P.O Bokakhat
Dist : Golaghat, Assam
Pin : 785 612
Phone: 03776-268230
Fax No.03776-268230
E-mail: methonite@rediffmail.com

Stock Exchange (Listing Fees Paid)

The Calcutta Stock Exchange Association Ltd.
7 Lyons Range
Kolkata : 700001

Registrars & Share transfer Agents

Maheshwari Datamatics Pvt Ltd.
6, Mangoe Lane, 2nd Floor
Kolkata: 700001
Phone : 2243-5029, 2243-5809
Fax : 91-33-22484787
e-mail : mdpl@cal.vsnl.net.in

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Annual General Meeting

on Friday, 29th August, 2014 at 10.30 A.M.
at MCC Chamber of Commerce & Industry
15B, Hemanta Basu Sarani, 2nd Floor
Kolkata - 700 001

THE METHONI TEA COMPANY LTD.

NOTICE

NOTICE is hereby given that the Annual General Meeting of the Members of THE METHONI TEA COMPANY LTD., will be held on Friday, the 29th day of August, 2014 at 10.30 A.M. at the MCC Chamber of Commerce & Industry, 15B, Hemanta Basu Sarani, 2nd Floor, Kolkata-700 001 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Statement of Profit & Loss for the year ended 31st March, 2014 and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors therein.
2. To appoint a Director in place of Sri R. P. Bubna (DIN No 00180543) who retires by rotation and being eligible, offer himself for re-appointment.
3. Appointment of Auditors

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 provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, Dhandhanias & Associates, Chartered Accountants (Firm Registration No.316052E), be and is hereby re-appointed as Auditors of the company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the AGM of the company to be held in the year 2017 (subject to ratification of their appointment at every AGM), at such remuneration plus service tax, out-of-pockets, travelling and living expenses, etc. as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

SPECIAL BUSINESS

4. Appointment of Mr. H. M. Parekh as an Independent Director of the Company. -

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 provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. H M Parekh (DIN 00026530), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from 29th August 2014 to 28th August 2019.”

5. Appointment of Mr. P. Tusnial as an Independent Director of the Company. -

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 provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. P. Tusnial (DIN 00272283), a non-executive Director of the

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Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from 29th August 2014 to 28th August 2019.”

6. Fixation of Remuneration of Cost Auditors-

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 provisions of Section 197 and all other applicable provisions of Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Gokal Chand Baid (Firm Regn. No. 100242) appointed by Board of Directors of the Company as the Cost Auditors of the company, “to conduct the audit of the cost records of the company for the financial year ending 31st March, 2015, be paid the remuneration of ₹ 15,000/- p.a. plus out of pocket expenses and taxes, if any.

Registered Office:

75C, Park Street (1st Floor)

Kolkata-700 016.

Dated 30th day of May, 2014

By Order of the Board

SANJEEV BUBNA
MANAGING DIRECTOR

NOTES:

- i) **A member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company.** The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/ authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
- ii) The Register of Members and Transfer Books of the Company will be closed from Wednesday, 20th August, 2014 to Friday 29th August, 2014 (both days inclusive).
- iii) Members are hereby informed that the Securities & Exchange Board of India (SEBI) in terms of Circular No.CIR/MRD/DP/10/2013 dated 21st March, 2013 has made it mandatory for all Listed Companies to make cash payments through electronic modes to the investors. It is further directed that in case of electronic payment is rejected or returned, the Company shall mandatorily print the bank account details of the investor of the company to electronically credit dividend directly in their respective bank account. Members holding shares in demat mode are requested to send correct bank details (including M1CR No.,

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IFSC Code, Account Type etc.) to their respective Depository Participant. Members holding shares in physical form are requested to send such bank details along with a cancelled cheque to our Registrars Maheshwari Datamatics Pvt. Ltd.

- iv) Members are also requested to inform their correct email address, if any, to the Depositories (if shares held in demat form) and to our Registrars Maheshwari Datamatics Pvt. Ltd. (if shares held in physical form) in compliance of Green Initiative as per Circular No.17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 issued by Ministry of Corporate Affairs to facilitate the Company to send notice /documents through e-mail.
- v) 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 their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/ Maheshwari Datamatics Pvt. Ltd.
- vi) Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or MDPL for assistance in this regard.
- vii) Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or MDPL, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.
- viii) In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
- ix) Members desirous of getting any information on the accounts or operations of the company are requested to forward their queries to the company at least seven working days prior to the meeting so that the required information may be readily available at the meeting.
- x) The Shareholders who have not encashed their Dividend Warrants are requested to send their Warrants for revalidation otherwise the amount will be transferred to the Central Government Account i.e. IEPF on expiry of 7 years from the date of transfer of dividend amount to unclaimed dividend account.
- xi) The relative Explanatory statement pursuant to section 102 (1) of the Companies Act, 2013, in respect of the Special Business to be transacted at the Annual General Meeting in annexed hereto.
- xii) **Voting through electronic means**

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting services provided by Central Depository Services (India) Limited (CDSL).

The instructions for e-voting are as under :

A. In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com.
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) 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.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • 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. • In case the sequence number is less than 8 digits enter the applicable number of O's before the number after the first two characters of the name in CAPITAL letters. e.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. Sequence number is communicated in the Attendance Slip/ Covering Letter.
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member ID / folio number in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are

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required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

B. In case of members receiving the physical copy:

- i) Please follow all steps from Sl. no. (i) to Sl. no. (xvii) above to cast vote.
- ii) The voting period begins on Saturday, 23rd August, 2014 at (9.00 a.m IST) and ends on Monday, 25th August, 2014 at (6.00 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 (record Date) of 25th July, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- iii) 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.co.in under help section or write an email to helpdesk.evoting@cdslindia.com

C. Other Instructions

- i) Mr. K C Dhanuka, Practicing Company Secretary (Membership No. FCS 2204), has been appointed as the Scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
- ii) The scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- iii) Members who do not have access to e-voting facility may send duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Mr.K C Dhanuka, Practicing Company Secretary (Membership No. FCS 2204), at the Registered Office of the Company not later than 25th August 2014 (6.00 p.m. 1ST).

A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.

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Explanatory Statement (Pursuant to section 102 of the Companies Act, 2013)

As required by section 102 of the Companies Act, 2013 (Act), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 4&5 of the accompanying Notice:

Item Nos. 4 & 5

The Company had, pursuant to the provisions of clause 49 of the Listing Agreements entered with the Stock Exchanges, appointed Mr. H. M. Parekh and Mr. P. Tusnial, as Directors at various times, in compliance with the requirements of the clause.

Pursuant to the provisions of section 149 of the Act, which came in to effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation.

The Board of Directors has recommended the appointment of these directors as Independent Directors from 29th August, 2014 up to 28th August, 2019.

Mr. H. M. Parekh and Mr. P. Tusnial, non-executive directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, each of these directors fulfill the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and they are independent of the management.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval.

Item No. 6

The Board has approved the appointment and remuneration of M/s. Gokal Chand Baid (Firm Regn. No. 100242), as the Cost Auditors of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration of ₹ 15,000/- p. a. plus out of pocket expenses and taxes, if any, payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution for ratification of the remuneration payable to the Cost Auditors of the financial year ending March 31, 2015.

Registered Office:

75C, Park Street (1st Floor)
Kolkata-700 016.

Dated 30th day of May, 2014

By Order of the Board

SANJEEV BUBNA
MANAGING DIRECTOR

Directors' Report

Dear Members

Your Directors have pleasure in presenting the Annual Report of your Company together with the Audited Statement of Accounts for the year ended 31st March, 2014.

FINANCIAL RESULTS

	(Figures in ₹)	
	2013-14	2012-13
Turnover and other income	126,698,615	129,871,176
Profit before interest and Depreciation	5,490,405	6,525,625
Interest	1,370,561	685,950
Depreciation	3,593,535	3,698,583
Profit for the year before Exceptional & Extraordinary Items	526,309	2,141,092
Exceptional & Extraordinary Items	-	32,539,100
Provision for tax		-
- Current tax	1,410,000	1,780,000
- Deferred tax	1,273,383	2,321,837
- Tax for Earlier Year	(577,662)	-
Profit/(Loss) after tax	(1,579,412)	(34,499,845)

DIVIDEND:

The Directors do not recommend any Dividend due to continued losses.

OPERATIONS:

The total tea manufactured for the year under review was lower at 7.64 Lac Kg. as against 8.31 Lac Kg in the previous year due to adverse weather conditions.

The sale during the year was 7.81 Lac Kg. as against 9.23 Lac Kg. in the previous year. The realization during the year under review was slightly better in comparison to the previous year.

DIRECTORS:

Sri R. P. Bubna director, will retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. The Board of Directors recommends his re-appointment.

The Companies Act, 2013 provides for appointment of independent directors, sub-section (10) of Section 149 of the Companies Act, 2013 (effective 1st April, 2014) provides that independent directors shall hold office for a term of up to five consecutive years on the Board of a company and shall be eligible for re-appointment on passing a ordinary resolution by the shareholders of the company.

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Sub-section (11) states that no independent director shall hold office for more than two consecutive terms but such independent director shall be eligible for appointment after the expiration of three years of ceasing to become an independent director.

Sub-section (13) states that the provisions of sub-sections (6) and (7) of Section 152 in respect of retirement of directors by rotation, shall not be applicable to the appointment of Independent directors.

Sri H. M. Parekh and Sri P. Tusnial, non-executive independent directors of the company, are proposed to be appointed for a term of five consecutive years w.e.f. the date of this ensuing AGM subject to members approval at the ensuing AGM. The Board of Directors recommends their appointment.

