

The Methoni Tea Company Limited

Board of Directors

Rajendra Prasad, Whole-Time Director

Anirudha Bose, Managing Director

Artha Chandra, Executive Director

Prabir Chandra, Independent Director

Sona Chandra, Independent Director

Surya Chandra, CFO, w.e.f. 13.05.2017

Tea Estate

Methoni Tea Estate

P.O. Bokakhat

Dist. - Golaghat, Assam

Pin - 785612

Phone : 03778-266230

Fax No. : 03776-266230

E-mail : methonitea@rediffmail.com

Stock Exchange

(Listing Fees Paid upto 2016-17)

The Calcutta Stock Exchange Ltd.

7, Lyford Road

Kolkata - 700 001

UK Share Transfer Agents

UK Share Transfer Agents

UK Share Transfer Agents

Registrars & Share Transfer Agents

Maheshwari Dynamics Pvt. Ltd.

23, R.N. Mukherjee Road, 5th Floor

Kolkata - 700 001

Phone : 2243-5029, 2243-5309

Fax : 91-33-2243-4767

e-mail : mdp@cal.vsnl.net.in

Dhandhanina & Associates, III A, 2017

Chartered Accountants

13, Crooked Lane

Kolkata - 700 069

Registered Office

75-C, Park Street

Kolkata - 700 016

Phone : 2243-2241, 2229-7638

Fax : 91-33-2243-37

e-mail : methoni@methonitea.com

Website : www.methonitea.com

CIN : L15492WB1929PLC006618



Report and Accounts for the year Ended 31st March 2017

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2. Director's Report

3. Consolidated Financial section

4. Consolidated Financial section

5. Details of subsidiaries

September, 2017 at 10.30 A.M.

Chamber of Commerce & Industry

Basu Sarani, 2nd Floor

Corporate Information

Board of Directors

Rajendra Prasad Bubna, Whole-Time Director
Anirudha Bubna, Managing Director
Anita Bubna, Non-Executive Director
Prahlad Lal Jain, Independent Director
Sona Goenka, Independent Director
Sumit Bhartia, CFO, w.e.f. 13.05.2017

Auditors :

Dhandhanina & Associates, till AGM 2017
Chartered Accountants
13, Crooked Lane
Kolkata - 700 069

Registered Office :

75-C, Park Street
First Floor
Kolkata - 700 016
Phone : 2229-3241, 2229-7638
Fax : 91-33-22496587
e-mail : methoni@methonitea.com
Website : www.methonitea.com
CIN : L15492WB1929PLC006618

Tea Estate

Methoni Tea Estate
P.O. Bokakhat
Dist. : Golaghat, Assam
Pin : 785612
Phone : 03776-268230
Fax No. : 03776-268230
E-mail : methonitea@rediffmail.com

Stock Exchange

(Listing Fees Paid upto 2016-17)

The Calcutta Stock Exchange Ltd.
7, Lynos Range
Kolkata - 700 001

Bankers

UCO Bank
HDFC Bank

Registrars & Share transfer Agents

Maheshwari Datamatics Pvt. Ltd.
23, R.N. Mukherjee Road, 5th Floor
Kolkata - 700 001
Phone : 2243-5029, 2243-5809
Fax : 91-33-2248 4787
e-mail : mdpl@cal.vsnl.net.in

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Annual General Meeting

on 22nd September, 2017 at 10.30 A.M.
at MCC Chamber of Commerce & Industry
15B, Hemanta Basu Sarani, 2nd Floor
Kolkata - 700 001

THE METHONI TEA COMPANY LTD.

NOTICE

NOTICE is hereby given that the 88th Annual General Meeting of the Members of THE METHONI TEA COMPANY LTD., will be held on Friday, the 22nd September, 2017 at 10.30 A.M. at the MCC Chamber of Commerce & Industry, 15B, Hemanta Basu Sarani, 2nd Floor, Kolkata - 700 001 to transact the following business :

ORDINARY BUSINESS

1. To consider and adopt the audited standalone financial statement of the company for the Financial Year ended March 31, 2017, 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, 2017, the reports of the Auditors thereon.
3. To appoint a Director in place of Mrs, Anita Bubna (DIN No. 00180704) who retires by rotation and being eligible, offer herself for re-appointment.
4. To appoint 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, as amended from time to time, pursuant to the recommendations of the Audit Committee, M/s. U. S. Agarwal & Associates, Chartered Accountants (Registration No. 314213E) be and is hereby appointed as the Statutory Auditors of the Company to hold office for a period of five consecutive years commencing from the conclusion of this AGM till the conclusion of the AGM to be held in the calendar year 2022 (subject to ratification at every AGM) 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, 2018, in consultation with the Auditors.”

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification(s) the following resolution as Special Resolution :

“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any

THE METHONI TEA COMPANY LTD.

statutory modification(s) or re-enactment thereof, for the time being in force), the draft new set of Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of directors of the Company (hereinafter referred to as the 'Board", which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution) be and is hereby authorized to do all such acts, deeds, matters and things and to take all such steps as may be necessary to give effect to this resolution".

6. To consider and if thought fit, to pass with or without modification(s) the following resolution as Special Resolution.

"RESOLVED THAT pursuant to section 188 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder including any modification or amendments or clarifications therein, if any, and pursuant to the Regulation 23 of SEBI (LODR), 2015 as applicable and subsequent modifications / amendments thereto as are made from time to time and subject to such other approvals, consents, permissions and sanctions of an authorities as may be necessary, approval of the shareholders be and is hereby accorded to the Board of Directors to enter into Rent Agreement with Stately Realty Private Limited, a related party within the meaning of the aforesaid law, on such terms and conditions as may be mutually agreed upon, from the financial year 2017-18 and onward provided, however that contract(s) / transaction(s) so carried out shall at all times be on arm's length basis and in the ordinary course of the Company's business.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to settle any question, difficulty or doubt that may arise with regard to giving effect to the above Resolution, sign and execute necessary documents and papers on an ongoing basis and to do and perform all such acts, deeds and things as may be necessary or in its absolute discretion deem necessary, proper, desirable and to finalize any documents and writings in this regard.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the Company or to any one or more Directors of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this Resolution."

THE METHONI TEA COMPANY LTD.

7. To consider and if thought fit, to pass with or without modification(s) the following resolution as Special Resolution :

“RESOLVED THAT pursuant to section 188 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder including any modification or amendments or clarifications thereon, if any, and pursuant to the Regulation 23 of SEBI (LODR), 2015 as applicable and subsequent modifications/amendments thereto as are made from time to time and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, approval of the shareholders be and is hereby accorded to the Board of Directors to enter into Rent Agreement with Ata Estates Private Limited, a related party within the meaning of the aforesaid law, on such terms and conditions as may be mutually agreed upon, from the financial year 2017-18 and onward provided, however that contract(s)/transaction(s) so carried out shall at all times be on arm’s length basis and in the ordinary course of the Company’s business.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to settle any question, difficulty or doubt that may arise with regard to giving effect to the above Resolution; sign and execute necessary documents and papers on an ongoing basis and to do and perform all such acts, deeds and things as may be necessary or in its absolute discretion deem necessary, proper, desirable and to finalize any documents and writings in this regard.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the Company or to any one or more Directors of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this Resolution.”

Registered Office :

75C, Park Street (1st Floor)

Kolkata - 700 016

Dated 13th day of May, 2017

By Order of the Board

ANIRUDHA BUBNA

DIN No. : 06842250

MANAGING DIRECTOR

CIN : L15492WB1929PLC006618

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 Saturday, 16th September, 2017 to Friday, 22nd September, 2017 (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 21st March, 2013 has made it mandatory for all Listed Companies to make cash payments through electronic modes to the investors. It is further directed that in case of electronic payment is rejected or returned, the Company shall mandatorily print the bank account details of the investor 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**

THE METHONI TEA COMPANY LTD.

Participants with whom they are maintaining their demand accounts. Members holding shares in physical form can submit their PAN to the Company/Maheshwari Datamatics Pvt. Ltd.

- 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 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 or 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 26, 2016.
- 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 31st March, 2010 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 31st March, 2010 or any subsequent Financial Year(s) are urged to claim such

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amount from the Share Department of the Company / Registrar and Share Transfer Agent.

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

Dividend for the Financial Year ended	Last Date of claiming unpaid Dividend
2009-2010	26th August, 2017
2010-2011	28th August, 2018
2011-2012	23rd September, 2019
2012-2013	08th 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 19th September, 2017 (9.00 A.M.) and ends on 21st September, 2017 (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 date 15th September, 2017, 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 the the e-voting website www.evotinginida.com during the voting period.
- (iii) Click on "Shareholders" tab.

THE METHONI TEA COMPANY LTD.

- (iv) Now Enter your User ID
- a. For CDSL : 16 digits beneficiary ID,
 - b. For NSDL : 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

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

- (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

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

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast 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.
 - 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 and on approval of the accounts they would be able to cast their vote.

THE METHONI TEA COMPANY LTD.

- 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) who are authorized to vote through email at dhanuka419@yahoo.co.in with a copy marked to helpdesk.evoting@cdslindia.com on or before 21st September, 2017 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 under help section or write an email to heldesk.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 along with 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 instruction for voting through electronic means as per the Amended Rules 2015.

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 No. 5 of the accompanying Notice :

Item No. 5

The existing Articles of Associations (AOA) are based on the Companies Act, 1956 and several regulations in the existing AOA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AOA are no longer in conformity with the Companies Act, 2013.

With the coming into force of the Act several regulations of the existing AOA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing AOA by a new set of Articles. The new AOA, pursuant to section 14 of the Act read with relevant Rules, to be substituted in place of the existing AOA are based on Table 'F' of the Act which sets out the model articles of association for a company limited by shares.

The proposed new draft AOA being available for inspection by the members at the Registered Office of the Company on all working days, except Saturday, during business hours up to the date of the Meeting.

None of the Directors/Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 5 of the Notice.

The Board commends the Special Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

Item No. 6 & 7

The Companies Act, 2013 aims to ensure transparency in the transactions and dealings with the related parties of the Company. The Company, pursuant to section 188 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, the Company requires office at more convenient location to carry on marketing and other related operations for its products, to cater to the customers and other stakeholders at large. Hence, the Company has entered into a Rent Agreement, with related parties, namely, Stately Realty Private Limited and Ata Estate Private Limited, controlled and managed by the promoter - directors of the Company, as per the terms and conditions mentioned hereunder.

THE METHONI TEA COMPANY LTD.

Location of the Property : 2/1A Bright Street, Ground Floor, Kolkata - 700 019

Area of the Property : 4486 Sq feet (2243 sq feet each)

Duration of the Agreement : 12 months, from 01st April, 2017 till 31st March, 2018, which is further extendable for another period of 24 months.

Monthly rent : Rs.25,000/- (Rs.12,500/- each, payable to both) which will increase by 10% every year.

Security Deposit for the Property : Rs. 50,00,000/- each, payable to both the related parties.

The Board of Directors in their meeting held on 14th February, 2017, approved the same and recommends to pass the above resolutions, in the benefit of the Company

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 during business hours of the Company.

Except from Sri Rajendra Prasad Bubna (DIN: 00180543), Whole - time Director, Sri Anirudha Bubna (DIN: 06842250), Managing Director and Smt. Anita Bubna (DIN: 00180704), none of the other Directors, Key Managerial Personnel or their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board commends the Special Resolution set out at Item No. 6 & 7 of the Notice for approval by the shareholders.

Registered Office :

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

Dated 13th day of May, 2017

By Order of the Board

ANIRUDHA BUBNA
DIN No. : 06842250
MANAGING DIRECTOR

CIN : L15492WB1929PLC006618

THE METHONI TEA COMPANY LTD.

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

Name of the Director(s)	Anita Bubna
DIN	00180704
Date of Birth	16/07/1961
Qualifications	B. Com
Expertise in Specific functional areas	Business. She is having varied experience in Tea and Investment Business.
Directorship in the other companies (excluding foreign companies)	Ata Estates Private Limited, M. Prasad and Co. Limited, Mace Developers Private Limited
Chairman / Member of the Committees of the Board of Directors of other Companies in which she is a Director (excluding in foreign companies)	Nil
Details of shareholding (both own or held by / for other persons on a beneficial basis) if any, in the Company	83,000

THE METHONI TEA COMPANY LTD.

Director's Report for the Financial Year 2016-17

To

The Members,

Your Directors have pleasure in presenting their 88th Annual Report on the business and operations of the Company together with the Audited Statement of Accounts for the year ended March 31, 2017.

1. Financial Highlights

	(Figure in ₹)	
	2016-17	2015-16
Turnover and other income	130,197,702	95,968,286
Profit/(Loss) before interest and Depreciation	(16,272,334)	(30,241,366)
Interest	1,785,932	1,198,924
Depreciation	3,890,948	3,863,855
Profit/(Loss) for the year before Exceptional & Extraordinary Items	(21,949,214)	(35,304,145)
Provisional Tax		
- Current Tax	—	—
- Deferred Tax	(2,160,182)	385,922
- Tax for Earlier Year	—	(2,773,440)
Profit / (Loss) after Tax	(19,789,032)	(32,916,627)
Add : Balance B/F from the previous year	(19,728,888)	13,187,739
Balance Profit/(Loss) C/F to the next year	(39,517,920)	(19,728,888)

2. Performance Review

During the year under review, your Company achieved net Sales of Rs.1,251.26 Lacs and recorded a Net Profit/(Loss) after tax of Rs. (197.89) Lacs compared to previous year's net Sales of Rs.913.95 Lacs and Net Profit / (Loss) after tax of Rs. (329.17) Lacs.

The total tea manufactured for the year under review was higher at 7.20 Lac Kg as against 5.27 Lac Kg in the previous year. The average sale price realised was Rs. 185.00 per Kg. as against Rs.163.00 per Kg for the previous year.

Trading result for the year is adverse due to 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. Further Prospects

The 2017 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. Also, the company is planning to expand its operations in the global markets in the near future, for which the company will obtain all the necessary approvals for exporting its products globally and is hopeful of achieving goods results in the future years. The dark sides of the scene being unfavourable weather at the beginning of the season followed by heavy rains.

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.

THE METHONI TEA COMPANY LTD.

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 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

Under section 139 of the Companies Act, 2013 and the Rules made thereunder, it is mandatory to rotate the statutory auditors on completion of the maximum term permitted under the said section. The audit committee of the Company has proposed and on 14th February, 2017, the Board of Directors of the Company has recommended the appointment of M/s. U. S. Agarwal & Associates, Chartered Accountants (Registration No. 314213E) as the Statutory Auditors of the Company, to hold the office, for a period of 5 consecutive years, from the conclusion of this AGM till the conclusion of AGM to be held in the calendar year 2022, subject to approval of the shareholders of the Company. The first year of audit will be of the financial statements for the year ending 31st March 2018, which will include the audit of the quarterly financial statements for the year.

14. Auditors' Report

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

15. Details of Frauds Reported by the Statutory Auditors

During the year under review, the Statutory Auditors of the Company have not reported any fraud as required under Section 143(12) of the Companies Act, 2013.

16. Share Capital

The Paid-up Equity Share Capital as on March 31, 2017 was Rs.40.80 Lacs, During the year under review the company has not issued any shares or any convertible instruments.

17. 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.

18. 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.

19. Directors and Key Management Personnel :

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

In accordance with the provisions of Articles of Association of the Company, Mrs. Anita Bubna (DIN-00180704), Director of the Company, is liable to retire by rotation and being eligible, offer herself for re-appointment. The Board recommends her appointment with a view to avail her valuable advices and wise counsel.

There has been no change in the directorship of the Company during the year.

(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 or 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 Company, etc. On appointment, the Independent Director is issued a Letter of Appointment

THE METHONI TEA COMPANY LTD.

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

20. Number of meetings of the Board of Directors

During the Financial Year 2016-17 the Board met 4 (Four) times on 28th May 2016, 13th August, 2016, 12th November 2016, and 14th February, 2017.

21. Meeting of the Independent Directors

During the year under review, a meeting of Independent Directors was held on 12th November 2016 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 comprises of three Directors namely, Mr. Prahlad Lal Jain (DIN-00944702), Chairman, Mrs. Sona Goenka (DIN-07147090), member and Mrs. Anita Bubna (DIN-00180704), member.

