

**The Methoni Tea Company Limited**



**Report and Accounts  
for the year  
Ended 31st March  
2016**

## Corporate Information

### Board of Directors

Rajendra Prasad Bubna  
Anirudha Bubna  
Anita Bubna  
Prahlad Lal Jain  
Sona Goenka

### Auditors :

Dhandhania & 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](mailto: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](mailto:methonite@rediffmail.com)

### Stock Exchange (Listing Fees Paid upto 2015-16)

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

### Registrars & Share transfer Agents

Maheshwari Datamatics Pvt Ltd.  
6, Mangoe Lane, 2<sup>nd</sup> Floor  
Kolkata: 700001  
Phone : 2243-5029, 2243-5809  
Fax : 91-33-2248 4787  
e-mail : [mdpl@cal.vsnl.net.in](mailto:mdpl@cal.vsnl.net.in)

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## THE METHONI TEA COMPANY LTD.

### NOTICE

NOTICE is hereby given that the 87<sup>th</sup> Annual General Meeting of the Members of THE METHONI TEA COMPANY LTD., will be held on Monday, the 26<sup>th</sup> September, 2016 at 10.30A.M. at the MCC Chamber of Commerce & Industry, 15B, Hemanta Basu Sarani, 2<sup>nd</sup> Floor, Kolkata-700 001 to transact the following business:

### ORDINARY BUSINESS

1. To consider and adopt the audited standalone financial statement of the company for the Financial Year ended March 31, 2016, the reports of the Board of Directors and Auditors thereon.
2. To consider and adopt the audited consolidated financial statement of the company for the Financial Year ended March 31, 2016, the reports of the Auditors thereon.
3. To appoint a Director in place of Mr. Rajendra Prasad Bubna (DIN No 00180543) who retires by rotation and being eligible, offer himself for re-appointment.
4. To ratify the appointment of auditor of the company and to fix their remuneration and to pass the following resolution as an Ordinary Resolution ;

**"RESOLVED** that pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, pursuant to the recommendations of the Audit Committee of the Board of Directors and pursuant to the resolution passed by the members at the AGM held on 29<sup>th</sup> August, 2014, the appointment of M/s Dhandhania 85 Associates, Chartered Accountants (Registration No.316052E) as the Statutory Auditors of the Company to hold office till the conclusion of AGM to be held in the calendar year 2017 be and is hereby ratified and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending March 31, 2017, in consultation with the Auditors."

### SPECIAL BUSINESS

5. Re-appointment of Mr. Rajendra Prasad Bubna (DIN No 00180543) as the Whole-time Director. To consider if thought fit, to pass with or without modification(s) the following resolution as Special Resolution:

**'RESOLVED THAT** pursuant to the provisions of Section 196, 197 and 203 and other applicable provisions of the Companies Act, 2013 read with Schedule V of the said Act (including any statutory modifications or re-enactment thereof for the time being in force) the re-appointment of Mr. Rajendra Prasad Bubna (DIN No 00180543) as the Whole-time Director of the Company for a period of five years with effect from 1<sup>st</sup> day of February,

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2016 be and is hereby approved upon the terms and conditions contained in the Agreement approved by a resolution passed by the Board of Directors of the Company and as set out in the Explanatory Statement attached to this notice.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to alter and vary the terms and conditions of the said agreement in such manner as may be agreed to by the Board and Mr. Rajendra Prasad Bubna (DIN No 00180543) but so as not to exceed the limits specified in Schedule V of the Companies Act, 2013 or any amendments thereto or enactments thereof, with effect from such date as may be decided by it”

6. Appointment of Mr. Anirudha Bubna (DIN No 06842250) as the Managing Director. To consider if thought fit, to pass with or without modification(s) the following resolution as Special Resolution;

**“RESOLVED THAT** pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made there under, read with Schedule IV to the Companies Act, 2013, Mr. Anirudha Bubna (DIN No 06842250), who was appointed as an Additional Director of the Company by the Board of Directors with effect from October 08, 2015 and who holds office until the date of the AGM, in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Anirudha Bubna (DIN No 06842250) as a candidate for the office of a director of the company, be and is hereby appointed as Director of the Company who liable to retire by rotation.”

**“RESOLVED FURTHER THAT** pursuant to the provisions of Section 196, 197 and 203 and other applicable provisions of the Companies Act, 2013 read with Schedule V of the said Act (including any statutory modifications or re-enactment thereof for the time being in force), appointment of Mr. Anirudha Bubna (DIN No 06842250) as the Managing Director of the Company for a period of five years with effect from 1<sup>st</sup> day of February, 2016 be and is hereby approved upon the terms and conditions contained in the Agreement approved by a resolution passed by the Board of Directors of the Company and as set out in the Explanatory Statement attached to this notice.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to alter and vary the terms and conditions of the said agreement in such manner as may be agreed to by the Board and Mr. Anirudha Bubna (DIN No 06842250) but so as not to exceed the limits specified in Schedule V of the Companies Act, 2013 or any amendments thereto or enactments thereof, with effect from such date as may be decided by it”.

7. Appointment of Mrs. Anita Bubna (DIN No 00180704) as a Director liable to retire by rotation. To consider and if thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution:

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**"RESOLVED THAT** pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made there under, read with Schedule IV to the Companies Act, 2013, Mrs. Anita Bubna (DIN No 00180704), who was appointed as an Additional Director of the Company by the Board of Directors with effect from October 08, 2015 and who holds office until the date of the AGM, in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mrs. Anita Bubna (DIN No 00180704) as a candidate for the office of a director of the company, be and is hereby appointed as Director of the Company who liable to retire by rotation".

8. Appointment of Mr. Prahlad Lai Jain (DIN No 00944702) 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. Prahlad Lai Jain (DIN 00944702), 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 08<sup>th</sup> October, 2015 to 07<sup>th</sup> October, 2020".

9. Appointment of Mrs. Sona Goenka (DIN No 07147090) 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. Mrs. Sona Goenka (DIN 07147090), a non-executive Director of the Company, who has submitted a declaration that she 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 08<sup>th</sup> October, 2015 to 07<sup>th</sup> October, 2020".

**Registered Office:**  
75C, Park Street (1<sup>st</sup> Floor)  
Kolkata-700016.  
Dated 28<sup>th</sup> day of May, 2016

By Order of the Board

**CIN: L15492WB1929PLC006618**

**ANIRUDHA BUBNA**  
DIN No 06842250  
MANAGING DIRECTOR

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### NOTES:

- i) **A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the company not less than forty-eight hours before the commencement of the Meeting.**
- A person can act as a proxy on behalf of member not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- ii) Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- iii) The Register of Members and Transfer Books of the Company will be closed from Tuesday, 20<sup>th</sup> September, 2016 to Monday, 26<sup>th</sup> September, 2016 (both days inclusive).
- iv) Members are hereby informed that the Securities & Exchange Board of India (SEBI) in terms of Circular No. CIR/MRD/DP/10/2013 dated 21<sup>st</sup> 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 on 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 MICR No., 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.
- v) 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.
- vi) 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.

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- vii) 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.
- viii) 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.
- ix) 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.
- x) 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.
- xi) 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 Investor Education and Protection Fund (the IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 28, 2015.
- xii) Section 72 of the companies Act, 2013, extends the nomination facility to individual shareholders of the company. Therefore, the shareholders holding Share certificates in physical form and willing to avail this facility may make nomination in Form SH 13, which may be sent on request. However, in case of demat holdings, the shareholders should approach to their respective depository participant for making nominations.
- xiii) Pursuant to the provisions of Section 205A read with Section 205C of the Companies Act, 1956 and Sections 125 and 125 of the Act, dividends for the financial year ended on 31<sup>st</sup> March, 2009 and thereafter, which remain unpaid or unclaimed for a period of 7 years will be transferred to the 'Investor Education and Protection Fund' (IEPF) constituted by the Central Government Members, who have not encashed their dividend, warrant(s) for the Financial Year ended 31<sup>st</sup> March, 2009 or any subsequent Financial Year(s) are urged to claim such amount from the Share Department of the Company/Registrar and Share Transfer Agent.

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xiv) The last dates of claim for the following dividends are as follows:

<b>Dividend for the Financial Year ended</b>	<b>Last date of claiming unpaid Dividend</b>
2008-2009	18 <sup>th</sup> September, 2016
2009-2010	26 <sup>th</sup> August, 2017
2010-2011	28 <sup>th</sup> August, 2018
2011-2012	23 <sup>rd</sup> September, 2019
2012-2013	08 <sup>th</sup> September, 2020

xv) A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto. The relevant details of Directors seeking appointment/reappointment under Item No. 3 and 5 to 9 above pursuant to Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 is also annexed hereto.

xvi) **Voting Options :-**

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).

**(1) The instructions for shareholders voting electronically are as under:**

- (i) The remote e-voting period begins on 23<sup>rd</sup> September, 2016 (9.00 A.M) and ends on 25<sup>th</sup> September, 2016 (5.00 P.M) During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off dated 19<sup>th</sup> September, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. The facility for voting through ballot paper / polling paper shall be made available at the AGM and the members as on the "cut-off date", attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right to vote at the meeting through ballot paper / polling paper.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period
- (iii) Click on "Shareholders" tab.
- (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.



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- (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](http://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:

<b>For Members holding shares in Demat Form and Physical Form</b>	
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"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 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.</li> </ul>
DOB	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.
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"> <li>• 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 as mentioned in instruction (vii)</li> </ul>

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

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- (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 same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non-Individual Shareholders and Custodians
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) Institutional Members/ Bodies Corporate (i.e. other than individuals, HUF; NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies)

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who are authorized to vote through email at [dhanuka419@yahoo.co.in](mailto:dhanuka419@yahoo.co.in) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) on or before 25<sup>th</sup> September, 2016 upto 5 p.m., without which the vote shall not be treated as valid.

- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

### (2) Other Instructions

- i) M/s K.C.Dhanuka & Co., Company Secretaries (Membership No. FCS 2204) has been appointed as the Scrutinizer to scrutinize the remote e-voting process as well as Physical voting at the venue of the meeting in a fair and transparent manner.
- ii. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- iii. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- iv. The Results declared alongwith the report of the Scrutinizer shall available at registered office of the Company during working hours and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Calcutta Stock Exchange Limited.

All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company,

This Notice has been updated with the instructions for voting through electronic means as per the Amended Rules 2015.

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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. 5 to 9 of the accompanying Notice:

#### **Items Nos. 5**

Mr. Rajendra Prasad Bubna (DIN No 00180543) was appointed as Whole-time Director of the Company for a period of 5 years from 01<sup>st</sup> February, 2011 to 31<sup>st</sup> January, 2016 which was approved by the Shareholders in the meeting held on 22<sup>nd</sup> July, 2011.

In view of excellent contribution made by Mr. Rajendra Prasad Bubna (DIN No 00180543) towards the growth of the company, the Board of Directors, on the recommendations of the Nomination and Remuneration Committee, at its meeting held on 12<sup>th</sup> February, 2016, have re-appointed him as Whole-time Director for a period of five years with effect from 01<sup>st</sup> February, 2016 to 31<sup>st</sup> January, 2021, subject to the approval of shareholders of the company in the next General Meeting of the Company, without any remuneration. Further, based on the recommendations of the Nomination and Remuneration Committee, the Board at its meeting held on 28<sup>th</sup> May, 2016, revised the terms and conditions of Mr. Rajendra Prasad Bubna (DIN No 00180543), as follows with effect from 01<sup>st</sup> April, 2016 to 31<sup>st</sup> January, 2021, subject to the approval of shareholders of the company in the next General Meeting of the Company, which is in accordance with Schedule V of the Companies Act, 2013.

An abstract of the remuneration payable to him as Whole-time Director of the Company under the Agreement is given below: -

#### **i. Salary**

Rs.1,00,000/- (Rupees One Lac only) per month w.e.f. 01.04.2016 till 31.01.2021.

#### **ii. Perquisites:** In addition to salary, the Whole Time Director shall be entitled to the following perquisites:

a) **Housing:** Rent Free Furnished Accommodation or in lieu thereof House Rent Allowance at 50% of the salary w.e.f. 01.04.2016 till 31.01.2021. Where accommodation is provided by the Company, the expenditure on Gas, Electricity, Water, Furnishings and Other Utilities to be borne/reimbursed by the Company shall be evaluated as per the provisions of the Income Tax Act, 1962 and in the absence of any such provisions, the perquisites shall be evaluated at actual cost.

(b) **Medical Reimbursement:** The reimbursement of medical expenses incurred by self and family of the Whole Time Director, subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.

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- (c) **Leave Travel Concession:** For self and family once in a year.
- (d) **Club Fees:** Fees of clubs subject to a maximum of two clubs.
- (e) **Leave:** One month leave for every eleven months service with full pay and allowance as per Rules of the Company.
- (f) **Personal Accident Insurance:** Premium not to exceed Rs. 10,000/- per annum.
- (g) **Car:** Facility of Company Car with Driver.
- (h) **Telephone:** Provision of telephone at residence.

**Note:** Provision of car with driver for use of on Company's business and telephone will not be considered as perquisites. However, personal long distance calls and use of cars for private purpose shall be billed by the Company.

### iii) **Other Benefits:**

In addition to the above perquisites, the Whole Time Director shall also be entitled to the following benefits, which shall not be included in the computation of ceiling on remuneration specified above:

- (a) **Provident Fund :** Company's Contribution towards Provident Fund at the rate of 12% or such rate as per Rules as may be applicable to the employees of the Company.
- (b) **Superannuation Fund :** Company's contribution subject to a maximum of 15% of the salary for every completed year of service.
- (c) **Gratuity :** As per the Payment of Gratuity Act, 1972.
- (d) **Leave Encashment :** At the end of the tenure.

- iv) The Whole Time Director shall be entitled to a minimum remuneration by way of salary and perquisites as specified above in the event of loss or inadequacy of profits in any year.

A copy of the Agreement will be available for inspection by the Members at the Registered Office of the Company on any working day prior to the date of the meeting between 11.00 a.m. and 5.00 p.m. and will also be available at the meeting.

Other than Mr. Anirudha Bubna (DIN No 06842250) and Mrs. Anita Bubna (DIN No 00180704), none of the Directors, Key Managerial Personnel of the company or their relatives are concerned or interested in the aforesaid re-appointment and remuneration.

**Items Nos. 6**

Mr. Anirudha Bubna (DIN No 06842250), was appointed on 8<sup>th</sup> October, 2015, as an Additional Director of the Company to hold office till the date of the ensuing Annual General Meeting. The Company has received a Notice in writing from a member along with the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Anirudha Bubna (DIN No 06842250) for the office of a Director of the Company.

The Board of Directors, on the recommendations of the Nomination and Remuneration Committee, at its meeting held on 12<sup>th</sup> February, 2016, have appointed Mr. Anirudha Bubna (DIN No 06842250) as Managing Director for a period of five years with effect from 01<sup>st</sup> February, 2016 to 31<sup>st</sup> January, 2021, subject to the approval of shareholders of the company in the next General Meeting of the Company, without any remuneration. Further, based on the recommendations of the Nomination and Remuneration Committee, the Board at its meeting held on 28<sup>th</sup> May, 2016, revised the terms and conditions of Mr. Anirudha Bubna (DIN No 06842250), as follows with effect from 01<sup>st</sup> April, 2016 to 31<sup>st</sup> January, 2021, subject to the approval of shareholders of the company in the next General Meeting of the Company, which is in accordance with Schedule V of the Companies Act, 2013.

An abstract of the remuneration payable to him as Managing Director of the Company under the Agreement is given below:-

- i. **Salary**  
Rs.1,00,000/- (Rupees One Lac only) per month w.e.f. 01.04.2016 till 31.01.2021.
- ii. **Perquisites:** In addition to salary, the Managing Director shall be entitled to the following perquisites:
  - a) **Housing:** Rent Free Furnished Accommodation or in lieu thereof House Rent Allowance at 50% of the salary w.e.f. 01.04.2016 till 31.01.2021. Where accommodation is provided by the Company, the expenditure on Gas, Electricity, Water, Furnishings and Other Utilities to be borne/reimbursed by the Company shall be evaluated as per the provisions of the Income Tax Act, 1962 and in the absence of any such provisions, the perquisites shall be evaluated at actual cost.
  - (b) **Medical Reimbursement:** The reimbursement of medical expenses incurred by self and family of the Managing Director, subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.
  - (c) **Leave Travel Concession:** For self and family once in a year.
  - (d) **Club Fees:** Fees of clubs subject to a maximum of two clubs.

## THE METHONI TEA COMPANY LTD.

- (e) **Leave:** One month leave for every eleven months service with full pay and allowance as per Rules of the Company.
- (f) **Personal Accident Insurance:** Premium not to exceed Rs. 10,000/- per annum.
- (g) **Car:** Facility of Company Car with Driver.
- (h) **Telephone:** Provision of telephone at residence.

**Note:** Provision of car with driver for use of on Company's business and telephone will not be considered as perquisites. However, personal long distance calls and use of cars for private purpose shall be billed by the Company.

iii) **Other Benefits :**

In addition to the above perquisites, the Managing Director shall also be entitled to the following benefits, which shall not be included in the computation of ceiling on remuneration specified above:

- (a) **Provident Fund :** Company's Contribution towards Provident Fund at the rate of 12% or such rate as per Rules as may be applicable to the employees of the Company.
  - (b) **Superannuation Fund :** Company's contribution subject to a maximum of 15% of the salary for every completed year of service.
  - (c) **Gratuity :** As per the Payment of Gratuity Act, 1972.
  - (d) **Leave Encashment :** At the end of the tenure.
- iv) The Managing Director shall be entitled to a minimum remuneration by way of salary and perquisites as specified above in the event of loss or inadequacy of profits in any year.

A copy of the Agreement will be available for inspection by the Members at the Registered Office of the Company on *any* working day prior to the date of the meeting between 11.00 a.m. and 5.00 p.m. and will also be available at the meeting.

Other than Mr. Rajendra Prasad Bubna (DIN No 00180543) and Mrs. Anita Bubna (DIN No 00180704), none of the Directors, Key Managerial Personnel of the company or their relatives are concerned or interested in the aforesaid appointment and remuneration.

### Items Nos. 7

Mrs. Anita Bubna (DIN No 00180704), was appointed on 8<sup>th</sup> October, 2015, as an Additional Director of the Company to hold office till the date of the ensuing Annual General Meeting.

**THE METHONI TEA COMPANY LTD.**

The Company has received a Notice in writing from a member along with the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Mrs. Anita Bubna (DIN No 00180704) for the office of a Director of the Company.

The Board accordingly, recommends the Resolutions set out in Item No 7 of the Notice for approval of the Members.

No Other Directors of the Company except Mr. Rajendra Prasad Bubna (DIN No 00180543) and Mr. Anirudha Bubna (DIN No 06842250) is concerned or interested in the Resolution at item No 7 of the Notice.

**Item Nos. 8 & 9**

The Company had, pursuant to the provisions of section 149 of the Companies Act, 2013, appointed Mr. Prahlad Lal Jain (DIN No 00944702) and Mrs. Sona Goenka (DIN 07147090), as Independent directors of the Company.

The Board of directors has recommended the appointment of these directors as Independent Directors from 08<sup>th</sup> October, 2015 to 07<sup>th</sup> October, 2020.

Mr. Prahlad Lal Jain (DIN No 00944702) and Mrs. Sona Goenka (DIN 07147090), 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.