COST AUDIT:

Pursuant to the directives of the Central Government under provisions of section 233B of Companies Act, 1956, a cost Auditor has been re-appointed to audit Cost Accounts of your company for the year ended 31st March, 2014.

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- i) That in the preparation of the annual accounts the applicable accounting standards were followed and no material departures have been made from the same;
- ii) That the Directors selected such accounting policies and applied them consistently and made judgments and estimates that were 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 & Loss for that period ;
- iii) That the Directors took proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the Company's assets and for preventing and detecting fraud and other irregularities;
- iv) That the Directors prepared the annual accounts on a going concern basis.

COMPANIES (DISCLOSURE OF PARTICULARS) IN REPORT OF DIRECTORS RULES 1998.

In terms of the above, read with Section 217 (1)(e) of the Companies Act, 1956 the particulars as required therein are given in the Annexure which form a part of Directors Report.

DELISTING FROM GUWAHATI STOCK EXCHANGE

The Company's share have been delisted from the Guwahati Stock Exchange vide letter No GSE/L/588/2014/258 Dt 07/01/2014.

PARTICULARS OF EMPLOYEES:

The Company has no employee coming within the purview of Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of employees) rules 1975 during the year.

AUDITORS:

The Auditors report is self explanatory and hence is not being separately dealt with here.

M/s. Dhandhania & Associates, Chartered Accountants the Auditors of the Company retire from the office at the conclusion of this meeting and being eligible offer themselves for re-appointment.

COMPLIANCE CERTIFICATE:

Pursuant to Section 383A of the Companies Act, 1956 a certificate from M/s. K. C. Dhanuka & Co., Company Secretaries in whole time practice, as to whether the company has complied with all the provisions of the Companies Act, 1956 is attached.

ACKNOWLEDGEMENT:

Your Directors take this opportunity to express their grateful appreciation for the excellent assistance and co-operation received from the commercial banks and other authorities. Your directors also thank the employees of the company for their valuable service and support during the year. Your Directors also gratefully acknowledge with thanks the cooperation and support received from the shareholders of the Company.

R. P. BUBNA | **Whole Time Director**

S. BUBNA | **Managing Director**

H. M. PAREKH | **Directors**

P. TUSNIAL

Place : Kolkata
Dated : 30th Day of May, 2014

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ANNEXURE TO THE DIRECTORS' REPORT:

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

Pursuant to Section 217(l)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

FORM 'A'

CONSERVATION OF ENERGY

**Current Year
Ended 31-03-2014 Previous Year
Ended 31-03-2013**

A. POWER & FUEL CONSUMPTION

(i) Electricity

(a) Purchased Unit

Units (KWH) 7,17,327 6,18,451

Total Amount (in ₹) 53,07,081 46,49,071

Rate /Unit (in ₹) 7.40 7.52

(b) Own Generation

Through diesel generator

Units (KWH) 2,02,839 3,02,253

Unit per Ltr. Diesel 2.66 2.73

Cost/Unit (in ₹) 20.57 17.29

(ii) Coal (Khasi and ROM Coal used in drier)

Quantity (MT) 1,049 1,229

Total Cost (In ₹) 80,90,841 76,09,733

Average Rate (In ₹) 7,713 6,192

(iii) Furnace Oil

Quantity (K.Ltrs.)

Total Amount (In ₹)

Average Rate (In ₹)

B. CONSUMPTION PER UNIT OF PRODUCTION

Products

Black Tea (in Kgs.) 7,64,283 8,30,737

Electricity (in Units) 1.20 1.11

Furnace Oil (in Ltrs.) — —

Coal (in Kgs.) 1.37 1.48

RESEARCH AND DEVELOPMENT (R&D)

- | | |
|---|--|
| 1. Specific Area in which R&D carried out by the Company | The Company subscribes to Tea Research Association which is registered under Section 35(I)(ii) of the Income Tax Act, 1961, to carry out R&D on tea. TRA continues to provide strong scientific support to the tea estate and tea cultivation practices and mechanization of factory which are the thrust areas of research affecting productivity as well as quality. |
| 2. Benefit derived as a result of above R&D | <ul style="list-style-type: none"> a) Improving yields and productivity b) Pruning cycle optimized. |
| 3. Future plan of action | <ul style="list-style-type: none"> a) Trials especially concerning nutrients to improve productivity. b) Better agronomy practices to be developed for field particularly where the yield is low and optimize manufacturing methods for improvement in quality. c) Your Company is complying with stringent requirements of minimum residual limits for chemicals in teas and producing teas in conformity with the requirements of rising consumer safety requirement norms. |
| 4. Expenditure on R&D | The Company contributes for the activities of TRA by way of subscription. |
| a) Capital | NIL |
| b) Recurring | ₹ 1,33,140/- being amount paid to TRA. |
| c) Total R&D Expenditure as percentage of total turnover. | .11% |

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

- | | |
|--|---|
| 1. Efforts in brief, made towards technology absorption, adaptation and innovation. | Managerial staff are encouraged to attend seminars and training programme for agricultural practices in the field and manufacturing process in the factories. |
| 2. Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc. | Increase in productivity, quality of tea and cost reductions were achieved in tea estate. |
| 3. In case of Imported technology (imported | |

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during the last 5 years reckoned from the beginning of the financial year) following information may be furnished

a) Technology imported

b) Year of Import

c) Has technology been fully absorbed

None

d) If not fully absorbed, areas where they have not taken place, reason and future plan of action.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange Earnings

: ₹ Nil (Previous year ₹ Nil)

Foreign Exchange Outgo

: ₹ 6,57,215 (Previous year ₹ 6,76,075)

R. P. BUBNA | Whole Time Director

S. BUBNA | Managing Director

H. M. PAREKH | Directors

P. TUSNIAL

Place : Kolkata

Dated : 30th Day of May, 2014

COMPLIANCE CERTIFICATE

Registration No. of the Company : L15492WB1929PLC006618
Nominal Capital : Rs. 50,00,000/-

To,
The Members,
M/S. THE METHONI TEA CO. LTD.
75C, Park Street, 1st Floor,
Kolkata-700016

We have examined the registers, records, books and papers of **M/S. THE METHONI TEA CO. LTD.**, as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the memorandum and articles of association of the Company for the financial year ended on 31st March, 2014. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, West Bengal, Kolkata within the time prescribed under the Act and the rules made thereunder.
3. The company being a public limited company, comments are not required .
4. The Board of Directors duly met 4 (Four) times respectively on 25th May 2013, 12th August 2013, 13th November 2013 and 25th January 2014 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The company closed its Register of Members from 25th July 2013 to 2nd August 2013 (both days inclusive) and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended 31st March 2013 was held on 2nd August 2013 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No extra ordinary general meeting was held during the financial year.
8. The company has not advanced any loans to its directors or persons of firms or companies referred to under Section 295 of the Act.

THE METHONI TEA COMPANY LTD.

9. The company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The company has made necessary entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the company has not obtained any approvals from the Board of directors, members or Central Government.
12. The company has not issued any duplicate share certificates during the financial year.
13.
 - i) The Company has delivered all the certificate on lodgment thereof for transfer in accordance with the provisions of the Act.
 - ii) The amount of dividend was recommended at the Annual General Meeting of the Company held on 02.08.2013 subject to the approval from the Central Government due to the loss in the Company and the necessary approval was obtained on 22.10.2013. On that basis, the Company has deposited the amount of dividend in HDFC Bank Account, Stephen Court House Branch (Dalhousie), Kolkata - 700 001, on 1st November 2013.
 - iii) The Company has posted warrants for dividend to all the members within a period of 30 (Thirty) days from the date of approval.
 - iv) The Company is not required to transfer any amount in unpaid dividend account, application money due for refund, matured deposits, matured Debentures and the interest accrued thereon which have remain unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.
 - v) The company has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the company is duly constituted. There was no appointment of additional directors, alternate directors and directors to fill casual vacancy during the financial year.
15. The Company has not appointed any Managing Director / Whole-time Director / Manager during the financial year.
16. The company has not appointed any sole selling agents during the financial year.
17. The company has obtained the approval from the Central Government for payment of dividend out of Reserves as prescribed under the Act and there is no further approval require to obtain from Central Government, Company Law Board, Regional Director, Registrar and / or such authorities prescribed under the various provisions of the Act during the financial year.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The company has not issued any shares, debentures or other securities during the financial year.
20. The company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.

THE METHONI TEA COMPANY LTD.

22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The company has not accepted any deposits including any unsecured loans falling within the purview, of section 58A during the financial year.
24. The company has not made any borrowings during the financial year ended 31st March 2014.
25. The company has made loans and investments to other bodies corporate in compliance with the provision of the Act and has made necessary entries in the register kept for the purpose.
26. The company has not altered the provisions of the Memorandum with respect to situation of the company's registered office from one State to another during the year under scrutiny.
27. The company has not altered the provisions of the Memorandum with respect to the objects of the company during the year under scrutiny.
28. The company has not altered the provisions of the Memorandum with respect to name of the company during the year under scrutiny.
29. The company has not altered the provisions of the Memorandum with respect to share capital of the company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. There was no prosecution initiated against or show cause notices received by the company and no fines or penalties or any other punishment was imposed on the company during the financial year, for offences under the Act.
32. The company has not received any money as security from its employees during the financial year.
33. The company has deposited both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to Section 418 of the Act.

Place : Kolkata
Date : 30th day of May'2014

FOR K. C. DHANUKA & CO.
Company Secretaries
K. C. DHANUKA
Proprietor
FCS-2204
CP-1247

THE METHONI TEA COMPANY LTD.

