

The Methoni Tea Company Limited



**Report and Accounts
for the year
Ended 31st March
2018**

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 Bhartiya, CFO

Auditors :

U. S. Agarwal & Associates
Chartered Accountants
42/1, B. B. Ganguly Street
Kolkata - 700 012

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 2017-18)

The Calcutta Stock Exchange Association 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, 2018 at 10.30 A.M.
at Merchants 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 89th Annual General Meeting of the Members of THE METHONI TEA COMPANY LTD., will be held on Saturday, the 22nd September, 2018 at 10.30 A.M. at the Merchants 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, 2018, 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, 2018, the reports of the Auditors thereon.
3. To appoint a Director in place of Mr. Rajendra Prasad Bubna (DIN No. 00180543) who retires by rotation and being eligible, offer himself for re-appointment.
4. To ratify the appointment of Auditor of the company and to fix their remuneration and to pass the following resolution as an Ordinary Resolution :

"RESOLVED that pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, pursuant to the recommendations of the Audit Committee of the Board of Directors and pursuant to the resolution passed by the members at the AGM held on 22nd September, 2017, the appointment of M/s. U. S. Agarwal & Associates, Chartered Accountants (Registration No. 314213E) as the Statutory Auditors of the Company to hold office till the conclusion of AGM to be held in the calendar year 2022 be and is hereby ratified and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending March 31, 2019, in consultation with the Auditors."

Registered Office :

75C, Park Street (1st Floor)

Kolkata - 700 016

Dated 26th day of May, 2018

CIN : L15492WB1929PLC006618

By Order of the Board

ANIRUDHA BUBNA

DIN No. : 06842250

MANAGING DIRECTOR

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 Monday, 17th September, 2018 to Saturday, 22nd September, 2018 (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**

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

- vii) Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or MDPL for assistance in this regard.
- viii) Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or MDPL, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.
- ix) In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register 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 22, 2017.
- 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) Members are requested to note that dividends that are not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 124 of the Act, be transferred to the Investor Education and Protection Fund (IEPF). Shares on which dividend remains unclaimed for seven consecutive years will be transferred to the IEPF as per Section 124 of the Act, and the applicable rules.

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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
2010-2011	28th August, 2018
2011-2012	23rd September, 2019
2012-2013	08th September, 2020

xv) The relevant details of Directors seeking reappointment under Item No. 3 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, 2018 (9.00 A.M.) and ends on 21st September, 2018 (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, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. The facility for voting through ballot paper / polling paper shall be made available at the AGM and the members as on the "cut-off date", attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right to vote at the meeting through ballot paper / polling paper.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period.
- (iii) Click on "Shareholders" tab.
- (iv) Now Enter your User ID
 - a. For CDSL : 16 digits beneficiary ID,
 - b. For NSDL : 8 Character DP ID followed by 8 Digits Client ID,

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- 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 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 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.

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

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- (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, 2018 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 helpdesk.evoting@cdslindia.com.
- (2) Other Instructions
- (i) M/s. K.C. Dhanuka & Co., Company Secretaries (Membership No. FCS 2204) has been appointed as the Scrutinizer to scrutinize the remote e-voting process as well as Physical voting at the venue of the meeting in a fair and transparent manner.
- (ii) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- (iii) The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- (iv) The Results declared 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.

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)	Rajendra Prasad Buhna
DIN	00180543
Date of Birth	19/04/1957
Qualifications	B. Com
Expertise in Specific functional areas	Business. He has an experience of more than 10 years in Tea Industry.
Directorship in the other companies (excluding foreign companies)	1. Monet Securities Pvt Ltd 2. Unistock Commodities Pvt Ltd 3. M. Prasad & Co Ltd 4. Mace Developers Pvt Ltd 5. Aia Estates Pvt Ltd 6. Stately Realty Pvt Ltd 7. Daytona Realty Pvt Ltd 8. Montreux Properties Pvt Ltd
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 2017-18

To

The Members,

Your Directors have pleasure in presenting their 89th Annual Report on the business and operations of the Company together with the Audited Statement of Accounts for the year ended March 31, 2018.

1. Financial Highlights

	(Figure in ₹)	
	2017-18	2016-17
Turnover and other income	152,808,769	130,292,035
Profit/(Loss) before interest and Depreciation	(5,497,765)	(13,130,335)
Interest	2,024,492	1,785,932
Depreciation	3,607,969	3,890,948
Profit/(Loss) for the year before Exceptional Items and tax	(11,130,226)	(18,807,215)
Exceptional Items	1,680,751	—
Profit/(Loss) for the year after Exceptional Items and tax	(12,810,977)	(18,807,215)
Provisional Tax		
- Current Tax	—	—
- Deferred Tax	1,709,373	(1,370,623)
- Tax for Earlier Year	—	—
Profit / (Loss) from Operations	(14,520,350)	(17,436,592)
Other Comprehensive Income	(3,311,750)	(2,753,759)
Total Comprehensive Income for the Year	(17,832,100)	(20,190,351)

2. Performance Review

During the year under review, your Company achieved net Sales of Rs.1,451.37 Lacs and recorded a Net Profit/(Loss) from operations of Rs. (145.20) Lacs compared to previous year's net Sales of Rs.1,251.26 Lacs and Net Profit / (Loss) from operations of Rs. (174.37) Lacs.

The total tea manufactured for the year under review was higher at 8.11 Lac Kg as against 7.20 Lac Kg in the previous year. The average sale price realised was Rs. 186.50 per Kg. as against Rs.185.00 per Kg for the previous year.

3. Dividend

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

4. Reserves

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

5. Future Prospects

The 2018 season augurs well for tea prices for Orthodox teas with better quality teas likely to fetch further premium. Also, the company has started exporting its products in the global markets, and has obtained all the necessary approvals for exporting its products globally and is hopeful of achieving better results in the future years. The current season has seen a mixed weather condition as a result of which the crop intake is similar to that of last year.

6. Consolidated Financial Statements

The Consolidated Financial Statements of the Company are prepared in accordance with relevant Accounting Standards viz. IND AS-26 and IND AS-110 issued by the Institute of Chartered Accountants of India and forms an integral part of this Report.

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

7. Change In the Nature of Business, if any :

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

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

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

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

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

10. Deposits

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

11. Internal control systems and their Adequacy

The Company has adequate system of internal control to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported to the Management. The company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements. The internal auditor of the company checks and verifies the internal control and monitors them in accordance with policy adopted by the company.

12. Details of Subsidiary, Joint Venture or Associates

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

13. Statutory Auditors

M/s. U. S. Agarwal & Associates (Firm registration No. 314213E), Chartered Accountants, was appointed as statutory Auditors of the Company at the Annual general meeting held on 22nd September, 2017 for period of 5 years subject to ratification by members at every consequent Annual General Meeting. Therefore, ratification of appointment of statutory Auditors is being sought from the members of the Company at the ensuing AGM.

14. Auditors' Report

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

15. 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, 2018 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, Mr. Rajendra Prasad Bubna (DIN-00180543), Director of the Company, is liable to retire by rotation and being eligible, offer himself for re-appointment. The Board recommends his appointment with a view to avail his valuable advices and wise counsel.

Brief resume of the Director, nature of his expertise in specific functional areas and details of his directorship and membership / chairmanship of Board / committees, as stipulated under SEBI (LODR) Regulations, 2015 has been provided in the Annexure to the Notice of the AGM of the company.

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 of independence as laid down in section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(c) Familiarization Programme undertaken for Independent Directors

The Independent Directors are familiarized with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the 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 2017-18 the Board met 4 (Four) times on 13th May 2017, 12th August 2017, 11th November 2017, and 8th February, 2018.

21. Meeting of the Independent Directors

During the year under review, a meeting of Independent Directors was held on 11th November 2017 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 recommendations made by the Audit Committee.

23. Nomination and Remuneration

Remuneration Committee comprises of three Directors namely, Mr. Prahald 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 2017-18 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, 2018.

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, 2018.

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.

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 2017-18.

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 had prepared the annual accounts on a going concern basis; and

- (e) the directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

34. Particulars of Employees

No employee draws remuneration in excess of the limits provided in rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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 Debenture) 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) & 5(2) 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.

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 IND AS-24 (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

THE METHONI TEA COMPANY LTD.

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 | 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 : 26th day of May, 2018

THE METHONI TEA COMPANY LTD.