**Registered Office:**  
75C, Park Street (1<sup>st</sup> Floor)  
Kolkata-700016.  
Dated 28<sup>th</sup> day of May, 2016

**CIN: L15492WB1929PLC006618**

By Order of the Board

**ANIRUDHA BUBNA**  
DIN No 06842250  
MANAGING DIRECTOR



**DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT Pursuance to Regulation 36(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015**

Name of the Director(s)	RAJENDRA PRASAD BUBNA	ANITA BUBNA	ANIRUDHA BUBNA	SONA GOENKA	PRAHLAD LAL JAIN
DIN	00180543	00180704	06842250	07147090	00944702
Date of Birth	19/04/1957	16/07/1961	17/04/1990	04/09/1978	05/07/1939
Qualifications	B Com	B Com	B Com (Hns)	B Com	B Com
Expertise in Specific functional areas	Business. He has an experience of more than 10 years in Tea Industry.	Business. She is having varied experience in Tea and Investment Business.	Business. He is a graduate from St. Xaviers College, having wide knowledge about finance, accounting and taxation.	Business. She is having knowledge in the field of taxation and capital market.	Business. He is having wide knowledge about finance and marketing.
Directorship in the other companies (excluding foreign companies)	Monet Securities Private Limited, Unistock Commodities Private Limited, M. Prasad and Co Limited, Mace Developers Private Limited, Ata Estates Limited, Priavte Stately Realty Private Limited, Daytona Realty Private Limited, Montreux Properties Private Limited.	Ata Estates Private Limited, M. Prasad and Co Limited, Mace Developers Private Limited.	Monet Securities Private Limited, Unistock Commodities Private Limited, M. Prasad and Co Limited, Mace Developers Private Limited, Stately Realty Private Limited, Daytona Realty Private Limited, Montreux Properties Private Limited.	Gyan Traders Limited	Gyan Traders Limited, Kirti Niketan Private Limited, Sukhvarsha Distributors Private Limited.
Chairman/Member of the Committees of the Board of Directors of other Companies in which he is a Director(excluding in foreign companies).	NIL	NIL	NIL	NIL	NIL
Details of shareholding (both own or held by/for other persons on a beneficial basis), if any, in the Company	83,000	83,000	82,188	N.A	N.A

**THE METHONI TEA COMPANY LTD.**

**Directors' Report for the Financial Year 2015-16**

To

The Members

Your Directors have pleasure in presenting their 87th Annual Report on the business and operations of the Company together with the Audited Statement of Accounts for the year ended March, 31<sup>st</sup> 2016.

**1. Financial Highlights**

	(Figures in ₹)	
	2015-16	2014-15
Turnover and other income	95,968,286	102,100,964
Profit / (Loss) before interest and Depreciation	(30,241,366)	(24,516,528)
Interest	1,198,924	1,574,437
Depreciation	3,863,855	5,372,198
<b>Profit/(Loss) for the year before Exceptional &amp; Extraordinary Items</b>	<b>(35,304,145)</b>	<b>(31,463,163)</b>
<b>Provision for tax</b>		
- Current tax	-	-
- Deferred tax	385,922	(7,997,037)
- Tax for Earlier Year	(2,773,440)	188,369
<b>Profit/(Loss) after tax</b>	<b>(32,916,627)</b>	<b>(23,654,495)</b>
Add : Balance B/F from the previous year	13,187,739	37,612,377
Balance Profit / (Loss) C/F to the next year	(19,728,888)	13,187,739

**2. Performance Review**

During the year under review, your Company achieved net Sales of Rs. 930.97 Lacs and recorded a Net Profit/(Loss) after tax of Rs.(329.17) Lacs compared to previous year's net Sales of Rs.973.93 Lacs and Net Profit/(Loss) after tax of Rs.(236.55) Lacs .

The total tea manufactured for the year under review was lower at 5.27 Lac Kg as against 7.32 Lac Kg in the previous year due to adverse weather conditions. The average sale price realised was Rs. 163.00 per Kg, as against Rs. 140.00 per Kg for the previous year.

Trading result for the year is adverse due to huge loss of crop accompanied with high cost of production including increase in wages & salary.

**3. Dividend**

Your Directors regret to recommend the declaration of any Dividend for the year in view of loss during the year.

**4. Reserves**

Due to loss during the year, the Company does not recommend transfer of any amount to reserves.

**5. Future Prospects**

The 2016 season augurs well for tea prices for Orthodox teas with better quality teas likely to fetch further premium. The quality initiatives taken by the Company has resulted in very good quality and has been appreciated by the market as is evident from the price realization. The dark sides of the scene being unfavourable weather at the beginning of the season followed by heavy rains, resulting in infestation and lower crop trend.

**6. Consolidated Financial Statements**

The Consolidated Financial Statements of the Company are prepared in accordance with relevant Accounting Standards viz. AS-21, AS-23 and AS-27 issued by the Institute of Chartered Accountants of India and forms an integral part of this Report.

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of Subsidiaries/ Associate Companies/ Joint Ventures is given in Form AOC-1 and forms an integral part of this Report..

**7. Change in the Nature of Business, if any :**

There was no change in the nature of business of the Company during the year.

**8. Material Changes and Commitments after the Balance Sheet date :**

There had been no material changes & Commitments effecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

**9. Significant and Material Orders Passed by the Regulators or Courts**

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

**10. Deposits**

During the financial year under review, the Company has not accepted any deposits, within the meaning of Section 73 and 76 of the Companies Act, 2013, read together with the Companies (Acceptance of Deposits) Rules, 2014.

**11. Internal control systems and their Adequacy**

The Company has adequate system of internal control to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported

## THE METHONI TEA COMPANY LTD.

to the Management. The company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements. The internal auditor of the company checks and verifies the internal control and monitors them in accordance with policy adopted by the company.

### 12. Details of Subsidiary, Joint Venture or Associates

The Company does not have any subsidiary, joint venture. Monet Securities Pvt Ltd is the Associate Company of The Methoni Tea Co Ltd (Holding 40.27% Shares of Monet Securities Pvt Ltd). During the year under review, there has been no change in the subsidiary, joint venture or associate of the company.

### 13. Statutory Auditors

M/s. Dhandhanias & Associates (Firm Registration No.316052E), Chartered Accountants, was appointed as Statutory Auditors of the Company at the Annual General Meeting held on 29<sup>th</sup> August, 2014 for period of three years subject to ratification by members at every consequent Annual General Meeting. Therefore, ratification of appointment of Statutory Auditors is being sought from the members of the company at the ensuing AGM.

### 14. Auditors' Report

The observation made in the Auditor's Report were explained in the relevant notes of accounts.

### 15. Share Capital

The Paid-up Equity Share Capital as on March 31, 2016 was Rs.40.80 Lacs. During the year under review the company has not issued any shares or any convertible instruments.

### 16. Extract of the Annual Return

The extract of the Annual Return is prepared in Form MGT-9 as per the provisions of the Companies Act, 2013 and Rule 12 of the Companies Management and Administration Rules, 2014 and the same is enclosed as "Annexure-1" to this Report.

### 17. Conservation of energy, technology absorption and foreign exchange earnings and outgo

Information with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to Section 134(3)(m) of the Act read with Companies (Accounts) Rules, 2014 is prepared and the same is enclosed as "Annexure-2" to this Report.

### 18. Corporate Social Responsibility (CSR)

The provisions of section 135 of the Companies Act, 2013 related to corporate social responsibility is not applicable to the company.

### 19. Directors and Key Management Personnel:

#### (a) Changes among Directors and Key Management Personnel, during the year:

In accordance with the provisions of Article's of Association of the Company, Mr Rajendra Prasad

## THE METHONI TEA COMPANY LTD.

Bubna, Director (DIN-00180543) of the Company, is liable to retire by rotation and being eligible, offer himself for re-appointment. The Board recommends his appointment with a view to avail his valuable advices and wise counsel. The existing term of Mr. Rajendra Prasad Bubna, Director (DIN-00180543) has been completed on 31<sup>st</sup> January, 2016 and based on the recommendations of the Nomination and Remuneration Committee, he has been re-appointed as the Whole-time director of the Company, with effect from 01<sup>st</sup> February, 2016, for a term of 5 years, subject to the approval of the members in the ensuing Annual General Meeting of the Company.

Mr. Anirudha Bubna (DIN-06842250) and Mrs. Anita Bubna (DIN-00180704) has been inducted on the Board of the Company with effect from 8<sup>th</sup> October, 2015 as Additional Directors, subject to regularisation/approval of the members in the ensuing Annual General Meeting. The Company has received notice from a shareholder alongwith requisite amount pursuant to Section 160 of the Companies Act, 2013 proposing appointment of Mr. Anirudha Bubna (DIN-06842250) and Mrs. Anita Bubna (DIN-00180704) as Director of the Company. Appropriate resolution seeking his appointment is appearing in the Notice convening the Annual General Meeting of the Company. Further, based on the recommendations of the Nomination and Remuneration Committee, Mr. Anirudha Bubna (DIN-06842250) has been appointed as the Managing Director of the Company, with effect from 01<sup>st</sup> February, 2016, for a term of 5 years, subject to the approval of the members in the ensuing Annual General Meeting of the Company.

Mr. Prahlad Lal Jain (DIN-00944702) & Mrs Sona Goenka (DIN-07147090) both been inducted on the Board of the Company with effect from 8<sup>th</sup> October, 2015 as Additional cum Independent Directors, subject to regularisation/approval of the members in the ensuing Annual General Meeting for a term of 5 years with effect from their date of appointment. The Company has received notice from a shareholder pursuant to Section 160 of the Companies Act, 2013 alongwith requisite amount proposing the appointment of Mr. Prahlad Lal Jain (DIN-00944702) & Mrs Sona Goenka (DIN-07147090) as Directors of the Company. Appropriate resolution seeking their appointment is appearing in the Notice convening the Annual General Meeting of the Company.

Mr. Sanjeev Bubna (DIN-00031225), Mrs. Rashmi Bubna (DIN-00180739), Mr. Manoj Lunia (DIN-00158912) and Mr. Pradip Tusnial (DIN-00272283), resigned from the Board and their resignation was accepted by the Board in their meeting held on 08-10-2015. The Board places on record their deep sense of appreciation for their valuable advice and guidance during their association with the Company.

**(b) Declaration by Independent Directors:**

All the Independent Directors have submitted their declarations of independence pursuant to Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as laid down in section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**(c) Familiarization Programme undertaken for Independent Directors**

The Independent Directors are familiarized with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the

## THE METHONI TEA COMPANY LTD.

Company, etc. On appointment, the Independent Director is issued a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. Each newly appointed Independent Director is taken through a formal induction programme on the Company's operations, marketing, finance and other important aspects.

### **20. Number of meetings of the Board of Directors**

During the Financial Year 2015-16 the Board met 5 (Five) times on 30<sup>th</sup> May, 2015, 14<sup>th</sup> August, 2015, 8<sup>th</sup> October, 2015, 7<sup>th</sup> November, 2015, 12<sup>th</sup> February, 2016.

### **21. Meeting of the Independent Directors**

During the year under review, a meeting of Independent Directors was held on 7<sup>th</sup> November, 2015 wherein the performance of the non-independent directors and the Board as a whole was reviewed. The Independent Directors at their meeting also assessed the quality, quantity and timeliness of flow of information between the Company management and the Board of Directors of the Company.

### **22. Audit Committee**

The Audit Committee was reconstituted in compliance of the provisions of section 177 of the Companies Act, 2013 comprising of three Directors. The Committee functions under the Chairmanship of Mr. Prahlad Lal Jain (DIN-00944702), a non-executive Independent Director. Other members of the Committee are Mrs Sona Goenka (DIN-07147090) and Mrs. Anita Bubna (DIN-00180704). The Committee was reconstituted on 8<sup>th</sup> October, 2015.

The Board has accepted all the recommendations made by the Audit Committee.

### **23. Nomination and Remuneration**

Remuneration Committee was reconstituted by the Board of Directors to consider, analyse, determine and approve on behalf of the Board and on behalf of the shareholders the remuneration to be paid to the Executive Directors of the Company. The Committee functions under the Chairmanship of Mr. Prahlad Lal Jain (DIN-00944702), a non-executive Independent director. The other members of the committee are Mrs. Sona Goenka (DIN-07147090) and Mrs. Anita Bubna (DIN-00180704). The Committee consider the remuneration of the appointing Director after considering there qualifications and experience etc.

### **24. Policy on Directors' Appointment And Remuneration:**

A Nomination and Remuneration Policy has been formulated pursuant to the provisions of Section 178 and other applicable provisions of the Companies Act, 2013 and Rules thereto stating therein the Company policy on Directors' appointment and remuneration by the Nomination and Remuneration Committee which was approved by the Board of Directors at its meeting held on 30<sup>th</sup> March, 2015. The said Policy is appended as "Annexure-3" to this Report.

### **25. Particulars of loans, guarantees or investments under section 186**

The particulars of loans, guarantee and investments have been disclosed in the financial statement.

## THE METHONI TEA COMPANY LTD.

### **26. Particulars of contracts or arrangements with related parties:**

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on arm's length basis. During the year, the Company had not entered into any contract/arrangement/transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

Your Directors draw attention of the members to Note 2.31 to the financial statement which sets out related party disclosures.

### **27. Secretarial Audit Report**

The provisions of Section 204 read with Section 134(3) of the Companies Act, 2013 mandates Secretarial Audit of the Company for the financial year 2015-2016 by a Company Secretary in Practice and accordingly the Board have appointed M/s K C Dhanuka & Co Practicing Company Secretaries C.P.No: 1247 as Secretarial Auditor to conduct Secretarial audit of the Company for the Financial year ended on 31st March, 2016.

Secretarial Audit Report issued by M/s K C Dhanuka & Co Practicing Company Secretaries in form MR-3 is enclosed as "Annexure-4" to this Annual Report which is self explanatory & the company is taking necessary steps to regularise the same.

### **28. Corporate Governance Certificate**

Regulation 34(3) read with schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable to the Company.

### **29. Management Discussion & Analysis Report**

In terms of the provisions of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management's discussion and analysis is set out in this Annual Report. The said report is appended as "Annexure-5" to this Report.

### **30. Additional disclosures pursuant to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015:**

The Business Responsibility Reporting as required by Regulation 34(2) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, is not applicable to your Company for the financial year ending March 31, 2016.

### **31. Risk Management Policy**

The Company has identified various risks faced by the Company from different areas. Appropriate structures are present so that risks are inherently monitored and controlled inter alia through strict quality assurance measures.

## THE METHONI TEA COMPANY LTD.

The Company has adequate internal control system and procedures to combat risks. The risk management procedure is reviewed by the Audit Committee and Board of Directors on a quarterly basis at the time of review of quarterly financial results of the Company.

### 32. Annual evaluation of the Board :

Evaluation of all Board members is done on an annual basis. The evaluation is done by the Board, Nomination and Remuneration Committee and Independent Directors with specific focus on the performance and effective functioning of the Board and Individual Directors. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

### 33. DISCLOSURE AS REQUIRED UNDER SECTION 22 OF SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013 :

The Company as an organization is committed to provide a healthy environment to all employees and thus does not tolerate any discrimination and/or harassment in any form. The Company has in place a Prevention of Sexual Harassment Policy in line with the requirement of the Sexual Harassment of Women at work place (Prevention, Prohibition and Redressal) Act, 2013. No complaints were received during the financial year 2015-2016.

### 34. Directors' Responsibility Statement

The Directors' Responsibility Statement referred to in clause (c) of sub-section 134 of the Companies Act, 2013, shall state that -

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors has selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.



## THE METHONI TEA COMPANY LTD.

### 35. Particulars of Employees

No employee draws remuneration in excess of the limits provided in the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Rule 5(2) of the said Rules state that the Board's Report shall include a statement showing the name of every employee, who, if employed throughout the financial year, was in receipt of remuneration for that year, which, in aggregate, was not less than Rs.60 lakhs and if employed, for part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate was not less than Rs.5 lakhs per month.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in "Annexure-6" to this Annual Report.

### 36. Acknowledgements

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 grateful acknowledge with thanks the cooperation and support received from the shareholders of the Company.

**Rajendra Pd Bubna**  
DIN : 00180543

**Anirudha Bubna**  
DIN : 06842250

**Anita Bubna**  
DIN : 00180704

**Prahlad Lal Jain**  
DIN : 00944702

**Sona Goenka**  
DIN : 07147090

**Whole Time Director**

**Managing Director**

**Directors**

# THE METHONI TEA COMPANY LTD.

## ANNEXURE - 1

Form No. MGT 9

### EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company  
(Management & Administration) Rules, 2014

#### I. REGISTRATION & OTHER DETAILS :

i.	CIN	L15492WB1929PLC006618
ii	Registration Date	19/12/1929
iii	Name of the Company	THE METHONI TEA CO. LTD.
iv	Category / Sub-Category of the Company	Company Limited by Shares
v	Address of the Registered office & contact details	75-C, Park Street, 1st Floor, Kolkata-700 016 Tel No. 91-33 22293241 / 7638
vi	Whether listed company	Yes
vii	Name, Address & contact details of the Register & Transfer Agent, if any	M/s. Maheshwari Datamatics Pvt. Ltd. 6, Mangoe Lane, 2nd Floor, Kolkata - 700 001 Ph : 2243-5029, 2248-2248

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

Sl. No.	Name & Description of main products / services	NIC Code of the product / service	% to total turnover of the company
1	Tea	0100	100%

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

Sl. No.	Name & Address of the Company	CIN / GLN	HOLDING/ SUBSIDIARY ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Monet Securities Pvt. Ltd.	U01111WB1994PTC064149	Associate	40.27%	2(6)

**IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)**

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-April-2015)				No. of Shares held at the end of the year (as on 31-March-2016)				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual / HUF	-	-	-	-	248,188	-	248,188	60.83	100.00
b) Central Govt. or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	248,188	-	248,188	60.83	-	-	-	-	(100.00)
d) Bank / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>SUB-TOTAL : (A) (1)</b>	<b>248,188</b>	<b>-</b>	<b>248,188</b>	<b>60.83</b>	<b>248,188</b>	<b>-</b>	<b>248,188</b>	<b>60.83</b>	<b>-</b>
(2) Foreign									
a) NRI - Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any other....	-	-	-	-	-	-	-	-	-
<b>SUB-TOTAL (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>248,188</b>	<b>-</b>	<b>248,188</b>	<b>60.83</b>	<b>248,188</b>	<b>-</b>	<b>248,188</b>	<b>60.83</b>	<b>-</b>

THE METHONI TEA COMPANY LTD.

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-April-2015)				No. of Shares held at the end of the year (as on 31-March-2016)				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B. PUBLIC SHAREHOLDING</b>									
(1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	1,810	1,810	0.44	-	1,810	1,810	0.44	-
c) Central govt	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIS	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (B) (1) :</b>	-	1,810	1,810	0.44	-	1,810	1,810	0.44	-
(2) Non Institutions									
a) Bodies corporates									
i) Indian	21,280	13,096	34,376	8.43	31,630	2,746	34,376	8.43	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs 1 lakhs	62,021	47,951	109,972	26.95	62,175	47,797	109,972	26.95	-

THE METHONI TEA COMPANY LTD.