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

23. Nomination and Remuneration

Remuneration Committee comprises of three Directors namely, Mr. Prahalad Lal Jain (DIN-00944702), chairman, Mrs. Sona Goenka (DIN-07147090), member and Mrs. Anita Bubna (DIN-00180704), member. The Committee 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 after considering their 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 30th March, 2015. The said Policy is appended as "Annexure-3" to this Report. The Company has placed this policy in its website at [http://methonitea.com / pdf / Nomination_&_Remuneration_policy.pdf](http://methonitea.com/pdf/Nomination_&_Remuneration_policy.pdf).

25. Particulars of loans, guarantees or investment under section 186

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

26. 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 2016-17 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, 2017.

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.

27. 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.

28. 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.

29. Additional disclosure pursuant to SEBI (Listing Obligation & 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, 2017

30. 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 Company has placed this policy in its website at http://methonitea.com/pdf/Risk_Management.pdf.

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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.

31. 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.

32. 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 2016-17.

33. 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 has 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.

34. 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 the 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 the year, at a rate which, in the aggregate was not less than Rs. 5 lakhs per month.

The Company has not issued or provided any Stock Option Scheme to its employees, during the year under review. Hence, no information as per provisions of Section 62(1)(b) of the act read with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 is furnished.

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.

35. Particulars of contracts for 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. The Company has entered into agreements during the month of March 2017, with two related parties, namely, Stately Realty Private Limited and Ata Estates Private Limited, for taking on rent premises situated in the Ground Floor of premises No. 2/1/1A, Bright Street, Kolkata - 700019, starting from the month of April 2017, for a period of 12 months, which may be further extended for a period of 24 months. The directors of the Company hereby seeks approval from the shareholders for the said transactions, vide notice convening the 88th Annual General Meeting of the Company.

A statement of all Related Party Transactions is being presented before the Audit Committee on Quarterly basis specifying the nature, value and terms and conditions of the transactions. A policy on Related Party Transactions approved by the Board on 12th February, 2016 is uploaded on the Company's website at the web link http://methonitea.com/pdf/Related_Party-Transaction.pdf. Further details required to disclose as per Accounting Standard-18 (as issued & modified by ICAI), form part of the Note 2.30 to the financial statements provided in the annual report.

36. 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.

37. Environment Safety and Health

Your Company's framework integrates Safety as a non-negotiable value. The Company provides a safe and healthy workplace for its employees by establishing the right safety culture across the organization. The Company has developed safer systems and procedures for work rolling out up-to-date engineering standards and investing in hardware and safety infrastructure across sites. The Company also ensures implementation of quality systems and manufacturing of high quality products.

The Company continues to conserve resources by taking initiatives for reducing consumption of electrical power, water and paper at the Factories and also at Office premises.

38. Vigil Mechanism

The Company has adopted the Whistle-blower Policy pursuant to which employees of the Company can raise their concerns relating to malpractices, inappropriate use of funds or any other activity or event which is against the interest of the Company. Further, the mechanism adopted by the Company encourages the employees to report genuine concerns or grievances, and provides for adequate safeguards against victimization of employees who avail of such a mechanism and also provides for direct access to the Chairperson of the Audit Committee, in exceptional cases.

39. 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 PRASAD BUBNA DIN : 00180543	Whole Time Director
ANIRUDHA BUBNA DIN : 06842250	Managing Director
ANITA BUBNA DIN : 00180704	
PRAHLAD LAL JAIN DIN : 00944702	Directors
SONA GOENKA DIN : 07147090	

Place : Kolkata

Dated : 13th Day of May, 2017

THE METHONI TEA COMPANY LTD.**ANNEXURE - 1****FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN****As on Financial Year ended on 31st March, 2017****Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the
Company (Management and Administration) Rules, 2014.****I. REGISTRATION AND 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 and 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 and Contact details of the Registrar and Transfer Agent, if any	M/s. Maheshwari Datamatics Pvt. Ltd. 23 R. N. Mukherjee Road, 5th Floor, Kol- 700001 Ph. : 2248-2248, 2243-5029

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 and 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 AND ASSOCIATE COMPANIES -

Sl. No.	Name & Address of the Company	CIN / GLN	HOLDING / SUSIDIARY / ASSOCIATE	% OF SHARE HELD	APPLICATION 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 2016)				No. of Shares held at the end of the year (as on 31 March 2017)				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	248,188	-	248,188	60.83	248,188	-	248,188	60.83	-
b) Central Govt. or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	-	-	-	-	-	-	-	-	-
d) Bank / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
SUB-TOTAL : (A) (1)	248,188	-	248,188	60.83	248,188	-	248,188	60.83	-
(2) Foreign									
a) NRI - Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any other....	-	-	-	-	-	-	-	-	-
SUB-TOTAL (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter									
(A) = (A)(1)+(A)(2)	248,188	-	248,188	60.83	248,188	-	248,188	60.83	-

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Category of Shareholders	No. of Shares held at the beginning of the year (As on 01 April 2016)				No. of Shares held at the end of the year (as on 31 March 2017)				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / IF	-	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)	-	-	-	-	-	-	-	-	-
SUB TOTAL (B) (1) :	-	1,810	1,810	0.44	-	1,810	1,810	0.44	-
(2) Non Institutions									
a) Bodies corporates									
i) Indian	31,630	2,746	34,376	8.43	31,994	2,372	34,366	8.42	(0.03)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs 1 lakhs	62,175	47,797	109,972	26.95	63,482	46,499	109,981	26.96	0.01

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Category of Shareholders	No. of Shares held at the beginning of the year (As on 01 April 2016)				No. of Shares held at the end of the year (as on 31 March 2017)				% 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	433	76	509	0.12	0.20
Sub-Total (B) (2) :	107,383	50,619	158,002	38.73	109,055	48,947	158,002	39.17	-
Total Public Shareholding (B) = (B)(1)+(B)(2)	107,383	52,429	159,812	39.17	109,055	50,757	159,812	39.17	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	355,571	52,429	408,000	100.00	357,243	50,757	408,000	100.00	-

(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	-	83,000	20.34	-	
2.	Rajendra Prasad Bubna	83,000	20.34	-	83,000	20.34	-	
3.	Anirudha Bubna	82,188	20.14	-	82,188	20.14	-	
	Total	248,188	60.83	-	248,188	60.83	-	

(III) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

Sl. No.	Shareholders Name	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	Anita Bubna 01/04/2016 31/03/2017	83,000	20.34	-	-
		83,000	20.34	83,000	20.34
2	Rajendra Prasad Bubna 01/04/2016 31/03/2017	83,000	20.34	-	-
		83,000	20.34	83,000	20.34
3	Anirudha Bubna 01/04/2016 31/03/2017	82,188	20.14	-	-
		82,188	20.14	82,188	20.14

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(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 & LEADING LTD. 01/04/2016 31/03/2017	5000 5000	1.23 1.23	5000	1.23
2.	BHUBNESH COMMERCIAL PVT. LTD. 01/04/2016 31/03/2017	20200 20200	4.95 4.95	20200	4.95
3.	PINAKIN CHIMANLAL SHAH # 01/04/2016 31/12/2016 - Transfer 31/03/2017	4172 -4172 -	1.02 1.02 -	-	-
4.	MANOJ LUNIA 01/04/2016 31/03/2017	5487 5487	1.34 1.34	5487	1.34
5.	ANJU LUNIA 01/04/2016 31/03/2017	5487 5487	1.34 1.34	5487	1.34
6.	RAJENDRA KUMAR JAIN 01/04/2016 31/03/2017	13146 13146	3.22 3.22	13146	3.22
7.	PRATIBHA BINANI 01/04/2016 31/03/2017	5000 5000	1.23 1.23	5000	1.23
8.	DAMODAR DAS BINANI 01/04/2016 31/03/2017	5000 5000	1.23 1.23	5000	1.23
9.	RAM SWAROOP GOENKA 01/04/2016 31/03/2017	7400 7400	1.81 1.81	7400	1.81

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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
10.	ANUSHREE SARAOGI				
	01/04/2016	7000	1.72		
	31/03/2017	7000	1.72	7000	1.72
11.	PINAKIN CHIMANLAL SHAH*				
	01/04/2016	200	0.05		
	29/04/2016 - Transfer	198	0.05	398	0.0975
	31/12/2016 - Transfer	4772	1.17	5170	1.2672
	31/03/2017 - Transfer	12	0.00	5182	1.2701

* Not in the list of Top 10 shareholders as on 01/04/2016. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2017.

Ceased to be in the list of Top 10 shareholders as on 31/03/2017. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01/04/2016.

(v) Shareholding of Directors & KMP

Sl. No.	For Each of the Directors & KMP	Shareholding at the end 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.	Rajendra Prasad Bubna				
	At the beginning of the Year	83,000	20.34		
	31/03/2017	83,000	20.34	83,000	20.34
2.	Anirudha Bubna				
	At the beginning of the Year	82,188	20.14	-	-
	31/03/2017	82,188	20.14	82,188	20.14
3.	Anita Bubna				
	At the beginning of the Year	83,000	20.34		
	31/03/2017	83,000	20.34	83,000	20.34

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(V) INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
Additions	-	6,909,216	-	6,909,216
Reduction	-	6,909,216	-	6,909,216
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

(VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager :

Amt in Rs.

Sl. No.	Particulars of Remuneration	Name of the MD/WTD/Manager			Total Amount
		Mr. R.P. Bubna Whole Time Director	Mr. Anirudha Bubna Managing Director		
1.	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	1,344,000	1,344,000	-	2,688,000
	(b) Value of prerequisites u/s 17(2) of the Income tax Act, 1961	780,000	780,000	-	1,560,000
	(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, Directors Fees	-	-	-	-
	Total (A)	2,124,000	2,124,000	-	4,248,000

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B. Remuneration to other directors :-

Amt in Rs.

Sl. No.	Particulars of Remuneration	Name of the Directors			Total Amount
		Mr. Prahlad Lal Jain	Mrs. Sona Goenka	Mrs. Anita Bubna	
1.	Independent Directors	Mr. Prahlad Lal Jain	Mrs. Sona Goenka	Mrs. Anita Bubna	
	(a) Fee for attending board committee meetings	4,000	4,000	-	8,000
	(b) Commission	-	-	-	-
	(c) Others, please specify	-	-	-	-
	Total (1)	4,000	4,000	-	8,000
2.	Other Non Executive Directors				
	(a) Fee for attending board committee meetings	-	-	4,000	4,000
	(b) Commission	-	-	-	-
	(c) Others, please specify	-	-	-	-
	Total (2)	-	-	4,000	4,000
	Total (B) = (1+2)	4,000	4,000	4,000	12,000

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD - NIL

Amt in Rs.

Sl. No.	Particulars of Remuneration	Key Managerial Person			
		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	-	-	-	-
	Total	-	-	-	-

THE METHONI TEA COMPANY LTD.

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)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHERS OFFICERS IN DEFAULT					
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, 2017 is given below and forms part of the Directors' Report

A. CONSERVATION OF ENERGY

a. Steps taken or impact 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 subscribed to Tea Research Association which is registered under Section 35(1)(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 merchandization 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 agriculture 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

THE METHONI TEA COMPANY LTD.

3. In the case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year) following information may be furnished: None
- Details of Technology Imported
 - Year of Import
 - Has technology been fully absorbed
 - If not fully 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.
- Capital : NIL
 - Recurring : Rs. 2,19,748/- being amount paid to TRA.
 - Total R & D Expenditure as percentage of total turnover : 0.17%

FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange Earnings	:	Rs. Nil (Previous year Rs. Nil)
Foreign Exchange Outgo	:	Rs. 7,10,064 (Previous year Rs.7,30,104)

RAJENDRA PRASAD BUBNA DIN : 00180543	Whole Time Director
ANIRUDHA BUBNA DIN : 06842250	Managing Director
ANITA BUBNA DIN : 00180704	Directors
PRAHLAD LAL JAIN DIN : 00944702	
SONA GOENKA DIN : 07147090	

Place : Kolkata
Dated : 13th Day of May, 2017

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 the 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 30th 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 Wholtime 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) **Basis Salary** : The basis 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) **Retrial 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

THE METHONI TEA COMPANY LTD.

Nomination and Remuneration Committee subject to the ceiling fixed in the Articles of Association 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.

ANNEXURE -4

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

[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 - 700 016

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 31st March, 2017 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 31st March, 2017 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;

THE METHONI TEA COMPANY LTD.

- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- 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 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 have also examined compliance with the applicable clauses of the following :

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.

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 with same as informed to us.*
- ii. *The Company has not obtained approval from the shareholders of the company, with respect to the transactions entered into with the related parties, amounting to Rs.50,00,000/- each with Ata Estates Pvt. Ltd. and Stately Realty Pvt. Ltd., towards security deposit for the properties taken on rent by the Company.*

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. There was no changes in the composition of the Board of Directors during the period under review.

THE METHONI TEA COMPANY LTD.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least 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.

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.

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 / statement 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 : 12.05.2017

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 : Indian Tea production was higher at 1239 million kg compared to 1208 million kg in 2015. Despite strong consumption growth and low inventory, the market remained sluggish during the year particularly for low / medium quality tea.

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 program are likely to benefit the industry in the long term. 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 : The gist of performance of the division during the financial year 2016-17 is as under :

Tea			
	Production (Lac Kgs.)	Sales (Lac Kgs.)	Average Realisation (Per Kg.)
2016-17	7.20	6.95	185.00
2015-16	5.27	5.63	163.00
Change (%)	36.62	23.45	16.40

Outlook : In the current year, tea market opened on a cautious note. Higher carry forward stock coupled with quantum of fresh arrivals has affected the market. Plainer tea / bottom end prices are likely to remain steady. Good cultivated teas in the better medium category should see more demand from blenders and packeteers. Consistency of produce has become vital as erratic weather takes toll on this aspect. Despite difficult conditions in the importing Countries i.e. low oil prices,

THE METHONI TEA COMPANY LTD.

political turmoil, erratic exchange rates etc, the overall demand for tea has not dampened, so indications for exports are positive. So we can take overall outlook for current year as healthy.

Risks & concerns : High Value teas unlikely to witness spurt in prices as global economies slow down and consistent quality and stalk free tea is an important component towards achieving better averages are the major risks to the 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 in to 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 program. 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 man power employed as on 31st March, 2017 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, performance 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.*

RAJENDRA PRASAD BUBNA DIN : 00180543	Whole Time Director
ANIRUDHA BUBNA DIN : 06842250	Managing Director
ANITA BUBNA DIN : 00180704	
PRAHLAD LAL JAIN DIN : 00944702	Directors
SONA GOENKA DIN : 07147090	

Place : Kolkata

Dated : 13th day of May, 2017

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, 2017 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, 2017	Ratio of remuneration of each KMP to median remuneration of employees	%age increase in remuneration for the financial year ended on 31st March, 2017
1	Mr. Rajendra Prasad Bubna Whole time Director (DIN - 00180543)	19,44,000/-	41.4:1	There has been 26.3% increase in the remuneration during the year
2.	Mr. Anirudha Bubna Managing Director (DIN-06842250)	19,44,000/-	41.4:1	Not Applicable

2. In the financial year ended on 31st March, 2017, there has been an increase of 1.9% in the remuneration of median employees of the company.
3. There were 840 permanent employees on the rolls of the Company as on 31st March, 2017.
4. The market capitalisation of the Company as on 31st March, 2017 was Rs. 7,18,04,623/-, compared to Rs.9,15,93,655/- as on 31st March, 2016.
5. No variable component forms part of the remuneration paid to the Directors of the Company.
6. During the financial year 2016-17, no employees received remuneration in excess of highest paid to Director.
7. The remuneration is paid as per the Nomination and Remuneration Policy of the Company.

RAJENDRA PRASAD BUBNA | Whole Time Director
DIN : 00180543

ANIRUDHA BUBNA | Managing Director
DIN : 06842250

ANITA BUBNA
DIN : 00180704

PRAHLAD LAL JAIN | Directors
DIN : 00944702

SONA GOENKA
DIN : 07147090

Place : Kolkata

Dated : 13th day of May, 2017

INDEPENDENT AUDITORS' REPORT

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

REPORT ON STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of **THE METHONI TEA COMPANY LIMITED** ('the Company'), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year 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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Basis for Qualified Opinion

- i) *Non provisioning of shortfall in carrying value of certain quoted investments in equity shares amounting to Rs.1,32,79,245/-, refer note No. 2.29.*
- 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.3,30,68,277/- (as against reported loss figure of Rs.1,97,89,032/-), Debit balance in Statement of Profit and Loss would have been Rs.5,27,97,165/- (as against reported figure of Debit Balance of Rs.3,95,17,290/-).*

We have qualified the report on the financial statements for the year ended 31st March, 2017 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 31st March, 2017;
- 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 :
- 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 statements 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, 2017 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2017 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 and 2.28 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.