M/S. The Methoni Tea Co. Ltd.

Annexure - 'A'

Registers as maintained by the Company

Statutory Registers / Other Registers

1. Register of Transfers u/s 108
2. Register of Members u/s 150
3. Minutes of Shareholders u/s 193
4. Minutes of Board Meetings u/s 193
5. Books of Account u/s 209
6. Register of Contracts u/s 301
7. Register of Directors etc. u/s 303
8. Register of Directors' Shareholding u/s 307
9. Register of Investments etc. u/2 372A
10. Register of Fixed Assets
11. Register of Charges u/s 143

Annexure - 'B'

Forms and Returns as filed by the Company with Register of Companies, West Bengal, Kolkata during the financial year ended 31st March 2014.

Sl. No.	Form No/ Return	Filed under Section	Date of Filing	Whether the documents Filled within The due date	For	SRN
1.	Form No. HQ10 Dt: 25.05.2013	205	01.06.2013	Yes	Application for approval For Declaration of Dividend Out of Reserves.	B76207620
2.	Form No. 23C Dt: 30.05.2012	233B(2)	08.06.2013	No	Application to The Central Government for Appointment of Cost Auditor for the year 2012-13 Made by the Board of Directors of the Company	S21220389
3.	Form No. 23C Dt: 25.05.2013	233B(2)	22.06.2013	Yes	Application to The Central Government for	S21329628

THE METHONI TEA COMPANY LTD.

Sl. No.	Form No/ Return	Filed under Section	Date of Filing	Whether the documents Filled within The due date	For	SRN
					Appointment of Cost Auditor for the year 2013-14 Made by the Board of Directors of the Company.	
4.	Form No. 17 Dt: 26.06.2013	138	13.07.2013	Yes	Satisfaction of Rs. 2 Crores 25 Lacs only.	B79297081
5.	Form No. 66 Compliance Certificate as on 25.05.13	383A	23.08.2013	Yes	For the financial year ended 31.03.2013	Q10347904
6.	Form No. 23ACXBRL & 23ACAXBRL Balance Sheet as on 31.03.13	220	26.08.2013	Yes	For the financial year ended 31.03.2013	Q10418234
7.	Form 5INV Dt: 02-08-2013	205C	07.09.2013	Yes	For the financial year ended 31.03.2013	S22170906
8.	Form No. IXBRL Dt: 31.03.2013	233B	15.09.2013	Yes	Filing of Cost Audit Report For the Year Ended 31.03.13	S22286918
9.	Form No. 20B Annual Return of 02.08.2013	159	17.09.2013	Yes	As on the date of AGM held on 02.08.2013	Q11299625

THE METHONI TEA COMPANY LTD.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
THE METHONI TEA COMPANY LTD.

Report on Financial Statements

We have audited the accompanying financial statements of THE METHONI TEA COMPANY LTD. ('the Company'), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements 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 management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified opinion

- i) Attention is drawn to Note 2.29 regarding shortfall in carrying value of certain investments as indicated there in, the extent of permanent diminution in their value not being currently ascertainable.

Opinion

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

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) In the case of the Profit and Loss Account, of the **Loss** for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956. We enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. As required by section 227(3) of the Act, we report that, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
 - iii. The balance sheet, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account.
 - iv. in our opinion, the Balance Sheet, Statement of Profit and Loss, and the Cash Flow

THE METHONI TEA COMPANY LTD.

Statement dealt with by this report comply the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;

- v. On the basis of written representations received from the directors, as on 31st March, 2014 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

SHUBHAM DAGA, FCA, Partner
(Membership No. : 063574)
For & On behalf of
DHANDHANIA & ASSOCIATES
Firm Registration No. 316052E
Chartered Accountants

Place : Kolkata

Dated : 30th day of May, 2014

ANNEXURE TO AUDITORS' REPORT

Referred to in paragraph 1 of the Auditor's Report of even date to the members of THE METHONI TEA COMPANY LTD. on the Financial Statements for the year ended March 31, 2014.

- i. (a) The company is maintaining proper records showing full particulars including qualitative details and situation of Fixed Assets except for certain Fixed Assets acquired pfpr to 1st January 1985 for which records have not been maintained.
(b) As explained to us, all the fixed assets has been physically verified by the Management in a phased periodical manner, which is our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
(c) In our opinion and according to the information and explanations given to us, a substantial part of the fixed assets has not been disposed off by the Company during the year.
- ii. (a) The inventory of the Company (excluding stock with third parties) has been physically verified by the Management during the year. However, no inventory was lying with third parties as at 31st March 2014. In our opinion, the frequency of verification is reasonable.
(b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of Inventory. The discrepancies noticed on such physical verification as compared to book records, which were not material, have been properly dealt with in the books of account.
- iii. (a) The Company has not granted any unsecured demand loan to the parties covered in the register maintained under Section 301 of the Act so the reporting under the clause (b), (c) and (d) are not applicable.
(e) The Company has taken loan from the parties covered in the register maintained under section 301 of the Act.
 - 1) No. of Parties involved : 2
 - 2) Maximum Amount outstanding : ₹ 4,24,60,000/-
 - 3) Year end Balance : ₹ 39,50,000/-
(f) In our opinion, the rate of interest and other terms and conditions of such loans are not prime facie prejudicial to the interest of the Company.
(g) There are no overdue amounts of loans taken from Companies listed in the register maintained under section 301 of the Companies Act, 1956.
- iv. In our opinion and according to the information and explanations given to us, there are

THE METHONI TEA COMPANY LTD.

adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods. Further, on the basis of our examination of the books and records of the Company and according to the information and explanations given to us, we have neither come across nor have been informed of any instances of major weaknesses in the aforesaid internal control systems.

- v. (a) In our opinion and according to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of a party during the year, have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi. The Company has not accepted any deposits from the public within the meaning of Section 58A, 58AA or any of the relevant provisions of the Act and the rules framed there under.
- vii. In our opinion the company has an Internal Audit system commensurate with its size and nature of its business.
- viii. We have broadly reviewed the books of accounts and records maintained by the Company relating to the manufacture of Tea under section 209(1)(d) of the Companies Act, 1956 and we are of the opinion that prima facie, prescribed accounts and records have been maintained. We have, however, not made a detail examination of the cost records with a view to determine whether they are accurate or complete.
- ix. (a) According to the information and explanations given to us and the records examined by us, other than Entry Tax and Provident Fund, the company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax and other material statutory dues applicable to it with appropriate authorities.
(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues as at 31st March, 2014 which have not been deposited on account of dispute.
- x. The Company does not have accumulated losses at the end of the financial year. The company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
- xi. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted during the year in repayment of dues to any bank. The Company has neither any outstanding dues to any Financial Institutions or debenture holders at the beginning of the year nor it has obtained any loans from such parties during the year.

THE METHONI TEA COMPANY LTD.

- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company.
- xiv. In our opinion, the Company is not a dealer or trader in shares, securities, debenture or other investments.
- xv. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- xvi. The Company has not obtained any Term Loans during the year. Hence, commenting under this clause is not required.
- xvii. On the basis of an overall examination of the Balance Sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on Short Term basis which has been used for Long Term Investment.
- xviii. The Company has not made any preferential allotment of shares to the parties and Companies covered in the register maintained under Section 301 of the Act during the year.
- xix. The Company has not issued any Debentures and hence commenting under this clause does not arise.
- xx. The Company has not raised any money by public issues during the year.
- xxi. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

SHUBHAM DAGA, FCA, Partner
Membership No. : 063574
For & On behalf of
DHANDHANIA & ASSOCIATES
Chartered Accountants
Registration No. 316052E

Place : Kolkata

Dated : 30th day of May, 2014

THE METHONI TEA COMPANY LTD.

BALANCE SHEET AS AT 31ST MARCH, 2014

(Figures in ₹)

Sl. No.	Particulars	Note No.	As at 31st March, 2014	As at 31st March, 2013
I.	EQUITY AND LIABILITIES			
(1)	Shareholder's Funds			
	(a) Share Capital	2.1	4,080,000	4,080,000
	(b) Reserves and Surplus	2.2	144,854,920	146,434,332
(2)	Non-Current Liabilities			
	(a) Deferred Tax Liabilities (net)	2.3	3,009,231	1,735,849
	(b) Long-Term Provisions	2.4	109,498,860	111,919,514
(3)	Current Liabilities			
	(a) Short Term Borrowings	2.5	3,950,000	—
	(b) Trade Payables	2.6	10,019,370	9,690,954
	(c) Other Current Liabilities	2.7	21,897,745	18,280,846
	(d) Short-Term Provisions	2.8	8,601,682	11,623,459
	Total Equity & Liabilities		305,911,808	303,764,954
II.	ASSETS			
(1)	Non-Current Assets			
	(a) Fixed Assets			
	(i) Gross Block		90,110,221	89,658,396
	(ii) Depreciation		62,160,660	58,567,125
	Net Block	2.9	27,949,561	31,091,271
	(b) Non-Current Investment	2.10	81,457,859	78,994,896
	(c) Long Term Loans and Advances	2.11	947,136	924,618
	(d) Other Non-Current Assets	2.12	258,374	258,374
(2)	Current Assets			
	(a) Inventories	2.13	13,100,554	18,293,270
	(b) Trade Receivables	2.14	1,403,319	409,785
	(c) Cash and Cash Equivalents	2.15	28,453,134	34,318,218
	(d) Short - Term Loans and Advances	2.16	144,449,893	135,170,352
	(e) Other Current Assets	2.17	7,891,978	4,304,170
	Total Assets		305,911,808	303,764,954