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01 April 2015)				No. of Shares held at the end of the year (as on 31 March 2016)				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	13,146	-	13,146	3.22	13,146	-	13,146	3.22	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
1) Non resident Individual	432	76	508	0.12	432	76	508	0.12	-
<b>Sub-Total (B) (2) :</b>	<b>96,879</b>	<b>61,123</b>	<b>158,002</b>	<b>38.73</b>	<b>107,383</b>	<b>50,619</b>	<b>158,002</b>	<b>38.73</b>	
<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>96,879</b>	<b>62,933</b>	<b>159,812</b>	<b>39.17</b>	<b>107,383</b>	<b>52,429</b>	<b>159,812</b>	<b>39.17</b>	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>345,067</b>	<b>62,933</b>	<b>408,000</b>	<b>100.00</b>	<b>355,571</b>	<b>52,429</b>	<b>408,000</b>	<b>100.00</b>	-

(ii) SHARE HOLDING OF PROMOTERS

Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No of Shares	% of total shares of the company	% of shares pledged encumbered to total shares	No of Shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1.	Anita Bubna	-	-	-	83,000	20.34	-	100.00
2.	Rajendra Prasad Bubna	-	-	-	83,000	20.34	-	100.00
3.	Anirudha Bubna	-	-	-	82,188	20.14	-	100.00
4.	Indistock Private Limited	191,401	46.91	-	-	-	-	(100.00)
5.	Thirdwave Credit & Commercial (P) Ltd.	56,787	13.92	-	-	-	-	(100.00)
	Total	248,188	60.83	-	248,188	60.83	-	-

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)\*

Sl. No.	Shareholding at the beginning of the year	Shareholding at the beginning of the year		Cumulative Share holding during the year	
		No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
1	Indistock Private Limited At the beginning of the year 30/09/2015 - Transfer 31/03/2016	191,401 (191,401)	46.91 46.91	191,401	46.91
2	Thirdwave Credit & Commercial (P) Ltd. At the beginning of the year 30/09/2015 - Transfer 31/03/2016	- 56,787 (56,787)	- 13.92 13.92	- 56,787	- 13.92
3	Anita Bubna At the beginning of the year 30/09/2015 - Transfer 31/03/2016	- 83,000 83,000	- 20.34 20.34	- 83,000	- 20.34
4	Rajendra Prasad Bubna At the beginning of the year 30/09/2015 - Transfer 31/03/2016	- 83,000 83,000	- 20.34 20.34	- 83,000	- 20.34
5	Anirudha Bubna At the beginning of the year 30/09/2015 - Transfer 31/03/2016	- 82,188 82,188	- 20.14 20.14	- 82,188	- 20.14

## THE METHONI TEA COMPANY LTD.

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)**

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Share holding during the year	
		No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
1	LOOKAD FINANCE & LEASING LTD				
	At the beginning of the year	5000	1.23		
	At the end of the year	5000	1.23	5000	1.23
2.	BHUBNESH COMMERCIAL PVT. LTD.				
	At the beginning of the year	20,200	4.95		
	At the end of the year	20,200	4.95	20,200	4.95
3.	PINAKIN PARESHKUMAR SHAH HUF				
	At the beginning of the year	4,172	1.02		
	At the end of the year	4,172	1.02	4,172	1.02
4	MANOJ LUNIA				
	At the beginning of the year	5487	1.34		
	At the end of the year	5487	1.34	5487	1.34
5.	ANJU LUNIA				
	At the beginning of the year	5487	1.34		
	At the end of the year	5487	1.34	5487	1.34
6.	RAJENDRA KUMAR JAIN				
	At the beginning of the year	13146	3.22		
	At the end of the year	13146	3.22	13146	3.22
7.	PRATIBHA BINANI				
	At the beginning of the year	5000	1.23		
	At the end of the year	5000	1.23	5000	1.23



**THE METHONI TEA COMPANY LTD**

Sl. No.	Foreach of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Share holding during the year	
		No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
8.	DAMODAR DAS BINANI				
	At the beginning of the year	5000	1.23		
	At the end of the year	5000	1.23	5000	1.23
9.	RAM SWAROOP GOENKA				
	At the beginning of the year	7400	1.81		
	At the end of the year	7400	1.81	7400	1.81
10.	ANUSHREE SARAOGI				
	At the beginning of the year	7000	1.72		
	At the end of the year	7000	1.72	7000	1.72

**(v) Shareholding of Directors & KMP**

Sl. No.	For each of the Directors & KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
1.	Rajendra Prasad Bubna				
	At the beginning of the year	-	-		
	30/09/2015 - Transfer	83,000	20.34		
	31/03/2016	83,000	20.34	83,000	20.34
2.	Anirudha Bubna**				
	At the beginning of the year	-	-		
	30/09/2015 - Transfer	82,188	20.14		
	31/03/2016	82,188	20.14	82,188	20.14
3.	Anita Bubna**				
	At the beginning of the year	-	-		
	30/09/2015 - Transfer	83,000	20.34		
	31/03/2016	83,000	20.34	83,000	20.34
4.	Manoj Lunia*				
	At the beginning of the year	5487	1.34		
	At the end of the year	5487	1.34	5487	1.34

\* Resigned on 08/10/2015

\*\* Appointed on 08/10/2015

## THE METHONI TEA COMPANY LTD.

### (V) INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtness at the beginning of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>TOTAL (i+ii+iii)</b>	-	-	-	-
<b>Change in Indebtedness during the financial year</b>				
Additions	-	-	-	-
Reduction	-	-	-	-
<b>Net Change</b>	-	-	-	-
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>TOTAL (i+ii+iii)</b>	-	-	-	-

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

#### A. Remuneration to Managing Director, Whole Time Director and / or Manager :

Sl. No.	Particulars of Remuneration	Name of the MD / WTD / Manager			Total Amount
		Mr. R. P. Bubna Whole Time Director	Mr. S. Bubna Managing Director*	Mr Anirudha Bubna Managing Director**	
1.	<b>Gross Salary</b>				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961	1,064,000	638,400	-	1,702,400
	(b) Value of prerequisites u/s 17(2) of the Income Tax Act, 1961	475,000	285,000	-	760,000
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2.	Stock option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	as % of profit	-	-	-	-
	Others (specify)	-	-	-	-
5.	Others / Director's fees	-	-	1,000	1,000
	<b>TOTAL (A)</b>	<b>1,539,000</b>	<b>923,400</b>	<b>1,000</b>	<b>2,463,400</b>

\* Resigned on 08/10/2015

\*\* Appointed as M.D. from 01/02/2016

**B. REMUNERATION TO OTHER DIRECTORS :-**

Sl.	Particulars of Remuneration	Name of the Directors						Total Amount
		Mr. P. L. Jain**	Mrs S. Goenka**	Mr. M. Lunia*	Mr. P. Tusriat*	Mrs. R. Bubna*	Mrs. Anita Bubna**	
1	Independent Directors							
	(a) Fee for attending board committee meetings	2,000	2,000	2,000	2,000	-	-	8,000
	(b) Commission	-	-	-	-	-	-	-
	(c) Others, please specify	-	-	-	-	-	-	-
	Total (1)	2,000	2,000	2,000	2,000	-	-	8,000
2	Other Non Executive Directors							
	(a) Fee for attending board committee meetings	-	-	-	-	2,000	2,000	4,000
	(b) Commission	-	-	-	-	-	-	-
	(c) Others, please specify	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	2,000	2,000	4,000
	Total (B)=(1+2)	2,000	2,000	2,000	2,000	2,000	2,000	12,000

\* Resigned on 08/10/2015

\*\* Appointed on 08/10/2015

## THE METHONI TEA COMPANY LTD.

### C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD-NIL

Sl.	Particulars of Remuneration	Key Managerial Personnel				
		CEO	Company Secretary	CFO		Total
1	Gross Salary					
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	-	-	-		-
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-		-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-		-
2	Stock Option	-	-	-		-
3	Sweat Equity	-	-	-		-
4	Commission					
	as % of profit	-	-	-		-
	Others, specify	-	-	-		-
5	Others, please specify	-	-	-		-
	<b>TOTAL</b>	-	-	-		-

### VII PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES - NIL

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

Annexure-2

**Annexure to the Directors' Report**

The information under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2016 is given below and forms part of the Directors' Report.

**A. CONSERVATION OF ENERGY**

- a. Steps taken or impact on conservation of energy:
- (1) More usage of electricity purchased from APDC Ltd
  - (2) Improved efficiency of own generation by usage of diesel generator only for emergencies and as stand by
  - (3) Intensified vigil on wastage/leakage control.
- b. Steps taken by the company for utilising alternate sources of energy: Nil
- c. Capital investment on energy conservation equipments; The company has not incurred any expenditure during the year.

**B. TECHNOLOGY ABSORPTION**

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(l)(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. Also, Managerial staff are encouraged to attend seminars and training programme for agricultural practices in the field and manufacturing process in the factories

2. Benefit derived as a result of above R&D

- a) Improving yields and productivity
- b) Pruning cycle optimized
- c) Increase in the quality of tea produced

3. In case of Imported technology (imported during the last 3 years reckoned from the beginning of the financial year) following information may be furnished: None

- a) Details of Technology Imported
- b) Year of Import

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- c) Has technology been fully absorbed
- d) If not full absorbed, areas where they have not taken place, reason and future plan of action.

4. Expenditure on R&D

The Company contributes for the activities of TRA by way of subscription,

- a) Capital: NIL
- b) Recurring: Rs. 1,67,221/- being amount paid to TRA.
- c) Total R&D Expenditure as percentage of total turnover: 0.18 %

FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange Earnings	:	Rs. Nil (Previous year Rs. Nil)
Foreign Exchange Outgo	:	Rs. 7,30,104 (Previous years Rs. 6,67,941)

**Annexure~3**  
**Nomination and Remuneration Policy**

**1 INTRODUCTION**

Section 178 of the Companies Act, 2013 requires every Listed Company and certain other class of Companies to adopt a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees. The Nomination and Remuneration Committee set up, pursuant to above Section is to formulate vhn criteria for determining qualifications and positive attributes and independence of a Director and recommend to the Board the above Policy for adoption. The Company is also required to disclose the Remuneration Policy in its Annual Report.

In compliance of the above requirements the Board of Directors of **THE METHONI TEA COMPANY LIMITED**, at its meeting held on 30<sup>th</sup> March, 2015, has adopted this Remuneration Policy which would be reviewed at regular intervals by the Nomination and Remuneration Committee of the Board. The role and responsibilities of the Nomination and Remuneration Committee shall be as prescribed in Section 178 of the Companies Act, 2013. Also, the particular of the Policy shall be published in the Report of the Board of Directors in terms of the Companies Act, 2013.

**2 OBJECTIVES**

The aims and objectives of the Policy may be summarized as under:-

- 3.1 The Remuneration Policy aims to enable the company to attract, retain and motivate appropriately qualified Persons/Members for the Board and Executive level.
- 3.2 The Remuneration Policy seeks to enable the Company to provide a well-balanced and performance-related compensation package, taking into account Shareholder interests, industry standards and relevant Indian corporate regulations.
- 3.3 The Remuneration Policy seeks to ensure that the interests of the Board Members and Executives are aligned with the business strategy and risk tolerance, objectives, values and long-term interests of the Company and will be consistent with the “pay-for performance” principle.

**3 PRINCIPLES OF REMUNERATION**

- I. **Transparency:** The process of remuneration management shall be transparent, unbiased and impartial and conducted in good faith and in accordance with appropriate levels of confidentiality.
- II. **Affordability and Sustainability:** The Company shall ensure that the remuneration at various levels is affordable and is capable of being sustained.
- III. **Flexibility:** While the remuneration packages at various levels should be standardised, there should be enough scope to make it flexible with a view to reward candidates with exceptional qualities and competence,

## THE METHONI TEA COMPANY LTD.

- IV. Internal Equity:** The Company shall strive to remunerate the Board Members and other Executives in terms of their roles and responsibilities undertaken within the Organisation. Their contribution and value addition for the growth of the Company shall be counted while fixing their remuneration and subsequent, promotion. The same principle shall also be observed for other Executives.
- V. External Equity:** With a review to retain the best talents, the Company shall on a continuous basis procure information relating to market trend of remuneration packages being offered by various Companies in the same sector and try to match the remuneration accordingly.
- VI. Non Monetary Benefits:** The Company may consider extending certain Non-monetary Benefits with a view to offer social security to the families of the present, and the past employees of the Company.

### 4. REMUNERATION FOR EXECUTIVE DIRECTORS

The Board of Directors subject to the approval of the Shareholders at a General Meeting approves the remuneration payable to the Wholetime Directors and Managing Director ("Executive Directors") based on the recommendation of the Nomination and Remuneration Committee. Executive Directors' remuneration is reviewed annually against performance, keeping in view the size and complexity of business and challenges encountered during the period under review. In determining packages of remuneration, the Committee may consult the Chairman and/or external agencies. The remuneration package of the Executive Directors shall comprise of the following components,

- a) **Basic Salary:** The basic salary shall be fixed within a salary grade which allows the Board to grant increments within a time frame of three years.
- b) **Perquisites:** The perquisites to be offered to the Executive Directors shall include housing, medical, leave travel concession, club fees, car, leave encashment, Personal Accident Insurance and other perquisites in terms of the Rules framed by the Nomination and Remuneration Committee for the Directors and/or the Rules applicable to the Senior Executives of the Company.
- c) **Retiral benefits:** The Executive Directors will be entitled to retiral benefits in terms of the Company's Policy for the Senior Management which will be in accordance with the applicable laws,
- d) **Commission:** Subject to the approval of the Members at a General Meeting, the Board may decide to pay commission on net profits to the Executive Directors subject to the ceiling stipulated in the Companies Act, 2013.
- e) **Sitting Fees:** The Executive Directors will not be entitled to any fee for attending the Meetings of the Board of Directors and Committees thereof.

### 5. REMUNERATION OF NON- EXECUTIVE DIRECTORS

- a) **Sitting Fees:** The Non-Executive Directors shall be paid Sitting Fees for attending the Board and Committee Meetings as may be approved by the Board based on the recommendation of the Nomination and Remuneration Committee subject to the ceiling fixed in the Articles of Association



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of the Company and the Companies Act, 2013. They will also be reimbursed travelling and out of pocket expenses on actual basis for attending the meetings.

- b. Commission: Subject to the approval of the Members at a General Meeting, the Board may decide to pay commission on net profits to the Non- Executive Directors subject to the ceiling stipulated in the Companies Act, 2013.

### 6. REMUNERATION OF KEY MANAGERIAL PERSONNEL AND OTHER EXECUTIVES

The Human Resource Department of the Company shall follow the principles of remuneration stated hereinabove while deciding on the remuneration structure of the Key Managerial Personnel who are not Directors and for other Executives of the Company.

### 7. SELECTION OF BOARD MEMBERS

- 7.1 Nomination of a suitable person for appointment as a Director is a major responsibility of the Nomination and Remuneration Committee. The objective is to ensure that the Company's Board is competent at all points of time to be able to take decisions commensurate with the size and scale of operations and complexities of business. The Committee is to promptly identify candidates in the event of a vacancy being created on the Board on account of retirement, resignation or demise of an existing Board member. Based on the recommendations of the Committee, the Board, after due consideration decides on the selection of the right candidate for appointment.
- 7.2 While considering nomination of candidates for appointment on the Board, the Nomination and Remuneration Committee will consider candidates not only from the field in which the Company operates but also from other professional areas like management, finance, accountancy, law, banking, merchant banking etc. with the objective of maintenance of Board diversity. The Committee shall also consider the following qualifications like possessing basic academic qualification, requisite knowledge, experience and business skills that will benefit the Company and its business operations.
- 7.3 At the time of considering the candidates for appointment as Director the criteria for determining positive attributes shall inter alia include the following :- Achiever, constructive, creative, decisive, deliberative, devoted, diligent, disciplined, dynamic, enterprising, focused, result oriented, self-confident, sees the whole picture.
- 7.4 While considering candidates for appointment as an Independent Director, the Nomination and Remuneration Committee shall consider the criteria for determining independence of a candidate as provided in Section 149(6) of the Companies Act, 2013 and the Rules made thereunder.

### 8. OTHER MATTERS

Any matter not provided for in this Policy shall be dealt with in accordance with the provisions in the Articles of Association of the Company, relevant state laws and other applicable laws and regulations. The right to interpret this Policy shall vest in the Board of Directors of the Company,

THE METHONI TEA COMPANY LTD.

ANNEXURE - 4

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2016

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

To,  
The Members.  
The Methoni Tea Company Ltd.  
75-C Park Street, First Floor,  
Kolkata-700016

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **The Methoni Tea Company Limited** (hereinafter called "**The Company**"). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India ("Prohibition of Insider Trading) Regulations, 1992;

## THE METHONI TEA COMPANY LTD.

- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- e. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with Stock Exchanges.

*During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:*

- i. *The Company has not complied for the appointment of Key Managerial Personnel (KMP) as required by Section 203 of the Act. However the Company is making efforts to comply the same as informed to us.*
- ii. *The Company does not have any website as required under the provisions of the SEBI (LODR) Regulations, 2015 and is violating the necessary Regulations for providing information/documents on the website.*

We further report that, based on the information provided and the representation made by the Company and also on the review of the compliance reports of Company Secretary/ Chief Executive Officer taken on record by the Board of Directors of the Company, in our opinion, adequate systems and processes exist in the Company to monitor and ensure compliance with provisions of applicable general laws like labour laws and environmental laws.

We further report that

The compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have subject to review by statutory financial audit and other designated professionals.

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

**THE METHONI TEA COMPANY LTD.**

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there has been a major change, approximately 60.83%, in the shareholding of the promoters of the Company.

It is stated that the compliance of all the applicable provisions of the Companies Act, 2013 and other laws is the responsibility of the management. We have relied on the representation made by the company and its Officers for systems and mechanism set-up by the company for compliance under applicable laws. Our examination, on a test-check basis, was limited to procedures followed by the Company for ensuring the compliance with the said provisions. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted its affairs. We further state that this is neither an audit nor an expression of opinion on the financial activities / statements of the Company. Moreover, we have not covered any matter related to any other law which may be applicable to the Company except the aforementioned corporate laws of the Union of India.

Place : Kolkata

Date : 16.05.2016

Signature : K. C. DHANUKA  
Company Secretaries  
Name of Firm : K. C. Dhanuka & Co.  
FCS – 2204, C.P. No. – 1247

**Annexure-5**

**Management Discussion and Analysis Report**

**Overview:**

The Company being a producer of premium quality teas has been able to cater to the needs of its valued customers. With shortage in supply of quality teas in the market, the company is earning high prices for its teas and is expected to perform satisfactorily in the current year.

**Industry Structure & Developments :** India is the largest Black Tea producer in the world producing approximately 1191 million kgs during the calendar year 2015. Despite strong consumption growth and low inventory, the market remained sluggish during the year particularly for low/medium quality tea. The all India auction average price was Rs. 127.62 as against Rs. 125.59 during the year ended 31st March, 2015. (Source: Tea Board of India and Indian Tea Association).

The Tea Industry is divided into two segments viz, top quality segment and medium & low segment. The market for medium & low quality tea is sluggish due to abundant availability of such teas. However, with increasing awareness about quality among consumers, there has been a rise in demand for quality teas and as a result the prices of quality teas continue to remain remunerative.

**Opportunities & Threats :** The continuous promotional efforts and better marketing and brand building initiatives taken jointly by the Government/Tea Board including TRUSTEA programme are likely to benefit the industry in the long term. Erratic weather conditions and shortage of labour are the main threats to the industry. India is the world's second largest tea consumer and the per capita consumption of teas in India is increasing every year. The customers nowadays prefer quality tea and willing to pay more for quality tea. Increasing consumer awareness for quality, branding and promotion will have positive impact on prices in domestic market.

The inferior quality and lower cost of production of teas produced by small growers, climate change, stiff competition from Kenya, Srilanka, China, over pricing in export market and shortage of labour poses a threat to the Industry.