THE METHONI TEA COMPANY LTD.

- iii. The company has transferred unclaimed dividend to Investor Education and Protection Fund.
- h) The company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 and the same is as per the books of accounts maintained by the company, as per amended Rule 11 clause (d) of the Companies (Audit and Auditors) rule 2014 and these are in accordance with the books of accounts maintained by the company. (Refer note No. 2.37)

SUNIL OSWAL, FCA, Partner
(Membership No. : 071678)

For & On Behalf of

DHANDHANIA & ASSOCIATES
Chartered Accountants
Registration No. 316052E

Place : Kolkata

Dated : 13th day of May, 2017

ANNEXURE - "A" TO THE AUDITORS' REPORT

The Annexure referred to in our report to the members of the Company for the year ended on 31st March 2017. 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 section 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 payable 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 31st March, 2017 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 31st March, 2017 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 except deposit given against property of Rs.1,00,00,000/-

THE METHONI TEA COMPANY LTD.

which are approved by Audit Committee and Board of Directors, however pending approval of shareholders; 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.

- 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.

SUNIL OSWAL, FCA, Partner
(Membership No. : 071678)

For & On Behalf of
DHANDHANIA & ASSOCIATES
Chartered Accountants
Registration No. 316052E

Place : Kolkata

Dated : 13th day of May, 2017

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 Limited ("the Company") as at 31st March 2017 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 control 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.

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the

internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 included 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.

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, 2017, 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.

SUNIL OSWAL, FCA, Partner
(Membership No. : 071678)

For & On Behalf of

DHANDHANIA & ASSOCIATES

Chartered Accountants

Registration No. 316052E

Place : Kolkata

Dated : 13th day of May, 2017

THE METHONI TEA COMPANY LTD.

BALANCE SHEET AS AT 31ST MARCH, 2017

(Figure in ₹)

Sl. No.	Particulars	Note No.	As at 31st March, 2017	As at 31st March, 2016
I.	EQUITY AND LIABILITIES			
(1)	Shareholder's Funds			
	(a) Share Capital	2.1	4,080,000	4,080,000
	(b) Reserves and Surplus	2.2	67,724,623	87,513,655
(2)	Non-Current Liabilities			
	(a) Long-Term Provisions	2.3	6,796,337	6,796,337
(3)	Current Liabilities			
	(a) Trade Payables	2.4	11,262,128	7,039,017
	(b) Other Current Liabilities	2.5	20,836,150	23,930,111
	(c) Short-Term Provisions	2.6	19,136,599	14,788,907
	Total Equity & Liabilities		129,835,837	144,148,027
II.	ASSETS			
(1)	Non-Current Assets			
	(a) Property Plant and Equipments			
	(i) Gross Block		95,923,690	92,007,560
	(ii) Depreciation		75,805,155	71,914,207
	Net Block	2.7	20,118,535	20,093,353
	Capital Work In Progress	2.7	3,475,381	-
	(b) Non-Current Investment	2.8	33,292,759	63,563,605
	(c) Long Term Loans and Advances	2.9	20,605,436	9,643,878
	(d) Deferred Tax Assets (net)	2.10	6,762,066	4,601,884
	(e) Other Non-Current Assets	2.11	2,399,790	1,697,075
(2)	Current Assets			
	(a) Inventories	2.12	12,306,545	12,973,295
	(b) Trade Receivables	2.13	184,828	143,481
	(c) Cash and Cash Equivalents	2.14	27,246,209	27,524,100
	(d) Short - Term Loan and Advances	2.15	3,090,213	3,456,971
	(e) Other Current Assets	2.16	354,075	450,385
	Total Assets		129,835,837	144,148,027

Significant Accounting Policies and Notes on Accounts 1 & 12

As per our Report of even date annexed hereto

SUNIL OSWAL, FCA, Partner
(Membership No. : 071678)

For & On Behalf of
DHANDHANIA & ASSOCIATES
Chartered Accountants
Registration No. 316052E

Place : Kolkata
Dated : 13th day of May, 2017

RAJENDRA PRASAD BUBNA
DIN : 00180543 | Whole Time Director

ANIRUDHA BUBNA
DIN : 06842250 | Managing Director

ANITA BUBNA
DIN : 00180704

PRAHLAD LAL JAIN
DIN : 00944702 | Directors

SONA GOENKA
DIN : 07147090

SUMIT BHARTIA | Chief Financial Officer

THE METHONI TEA COMPANY LTD.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2017

(Figure in ₹)

Sl. No.	Particulars	Note No.	For the Year Ended 31st March, 2017	For the Year Ended 31st March, 2016
(1)	Revenue from Operations	2.17	127,918,472	93,097,334
(2)	Other Income	2.18	2,279,230	2,870,952
	Total Revenue (1+2)		130,197,702	95,968,296
(3)	Expenses :			
	Cost of materials consumed		5,090,610	152,765
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	2.19	(883,795)	(1,559,184)
	Employee Benefit Expenses	2.20	93,690,795	79,106,260
	Finance Cost	2.21	1,785,932	1,198,924
	Depreciation and Amortization Expense	2.7	3,890,948	3,863,855
	Other Expenses	2.22	48,572,426	48,509,811
	Total Expenses		152,146,916	131,272,431
(4)	Profit / (Loss) before Exceptional and Extraordinary items and tax		(21,949,214)	(35,304,144)
(5)	Exceptional and Extraordinary Items		-	-
(6)	Profit/ (Loss) after Exceptional and Extraordinary items and before tax		(21,949,214)	(35,204,144)
(7)	Tax Expense :			
	(1) Current Tax		-	-
	(2) Deferred Tax		(2,160,182)	385,923
	(3) Tax for Earlier Years		-	(2,773,440)
(8)	Profit / (Loss) from Operations		(19,789,032)	(32,916,627)
(9)	Earning per Equity Share :			
	(1) Basic		(48.50)	(80.68)
	(2) Diluted		(48.50)	(80.68)
	(refer note no. 2.33)			

Significant Accounting Policies and Notes on Accounts 1 & 2

As per our Report of even date annexed hereto

SUNIL OSWAL, FCA, Partner
(Membership No. : 071678)

For & On Behalf of

DHANDHANIA & ASSOCIATES

Chartered Accountants

Registration No. 316052E

Place : Kolkata

Dated : 13th day of May, 2017

RAJENDRA PRASAD BUBNA
DIN : 00180543 | Whole Time Director

ANIRUDHA BUBNA
DIN : 06842250 | Managing Director

ANITA BUBNA
DIN : 00180704

PRAHLAD LAL JAIN
DIN : 00944702 | Directors

SONA GOENKA
DIN : 07147090

SUMIT BHARTIA | Chief Financial Officer

THE METHONI TEA COMPANY LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED AS ON 31ST MARCH 2017

Particulars	For the year ended 31 March, 2017		For the year ended 31 March, 2016	
	₹	₹	₹	₹
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit / (Loss) before extraordinary items and tax		(21,949,214)		(35,304,144)
<i>Adjustment for :</i>				
Depreciation and amortisation	3,890,948		3,863,855	
Finance Costs	1,785,932		1,198,924	
Interest Income	(2,049,605)		(2,409,305)	
Dividend Income	(33,750)		(321,037)	
Loss On Assets discarded	—		17,428	
(Profit) / Loss on sales of investments	(104,459)	3,489,066	8,500,362	10,850,227
Operating profit / (Loss) before working capital charges		(18,460,148)		(24,453,917)
<i>Adjustments for (increase) / decrease in Assets :</i>				
Inventories	666,750		(5,390,902)	
Trade receivables	(41,347)		809,277	
Short-term loan and advances	366,758		(1,869,220)	
Other current assets	96,310		2,170,929	
Other non-current assets	(702,715)		—	
<i>Adjustments for increase / (decrease) in Liabilities :-</i>				
Trade payables	4,223,111		1,053,688	
Other current liabilities	(986,799)		(390,811)	
Short-term provisions	4,347,692		3,829,750	
Long-term Provisions	—	7,969,759	(3,190,000)	(2,977,289)
Cash flow from extraordinary items				
Cash generated from operations		(10,490,389)		(27,431,206)
Net income tax (paid) / refunds		300,000		2,773,440
Net cash flow from / (used in) operating activities (A)		(10,190,389)		(24,657,766)
B. Cash flow from investing activities				
Capital expenditure on fixed Assets	(7,391,512)		(1,525,585)	
Short Term Loans and Advances Taken	—		—	
Long Term Loans And Advances Recovered	—		973,246	
Long Term Loans And Advances Given	(11,261,558)		—	
Subsidy Received	—		630,773	
Purchase of Non-Current Investments	(6,012,348)		(1,400,523)	
Proceeds from sale of Non-Current Investments	36,387,655		2,486,869	
Interest Income	2,049,605		2,409,305	
Dividend Income	33,750		321,037	
Net cash flow from / (used in) investing activities (B)		13,805,592		3,895,122

THE METHONI TEA COMPANY LTD.

Particulars	For the year ended 31 March, 2017		For the year ended 31 March, 2016	
	₹	₹	₹	₹
C. Cash flow from financing activities				
Short Term Borrowings	—		—	
Finance Cost	(1,785,932)		(1,198,924)	
Dividends Paid	(22,170)		(3,000)	
Bank OD	(2,084,992)		19,509,613	
Net cash flow from / (used in) financing activities (C)		(3,893,094)		18,307,689
Net increase / (decrease) in cash and cash equivalents (A+B+C)		(277,891)		(2,454,954)
Cash and cash equivalents at the beginning of the year		27,524,100		29,979,054
Cash and cash equivalents at the end of the year		27,246,209		27,524,100

Reconciliation of Cash and Cash Equivalents with the Balance Sheet :

Cash and cash equivalents as per Balance Sheet at the year end comprises		27,246,209		27,524,100
Cash and cash equivalents as per Balance Sheet at the year end comprises				
(a) Cash in hand		326,363		99,341
(b) Balances with Banks :				
(i) In current accounts		381,409		685,240
(ii) In Deposit accounts		26,295,750		26,474,662
(iii) In Earmarked accounts		242,687		264,857
		27,246,209		27,524,100

See accompanying notes forming part of the financial statements.
As per our report of even date annexed hereto

SUNIL OSWAL, FCA, Partner
(Membership No. : 071678)
For & On Behalf of
DHANDHANIA & ASSOCIATES
Chartered Accountants
Registration No. 316052E

Place : Kolkata
Dated : 13th day of May, 2017

RAJENDRA PRASAD BUBNA DIN : 00180543	Whole Time Director
ANIRUDHA BUBNA DIN : 06842250	Managing Director
ANITA BUBNA DIN : 00180704	Directors
PRAHLAD LAL JAIN DIN : 00944702	
SONA GOENKA DIN : 07147090	
SUMIT BHARTIA	Chief Financial Officer

**NOTES ON ACCOUNTS AND SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF
THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

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.

The notification dated 16th February, 2015 with respect to the Companies (Indian Accounting Standards) Rules, 2015 is applicable to the company with effect from Financial Year beginning 1st April, 2017.

SIGNIFICANT ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION

The standalone financial statements have been prepared in accordance with the Generally Accepted Accounting Principles (GAAP) in India under the historical cost convention on accrual and prudent basis. These financial statements have been prepared to comply, in all material aspects, with the applicable Accounting Standards notified under Companies (Accounting Standards) Rule, 2006 (as amended) and other relevant provisions of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current / non-current classification of all assets and liabilities..

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 PROPERTY, PLANT AND EQUIPMENT

Property Plant and Equipments 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.

Land and Development is re-classified as Bearer Plants in view of revised Accounting Standard 10" Property Plant and Equipments at carrying cost.

Bearer Plants (Tea Bushes) are classified as Immature Tea Bushes until the produce can be commercially harvested. At that point they are reclassified and depreciation commences.

The Property, Plant and Equipment including Immature Tea Bushes not ready to use are disclosed under capital work in progress at accumulated cost.

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.

The Depreciation on Bearer Plants (Mature Tea Bushes) is provided on the remaining life of Tea Bushes as on 01.04.2016. The economic life of Bearer Plants (Tea Bushes) is treated as 60 years.

Depreciation and amortisation methods, useful life and residual values are reviewed periodically and adjustment, if appropriate, is made at the end of each reporting period.

Gains and losses on disposals are determined by computing proceeds with carrying amount. There are included in statement of profit and loss within other income.

1.4 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.

1.5 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.

1.6 FOREIGN CURRENCY TRANSACTIONS

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

Exchanges difference 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.

1.7 RETIREMENT BENEFITS

The company operates defined contribution scheme for a Provident Fund and a Pension Fund. Contributions to these funds are made regularly to the Assam Tea Planters Provident Fund (ATPPF) / Trust / Regional Provident Fund Commissioner West Bengal. The interest rate payable to members of the trust is not lower than the statutory rate of interest declared by the Central Government under Employees Provident Funds and Miscellaneous Provisions Act, 1952.

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.

1.8 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.

1.9 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.

1.10 GOVERNMENT GRANTS / SUBSIDIES

(a) RECOGNITION

THE METHONI TEA COMPANY LTD.

(i) Government grants are recognised when there is reasonable assurance that the enterprise will comply with the conditions attached to them and

(ii) the grants will be received

(b) PRESENTATION

(i) Government Grants related to specific assets are adjusted with the value of the Fixed Assets; and

(ii) Government Grants related to revenue items are taken as income.

1.11 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.

1.12 PROVISIONS

A provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provision are not discounted to present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

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.

THE METHONI TEA COMPANY LTD.

4 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.

5 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.

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.

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 weighed average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

18 INSURANCE CLAIMS

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

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THE METHONI TEA COMPANY LTD.

Notes forming part of the financial statements as at 31st March, 2017

Note : 2.1 Share Capital

(Figures in Rs.)

Sl. No.	Particulars	As at 31st March, 2017	As at 31st March, 2016
1.	<u>Authorized Capital</u> Equity shares ₹ 10/- per value 5,00,000 (5,00,000) Equity Shares	5,000,000	5,000,000
		5,000,000	5,000,000
2.	<u>Issued, Subscriberd & Paid Up Capital</u> Equity shares ₹ 10/- per value 4,08,000 (4,08,000) Equity Shares	4,080,000	4,080,000
	Total	4,080,000	4,080,000

The company has not issued shares without receiving consideration in cash in the immediately preceding five financial year.

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 share outstanding :

Particulars	As at 31st March, 2017	As at 31st March, 2016
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	408,00

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

Sl. No.	Particulars	As at 31st March, 2017		As at 31st March, 2016	
		Total No. of Shares	Holding (%)	Total No. of Shares	Holding (%)
1.	Rajendra Prasad Bubna	83,000	20.34	83,000	20.34
2.	Anita Bubna	83,000	20.34	83,000	20.34
3.	Anirudha Bubna	82,188	20.14	82,188	20.14

THE METHONI TEA COMPANY LTD.

Note : 2.2 Reserve & Surplus

(Figures in Rs.)

Sl. No.	Particulars	As at 31st March, 2017	As at 31st March, 2016
1.	<u>Capital Reseve</u>		
	Opening Balance	6,626	6,626
	Add : Addition during the year	—	—
	Less : Utilised / transferred during the year	—	—
	Closing Balance	6,626	6,626
2.	<u>General Reserve</u>		
	Opening Balance	107,235,917	107,235,917
	Add : Transfer from Profit & Loss Account	—	—
	Closing Balance	107,235,917	107,235,917
3.	<u>Surplus / (Deficit) in Statement of Profit and Loss</u>		
	Profit / (Loss) brought forward from previous year	(19,728,888)	13,187,739
	Add : Profit / (Loss) for the year	(19,789,032)	(32,916,627)
	<u>Transferred to :</u>		
	General Reserve	—	—
	Closing Balance	(39,517,920)	(19,728,888)
	Total	67,724,623	87,513,655

THE METHONI TEA COMPANY LTD.