Significant accounting Policies and Notes on Accounts. 1 & 2

SHUBHAM DAGA, FCA, Partner
 Membership No. : 063574
 For & On behalf of
DHANDHANIA & ASSOCIATES
 Chartered Accountants
 Registration No. : 316052E

Place : Kolkata
 Dated : 30th Day of May, 2014

R. P. BUBNA	Whole Time Director
S. BUBNA	Managing Director
H. M. PAREKH	Directors
P. TUSNIAL	

THE METHONI TEA COMPANY LTD.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31 ST MARCH, 2014

(Figures in ₹)

Sl. No.	Particulars	Note No.	For the year Ended 31st March, 2014	For the year Ended 31st March, 2013
(1)	Revenue from Operations	2.18	117,121,072	126,006,480
(2)	Other Income	2.19	9,577,543	3,864,696
	Total Revenue (1+2)		126,698,615	129,871,176
(3)	Expenses :			
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	2.20	(107,098)	8,075,799
	Employee Benefit Expenses	2.21	71,016,311	65,248,973
	Financial Costs	2.22	1,370,561	685,950
	Depreciation and Amortization Expense	2.9	3,593,535	3,698,583
	Other Expenses	2.23	50,298,997	50,020,780
	Total Expenses		126,172,306	127,730,084
(4)	Profit/ (Loss) before exceptional and extraordinary items and tax		526,309	2,141,092
(5)	Exceptional and Extraordinary Items		-	32,539,100
(6)	Profit/ (Loss) after Exceptional and Extraordinary items and before tax		526,309	(30,398,008)
(7)	Tax Expense:			
	(1) Current Tax		1,410,000	1,780,000
	(2) Deferred Tax		1,273,383	2,321,837
	(3) Tax for Earlier Years		(577,662)	-
(8)	Profit/ (Loss) from Operations		(1,579,412)	(34,499,845)
(9)	Earning per Equity Share:			
	(1) Basic		(3.87)	(84.56)
	(2) Diluted		(3.87)	(84.56)

Significant accounting Policies and Notes on Accounts. 1 & 2

SHUBHAM DAGA, FCA, Partner
 Membership No. : 063574
 For & On behalf of
DHANDHANIA & ASSOCIATES
 Chartered Accountants
 Registration No. : 316052E

Place : Kolkata
 Dated : 30th Day of May, 2014

R. P. BUBNA	Whole Time Director
S. BUBNA	Managing Director
H. M. PAREKH	Directors
P. TUSNIAL	

THE METHONI TEA COMPANY LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED AS ON 31ST MARCH, 2014

Particulars	For the year ended 31 March, 2014		For the year ended 31 March, 2013	
	₹	₹	₹	₹
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit / (Loss) before extraordinary items and tax		526,309		2,141,092
<i>Adjustments for:</i>				
Depreciation and amortisation	3,593,535		3,698,583	
Finance costs	1,370,561		685,950	
Interest income	(7,916,122)		(3,613,666)	
Dividend income	(455,716)		(451,453)	
Net (gain) / loss on sale of investments	(968,946)		210,807	
Liabilities / provisions no longer required written back	(77,629)	(4,454,316)	-	530,221
Operating profit / (loss) before working capital changes		(3,928,007)		2,671,313
<i>Adjustments for (increase) / decrease in Assets:</i>				
Inventories	5,192,716		910,994	
Trade receivables	(993,534)		(373,315)	
Short-term loans and advances	508,686		(701,989)	
Other current assets	(3,587,808)		(162,721)	
Other non-current assets	-		-	
<i>Adjustments for increase / (decrease) in Liabilities:</i>				
Trade payables	328,416		4,787,047	
Other current liabilities	982,767		(520,524)	
Other long-term liabilities	-		1,977,165	
Long-term provisions	-		-	
Short-term provisions	1,114,981	3,546,224	938,323	6,854,979
Cash flow from extraordinary items		77,629		-
Cash generated from operations		(304,154)		9,526,292
Net income tax (paid) / refunds		2,481,009		(1,421,575)
Net cash flow from / (used in) operating activities (A)		2,176,855		8,104,717
B. Cash flow from investing activities				
Capital expenditure on fixed Assets	(451,825)		(3,380,083)	
Short Term Loans and Advances Taken	3,950,000		-	
Short Term Loans and Advances Given	(34,768,737)		(22,500,000)	
Long Term Loans And Advances	(22,518)		(73,500)	
Purchase of short-term investments	(21,150,000)		-	
Purchase of long-term investments	-		(4,500,000)	
Proceeds from sale of long-term investments	13,155,982		5,088,769	
Proceeds from sale of short-term investments	6,500,000		-	
Interest income	7,916,122		3,613,666	
Dividend Income	455,716		451,453	
Net cash flow from / (used in) investing activities (B)		(24,415,260)		(21,299,695)

THE METHONI TEA COMPANY LTD.

Particulars	For the year ended 31 March, 2014		For the year ended 31 March, 2013	
	₹	₹	₹	₹
C. Cash flow from financing activities				
Finance Cost	(1,370,561)		(685,950)	
Dividends Paid	(1,178,685)		(1,143,465)	
Tax on Dividend	(198,563)		(198,563)	
Net cash flow from / (used in) financing activities (C)		(2,747,809)		(2,027,978)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		(24,986,215)		(15,222,956)
Cash and cash equivalents at the beginning of the year		34,318,218		33,008,859
Cash and cash equivalents at the end of the year		9,332,003		17,785,903
Reconciliation of Cash and Cash Equivalents with the Balance Sheet:				
Cash and cash equivalents as per Balance Sheet at the year end comprises		9,332,003		17,785,903
Cash and cash equivalents as per Balance Sheet at the year end comprises				
(a) Cash in hand		93,634		316,186
(b) Balances with banks:				
(i) In current accounts		(18,306,613)		(11,629,949)
(ii) In Deposit accounts		27,268,982		28,868,982
(iii) In Earmarked accounts		275,999		230,684
		9,332,003		17,785,903

See accompanying notes forming part of the financial statements in terms of our report attached.

SHUBHAM DAGA, FCA, Partner
 Membership No. : 063574
 For & On behalf of
DHANDHANIA & ASSOCIATES
 Chartered Accountants
 Registration No. : 316052E

Place : Kolkata
 Dated : 30th Day of May, 2014

R. P. BUBNA	Whole Time Director
S. BUBNA	Managing Director
H. M. PAREKH	Directors
P. TUSNIAL	

THE METHONI TEA COMPANY LTD.

NOTES ON ACCOUNTS AND SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF
THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

COMPANY OVERVIEW

The Methoni Tea Company Limited having its registered office at 75C, Park Street (1st Floor), Kolkata - 700 016 and tea estate, Methoni Tea Estate at P.O. Bokakhat, Dist. Golaghat, Assam - 785 612, is engaged in the business of manufacturing and selling of Black Tea.

SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Indian GAAP, applicable Accounting Standards issued by "The Institute of Chartered Accountants of India" and relevant provisions of the Companies Act, 1956. A summary of significant accounting policies, which have been applied consistently, is set out below:

1.1 BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with historical cost convention. All expenses and incomes, unless specifically stated to be otherwise, have been accounted for on accrual basis. Replantation Subsidy and other claims, refunds etc., which are not ascertainable with reasonable accuracy, are accounted for on receipts/acceptance of the same.

1.2 USE OF ESTIMATES

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future, results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

1.3 FIXED ASSETS

Fixed Assets are stated at cost less accumulated depreciation. Cost includes cost of acquisition, custom duties, taxes, other incidental expenses relating to acquisition and installation and interest upto the date (in case of qualifying assets) the asset is put to use.

Expenditure incurred towards Estate Development during the first year is capitalized and the expenses incurred thereafter in subsequent years and cost of replanting in existing area is charged to revenue.

1.4 DEPRECIATION

Depreciation on fixed assets other than Leasehold Land and Estate Development has been provided on Written Down Value Method at the rates specified in Schedule XIV of the Companies Act, 1956. Land Development and Leasehold Land are not depreciated.

Assets costing below Rs. 5,000/- each are fully depreciated in the year of addition.

1.5 INVESTMENTS

Long Term Investments are stated at cost. Diminution in value, if any, which are not temporary in nature, are adjust there from and recognized in the financial statements. Current Investments are valued at lower of cost or fair market value of such investment.

1.6 INVENTORIES

Inventories are valued at lower of cost or net realisable value except tea waste, which is valued at net realisable value. Cost comprises expenditure incurred in the normal course of business and bringing such inventories to their present location and condition and includes appropriate overhead.

Cost in respect of stores, spares and packing materials are determined at weighted average.

Provision is made for obsolete and slow-moving stock, wherever necessary.

1.7 FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currency are recorded at the exchange rate prevailing at the transaction date.

Exchanges differences arising on settlement of transactions or on reporting at the year end rates are recognized as income or as expenses in the period in which they arise.

1.8 RETIREMENT BENEFITS

Contribution to Defined Contribution Provident Fund scheme is made based on a percentage of current salary and is recognised in the Profit & Loss Account on accrual basis.

Short term benefits are charged off at the undiscounted amount in the year in which the related service rendered.

Post employment and other long term employee benefits are charged off in the year in which the employee has rendered services. The amount charged off is recognised at the present value of the amounts payable determined using actuarial valuation technique and funded with the approved gratuity fund. Actuarial gains and losses in respect of post

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employment benefits are charged to the Profit and Loss Account.