ANNEXURE - 1

**FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN**

As on Financial Year ended on 31.03.2018

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 / SUBSIDIARY / ASSOCIATE	% OF SHARE HELD	APPLICABLE SECTION
1.	Monet Securities Pvt. Ltd.	U01111WB1994PTC064149	Associate	40.27%	2(6)

IV. Shareholding Pattern (Equity Share capital Break up as % to total Equity)

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01 April 2017)			No. of Shares held at the end of the year (as on 31 March 2018)			% 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	-

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01 April 2017)				No. of Shares held at the end of the year (as on 31 March 2018)				% 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 Fund	-	-	-	-	-	-	-	-	-
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	31,884	2,372	34,256	8.42	31,894	2,298	34,192	8.38	(0.04)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs 1 lakhs	63,482	46,499	109,981	28.96	62,309	37,442	99,751	24.45	(2.50)

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Category of Shareholders	No. of Shares held at the beginning of the year (As on 01 April 2017)				No. of Shares held at the end of the year (as on 31 March 2018)				% 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	433	76	509	0.12	558	-	558	0.14	0.01
2) Foreign national	-	-	-	-	450	-	450	0.11	0.11
3) Investor Education and protection Fund Authority	-	-	-	-	9,905	-	9,905	2.43	2.42
Sub-Total (B) (2) :	109,055	48,947	158,002	38.73	118,262	39,740	158,002	38.73	(0.00)
Total Public Shareholding (B) = (B)(1)+(B)(2)	109,055	50,757	159,812	39.17	118,262	41,550	159,812	39.17	(0.00)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	357,243	50,757	408,000	100.00	366,450	41,550	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 01/04/2017 31/03/2018	83,000	20.34	-	-
		83,000	20.34	83,000	20.34
2	Rajendra Prasad Bubna 01/04/2017 31/03/2018	83,000	20.34	-	-
		83,000	20.34	83,000	20.34
3	Anirudha Bubna 01/04/2017 31/03/2018	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 & LEASING LTD. 01/04/2017 31/03/2018	5000 5000	1.23 1.23	5000	1.23
2.	BHUBNESH COMMERCIAL PVT. LTD. 01/04/2017 31/03/2018	20200 20200	4.95 4.95	20200	4.95
3.	MANOJ LUNIA 01/04/2017 31/03/2018	5487 5487	1.34 1.34	5487	1.34
4.	ANJU LUNIA 01/04/2017 31/03/2018	5487 5487	1.34 1.34	5487	1.34
5.	RAJENDRA KUMAR JAIN 01/04/2017 31/03/2018	13146 13146	3.22 3.22	13146	3.22
6.	PRATIBHA BINANI 01/04/2017 31/03/2018	5000 5000	1.23 1.23	5000	1.23
7.	DAMODAR DAS BINANI 01/04/2017 31/03/2018	5000 5000	1.23 1.23	5000	1.23
8.	RAM SWAROOP GOENKA 01/04/2017 31/03/2018	7400 7400	1.81 1.81	7400	1.81
9.	PINAKIN CHIMANLAL SHAH 01/04/2017 31/03/2018	5182 5182	1.27 1.27	5182	1.27

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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 01/04/2017 31/03/2018	7000	1.72	7000	1.72
		7000	1.72		
11.	Investor Education and Protection Fund Authority Ministry of Corporate Affairs* 01/04/2017 31/12/2017 - Transfer 31/03/2018	—	—	9905	2.43
		9905	2.43		
		9905	2.43		

Not in the list of Top 10 shareholders as on 01/04/2017. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2018.

(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		
	31/03/2018	83,000	20.34	83,000	20.34
2.	Anirudha Bubna				
	At the beginning of the Year	82,188	20.14	—	—
	31/03/2018	82,188	20.14	82,188	20.14
3.	Anita Bubna				
	At the beginning of the Year	83,000	20.34		
	31/03/2018	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	-	105,409,140	-	105,409,140
Reduction	-	105,409,140	-	105,409,140
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. Remuheration 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				
	(a) Fee for attending board committee meetings	4,000	3,000	-	7,000
	(b) Commission	-	-	-	-
	(c) Others, please specify	-	-	-	-
	Total (1)	4,000	3,000	-	7,000
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	3,000	4,000	11,000

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

Amt in Rs.

Sl. No.	Particulars of Remuneration	Key Managerial Person			Total
		CEO	Company Secretary	CFO Sumit Bharti	
1.	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	-	-	614,400.00	614,400.00
	(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	-	-	614,400.00	614,400.00

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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, 2018 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 : Company's operations involve substantial consumption of energy when compared to the cost of production. Wherever possible energy conservation and efficiency measures have been undertaken. The Company has improved efficiency of own generation by usage of diesel generator only for emergencies and as stand by. The Company has also placed an intensified vigil on wastage / leakage control.
- b. Steps taken by the company for utilising alternate sources of energy : The Company constantly considers upgradation of existing machineries and processes to optimise use of alternate sources of energy for processing of Tea leaves. Availability of natural gas through pipeline or bullet tanker is eagerly awaited, which the Company can readily use at a much lower cost to both the Company and the environment.
- c. Capital investment on energy conservation equipments : For all new equipments purchased, weightage is given to conservation of electrical energy to reduce long term running costs.

B. TECHNOLOGY ABSORPTION

1. Specific Area in which R&D carried out by the Company :

The Company subscribes to Tea Research Association which is registered under Section 35(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 agricultural practices in the field and manufacturing process in the factories.

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

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

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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. 2,26,552/- being amount paid to TRA.
- Total R & D Expenditure as percentage of total turnover : 0.16%

FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange Earnings	:	Rs. 3,14,557 (Previous year Rs. Nil)
Foreign Exchange Outgo	:	Rs. Nil (Previous year Rs. 7,10,064)

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 : 26th day of May, 2018

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 :-

- 2.1 The Remuneration Policy aims to enable the company to attract, retain and motivate appropriately qualified Persons / Members for the Board and Executive level.
- 2.2 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.
- 2.3 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.
- 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) **Basic Salary** : The basic salary shall be fixed within a salary grade which allows the Board to grant increments within a time frame of three years.
- b) **Perquisites** : The perquisites to be offered to the Executive Directors shall include housing, medical, leave travel concession, club fees, car, leave encashment, Personal Accident Insurance and other perquisites in terms of the Rules framed by the Nomlnation 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 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, 2018

[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, 2018 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, 2018 according to the provisions of :

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

- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- e. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

- i. ***The Company has not complied for the appointment of Key Managerial Personnel (KMP) as required by Section 203 of the Act. However the Company is making efforts to comply the same as informed to us.***

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

We further report that

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

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no changes in the composition of the Board of Directors during the period under review.

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

THE METHONI TEA COMPANY LTD.

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

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

We further report that the Company has applied to the Calcutta Stock Exchange ("CSE") for revocation of suspension of its shares and the approval is still awaited.

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

Place : Kolkata
Date : 17.05.2018

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 : North India auctions sell 98.6 mtkgs - Jan / March against 60.7 mtkgs in 2017. North India April harvest (Banji teas) a record at 63.4 mtkgs. South India adds 19.5 mtkgs to April/May crop compared to 2017. Demonetization in 2016 coupled with GST roll out in 2017 stymies business for smaller traders. States with cash based economies like Bihar, UP, MP suffered more. This has adverse effect on demand and prices of plainer / ordinary varieties and leads to scheme based sales. Smaller traders relinquish space to larger packeters who better equipped to handle issues associated with Demonetization / GST. Export volumes a near record at 240.8 mtkgs Jan / Dec (+18.2 mtkgs) on the back of higher shipments from North India. Exports from South India fairly similar at 92.3 mtkgs (+3.4 mtkgs). 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. Tea continues to enjoy the status of being the most popular beverage in the World.

The Company has in place systems of Internal Control commensurate with the size of the Company and the nature of its business, which ensures that transactions are recorded, authorized and reported correctly apart from safeguarding its assets against loss from wastage, unauthorized use and removal. The Internal Control System is supplemented by documented policies, guidelines and procedures. An extensive programme of review is carried out by the Company's Management cum Internal Audit team which submits detailed reports periodically to the Management.

THE METHONI TEA COMPANY LTD.