Notes forming part of the financial statements as at 31st Marchm, 2017

<i>Note : 2.3 Long Term Provisions</i>		<i>(Figures in Rs.)</i>	
Sl. No.	Particulars	As at 31st March, 2017	As at 31st March, 2016
1.	Provision for Tax	6,796,337	6,796,337
	Total	6,796,337	6,796,337
<i>Note : 2.4 Trade Payable</i>		<i>(Figures in Rs.)</i>	
1.	Trade payable for Material / Supplies	9,870,471	6,198,736
2.	Trade payable for Services	1,391,657	840,281
	Total	11,262,128	7,039,017
<i>Note : 2.5 Other Current Liabilities</i>		<i>(Figures in Rs.)</i>	
1.	Salaries & Wages	1,135,498	1,990,614
2.	Statutory Payables	807,934	923,794
3.	Unpaid Dividends	242,687	264,857
4.	Bank Overdraft A/c (against FDR)	18,154,872	20,239,864
5.	Other Payables	495,159	510,982
	Total	20,836,150	23,930,111
<i>Note : 2.6 Short Term Provisions</i>		<i>(Figures in Rs.)</i>	
1.	Bonus Payable	10,350,421	7,721,030
2.	Employee Benefits	8,786,178	7,067,877
	Total	19,136,599	14,788,907

THE METHONI TEA COMPANY LTD.

Notes forming part of the financial statements as at 31st March, 2017

Note : 2.7 Property, Plant and Equipment

(Figures In ₹)

Sl. No	Particulars	Original Cost				Depreciation and Amortisation				Net Book Value		
		As at 1st April '16	Addition during the year	Adjustment during the Year	As at 31st Mar '17	As at 1st April '16	Addition during the year	Adjustment during the year	Deduction during the Year	As at 31st Mar '17	As at 31st Mar '16	As at 31st Mar '17
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	Bearer Plant (Nature Plant)	-	5,097,916	-	5,097,916	-	116,674	2,127,071	-	2,243,745	2,854,171	-
3	Factory Buildings	4,768,303	667,591	-	5,435,894	2,954,442	169,279	-	-	3,123,721	2,312,173	1,813,861
4	Other Buildings	21,591,734	320,000	-	21,911,734	16,716,797	750,123	-	-	17,466,920	4,444,814	4,874,937
5	Plant & Machineries	51,387,562	1,242,438	1,148,804	51,481,196	41,537,614	2,195,311	-	-	43,732,925	7,748,271	9,849,948
6	Computers	895,312	162,228	-	1,057,540	845,547	48,021	-	-	893,568	163,972	49,765
7	Office Equipment	252,205	52,691	-	304,896	233,379	17,077	-	-	250,456	54,440	18,826
8	Furniture & Fittings	1,118,625	414,884	-	1,533,509	1,028,184	89,379	-	-	1,116,563	416,946	90,411
9	Motor Vehicles	6,895,903	2,205,102	-	9,101,005	6,471,173	506,084	-	-	6,977,257	2,123,748	424,730
	Total (Current Year)	92,007,560	10,162,850	6,246,720	95,923,690	71,914,207	3,890,948	2,127,071	2,127,071	75,805,155	20,118,535	20,093,353
	(Previous Year)	91,382,825	1,525,585	900,850	92,007,560	68,303,000	3,863,855	-	252,648	72,419,503	20,093,353	-

Capital Work In Progress

1	Plant & Machinery	-	1,065,921	-	-	-	-	-	-	-	1,065,921	-
2	Bearer Plant (Immature)	-	2,409,460	-	-	-	-	-	-	-	2,409,460	-
	Total (Current Year)	-	3,475,381	-	-	-	-	-	-	-	3,475,381	-
	Total (previous Year)	-	-	-	-	-	-	-	-	-	-	-

Note : 1. Land and Development is re-classified as Bearer Plants (Refer note No. 2.35)

2. Subsidy of Rs.11,48,804/- received against Plant and Machinery is reduced from Gross Block

THE METHONI TEA COMPANY LTD.

Notes forming part of the financial statements as at 31st March, 2017

Note : 2.8 - Current Investments

(Figures in Rs.)

Sl. No.	Particulars	Face Value	As at 31st March, 2017		As at 31st March, 2016	
			No. Shares	Amount	No. Shares	Amount
1.	Non Trade Investments					
A.	<u>Investment in Equity Shares</u>					
(a)	<u>Fully paid up Quoted Equity Shares</u>					
1	Ambalal Sarabhai Enterprises Ltd.	10	-	-	2,470,625	28,089,515
2	Ballarpur Industries Ltd.	2	7,000	164,214	7,000	164,214
3	DLF Ltd.	2	3,000	493,350	-	-
4	Deepak Fertilisers & Petrochemicals Corporation Ltd.	10	-	-	1,350	265,930
5	EIH Limited	2	7,630	915,205	7,630	915,205
6	63 Moons Technologies Ltd.	2	250	344,222	250	344,222
7	Fresenius Kabi Oncology Ltd.	1	1,000	172,385	1,000	172,385
8	Hindustan Petroleum Corporation Ltd.	10	-	-	2,500	1,076,621
9	IDBI Bank Ltd.	10	7,780	1,132,057	7,780	1,132,057
10	IFCI Ltd.	10	25,000	1,242,797	25,000	1,242,797
11	India Glycols Ltd.	10	1,000	155,093	1,000	155,093
12	Rattanindia Infrastructure Ltd.	10	9,145	306,414	9,145	306,414
13	JVL Agro Industries Ltd.	1	-	-	50,000	1,009,259
14	Jubilant Life Science Ltd.	1	24,742	7,456,758	24,742	7,456,758
15	K.S. Oils Ltd.	1	188,950	9,266,797	188,950	9,266,797
16	Nagarjuna Fertilizers & Chemicals Ltd	1	27,500	393,348	27,500	393,348
17	Nagarjuna Oil Refinery Ltd.	1	25,000	357,589	25,000	357,589
18	Novartis India Ltd.	5	1,508	1,206,850	1,750	1,400,523
19	Punj Lloyd Ltd.	2	4,250	427,233	4,250	427,233

THE METHONI TEA COMPANY LTD.

Sl. No.	Particulars	Face Value	As at 31st March, 2017		As at 31st March, 2016	
			No. Shares	Amount	No. Shares	Amount
20	Reliance Communications Ltd.	5	2,600	1,569,111	2,600	1,569,111
21	Tata Chemicals Ltd.	10	1,500	630,337	1,500	630,337
22	The West Coast Paper Mills Ltd.	2	–	–	1,250	129,199
	Sub-Total (A)		–	26,233,759	–	56,504,605
(b)	<u>Investment in Unquoted Equity Shares</u> <u>(Fully paid up)</u>					
23	ABC Tea Workers Welfare Services	10	625	1,250	625	1,250
24	Woodlands Multispeciality Hospital Ltd.	10	200	2,000	200	2,000
	Sub-Total (B)		–	3,250	–	3,250
C)	<u>Investment in Associate Company</u> <u>(Unquoted) (Fully paid up)</u>					
25	Monet Securities Private Limited	10	2,171,000	7,055,750	2,171,000	7,055,750
	Sub-Total (C)		–	7,055,750	–	7,055,750
	Total Non-Current Investment		–	33,292,759	–	63,563,605
	Aggregate amount of quoted investments			26,233,759		56,504,605
	Aggregate market value of quoted investments			25,670,100		34,357,722
	Aggregate amount of investments in Unquoted shares			3,250		3,250
	Aggregate amount of investments in Associate Company			7,055,750		7,055,750

THE METHONI TEA COMPANY LTD.

Note : 2.9 Long Term Loans and Advances

(Figures in Rs.)

Sl. No.	Particulars	As at 31st March, 2017	As at 31st March, 2016
1.	<u>Security Deposit</u>		
	a) <u>Unsecured, Considered Good :</u>		
	Electricity Supply & Others	2,357,621	1,322,860
2.	<u>Balances with Government Authorities</u>		
	(i) Advance Income Tax	8,172,195	8,245,398
	(ii) MAT Credit Entitlement	75,620	75,620
3.	<u>Advances to Others</u>		
	(i) Deposit against property	10,000,000	-
	Total	20,605,436	9,643,878

Note : 2.10 Deferred Tax Assets

(Figures in Rs.)

1.	<u>Deferred Tax Assets</u>		
	On Account of Section 43B of Income Tax Act, 1961	3,534,569	1,293,717
	On account of carry forward Agricultural Loss	3,757,050	4,324,149
	Total Deferred Tax Assets	7,291,619	5,617,866
2.	<u>Deferred Tax Liabilities</u>		
	On difference between book balance and tax balance of fixed assets	(529,553)	(1,015,982)
	Net Deferred Tax Assets/(Liabilities)	6,762,066	4,601,1884

Note : 2.11 Other Non-Current Assets

(Figures in Rs.)

1.	Deposits	2,399,790	1,697,075
2.	Nursery	2,141,416	1,438,701
	Total	2,399,790	1,697,075

THE METHONI TEA COMPANY LTD.

Note : 2.12 Inventories

(Figures in Rs.)

Sl. No.	Particulars	As at 31st March, 2017	As at 31st March, 2016
1	Black Tea	5,139,292	4,294,597
2	Tea Waste	39,100	—
3	Packing Materials	766,307	879,782
4	Fuel	2,333,674	4,112,194
5	Consumable Stores	3,853,007	3,456,838
6	Consumable Stores in Transit	175,165	229,884
	Total	12,306,545	12,973,295

Note : 2.13 Trade Receivables

(Figures in Rs.)

1	Dues outstanding in excess of six months from the date they became payable	—	—
2	Others		
	a) Unsecured, Considered Good	184,828	143,482
	Total	184,828	143,482

Note : 2.14 Cash & Cash Equivalent

(Figures in Rs.)

1	Cash Balance	326,363	99,341
2	<u>Balance with banks</u>		
	(i) In Current Accounts	381,409	685,240
	(ii) In Deposit Accounts	26,295,750	26,474,662
	(iii) In Earmarked Accounts		
	— Unpaid Dividend Accounts	242,687	264,857
	Total	27,246,209	27,524,100

THE METHONI TEA COMPANY LTD.

Note : 2.15 Short Term Loans and Advances

(Figures in Rs.)

Sl. No.	Particulars	As at 31st March, 2017	As at 31st March, 2016
1	Loans and advances to employees	216,752	101,690
2	Prepaid expenses	255,593	226,592
3	Loan to Corporates and others		
	(i) Unsecured, considered good	1,611,287	1,611,287
4	Advance to others		
5	Advance to suppliers	1,004,688	1,515,122
6	Advance to service providers	1,893	2,280
	Total	3,090,213	3,456,971

Note : 2.16 Other Current Assets

(Figures in Rs.)

1	Accruals		
	(i) Interest accrued on deposits	252,862	307,144
	(ii) Interest accrued on loan		
	Considered good	69,464	69,464
	(iii) Others	31,749	73,777
	Total	354,075	450,385

Note : 2.17 Revenue from Operations

(Figures in Rs.)

1	Sales of Finished Tea	125,473,270	91,679,426
	Less : Excise duty	347,337	284,701
		125,125,933	91,394,725
2	Sale of tea waste	156,300	388,000
3	Subsidy received	2,636,239	1,314,609
	Total	127,918,472	93,097,334

THE METHONI TEA COMPANY LTD.

Note : 2.18 Other Income

(Figures in Rs.)

Sl. No.	Particulars	As at 31st March, 2017	As at 31st March, 2016
1	Interest Income	2,049,605	2,409,305
2	Dividend received	33,750	321,037
3	Profit on sale of investments	104,459	—
4	Insurance claim	31,416	70,588
5	Liabilities no longer required written back	60,000	67,822
6	Misc. Receipts	—	2,200
	Total	2,279,230	2,870,952

Note : 2.19 Change in Inventories

(Figures in Rs.)

1	Opening Stock	4,294,597	2,735,413
2	Closing Stock	5,178,392	4,294,597
	Total	(883,795)	(1,559,184)

Note : 2.20 Employment Benefit Expenses

(Figures in Rs.)

1	Salaries and Wages	71,185,737	62,313,691
2	Contributions to Provident Fund and Other Funds	11,251,555	8,734,949
3	Staff Welfare Expenses	11,253,503	8,057,620
	Total	93,690,795	79,106,260

Note : 2.21 Financial Cost

(Figures in Rs.)

1	Interest on Borrowing		
	- Bank OD A/c - HDFC Bank A/c	1,331,247	1,101,315
	- Others	454,685	97,609
	Total	1,785,932	1,198,924

THE METHONI TEA COMPANY LTD.

Note : 2.22 Other Expenses

(Figures in Rs.)

Sl. No.	Particulars	As at 31st March, 2017	As at 31st March, 2016
1	Cultivation Expenses	6,964,799	8,878,230
2	Power & Fuel	16,526,479	12,724,331
3	Rates & Taxes	953,810	751,311
4	Consumption of Packing Material & Stores	1,656,153	1,291,244
5	Repairs & Maintenance	6,500,209	5,836,226
6	Cess on Green Leaf	1,161,491	900,270
7	Auditor's Remuneration		
	Statutory Audit Fees	57,500	57,500
	In other capacity	84,526	32,996
	Reimbursement of expenses	7,720	1,988
8	Printing & Postage	441,863	348,659
9	Professional Fees	1,201,590	1,159,341
10	Directors Sitting Fees	12,000	13,000
11	Subscription	560,099	458,591
12	Telephone	149,865	158,703
13	Insurance Charges	3,409,547	680,513
14	Electricity	177,792	187,158
15	Travelling and Conveyance	675,650	544,770
16	Freight Charges	2,857,195	2,085,789
17	Commission & Brokerage	1,464,972	845,336
18	Other Selling Expenses	1,553,090	1,133,631
19	Miscellaneous Expenses	2,156,076	1,919,862
20	Loss on Sale of Long Term Investments	—	8,500,362
	Total	48,572,426	48,509,811

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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 relations 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. 0.5 lakhs (Previous year Rs.Nil)

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

(Figures in Rs.)

A) Details of Managerial Remuneration	2016-17	2015-16
Gross Salary	2,688,000	1,702,400
House Rent Allowance	1,200,000	760,000
Total	3,888,000	2,462,400
B) Computation of Net Profit and Director's Commission	2016-17	2015-16
Profit / (Loss) Before Tax as per Profit & Loss Account	(21,949,214)	(35,304,144)
Less : Profit / (Loss) on Sale of Investments	104,459	(8,500,362)
	(22,053,673)	(26,803,782)
Add : Sitting Fees	12,000	13,000
Add : Managerial's Remuneration	3,888,000	2,462,400
Profit / (Loss) for Computation of Director's Remuneration	(18,153,673)	(24,328,382)
Commission thereon @ 2.5% each for two directors	—	—

THE METHONI TEA COMPANY LTD.

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

2.27 There are no transaction (other than transactions with related parties as given in Para 2.31) which are required to be disclosed under Clause 32 of the listing agreement with the Stock Exchange where the Equity shares of the Company are Listed.

2.28 The Company has filed case for recovery of unsecured loan and interest due of Rs.16,80,751/- (P.Y. Rs.16.80.751/-). In the opinion of the management the amount is recoverable and hence provision has not been considered necessary at this stage.

2.29 There is a net diminution of Rs.5,63,659/- (PY Rs.2,21,46,883/-) in value of quoted shares. However, the aggregate diminution works out to Rs.1,32,79,245/- (PY Rs.2,58,78,710/-) on comparison of individual investment with respective market value as at the Balance Sheet date. The management is of the opinion that the diminution in the value of investment is not of permanent nature. Hence, provision has not been considered necessary at this stage.

2.30 Related Party Disclosure under Accounting Standard - 18

a) Name and nature of relationship of the related party

Key Managerial Personnel

Rajendra Prasad Bubna	Whole Time Director	
Anirudha Bubna	Managing Director	
Anita Bubna	Director	
Associate Company	M/s. Monet Securities Pvt. Ltd.	
Enterprises over which Key Managerial Personal and their relatives have significant influence	(i) M/s. Gyan Traders Ltd. (iii) M/s. Monet Securities (P) Ltd. (v) ATA Estates Pvt. Ltd.	(ii) M/s. M. Prasad & Co. Ltd. (iv) Stately Realty Pvt. Ltd.