1.9 BORROWING COST

Borrowing Cost that are directly attributable to the acquisition or construction of an assets that necessarily takes a substantial period of time to get ready for its intended use are capitalised till substantial completion of all the activities that are necessary for this if any, other wise borrowing cost are charged to revenue.

1.10 REVENUE RECOGNITION

Revenue from sale of goods is recognized on passing of the title of the goods/confirmation of the broker. Sales are exclusive of Sales Tax. Other income and expenditure are accounted for on accrual basis.

1.11 GRANTS/SUBSIDIES

Subsidies from Government in respect of fixed assets are deducted from the cost of respective assets. Other subsidies are accounted for on accrual basis when one is reasonably certain of its receipt.

1.12 TAXES ON INCOME

a) Provision for current tax made on the basis of the estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961.

b) Deferred tax is recognized, at the current rates of taxation, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one year and are capable of reversal in one or more subsequent years. Deferred tax assets in respect of business loss is not recognized unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

c) Tax credit is recognized in respect of Minimum Alternate Tax (MAT) as per the provision of section 115JAA of the Income Tax Act, 1961 based on convincing evidence that the Company will pay normal Income tax within the statutory time framed and is reviewed at each Balance Sheet date.

1.13 IMPAIRMENT OF ASSETS

Impairment of Assets is recognized when there is an indication of impairment. On such indication the recoverable amount of the assets is estimated and if such estimation is less than carrying amount, the carrying amount is reduced to its recoverable amount.

1.14 CONTINGENT LIABILITIES

The contingent liabilities are provided when it is considered that there may be an outflow of resources embodying future economic benefits in settlement of :

- a) present obligation the one whose existence at the balance sheet date is considered probable;
- b) a possible obligation the existence of which at the balance sheet date is considered not probable.

1.15 CASH AND CASH EQUIVALENTS

Cash and cash equivalent comprises cash in hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

1.16 CASH FLOW STATEMENT

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

1.17 EARNING PER SHARE

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

1.18 INSURANCE CLAIMS

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

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Notes forming part of the financial statements as at 31st March, 2014

Note: 2.1 Share Capital (Figures in. Rs. ₹)

Sl. No.	Particulars	As at 31st March, 2014	As at 31st March, 2013
1	<u>Authorized Capital</u> Equity shares, ₹ 10/- par value 5,00,000 (5,00,000) Equity Shares	5,000,000	5,000,000
2	<u>Issued, Subscribed & Paid Up Capital</u> Equity Shares, ₹ 10/- par value 4,08,000 (4,08,000) Equity Shares	4,080,000	4,080,000
	Total	4,080,000	4,080,000

2,92,000 Equity Shares of ₹ 10/- each allotted as fully paid-up Bonus Shares by Capitalisation of General Reserves.

1,15,998 Equity Shares of ₹ 10/- each allotted as fully paid-up for consideration other than cash.

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

Reconciliation of the number of shares outstanding:

Particulars	As at 31st March, 2014	As at 31st March, 2013
Number of shares at the beginning of the year	408,000	408,000
Add: Shares issued during the year	—	—
Number of shares at the closing of the year	408,000	408,000

Details of shares held by each shareholder holding more than 5% shares

Sl. No.	Particulars	As at 31st March, 2014		As at 31st March, 2013	
		Total No. of Shares	Holding (%)	Total No. of Shares	Holding (%)
1	Indistock Private Limited	191,401	46.91	191,401	46.91
2	Thirdwave Credit & Commercial (P) Ltd.	56,787	13.92	56,787	13.92

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Note ; 2.2 Reserve & Surplus

(Figures in. Rs. ₹)

Sl. No.	Particulars	As at 31st March, 2014	As at 31st March, 2013
1	Capital Reserve		
	Opening Balance	6,626	6,626
	Add: Addition during the year	-	-
	Less: Utilised / transferred during the year	-	-
	Closing Balance	6,626	6,626
2	General Reserve		
	Opening Balance	107,235,917	108,658,480
	Add: Transfer from Profit & Loss Account	-	-
	Less: Utilised during the year		
	Dividends proposed to be distributed to equity shareholders (₹ Nil /- per share)	-	1,224,000
	(Previous Year ₹ 3/- per share)		
	Tax on dividend	-	198,563
	Closing Balance	107,235,917	107,235,917
3	Surplus / (Deficit) in Statement of Profit and Loss		
	Profit / (Loss) brought forward from previous year	39,191,789	73,691,634
	Add: Profit / (Loss) for the year	(1,579,412)	(34,499,845)
	Transferred to:		
	General Reserve	-	-
	Closing Balance	37,612,377	39,191,789
	Total	144,854,920	146,434,332

Note: 2.3 Deferred Taxes

Sl. No.	Particulars	As at 31st March, 2014	As at 31st March, 2013
1)	Deferred Tax Assets		
	On Account of Section 43B of Income Tax Act, 1961	-	1,187,316
	Total Deferred Tax Asset	-	1,187,316
2)	Deferred Tax Liabilities		
	On Account of Section 43B of Income Tax Act, 1961	376,872	-
	On difference between book Balance and tax balance of fixed assets	2,632,359	2,923,165
	Total Deferred Tax Liabilities	3,009,231	2,923,165
	Net Deferred Tax Assets / (Liabilities)	(3,009,231)	(1,735,849)

THE METHONI TEA COMPANY LTD.

Note: 2.4 Long Term Provisions

(Figures in. Rs. ₹)

Sl. No.	Particulars	As at 31st March, 2014	As at 31st March, 2013
1	Provision for Tax	109,498,860	111,919,514
	Total	109,498,860	111,919,514

Note : 2.5 Short Term Borrowings

Sl. No.	Particulars	As at 31st March, 2014	As at 31st March, 2013
1	Loan from Related party	3,950,000	-
	Total	3,950,000	-

Note: 2.6 Trades Payable

Sl. No.	Particulars	As at 31st March, 2014	As at 31st March, 2013
1	Sundry Creditors for Material/Supplies	6,981,147	8,907,632
2	Sundry Creditors for Services	3,038,223	783,322
	Total	10,019,370	9,690,954

Note: 2.7 Other Current Liabilities

Sl. No.	Particulars	As at 31st March, 2014	As at 31st March, 2013
1	<u>Accrued Salaries & Benefits</u>		
	Salaries & Wages	1,125,797	515,399
2	Statutory Payables	1,179,549	780,638
3	Unpaid Dividends	275,999	230,684
4	Bank OD A/c (HDFC Bank A/c)	19,121,132	16,532,315
5	Other Payables	195,269	221,810
	Total	21,897,745	18,280,846

Note: 2.8 Short Term Provisions

Sl. No.	Particulars	As at 31st March, 2014	As at 31st March, 2013
1	Bonus Payable	5,731,976	5,321,230
2	Provision for Tax	1,410,000	1,780,000
3	Provision for Proposed Equity Dividends	-	1,224,000
4	Provision for Tax on Proposed Dividends	-	198,563
5	Employee Benefits	1,459,706	3,099,666
	Total	8,601,682	11,623,459

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Notes forming part of the financial statements as at 31st March, 2014

(Figures in ₹)

Note : 2.9 Fixed Asset

Sl. No	Particulars	Original Cost			Depreciation and Amortisation			Net Book Value -		
		As at 1st April '13	Addition during the year	Deduction / Adjustment during the Year	As at 31st Mar '14	As at 1st April '13	Addition during the year	Deduction/ Adjustment during Year	As at 31st Mar '14	As at 31st Mar '13
I	Tangible Assets									
1	Land (Lease and Free hold and Development)	5,097,916	-	-	5,097,916	2,127,071	-	-	2,970,845	2,970,845
2	Buildings	21,513,352	5,500	-	21,518,852	13,678,825	391,207	-	7,448,820	7,834,527
3	Factory Buildings	4,768,303	-	-	4,768,303	2,316,670	245,164	-	2,206,469	2,451,633
4	Plant & Machineries	50,385,823	351,000	-	50,736,823	33,630,957	2,696,415	-	14,409,451	16,754,866
5	Motor Vehicles	6,525,543	90,360	-	6,615,903	5,889,071	175,614	-	551,218	636,472
6	Furniture & Fittings	1,367,459	4,965	-	1,372,424	924,531	85,135	-	362,759	442,928
	Total (Current Year)	89,658,396	451,825	-	90,110,221	58,567,125	3,593,535	-	27,949,562	31,091,271
	(Previous Year)	86,278,313	3,380,083	-	89,658,396	54,868,544	3,698,583	-	31,091,271	

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Notes forming part of the financial statements as at 31st March, 2014

Note: 2.10 Non - Current Investments

(Figures in ₹)