The Tea Industry is largely dependent on the vagaries of nature. The Industry is highly labour intensive and is subject to stringent labour laws. Comparatively high labour costs, high social cost over most other tea producing countries, high infrastructure costs remain the major problems for the Indian Tea Industry. Shortage of labour during peak season is also a cause for concern.

These problems need to be addressed by improved productivity. The Tea Industry both in Assam and in West Bengal have discussed with the Trade Unions and implemented productivity linked wages for the tea workers with a view to regain the Industry's competitiveness in the global market.

Product-wise Performance : The gist of performance of the division during the financial year 2017-18 is as under :

Tea			
	Production (Lac Kgs.)	Sales (Lac Kgs.)	Average Realisation (Per Kg.)
2017-18	8.11	7.76	186.50
2016-17	7.20	6.95	185.00
Change (%)	12.63	11.65	1.50

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, 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 major 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

THE METHONI TEA COMPANY LTD.

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, 2018 was 804.

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

RAJENDRA PRASAD BUBNA | Whole Time Director
DIN : 00180543

ANIRUDHA BUBNA | Managing Director
DIN : 06842250

ANITA BUBNA
DIN : 00180704

PRAHLAD LAL JAIN | Director's
DIN : 00944702

SONA GOENKA
DIN : 07147090

Place : Kolkata
Dated : 26th day of May, 2018

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, 2018 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, 2018	Ratio of remuneration of each KMP to median remuneration of employees	%age increase in remuneration for the financial year ended on 31st March, 2018
1	Mr. Rajendra Prasad Bubna Whole time Director (DIN - 00180643)	19,44,000/-	38.8:1	No Change
2.	Mr. Anirudha Bubna Managing Director (DIN-06842250)	19,44,000/-	38.9:1	No Change
3.	Mr. Sumit Bharti Chief Financial Officer	6,14,400/-	12.3:1	20%

2. In the financial year ended on 31st March, 2018, there has been an increase in the remuneration of median employees of the company.
3. There were 804 permanent employees on the rolls of the Company as on 31st March, 2018.
4. The market capitalisation of the Company as on 31st March, 2018 was Rs. 5,16,36,765/-, compared to Rs.7,01,95,487/- as on 31st March, 2017.
5. No variable component forms part of the remuneration paid to the Directors of the Company.
6. During the financial year 2017-18, 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.

THE METHONI TEA COMPANY LTD.

Details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The Statement containing particulars of top ten employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, for the year ended March 31, 2018:

Sl. No.	Name	Designation / Nature of Duties	Remuneration Received p.a. (Rs.)	Qualification	Experience in years	Age in years	Date of commencement of Employment	Last Employment held before joining the Company
1.	Rajendra Prasad Bubna	Whole Time Director	1944000	B.Com	12 Years	61 Yrs	13.11.2004	N.A.
2.	Anirudha Bubna	Managing Director	1944000	B.Com(H)	3 Years	28 Yrs	08.10.2015	N.A.
3.	Mr. C. J. Fernandes	General Manager, Tea Estate	1020000	B.Com(H)	25 Years	52 Yrs	13.02.2014	Parkwood Farms Pvt. Ltd.
4.	Mr. Jairy Sheal Fernandes	Assistant Tea Estate	720000	B.Com(H)	4 Years	24 Yrs	13.02.2014	N.A.
5.	Mr. Sumit Bhartia	CFO	614400	B.Com(H)	13 Years	34 Yrs	01.04.2005	N.A.
6.	Mr. Bhagwant Singh	Deputy Manager, Tea Estate	490800	B.Com(H)	24 Years	49 Yrs	01.02.2011	Mankhowa Tea Co. Ltd.
7.	Mr. Nilamani Gogoi	Factory Manager Tea Estate	467000	B.Com(H)	23 Years	44 Yrs	06.05.2015	Oatings Tea Estate
8.	Dr. Bodeswar Gogoi	Doctor, Tea Estate	420000	M.B.B.S.	34 Years	62 Yrs	01.03.2016	N.A.
9.	Mr. Parashar Bose	Executive, HO	276000	B.Sc.	36 Years	59 Yrs	01.04.1982	N.A.
10.	Mr. Siba Prasad Bhuyan	Commercial Assistant Tea Estate	259200	B.Com(H)	45 Years	68 Yrs	01.11.2012	N.A.

Note : 1) None of the employees listed above is a relative of any director of the Company.

2) Other than Mr. Rajendra Prasad Bubna & Mr. Anirudha Bubna, none of the employees listed above hold equity share in the Company

RAJENDRA PRASAD BUBNA
DIN : 00180643

Whole Time Director

ANITA BUBNA
DIN : 00180704

ANIRUDHA BUBNA
DIN : 06842250

Managing Director

PRAHLAD LAL JAIN
DIN : 00944702

Directors

Place : Kolkata

Dated : 26th day of May, 2018

SONA GOENKA
DIN : 07147090

INDEPENDENT AUDITOR'S REPORT

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

REPORT ON THE AUDIT OF THE 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, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone 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 of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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 standalone 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 standalone financial statements based on our audit. In conducting our 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 thereunder and the Order issued under section 143(11) of the Act.

THE METHONI TEA COMPANY LTD.

We conducted our audit of the standalone financial statements 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 standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at March 31, 2018, and its loss, total comprehensive income, the changes in equity and its 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 statement dealt with by this report are in agreement with the books of account;
 - d) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive

THE METHONI TE A COMPANY LTD.

Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

- e) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- f) On the basis of written representations received from the directors, as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of section 164(2) of the Act.
- g) 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
- h) 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 2.24 to the financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, other than as specified in basis for qualified opinion. However, the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. The company has transferred unclaimed dividend to Investor Education and Protection Fund.

Place : Kolkata

Dated : 26th day of May, 2018

BIPIN KUMAR AGARWAL, FCA, Partner
(Membership No. 051635)

For & On behalf of
U.S. Agarwal & Associates
Chartered Accountants
Registration No. 314213E

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 2018. We report that.

- i. (a) The company maintains the proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) As per the information and explanation given to us and as verified by us, management has physically verified fixed assets in accordance to the phased programme, designed to cover all items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and the nature of its assets.

(c) The title deeds of immovable properties are held in the name of the company.
- ii. As per the information and explanation given to us and as verified by us, the management is verifying inventory at regular intervals, the frequency of verification of which, in our opinion, is reasonable and no material discrepancies were noticed.
- iii. The Company has not granted loans, secured or unsecured, to companies, firms, or other parties covered in the register maintained under section 189. Accordingly, the provisions of clause (iii) (a), (b) & (c) of the order are not applicable to the company.
- iv. The Company has not given any loans, investments, guarantees or securities within the meaning of provisions of section 185 and 186 of the Companies Act, 2013.
- v. The company has not accepted deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.

THE METHONI TEA COMPANY LTD.

vii. a) According to the Information and explanations given to us, no undisputed amounts payables in respect of provident fund, sales tax, wealth tax, service tax, customs duty, value added tax, cess and other material statutory were in arrears, as at 31st March, 2018 for a period of more than six months from the date they became payable.

b) Details of dues of Income Tax which has not been deposited as on 31st March, 2018 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

viii. The company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.

ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

x. There is no instance of any fraud by the company or on the Company by its officers or employees which has been noticed or reported during the year.

xi. Managerial remuneration has been paid or provided in accordance with the provisions of section 197 read with Schedule V to the Companies Act.

xii. The company under review is not a Nidhi Company and accordingly the provisions of clause (xii) of the order are not applicable to the company.

xiii. All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

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

BIPIN KUMAR AGARWAL, FCA, Partner
(Membership No. 051635)

For & On behalf of

U.S. Agarwal & Associates

Chartered Accountants

Registration No. 314213E

Place : Kolkata

Dated : 26th day of May, 2018

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 2018 in conjunction with our audit of the financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

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, 2018, 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.

BIPIN KUMAR AGARWAL, FCA, Partner
(Membership No. 051635)

For & On behalf of
U.S. Agarwal & Associates
Chartered Accountants
Registration No. 314213E

Place : Kolkata

Dated : 26th day of May, 2018

THE METHONI TEA COMPANY LTD.