Note : Relied upon as identified by the Management.

b) Details of related party transactions during the year 01 April 2016 to 31 March 2017 and balances. Outstanding as at 31 March, 2017 :
Information about Related Party Transaction

Particulars	Key Managerial Personnel and their Relatives					Companies over which Key Managerial Personnel exercise Significant Influence			
	Mr. R. P. Bubna	Mr. Anirudha Bubna	Mr. S. Bubna	Mrs. Anita Bubna	ATA Estates Pvt. Ltd.	Sately Realty Pvt. Ltd.	M/s. Monet Securities	M/s. M. Prasad & Co. Ltd.*	
Transations During the Year									
Brokerage Paid	—	—	—	—	—	—	—	—	26,306
Service Tax & Cess on Brokeage paid	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(1,251)	
Securities Transaction Tax Paid	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(175)
Purchase / Sale of Shares	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(1,605)
Transaction Charges Paid	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	30,432,185
Stamp duty	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	19,097
Loans and Advances taken	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	2,878
Loans and Advances Repayment Done	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	28,000,000
Contribution of Provident Fund	144,000	144,000	—	—	—	—	—	—	28,000,000
Contribution to Super Annuation Fund	(114,000)	(0)	(68,400)	(0)	(0)	(0)	(0)	(0)	(25,100,000)
Remuneration Paid	(171,000)	180,000	(0)	(0)	(0)	(0)	(0)	(0)	28,000,000
Director Sitting Fees	(1,635,000)	1,800,000	(855,000)	(0)	(0)	(0)	(0)	(0)	(25,100,000)
Capital Advance for Property	(0)	(0)	(0)	4,000	(0)	(0)	(0)	(0)	(0)
Balances outstanding at the end of the year	(0)	(0)	(0)	(2,000)	(0)	(0)	(0)	(0)	(0)
Investment in Shares	(0)	(0)	(0)	(0)	5,000,000	5,000,000	(0)	(0)	(0)
Capital Advance for Property	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
	—	—	—	—	—	—	—	—	7,055,750
	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(7,055,750)
	—	—	—	—	5,000,000	5,000,000	—	—	—
	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)

(*) Share Broking Firm.
Previous year's figures are given in brackets.
The details of related party transactions have been given on the basis of information provided by the Management.

THE METHONI TEA COMPANY LTD.

2.31 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 Rs.51,25,766/- (P.Y. Rs.48,12,470/-)

Defined Benefit Plan

(Figures in Rs.)

Change of Benefit Organisation	Leave Encashment		Gratuity	
	2016-17	2015-16	2016-17	2015-16
	Unfunded		Funded	
Liability at the beginning of the year	1,380,376	788,319	23,881,831	20,825,903
Interest Cost	107,669	61,883	1,862,783	1,634,833
Current Service Cost	134,832	149,737	1,641,503	1,387,090
I. Past Service Cost (Non Vested Funds)	—	—	—	—
Past Service Cost (Vested Funds)	—	—	—	—
Benefit Paid	(388,580)	(202,267)	(2,800,887)	(1,607,201)
Actuarial (Gain) / Loss on Obligation	(154,034)	582,704	3,193,078	1,641,206
Curtailements and Settlements	—	—	—	—
Liability at the end of the year	1,080,263	1,380,376	27,778,308	23,881,831
Fair Value of Plan Assets				
Fair Value of Plan Assets at the beginning of the year	—	—	18,194,330	16,761,343
Expected Return on Plan Assets	—	—	1,546,518	1,424,714
Contributions	388,580	202,267	3,187,501	1,564,561
II. Benefit Paid	(388,580)	(202,267)	(2,800,887)	(1,607,201)
Actuarial Gain / (Loss) on Plan Assets	—	—	(55,069)	50,913
Fair Value of Plan Assets at the end of the year	—	—	20,072,393	18,194,330
Total Actuarial (Gain) / Loss to be Recognised	(154,034)	582,704	3,248,147	1,590,293
Actual Return on Plan Assets				
Expected Return on Plan Assets	—	—	1,546,518	1,424,714
III. Actuarial (Gain) / Loss on Plan Assets	—	—	(55,069)	50,913
Actual Return on Plan Assets	—	—	1,491,449	1,475,627
Amount Recognised in the Balance Sheet				
Liability at the end of the year	(1,080,263)	(1,380,376)	(27,778,308)	(23,881,831)
Fair Value of Plan Assets at the end of the year	—	—	20,072,393	18,194,330
IV. Fund Status [Surplus / (Deficit)]	(1,080,263)	(1,380,376)	(7,705,915)	(5,687,501)
Unrecognised Past Service Cost	—	—	—	—
Amount Recognised in the Balance Sheet [Asset/(Liability)]	(1,080,263)	(1,380,376)	(7,705,915)	(5,687,501)
Expenses Recognised in the Income Statement				
Current Service Cost	134,832	149,737	1,641,503	1,387,090
Interest Cost	107,669	61,883	1,862,783	1,634,833
Expected Return on Plan Assets	—	—	(1,546,518)	(1,424,714)
V. Net Actuarial (Gain) / Loss to be Recognised	(154,034)	582,704	3,248,147	1,590,293

THE METHONI TEA COMPANY LTD.

Past Service Cost (Non Vested Benefit) Recognised	—	—	—	—
Past Service Cost (Vested Benefit) Recognised	—	—	—	—
Effect of Curtailment or settlement	—	—	—	—
Curtailment and Settlements	—	—	—	—
Expenses Recognised in the Profit and Loss Account	88,467	794,324	5,205,915	3,187,502
Balance Sheet Reconciliation				
Opening Net Liability	1,380,376	788,319	5,687,501	4,064,560
Expense as above	88,467	794,324	5,205,915	3,187,502
VI. Employers Contribution	(388,580)	(202,267)	(3,187,501)	(1,564,561)
Effect of Curtailment or settlement	—	—	—	—
Amount Recognised in the Balance Sheet [Liability/(Asset)]	1,080,263	1,380,376	7,705,915	5,687,501
Actuarial Assumption				
Discount Rate Current	7.30%	7.80%	7.30%	7.80%
VII. Rate of Return on Plan Assets Current	—	—	8.00%	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 on actuarial valuation using the Projected Unit Credit Method. The estimates of future salary increase, considered in actuarial valuation, take the account inflation, seniority, promotion and other relevant factors including supply & demand in the employment market.

2.32 Based on the matter of prudence, Deferred Tax Asset on the carry forward Central business losses have not been recognised for in the Accounts.

2.33 Basic and Diluted Earnings per share :

Particulars	For the Year ended 31st March, 2017	For the year ended 31st March, 2016
Basic & Diluted		
Net Profit / (Loss) for the year from operations attributable to the equity shareholders (figure in Rs.)	(19,789,032)	(32,916,627)
Weighted average number of equity shares	408,000	408,000
Par value per share (figure in Rs.)	10.00	10.00
Basic and Diluted Earning per share (figure in Rs.)	(48.50)	(80.68)

2.34 The Company has not received any memorandum as required to be filed by the suppliers with the notified authority under Micro, Small and Medium Enterprises Development Act, 2006 for claiming their status as micro, small and medium enterprises. Therefore, there is no due outstanding to micro, small and medium enterprises as at 31.03.2017. (Previous year - Nil)

THE METHONI TEA COMPANY LTD.

2.35 The company has reclassified Land and Development as Bearer Plants at carrying cost in view of revised Accounting Standard 10 "Property, Plant and Equipment". The economic life of Bearer Plants is considered as 60 years and accordingly amortized over the balance useful life. Because of this, the depreciation charge for the year is higher by Rs.1,16,674/- and increase in loss by Rs.1,16,674/-.

2.36 The Company has accounted expenditure of Rs.24,09,460/- incurred on immature tea in capital work in progress in view of revised Accounting Standard 10 "Property, Plant and Equipment", which was hitherto charged in Statement of Profit and Loss. This has resulted into decrease in loss by Rs.24,09,460/-

2.37 Details of specified Bank Notes (SBNs) held and transacted during the period 08th Nov 2016 to 30th Dec 2016

(Figures in Rs.)

Particulars	SBNs	Other Denominations Notes	Total
Closing Cash in hand as on 08/11/2016	280,000	162,615	442,615
Add : Permitted Receipts	—	8,699,477	8,699,477
Less : Permitted Payments	—	5,208,603	5,208,603
Less : Amount Deposited in Banks	280,000	—	280,000
Closing Cash in hand as on 30/12/2016	—	3,653,489	3,653,489

2.38 Raw material consumed

Particulars	For the Year ended 31st March, 2017	For the year ended 31st March, 2016
Green leaf plucked and consumed (kgs.)*	3,158,233	2,257,011

Included bought leaf 2,54,506 kgs. (PY : 6335 kg.)

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

2.39 Details of consumption of imported and indigenous items

Particulars	For the year ended 31st March 2017	
	Amount (Rs.)	%age
Imported		
a) Packing Material Consumed	1,170,649	83.65
	(9,79,855)	(82.77)
Indigenous		
a) Packing Material Consumed	228,729	16.35
	(204,001)	(17.23)
Note : Figures / percentages in bracket relates to the previous year		

THE METHONI TEA COMPANY LTD.

- 2.40 The expenditure in foreign currency towards cost of packing materials was Rs.7,10,064/- (Previous Year Rs.7,30,104/-).
- 2.41 The earnings the Foreign Exchange was Rs. NIL (Previous Year Rs. NIL).
- 2.42 Details of Loan given, Investment made, guarantee given or security provided covered under section 186(4) of the Companies Act, 2013
- (i) The particulars of loans given are stated under "Loans and advances" in note No. 2.15. all these loans are repayable on demand and all the loans have been utilised for general corporate purpose by the recipients.
- (ii) The relevant details of Investments are given in Note No. 2.8.
- (iii) The Company has not given any guarantee or provided any security.
- 2.43 The previous year's figures have been reworked, regrouped, rearranged and recalssified 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.

Signatories to Note No. 1 & 2

SUNIL OSWAL, FCA, Partner
(Membership No. : 071678)
For & On Behalf of
DHANDHANIA & ASSOCIATES
Chartered Accountants
Registration No. 316052E

Place : Kolkata
Dated : 13th day of May, 2017

RAJENDRA PRASAD BUBNA DIN : 00180543	Whole Time Director
ANIRUDHA BUBNA DIN : 06842250	Managing Director
ANITA BUBNA DIN : 00180704	
PRAHLAD LAL JAIN DIN : 00944702	Directors
SONA GOENKA DIN : 07147090	
SUMIT BHARTIA	Chief Financial Officer

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, 2017, 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 responsible 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.

Auditor's 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.

THE METHONI TEA COMPANY LTD.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated 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. 1,32,79,245/-, refer Note No. 2.29 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.3,28,68,221/- (as against reported loss figure of Rs.1,95,88,976/-), Debit balance in the Consolidated Profit and Loss Account would have been Rs.5,08,89,023/- (as against reported figure of Debit Balance of Rs.3,76,09,778/-).*

We have qualified the report on the financial statements for the year ended 31st 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.

THE METHONI TEA COMPANY LTD.

- a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at 31st March, 2017.
- 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. 1,22,06,70,545/- as at 31st March, 2017, total revenues of Rs.80,81,04,013/- and net cash flows amounting to Rs. 1,01,75,624/- 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.2,00,056/- for the year ended 31st March, 2017, 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 related to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.

Report on Other Legals 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 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.

THE METHONI TEA COMPANY LTD.

- (e) On the basis of the written representations received from the directors of the Investor Company as on 31st March, 2017 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 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 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, 2017 on the consolidated financial position of the investing company and its Associates - Refer Note 2.23 & 2.28 to the Consolidated 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. The company has transferred unclaimed dividend to Investor Education and Protection Fund.
- (h) The company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 and the same is as per the books of accounts maintained by the company, as per amended Rule 11 clause (d) of the Companies (Audit and Auditors) Rule 2014 and these are in accordance with the books of accounts maintained by the company. (Refer Note No. 2.37)

Place : Kolkata

Dated : 13th day of May, 2017

SUNIL OSWAL, FCA, Partner
(Membership No. : 071678)

For & On Behalf of

DHANDHANIA & ASSOCIATES

Chartered Accountants

Registration No. 316052E

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 of March 31, 2017 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 or 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, 2017, 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".

Place : Kolkata

Dated : 13th day of May, 2017

SUNIL OSWAL, FCA, Partner
(Membership No. : 071678)

For & On Behalf of

DHANDHANIA & ASSOCIATES

Chartered Accountants

Registration No. 316052E

THE METHONI TEA COMPANY LTD.

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

(Figure in ₹)

Sl. No.	Particulars	Note No.	As at 31st March, 2017	As at 31st March, 2016
I.	EQUITY AND LIABILITIES			
(1)	Shareholder's Funds			
	(a) Share Capital	2.1	4,080,000	4,080,000
	(b) Reserves and Surplus	2.2	70,109,937	89,698,913
(2)	Non-Current Liabilities			
	(a) Long-Term Provisions	2.3	6,796,337	6,796,337
(3)	Current Liabilities			
	(a) Trade Payables	2.4	11,262,128	7,039,017
	(b) Other Current Liabilities	2.5	20,863,150	23,930,111
	(c) Short-Term Provisions	2.6	19,136,599	14,788,907
	Total Equity & Liabilities		132,221,151	146,333,285
II.	ASSETS			
(1)	Non-Current Assets			
	(a) Property Plant and Equipments			
	(i) Gross Block		95,923,690	92,007,560
	(ii) Depreciation		75,805,155	71,914,207
	Net Block	2.7	20,118,535	20,093,353
	Capital Work In Progress	2.7	3,475,381	—
	(b) Non-Current Investment	2.8	35,678,073	65,748,863
	(c) Long Term Loans and Advances	2.9	20,605,436	9,643,878
	(d) Deferred Tax Assets (net)	2.10	6,762,066	4,601,884
	(e) Other Non-Current Assets	2.11	2,399,790	1,697,075
(2)	Current Assets			
	(a) Inventories	2.12	12,306,545	12,973,295
	(b) Trade Receivables	2.13	184,828	143,481
	(c) Cash and Cash Equivalents	2.14	27,246,209	27,524,100
	(d) Short - Term Loan and Advances	2.15	3,090,213	3,456,971
	(e) Other Current Assets	2.16	354,075	450,385
	Total Assets		132,221,151	146,333,285

Significant Accounting Policies and Notes on Accounts 1 & 2

As per our Report of even date annexed hereto

SUNIL OSWAL, FCA, Partner
(Membership No. : 071678)
For & On Behalf of
DHANDHANIA & ASSOCIATES
Chartered Accountants
Registration No. 316052E

Place : Kolkata
Dated : 13th day of May, 2017

RAJENDRA PRASAD BUBNA DIN : 00180543	Whole Time Director
ANIRUDHA BUBNA DIN : 06842250	Managing Director
ANITA BUBNA DIN : 00180704	Directors
PRAHLAD LAL JAIN DIN : 00944702	
SONA GOENKA DIN : 07147090	
SUMIT BHARTIA	Chief Financial Officer

THE METHONI TEA COMPANY LTD.

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2017
(Figure in ₹)

Sl. No.	Particulars	Note No.	For the Year Ended 31st March, 2017	For the Year Ended 31st March, 2016
(1)	Revenue from Operations	2.17	127,918,472	93,097,334
(2)	Other Income	2.18	2,279,230	2,870,952
	Total Revenue (1+2)		130,197,702	95,968,296
(3)	Expenses :			
	Cost of materials consumed		5,090,610	152,765
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	2.19	(883,795)	(1,559,184)
	Employee Benefit Expenses	2.20	93,690,795	79,106,260
	Financial Cost	2.21	1,785,932	1,198,924
	Depreciation and Amortization Expense	2.7	3,890,948	3,863,855
	Other Expenses	2.22	48,572,426	48,509,811
	Total Expenses		152,146,916	131,272,431
(4)	Profit / (Loss) before exceptional and extraordinary items and tax		(21,949,214)	(35,304,144)
(5)	Exceptional and Extraordinary Items		-	-
(6)	Profit/ (Loss) after Exceptional and Extraordinary items and before tax		(21,949,214)	(35,204,144)
(7)	Tax Expense :			
	(1) Current Tax		-	-
	(2) Deferred Tax		(2,160,182)	385,923
	(3) Tax for Earlier Years		-	(2,773,440)
(8)	Profit / (Loss) from Operations		(19,789,032)	(32,916,627)
(9)	Share in Profit/(Loss) of Associates		200,056	1,863,064
(10)	Net Profit/(Loss) after Share of Associates (8+9)		(19,588,976)	(31,053,563)
(11)	Earning per Equity Share :			
	(1) Basic		(48.50)	(76.11)
	(2) Diluted		(48.50)	(76.11)
	(refer note no. 2.33)			

Significant Accounting Policies and Notes on Accounts 1 & 2

As per our Report of even date annexed hereto

SUNIL OSWAL, FCA, Partner
(Membership No. : 071678)

For & On Behalf of
DHANDHANIA & ASSOCIATES
Chartered Accountants
Registration No. 316052E

Place : Kolkata

Dated : 13th day of May, 2017

RAJENDRA PRASAD BUBNA
DIN : 00180543 | Whole Time Director

ANIRUDHA BUBNA
DIN : 06842250 | Managing Director

ANITA BUBNA
DIN : 00180704

PRAHLAD LAL JAIN
DIN : 00944702 | Directors

SONA GOENKA
DIN : 07147090

SUMIT BHARTIA | Chief Financial Officer

THE METHONI TEA COMPANY LTD.