Sl. No.	Particulars	As at 31st March, 2014			As at 31st March, 2013		
		Quoted	Unquoted	Total	Quoted	Unquoted	Total
A.	Trade Investment	—	—	—	—	—	—
B.	Other investments						
(a)	<u>Investment in equity instruments of other entities</u>						
1	Ambalal Sarabhai Enterprises Ltd. 24,70,625 (24,70,625) equity shares of ₹ 10/- each fully paid up	28,089,515	—	28,089,515	28,089,515	—	28,089,515
2	Alstom T&D India Ltd. NIL (23,500) equity shares of ₹ 2/- each fully paid up	—	—	—	3,150,526	—	3,150,526
3	Ballarpur Industries Ltd. 14,000 (14,000) equity shares of ₹ 2/- each fully paid up	328,428	—	328,428	328,428	—	328,428
4	Bata India Ltd. NIL (1,059) equity shares of ₹ 10/- each fully paid up	—	—	—	436,800	—	436,800
5	Castrol India Ltd. NIL (2000) equity shares of ₹ 5/- each fully paid up	—	—	—	491,904	—	491,904
6	Deepak Fertilisers & Petrochemicals Corporation Ltd. 2,000 (2,000) equity shares of ₹ 10/- each fully paid up	393,971	—	393,971	393,971	—	393,971
7	EIH Ltd. 7,630 (7,630) equity shares of ₹ 2/- each fully paid up	915,205	—	915,205	915,205	—	915,205
8	Escorts Ltd. NIL (2,000) equity shares of ₹ 10/- each fully paid up	—	—	—	231,418	—	231,418
9	Financial Technologies (India) Ltd. 500 (500) equity shares of ₹ 2/- each fully paid up	688,444	—	688,444	688,444	—	688,444
10	Fresenius Kabi Oncology Ltd. 2,000 (2,000) equity shares of ₹ 1/- each fully paid up	344,770	—	344,770	344,770	—	344,770
11	Himatsingka Seide Ltd. NIL (84,970) equity shares of ₹ 5/- each fully paid up	—	—	—	3,868,773	—	3,868,773
12	Hindustan Petroleum Corporation Ltd. 2,500 (2,500) equity shares of ₹ 10/- each fully paid up	1,119,497	—	1,119,497	1,119,497	—	1,119,497
13	IDBI Bank Ltd. 8,500 (8,500) equity shares of ₹ 10/- each fully paid up	1,250,861	—	1,250,861	1,250,861	—	1,250,861
14	IFCI Ltd. 50,000 (50,000) equity shares of ₹ 10/- each fully paid up	2,485,594	—	2,485,594	2,485,594	—	2,485,594
15	India Glycols Ltd. 1,000 (1,000) equity shares of ₹ 10/- each fully paid up	155,093	—	155,093	155,093	—	155,093
16	Indiabulls Real Estate Ltd. NIL (3,100) equity shares of ₹ 2/- each fully paid up	—	—	—	103,869	—	103,869

THE METHONI TEA COMPANY LTD.

Notes forming part of the financial statements as at 31st March, 2014

Note: 2.10 Non - Current Investments

(Figures in ₹)

Sl. No.	Particulars	As at 31st March, 2014			As at 31st March, 2013		
		Quoted	Unquoted	Total	Quoted	Unquoted	Total
17	Indiabulls Power Ltd. 9,145 (9,145) equity shares of ₹ 10/- each fully paid up	306,414	-	306,414	306,414	-	306,414
18	Indiabulls Securities Ltd. NIL (10,000) equity shares of ₹ 2/- each fully paid up	-	-	-	209,862	-	209,862
19	Indiabulls Wholesale Services Ltd. NIL (387) equity shares of ₹ 2/- each fully paid up	-	-	-	51,219	-	51,219
20	JVLAgro Industries Ltd. 50,000 (50,000) equity shares of ₹ 1/- each fully paid up	1,009,259	-	1,009,259	1,009,259	-	1,009,259
21	Jubilant Life Sciences Ltd. 24,742 (24,742) equity shares; of ₹ 1/- each fully paid up	7,456,758	-	7,456,758	7,456,758	-	7,456,758
22	Jubilant Industries Ltd. 375 (375) equity shares of ₹ 10/- each fully paid up	113,027	-	113,027	113,027	-	113,027
23	K.S.Oils Ltd. 3,77,900 (3,77,900) equity shares of ₹ 1/- each fully paid up	15,883,070	-	15,883,070	15,883,070	-	15,883,070
24	Larsen & Toubro Ltd. NIL (250) equity shares of ₹ 2/- each fully paid up	-	-	-	350,627	-	350,627
25	Nagarjuna Fertilizers & Chemicals Ltd. 55,000 (55,000) equity shares of ₹ 1/- each fully paid up	786,695	-	786,695	786,695	-	786,695
26	Nagarjuna Oil Refinery Ltd. 50,000 (50,000) equity shares of ₹ 1/- each fully paid up	715,177	-	715,177	715,177	-	715,177
27	Punj Lloyd Ltd. 4,500 (4,500) equity shares of ₹ 2/- each fully paid up	452,364	-	452,364	452,364	-	452,364
28	Rural Electrification Corporation Ltd. NIL (1,000) equity shares of ₹ 10/- each	-	-	-	213,055	-	213,055
29	Reliance Communications Ltd. 3,300 (3,300) equity shares of ₹ 5/- each fully paid up	2,120,977	-	2,120,977	2,120,977	-	2,120,977
30	Schneider Electric Infrastructure Ltd. NIL (23,500) equity shares of ₹ 2/- each fully paid up	-	-	-	3,150,526	-	3,150,526
31	Supreme Infrastructure India Ltd. 2,000 (2,000) equity shares of ₹ 10/- each fully paid up	598,878	-	598,878	598,878	-	598,878
32	Tata Chemicals Ltd. 3,000 (3,000) equity shares of ₹ 10/- each fully paid up	1,260,673	-	1,260,673	1,260,673	-	1,260,673
33	The West Coast Paper Mills Ltd. 2,500 (2,500) equity shares of ₹ 2/- each fully paid up	258,397	-	258,397	258,397	-	258,397

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Notes forming part of the financial statements as at 31st March, 2014

Note: 2.10 Non - Current Investments

(Figures in ₹)

Sl. No.	Particulars	As at 31st March, 2014			As at 31st March, 2013		
		Quoted	Unquoted	Total	Quoted	Unquoted	Total
34	ABC Tea Workers Welfete Servicas 625 (625) equity shares of ₹ 10/- each fully paid up	-	1,250	1,250	-	1,250	1,250
35	J M High Liquidity Fund - Growthoption 40622.499 Units (Nil)	-	1,401,403	1,401,403	-	-	-
36	Peerless Ultra Short Term Fund - Super Institutional Growth 955,337.066 Units (Nil)	-	13,320,140	13,320,140	-	-	-
(b)	<u>Investment in debentures or bonds of other entities</u>						
1	Woodlands Hospital & Medical Research Institute (5% Non-Redeemable debenture stock) Debentures of Rs.100/- each fully paid up	-	2,000	2,000	-	2,000	2,000
	Total Non - Current Investment	66,733,067	14,724,793	81,457,859	78,991,646	3,250	78,994,896
	Less: Provision for diminution in value of investments						
	Total			81,457,859			78,994,896
	Aggregate amount of quoted investments			66,733,067			78,991,646
	Aggregate market value of listed and quoted investments			18,479,632			54,625,076
	Aggregate amount of unquoted investments			14,724,793			3,250

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Notes forming part of the financial statements as at 31st March, 2014

Note: 2.11 Long Term Loans and Advances

(Figures in ₹)

Sl. No.	Particulars	As at 31st March, 2014	As at 31st March, 2013
1	Security Deposit		
	a) Unsecured, Considered Good :		
	Electricity Supply & Others	947,136	924,618
	Total	947,136	924,618

Note :2.12 Other Non- Current Assets

Sl. No.	Particulars	As at 31st March, 2014	As at 31st March, 2013
1	Deposits	258,374	258,374
	Total	258,374	258,374

Note: 2.13 Inventories

Sl. No.	Particulars	As at 31st March, 2014	As at 31st March, 2013
1	Black Tea	3,266,197	2,860,299
2	Tea Waste	-	298,800
3	Packing Materials	944,342	1,288,620
4	Fuel	4,332,887	7,402,268
5	Consumable Stores	4,524,278	5,882,959
6	Consumable Stores in Transit	32,850	560,324
	Total	13,100,554	18,293,270

Note: 2.14 Trade Recievables

Sl. No.	Particulars	As at 31st March, 2014	As at 31st March, 2013
1	Others	1,403,319	409,785
	a) Unsecured, Considered Good		
	Total	1,403,319	409,785

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Notes forming part of the financial statements as at 31st March, 2014

Note: 2.15 Cash & Cash Equivalent

(Figures in ₹)

Sl. No.	Particulars	As at 31st March, 2014	As at 31st March, 2013
1	Cash Balance	93,634	316,186
2	Balances with banks	814,519	4,902,367
	(i) In Current Accounts		
	(ii) In Deposit Accounts	27,268,982	28,868,982
	(iii) In Earmarked Accounts		
	- Unpaid Dividend Accounts	275,999	230,684
	Total	28,453,134	34,318,218

Note :2.16 Short Terms Loans and Advances

Sl. No.	Particulars	As at 31st March, 2014	As at 31st March, 2013
1	<u>Loans and advances to employees</u>		
	Unsecured, considered good	291,155	245,550
2	<u>Prepaid expenses</u>		
	Unsecured, considered good	292,976	353,564
3	<u>Balances with Government Authorities</u>		
	(i) Advance Income Tax	108,592,987	111,073,497
	(ii) MAT Credit Entitlement	279,009	279,009
	(iii) Cess on Made Tea (Including Edu. Cess)	509	656
4	<u>Loan to Corporates and Others</u>		
	(i) Unsecured, considered good	34,768,737	22,500,000
5	<u>Advance to Others</u>		
	Advance to Suppliers	-	600,000
	Advance to Service Providers	224,520	118,076
	Total	144,449,893	135,170,352

THE METHONI TEA COMPANY LTD.