BALANCE SHEET AS AT 31ST MARCH, 2018

(Figure in ₹)

Sl. No.	Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
I.	ASSETS				
(1)	Non-Current Assets				
	(a) Property Plant and Equipments	2.1	21,535,795	20,118,535	20,093,353
	(b) Capital Work In Progress	2.1	4,536,647	3,475,381	-
	(c) Financial Asset				
	(i) Investment	2.2	19,801,609	32,729,100	63,563,605
	(d) Deferred Tax Assets (net)	2.3	5,644,289	6,762,066	4,601,884
	(e) Other Non-Current Assets	2.4	20,592,427	23,005,226	11,340,953
(2)	Current Assets				
	(a) Inventories	2.5	9,373,147	10,991,792	11,731,663
	(b) Biological Assets other than Bearer Plants	2.6	354,517	269,275	174,943
	(c) Financial Assets				
	(i) Trade Receivables	2.7	394,337	184,828	143,482
	(ii) Cash and Cash Equivalents	2.8	6,449,100	27,246,209	27,524,100
	(ii) Loans	2.9	-	1,611,287	1,611,287
	(d) Other Current Assets	2.10	3,611,573	1,833,001	2,296,069
	Total Assets		92,293,441	128,226,700	143,081,339
II.	EQUITY AND LIABILITIES				
(1)	Equity				
	(a) Equity Share Capital	2.11	4,080,000	4,080,000	4,080,000
	(b) Other Equity		47,556,765	66,115,487	86,446,966
	Total Equity		51,636,765	70,195,487	90,526,966
	Liabilities				
(2)	Non-Current Liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	2.12	1,300,136	-	-
	(b) Provisions	2.13	6,796,337	6,796,337	6,796,337
(3)	Current Liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	2.14	811,870	-	-
	(ii) Trade Payables	2.15	6,121,539	11,262,128	7,039,017
	(b) Other Current Liabilities	2.16	3,136,280	20,836,150	23,930,111
	(c) Provisions	2.17	22,490,515	19,136,598	14,788,908
	Total Equity & Liabilities		92,293,441	128,226,700	143,081,339

Significant Accounting Policies and Notes on Accounts 1 & 2

As per our Report of even date annexed hereto

BIPIN KUMAR AGARWAL, FCA, Partner
(Membership No. 051635)

For & On behalf of
U.S. Agarwal & Associates
Chartered Accountants
Registration No. 314213E

Place : Kolkata
Dated : 26th day of May, 2018

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.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2018

(Figure in ₹)

Sl. No.	Particulars	Note No.	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
(1)	Revenue from Operations	2.18	146,839,349	127,918,472
(2)	Other Income	2.19	5,969,420	2,373,563
	Total Revenue (1+2)		152,808,769	130,292,035
(3)	Expenses :			
	Cost of materials consumed		4,169,523	5,090,610
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	2.20	1,451,752	(810,674)
	Employee Benefit Expenses	2.21	100,775,140	90,570,008
	Finance Cost	2.22	2,024,492	1,785,932
	Depreciation and Amortization Expense	2.1	3,607,969	3,890,948
	Other Expenses	2.23	51,910,119	48,572,426
	Total Expenses		163,938,995	149,099,250
(4)	Profit / (Loss) before exceptional items and tax		(11,130,226)	(18,807,215)
(5)	Exceptional Items	2.29	1,680,751	-
(6)	Profit/ (Loss) after Exceptional items and before tax		(12,810,977)	(18,807,215)
(7)	Tax Expense :			
	(1) Current Tax		-	-
	(2) Deferred Tax		1,709,373	(1,370,623)
	(3) Tax for Earlier Years		-	-
(8)	Profit / (Loss) from Operations		(14,520,350)	(17,436,592)
	Other Comprehensive Income			
	Items that will not be reclassified to Profit or Loss			
	- Remeasurement of Defined Benefit Plan		(2,090,445)	(3,120,787)
	- Changes in Fair Value of FVOCI Equity Instruments		(1,812,901)	(422,531)
	- Tax Adjustment for Defined Benefit Plan		591,596	789,559
	Total - Other Comprehensive Income for the Year		(3,311,750)	(2,753,759)
	Total Comprehensive Income for the Year		(17,832,100)	(20,190,351)
(9)	Earnings per Equity Share :			
	(1) Basic		(35.59)	(42.74)
	(2) Diluted		(35.59)	(42.74)
	(refer note no. 2.33)			

Significant Accounting Policies and Notes on Accounts 1 & 2

As per our Report of even date annexed hereto

BIPIN KUMAR AGARWAL, FCA, Partner

(Membership No. 051635)

For & On behalf of

U.S. Agarwal & Associates

Chartered Accountants

Registration No. 314213E

Place : Kolkata

Dated : 26th day of May, 2018

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 CHANGES IN EQUITY

Particulars	Equity Share Capital	Reserves and Surplus					Total Other Equity
		Capital Reserve	Securities Premium Reserve	General Reserve	FVOCI Equity Investments	Retained Earnings	
Balance at 1st April, 2016	4,080,000	6,626	-	107,235,917		(19,728,888)	87,513,655
Changes in accounting policy or prior period errors	-	-	-	-		(1,066,689)	(1,066,689)
Restated balance at 1st April, 2016	4,080,000	6,626	-	107,235,917		(20,795,577)	86,446,966
Profit for the Year	-	-	-	-		(17,436,592)	(17,436,592)
Changes in accounting policy or prior period errors	-	-	-	-		-	-
Other Comprehensive Income	-	-	-	-	(563,659)	(2,331,228)	(2,894,887)
Total Comprehensive Income for the year	-	-	-	-	(563,659)	(19,767,820)	(20,331,479)
Dividends	-	-	-	-		-	-
Transfer to retained earnings	-	-	-	-		-	-
Any other change (to be Specified)	-	-	-	-		-	-
Balance at 31st March 2017	4,080,000	6,626	-	107,235,917	(563,659)	(40,563,397)	66,115,487
Profit for the year	-	-	-	-		(14,520,350)	-
Other Comprehensive Income	-	-	-	-	(2,539,524)	(1,498,849)	-
Total Comprehensive Income for the year	-	-	-	-	(2,539,524)	(16,019,199)	(18,558,723)
Dividends	-	-	-	-		-	-
Transfer to retained earnings	-	-	-	-		-	-
Any other change (to be Specified)	-	-	-	-		-	-
Balance at 31st March 2018	4,080,000	6,626	-	107,235,917	(3,103,183)	(56,582,596)	47,556,765

As per our Report of even date annexed hereto

BIPIN KUMAR AGARWAL, FCA, Partner
(Membership No. 051635)
For & On behalf of
U.S. Agarwal & Associates
Chartered Accountants
Registration No. 314213E

Place : Kolkata
Dated : 26th day of May, 2018

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 2018

Particulars	For the year ended 31 March, 2018		For the year ended 31 March, 2017	
	₹	₹	₹	₹
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit / (Loss) before extraordinary items and tax		(11,130,226)		(18,807,215)
<i>Adjustments for:</i>				
Depreciation and amortisation	3,607,969		3,890,948	
Finance Costs	2,024,492		1,785,932	
Interest Income	(201,331)		(2,049,605)	
Dividend Income	(16,467)		(33,750)	
Loss On Assets discarded	—		—	
(Profit) / Loss on sale of investments	(5,291,246)		(104,459)	
		123,417		3,489,066
Operating profit / (Loss) before working capital changes		(11,006,809)		(15,318,149)
<i>Adjustments for (Increase) / decrease in Assets :</i>				
Inventories	1,618,645		739,871	
Biological Assets other than Bearer Plants	(85,241)		(94,333)	
Trade receivables	(209,509)		(41,346)	
Short-term loan and advances	1,611,287		—	
Other current assets	(1,778,572)		463,068	
Other non-current assets	2,412,799		(11,984,273)	
<i>Adjustments for Increase / (decrease) in Liabilities :-</i>				
Trade payables	(5,140,589)		4,223,111	
Other current liabilities	495,573		(986,799)	
Short-term provisions	1,263,477		1,226,903	
Long-term Provisions	—	187,870	—	(6,433,797)
Cash flow from extraordinary items		(1,680,751)		—
Cash generated from operations		(12,499,690)		(21,751,946)
Net income tax (paid) / refunds		—		300,000
Net cash flow from / (used in) operating activities (A)		(12,499,690)		(21,451,946)
B. Cash flow from Investing activities				
Capital expenditure on fixed Assets	(6,086,496)		(7,391,512)	
Purchase of Non-Current Investments	(83,044,562)		(6,012,350)	
Proceeds from sale of Non-Current Investments	98,723,769		36,387,655	
Interest Income	201,331		2,049,605	
Dividend Income	16,467		33,750	
Net cash flow from / (used in) Investing activities (B)		9,810,510		25,067,148
C. Cash flow from financing activities				
Long Term Borrowings	2,112,006		—	
Finance Cost	(2,024,492)		(1,785,932)	

THE METHONI TEA COMPANY LTD.