**Product-wise Performance :** During the year under review, the production of Black Tea was lower as compared to previous year. Strong demand for quality tea persisted and the average realization of the tea sold by the Company was over 7 % higher as compared to the previous year. The gist of performance of the division during the financial year 2015-2016 is as under:

Tea			
	Production (Lac Kgs.)	Sales (Lac Kgs.)	Average Realisation (Per Kg.)
2015-16	5.27	5.63	163.0
2014-15	7.32	6.98	140.0
Change (%)	(28.0)	(19.3)	16.4

**Outlook :** The current season has started with mixed weather conditions. However the price of teas in

## THE METHONI TEA COMPANY LTD.

medium and low quality segments are depressed due to abundant availability of such teas and the prices are lower compared to last year. The quality tea segment will be less affected by fall in prices. Also, shortage of quality tea and increased consumption thereof will have positive impact on the demand.

**Risks & concerns :** Besides climatic conditions, global production, the strategy of bought leaf and shortage of labour during peak season also affect the fate of the Tea Industry. Also, the cost of production is substantially higher compared to other tea producing countries due to high labour wage and social cost. Any further increase in wage will substantially hit the bottom line.

To mitigate various type of risks that the Company has to face, the Board of Directors of the Company has adopted a Risk Management Policy and implemented the same.

**Discussion on financial performance with respect to operational performance :** The Company's steady progress in making quality teas is attracting premium prices over medium and low quality teas, resulting into achieving satisfactory performance. However, huge loss of crop accompanied with high cost of production including increase in wages & salary and sluggish demand resulted in the decrease in sales revenue of the company during the year.

**Internal control Systems and their Adequacy :** The Company has laid down guidelines, procedures and policies for better management control which are periodically tested and supplemented by an extensive internal audit programme. Significant findings are placed before the Audit Committee and the corrective measures are recommended for implementation. In the opinion of the management, the existing internal checks & controls are effective and adequate.

**Information regarding Human Resources/Industrial Relations :** The Company has a favourable working environment that motivates performance, customer focus and innovation and adheres to the highest degree of quality and integrity amongst employees, Industrial relations at the Company remain cordial. The total numbers of manpower employed as on 31st March, 2016 was 838.

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

## THE METHONI TEA COMPANY LTD.

### Annexure-6

Details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. Ratio of remuneration of each Director to median remuneration of employees, percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year ended on 31st March, 2016 and comparison of the remuneration of the Key Managerial Personnel against the performance of the Company and comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company:

SN	Name of Director and KMP	Remuneration of KMP for the year ended on 31st March, 2016	Ratio of remuneration of each KMP to median remuneration of employees	%age increase in remuneration for the financial year ended on 31st March, 2016
1.	Mr. Rajendra Prasad Bubna Whole time Director (DIN-00 180543)	15,39,000/-	33.5:1	There has been no increase in the remuneration during the year.
2.	Mr. Sanjeev Bubna* Managing Director (DIN-00031225)	9,23,400/-	20.1:1	There has been no increase in the remuneration during theyear.
3.	Mr. Anirudha Bubna** Managing Director (DIN-06842250)	Nil	Not Applicable	Not Applicable

\*Mr Sanjeev Bubna (DIN-00031225), resigned from the Directorship of the Company with effect from 08<sup>th</sup> October, 2015.

\*\* Mr. Anirudha Bubna (DIN-06842250), was appointed as the Managing Director of the Company, with effect from 01<sup>st</sup> February, 2016.

2. In the financial year ended on 31st March, 2016, there has been an increase of 9.6% in the remuneration of median employees of the company.
3. There were 838 permanent employees on the rolls of the Company as on 31st March, 2016.
4. The market capitalisation of the Company as on 31st March, 2016 was Rs. 9,15,93,655/-, compared to Rs. 12,45,10,282/- as on 31st March, 2015.
6. No variable component forms part of the remuneration paid to the Directors of the Company.
7. During the financial year 2015-2016, no employees received remuneration in excess of highest paid to Director.
8. The remuneration is paid as per the Nomination and Remuneration Policy of the Company.

**INDEPENDENT AUDITORS' REPORT**

**TO THE MEMBERS OF  
THE METHONI TEA COMPANY LIMITED**

**Report on Financial Statements**

We have audited the accompanying financial statements of **THE METHONI TEA COMPANY LIMITED** ('the Company'), which comprise the Balance Sheet as at March 31, 2016, 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**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**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-

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



## THE METHONI TEA COMPANY LTD.

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 judgement, 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.

### **Basis for Qualified Opinion**

- i) *Non provisioning of shortfall in carrying value of certain quoted investments in equity shares amounting to Rs.2,58,78,710/-, refer Note No 2.30.*
- ii) *We further report that had the observations made by us in Basis for Qualified Opinion Note No. (i) above been considered, the loss for the year would have been Rs.5,87,95,337/- (as against reported loss figure of Rs.3,29,16,627/-), Debit balance in Profit and Loss Account would have been Rs.4,56,07,598/- (as against reported figure of Debit Balance of Rs. 1,97,28,888/-).*

We have qualified the report on the financial statements for the year ended 31<sup>st</sup> March, 2016 based on above paragraphs.

### **Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2016;
- b) In the case of the Statement of Profit and Loss, 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013. We enclose in the Annexure A, statement on the matters specified in paragraphs 3 and 4 of the said Order.
2. As required by section 143(3) of the Act, we report that:

**THE METHONI TEA COMPANY LTD.**

- a) 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;
- b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
- c) The balance sheet, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account.
- d) *Except for the effects of the matter described in the basis for qualified opinion paragraph*, in our opinion, the Balance Sheet, Statement of Profit and Loss and the cash flow statement dealt with by this report comply the Accounting Standards notified under the Companies Act, 2013 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of written representations received from the directors, as on 31st March, 2016 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of section 164 (2) of the Companies Act, 2013.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- g). With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 2.23 to the financial statements.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, other than as specified in basis for qualified opinion. However, the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There was no amount which was required to be transferred to Investor Education and Protection Fund by the Company.

**SHUBHAM DAGA, FCA, Partner**

(Membership No. : 063574)

For & On behalf of

**DHANDHANIA & ASSOCIATES**

Chartered Accountants

Registration No. 316052E

Place : Kolkata

Dated : 28th day of May, 2016

**ANNEXURE- "A" TO THE AUDITORS' REPORT**

The Annexure referred to in our report to the members of the Company for the year Ended on 31<sup>st</sup> March 2016. We report that.

- i. (a) The company maintains the proper records showing full particulars, including quantitative details and situation of fixed assets.  
(b) As per the information and explanation given to us and as verified by us, management has physically verified fixed assets in accordance to the phased programme, designed to cover all items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and the nature of its assets.  
(c) The title deeds of immovable properties are held in the name of the company.
- ii. As per the information and explanation given to us and as verified by us, the management is verifying inventory at regular intervals, the frequency of verification of which, in our opinion, is reasonable and no material discrepancies were noticed.
- iii. The Company has not granted loans, secured or unsecured, to companies, firms, or other parties covered in the register maintained under section 189. Accordingly, the provisions of clause (iii) (a), (b) & (c) of the order are not applicable to the company.
- iv. The Company has not given any loans, investments, guarantees or securities within the meaning of provisions of section 185 and 186 of the Companies Act, 2013.
- v. The company has not accepted deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- vii. a) According to the information and explanations given to us, no undisputed amounts payables in respect of provident fund, sales tax, wealth tax, service tax, customs duty, value added tax, cess and other material statutory were in arrears, as at 31<sup>st</sup> March, 2016 for a period of more than six months from the date they became payable.

**THE METHONI TEA COMPANY LTD.**

b) Details of dues of Income Tax which has not been deposited as on 31<sup>st</sup> March, 2015 on account of dispute are given below:

Assessment Year	Name of the Statute	Nature of Dues	Amount (Rs.)	Forum at which case is pending
2007-08	Income Tax Act, 1961	Income Tax	82,282	Commissioner of Income Tax (Appeals)-IV
2010-11	Income Tax Act, 1961	Income Tax	4,35,020	Income Tax Appellate Tribunal, Kolkata Branch
2011-12	Income Tax Act, 1961	Income Tax	14,50,740	Commissioner of Income Tax (Appeals)-IV
2012-13	Income Tax Act, 1961	Income Tax	5,360	Commissioner of Income Tax (Appeals)-II
Total			19,73,402	

- viii. The company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x. There is no instance of any fraud by the company or on the Company by its officers or employees which has been noticed or reported during the year.
- xi. Managerial remuneration has been paid or provided in accordance with the provisions of section 197 read with Schedule V to the Companies Act.
- xii. The company under review is not a Nidhi Company and accordingly the provisions of clause (xii) of the order are not applicable to the company.
- xiii. All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;

**THE METHONI TEA COMPANY LTD.**

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- xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and accordingly the provisions of clause (xiv) of the order are not applicable to the company.
- xv. The company has not entered into any non-cash transactions with directors or persons connected with him and accordingly the provisions of clause (xv) of the order are not applicable to the company.
- xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**SHUBHAM DAGA, FCA, Partner**

(Membership No. : 063574)

For & On behalf of

**DHANDHANIA & ASSOCIATES**

Chartered Accountants

Registration No. 316052E

Place : Kolkata

Dated : 28th day of May, 2016

**ANNEXURE - "B" TO THE AUDITORS' REPORT**

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

We have audited the internal financial controls over financial reporting of The Methoni Tea Company ("the Company") as at 31<sup>st</sup> March 2016 in conjunction with our audit of the financial statements of the company for the year ended on that date.

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

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

**Auditors' Responsibility**

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

## THE METHONI TEA COMPANY LTD.

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

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

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

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

### **Inherent limitations of Internal Financial Controls over Financial Reporting**

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

**THE METHONI TEA COMPANY LTD.**

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**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place : Kolkata

Dated : 28th day of May, 2016



**THE METHONI TEA COMPANY LTD.**

**BALANCE SHEET AS AT 31ST MARCH, 2016**

(Figures in ₹)

Sl. No.	Particulars	Note No.	As at 31st March, 2016	As at 31st March, 2015
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>			
(1)	<b>Shareholder's Funds</b>			
	(a) Share Capital	2.1	4,080,000	4,080,000
	(b) Reserves and Surplus	2.2	87,513,655	120,430,282
(2)	<b>Non-Current Liabilities</b>			
	(a) Long-Term Provisions	2.3	6,796,337	9,986,337
(3)	<b>Current Liabilities</b>			
	(a) Trade Payables	2.4	7,039,017	5,985,329
	(b) Other Current Liabilities	2.5	23,723,211	4,607,409
	(c) Short-Term Provisions	2.6	14,995,807	11,166,057
	<b>Total Equity &amp; Liabilities</b>		<b>144,148,027</b>	<b>156,255,414</b>
<b>II.</b>	<b>ASSETS</b>			
(1)	<b>Non-Current Assets</b>			
	(a) Fixed Assets			
	(i) Gross Block		92,007,560	91,382,825
	(ii) Depreciation		71,914,207	68,303,000
	Net Block	2:7	20,093,353	23,079,825
	(b) Non-Current Investment	2.8	63,563,605	73,150,313
	(c) Long Term Loans and Advances	2.9	9,643,878	10,617,124
	(d) Deferred Tax Assets (net)	2.10	4,601,884	4,987,806
	(e) Other Non-Current Assets	2.11	258,374	258,374
(2)	<b>Current Assets</b>			
	(a) Inventories	2.12	12,973,295	7,582,393
	(b) Trade Receivables	2.13	143,482	952,759
	(c) Cash and Cash Equivalents	2.14	27,524,100	29,979,054
	(d) Short - Term Loans and Advances	2.15	4,895,672	3,026,452
	(e) Other Current Assets	2.16	450,385	2,621,314
	<b>Total Assets</b>		<b>144,148,027</b>	<b>156,255,414</b>

**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 : 28th Day of May, 2016

Rajendra Pd Bubna  
 DIN : 00180543

Anirudha Bubna  
 DIN : 06842250

Anita Bubna  
 DIN : 00180704

Prahlad Lal Jain  
 DIN : 00944702

Sona Goenka  
 DIN : 07147090

Whole Time Director

Managing Director

Directors

**THE METHONI TEA COMPANY LTD.**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31 ST MARCH, 2016**

*(Figures in ₹)*

Sl. No.	Particulars	Note No.	For the year Ended 31st March, 2016	For the year Ended 31st March, 2015
(1)	Revenue from Operations	2.17	93,097,334	97,393,292
(2)	Other Income	2.18	2,870,952	4,707,672
	<b>Total Revenue (1+2)</b>		<b>95,968,286</b>	<b>102,100,964</b>
(3)	<b>Expenses :</b>			
	Cost of materials consumed		152,765	—
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	2.19	(1,559,184)	530,784
	Employee Benefit Expenses	2.20	79,106,260	74,074,489
	Financial Costs	2.21	1,198,924	1,574,437
	Depreciation and Amortization Expense	2.7	3,863,855	5,372,198
	Other Expenses	2.22	48,509,811	52,012,219
	<b>Total Expenses</b>		<b>131,272,431</b>	<b>133,564,127</b>
(4)	<b>Profit/ (Loss) before exceptional and extraordinary items and tax</b>		<b>(35,304,145)</b>	<b>(31,463,163)</b>
(5)	Exceptional and Extraordinary Items		—	—
(6)	<b>Profit/ (Loss) after Exceptional and Extraordinary items and before tax</b>		<b>(35,304,145)</b>	<b>(31,463,163)</b>
(7)	<b>Tax Expense:</b>			
	(1) Current Tax		—	—
	(2) Deferred Tax		385,922	(7,997,037)
	(3) Tax for Earlier Years		(2,773,440)	188,369
(8)	<b>Profit/ (Loss) from Operations</b>		<b>(32,916,627)</b>	<b>(23,654,495)</b>
(9)	Earning per Equity Share:			
	(1) Basic		(80.68)	(57.98)
	(2) Diluted		(80.68)	(57.98)

**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 : 28th Day of May, 2016

Rajendra Pd Bubna  
DIN : 00180543

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Anita Bubna  
DIN : 00180704

Prahlad Lal Jain  
DIN : 00944702

Sona Goenka  
DIN : 07147090

Whole Time Director

Managing Director

Directors

**THE METHONI TEA COMPANY LTD.**

**CASH FLOW STATEMENT FOR THE YEAR ENDED AS ON 31ST MARCH, 2016**

Particulars	For the year ended 31 March, 2016		For the year ended 31 March, 2015	
	₹	₹	₹	₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit / (Loss) before extraordinary items and tax		(35,304,145)		(31,463,163)
<i>Adjustments for:</i>				
Depreciation and amortisation	3,863,855		5,372,198	
Finance costs	1,198,924		1,574,437	
Interest income	(2,409,305)		(2,798,577)	
Dividend income	(321,037)		(290,007)	
Loss on Assets discarded	17,429		—	
Net (gain) / loss on sale of investments	8,500,362	10,850,228	(920,137)	2,937,914
Operating profit / (loss) before working capital changes		(24,453,917)		(28,525,249)
<i>Adjustments for (increase) / decrease in Assets:</i>				
Inventories	(5,390,902)		5,518,161	
Trade receivables	809,277		450,560	
Short-term loans and advances	(1,869,220)		(828,666)	
Other current assets	2,170,929		3,549,935	
Other non-current assets	—		—	
<i>Adjustments for increase / (decrease) in Liabilities:</i>				
Trade payables	1,053,688		(4,034,041)	
Other current liabilities	(390,811)		1,108,685	
Short-term provisions	3,829,750			
Long-term provisions	(3,190,000)	(2,977,289)	3,974,375	9,739,009
Cash generated from operations		(27,431,206)		(18,786,240)
Net income tax (paid) / refunds		2,773,440		(1,888,375)
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>(24,657,766)</b>		<b>(20,674,615)</b>
<b>B. Cash flow from investing activities</b>				
Capital expenditure on fixed Assets	(1,525,585)		(1,272,604)	
Short Term Loans and Advances Taken	—		33,359,602	
Long Term Loans and Advances Recovered	973,246		—	
Subsidy Received	630,773		—	
Purchase of Non-Current Investments	(1,400,523)		—	
Proceeds from sale of Non-Current Investments	2,486,869		9,227,684	
Interest income	2,409,305		3,000,862	
Dividend income	321,037		290,007	
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>3,895,122</b>		<b>44,605,551</b>

**THE METHONI TEA COMPANY LTD.**

Particulars	For the year ended 31 March, 2016		For the year ended 31 March, 2015	
	₹	₹	₹	₹
<b>C. Cash flow from financing activities</b>				
Short Term Borrowings	-		(3,950,000)	
Finance Cost	(1,198,924)		(1,574,437)	
Dividends Paid	(3,000)		(8,142)	
Bank OD	19,509,613		(18,390,881)	
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>18,307,690</b>		<b>(23,923,460)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>(2,454,954)</b>		<b>7,476</b>
Cash and cash equivalents at the beginning of the year		29,979,054		29,971,578
<b>Cash and cash equivalents at the end of the year</b>		<b>27,524,100</b>		<b>29,979,054</b>
<u>Reconciliation of Cash and Cash Equivalents with the Balance Sheet:</u>				
Cash and cash equivalents as per Balance Sheet at the year end comprises		27,524,100		29,979,054
Cash and cash equivalents as per Balance Sheet at the year end comprises				
(a) Cash in hand		99,341		82,216
(b) Balances with banks:				
(i) In current accounts		685,240		1,142,383
(ii) In Deposit accounts		26,474,662		28,486,598
(iii) In Earmarked accounts		264,857		267,857
		<b>27,524,100</b>		<b>29,979,054</b>

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 : 28th Day of May, 2016

**Rajendra Pd Bubna**  
 DIN : 00180543

**Anirudha Bubna**  
 DIN : 06842250

**Anita Bubna**  
 DIN : 00180704

**Prahlad Lal Jain**  
 DIN : 00944702

**Sona Goenka**  
 DIN : 07147090

**Whole Time Director**

**Managing Director**

**Directors**

## THE METHONI TEA COMPANY LTD.

### NOTES ON ACCOUNTS AND SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

#### **COMPANY OVERVIEW**

The Methoni Tea Company Limited [CIN : L15492WB1929PLC006618] 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 growing, 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, 2013. 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 tangible assets is provided on written down value method over the useful life of the assets as prescribed under Part C of the Schedule II of the Companies Act 2013. Depreciation for assets purchased/sold during the period is proportionately charged.

Depreciation and amortisation methods, useful life and residual values are reviewed periodically, including at each financial year end.

#### **1.5 INVESTMENTS**

Long Term Investments are stated at cost. Diminution in value, if any, which are not temporary in nature, are adjusted 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

## THE METHONI TEA COMPANY LTD.

funded with the approved gratuity fund. Actuarial gains and losses in respect of post 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.



**THE METHONI TEA COMPANY LTD.**

**Notes forming part of the financial statements as at 31st March, 2016**

Note: 2.1 Share Capital		(Figures in. ₹)	
Sl. No.	Particulars	As at 31st March, 2016	As at 31st March, 2015
1	<b>Authorized Capital</b>		
	Equity shares, ₹ 10/- par value 5,00,000 (5,00,000) Equity Shares	5,000,000	5,000,000
2	<b>Issued, Subscribed &amp; Paid Up Capital</b>		
	Equity Shares, ₹ 10/- par value 4,08,000 (4,08,000) Equity Shares	4,080,000	4,080,000
	<b>Total</b>	<b>4,080,000</b>	<b>4,080,000</b>

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 Rs. 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, 2016	As at 31st March, 2015
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, 2016		As at 31st March, 2015	
		Total No. of Shares	Holding (%)	Total No. of Shares	Holding (%)
1	Rajendra Prasad Bubna	83,000	20.34	—	—
2	Anita Bubna	83,000	20.34	—	—
3	Anirudha Bubna	82,188	20.14	—	—
4	Indistock Private Limited	—	—	191,401	46.91
5	Thirdwave Credit & Commercial (P) Ltd.	—	—	56,787	13.92

THE METHONI TEA COMPANY LTD.