Notes forming part of the financial statements as at 31st March, 2014

Note :2.17 Other Current Assets

(Figures in ₹)

Sl. No.	Particulars	As at 31st March, 2014	As at 31st March, 2013
1	Accruals		
	(i) Interest accrued on deposits	4,054,236	4,149,383
	(ii) Interest accrued on Loan to Corporates Considered good	126,273	154,787
	(iii) Tea Board Orthodox Subsidy Receivable	3,703,710	-
	(iv) Others	7,759	.
	Total	7,891,978	4,304,170

Note : 2.18 Revenue from Operations

Sl. No.	Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
1	Sales of Finished Tea	112,496,204	123,563,149
	Less: Excise Duty	372,631	492,463
		112,123,573	123,133,686
2	Sale of Tea Waste	738,102	250,200
3	Subsidies		
	Tea Board Orthodox Subsidy	4,259,397	2,622,594
	Total	117,121,072	126,006,480

Note: 2.19 Other Income

Sl. No.	Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
1	Dividend Received	455,716	451,453
2	Net Gain / (Loss) on Sale of Long Term Investments	968,946	(210,807)
3	Insurance Claim	159,131	10,384
4	Liabilities / provisions no longer required written back	77,629	-
5	Interest Income	7,916,122	3,613,666
	Total	9,577,543	3,864,696

THE METHONI TEA COMPANY LTD.

Notes forming part of the financial statements as at 31st March, 2014

Note: 2.20 Change in Inventories

(Figures in ₹)

Sl. No.	Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
1	Opening Stock	3,159,099	11,234,898
2	Closing Stock	3,266,197	3,159,099
	Total	(107,098)	8,075,799

Note :2.21 Employment Benefit Expenses

Sl. No.	Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
1	Salaries and Wages	58,116,528	51,905,894
2	Contributions to Provident and Other Funds	5,957,346	6,875,488
3	Staff Welfare Expenses	6,942,437	6,467,591
	Total	71,016,311	65,248,973

Note : 2.22 Financial Cost

Sl. No.	Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
1	Interest on Borrowing		
	- Bank OD A/c - HDFC Bank A/c	1,326,300	685,950
	- Other Borrowing Costs	44,260	—
	Total	1,370,560	685,950

THE METHONI TEA COMPANY LTD.

Notes forming part of the financial statements as at 31st March, 2014

Note : 2.23 Other Expenses

(Figures in ₹)

Sl. No.	Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
1	Cultivation Expenses	7,492,019	7,768,759
2	Power & Fuel	18,179,105	17,991,238
3	Repairs & Maintenance	7,317,993	7,708,696
4	Consumption of Stores and Spares	386,483	402,174
5	Consumption of Packing Material	1,624,092	1,260,122
6	Rent Charges	155,359	155,359
7	Rates & Taxes	1,165,352	747,223
8	Insurance Charges	3,217,011	3,156,002
9	Travelling and Conveyance	641,771	525,729
10	Freight Charges	2,952,164	2,433,073
11	Commission & Brokerage	1,264,147	1,441,418
12	Other Selling Expenses	1,178,783	2,446,143
13	Auditors' Remuneration	67,416	67,416
14	Cess on Green Leaf	1,339,571	1,463,399
15	Directors Sitting Fees	8,000	6,000
16	Professional Fees	472,992	250,213
17	Subscription	414,686	380,261
18	Miscellaneous Expenses	2,422,053	1,817,557
	Total	50,298,997	50,020,780

Payments to the Auditors Comprises

Sl. No.	Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
1	As Auditors - Statutory Audit	56,180	56,180
2	For Other Services	11,236	11,236
	Total	67,416	67,416

THE METHONI TEA COMPANY LTD.

Additional Information to the Financial Statements

2.24 Estimated amounts of contracts to be executed on capital account net of advance and not provided for ₹ Nil
(Previous year: ₹ Nil).

2.25 Managerial Remuneration (As per Schedule XIII of Companies Act, 1956) (Figure in ₹)

A) Details of Managerial Remuneration -	2013-14	2012-13
Salary	2,060,000	1,940,000
House Rent Allowance	1,030,000	970,000
Total	3,090,000	2,910,000
B) Computation of Net Profit and Director's Commission	2013-14	2012-13
Profit / (Loss) Before Tax as per Profit & Loss Account	526,309	(30,398,008)
Less : Profit / (Loss) on Sale of Investments	968,946	(210,807)
	(442,637)	(30,187,201)
Add : Sitting Fees	8000	6000
Add : Managerial's Remuneration	3,090,000	2,910,000
Profit / (Loss) for computation of Director's Remuneration	2,655,363	(27,271,201)
Commission thereon @ 2.5% each for two directors	-	-

2.26 Details of government Subsidies/grants :

Particulars	For the Year ended 31st March 2014	For the Year ended 31st March 2013
Government grants received by the Company during the year towards Subsidies		
Tea Board Orthodox Subsidy	4,259,397	2,622,594
Total	4,259,397	2,622,594

2.27 The Company is engaged in the business of integrated activities of manufacture and sale of black tea, predominantly in the domestic account. Hence, there is no reportable segment as per AS-17 on "Segment Reporting" issued by "The Institute of Chartered Accountants of India".

THE METHONI TEA COMPANY LTD.

- 2.28** There are no transaction (other than transactions with related parties as given in Para 2.31) which are required to be disclosed under Clause 32 of the listing agreement with the Stock Exchanges where the Equity Shares of the Company are Listed.
- 2.29** In the opinion of the Management, the carrying value of long term quoted investments of ₹ 6,67,33,067/- (P. Y. ₹ 7,89,91,646/-) when compared against their market value of ₹ 1,84,79,632/- (P. Y.: ₹ 5,46,25,076/-) have not suffered any permanent diminution. No provision has therefore been considered necessary at this stage.

2.30 Basic and Diluted Earnings per share:

Particulars	For the Year ended 31st March 2014	For the Year ended 31st March 2013
<u>Basic & Diluted</u>		
Net profit/(loss) for the year from operations attributable to the equity shareholders	(1,579,412)	(34,499,845)
Weighted average number of equity shares	408,000	408,000
Par value per share	10.00	10.00
Basic and Diluted Earning per share	(3.87)	(84.56)

2.31 Related party transactions

a) Details of related parties

Description of relationship	Names of related parties
Key Management Personnel (KMP)	Mr. R.P. Bubna - Whole Time Director Mr. S. Bubna - Managing Director
Enterprises over which Key Management Personnel and their relatives have significant influence	M/s. Spark Securities (P) Ltd. M/s. M. Prasad & Co. Ltd. M/s. Gyan Traders Ltd. M/s. Thirdwave Credit & Commercial (P) Ltd. M/s. Fine 'N' Fair Financiers (P) Ltd. M/s. Monet Securities (P) Ltd. M/s. M.P. Bubna Foundation

Note: Relied upon as identified by the Management.

b) Details of related party transactions during the year ended 31 March, 2014 and balances outstanding as at 31 March, 2014:

(Figures in ₹)

Particulars	Key Management Personnel		Entities in which KMP / relatives of KMP have significant influence			Total
	Mr. R.P. Bubna	Mr. S. Bubna	M/s. Spark Securities (P) Ltd	M/s. M. Prasad & Co. Ltd	M/s. Monet Securities (P) Ltd	
Brokerage	-	-	1,981	1,020	-	3,001
Service tax & Cess on Brokerage	(0)	(0)	(100)	(0)	(0)	(100)
STT	-	-	246	127	-	372
Debit Charges Paid	(0)	(0)	(12)	(0)	(0)	(12)
Purchase/Sale of Shares	-	-	8,202	4,971	-	13,173
Loans and Advance Taken	(0)	(0)	(456)	(0)	(0)	(456)
Loans and Advance Repayment Done	-	-	-	562	-	562
Interest Paid	(0)	(0)	(0)	(562)	(0)	(562)
Remuneration Paid	1,545,000	1,545,000	8,180,743	4,958,320	-	13,139,064
Balances outstanding at the end of the year	(14,55,000)	(14,55,000)	(455,228)	(0)	(0)	(455,228)
Loans and Advance Taken	-	-	-	36,150,000	6,310,000	42,460,000
Demat Charges	(0)	(0)	(0)	(0)	(2,500,000)	(2,500,000)
	-	-	-	36,150,000	2,360,000	38,510,000
	(0)	(0)	(0)	(C)	(0)	(0)
	-	-	-	-	44,260	44,260
	(0)	(0)	(0)	(0)	(0)	(0)
	1,545,000	1,545,000	-	-	-	-
	(14,55,000)	(14,55,000)	(0)	(0)	(0)	(0)
Balances outstanding at the end of the year	-	-	-	-	-	-
Loans and Advance Taken	(0)	(0)	(0)	(0)	3,950,000	3,950,000
Demat Charges	-	-	-	-	(0)	(0)
	(0)	(0)	(0)	[562]	(0)	(562)

(*) Share Broking Firm.

The details of related party transaction have been given on the basis of information provided by the Management.

Note : Figures in bracket relates to the previous year.

THE METHONI TEA COMPANY LTD.

2.32 Defined Contribution Plan

Contribution to Defined Contribution Plan namely Provident Fund is made by both the employer and employees. Total Employer Contribution recognised as expense for the year amounts to ₹ 35,77,504/-.