Particulars	For the year ended 31 March, 2018		For the year ended 31 March, 2017	
	₹	₹	₹	₹
Dividends Paid	(40,571)		(22,170)	
Net cash flow from / (used in) financing activities (C)		46,943		(1,808,102)
Net Increase / (decrease) in cash and cash equivalents (A+B+C)		(2,642,237)		1,807,101
Cash and cash equivalents at the beginning of the year		9,091,337		7,284,236
Cash and cash equivalents at the end of the year		6,449,100		9,091,337

Reconciliation of Cash and Cash Equivalents with the Balance Sheet :

Cash and cash equivalents at the year end		6,449,100		9,091,337
Cash and cash equivalents at the year end comprises of :				
(a) Cash in hand		288,821		326,363
(b) Balances with Banks :				
(i) In current accounts		5,977,163		381,409
(ii) In Deposit accounts		1,000		26,295,750
(iii) In Earmarked accounts		202,116		242,687
(iv) Bank Over Draft				(18,154,872)
		6,449,100		9,091,337

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

BIPIN KUMAR AGARWAL, FCA, Partner
(Membership No. 051635)

For & On behalf of
U.S. Agarwal & Associates
Chartered Accountants
Registration No. 314213E

Place : Kolkata
Dated : 26th day of May, 2018

RAJENDRA PRASAD BUBNA
DIN : 00180543 | Whole Time Director

ANIRUDHA BUBNA
DIN : 06842250 | Managing Director

ANITA BUBNA
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PRAHLAD LAL JAIN
DIN : 00944702 | Directors

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, 2018**

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.

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION

- a) The financial statements are prepared in accordance with and in compliance, in all material aspect with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read along with Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) Amendment Rules, 2016 and other relevant provision of the Act.
- b) The financial statements up to year ended 31st March 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act.
- c) These financial statements are the first statements of the Company under Ind AS. Refer Note 2.32 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.
- d) 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 the Ind AS 1 - Presentation of financial Statements and Schedule III (Division II) to the Companies Act, 2013. Based on 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 assets and liabilities.

1.2 USE OF ESTIMATES

The preparation of the financial statements in conformity with INDAS 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 historical cost of acquisition less accumulated depreciation and accumulated impairment loss, if any. Cost includes 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.

The company recognises Tea Bushes as Bearer Plants 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 straight line basis over the economic life. 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. These are included in statement of profit and loss within other income.

1.4 FINANCIAL ASSET

1) Financial assets as amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost.

These are presented as current assets, except for those maturing later than 12 months after reporting date which are presented as non-current asset.

Financial assets are measured initially at fair value plus transaction costs and subsequently, if maturing after 12 months period, using the effective interest method, less any impairment loss.

2) Financial assets at fair value through other comprehensive income (FVOCI)

All equity investments are measured at fair values. Investments which are not held for trading purposes and where the Group has exercised the option to classify the investment as at FVOCI, all fair value changes on the investment are recognised in OCI. The accumulated gains or losses recognised in OCI are reclassified to retained earnings on sale of such investments.

3) Financial assets at fair value through profit or loss (FVTPL)

Financial assets which are not classified in any of the categories above are FVTPL.

4) Impairment of financial assets

The Company assesses expected credit losses associated with its assets carried at amortised cost and fair value through other comprehensive income based on Company's past history or recovery, credit-worthiness of the counter party and existing market conditions. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applied the simplified approach for recognition of impairment allowance as provided in Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

1.5 FINANCIAL LIABILITIES

1) Initial recognition and measurement

Loans and borrowings are measured at net of directly attributable costs. For trade and other payable maturing within one year from the balance sheet date, the carrying value approximates fair value due to short maturity of these investments.

Financial liabilities are subsequently measured at amortised cost using effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying value approximates fair value due to short maturity of these instruments.

2) Investment in Associate

Investment in associate is accounted at cost in the separate financial statements.

1.6 INVENTORIES

Raw materials, traded and finished goods are stated at the lower of cost and net realisable value except Tea Waste. Agricultural produce included within inventory largely comprises stock of made tea and has been measured in accordance with Ind AS 41 i.e. on initial recognition, agricultural produce is required to be measured at fair value less estimated point of sale costs.

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

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

1.7 BIOLOGICAL ASSETS OTHER THAN THE BEARER PLANT

Tea is designated as agricultural produce at the point of harvest and is measured at their fair value less cost to sell as at each reporting date. Any changes in fair value are recognised in the statement of profit and loss in the year in which they arise.

1.8 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.

1.9 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. Remeasurements as a result of

experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income. Such accumulated re-measurement balances are never reclassified into the statement of profit and loss subsequently.

1.10 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 Statement of Profit & Loss.

1.11 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.

1.12 GOVERNMENT GRANTS / SUBSIDIES

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

Government grants relating to the acquisition / construction of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other operating income.

1.13 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 provided using the balance sheet approach on all deductible temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The tax rates and tax laws used to compute the tax are those that are enacted or substantively enacted at the reporting date. Current income tax / deferred tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

Deferred tax assets / liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in associate where in case of assets it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised and in case of liabilities the group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

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.

d) Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

1.14 PROVISIONS

A provision is recognised 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.

1.15 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.

1.16 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.

1.17 CASH AND CASH EQUIVALENTS

Cash and cash equivalents for the purpose of presentation in the statement of cash flow, comprises of cash at bank, in hand, bank overdrafts and shortterm highly liquid investments / bank deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

1.18 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.

1.19 EARNING PER SHARE

The Company presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

1.20 INSURANCE CLAIMS

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

THE METHONI TEA COMPANY LTD.

Notes forming part of the financial statements as at 31st March, 2018

Note : 2.1 Property, Plant and Equipment

(Figures in ₹)

Sl. No	Particulars	Original Cost			Depreciation and Amortisation				Net Book Value			
		As at 1st April'17	Addition during the year	Adjustment during the Year	As at 31st Mar'18	As at 1st April'17	Addition during the year	Adjustment during the year	Deduction during the Year	As at 31st Mar'18	As at 31st Mar'17	As at 1st April'16
I	Tangible Assets											
1	Land (Lease and Free hold and Development)	-	-	-	-	-	-	-	-	-	-	2,970,845
2	Bearer Plant (Mature Plant)	5,097,916	371,261	-	5,469,177	2,243,745	110,197	-	2,353,942	3,115,235	2,854,171	-
3	Factory Buildings	5,435,894	6,400	-	5,442,294	3,123,721	214,873	-	3,338,594	2,103,700	2,312,173	1,813,861
4	Other Buildings	21,911,734	173,000	-	22,084,734	17,468,920	677,822	-	18,144,742	3,839,892	4,444,814	4,874,937
5	Plant & Machineries	51,481,196	1,425,137	-	52,906,333	43,732,925	1,585,191	-	45,318,116	7,588,217	7,748,271	9,849,948
6	Computers	1,057,540	49,500	-	1,107,040	869,589	112,359	-	1,986,925	101,115	163,972	49,765
7	Office Equipment	304,886	33,980	-	338,876	250,458	24,213	-	274,689	64,207	54,440	18,826
8	Furniture & Fixtures	1,533,509	25,000	-	1,558,509	1,116,563	102,153	-	1,218,716	339,793	416,946	90,441
9	Motor Vehicles	9,101,005	2,940,952	-	12,041,957	6,977,257	781,164	-	7,758,421	4,283,536	2,123,748	424,730
	Total (Current Year)	95,923,690	5,025,230	-	100,948,920	75,806,155	3,607,969	-	79,413,124	21,535,795	20,118,535	20,093,353
	(Previous Year)	92,007,560	5,064,934	1,149,804	95,923,690	71,914,207	3,890,948	2,127,071	75,806,155	20,118,535	20,093,353	-

Capital Work In Progress

1	Plant & Machinery	1,065,921	181,610	1,247,531	-	-	-	-	-	-	1,065,921	-
2	Bearer Plant (Immature)	2,409,460	2,498,448	371,261	4,538,647	-	-	-	-	4,538,647	2,409,460	-
	Total (Current Year)	3,475,381	2,680,058	1,618,792	4,538,647	-	-	-	-	4,538,647	3,475,381	-
	Total (previous Year)	-	3,475,381	-	3,475,381	-	-	-	-	3,475,381	-	-

THE METHONI TEA COMPANY LTD.