Note ; 2.2 Reserve & Surplus

(Figures in. ₹)

Sl. No.	Particulars	As at 31st March, 2016	As at 31st March, 2015
1	<b>Capital Reserve</b>		
	Opening Balance	6,626	6,626
	Add: Addition during the year	-	-
	Less: Utilised / transferred during the year	-	-
	Closing Balance	6,626	6,626
2	<b>General Reserve</b>		
	Opening Balance	107,235,917	107,235,917
	Add: Transfer from Profit & Loss Account	-	-
	Closing Balance	107,235,917	107,235,917
3	<b>Surplus / (Deficit) in Statement of Profit and Loss</b>		
	Profit / (Loss) brought forward from previous year	13,187,739	37,612,377
	Add: Profit / (Loss) for the year	(32,916,627)	(23,654,495)
	<b>Transferred to:</b>		
	General Reserve	-	-
	Less : On account of transitional provisions for Depreciation as per Companies Act, 2013	-	770,143
	Closing Balance	(19,728,888)	13,187,739
	<b>Total</b>	<b>87,513,655</b>	<b>120,430,282</b>

**THE METHONI TEA COMPANY LTD.**

**Notes forming part of the financial statements as at 31st March, 2016**

<i>Note: 2.3 Long Term Provisions</i>		<i>(Figures in. ₹)</i>	
Sl. No.	Particulars	As at 31st March, 2016	As at 31st March, 2015
1	Provision for Tax	6,796,337	9,986,337
<b>Total</b>		<b>6,796,337</b>	<b>9,986,337</b>
<i>Note: 2.4 Trades Payable</i>			
1	Sundry Creditors for Material/Supplies	6,248,866	5,034,020
2	Sundry Creditors for Services	790,151	951,309
<b>Total</b>		<b>7,039,017</b>	<b>5,985,329</b>
<i>Note: 2.5 Other Current Liabilities</i>			
1	<u>Accrued Salaries &amp; Benefits</u>		
	Salaries & Wages	1,907,540	2,145,530
2	Statutory Payables	923,794	681,014
3	Unpaid Dividends	264,857	267,857
4	Bank OD A/c (HDFC Bank A/c)	20,239,864	730,251
5	Other Payables	387,156	782,757
<b>Total</b>		<b>23,723,211</b>	<b>4,607,409</b>
<i>Note: 2.6 Short Term Provisions</i>			
1	Bonus Payable	7,927,930	6,313,178
2	Employee Benefits	7,067,877	4,852,879
<b>Total</b>		<b>14,995,807</b>	<b>11,166,057</b>

THE METHONI TEA COMPANY LTD.

Notes forming part of the financial statements as at 31st March, 2016

Note : 2.7 Fixed Asset

(Figures in ₹)

Sl. No	Particulars	Original Cost			Depreciation and Amortisation			Net Book Value		
		As at 1st April'15	Addition during the year	Adjustment* during the Year	As at 31st Mar'16	As at 1st April'15	Addition during the year	Deduction/ Adjustment during the Year	As at 31st Mar'16	As at 31st Mar'15
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	Factory Buildings	4,768,303	-	-	4,768,303	2,769,908	184,534	-	1,813,861	1,998,395
3	Other Buildings	21,648,674	-	56,940	21,691,734	15,805,518	955,921	44,642	4,874,937	5,843,156
4	Plant & Machineries	50,994,834	1,207,875	805,147	51,387,562	39,349,856	2,359,338	171,580	9,849,948	11,634,978
5	Computers	894,771	37,710	37,169	895,312	779,465	101,153	35,071	49,765	115,306
6.	Office Equipment	252,205	-	-	252,205	222,541	10,838	-	18,826	29,664
7	Furniture & Fixtures	1,120,219	-	1,594	1,118,625	963,668	65,871	1,355	90,441	156,551
8.	Motor Vehicles	6,615,903	280,000	-	6,895,903	6,284,973	186,200	-	424,730	330,930
	Total (Current Year)	91,382,825	1,525,585	900,850	92,007,560	68,303,000	3,863,855	252,648	20,093,353	23,079,825
	(Previous Year)	90,110,221	1,272,604	-	91,382,825	62,160,659	5,372,198	770,143	23,079,825	-

\*Note : The Company has received subsidy of Rs. 6,30,773/- (PY: Nil) during the year 2015-16 in respect of Plantation Development Scheme Account for Irrigation Activity which has been reduced from the WDV of the respective asset as per the accounting policy.

**THE METHONI TEA COMPANY LTD.**

Notes forming part of the financial statements as at 31st March, 2016

Note: 2.8 Non - Current Investments

(Figures in ₹)

Sl. No.	Particulars	Face Value	As at 31st March, 2016			As at 31st March, 2015		
			Quoted	Unquoted	Total	Quoted	Unquoted	Total
<b>1</b>	<b>Non Trade Investments</b>							
A.	<u>Investment in equity instruments of other entities</u>							
(a)	<u>Fully paid up Quoted Equity Shares</u>							
1	Ambalal Sarabhai Enterprises Ltd. 24,70,625 (P.Y. 24,70,625)	10	28,089,515	-	28,089,515	28,089,515	-	28,089,515
2	Ballarpur Industries Ltd. 7,000 (P.Y. 14,000)	2	164,214	-	164,214	328,428	-	328,428
3	Deepak Fertilisers & Petrochemicals Corporation Ltd. 1,350 (P.Y. 2,000)	10	265,930	-	265,930	393,971	-	393,971
4	EIH Ltd. 7,630 (P.Y. 7,630)	2	915,205	-	915,205	915,205	-	915,205
5	Financial Technologies (India) Ltd. 250 (P.Y. 500)	2	344,222	-	344,222	688,444	-	688,444
6	Fresenius Kabi Oncology Ltd. 1,000 (P.Y. 2,000)	1	172,385	-	172,385	344,770	-	344,770
7	Hindustan Petroleum Corporation Ltd. 2,500 (P.Y. 2,500)	10	1,076,621	-	1,076,621	1,076,621	-	1,076,621
8	IDBI Bank Ltd. 7,780 (P.Y. 8,500)	10	1,132,057	-	1,132,057	1,250,861	-	1,250,861
9	IFCI Ltd. 25,000 (P.Y. 50,000)	10	1,242,797	-	1,242,797	2,485,594	-	2,485,594
10	India Glycols Ltd. 1,000 (P.Y. 1,000)	10	155,093	-	155,093	155,093	-	155,093
11	Rattan India Power Ltd. 9,145 (P.Y. 9,145)	10	306,414	-	306,414	306,414	-	306,414
12	JVL Agro Industries Ltd. 50,000 (P.Y. 50,000)	1	1,009,259	-	1,009,259	1,009,259	-	1,009,259
13	Jubilant Life Sciences Ltd. 24,742 (P.Y. 24,742)	1	7,456,758	-	7,456,758	7,456,758	-	7,456,758
14	Jubilant Industries Ltd. Nil (P.Y. 375)	10	-	-	-	113,027	-	113,027
15	K.S.Oils Ltd. 1,88,950 (P.Y. 3,77,900)	1	9,266,797	-	9,266,797	15,883,070	-	15,883,070
16	Nagarjuna Fertilizers & Chemicals Ltd. 27,500 (P.Y. 55,000)	1	393,348	-	393,348	786,695	-	786,695

**THE METHONI TEA COMPANY LTD.**

Notes forming part of the financial statements as at 31st March, 2016

Note: 2.8 Non - Current Investments

(Figures in ₹)

Sl. No.	Particulars	Face Value	As at 31st March, 2015			As at 31st March, 2014		
			Quoted	Unquoted	Total	Quoted	Unquoted	Total
17	Nagarjuna Oil Refinery Ltd. 25,000 (P.Y. 50,000)	1	357,589	-	357,589	715,177	-	715,177
18	Novartis India Ltd. 1750 (P.Y. NIL)	5	1,400,523	-	1,400,523	-	-	-
19	Punj Lloyd Ltd. 4,250 (P.Y. 4,500)	2	427,233	-	427,233	452,364	-	452,364
20	Reliance Communications Ltd. 2,600 (P.Y. 3,300)	5	1,569,111	-	1,569,111	2,120,977	-	2,120,977
21	Tata Chemicals Ltd. 1,500 (P.Y. 3,000)	10	630,337	-	630,337	1,260,673	-	1,260,673
22	The West Coast Paper Mills Ltd. 1,250 (P.Y. 2,500)	2	129,199	-	129,199	258,397	-	258,397
<b>Sub-Total (A)</b>			<b>56,504,605</b>	<b>-</b>	<b>56,504,605</b>	<b>66,091,313</b>	<b>-</b>	<b>66,091,313</b>
<b>(b) Un-Quoted Equity Shares</b>								
23	ABC Tea Workers Welfare Services 625 (P.Y. 625)	10	-	1,250	1,250	-	1,250	1,250
24	Monet Securities Private Limited 21,71,000 (P.Y. 21,71,000)	10	-	7,055,750	7,055,750	-	7,055,750	7,055,750
25	Woodlands Multispeciality Hospital Limited 200 (P.Y. 200)	10	-	2,000	2,000	-	2,000	2,000
<b>Sub-Total (B)</b>			<b>-</b>	<b>7,059,000</b>	<b>7,059,000</b>	<b>-</b>	<b>7,059,000</b>	<b>7,059,000</b>
<b>Total Non-Current Investment</b>			<b>56,504,605</b>	<b>7,059,000</b>	<b>7,059,000</b>	<b>66,091,313</b>	<b>70,59,000</b>	<b>73,150,313</b>
Aggregate amount of quoted investments					56,504,605			66,091,313
Aggregate market value of listed and quoted investments					34,357,722			22,582,165
Aggregate amount of unquoted investments					7,059,000			70,59,000

**THE METHONI TEA COMPANY LTD.**

**Notes forming part of the financial statements as at 31st March, 2016**

**Note: 2.9 Long Term Loans and Advances**

(Figures in ₹)

Sl. No.	Particulars	As at 31st March, 2016	As at 31st March, 2015
1	<u>Security Deposit</u>		
	<u>a) Unsecured, Considered Good :</u>		
	Electricity Supply & Others	1,322,860	967,136
2	Balances with Government Authorities		
	(i) Advance Income Tax	8,245,398	9,649,479
	(ii) MAT Credit Entitlement	75,620	-
	(iii) Cess on Made Tea (Including Edu. Cess)	-	509
	Total	9,643,878	10,617,124

**Note: 2.10 Deferred Tax Assets**

1)	<u>Deferred Tax Assets</u>		
	On Account of Section 43B of Income Tax Act, 1961	1,293,717	1,270,030
	On account of carry forward Agricultural Loss	4,324,149	5,210,117
	Total Deferred Tax Asset	5,617,866	6,480,147
2)	<u>Deferred Tax Liabilities</u>		
	On Account of Section 43B of Income Tax Act, 1961		
	On difference between book Balance and tax balance of fixed assets	(1,015,982)	(1,492,341)
	Total Deferred Tax Liabilities	(1,015,982)	(1,492,341)
	Net Deferred Tax Assets / (Liabilities)	4,601,884	4,987,806
<b>Note :2.11 Other Non- Current Assets</b>			
1	Deposits	258,374	258,374
	Total	258,374	258,374

**THE METHONI TEA COMPANY LTD.**

**Notes forming part of the financial statements as at 31st March, 2016**

**Note: 2.12 Inventories**

(Figures in ₹)

Sl. No.	Particulars	As at 31st March, 2016	As at 31st March, 2015
1	Black Tea	4,294,597	2,467,413
2	Tea Waste	-	268,000
3	Packing Materials	879,782	633,327
4	Fuel	4,112,194	489,143
5	Consumable Stores	3,456,838	3,598,694
6	Consumable Stores in Transit	229,884	125,816
	<b>Total</b>	<b>12,973,295</b>	<b>7,582,393</b>

**Note: 2.13 Trade Receivables**

1	<u>Others</u>		
	a) Unsecured, Considered Good	143,482	952,760
	<b>Total</b>	<b>143,482</b>	<b>952,760</b>

**Note: 2.14 Cash & Cash Equivalent**

1	Cash Balance	99,341	82,216
2	<u>Balances with banks</u>		
	(i) In Current Accounts	685,240	1,142,383
	(ii) In Deposit Accounts	26,474,662	28,486,598
	(iii) In Earmarked Accounts		
	- Unpaid Dividend Accounts	264,857	267,857
	<b>Total</b>	<b>27,524,100</b>	<b>29,979,054</b>



**THE METHONI TEA COMPANY LTD.**

**Notes forming part of the financial statements as at 31st March, 2016**

**Note :2.15 Short Terms Loans and Advances**

(Figures in ₹ )

Sl. No.	Particulars	As at 31st March, 2016	As at 31st March, 2015
1	Loans and advances to employees	101,690	298,170
2	Prepaid expenses	1,665,293	1,032,570
3	<u>Loan to Corporates and Others</u>		
	(i) Unsecured, considered good	1,611,287	1,611,287
4	<u>Advance to Others</u>		
	Advance to Suppliers	1,515,122	82,057
	Advance to Service Providers	2,280	2,368
	Total	4,895,672	3,026,452

**Note :2.16 Other Current Assets**

1	<b>Accruals</b>		
	(i) Interest accrued on deposits	307,144	2,390,316
	(ii) Interest accrued on Loan to Corporates Considered good	69,464	69,464
	(iii) Others	73,777	161,534
	Total	450,385	2,621,314

**Note : 2.17 Revenue from Operations**

1	Sales of Finished Tea	91,679,426	97,738,751
	Less: Excise Duty	284,701	345,459
		91,394,725	97,393,292
2	Sale of Tea Waste	388,000	-
3	<u>Subsidies</u>		
	Tea Board Orthodox Subsidy	1,314,609	-
	Total	93,097,334	97,393,292

**THE METHONI TEA COMPANY LTD.**

**Notes forming part of the financial statements as at 31st March, 2016**

**Note: 2.18 Other Income**

(Figures in ₹)

Sl. No.	Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
1	Dividend Received	321,037	290,007
2	Net Gain on Sale of Investments	-	920,137
3	Insurance Claim	70,588	6,690
4	Interest Income	2,409,305	2,798,577
5	Tea Board SPTF Subsidy	-	638,261
6	Tea Sample Sales	-	54,000
7	Liabilities No Longer Required add back	67,822	-
8	Misc. Receipts	2,200	-
<b>Total</b>		<b>2,870,952</b>	<b>4,707,672</b>

**Note: 2.19 Change in Inventories**

1	Opening Stock	2,735,413	3,266,197
2	Closing Stock	4,294,597	2,735,413
<b>Total</b>		<b>(1,559,184)</b>	<b>530,784</b>

**Note : 2.20 Employment Benefit Expenses**

1	Salaries and Wages	62,313,691	58,738,464
2	Contributions to Provident and Other Funds	8,734,949	8,741,922
3	Staff Welfare Expenses	8,057,620	6,594,103
<b>Total</b>		<b>79,106,260</b>	<b>74,074,489</b>

**Note : 2.21 Financial Cost**

1	<u>Interest on Borrowing</u>		
	- Bank OD A/c - HDFC Bank A/c	1,101,315	1,571,515
	- Others	97,609	2,922
<b>Total</b>		<b>1,198,924</b>	<b>1,574,437</b>

**THE METHONI TEA COMPANY LTD.**

**Notes forming part of the financial statements as at 31st March, 2016**

Note : 2.22 Other Expenses

(Figures in ₹)

Sl. No.	Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
1	Cultivation Expenses	8,878,230	9,316,999
2	Power & Fuel	12,724,331	17,857,032
3	Electricity	187,158	186,792
4	Postage & Telegram	245,525	212,278
5	Telephone	158,703	118,990
6	Repairs & Maintenance	5,836,226	7,102,243
7	Consumption of Packing Material & Stores	1,291,244	1,656,691
8	Rent Charges	155,359	155,359
9	Rates & Taxes	595,952	487,314
10	Insurance Charges	680,513	3,234,994
11	Travelling and Conveyance	544,770	690,770
12	Freight Charges	2,085,789	3,080,715
13	Commission & Brokerage	845,336	1,086,627
14	Other Selling Expenses	1,133,631	1,453,402
15	Auditors' Remuneration	92,484	213,257
16	Cess on Green Leaf	900,270	1,199,738
17	Directors Sitting Fees	13,000	8,000
18	Professional Fees	1,159,341	907,632
19	Subscription	458,591	579,028
20	Miscellaneous Expenses	2,022,996	2,464,359
21	Loss on Sale of Long Term Investments	8,500,362	-
	<b>Total</b>	<b>48,509,811</b>	<b>52,012,219</b>

**Payments to the Auditors Comprises**

1	As Auditors - Statutory Audit	57,500	56,180
2	For Other Services	32,996	155,057
3	Reimbursement of Expenses	1,988	2,020
	<b>Total</b>	<b>92,484</b>	<b>213,257</b>

## THE METHONI TEA COMPANY LTD.

### Additional Information to the Financial Statements

**2.23** The company has received demand under I.T. Act for various assessment years and preferred appeal, which are as follows :

The company has received a demand of Rs. 82,282/- (PY: Rs. 82,282) u/s 143(3) of I.T. Act for the A. Y. 2007-08 against which an appeal has been filed before Commissioner of I. Tax Appeal-IV which is pending.

The company has received a demand of Rs. 4,35,020/- (PY: Rs. 4,35,020/-) u/s 250 of I.T. Act for the A.Y. 2010-11 against which an appeal has been filed before Income tax Appellate Tribunal, Kolkata Branch which is pending.

The company has received a demand of Rs. 14,50,740/- (PY: Rs. 14,50,740/-) u/s 143(3) of I.T. Act for the A.Y. 2011-12 against which an appeal has been filed before Commissioner of I. Tax Appeal-IV which is pending.

The company has received a demand of Rs. 5,360/- (PY: Rs. 5,360/-) u/s 143(3) of I.T. Act for the A. Y. 2012-13 against which an appeal has been filed before Commissioner of I. Tax Appeal-II which is pending.

Based on interpretation of the Acts & various judicial pronouncements in relation to similar matters, the Company is of the view that the above demand is likely to be deleted.

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

**2.25** Managerial Remuneration (As per Schedule V Part II of Companies Act, 2013)

(Figure in ₹)

A) <u>Details of Managerial Remuneration -</u>	2015-16	2014-15
Gross Salary	1,702,400	2,441,600
House Rent Allowance	760,000	1,090,000
Total	2,462,400	3,531,600
B) <u>Computation of Net Profit and Director's Commission</u>	2015-16	2014-15
Profit / (Loss) Before Tax as per Profit & Loss Account	(35,304,145)	(31,463,163)
Less : Profit / (Loss) on Sale of Investments	(8,500,362)	920,137
	(26,803,783)	(32,383,300)
Add : Sitting Fees	13,000	8,000
Add : Managerial's Remuneration	2,462,400	3,531,600
Profit / (Loss) for computation of Director's Remuneration	(24,328,383)	(28,843,700)
Commission thereon @ 2.5% each for two directors	-	-

## THE METHONI TEA COMPANY LTD.

### 2.26 Details of government Subsidies/grants :

Particulars	For the Year ended 31st March 2016	For the Year ended 31st March 2015
Government grants received by the Company during the year towards Subsidies (Recognised under other income) :		
Tea Board Replantation Subsidy	--	638,261
Tea Board Orthodox Subsidy	1,314,609	--
<b>Total</b>	<b>1,314,609</b>	<b>638,261</b>

**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".

**2.28** There are no transaction (other than transactions with related parties as given in Para 2.32) 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** The amount receivable from Elder Pharmaceuticals Limited on account of loan of Rs. 16,11,287/- and interest receivable of Rs. 69,464/- is subject to confirmation.