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED AS ON 31ST MARCH 2017

Particulars	For the year ended 31 March, 2017		For the year ended 31 March, 2016	
	₹	₹	₹	₹
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit / (Loss) before extraordinary items and tax		(21,949,214)		(35,304,144)
<i>Adjustment for :</i>				
Depreciation and amortisation	3,890,948		3,863,855	
Finance Costs	1,785,932		1,198,924	
Interest Income	(2,049,605)		(2,409,305)	
Dividend Income	(33,750)		(321,037)	
Loss On Assets discarded	—		17,428	
(Profit) / Loss on sales of investments	(104,459)	3,489,066	8,500,362	10,850,227
Operating profit / (Loss) before working capital charges		(18,460,148)		(24,453,917)
<i>Adjustments for (increase) / decrease in Assets :</i>				
Inventories	666,750		(5,390,902)	
Trade receivables	(41,347)		809,277	
Short-term loan and advances	366,758		(1,869,220)	
Other current assets	96,310		2,170,929	
Other non-current assets	(702,715)		—	
<i>Adjustments for increase / (decrease) in Liabilities :-</i>				
Trade payables	4,223,111		1,053,688	
Other current liabilities	(986,799)		(390,811)	
Short-term provisions	4,347,692		3,829,750	
Long-term Provisions	—	7,969,759	(3,190,000)	(2,977,289)
Cash flow from extraordinary items				
Cash generated from operations		(10,490,389)		(27,431,206)
Net income tax (paid) / refunds		300,000		2,773,440
Net cash flow from / (used in) operating activities (A)		(10,190,389)		(24,657,766)
B. Cash flow from investing activities				
Capital expenditure on fixed Assets	(7,391,512)		(1,525,585)	
Short Term Loans and Advances Taken	—		—	
Long Term Loans And Advances Recovered	—		973,246	
Long Term Loans And Advances Given	(11,261,558)		—	
Subsidy Received	—		630,773	
Purchase of Non-Current Investments	(6,012,348)		(1,400,523)	
Proceeds from sale of Non-Current Investments	36,387,655		2,486,869	
Interest Income	2,049,605		2,409,305	
Dividend Income	33,750		321,037	
Net cash flow from / (used in) investing activities (B)		13,805,592		3,895,122

THE METHONI TEA COMPANY LTD.

Particulars	For the year ended 31 March, 2017		For the year ended 31 March, 2016	
	₹	₹	₹	₹
C. Cash flow from financing activities				
Short Term Borrowings	—		—	
Finance Cost	(1,785,932)		(1,198,924)	
Dividends Paid	(22,170)		(3,000)	
Bank OD	(2,084,992)		19,509,613	
Net cash flow from / (used in) financing activities (C)		(3,893,094)		18,307,689
Net increase / (decrease) in cash and cash equivalents (A+B+C)		(277,891)		(2,454,954)
Cash and cash equivalents at the beginning of the year		27,524,100		29,979,054
Cash and cash equivalents at the end of the year		27,246,209		27,524,100

Reconciliation of Cash and Cash Equivalents with the Balance Sheet :

Cash and cash equivalents as per Balance Sheet at the year ended comprises		27,246,209		27,524,100
Cash and cash equivalents as per Balance Sheet at the year ended comprises				
(a) Cash in hand		326,363		99,341
(b) Balance with Banks				
(i) In current accounts		381,409		685,240
(ii) In Deposit accounts		26,295,750		26,474,662
(iii) In Earmarked accounts		242,687		264,857
		27,246,209		27,524,100

See accompanying notes from part of the financial statements.

As per our report of even date annexed hereto

SUNIL OSWAL, FCA, Partner
(Membership No. : 071678)
For & On Behalf of
DHANDHANIA & ASSOCIATES
Chartered Accountants
Registration No. 316052E

Place : Kolkata
Dated : 13th day of May, 2017

RAJENDRA PRASAD BUBNA DIN : 00180543	Whole Time Director
ANIRUDHA BUBNA DIN : 06842250	Managing Director
ANITA BUBNA DIN : 00180704	
PRAHLAD LAL JAIN DIN : 00944702	Directors
SONA GOENKA DIN : 07147090	
SUMIT BHARTIA	Chief Financial Officer

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, 2017

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.

The notification dated 16th February, 2015 with respect to the Companies (Indian Accounting Standards) Rules, 2015 is applicable to the company with effect from Financial Year beginning 1st April, 2017.

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 (31.03.17)	40.27%

SIGNIFICANT ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION

The standalone financial statements have been prepared in accordance with the Generally Accepted Accounting Principles (GAAP) in India under the historical cost convention on accrual and prudent basis. These financial statements have been prepared to comply, in all material aspects, with the applicable Accounting Standards notified under Companies (Accounting Standards) Rule, 2006 (as amended) and other relevant provisions of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current / non-current classification of all assets and liabilities.

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 PROPERTY, PLANT AND EQUIPMENT

Property Plant and Equipments 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.

Land and Development is re-classified as Bearer Plants in view of revised Accounting Standard 10" Property Plant and Equipments at carrying cost.

Bearer Plants (Tea Bushes) are classified as Immature Tea Bushes until the produce can be commercially harvested. At that point they are reclassified and depreciation commences.

The Property, Plant and Equipment including Immature Tea Bushes not ready to use are disclosed under capital work in progress at accumulated cost.

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.

The Depreciation on Bearer Plants (Mature Tea Bushes) is provided on the remaining life of Tea Bushes as on 01.04.2016. The economic life of Bearer Plants (Tea Bushes) is treated as 60 years.

Depreciation and amortisation methods, useful life and residual values are reviewed periodically and adjustment, if appropriate, is made at the end of each reporting period.

Gains and losses on disposals are determined by computing proceeds with carrying amount. There are included in statement of profit and loss within other income.

1.4 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 of fair market value of such investment.

1.5 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.

1.6 FOREIGN CURRENCY TRANSACTIONS

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

Exchanges difference 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.

1.7 RETIREMENT BENEFITS

The company operates defined contribution scheme for a Provident Fund and a Pension Fund. Contributions to these funds are made regularly to the Assam Tea Planters Provident Fund (ATPPF) / Trust / Regional Provident Fund Commissioner West Bengal. The interest rate payable to members of the trust is not lower than the statutory rate of interest declared by the Central Government under Employees Provident Funds and Miscellaneous Provisions Act, 1952.

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.

1.8 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.

1.9 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.

1.10 GOVERNMENT GRANTS / SUBSIDIES

(a) RECOGNITION

(i) Government grants are recognised when there is reasonable assurance that the enterprise will comply with the conditions attached to them and

(ii) the grants will be received

(b) PRESENTATION

(i) Government Grants related to specific assets are adjusted with the value of the Fixed Assets; and

(ii) Government Grants related to revenue items are taken as income.

1.11 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.

1.12 PROVISIONS

A provision is recognized when the company has a present obligation as a result of past event and it is possible that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provision are not discounted to present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

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 weighed 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, 2017

Note : 2.1 Share Capital

(Figures in Rs.)

Sl. No.	Particulars	As at 31st March, 2017	As at 31st March, 2016
1.	Authorized Capital Equity shares ₹ 10/- per value 5,00,000 (5,00,000) Equity Shares	5,00,000	5,00,000
		5,00,000	5,00,000
2.	Issued, Subscriberd & Paid Up Capital Equity shares ₹ 10/- per value 4,08,000 (4,08,000) Equity Shares	4,08,000	4,08,000
	Total	4,08,000	4,08,000

The company has not issued shares without receiving consideration in cash in the immediately preceding five financial years.

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 share outstanding :

Particulars	As at 31st March, 2017	As at 31st March, 2016
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	408,00

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

Sl. No.	Particulars	As at 31st March, 2017		As at 31st March, 2016	
		Total No. of Shares	Holding (%)	Total No. of Shares	Holding (%)
1.	Rajendra Prasad Bubna	83,000	20.34	83,000	20.34
2.	Anita Bubna	83,000	20.34	83,000	20.34
3.	Anirudha Bubna	82,188	20.14	82,188	20.14

THE METHONI TEA COMPANY LTD.**Notes forming part of the consolidated financial statements as at 31st March, 2017**

Note : 2.2 Reserve & Surplus

(Figures in Rs.)

Sl. No.	Particulars	As at 31st March, 2017	As at 31st March, 2016
1.	Capital Reseve	6,626	6,626
2.	General Reserve	107,235,917	107,235,917
3.	Reserve fund (On account of investments in associates)	477,172	437,052
4.	Surplus / (deficit) in statement of profit and loss (Profit of Rs.19,08,142/- (PY : Rs.17,48,206/-) on account of investments in associates)	(37,609,778)	(17,980,6892)
	Total	70,109,937	89,698,913

THE METHONI TEA COMPANY LTD.

Notes forming part of the consolidated financial statements as at 31st March, 2017

<i>Note : 2.3 Long Term Provisions</i>			
			<i>(Figures in Rs.)</i>
Sl. No.	Particulars	As at 31st March, 2017	As at 31st March, 2016
1.	Provision for Tax	6,796,337	6,796,337
	Total	6,796,337	6,796,337
<i>Note : 2.4 Trade Payable</i>			
			<i>(Figures in Rs.)</i>
1.	Trade payable for Material / Supplies	9,870,471	6,198,736
2.	Trade payable for Services	1,391,657	840,281
	Total	11,262,128	7,039,017
<i>Note : 2.5 Other Current Liabilities</i>			
			<i>(Figures in Rs.)</i>
1.	Salaries & Wages	1,135,498	1,990,614
2.	Statutory Payables	807,934	923,794
3.	Unpaid Dividends	242,687	264,857
4.	Bank Overdraft A/c (against FDR)	18,154,872	20,239,864
5.	Other Payables	495,159	510,982
	Total	20,836,150	23,930,111
<i>Note : 2.6 Short Term Provisions</i>			
			<i>(Figures in Rs.)</i>
1.	Bonus Payable	10,350,421	7,721,030
2.	Employee Benefits	8,786,178	7,067,877
	Total	19,136,599	14,788,907

Notes forming part of the consolidated financial statements as at 31st March, 2017

Note : 2.7 Property, Plant and Equipment (Figures in ₹)

Sl. No	Particulars	Original Cost			Depreciation and Amortisation			Net Book Value		
		As at 1st April'16	Addition during the year	Adjustment during the Year	As at 31st Mar'17	Addition during the year	Adjustment during the year	Deduction during the Year	As at 31st Mar'17	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	Bearer Plant (Nature Plant)	-	5,097,916	-	5,097,916	-	2,127,071	-	2,243,745	2,854,171
3	Factory Buildings	4,768,303	667,591	-	5,435,894	2,954,442	169,279	-	3,123,721	1,813,861
4	Other Buildings	21,591,734	320,000	-	21,911,734	16,716,797	750,123	-	17,466,920	4,444,814
5	Plant & Machineries	51,387,562	1,242,438	1,148,804	51,481,196	41,537,614	2,195,311	-	43,732,925	9,849,948
6	Computers	895,312	162,228	-	1,057,540	845,547	48,021	-	893,568	163,972
7	Office Equipment	252,205	52,691	-	304,896	233,379	17,077	-	250,456	54,440
8	Furniture & Fittings	1,118,625	414,884	-	1,533,509	1,028,184	88,379	-	1,116,563	416,946
9	Motor Vehicles	6,895,903	2,205,102	-	9,101,005	6,471,173	506,084	-	6,977,257	2,123,748
	Total (Current Year)	92,007,560	10,162,850	6,246,720	95,923,690	71,914,207	3,890,948	2,127,071	75,805,155	20,118,535
	(Previous Year)	91,382,825	1,525,585	900,850	92,007,560	68,303,000	3,863,855	-	72,419,503	20,093,353

Capital Work In Progress

1	Plant & Machinery	-	1,065,921	-	-	-	-	-	-	1,065,921
2	Bearer Plant (Immature)	-	2,409,460	-	-	-	-	-	-	2,409,460
	Total (Current Year)	-	3,475,381	-	-	-	-	-	-	3,475,381
	Total (previous Year)	-	-	-	-	-	-	-	-	-

Note : 1. Land and Development is re-classified as Bearer Plants (Refer note No. 2.35)
2. Subsidy of Rs.11,48,804/- received against Plant and Machinery is reduced from Gross Block

THE METHONI TEA COMPANY LTD.

Notes forming part of the consolidated financial statements as at 31st March, 2017

Note : 2.8 - Current Investments

(Figures in Rs.)

Sl. No.	Particulars	Face Value	As at 31st March, 2017		As at 31st March, 2016	
			No. Shares	Amount	No. Shares	Amount
1.	Non Trade Investments					
A.	<u>Investment in Equity Shares</u>					
(a)	<u>Fully paid up Quoted Equity Shares</u>					
1	Ambalal Sarabhai Enterprises Ltd.	10	-	-	2,470,625	28,089,515
2	Ballarpur Industries Ltd.	2	7,000	164,214	7,000	164,214
3	DLF Ltd.	2	3,000	493,350	-	-
4	Deepak Fertilisers & Petrochemicals Corporation Ltd.	10	-	-	1,350	265,930
5	EIH Limited	2	7,630	915,205	7,630	915,205
6	63 Moons Technologies Ltd.	2	250	344,222	250	344,222
7	Fresenius Kabi Oncology Ltd.	1	1,000	172,385	1,000	172,385
8	Hindustan Petroleum Corporation Ltd.	10	-	-	2,500	1,076,621
9	IDBI Bank Ltd.	10	7,780	1,132,057	7,780	1,132,057
10	IFCI Ltd.	10	25,000	1,242,797	25,000	1,242,797
11	India Glycols Ltd.	10	1,000	155,093	1,000	155,093
12	Rattanindia Infrastructure Ltd.	10	9,145	306,414	9,145	306,414
13	JVL Agro Industries Ltd.	1	-	-	50,000	1,009,259
14	Jubilant Life Science Ltd.	1	24,742	7,456,758	24,742	7,456,758
15	K.S. Oils Ltd.	1	188,950	9,266,797	188,950	9,266,797
16	Nagarjuna Fertilizers & Chemicals Ltd	1	27,500	393,348	27,500	393,348
17	Nagarjuna Oil Refinery Ltd.	1	25,000	357,589	25,000	357,589
18	Novartis India Ltd.	5	1,508	1,206,850	1,750	1,400,523
19	Punj Lloyd Ltd.	2	4,250	427,233	4,250	427,233

THE METHONI TEA COMPANY LTD.