Defined Benefit Plan

(Figures in ₹)

1.	Change of Benefit Organisation	Leave Encashment		Gratuity	
		2013-14	2012-13	2013-14	2012-13
	Liability at the beginning of the year	479,472	315,539	15,654,154	13,611,597
	Interest cost	43,152	26,032	1,408,874	1,122,957
	Current Service Cost	74,064	111,649	941,997	914,647
	Past Service Cost (Non Vested Funds)	-	-	-	-
	Past Service Cost (Vested Funds)	-	-	-	-
	Benefit Paid	(112,324)	(96,233)	(1,878,648)	(1,926,527)
	Actuarial (Gain) / Loss on Obligation	28,033	122,485	586,922	1,931,480
	Curtailements and Settlements	-	-	-	-
	Liability at the end of the year	512,397	479,472	16,713,299	15,654,154
II.	Fair Value of Plan Assets				
	Fair Value of Plan Assets at the beginning of the year	-	-	13,033,960	12,968,568
	Expected Return on Plan Assets	-	-	1,107,887	1,102,328
	Contributions	112,324	96,233	3,370,194	903,029
	Benefit Paid	(112,324)	(96,233)	(1,878,648)	(1,926,527)
	Actuarial (Gain) / Loss on Plan Assets	-	-	132,597	(13,438)
	Fair Value of Plan Assets at the end of the year	-	-	15,765,990	13,033,960
	Total Actuarial (Gain) / Loss to be Recognised	28,033	122,485	454,325	1,944,918
III.	Actual Return on Plan Assets				
	Expected Return on Plan Assets	-	-	1,107,887	1,102,328
	Actuarial (Gain) / Loss on Plan Assets	-	-	132,597	(13,438)
	Actual Return on Plan Assets	-	-	1,240,484	1,088,890
IV.	Amount Recognised in the balance Sheet				
	Liability at the end of the year	(512,397)	(479,472)	16,713,299	15,654,154
	Fair Value of Plan Assets at the end of the year	-	-	15,765,990	13,033,960
	Fund Status [Surplus / (Deficit)]	(512,397)	(479,472)	(947,309)	(2,620,194)
	Unrecognised Past Service Cost	-	-	-	-
	Amount Recognised in the Balance Sheet [Asset / (Liability)]	(512,397)	(479,472)	(947,309)	(2,620,194)
V.	Expenses Recognised in the Income Statement				
	Current Service Cost.	74,064	111,649	941,997	914,647
	Interest cost	43,152	26,032	1,408,874	1,122,957
	Expected Return on Plan assets	-	-	(1,107,887)	(1,102,328)
	Net Actuarial (Gain) / Loss to be Recognised	28,033	122,485	454,325	1,944,918
	Past Service Cost (Non Vested Benefit) Recognised	-	-	-	-
	Past Service Cost (Vested Benefit) Recognised	-	-	-	-

THE METHONI TEA COMPANY LTD.

	Effect of Curtailment or settlement	-	-	-	-
	Curtailments and Settlements	-	-	-	-
	Expenses Recognised in the Profit and Loss Account	145,249	260,166	1,697,309	2,880,194
VI.	Balance Sheet Reconciliation				
	Opening Net Liability	479,472	315,539	2,620,194	643,029
	Expense as above	145,249	260,166	1,697,309	2,880,194
	Employers Contribution	(112,324)	(96,233)	(3,370,194)	(903,029)
	Effect of Curtailment or settlement	-	-	-	-
	Amount Recognised in the Balance Sheet [Liability / (Asset)]	512,397	479,472	947,309	2,620,194
VII.	Actuarial Assumption				
	Discount Rate Current	8.25%	8.25%	9.00%	8.25%
	Rate of Return on Plan Assets Current	-	-	8.50%	8.50%
	Salary Escalation Current	5.00%	5.00%	5.00%	5.00%

The present value of obligation for gratuity is determined based on actuarial valuation using the Projected Unit Credit Method. The estimates of future salary increase, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply & demand in the employment market.

2.33 Based on intimation from vendors regarding their status under the Micro, Small and medium Enterprises Development Act, 2006 (MSMED Act) disclosures as required under section 22 of the said Act are as follows:

- The Principal amount and the interest due thereon remaining unpaid to any supplier as at 31st March, 2014 is ₹ NIL (₹ NIL), respectively.
- No Interest was paid by the Company in terms of section 16 of MSMED Act during the Year.
- There was no interest for delay in making payment beyond the appointed day;
- There is no interest accrued and remaining unpaid beyond the appointed day;
- No Interest is remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to micro, small and medium enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the aforesaid Act.

2.34 Quantitative Details

a) Installed capacity, actual production, turnover, opening and closing stocks of finished goods

Product	Year	Unit	Installed Capacity	Opening Stock		Actual Production Qty. (Kgs.)	Turnover*		Closing Stock**	
				Qty. (Kgs.)	Amount (₹)		Qty. (Kgs.)	Amount (₹)	Qty. (Kgs.)	Amount (₹)
Tea	31.03.14	Kgs	1,100,000	22,795	2,860,299	748,433	748,484	112,496,204	22,744	3,266,197
	31.03.13	Kgs	1,100,000	110,447	10,983,966	814,198	901,850	123,563,149	22,795	2,860,299
Tea Waste	31.03.14	Kgs	N.A	16,539	298,800	15,850	32,389	738,102	-	-
	31.03.13	Kgs	N.A	20,911	250,932	16,539	20,911	250,200	16,539	298,800

* Including Sample, Staff, Complimentary, Liquid, Labourers Tea, Breakages, Damages etc.

** As Certified by the Management.

THE METHONI TEA COMPANY LTD.

b) Raw material consumed		
Particulars	For the Year ended	For the Year ended
	31st March 2014	31st March 2013
Green leaf plucked and consumed (kgs.)*	3,321,855	3,626,286

*Green leaf plucked (being raw material consumed) were harvested in the Company's own estate as agricultural produce involving integrated activities of nursery, cultivation, growth, etc and utilized in the manufacture of tea and their values at the intermediate stage could not be ascertained.

2.35 Details of consumption of imported and indigenous items

Particulars	For the year ended	
	Amount (₹)	%age
<u>Imported</u>		
a) Stores, Spares and Tools consumed	-	-
	(-)	(-)
b) Packing Material Consumed	1,477,911	91.00
	(1,056,474)	(83.84)
<u>Indigenous</u>		
a) Stores, Spares and Tools consumed	145,902	100.00
	(402,174)	(100.00)
b) Packing Material Consumed	146,181	9.00
	(203,649)	(16.16)

Note: Figures / percentages in bracket relates to the previous year.

2.36 The expenditure in foreign currency towards cost of materials was ₹ 6,57,215/- (Previous Year ₹ 6,76,075/-).

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

SHUBHAM DAGA, FCA, Partner
 Membership No. : 063574
 For & On behalf of
DHANDHANIA & ASSOCIATES
 Chartered Accountants
 Registration No. : 316052E

Place : Kolkata
 Dated : 30th Day of May, 2014

R. P. BUBNA | **Whole Time Director**

S. BUBNA | **Managing Director**

H. M. PAREKH | **Directors**

P. TUSNIAL

THE METHONI TEA COMPANY LTD.

CIN : L15492WB1929PLC006618

Registered Office : 75C, Park Street, 1st Floor, Kolkata - 700 016

Tele Fax No. : 91-33-2249-6587, E-mail : methoni@methonitea.com

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the members (s) :

Registered address :

E-mail ID :

Folio No / Client ID :

DP ID :

I / We, being the member(s) of shares of the above named company, hereby appoint

1. Name : Address :
E-mail ID : Signature , or failing him
2. Name : Address :
E-mail ID : Signature , or failing him
3. Name : Address :
E-mail ID : Signature

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the Annual General Meeting of the Company to be held on Friday, 29th August, 2014 at 10:30 a.m. at MCC Chamber of Commerce & Industry, 15B, Hemanta Basu Sarani, 2nd Floor, Kolkata - 700 001 and at any adjomment thereof in respect of resolutions as the indicated below :

Resolution No.	Resolution Proposed	Optional*	
		For	Against
	Ordinary Business		
1.	Adoption of Financial Statement, Reports of the Board of Directors and Auditors		
2.	Appointment of Mr. Rajendra Prasad Bubna, as a Director, liable to retire by rotation		
3.	Appointment of Auditors		
	Special Business		
4.	Appointment of Mr. H. M. Parekh as an Independent Director		
5.	Appointment of Mr. P. Tushial as an Independent Director		
6.	Fixation of remuneration of Cost Auditor		

Signed this day of 2014.

Signature of shareholder Signature of Proxy holder(s)

Affix
Revenue
Stamp

- Note : 1. **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**
2. For the text of the Resolutions, Explanatory Statement & Notes, please refer to the Notice convening the Annual General Meeting dated 30th May, 2014
3. *It is optional to put 'X' in the appropriate colume against the Resolutions indicated in the Box. If you leave The 'For' or 'Against' column blank against any or all resolution, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

THE METHONI TEA COMPANY LTD.

THE METHONI TEA COMPANY LIMITED

CIN : L15492WB1929PLC006618

Registered Office :

75C, Park Street, 1st Floor, Kolkata - 700 016

ATTENDANCE SLIP

Regd. Folio / DP ID & Client ID	
Number of Shares Held	
Name	
Address of the Shareholder	

1. I hereby record my presence at the Annual General Meeting of the Company, to be held on the 29th of August, 2014 (Friday) at 10.30 A.M. at MCC Chamber of Commerce & Industry, 15B, Hemanta Basu Sarani, 2nd Floor, Kolkata - 700 001.

2. Signature of the Shareholder / Proxy Present.

--

3. Shareholder / Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and handover at the entrance duly signed.

4. Shareholder / Proxy holder desiring to attend the meeting may bring his / her copy of Annual Report for reference at the meeting.

5. E-Voting details :

EVSN	User ID	Passwórd
140710004	Please refer e-Voting Instructions in the Notice	

6. E-Voting Facility is available during the following voting period :

Commencement of E-Voting	End of E-Voting
23rd August, 2014 from 9.00 A.M.	25th August, 2014 till 6.00 P.M.

PRINTED MATTER - BOOK POST

If undelivered, please return to :
THE METHONI TEA CO. LTD.
75-C, Park Street (1st Floor)
Kolkata - 700 016