**2.30** In the opinion of the Management, the aggregate decrease in the Market Value by ₹ 2,58,78,710/- (P. Y. ₹ 4,41,23,150/-) on comparison of the individual investments in long term quoted investments with the respective investment's market value as on the Balance sheet date have not suffered any permanent diminution. No provision has therefore been considered necessary at this stage.

2.31 Related party transactions

a) Details of related parties

Description of relationship	Names of related parties
Key Management Personnel (KMP)	(i) Mr. R.P. Bubna - Whole Time Director, (ii) Mr. Sanjeev Bubna - Managing Director till 08/10/15 (iii) Mr. Anirudha Bubna - Managing Director wef 01/02/16 (iv) Mrs Anita Bubna - Director
Associate Company	M/s. Monet Securities Pvt. Ltd.
Enterprises over which Key Management Personnel and their relatives have significant influence	(i) M/s. Spark Securities (P) Ltd. (ii) M/s. Gyan Traders Ltd. (iii) M/s. M. Prasad & Co. Ltd. (iv) M/s. Monet Securities (P) Ltd. (v) M/s. M.P. Bubna Foundation (vi) M/s. Indistock Pvt. Ltd.

Note: Relied upon as identified by the Management.

b) Details of related party transactions during the year 01 April 2015 to 31 March 2016 and balances outstanding as at 31 March, 2016: (Figures in ₹)

Particulars	Key Managerial Personnel				Entities in which KMP / relatives of KMP have significant influence				Total
	Mr. R.P. Bubna	Mr. S. Bubna	Mrs. Anita Bubna	M/s Spark Securities (P) Ltd. *	M/s. M. Prasad & Co. Ltd. *	M/s. Monet Securities (P) Ltd.	M/s. Indistock Pvt. Ltd.	M/s. M.P. Bubna Foundation	
Brokerage Paid	-	-	-	778	1,251	-	-	-	2,029
Service Tax & Cess on Brokerage paid	(0)	(0)	(0)	(501)	(0)	(0)	(0)	(0)	(501)
Securities Transaction Tax Paid	-	-	-	189	175	-	-	-	284
Purchase/ Sale of Shares	(0)	(0)	(0)	(62)	(0)	(0)	(0)	(0)	(62)
Loans and Advance Taken	-	-	-	1,553	1,605	-	-	-	3,158
Loans and Advance Repayment Done	(0)	(0)	(0)	(1,716)	(0)	(0)	(0)	(0)	(1,716)
Interest Paid	(0)	(0)	(0)	1,548,712	1,603,516	-	728,147	-	3,880,374
Re-imbursment of Expenses done	-	-	-	(1,715,474)	(0)	(0)	(0)	(0)	(1,715,474)
Contribution of Provident Fund made	(0)	(0)	(0)	(0)	25,100,000	-	-	-	25,100,000
Donation Paid	114,000	68,400	(150,000)	(0)	(212,450,000)	(0)	(0)	(0)	(212,450,000)
Remuneration Paid	(130,800)	(130,800)	(0)	(0)	25,100,000	(3,950,000)	(0)	(0)	25,100,000
Balances outstanding at the end of the year	(0)	(0)	(0)	(0)	(0)	(2,922)	(0)	(0)	(2,922)
Loans and Advance Taken	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(40,000)	(40,000)
Investment in Shares	1,425,000	855,000	-	-	-	-	-	-	2,280,000
	(1,635,000)	(1,635,000)	(0)	(0)	(0)	(0)	(0)	(0)	(3,270,000)
	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
	(0)	(0)	(0)	(0)	(0)	7,055,750	(0)	(0)	7,055,750
	(0)	(0)	(0)	(0)	(0)	(7,055,750)	(0)	(0)	(7,055,750)

(\* ) Share Broking Firm.

The details of related party transactions 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.

Additional Information to the Financial Statement.

### 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 ₹ 49,37,633/- (P.Y. Rs. 36,68,073/-)

#### Defined Benefit Plan

(Figures in ₹)

	Change of Benefit Organisation	Leave Encashment		Gratuity	
		2015-16	2014-15	2015-16	2014-15
I.	Liability at the beginning of the year	788,319	512,397	20,825,903	16,713,299
	Interest cost	61,883	46,116	1,634,833	1,504,197
	Current Service Cost	149,737	93,231	1,387,090	1,074,630
	Past Service Cost (Non Vested Funds)	-	-	-	-
	Past Service Cost (Vested Funds)	-	-	-	-
	Benefit Paid	(202,267)	(81,127)	(1,607,201)	(1,677,333)
	Actuarial (Gain) / Loss on Obligation	582,704	217,702	1,641,206	3,211,110
	Curtailments and Settlements	-	-	-	-
	Liability at the end of the year	1,380,376	788,319	23,881,831	20,825,903
<b>Fair Value of Plan Assets</b>					
II.	Fair Value of Plan Assets at the beginning of the year	-	-	16,761,343	15,765,990
	Expected Return on Plan Assets	-	-	1,424,714	1,340,109
	Contributions	202,267	81,127	1,564,561	1,247,309
	Benefit Paid	(202,267)	(81,127)	(1,607,201)	(1,677,333)
	Actuarial (Gain) / Loss on Plan Assets	-	-	50,913	85,268
	Fair Value of Plan Assets at the end of the year	-	-	18,194,330	16,761,343
	Total Actuarial (Gain) / Loss to be Recognised	582,704	217,702	1,590,293	3,125,842
<b>Actual Return on Plan Assets</b>					
III.	Expected Return on Plan Assets	-	-	1,424,714	1,340,109
	Actuarial (Gain) / Loss on Plan Assets	-	-	50,913	85,268
	Actual Return on Plan Assets	-	-	1,475,627	1,425,377
<b>Amount Recognised in the balance Sheet</b>					
IV.	Liability at the end of the year	(1,380,376)	(788,319)	(23,881,831)	(20,825,903)
	Fair Value of Plan Assets at the end of the year	-	-	18,194,330	16,761,343
	Fund Status [Surplus / (Deficit)]	(1,380,376)	(788,319)	(5,687,501)	(4,064,560)
	Unrecognised Past Service Cost	-	-	-	-
Amount Recognised in the Balance Sheet [Asset / (Liability)]		(1,380,376)	(788,319)	(5,687,501)	(4,064,560)
<b>Expenses Recognised in the Income Statement</b>					
V.	Current Service Cost.	149,737	93,231	1,387,090	1,074,630
	Interest cost	61,883	46,116	1,634,833	1,504,197
	Expected Return on Plan assets	-	-	(1,424,714)	(1,340,109)
	Net Actuarial (Gain) / Loss to be Recognised	582,704	217,702	1,590,293	3,125,842
	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	794,324	357,049	3,187,502	4,364,560
	<b>Balance Sheet Reconciliation</b>				
VI.	Opening Net Liability	788,319	512,397	4,064,560	947,309
	Expense as above	794,324	357,049	3,187,502	4,364,560
	Employers Contribution	(202,267)	(81,127)	(1,564,561)	(1,247,309)
	Effect of Curtailment or settlement	-	-	-	-
	Amount Recognised in the Balance Sheet [Liability / (Asset)]	1,380,376	788,319	5,687,501	4,064,560
	<b>Acturial Assumption</b>				
VII.	Discount Rate Current	7.80%	7.85%	7.80%	7.85%
	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 and leave encashment is determined based an acturial 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 the matter of prudence, Deffered Tax Asset on the carry forward Central business losses have not been recognised for in the Accounts.

**2.34** Basic and Diluted Earnings per share :

Particulars	For the Year ended 31st March 2016	For the Year ended 31st March 2015
Basic & Diluted		
Net Profit /(Loss) for the year from operations attributable to the equity shareholders	(32,916,627)	(23,654,495)
Weighted average number of equity shares	408,000	408,000
Per value per share	10,00	10,00
Basic and Diluted Earning per share	(80.68)	57.98

**2.35** 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, 2016 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.



## THE METHONI TEA COMPANY LTD.

### 2.36 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	31.03.16	Kgs	1,000,000	56,563	2,467,413	526,756	562,558	91,679,426	20,761	4,294,597
	31.03.15	Kgs	1,000,000	22,744	3,266,197	731,975	698,156	97,738,751	56,563	2,467,413
Tea Waste	31.03.16	Kgs	N.A	16,750	268,000	8,000	24,750	388,000	-	-
	31.03.15	Kgs	N.A	-	-	16,750	-	-	16,750	268,000

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

\*\* As Certified by the Management.

#### b) Raw material consumed

Particulars	For the Year ended 31st March 2016	For the Year ended 31st March 2015
Green leaf plucked and consumed (kgs.)*	2,257,011	29,99,346

Includes bought leaf 6335 kgs. (PY: NIL kg.)

\*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.

### 2.37 Details of consumption of imported and indigenous items

Particulars	For the year ended 31st March 2016	
	Amount (₹)	%age
<u>Imported</u>		
a) Packing Material Consumed	979,855 (13,88,117)	82.77 (91.34)
<u>Indigenous</u>		
a) Packing Material Consumed	204,001 (131,674)	17.23 (8.66)
Note: Figures / percentages in bracket relates to the previous year.		

2.38 The expenditure in foreign currency towards cost of materials was ₹ 7,30,104/- (Previous Year ₹ 6,67,941/-).

2.39 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.

2.40 Figures have been rounded up to the nearest rupee.

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

Place : Kolkata  
Dated : 28th Day of May, 2016

**Rajendra Pd Bubna**  
DIN : 00180543

**Anirudha Bubna**  
DIN : 06842250

**Anita Bubna**  
DIN : 00180704

**Prahlad Lal Jain**  
DIN : 00944702

**Sona Goenka**  
DIN : 07147090

Whole Time Director

Managing Director

Directors

**INDEPENDENT AUDITORS' REPORT**

**TO THE MEMBERS OF**  
**THE METHONI TEA COMPANY LIMITED.**

**Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated Financial Statements of The Methoni Tea Company Limited (hereinafter referred to as "the Investor") and its associates, comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

**Management's Responsibility for the Financial Statements**

The Investor Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the investing company and its associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in investing Company and its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Investor Company, as aforesaid.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan

## THE METHONI TEA COMPANY LTD.

and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Investor Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Investor Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Investor Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### **Basis for Qualified Opinion**

- i) *Non provisioning of shortfall in carrying value of certain quoted investments in equity shares amounting to Rs.2.5878,710/-, refer Note No 2.30 to the Consolidated Financial Statements.*
- ii) *We further report that, had the observations made by us in basis for Qualified Opinion Note No. (i) above been considered, the loss for the year would have been Rs.5.69.32.274/- (as against reported loss figure of Rs.3,10.53.563/-). Debit balance in the Consolidated Profit and Loss Account would have been Rs.4.38,59.392/- (as against reported figure of Debit Balance of Rs.1,79.80.682/-).*

We have qualified the report on the financial statements for the year ended 31<sup>st</sup> March 2016 based on above paragraphs.

### **Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid Consolidated 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 Consolidated Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March. 2016;
- b) In the case of the Consolidated Statement of Profit and Loss, of the Loss for the year ended on that date; and
- c) In the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

**Other Matters**

We did not audit the financial statements / financial information of our associate whose financial statements / financial information reflect total assets of Rs.97,90,68,284/- as at 31st March, 2016, total revenues of Rs.80,81,04,013/- and net cash flows amounting to Rs.1,28,78,649/- for the year ended on that date, as considered in the consolidated financial statements.

The consolidated financial statements also include the Investor's share of net profit of Rs. 18,63,064/- for the year ended 31st March, 2016, as considered in the consolidated financial statements, in respect of the associate, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) *Except for the effects of the matter described in the basis for qualified opinion paragraph*, in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors of the Investor Company as on 31st March, 2016 taken on record by the Board of Directors of the Investor Company and the reports of the statutory auditors of its associate company incorporated in India, none of the directors of the investing company and its associates were not disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

**THE METHONI TEA COMPANY LTD.**

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact, if any of Pending Litigation as at March 31, 2016 on the consolidated financial position of the investing company and its Associates- Refer Note-2.23 to the Consolidated Financial Statements.
  - ii. There was no amount which was required to be transferred to Investor Education and Protection Fund by the Company and the associate company.

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

Place : Kolkata

Dated : 28th day of May, 2016

## THE METHONI TEA COMPANY LTD.

### ANNEXURE-A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE METHONI TEA COMPANY LIMITED

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

We have audited the internal financial controls over financial reporting of THE METHONI TEA COMPANY LIMITED ("the Investor") and its associate as on March 31, 2016 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

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

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

#### **Auditors' Responsibility**

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

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

## THE METHONI TEA COMPANY LTD.

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

### Meaning of Internal Financial Controls Over Financial Reporting

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

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

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

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

In our opinion, the Investing Company and its associate, which are Companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India"

**SHUBHAM DAGA, FCA, Partner**  
(Membership No. : 063574)

For & On behalf of  
**DHANDHANIA & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 316052E

Place : Kolkata  
Dated : 28th day of May, 2016

**THE METHONI TEA COMPANY LTD.**

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016**

(Figures in ₹)

Sl. No.	Particulars	Note No.	As at 31st March, 2016
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>		
<b>(1)</b>	<b>Shareholder's Funds</b>		
	(a) Share Capital	2.1	4,080,000
	(b) Reserves and Surplus	2.2	89,698,913
<b>(2)</b>	<b>Non-Current Liabilities</b>		
	(a) Long-Term Provisions	2.3	6,796,337
<b>(3)</b>	<b>Current Liabilities</b>		
	(a) Trade Payables	2.4	7,039,017
	(b) Other Current Liabilities	2.5	23,723,211
	(c) Short-Term Provisions	2.6	14,995,807
	<b>Total Equity &amp; Liabilities</b>		<b>146,333,285</b>
<b>II.</b>	<b>ASSETS</b>		
<b>(1)</b>	<b>Non-Current Assets</b>		
	(a) Fixed Assets		
	(i) Gross Block		92,007,560
	(ii) Depreciation		71,914,207
	Net Block	2.7	20,093,353
	(b) Non-Current Investment	2.8	65,748,863
	(c) Long Term Loans and Advances	2.9	9,643,878
	(d) Deferred Tax Assets (net)	2.10	4,601,884
	(e) Other Non-Current Assets	2.11	258,374
<b>(2)</b>	<b>Current Assets</b>		
	(a) Inventories	2.12	12,973,295
	(b) Trade Receivables	2.13	143,482
	(c) Cash and Cash Equivalents	2.14	27,524,100
	(d) Short - Term Loans and Advances	2.15	4,895,672
	(e) Other Current Assets	2.16	450,385
	<b>Total Assets</b>		<b>146,333,285</b>

**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 : 28th Day of May, 2016

**Rajendra Pd Bubna**  
 DIN : 00180543

**Anirudha Bubna**  
 DIN : 06842250

**Anita Bubna**  
 DIN : 00180704

**Prahlad Lal Jain**  
 DIN : 00944702

**Sona Goenka**  
 DIN : 07147090

**Whole Time Director**

**Managing Director**

**Directors**



**THE METHONI TEA COMPANY LTD.**

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31 ST MARCH, 2016**

(Figures in ₹)

Sl. No.	Particulars	Note No.	For the year Ended 31st March, 2016
(1)	Revenue from Operations	2.17	93,097,334
(2)	Other Income	2.18	2,870,952
	<b>Total Revenue (1+2)</b>		<b>95,968,286</b>
(3)	<b>Expenses :</b>		
	Cost of materials consumed		152,765
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	2.19	(1,559,184)
	Employee Benefit Expenses	2.20	79,106,260
	Financial Costs	2.21	1,198,924
	Depreciation and Amortization Expense	2.7	3,863,855
	Other Expenses	2.22	48,509,811
	<b>Total Expenses</b>		<b>131,272,431</b>
(4)	<b>Profit/ (Loss) before exceptional and extraordinary items and tax</b>		<b>(35,304,145)</b>
(5)	Exceptional and Extraordinary Items		—
(6)	<b>Profit/ (Loss) after Exceptional and Extraordinary items and before tax</b>		<b>(35,304,145)</b>
(7)	<b>Tax Expense:</b>		
	(1) Current Tax		—
	(2) Deferred Tax		385,922
	(3) Tax for Earlier Years		(2,773,440)
(8)	<b>Profit/ (Loss) from Operations</b>		<b>(32,916,627)</b>
(9)	Share in Profit/(Loss) of Associates		1,863,064
(10)	<b>Net Profit/(Loss) after Share of Associates (8+9)</b>		<b>(31,053,563)</b>
(11)	<b>Earning per Equity Share:</b>		
	(1) Basic		(76.11)
	(2) Diluted		(76.11)

**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 : 28th Day of May, 2016

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**Whole Time Director**

**Managing Director**

**Directors**

**THE METHONI TEA COMPANY LTD.**

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED AS ON 31ST MARCH, 2016**

Particulars	For the year ended 31 March, 2016	
	₹	₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit / (Loss) before extraordinary items and tax		(35,304,145)
<i>Adjustments for:</i>		
Depreciation and amortisation	3,863,855	
Finance costs	1,198,924	
Interest income	(2,409,305)	
Dividend income	(321,037)	
Loss on Assets discarded	17,429	
Net (gain) / loss on sale of investments	8,500,362	10,850,228
Operating profit / (loss) before working capital changes		(24,453,917)
<i>Adjustments for (increase) / decrease in Assets:</i>		
Inventories	(5,390,902)	
Trade receivables	809,277	
Short-term loans and advances	(1,869,220)	
Other current assets	2,170,929	
Other non-current assets	—	
<i>Adjustments for increase / (decrease) in Liabilities:</i>		
Trade payables	1,053,688	
Other current liabilities	(390,811)	
Short-term provisions	3,829,750	
Long-term provisions	(3,190,000)	(2,977,289)
Cash generated from operations		(27,431,206)
Net income tax (paid) / refunds		2,773,440
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>(24,657,766)</b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure on fixed Assets	(1,525,585)	
Short Term Loans and Advances Taken	—	
Long Term Loans and Advances Recovered	973,246	
Subsidy Received	630,773	
Purchase of Non-Current Investments	(1,400,523)	
Proceeds from sale of Non-Current Investments	2,486,869	
Interest income	2,409,305	
Dividend income	321,037	
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>3,895,122</b>

**THE METHONI TEA COMPANY LTD.**

Particulars	For the year ended 31 March, 2016	
	₹	₹
<b>C. Cash flow from financing activities</b>		
Short Term Borrowings	-	
Finance Cost	(1,198,924)	
Dividends Paid	(3,000)	
Bank OD	19,509,613	
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>18,307,690</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>(2,454,954)</b>
Cash and cash equivalents at the beginning of the year		29,979,054
<b>Cash and cash equivalents at the end of the year</b>		<b>27,524,100</b>
<b>Reconciliation of Cash and Cash Equivalents with the Balance Sheet:</b>		
Cash and cash equivalents as per Balance Sheet at the year end comprises		27,524,100
Cash and cash equivalents as per Balance Sheet at the year end comprises		
(a) Cash in hand		99,341
(b) Balances with banks:		
(i) In current accounts		685,240
(ii) In Deposit accounts		26,474,662
(iii) In Earmarked accounts		264,857
		<b>27,524,100</b>

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 : 28th Day of May, 2016

**Rajendra Pd Bubna**  
 DIN : 00180543

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**Anita Bubna**  
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**Prahlad Lal Jain**  
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**Sona Goenka**  
 DIN : 07147090

**Whole Time Director**

**Managing Director**

**Directors**

## THE METHONI TEA COMPANY LTD.

NOTES ON ACCOUNTS AND SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

### COMPANY OVERVIEW

The Methoni Tea Company Limited [CIN: L15492WB1929PLC006618] 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 growing, manufacturing and soiling of Black Tea.