Notes forming part of the financial statements as at 31st March, 2018

Note : 2.2 - Non Current Investments

(Figures in Rs.)

Sl. No.	Particulars	Face Value	Cost Price of the Share	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
				No. of Shares	Amount	No. of Shares	Amount	No. of 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	28,089,515	-	-	-	-	2,470,625	28,089,515
2	Ballarpur Industries Ltd.	2	164,214	7,000	87,360	7,000	136,850	7,000	164,214
3	BKM Industries Ltd.	1	48,763	1,300	34,840	-	-	-	-
4	DLF Ltd.	2	493,350	3,000	604,650	3,000	446,100	-	-
5	Deepak Fertilizers & Petrochemicals Corporation Ltd.	10	265,930	-	-	-	-	1,350	265,930
6	EIH Limited	2	915,205	7,630	1,213,933	7,630	918,652	7,630	915,205
7	63 Moons Technologies Ltd.	2	344,222	250	21,775	250	18,875	250	344,222
8	Fresenius Kabi Oncology Ltd.	1	172,385	1,000	-	1,000	39,350	1,000	172,385
9	Hindustan Petroleum Corporation Ltd.	10	1,076,621	-	-	-	-	2,500	1,076,621
10	IDBI Bank Ltd.	10	1,132,057	-	-	7,780	584,278	7,780	1,132,057
11	IFCI Ltd.	10	1,242,797	19,500	385,125	25,000	742,500	25,000	1,242,797
12	India Glycols Ltd.	10	155,093	-	-	1,000	160,100	1,000	155,093
13	RattanIndia Infrastructure Ltd.	10	306,414	9,145	51,029	9,145	35,757	9,145	306,414
14	JVL Agro Industries Ltd.	1	1,009,259	-	-	-	-	50,000	1,009,259
15	Jubilant Life Sciences Ltd.	1	7,456,758	-	-	24,742	19,755,250	24,742	7,456,758
16	K.S. Oils Ltd.	1	9,266,797	-	-	188,950	81,249	188,950	9,266,797
17	Lux Industries	2	6,677,033	-	6,987,822	-	-	-	-
18	Nagarjuna Fertilizers & Chemicals Ltd	1	393,348	27,500	424,875	27,500	534,050	27,500	393,348
19	Nagarjuna Oil Refinery Ltd.	1	357,589	25,000	89,000	25,000	117,000	25,000	357,589

THE METHONI TEA COMPANY LTD.

Sl. No.	Particulars	Face Value	Cost Price of the Share	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
				No. Shares	Amount	No. Shares	Amount	No. Shares	Amount
20	Novartis India Ltd.	5	1,400,523	-	-	1,508	1,019,785	1,750	1,400,523
21	Punj Lloyd Ltd.	2	427,233	-	-	4,250	82,450	4,250	427,233
22	Reliance Communications Ltd.	5	1,569,111	-	-	2,600	99,580	2,600	1,569,111
23	SPML Infra Ltd.	2	4,963,280	32,000	2,814,400	-	-	-	-
24	Tata Chemicals Ltd.	10	630,337	-	-	1,500	898,275	1,500	630,337
25	Unitech Ltd	2	40,650	5,000	27,800	-	-	-	-
26	The West Coast Paper Mills Ltd.	2	129,199	-	-	-	-	1,250	129,199
	Sub-Total (A)			-	12,742,609	-	25,670,100	-	56,504,605
(b)	Investment in Unquoted Equity Shares (Fully paid up)								
1	ABC Tea Workers Welfare Services	10		625	1,250	625	1,250	625	1,250
2	Woodlands Multispeciality Hospital Ltd.	10		200	2,000	200	2,000	200	2,000
	Sub-Total (B)			-	3,250	-	3,250	-	3,250
(c)	Investment in Associate Company (Unquoted) (Fully paid up)								
1	Monet Securities Private Limited	10		2,171,000	7,055,750	2,171,000	7,055,750	2,171,000	7,055,750
	Sub-Total (C)			-	7,055,750	-	7,055,750	-	7,055,750
	Total Non-Current Investment			-	19,801,609	-	32,729,100	-	63,563,605
	Aggregate amount of quoted investments				12,742,609	-	26,233,759		56,504,605
	Aggregate market value of quoted investments				12,742,609	-	25,670,100		34,357,722
	Aggregate amount of investments in Unquoted shares				3,250		3,250		3,250
	Aggregate amount of investments in Associate Company				7,055,750		7,055,750		7,055,750
	Changes in Fair Value of FVOCI Equity Instruments				(2,539,524)		(563,000)		

THE METHONI TEA COMPANY LTD.

Note : 2.3 Deferred Tax Assets

(Figures in Rs.)

Sl. No.	Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
1.	<u>Deferred Tax Assets</u>			
	On Account of Section 43B of Income Tax Act, 1961	2,628,782	3,534,569	1,293,717
	On account of carry forward Agricultural Loss	3,336,400	3,757,050	4,324,149
	Total Deferred Tax Assets	5,965,182	7,291,619	5,617,866
2.	<u>Deferred Tax Liabilities</u>			
	On difference between book balance and tax balance of fixed assets	(320,893)	(529,553)	(1,015,982)
	Total Deferred Tax Liabilities	(320,893)	(529,553)	(1,015,982)
	Net Deferred Tax Assets/(Liabilities)	5,644,289	6,762,066	4,601,884

Note : 2.4 Other Non-Current Assets

(Figures in Rs.)

Sl. No.	Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
1.	<u>Balances with Government Authorities</u>			
	(i) Advance Income Tax	8,219,016	8,172,195	8,245,398
	(ii) MAT Credit Entitlement	75,620	75,620	75,620
2.	<u>Security Deposit</u>			
	a) <u>Unsecured, Considered Goods</u>			
	Electricity Supply & Others	2,357,621	2,357,621	1,322,860
	Deposit against property	7,000,000	10,000,000	-
3.	Deposit with Assistant Commissioner, Golaghat	258,374	258,374	258,374
4.	Nursery	2,681,796	2,141,416	1,38,701
	Total	20,592,427	23,005,226	11,240,953

THE METHONI TEA COMPANY LTD.

Note : 2.5 Inventories

(Figures in Rs.)

Sl. No.	Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
1	Black Tea (Including Tea in Transit)	2,411,887	3,824,539	3,052,965
2	Tea Waste	-	39,100	
3	Packing Materials	842,935	766,307	879,782
4	Fuel	1,402,196	2,333,674	4,112,194
5	Consumable Stores	3,919,026	3,853,007	3,456,838
6	Consumable Stores in Transit	797,103	175,165	229,884
	Total	9,373,147	10,991,792	11,731,663

Note : 2.6 Biological Assets other than Bearer Plant

(Figures in Rs.)

Sl. No.	Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
1	Fair Value of Biological Assets other than Bearer Plant (Unharvested Tea Leaves)	354,517	269,275	174,943
	Total	354,517	269,275	174,943

Note : 2.7 Trade Receivables

(Figures in Rs.)

Sl. No.	Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
1	Dues outstanding in excess of six months from the date they became payable	-	-	-
2	Others			
	a) Unsecured, Considered Good	394,337	184,828	143,482
	Total	394,337	184,828	143,482

THE METHONI TEA COMPANY LTD.

Note : 2.8 Cash & Cash Equivalent

(Figures in Rs.)

Sl. No.	Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
1	Cash Balance	268,821	326,363	99,341
2	<u>Balances with banks</u>			
	(i) In Current Accounts	5,977,163	381,409	885,240
	(ii) In Deposit Accounts	1,000	26,295,750	26,474,662
	(iii) In Earmarked Accounts			
	— Unpaid Dividend Accounts	202,116	242,687	264,857
	Total	6,449,100	27,246,209	27,524,100

Cash & Cash Equivalents for the Purpose Statement of Cash Flows

1.	Cash & Cash Equivalents	6,449,100	27,246,209	27,524,100
2.	Bank Overdraft	-	(18,154,872)	(20,239,864)
	Total	6,449,100	9,091,337	7,284,236

Note : 2.9 Loans

(Figures in Rs.)