Notes forming part of the consolidated financial statements as at 31st March, 2017

Sl. No.	Particulars	Face Value	As at 31st March, 2017		As at 31st March, 2016	
			No. Shares	Amount	No. Shares	Amount
20	Reliance Communications Ltd.	5	2,600	1,569,111	2,600	1,569,111
21	Tata Chemicals Ltd.	10	1,500	630,337	1,500	630,337
22	The West Coast Paper Mills Ltd.	2	–	–	1,250	129,199
	Sub-Total (A)		–	26,233,759	–	56,504,605
(b)	<u>Investment in Unquoted Equity Shares</u> (Fully paid up)					
23	ABC Tea Workers Welfare Services	10	625	1,250	625	1,250
24	Woodlands Multispeciality Hospital Ltd.	10	200	2,000	200	2,000
	Sub-Total (B)		–	3,250	–	3,250
(C)	<u>Investment in Associate Company</u> (Unquoted) (Fully paid up)					
25	Monet Securities Private Limited					
	Book Value of Investment	10	2,171,000	7,055,750	2,171,000	7,055,750
	Add : Revaluation on account of Consolidation			2,385,314		2,185,258
	Sub-Total (C)		–	9,441,064	–	9,241,008
	Total Non-Current Investment		–	35,678,073	–	65,748,863
	Aggregate amount of quoted investments			26,233,759		56,504,605
	Aggregate market value of quoted investments			25,670,100		34,357,722
	Aggregate amount of investments in Unquoted shares			3,250		3,250
	Aggregate amount of investments in Associate Company			9,441,064		9,241,008

THE METHONI TEA COMPANY LTD.

Notes forming part of the consolidated financial statements as at 31st March, 2017

Note : 2.9 Long Term Loans and Advances

(Figures in Rs.)

Sl. No.	Particulars	As at 31st March, 2017	As at 31st March, 2016
1.	<u>Security Deposit</u>		
	a) <u>Unsecured, Considered Good :</u>		
	Electricity Supply & Others	2,357,621	1,322,860
2.	<u>Balances with Government Authorities</u>		
	(i) Advance Income Tax	8,172,195	8,245,398
	(ii) MAT Credit Entitlement	75,620	75,620
3.	<u>Advances to Others</u>		
	(i) Deposit against property	10,000,000	-
	Total	20,605,436	9,643,878

Note : 2.10 Deferred Tax Assets

(Figures in Rs.)

1.	<u>Deferred Tax Assets</u>		
	On Account of Section 43B of Income Tax Act, 1961	3,534,569	1,293,717
	On account of carry forward Agricultural Loss	3,757,050	4,324,149
	Total Deferred Tax Assets	7,291,619	5,617,866
2.	<u>Deferred Tax Liabilities</u>		
	On difference between book balance and tax balance of fixed assets	(529,553)	(1,015,982)
	Total Deferred Tax Liabilities	(529,553)	(1,015,982)
	Net Deferred Tax Assets/(Liabilities)	6,762,066	4,601,884

Note : 2.11 Other Non-Current Assets

(Figures in Rs.)

1.	Deposits	2,399,790	1,697,075
2.	Nursery	2,141,416	1,438,701
	Total	2,399,790	1,697,075

THE METHONI TEA COMPANY LTD.

Notes forming part of the consolidated financial statements as at 31st March, 2017

Note : 2.12 Inventories

(Figures in Rs.)

Sl. No.	Particulars	As at 31st March, 2017	As at 31st March, 2016
1	Black Tea	5,139,292	4,294,597
2	Tea Waste	39,100	—
3	Packing Materials	766,307	879,782
4	Fuel	2,333,674	4,112,194
5	Consumable Stores	3,853,007	3,456,838
6	Consumable Stores in Transit	175,165	229,884
	Total	12,306,545	12,973,295

Note : 2.13 Trade Receivables

(Figures in Rs.)

1	Dues outstanding in excess of six months from the date they became payable	—	—
2	Others		
	a) Unsecured, Considered Good	184,828	143,482
	Total	184,828	143,482

Note : 2.14 Cash & Cash Equivaltn

(Figures in Rs.)

1	Cash Balance	326,363	99,341
2	<u>Balance with banks</u>		
	(i) In Current Accounts	381,409	685,240
	(ii) In Deposit Accounts	26,295,750	26,474,662
	(iii) In Earmarked Accounts		
	— Unpaid Dividend Accounts	242,687	264,857
	Total	27,246,209	27,524,100

THE METHONI TEA COMPANY LTD.

Notes forming part of the consolidated financial statements as at 31st March, 2017

Note : 2.15 Short Term Loans and Advances

(Figures in Rs.)

Sl. No.	Particulars	As at 31st March, 2017	As at 31st March, 2016
1	Loans and advances to employees	216,752	101,690
2	Prepaid expenses	255,593	226,592
3	Loan to Corporates and others		
	(i) Unsecured, considered good	1,611,287	1,611,287
4	Advance to others		
5	Advance to suppliers	1,004,688	1,515,122
6	Advance to service providers	1,893	2,280
	Total	3,090,213	3,456,971

Note : 2.16 Other Current Assests

(Figures in Rs.)

1	Accruals		
	(i) Interest accrued on deposits	252,862	307,144
	(ii) Interest accrued on loan		
	Considered good	69,464	69,464
	(iii) Others	31,749	73,777
	Total	354,075	450,385

Note : 2.17 Revenue from Operations

(Figures in Rs.)

1	Sales of Finished Tea	125,473,270	91,679,426
	Less : Excise duty	347,337	284,701
		125,125,933	91,394,725
2	Sale of tea waste	156,300	388,000
3	Subsidy received	2,636,239	1,314,609
	Total	127,918,472	93,097,334

THE METHONI TEA COMPANY LTD.

Notes forming part of the consolidated financial statements as at 31st March, 2017

Note : 2.18 Other Income

(Figures in Rs.)

Sl. No.	Particulars	As at 31st March, 2017	As at 31st March, 2016
1	Interest Income	2,049,605	2,409,305
2	Dividend received	33,750	321,037
3	Profit on sale of investments	104,459	—
4	Insurance claim	31,416	70,588
5	Liabilities no longer required written back	60,000	67,822
6	Misc. Receipts	—	2,200
	Total	2,279,230	2,870,952

Note : 2.19 Change in Inventories

(Figures in Rs.)

1	Opening Stock	4,294,597	2,735,413
2	Closing Stock	5,178,392	4,294,597
	Total	(883,795)	(1,559,184)

Note : 2.20 Employment Benefit Expenses

(Figures in Rs.)

1	Salaries and Wages	71,185,737	62,313,691
2	Contributions to Provident Fund and Other Funds	11,251,555	8,734,949
3	Staff Welfare Expenses	11,253,503	8,057,620
	Total	93,690,795	79,106,260

Note : 2.21 Financial Cost

(Figures in Rs.)

1	Interest on Borrowing		
	- Bank OD A/c - HDFC Bank A/c	1,331,247	1,101,315
	- Others	454,685	97,609
	Total	1,785,932	1,198,924

THE METHONI TEA COMPANY LTD.

Notes forming part of the consolidated financial statements as at 31st March, 2017

Note : 2.22 Other Expenses

(Figures in Rs.)

Sl. No.	Particulars	As at 31st March, 2017	As at 31st March, 2016
1	Cultivation Expenses	6,964,799	8,878,230
2	Power & Fuel	16,526,479	12,724,331
3	Rates & Taxes	953,810	751,311
4	Consumption of Packing Material & Stores	1,656,153	1,291,244
5	Repairs & Maintenance	6,500,209	5,836,226
6	Cess on Green Leaf	1,161,491	900,270
7	Auditor's Remuneration		
	Statutory Audit Fees	57,500	57,500
	In other capacity	84,526	32,996
	Reimbursement of expenses	7,720	1,988
8	Printing & Postage	441,863	348,659
9	Professional Fees	1,201,590	1,159,341
10	Directors Sitting Fees	12,000	13,000
11	Subscription	560,099	458,591
12	Telephone	149,865	158,703
13	Insurance Charges	3,409,547	680,513
14	Electricity	177,792	187,158
15	Travelling and Conveyance	675,650	544,770
16	Freight Charges	2,857,195	2,085,789
17	Commission & Brokerage	1,464,972	845,336
18	Other Selling Expenses	2,156,076	1,919,862
19	Miscellaneous Expenses	2,156,076	1,919,862
20	Loss on Sale of Long Term Investments	—	8,500,362
	Total	48,572,426	48,509,811

THE METHONI TEA COMPANY LTD.

Notes forming part of the consolidated financial statements as at 31st March, 2017

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

The Investing 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 Investing 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 Investing company has received a demand of Rs. 14,50,740/- (PY : 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 Investing 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 relations to similar matters, the Investing 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. 0.5 lakhs (Previous year Rs.Nil)

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

(Figures in Rs.)

A) Details of Managerial Remuneration	2016-17	2015-16
Gross Salary	2,688,000	1,702,400
House Rent Allowance	1,200,000	760,000
Total	3,888,000	2,462,400
B) Computation of Net Profit and Director's Commission	2016-17	2015-16
Profit / (Loss) Before Tax as per Profit & Loss Account	(21,949,214)	(35,304,144)
Less : Profit / (Loss) on Sale of Investments	104,459	(8,500,362)
	(22,053,673)	(26,803,782)
Add : Sitting Fees	12,000	13,000
Add : Managerial's Remuneration	3,888,000	2,462,400
Profit / (Loss) for Computation of Director's Remuneration	(18,153,673)	(24,328,382)
Commission thereon @ 2.5% each for two directors	—	—

THE METHONI TEA COMPANY LTD.

Notes forming part of the consolidated financial statements as at 31st March, 2017

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

2.27 There are no transaction (other than transactions with related parties as given in Para 2.31) which are required to be disclosed under Clause 32 of the listing agreement with the Stock Exchange where the Equity shares of the Company are Listed.

2.28 The Company has filed case for recovery of unsecured loan and interest due of Rs.16,80,751/- (P.Y. Rs.16.80.751/-). In the opinion of the management the amount is recoverable and hence provision has not been considered necessary at this stage.

2.29 There is a net diminution of Rs.5,63,659/- (PY Rs.2,21,46,883/-) in value of quoted shares. However, the aggregate diminution works out to Rs.1,32,79,245/- (PY Rs.2,58,78,710/-) on comparison of individual investment with respective market value as at the Balance Sheet date. The management is of the opinion that the diminution in the value of investment is not of permanent nature. Hence, provision has not been considered necessary at this stage.

2.30 Related Party Disclosure under Accounting Standard - 18

a) Name and nature of relationship of the related party

Key Managerial Personnel

Rajendra Prasad Bubna	Whole Time Director	
Anirudha Bubna	Managing Director	
Anita Bubna	Director	
Enterprises over which Key Managerial Personal and their relatives have significant influence	(i) M/s. Gyen Traders Ltd. (iii) Stately Realty Pvt. Ltd.	(ii) M/s. M. Prasad & Co. Ltd. (iv) ATA Estates Pvt. Ltd.

Note : Relied upon as identified by the Management.

b) Details of related party transactions during the year 01 April 2016 to 31 March 2017 and balances. Outstanding as at 31 March, 2017 :
(Figures in Rs.)

Information about Related Party Transaction	Key Managerial Personnel and their Relatives					Companies over which Key Managerial Personnel exercise Significant Influence			
	Mr. R. P. Bubna	Mr. Anirudha Bubna	Mr. S. Bubna	Mr. Anita Bubna	ATA Estates Pvt. Ltd.	Sately Realty Pvt. Ltd.	M/s. M. Prasad & Co. Ltd.*		
Transactions During the Year									
Brokerage Paid	—	—	—	—	—	—	—	—	26,306
	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(1,251)
Service Tax & Cess on Brokerage paid	—	—	—	—	—	—	—	—	—
	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(175)
Securities Transaction Tax Paid	—	—	—	—	—	—	—	—	—
	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(1,605)
Purchase / Sale of Shares	—	—	—	—	—	—	—	—	30,432,185
	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(1,603,516)
Transaction Charges Paid	—	—	—	—	—	—	—	—	18,097
	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Stamp duty	—	—	—	—	—	—	—	—	2,879
	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Loans and Advances taken	—	—	—	—	—	—	—	—	—
	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	28,000,000
Loans and Advances Repayment Done	—	—	—	—	—	—	—	—	(25,100,000)
	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	28,000,000
Contribution of Provident Fund	144,000	144,000	—	—	—	—	—	—	—
	(114,000)	(0)	(68,400)	(0)	(0)	(0)	(0)	(0)	(0)
Contribution to Super Annuation Fund	180,000	180,000	—	—	—	—	—	—	—
	(171,000)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Remuneration Paid	1,800,000	1,800,000	—	—	—	—	—	—	—
	(1,635,000)	(0)	(855,000)	(0)	(0)	(0)	(0)	(0)	(0)
Director Sitting Fees	—	—	—	4,000	—	—	—	—	—
	(0)	(0)	(0)	(2,000)	(0)	(0)	(0)	(0)	(0)
Capital Advance for Property	—	—	—	—	—	—	5,000,000	5,000,000	—
	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Balances outstanding at the end of the year	—	—	—	—	—	—	5,000,000	5,000,000	—
Capital Advance for Property	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)

(*) Share Broking Firm.
Previous year's figures are given in brackets.
The details of related party transactions have been on the basis of information provided by the Management.

THE METHONI TEA COMPANY LTD.

Notes forming part of the consolidated financial statements as at 31st March, 2017

2.31 Defined Contribution Plan

Contribution to Defined Contribution Plan namely Provident Fund is made by both the employer and employees. Total Employer Contribution recognised as expenses for the year amounts to Rs.51,25,766/- (P.Y. Rs.48,12,470/-)

Defined Benefit Plan

(Figures in Rs.)

Change of Benefit Organisation	Leave Encashment		Gratuity	
	2016-17	2015-16	2016-17	2015-16
	Unfunded		Funded	
Liability at the beginning of the year	1,380,376	788,319	23,881,831	20,825,903
Interest	107,669	61,883	1,862,783	1,634,833
Current Service Cost	134,832	149,737	1,641,503	1,387,090
I. Past Service Cost (Non Vested Funds)	—	—	—	—
Past Service Cost (Vested Funds)	—	—	—	—
Benefit Paid	(388,580)	(202,267)	(2,800,887)	(1,607,201)
Actuarial (Gain) / Loss on Obligation	(154,034)	582,704	3,193,078	1,641,206
Curtailments and Settlements	—	—	—	—
Liability at the end of the year	1,080,263	1,380,376	27,778,308	23,881,831
Fair Value of Plan Assets				
Fair Value of Plan Assets at the beginning of the year	—	—	18,194,330	16,761,343
Expected Return on Plain Asset	—	—	1,546,518	1,424,714
Contributions	388,580	202,267	3,187,501	1,564,561
II. Benefit Paid	(388,580)	(202,267)	(2,800,887)	(1,607,201)
Actuarial Gain / (Loss) on Plan Assets	—	—	(55,069)	50,913
Fair Value of Plan Assets at the end of the year	—	—	20,072,393	18,194,330
Total Actuarial (Gain) / Loss to be Recognised	(154,034)	582,704	3,248,147	1,590,293
Actual Return on Plan Assets				
Expected Return on Plan Assets	—	—	1,546,518	1,424,714
III. Actuarial (Gain) / Loss on Plan Assets	—	—	(55,069)	50,913
Actual Return on Plan Assets	—	—	1,491,449	1,475,627
Amount Recognised in the Balance Sheet				
Liability at the end of the year	(1,080,263)	(1,380,376)	(27,778,308)	(23,881,831)
Fair Value of Plan Assets at the end of the year	—	—	20,072,393	18,194,330
IV. Fund Status [Surplus / (Deficit)]	(1,080,263)	(1,380,376)	(7,705,915)	(5,687,501)
Unrecognised Past Service Cost	—	—	—	—
Amount Recognised in the Balance Sheet [Asset/(Liability)]	(1,080,263)	(1,380,376)	(7,705,915)	(5,687,501)
Expenses Recognised in the Income Statement				
Current Service Cost	134,832	149,737	1,641,503	1,387,090
Interest Cost	107,669	61,883	1,862,783	1,634,833
Expected Return on Plan Assets	—	—	(1,546,518)	(1,424,714)
V. Net Actuarial (Gain) / Loss to be Recognised	(154,034)	582,704	3,248,147	1,590,293

THE METHONI TEA COMPANY LTD.