INVESTMENT IN ASSOCIATES AND SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

#### A INVESTMENT IN ASSOCIATE

The Consolidated Financial Statements of the Company pertain to Methoni Tea Company limited (The Investor) and its Associates. The Associate wise Investment is shown below :

Name of the Company	Monet Securities Pvt. Ltd,
Category	Associate
Country of Incorporation	India
Proportion of Ownership Interest (31.03.16)	40.27%

#### B 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, 2013. 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

## THE METHONI TEA COMPANY LTD.

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 tangible assets is provided on written down value method over the useful life of the assets as prescribed under Part C of the of Schedule II of the Companies Act 2013. Depreciation for assets purchased/sold during the period is proportionately charged.

Depreciation and amortisation methods, useful life and residual values are reviewed periodically, including at each financial year end.

### 1.5 INVESTMENTS

Long Term Investments are stated at cost. Diminution in value, if any, which are not temporary in nature, are adjusted 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.

## THE METHONI TEA COMPANY LTD.

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 employment benefits are charged to the Statement of Profit and Loss.

### 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

## THE METHONI TEA COMPANY LTD.

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 recognised 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.

**THE METHONI TEA COMPANY LTD.**

**Notes forming part of the Consolidated financial statements as at 31st March, 2016**

Note: 2.1 Share Capital		(Figures in. ₹)	
Sl. No.	Particulars	As at 31st March, 2016	
1	<b>Authorized Capital</b>		
	Equity shares, ₹ 10/- par value 5,00,000 Equity Shares		5,000,000
			5,000,000
2.	<b>Issued, Subscribed &amp; Paid Up Capital</b>		
	Equity Shares, ₹ 10/- par value 4,08,000 Equity Shares		4,080,000
	<b>Total</b>		<b>4,080,000</b>

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 Rs. 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, 2016
Number of shares at the beginning of the year	408,000
Add: Shares issued during the year	—
Number of shares at the closing of the year	408,000

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

Sl. No.	Particulars	As at 31st March, 2016	
		Total No. of Shares	Holding (%)
1	Rajendra Prasad Bubna	83,000	20.34
2	Anita Bubna	83,000	20.34
3.	Anirudha Bubna	82,188	20.14



**THE METHONI TEA COMPANY LTD.**

Note ; 2.2 Reserve & Surplus

(Figures in. ₹)

Sl. No.	Particulars	As at 31st March, 2016
1	Capital Reserve	6,626
2	General Reserve	107,235,917
3	Reserve Fund (On account of Investments in Associates)	437,052
4	Surplus / (Deficit) in Statement of Profit and Loss (Includes Profit of Rs. 17,48,206/- on account of Investments in Associates)	(17,980,682)
	<b>Total</b>	<b>89,698,913</b>

**Notes forming part of the Consolidated financial statements as at 31st March, 2016**

Note: 2.3 Long Term Provisions (Figures in. ₹)

Sl. No.	Particulars	As at 31st March, 2016
1	Provision for Tax	6,796,337
	<b>Total</b>	<b>6,796,337</b>

Note: 2.4 Trades Payable

1	Sundry Creditors for Material/Supplies	6,248,866
2	Sundry Creditors for Services	790,151
	<b>Total</b>	<b>7,039,017</b>

Note: 2.5 Other Current Liabilities

1	<u>Accrued Salaries &amp; Benefits</u> Salaries & Wages	1,907,540
2	Statutory Payables	923,794
3	Unpaid Dividends	264,857
4	Bank OD A/c (HDFC Bank A/c)	20,239,864
5	Other Payables	387,156
	<b>Total</b>	<b>23,723,211</b>

Note: 2.6 Short Term Provisions

1	Bonus Payable	7,927,930
2	Employee Benefits	7,067,877
	<b>Total</b>	<b>14,995,807</b>

THE METHONI TEA COMPANY LTD.

Notes forming part of the consolidated financial statements as at 31st March, 2016

Note : 2.7 Fixed Asset

(Figures in ₹)

Sl. No	Particulars	Original Cost			Depreciation and Amortisation				Net Book Value As at 31st Mar'16	
		As at 1st April'15	Addition during the year	Adjustment* during the Year	As at 31st Mar'16	As at 1st April'15	Addition during the year	Deduction/ Adjustment during the Year		As at 31st Mar'16
I	Tangible Assets									
1	Land ((Lease and Free hold) and Development)	5,097,916	-	-	5,097,916	2,127,071	-	-	2,127,071	2,970,845
2	Factory Buildings	4,768,303	-	-	4,768,303	2,769,908	184,534	-	2,954,442	1,813,861
3	Other Buildings	21,648,874	-	56,940	21,591,734	15,805,518	955,921	44,642	16,716,797	4,874,937
4	Plant & Machineries	50,984,834	1,207,875	805,147	51,387,562	39,349,856	2,359,338	171,580	41,537,614	9,849,948
5	Computers	894,771	37,710	37,169	895,312	779,465	101,153	35,071	845,547	49,765
6	Office Equipment	252,205	-	-	252,205	222,541	10,838	-	233,379	18,826
7	Furniture & Fixtures	1,120,219	-	1,594	1,118,625	963,668	65,871	1,355	1,028,184	90,441
8	Motor Vehicles	6,615,903	280,000	-	6,895,903	6,284,973	186,200	-	6,471,173	424,730
	Total (Current Year)	91,382,825	1,525,585	908,850	92,907,660	68,303,000	3,863,955	252,646	71,914,207	20,093,363

\*Note : The Company has received subsidy of Rs. 6,30,773/- during the year 2015-16 in respect of Plantation Development Scheme Account for Irrigation Activity which has been reduced from the WDV of the respective asset as per the accounting policy.

## THE METHONI TEA COMPANY LTD.

Notes forming part of consolidated the financial statements as at 31st March, 2016

Note: 2.8 Non - Current Investments

(Figures in ₹)

Sl. No.	Particulars	Face Value	As at 31st March, 2016		
			Quoted	Unquoted	Total
<b>1</b>	<b>Non Trade Investments</b>				
A.	<u>Investment in equity instruments of other entities</u>				
(a)	<u>Fully paid up Quoted Equity Shares</u>				
1	Ambalal Sarabhai Enterprises Ltd. 24,70,625 Shares	10	28,089,515	—	28,089,515
2	Ballarpur Industries Ltd. 7,000 Shares	2	164,214	—	164,214
3	Deepak Fertilisers & Petrochemicals Corporation Ltd. 1,350 Shares	10	265,930	—	265,930
4	EIH Ltd. 7,630 Shares	2	915,205	—	915,205
5	Financial Technologies (India) Ltd. 250 Shares	2	344,222	—	344,222
6	Fresenius Kabi Oncology Ltd. 1,000 Shares	1	172,385	—	172,385
7	Hindustan Petroleum Corporation Ltd. 2,500 Shares	10	1,076,621	—	1,076,621
8	IDBI Bank Ltd. 7,780 Shares	10	1,132,057	—	1,132,057
9	IFCI Ltd. 25,000 Shares	10	1,242,797	—	1,242,797
10	India Glycols Ltd. 1,000 Shares	10	155,093	—	155,093
11	Rattan India Power Ltd. 9,145 Shares	10	306,414	—	306,414
12	JVL Agro Industries Ltd. 50,000 Shares	1	1,009,259	—	1,009,259
13	Jubilant Life Sciences Ltd. 24,742 Shares	1	7,456,758	—	7,456,758
14	K.S.Oils Ltd. 1,88,950 Shares	1	9,266,797	—	9,266,797
15	Nagarjuna Fertilizers & Chemicals Ltd. 27,500 Shares	1	393,348	—	393,348

## THE METHONI TEA COMPANY LTD.

Notes forming part of the financial statements as at 31st March, 2016

Note: 2.8 Non - Current Investments

(Figures in ₹)

Sl. No.	Particulars	Face Value	As at 31st March, 2016		
			Quoted	Unquoted	Total
16	Nagarjuna Oil Refinery Ltd. 25,000 Shares	1	357,589	—	357,589
17	Novartis India Ltd. 1750 Shares	5	1,400,523	—	1,400,523
18	Punj Lloyd Ltd. 4,250 Shares	2	427,233	—	427,233
19	Reliance Communications Ltd. 2,600 Shares	5	1,569,111	—	1,569,111
20	Tata Chemicals Ltd. 1,500 Shares	10	630,337	—	630,337
21	The West Coast Paper Mills Ltd. 1,250 Shares	2	129,199	—	129,199
<b>Sub-Total (A)</b>			<b>56,504,605</b>	<b>—</b>	<b>56,504,605</b>
(B)	<u>Un-Quoted Equity Shares</u>				
22	ABC Tea Workers Welfare Services 625 Shares	10	—	1,250	1,250
23	Woodlands Multispeciality Hospital Limited 200 Shares	10	—	2,000	2,000
<b>Sub-Total (B)</b>			<b>—</b>	<b>3,250</b>	<b>3,250</b>
(C)	<u>Investment in Associates</u>				
24	Monet Securities Private Limited 21,71,000 Shares Book Value of Investment Add: Revaluation on account of Consolidation	10		7,055,750 2,185,258	7,055,750 2,185,258
<b>Sub-Total (C)</b>			<b>—</b>	<b>9,241,008</b>	<b>9,241,008</b>
<b>Total Non-Current Investment</b>			<b>56,504,605</b>	<b>9,244,258</b>	<b>65,748,863</b>
	Aggregate amount of quoted investments				56,504,605
	Aggregate market value of listed and quoted investments				34,357,722
	Aggregate amount of Investments in Associates				9,241,008
	Aggregate amount of unquoted investments				3,250

**THE METHONI TEA COMPANY LTD.**

**Notes forming part of the consolidated financial statements as at 31st March, 2016**

**Note: 2.9 Long Term Loans and Advances**

(Figures in ₹)

Sl. No.	Particulars	As at 31st March, 2016
1	<u>Security Deposit</u>	
	<u>a) Unsecured, Considered Good :</u>	
	Electricity Supply & Others	1,322,860
2	<u>Balances with Government Authorities</u>	
	(i) Advance Income Tax	8,245,398
	(ii) MAT Credit Entitlement	75,620
	<b>Total</b>	<b>9,643,878</b>

**Note: 2.10 Deferred Tax Assets**

1)	<u>Deferred Tax Assets</u>	
	On Account of Section 43B of Income Tax Act, 1961	1,293,717
	On account of carry forward Agricultural Loss	4,324,149
	Total Deferred Tax Asset	5,617,866
2)	<u>Deferred Tax Liabilities</u>	
	On Account of Section 43B of Income Tax Act, 1961	
	On difference between book Balance and tax balance of fixed assets	(1,015,982)
	Total Deferred Tax Liabilities	(1,015,982)
	Net Deferred Tax Assets / (Liabilities)	4,601,884

**Note :2.11 Other Non- Current Assets**

1	Deposits	258,374
	<b>Total</b>	<b>258,374</b>

THE METHONI TEA COMPANY LTD.

Notes forming part of the consolidated financial statements as at 31st March, 2016

Note: 2.12 Inventories

(Figures in ₹)

Sl. No.	Particulars	As at 31st March, 2016
1	Black Tea	4,294,597
2	Packing Materials	879,782
3	Fuel	4,112,194
4	Consumable Stores	3,456,838
5	Consumable Stores in Transit	229,884
	<b>Total</b>	<b>12,973,295</b>

Note: 2.13 Trade Receivables

1	<u>Others</u>	
	a) Unsecured, Considered Good	143,482
	<b>Total</b>	<b>143,482</b>

Note: 2.14 Cash & Cash Equivalent

1	Cash Balance	99,341
2	<u>Balances with banks</u>	
	(i) In Current Accounts	685,240
	(ii) In Deposit Accounts	26,474,662
	(iii) In Earmarked Accounts	
	- Unpaid Dividend Accounts	264,857
	<b>Total</b>	<b>27,524,100</b>

**THE METHONI TEA COMPANY LTD.**

**Notes forming part of the consolidated financial statements as at 31st March, 2016**

**Note :2.15 Short Terms Loans and Advances**

(Figures in ₹)

Sl. No.	Particulars	As at 31st March, 2016
1	Loans and advances to employees	101,690
2	Prepaid expenses	1,665,293
3	<u>Loan to Corporates and Others</u>	
	(i) Unsecured, considered good	1,611,287
4	<u>Advance to Others</u>	
	Advance to Suppliers	1,515,122
	Advance to Service Providers	2,280
	<b>Total</b>	<b>4,895,672</b>

**Note :2.16 Other Current Assets**

1	Accruals	
	(i) Interest accrued on deposits	307,144
	(ii) Interest accrued on Loan to Corporates Considered good	69,464
	(iii) Others	73,777
	<b>Total</b>	<b>450,385</b>

**Note : 2.17 Revenue from Operations**

1	Sales of Finished Tea	91,679,426
	Less: Excise Duty	284,701
		91,394,725
2	Sale of Tea Waste	388,000
3	<u>Subsidies</u>	
	Tea Board Orthodox Subsidy	1,314,609
	<b>Total</b>	<b>93,097,334</b>

**THE METHONI TEA COMPANY LTD.**

**Notes forming part of the consolidated financial statements as at 31st March, 2016**

**Note: 2.18 Other Income**

(Figures in ₹)

Sl. No.	Particulars	As at 31st March, 2016
1	Dividend Received	321,037
2	Insurance Claim	70,588
3	Interest Income	2,409,305
4	Liabilities No Longer Required add back	67,822
5	Misc. Receipts	2,200
	<b>Total</b>	<b>2,870,952</b>

**Note: 2.19 Change in Inventories**

1	Opening Stock	2,735,413
2	Closing Stock	4,294,597
	<b>Total</b>	<b>(1,559,184)</b>

**Note : 2.20 Employment Benefit Expenses**

1	Salaries and Wages	62,313,691
2	Contributions to Provident and Other Funds	8,734,949
3	Staff Welfare Expenses	8,057,620
	<b>Total</b>	<b>79,106,260</b>

**Note : 2.21 Financial Cost**

1	<u>Interest on Borrowing</u>	
	- Bank OD A/c - HDFC Bank A/c	1,101,315
	- Others	97,609
	<b>Total</b>	<b>1,198,924</b>



## THE METHONI TEA COMPANY LTD.

**Notes forming part of the consolidated financial statements as at 31st March, 2016**

Note : 2.22 Other Expenses

(Figures in ₹)

Sl. No.	Particulars	For the year ended 31st March, 2016
1	Cultivation Expenses	8,878,230
2	Power & Fuel	12,724,331
3	Electricity	187,158
4	Postage & Telegram	245,525
5	Telephone	158,703
6	Repairs & Maintenance	5,836,226
7	Consumption of Packing Material & Stores	1,291,244
8	Rent Charges	155,359
9	Rates & Taxes	595,952
10	Insurance Charges	680,513
11	Travelling and Conveyance	544,770
12	Freight Charges	2,085,789
13	Commission & Brokerage	845,336
14	Other Selling Expenses	1,133,631
15	Auditors' Remuneration	92,484
16	Cess on Green Leaf	900,270
17	Directors Sitting Fees	13,000
18	Professional Fees	1,159,341
19	Subscription	458,591
20	Miscellaneous Expenses	2,022,996
21	Loss on Sale of Long Term Investments	8,500,362
	<b>Total</b>	<b>48,509,811</b>

*Payments to the Auditors Comprises*

1	As Auditors - Statutory Audit	57,500
2	For Other Services	32,996
3	Reimbursement of Expenses	1,988
	<b>Total</b>	<b>92,484</b>

## THE METHONI TEA COMPANY LTD.

### Additional Information to the Consolidated Financial Statements

**2.23** The investing company has received demand under I.T. Act for various assessment years and preferred appeal, which are as follows :

- (a) The investing company has received a demand of Rs. 82,282/- u/s 143(3) of I.T. Act for the A. Y. 2007-08 against which an appeal has been filed before Commissioner of I. Tax Appeal-IV which is pending.
- (b) The investing company has received a demand of Rs. 4,35,020/- u/s 250 of I.T. Act for the A.Y. 2010-11 against which an appeal has been filed before Income tax Appellate Tribunal, Kolkata Branch which is pending.
- (c) The investing company has received a demand of Rs. 14,50,740/- u/s 143(3) of I.T. Act for the A.Y. 2011-12 against which an appeal has been filed before Commissioner of I. Tax Appeal-IV which is pending.
- (d) The investing company has received a demand of Rs. 5,360/- u/s 143(3) of I.T. Act for the A. Y. 2012-13 against which an appeal has been filed before Commissioner of I. Tax Appeal-II which is pending.
- (e) The Associate Company "Monet Securities Pvt. Ltd." has one Pending Litigation against the borrower for the Loan amount of Rs. 2,49,69,109/- before the Bombay High Court.
- (f) Based on interpretation of the Acts & various judicial pronouncements in relation to similar matters, the Company is of the view that the above demand is likely to be deleted.

**2.24** Estimated amounts of contracts to be executed on capital account net of advance and not provided for Rs. Nil

**2.25** Managerial Remuneration (As per Schedule V Part II of Companies Act, 2013) (Figure in ₹ )

<b>A) <u>Details of Managerial Remuneration -</u></b>	<b>2015-16</b>
Gross Salary	1,702,400
House Rent Allowance	760,000
Total	2,462,400
<b>B) <u>Computation of Net Profit and Director's Commission</u></b>	<b>2015-16</b>
Profit / (Loss) Before Tax as per Profit & Loss Account	(35,304,145)
Less : Profit / (Loss) on Sale of Investments	(8,500,362)
	(26,803,783)
Add : Sitting Fees	13,000
Add : Managerial's Remuneration	2,462,400
Profit / (Loss) for computation of Director's Remuneration	(24,328,383)
Commission thereon @ 2.5% each for two directors	-

## THE METHONI TEA COMPANY LTD.

### 2.26 Details of government Subsidies/grants :

Particulars	For the Year ended 31st March 2016
Government grants received by the Company during the year towards Subsidies (Recognised under other income) :	
Tea Board Orthodox Subsidy	1,314,609
Total	1,314,609

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".

2.28 There are no transaction (other than transactions with related parties as given in Para 2.32) 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 The amount receivable from Elder Pharmaceuticals Limited on account of loan of Rs. 16,11,287/- and interest receivable of Rs. 69,464/- is subject to confirmation.

2.30 In the opinion of the Management, the aggregate decrease in the Market Value by ₹ 2,58,78,710/- on comparison of the individual investments in long term quoted investments with the respective investment's market value as on the Balance sheet date have not suffered any permanent diminution. No provision has therefore been considered necessary at this stage.