1	Loan to Corporates and others			
	(i) Unsecured, considered good	-	1,611,287	1,611,287
	Total	-	1,611,287	1,611,287

Note : 2.10 Other Current Assets

(Figures in Rs.)

1	<u>Advance to suppliers</u>			
	(i) Capital Advance	1,700,000	-	-
	(ii) Others	298,428	1,004,688	1,515,122
2	Advance to service providers	1,893	1,893	2,280
3	Advances to employees	376,042	216,752	101,690
4	Prepaid expenses	205,042	255,593	226,592
5	Accruals			
	(i) Interest accrued on deposits	-	252,862	307,144
	(ii) Interest accrued on loan considered good	-	69,464	69,464
	(iii) Others	14,699	31,749	73,777
6	Duty Draw Back receivable	3,284	-	-
7	GST Input	1,012,185	-	-
	Total	3,611,573	1,833,001	2,296,069

THE METHONI TEA COMPANY LTD.

Notes forming part of the financial statements as at 31st March, 2018

Note : 2.11 Share Capital

(Figures in Rs.)

Sl. No.	Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
1.	Authorized Capital 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	5,000,000	5,000,000
2.	Issued, Subscriberd & Paid Up Capital Equity shares ₹ 10/- par value 4,08,000 (4,08,000) Equity Shares	4,080,000	4,080,000	4,080,000
	Total	4,080,000	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, 2018	As at 31st March, 2017	As at 01st April, 2016
Number of shares at the beginning of the year	408,000	408,000	408,000
Add : Shares issued during the year	—	—	—
Number of shares at the closing of the year	408,000	408,000	408,000

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

Sl. No.	Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 01st April, 2016	
		Total No. of Shares	Holding (%)	Total No. of Shares	Holding (%)	Total No. of Shares	Holding (%)
1.	Rajendra Prasad Bubna	83,000	20.34	83,000	20.34	83,000	20.34
2.	Anita Bubna	83,000	20.34	83,000	20.34	83,000	20.34
3.	Anirudha Bubna	82,188	20.14	82,188	20.14	82,188	20.14

THE METHONI TEA COMPANY LTD.

Note : 2.12 Borrowings

(Figures in Rs.)

Sl. No.	Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
1.	Secured Term Loans			
	- From Bank (HDFC Bank) (Secured by hypothecation on the vehicle against which loan has been taken)	433,195	-	-
	- From Bank (HDFC Bank) (Secured by hypothecation on the vehicle against which loan has been taken)	866,941	-	-
	Total	1,300,136	-	-

NOTES :

(i) Set out hereunder is the Maturity Profile of Long Term Borrowings / Current Maturities as at 31.03.2018

Particulars	2018 - 19	2019 - 20	2020 - 21
Term Loan from HDFC Bank (Truck) (Repayable in 23 equal monthly instalments, starting from 15th March 2018)	478,811	433,195	-
Term Loan from HDFC Bank (Scorpio) (Repayable in 36 equal monthly instalments, starting from 5th May 2018)	333,059	395,960	433,106
Total	811,870	829,155	433,106

Details regarding terms of repayment, maturity period and other relevant terms.

Particulars	Maturity period as at Balance Sheet Date	No. of Instalments due w.r.t. Balance Sheet Date	Applicable rate of Interest as per agreement (s)	Mode of Repayment
Vehicle Loan From HDFC Bank	1 year and 10 months	22	9%	Repayable in 23 equal monthly instalment starting from 15th March 2018
From HDFC Bank	3 years and 1 months	36	9%	Repayable in 36 equal monthly instalment starting from 5th May 2018

THE METHONI TEA COMPANY LTD.

Note : 2.13 Provisions

(Figures in Rs.)

Sl. No.	Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
1.	Provision for Tax	6,796,337	6,796,337	6,796,337
	Total	6,796,337	6,796,337	6,796,337

Note : 2.14 Current Borrowings

(Figures in Rs.)

1.	Current maturities of Long Term Borrowing	811,870	-	-
	Total	811,870	-	-

Note : 2.15 Trades Payable

(Figures in Rs.)

A	Total outstanding dues of micro and Small enterprises	-	-	-
B	Total outstanding dues of creditors other than micro and small enterprises			
	- Goods	5,335,026	9,870,471	6,198,736
	- Service	786,513	1,391,657	840,281
	Total	6,121,539	11,262,128	7,039,017

Note : 2.16 Other Current Liabilities

(Figures in Rs.)

1	Salaries & Wages	1,136,155	1,135,498	1,990,614
2	Statutory Payables	1,183,677	807,934	923,794
3	Unpaid Dividends	202,116	242,687	264,857
4	Bank Overdraft A/c (against FDR)	-	18,154,872	20,239,864
5	Other Payables	614,332	495,159	510,982
	Total	3,136,280	20,836,150	23,930,111

Note : 2.17 Short Term Provisions

(Figures in Rs.)

1	Bonus Payable	11,022,091	10,350,421	7,721,030
2	Employee Benefits	11,468,424	8,786,177	7,067,878
	Total	22,490,515	19,136,598	14,788,908

THE METHONI TEA COMPANY LTD.

Note : 2.18 Revenue from Operations

(Figures in Rs.)

Sl. No.	Particulars	As at 31st March, 2018	As at 31st March, 2017
1	Sales of Finished Tea	145,228,223	125,473,270
	Less : Excise duty	91,066	347,337
		145,137,157	125,125,933
2	Sale of tea waste	452,620	156,300
3	Subsidy received	1,249,572	2,636,239
	Total	146,839,349	127,918,472

Note : 2.19 Other Income

(Figures in Rs.)

1	Interest Income	201,331	2,049,605
2	Dividend received	16,467	33,750
3	Profit on sale of investments	5,291,246	104,459
4	Insurance claim	162,991	31,416
5	Difference in Foreign Exchange Fluctuation	9,467	—
6	Liabilities no longer required written back	199,393	60,000
7	Duty Draw back on Export	3,284	—
8	Change in FV of Biological Asset other than Bearer Plant	85,241	94,333
	Total	5,969,420	2,373,563

Note : 2.20 Change in Inventories

(Figures in Rs.)

1	Opening Stock	3,863,639	3,052,965
2	Closing Stock	2,411,887	3,863,639
	Total	1,451,752	810,674

THE METHONI TEA COMPANY LTD.

Note : 2.21 Employment Benefit Expenses

(Figures in Rs.)

Sl. No.	Particulars	As at 31st March, 2018	As at 31st March, 2017
1	Salaries and Wages	79,047,655	71,185,737
2	Contributions to Provident Fund and Other Funds	10,656,554	8,130,768
3	Staff Welfare Expenses	11,070,931	11,253,503
	Total	100,775,140	90,570,008

Note : 2.22 Financial Cost

(Figures in Rs.)

1	<u>Interest on Borrowing</u>		
	- Bank OD A/c - HDFC Bank A/c	144,887	1,331,247
	- Others	1,879,605	454,685
	Total	2,024,492	1,785,932

THE METHONI TEA COMPANY LTD.

Note : 2.23 Other Expenses

(Figures in Rs.)

Sl. No.	Particulars	As at 31st March, 2018	As at 31st March, 2017
1	Cultivation Expenses	5,601,368	6,964,799
2	Power & Fuel	19,353,631	16,526,479
3	Rates & Taxes	558,469	953,810
4	Consumption of Packing Material & Stores	1,683,837	1,656,153
5	Repairs & Maintenance		
	- Plant & Machinery, Building & Others	5,650,676	3,785,295
	- Motor Vehicle Upkeep	2,861,946	2,529,131
	- Other	440,267	185,783
6	Cess on Green Leaf	1,346,776	1,161,491
7	Auditor's Remuneration		
	Statutory Audit Fees	75,000	57,500
	In other capacity	10,000	84,526
	Reimbursement of expenses	-	7,720
8	Printing & Postage	505,348	441,863
9	Professional Fees	1,436,111	1,201,590
10	Directors Sitting Fees	11,000	12,000
11	Subscription	963,589	560,099
12	Telephone	122,118	149,865
13	Insurance Charges	2,280,739	3,409,547
14	Electricity	179,852	177,792
15	Travelling and Conveyance	709,064	675,650
16	Freight Charges	3,278,179	2,857,195
17	Commission & Brokerage	1,426,527	1,464,972
18	Other Selling Expenses	1,815,390	1,553,090
19	Miscellaneous Expenses	1,600,232	2,156,076
	Total	51,910,119	48,572,426

THE METHONI TEA COMPANY LTD.