Notes forming part of the consolidated financial statements as at 31st March, 2017

Past Service Cost (Non Vested Benefit) Recognised	—	—	—	—
Past Service Cost (Vested Benefit) Recognised	—	—	—	—
Effect of Curtailment or settlement	—	—	—	—
Curtailment and Settlements	—	—	—	—
Expenses Recognised in the Profit and Loss Account	88,467	794,324	5,205,915	3,187,502
Balance Sheet Reconciliation				
Opening Net Liability	1,380,376	788,319	5,687,501	4,064,560
Expense as above	88,467	794,324	5,205,915	3,187,502
VI. Employers Contribution	(388,580)	(202,267)	(3,187,501)	(1,564,561)
Effect of Curtailment or settlement	—	—	—	—
Amount Recognised in the Balance Sheet [Liability/(Asset)]	1,080,263	1,380,376	7,705,915	5,687,501
Acturial Assumption				
Discount Rate Current	7.30%	7.80%	7.30%	7.80%
VII. Rate of Return on Plan Assets Current	—	—	8.00%	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 on actuarial valuation using the Project Unit Credit Method. The estimates of future salary increase, considered in actuarial valuation, take the account inflation, seniority, promotion and other relevant factors including supply & demand in the employment market.

2.32 Based on the matter of prudence, Deferred Tax Asset on the carry forward Central business losses have not been recognised for in the Accounts.

2.33 Basic and Diluted Earnings per share :

Particulars	For the Year ended 31st March, 2017	For the year ended 31st March, 2016
Basic & Diluted		
Net Profit / (Loss) for the year from operations attributable to the equity shareholders	(19,588,976)	(31,053,563)
Weighted average number of equity shares	408,000	408,000
Par value per share (Figures in Rs.)	10.00	10.00
Basic and Diluted Earning per share (Figures in Rs.)	(48.01)	(76.11)

2.34 The Company has not received any memorandum as required to be filed by the suppliers with the notified authority under Micro, Small and Medium Enterprises Development Act, 2006 for claiming their status as micro, small and medium enterprises. Therefore, there is no due outstanding to micro, small and medium enterprises as at 31.03.2017. (Previous year - Nil)

THE METHONI TEA COMPANY LTD.

Notes forming part of the consolidated financial statements as at 31st March, 2017

2.35 The company has reclassified Land and Development as Bearer Plants at carrying cost in view of revised Accounting Standard 10 "Property, Plant and Equipment". The economic life of Bearer Plants is considered as 60 years and accordingly amortized over the balance useful life. Because of this, the depreciation charge for the year is higher by Rs.1,16,674/- and increase in loss by Rs.1,16,674/-.

2.36 The Company has accounted expenditure of Rs.24,09,460/- incurred on immature tea in capital work in progress in view of revised Accounting Standard 10 "Property, Plant and Equipment", which was hitherto charged in Statement of Profit and Loss. This has resulted into decrease in loss by Rs.24,09,460/-

2.37 Details of specified Bank Notes (SBNs) held and transacted during the period 08th Nov 2016 to 30th Dec 2016

Particulars	SBNs	Other Denominations Notes	Total
Closing Cash in hand as on 08/11/2016	280,000	162,615	442,615
Add : Permitted Receipts	—	8,699,477	8,699,477
Less : Permitted Payments	—	5,208,603	5,208,603
Less : Amount Deposited in Banks	280,000	—	280,000
Closing Cash in hand as on 30/12/2016	—	3,653,489	3,653,489

2.38 Raw material consumed

Particulars	For the Year ended 31st March, 2017	For the year ended 31st March, 2016
Green leaf plucked and consumed (kgs.)*	3,158,233	2,257,011

Includes bought leaf 2,54,506 kgs. (PY : 6335 kg.)

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

2.39 Details of consumption of imported and indigenous items

Particulars	For the year ended 31st March 2017	
	Amount (Rs.)	%age
Imported		
a) Packing Material Consumed	1,170,649	83.65
	(9,79,855)	(82.77)
Indigenous		
a) Packing Material Consumed	228,729	16.35
	(204,001)	(17.23)

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

THE METHONI TEA COMPANY LTD.

Additional Information to the consolidated financial statements as at 31st March, 2017

- 2.40 The expenditure in foreign currency towards cost of packing materials was Rs.7,10,064/- (Previous Year Rs.7,30,104/-).
- 2.41 The earnings in Foreign Exchange was Rs. NIL (Previous Year Rs. NIL).
- 2.42 Details of Loan given, Investment made, guarantee given or security provided covered under section 186(4) of the Companies Act, 2013
- (i) The particulars of loans given are stated under "Loans and advances" in note No. 2.15. all these loans are repayable on demand and all the loans have been utilised for general corporate purpose by the recipients.
- (ii) The relevant details of Investments are given in Note No. 2.8.
- (iii) The Company has not given any guarantee or provided any security.
- 2.43 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	Amount Rs.
1	2	3	4
Investor Entity			
The Methoni Tea Co. Ltd.	31.03.17	101.02%	(19,789,032)
Associates			
Monet Securities Pvt. Ltd.	31.03.17	(1.02%)	200,056
Total		100.00%	(19,588,976)

- 2.44 DISCLOSURE FOR INVESTMENT IN ASSOCIATES - ACCOUNTING STANDARD 23
Capital Reserve of Rs.21,50,85,214/- Monet Securities Pvt. Ltd. has arised on account of investment upto balance sheet date.
- 2.45 The reporting dates of the Financial Statements of Investing Company and its Associates are not different.
- 2.46 The previous year's figures have been reworked, regrouped, rearranged and recalssified 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.
- 2.47 Figures have been rounded up to the nearest rupee.

Signatories to Note No. 1 & 2

SUNIL OSWAL, FCA, Partner
(Membership No. : 071678)
For & On Behalf of
DHANDHANIA & ASSOCIATES
Chartered Accountants
Registration No. 316052E

Place : Kolkata
Dated : 13th day of May, 2017

RAJENDRA PRASAD BUBNA DIN : 00180543	Whole Time Director
ANIRUDHA BUBNA DIN : 06842250	Managing Director
ANITA BUBNA DIN : 00180704	
PRAHLAD LAL JAIN DIN : 00944702	Directors
SONA GOENKA DIN : 07147090	
SUMIT BHARTIA	Chief Financial Officer

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 amount in Rs.)

Sl.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 for 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.
2. Names of subsidiaries which have been liquidated or sold during the year.

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	31st March, 2017
2. Shares of Associate / Joint Ventures held by the company on the year end	
No.	21,71,000
Amount of Investment in Associates / Joint Ventures	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. 22,45,26,278/-
6. Profit / Loss for the year	
i. Considered in Consolidation	Rs. 2,00,056/-
ii. Not Considered in Consolidation	NIL

1. Names of associates or joint ventures which are yet to commence operations.

2. Names of associates or joint ventures which have been liquidated or sold during the year.

Note : This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

SUNIL OSWAL, FCA, Partner
(Membership No. : 071678)
For & On Behalf of
DHANDHANIA & ASSOCIATES
Chartered Accountants
Registration No. 316052E

Place : Kolkata
Dated : 13th day of May, 2017

RAJENDRA PRASAD BUBNA
DIN : 00180543 | Whole Time Director

ANIRUDHA BUBNA
DIN : 06842250 | Managing Director

ANITA BUBNA
DIN : 00180704

PRAHLAD LAL JAIN
DIN : 00944702 | Directors

SONA GOENKA
DIN : 07147090

SUMIT BHARTIA | Chief Financial Officer

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; W : www.methonitea.com

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rule, 2014)

Name of the Member(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 88th Annual General Meeting of the Company to be held on Friday, 22nd September, 2017 at 10:30 a.m. at MCC Chamber of Commerce & Industry, 15B, Hemanta Basu Sarani, 2nd Floor, Kolkata-700001 and at any adjournment thereof in respect of resolutions as are indicated below :

Resolution No.	Resolution Proposed	Optional*	
		For	Against
	Ordinary Business		
1.	Adoption of standalone Financial Statements for the year ended 31st March, 2017 Reports of the Board of Directors and Auditors.		
2.	Adoption of consolidated Financial Statements for the year ended 31st March, 2017 Reports of the Auditors		
3.	Appointment of Mrs Anita Bubna (Din No. 00180704), as a Director, liable to retire by rotation		
4.	Appointment of statutory Auditors and to fix there remuneration		
	Special Business - Special Resolution		
5.	To approve the new set of Articles of Association.		
6.	To approve the transaction with Related Party - M/s. Stately Realty Pvt. Ltd.		
7.	To approve the transaction with Related Party - M/s Ata Estates Pvt. Ltd.		

Signed this day of 2017

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 13th May, 2017.
 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

Website : www.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 22th September, 2017 (Friday) at 10.30 A.M. at MCC Chamber of Commerce & Industry, 15B, Hemanta Basu Sarani, 2nd Floor, Kolkata - 700 001.

2. Signature of the Shareholder/Proxy/Authorized Representative

--

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.

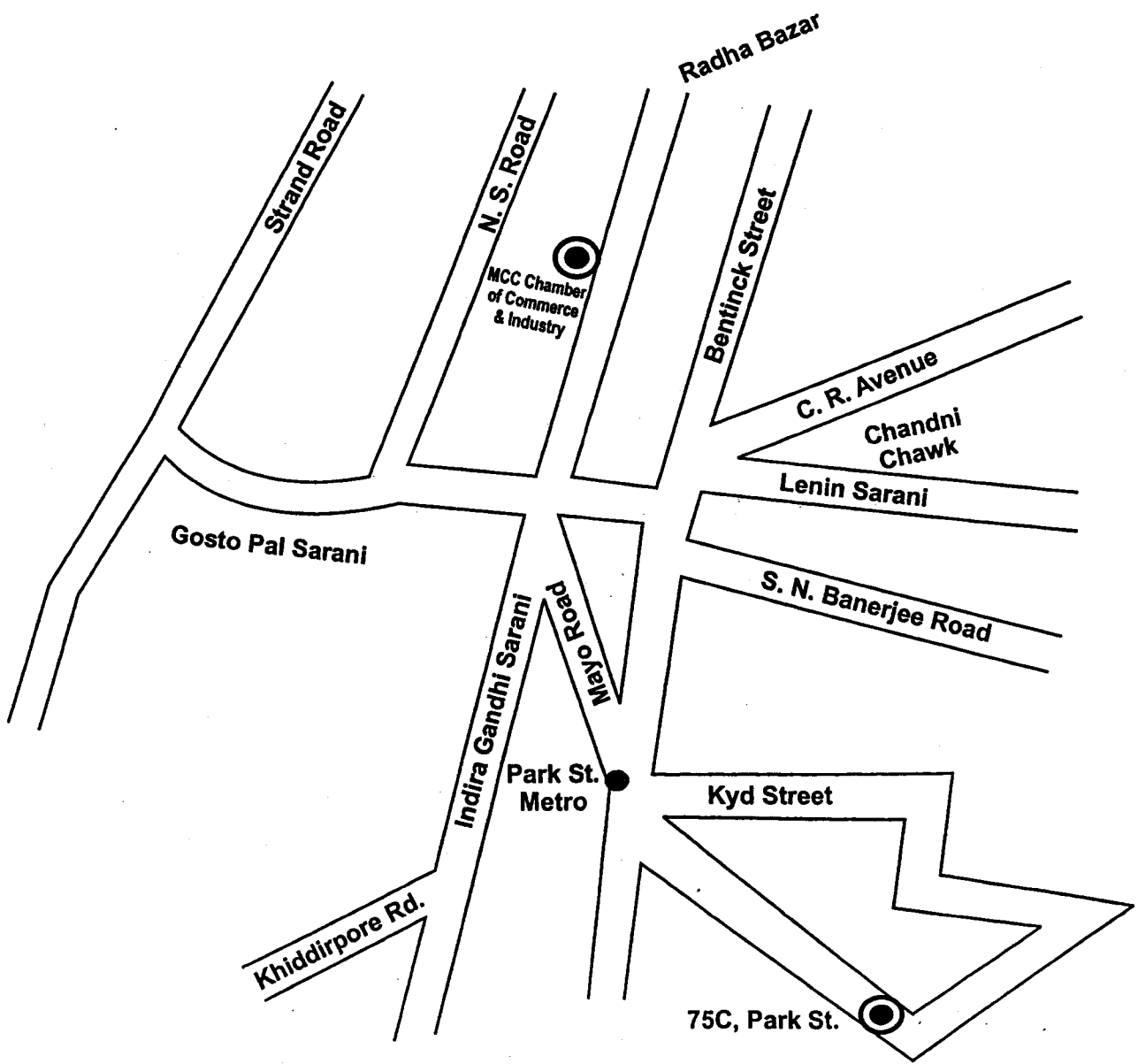
5. e-Voting details :

EVSN	User ID	Password
170725006	Please refer e-Voting Instructions in the Notice	

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

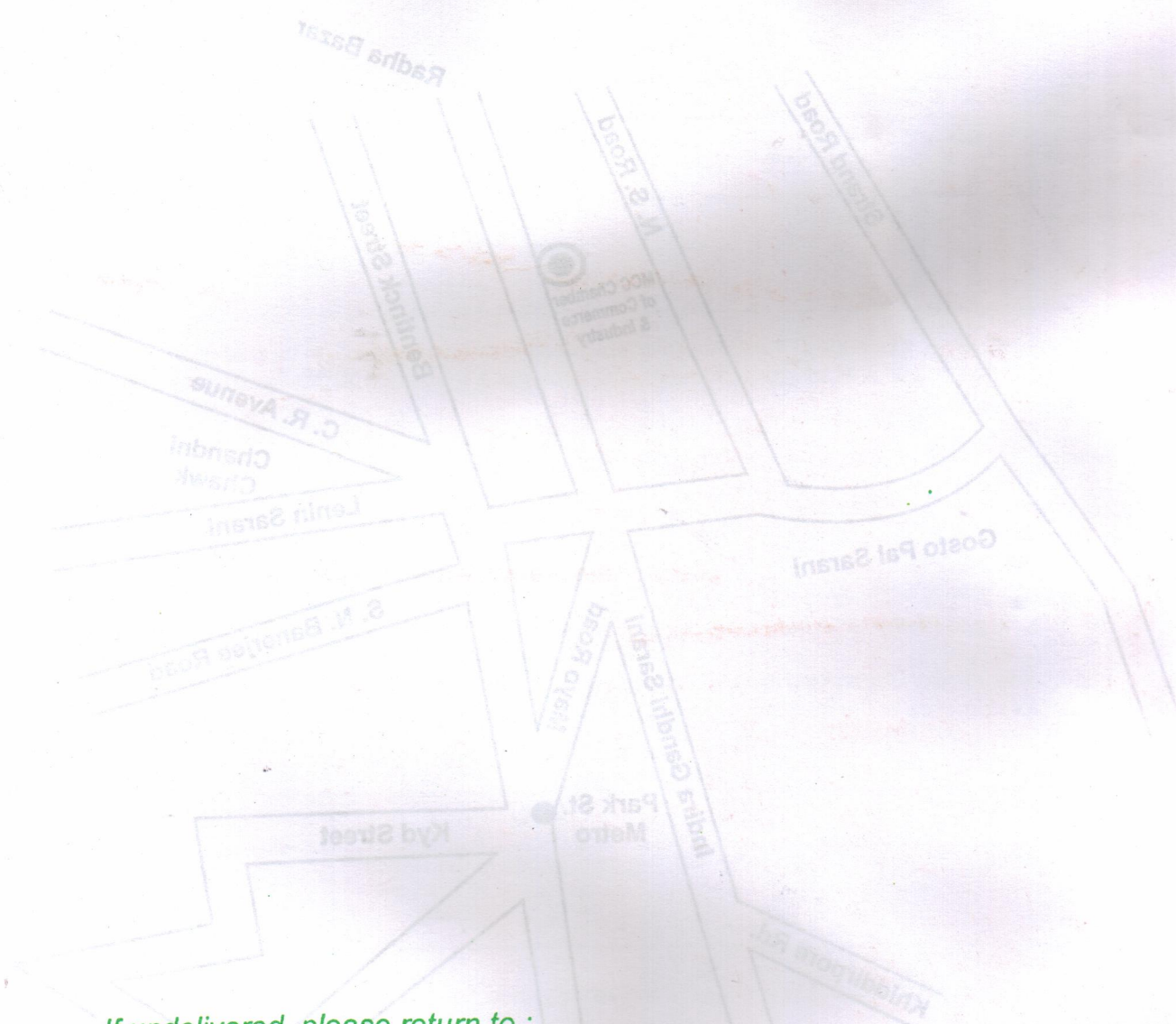
Commencement of E-Voting	End of E-Voting
19th September, 2017 from 9.00 A.M.	21st September, 2017 till 5.00 P.M.

Route Map to the Meeting Venue



Map Not to scale

Route Map to the Meeting Venue



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