2.31 Related party transactions

a) Details of related parties

Description of relationship Key Management Personnel (KMP)	Names of related parties		Total
	Key Management Personnel	and their relatives have significant influence	
	Mr. R.P. Bubna - Whole Time Director, (iii) Mr. Anirudha Bubna - Managing Director wef 01/02/16 (iv) Mrs Anita Bubna - Director	(i) M/s. Spark Securities-(P) Ltd. (ii) M/s. Gyan Traders Ltd. (iii) M/s, M. Prasad & Co. Ltd. (iv) M/s. M.P. Bubna Foundation (v) M/s. Indistock Pvt. Ltd.	
<p>Note: Relled upon as identified by the Management.</p> <p>b) Details of related party transactions during the year 01 April 2015 to 31 March 2016 and balances outstanding as at 31 March, 2016: (Figures in ₹)</p>			
Particulars	Key Managerial Personnel		Total
	Mr. R.P. Bubna	Mr. S. Bubna	
Brokerage Paid	-	779	2,029
Service Tax & Cess on Brokerage paid	-	109	284
Securities Transaction Tax Paid	-	1,553	3,158
Purchase/Sale of Shares	-	1,548,712	3,880,374
Loans and Advance Taken	-	-	25,100,000
Loans and Advance Repayment Done	-	-	25,100,000
Contribution to Provident Fund made	114,000	-	182,400
Remuneration Paid	1,425,000	855,000	2,280,000

(\* ) Share Broking Firm.

The details of related party transactions 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.

### Additional Information to the Consolidated Financial Statement.

#### 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 ₹ 49,37,633/-

#### Defined Benefit Plan

(Figures in ₹)

		Leave Encashment	Gratuity
		2015-16	2015-16
	<b>Change of Benefit Organisation</b>		
	Liability at the beginning of the year	788,319	20,825,903
	Interest cost	61,883	1,634,833
	Current Service Cost	149,737	1,387,090
I.	Past Service Cost (Non Vested Funds)	-	-
	Past Service Cost (Vested Funds)	-	-
	Benefit Paid	(202,267)	(1,607,201)
	Actuarial (Gain) / Loss on Obligation	582,704	1,641,206
	Curtailments and Settlements	-	-
	Liability at the end of the year	1,380,376	23,881,831
	<b>Fair Value of Plan Assets</b>		
	Fair Value of Plan Assets at the beginning of the year	-	16,761,343
	Expected Return on Plan Assets	-	1,424,714
	Contributions	202,267	1,564,561
II.	Benefit Paid	(202,267)	(1,607,201)
	Actuarial (Gain) / Loss on Plan Assets	-	50,913
	Fair Value of Plan Assets at the end of the year	-	18,194,330
	Total Actuarial (Gain) / Loss to be Recognised	582,704	1,590,293
	<b>Actual Return on Plan Assets</b>		
	Expected Return on Plan Assets	-	1,424,714
III.	Actuarial (Gain) / Loss on Plan Assets	-	50,913
	Actual Return on Plan Assets	-	1,475,627
	<b>Amount Recognised in the balance Sheet</b>		
	Liability at the end of the year	(1,380,376)	(23,881,831)
	Fair Value of Plan Assets at the end of the year	-	18,194,330
IV.	Fund Status [Surplus / (Deficit)]	(1,380,376)	(5,687,501)
	Unrecognised Past Service Cost	-	-
	Amount Recognised in the Balance Sheet [Asset / (Liability)]	(1,380,376)	(5,687,501)
	<b>Expenses Recognised in the Income Statement</b>		
	Current Service Cost.	149,737	1,387,090
	Interest cost	61,883	1,634,833
V.	Expected Return on Plan assets	-	(1,424,714)
	Net Actuarial (Gain) / Loss to be Recognised	582,704	1,590,293
	Past Service Cost (Non Vested Benefit) Recognised	-	-
	Past Service Cost (Vested Benefit) Recognised	-	-

## THE METHONI TEA COMPANY LTD.

### Additional Information to the Consolidated Financial Statement.

	Effect of Curtailment or settlement	-	-
	Curtailments and Settlements	-	-
	Expenses Recognised in the Profit and Loss Account	794,324	3,187,502
	<b>Balance Sheet Reconciliation</b>		
VI.	Opening Net Liability	788,319	4,064,560
	Expense as above	794,324	3,187,502
	Employers Contribution	(202,267)	(1,564,561)
	Effect of Curtailment or settlement	-	-
	Amount Recognised in the Balance Sheet [Liability / (Asset)]	1,380,376	5,687,501
	<b>Actuarial Assumption</b>		
VII.	Discount Rate Current	7.80%	7.80%
	Rate of Return on Plan Assets Current	-	8.50%
	Salary Escalation Current	5.00%	5.00%

The present value of obligation for gratuity and leave encashment 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 the matter of prudence, Deferred Tax Asset on the carry forward Central business losses have not been recognised for in the Accounts.

#### 2.34 Basic and Diluted Earnings per share :

Particulars	For the Year ended 31st March 2016
Basic & Diluted	
Net Profit / (Loss) for the year from operations attributable to the equity shareholders	(31,053,563)
Weighted average number of equity shares	408,000
Per value per share	10.00
Basic and Diluted Earning per share	(76.11)

2.35 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:

- a) The Principal amount and the interest due thereon remaining unpaid to any supplier as at 31st March, 2016 is ₹ NIL respectively.
- b) No interest was paid by the Company in terms of section 16 of MSMED Act during the Year.
- c) There was no interest for delay in making payment beyond the appointed day;
- d) There is no interest accrued and remaining unpaid beyond the appointed day;
- e) 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.

## THE METHONI TEA COMPANY LTD.

### Additional Information to the Consolidated Financial Statement.

#### 2.36 Quantitative Detail

##### 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	31.03.16	Kgs	1,000,000	58,563	2,467,413	526,756	562,558	91,679,426	20,761	4,294,597
Tea Waste	31.03.16	Kgs	NA	16,750	268,000	8,000	24,750	388,000	-	-

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

\*\* As Certified by the Management.

##### b) Raw material consumed

Particulars	For the Year ended 31st March 2016
Green leaf plucked and consumed (kgs.)*	2,257,011

Includes bought leaf 6335 kgs.

\*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.

#### 2.37 Details of consumption of imported and indigenous items

Particulars	For the year ended 31st March 2016	
	Amount (₹)	%age
<u>Imported</u>		
a) Packing Material Consumed	979,855	82.77
<u>Indigenous</u>		
a) Packing Material Consumed	204,001	17.23

2.38 The expenditure in foreign currency towards cost of packing materials was ₹ 7,30,104/-.

2.39 Summary Statement for it's Associate of the salient features of its Financial Statement :

Name of Entity	Year Ending	Share in (Profit) / Loss	
		As % of Consolidated (Profit) / Loss	Amount
1	2	3	4
Investor Entity			
The Methoni Tea Co. Ltd.	31.03.16	106.00%	(32,916,627)
Associates			
Monet Securities Pvt. Ltd.	31.03.16	(6.00%)	1,863.064
Total		100.00%	(31,053,563)

## THE METHONI TEA COMPANY LTD.

### 2.40 DISCLOSURE FOR INVESTMENTS IN ASSOCIATES - ACCOUNTING STANDARD 23

Capital Reserve of Rs. 21,50,85,214/- has arisen on account of investment in Monet Securities Pvt. Ltd. upto balance sheet date.

- 2.41 The reporting dates of the Financial Statements of Investing Company and its Associates are not different.
- 2.42 This being the first year of Consolidation of Accounts of Associates, Previous Year figures have not been consolidated.
- 2.43 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.
- 2.44 Figures have been rounded up to the nearest rupee.

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

Place : Kolkata  
Dated : 28th Day of May, 2016

**Rajendra Pd Bubna**  
DIN : 00180543

**Anirudha Bubna**  
DIN : 06842250

**Anita Bubna**  
DIN : 00180704

**Prahlad Lal Jain**  
DIN : 00944702

**Sona Goenka**  
DIN : 07147090

Whole Time Director

Managing Director

Directors



**THE METHONI TEA COMPANY LTD.**

**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies  
(Accounts) Rules, 2014)

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

**Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Rs.)

SI. No.	Particulars	Details
1.	Name of the subsidiary	Not Applicable
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	
4.	Share capital	
5.	Reserves & surplus	
6.	Total assets	
7.	Total Liabilities	
8.	Investments	
9.	Turnover	
10.	Profit before taxation	
11.	Provision for taxation	
12.	Profit after taxation	
13.	Proposed Dividend	
14.	% of shareholding	

Notes: The following information shall be furnished at the end of the statement:

- |  |      |
|--|------|
| 1. Names of subsidiaries which are yet to commence operations                | N.A. |
| 2. Names of subsidiaries which have been liquidated or sold during the year, | N.A. |

**THE METHONI TEA COMPANY LTD.**

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

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

Name of associates/Joint Ventures	MONET SECURITIES PVT. LTD.
1. Latest audited Balance Sheet Date	31 <sup>ST</sup> March, 2016
2. Shares of Associate/Joint Ventures held by the company on the year end	
No.	21,71,000
Amount of investment in Associates/Joint Venture	70,55,750
Extend of Holding%	40.27
3. Description of how there is significant influence	-Holding more than 20% Voting Power
4. Reason why the associate/joint venture is not consolidated	Not Applicable
5. Net worth attributable to shareholding as per latest audited Balance Sheet	Rs.55,71,08,128/-
6. Profit/Loss for the year	
i. Considered in Consolidation	Rs.21,85,258/-
ii. Not Considered in Consolidation	NIL

1. Names of associates or joint ventures which are yet to commence operations. N.A.  
 2. Names of associates or joint ventures which have been liquidated or sold during the year N.A.

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

Place : Kolkata  
 Dated : 28th Day of May, 2016

**Rajendra Pd Bubna**  
 DIN : 00180543  
**Anirudha Bubna**  
 DIN : 06842250  
**Anita Bubna**  
 DIN : 00180704  
**Prahlad Lal Jain**  
 DIN : 00944702  
**Sona Goenka**  
 DIN : 07147090

**Whole Time Director**  
**Managing Director**  
  
**Directors**

# 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](mailto: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 87th Annual General Meeting of the Company to be held on Monday, 26th September, 2016 at 10:30 a.m. at MCC Chamber of Commerce & Industry, 15B, Hemanta Basu Sarani, 2nd Floor, Kolkata - 700 001 and at any adjournment thereof in respect of resolutions as are indicated below :

Resolution No.	Resolution Proposed	Optional*	
		For	Against
	<b>Ordinary Business</b>		
1.	Adoption of standalone Financial Statements for the year ended 31st March, 2016 Reports of the Board of Directors and Auditors.		
2.	Appointment of consolidated Financial Statements for the year ended 31st March, 2016 Reports of the Auditors.		
3.	Appointment of Mr. R. P. Bubna (Din No. 00180543), as a Director, liable to retire by rotation		
4.	Ratification of Appointment of statutory Auditors and to fix there remuneration		
	<b>Special Business</b>		
5.	Re Appointment of Mr. R. P. Bubna (Din No. 00180543) as Whole time Director.		
6.	Appointment of Mr. Anirudha Bubna (Din No. 06842250) as Managing Director.		
7.	Appointment of Mrs. Anita Bubna (Din No. 00180704) as a Director, liable to retire by rotation		
8.	Appointment of Mr. Prahlad Lal Jain (Din No. 00944702) as an independent Director..		
9.	Appointment of Mrs. Sona Goenka (Din No. 07147090) as an Independent Director.		

Signed this ..... day of ..... 2016.

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 28th May, 2016
  3. \*It is optional to put 'X' in the appropriate column 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

Phone : +91 33 22293241 / 7638, Fax : +91 33 22496587, Email : methoni@methonitea.com

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 26th of September, 2016 (Monday) 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 / Authorized Representative.

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

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

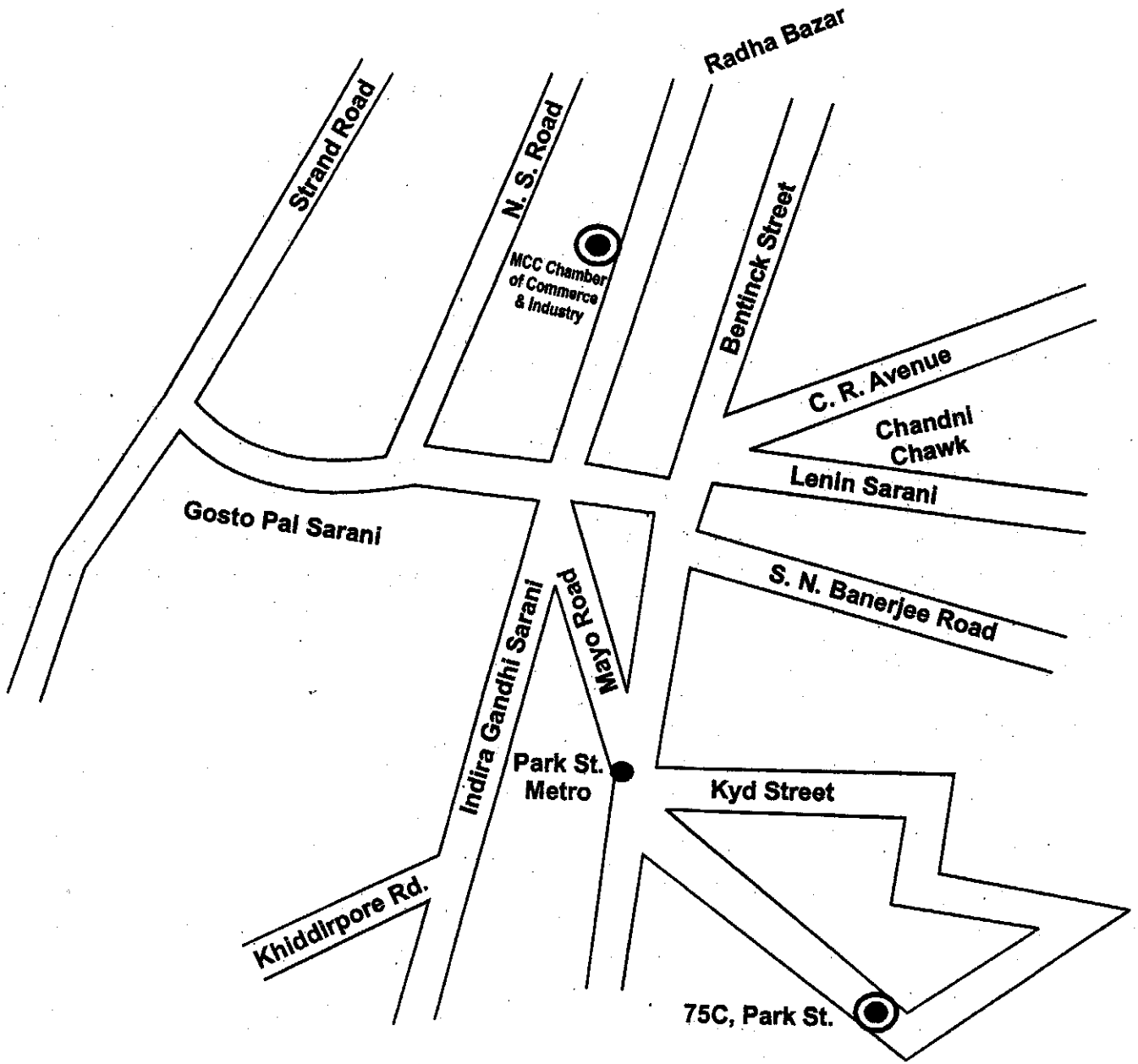
5. e-Voting details :

EVSN	User ID	Password
160729010	Please refer e-Voting Instructions in the Notice	

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

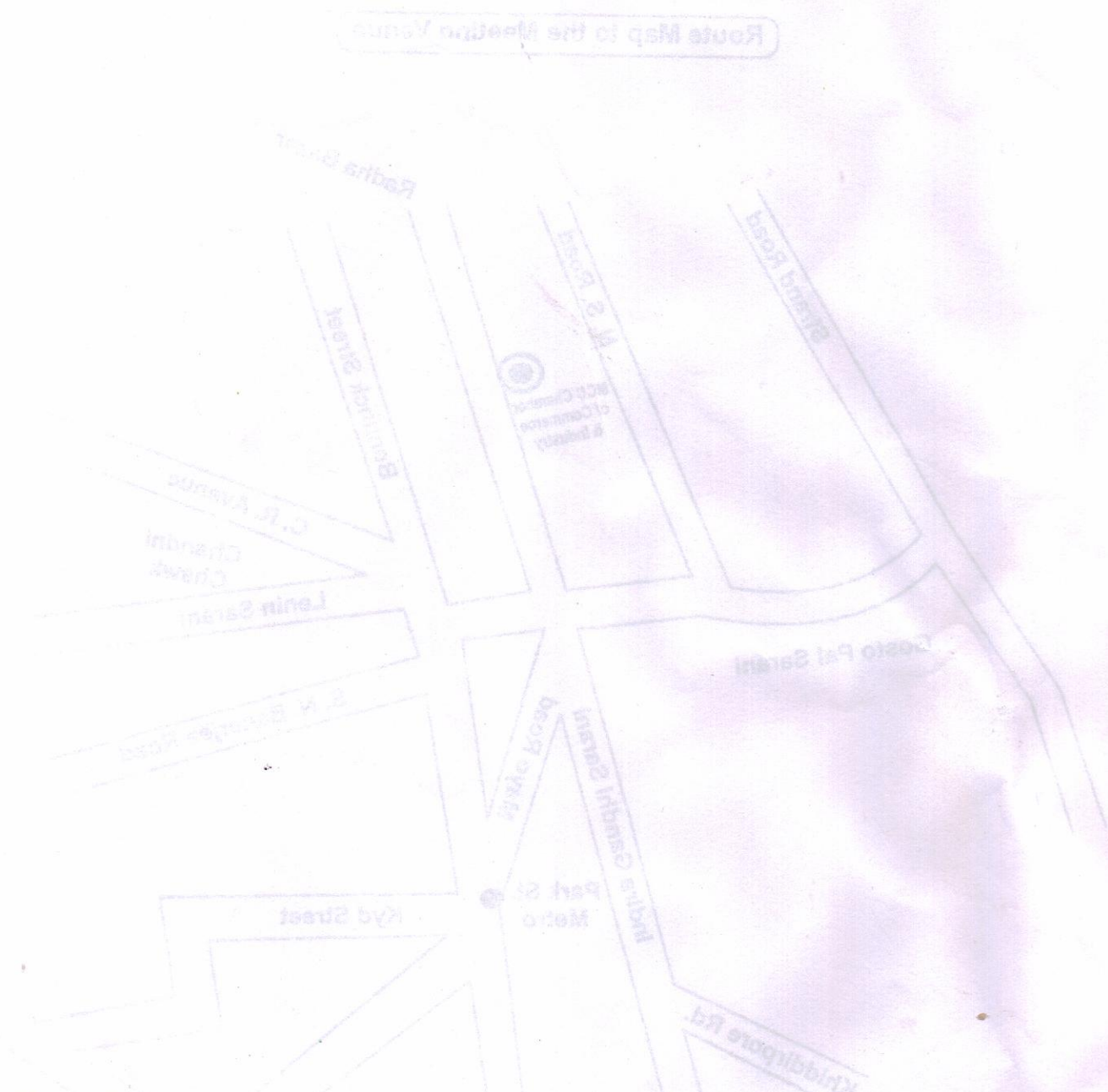
Commencement of E-Voting	End of E-Voting
23rd September, 2016 from 9.00 A.M.	25th September, 2016 till 5.00 P.M.

Route Map to the Meeting Venue



Map Not to scale

THE METHONI TEA COMPANY LTD. **PRINTED MATTER - BOOK POST**



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

Map Not to scale