- 2.24 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 from Income Tax Appellate Tribunal of Rs. 10,730/- (PY : Rs.4,35,020/-) u/s 254 of I. T. Act for the A.Y. 2010-11 against which application for rectification u/s 154 of the I.T. Act has been filled before Dy. Commissioner of I. Tax.
- The company has received a demand of Rs. 11,18,920/- (PY : Rs.14,50,740/-) u/s. 250 of I. T. Act for the A.Y. 2011-12 from CIT (Appeals) against which management is of the opinion to file appeal to ITAT.
- The company has received a demand of Rs. 7,69,720/- (PY : Rs.5,360/-) u/s. 154 of I.T. Act for the A.Y. 2012-13 against which management is of the opinion to file appeal to CIT (Appeals)
- Based on interpretation of the Acts & various judicial pronouncements in relation to similar matters, the Company is of the view that the above demand is likely to be deleted.
- 2.25 Estimated amounts of contracts to be executed on capital account net of advance and not provided for Rs. 17 lakh (Previous year Rs.0.5 lakh)
- 2.26 Managerial Remuneration (As per Schedule V Part II of Companies Act, 2013).

A) Details of Managerial Remuneration		(Figures in Rs.)	
		2017-18	2016-17
Gross Salary		2,688,000	2,688,000
House Rent Allowance		1,200,000	1,200,000
Total		3,888,000	3,888,000
B) Computation of Net Profit and Director's Commission		2017-18	2016-17
Profit / (Loss) Before Tax as per Profit & Loss Account		(12,810,977)	(18,807,215)
Less : Profit / (Loss) on Sale of Investments		5,291,246	104,459
Add : Sitting Fees		(18,102,223)	(18,911,674)
Add : Managerial's Remuneration		11,000	12,000
Profit / (Loss) for Computation of Director's Remuneration		3,888,000	3,888,000
Commission thereon @ 2.5% each for two directors		(14,203,223)	(15,011,674)
		—	—

2.27 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".

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

2.29 In the opinion of the management unsecured loan and interest amounting to Rs.16,80,751/- is given to Elder Pharmaceuticals Limited during earlier years is not recoverable and hence the same has been written off and shown as exceptional item in the Statement of Profit & Loss.

2.30 Related Party Disclosure under IND AS - 24

a) Name and nature of relationship of the related party

Key Managerial Personnel

Rajendra Prasad Bubna	Whole Time Director	
Anrudha Bubna	Managing Director	
Anita Bubna	Director	
Associate Company	M/s. Monet Securities Pvt. Ltd.	
Enterprises over which Key Managerial Personnel 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 2017 to 31 March 2018 and balances outstanding as at 31 March, 2018
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	Mrs. Anita Bubna	ATA-Estates Pvt. Ltd.	Stately Realty Pvt.Ltd.	M/s. Monel Securities	M/s. M. Prasad & Co. Ltd.*
Transactions During the Year							
Brokerage Paid							14,300
Service tax & Cess & GST paid							(26,306)
Securities Transaction tax Paid							2,303
Purchase / Sale of Shares							42,547
Transaction Charges Paid							82,988,382
Stamp duty							(30,432,185)
Loans and Advances taken							469
Loans and Advances Repayment Done							(19,097)
							4,259
							(2,879)
							11,91,00,000
							(28,000,000)
							(28,000,000)
Contribution of Provident Fund	144,000	144,000					
	(144,000)	(144,000)					
Contribution to Super Annuation Fund	180,000	180,000					
	(1,80,000)	(1,80,000)					
Remuneration Paid	1,800,000	1,800,000					
	(18,80,000)	(18,80,000)					
Director Sitting Fees			4,000				
			(4,000)				
Rent Paid							
				150,000			
Rent Paid Received back							
				100,000			
Capital Advance for Property							
				3,500,000			
Capital Advance for Property Received Back							
				(50,00,000)			
				5,000,000			
Balances outstanding at the end of the year							
Investment in Shares							
							7,055,750
Capital Advance for Property							
				3,500,000			
				(50,00,000)			
				3,500,000			
							7,055,750

(*) 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.

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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.70,63,353/- (P.Y. Rs.51,25,766/-).

Defined Benefit Plan

(Figures in Rs.)

Change of Benefit Organisation	Leave Encashment		Gratuity	
	2017-18	2016-17	2017-18	2016-17
	Unfunded		Funded	
I. Liability at the beginning of the year	1,080,263	1,380,376	27,778,308	23,881,831
Interest Cost	78,859	107,669	2,027,816	1,862,783
Current Service Cost	174,718	134,832	1,658,581	1,641,503
Past Service Cost (Non Vested Funds)	—	—	138,779	—
Past Service Cost (Vested Funds)	—	—	—	—
Benefit Paid	(313,325)	(388,580)	(2,845,953)	(2,800,887)
Actuarial (Gain) / Loss on Obligation	791,658	(154,034)	2,038,807	3,193,078
Curtailments and Settlements	—	—	—	—
Liability at the end of the year	1,812,173	1,080,263	30,796,338	27,778,308
Fair Value of Plan Assets				
II. Fair Value of Plan Assets at the beginning of the year	—	—	20,072,393	18,194,330
Expected Return on Plan Assets	—	—	1,413,647	1,491,449
Contributions	313,325	388,580	2,500,000	3,187,501
Benefit Paid	(313,325)	(388,580)	(2,845,953)	(2,800,887)
Actuarial Gain / (Loss) on Plan Assets	—	—	—	—
Fair Value of Plan Assets at the end of the year	—	—	21,140,087	20,072,393
Total Actuarial (Gain) / Loss to be Recognised	791,658	(154,034)	2,038,807	3,193,078
Actual Return on Plan Assets				
III. Expected Return on Plan Assets	—	—	1,413,647	1,491,449
Actuarial (Gain) / Loss on Plan Assets	—	—	—	—
Actual Return on Plan Assets	—	—	1,413,647	1,491,449
Amount Recognised in the Balance Sheet				
IV. Liability at the end of the year	(1,812,173)	(1,080,263)	(30,796,338)	(27,778,308)
Fair Value of Plan Assets at the end of the year	—	—	21,140,087	20,072,393
Fund Status [Surplus / (Deficit)]	(1,812,173)	(1,080,263)	(9,656,251)	(7,705,915)
Unrecognised Past Service Cost	—	—	—	—
Amount Recognised in the Balance Sheet [Asset/(Liability)]	(1,812,173)	(1,080,263)	(9,656,251)	(7,705,915)
Expenses Recognised in the Income Statement & Other Comprehensive Income				
Current Service Cost	174,718	134,832	1,658,581	1,641,503
Interest Cost	78,859	107,669	2,027,816	1,862,783
Expected Return on Plan Assets	—	—	(1,413,647)	(1,491,449)
Net Actuarial (Gain) / Loss to be Recognised	—	—	(51,638)	72,291

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V.	Past Service Cost (Non Vested Benefit) Recognised	—	—	138,779	—
	Past Service Cost (Vested Benefit) Recognised	—	—	—	—
	Effect of Curtailment or settlement	—	—	—	—
	Curtailment and Settlements	—	—	—	—
	Acturial (Gain) / Loss due to				
	- Change in demographic assumptions	125,804	—	758,841	—
	- Change in financial assumptions	222,538	30,870	3,456,412	926,133
	- Experience Variance (i.e. Actual experience vs assumptions)	443,316	(184,904)	(2,176,446)	2,266,945
	- Others	—	—	—	—
	Return on plan assets, excluding amount recognised in net interest expense	—	—	51,638	(72,291)
	Remeasurement (or Acturial (gain)/loss) arising because of change in effect of asset celling	—	—	—	—
	Expenses Recognised in the Profit and Loss Account	1,045,235	88,467	2,359,891	2,085,128
	Components of defined benefit costs recognised in Other Comprehensive Income	—	—	2,090,445	3,120,787
Acturial Assumption					
VI.	Discount Rate Current	7.70%	7.30%	7.70%	7.30%
	Rate of Return on Plan Assets Current	—	—	8.00%	8.00%
	Salary Escalation Current	7.00%	5.00%	7.00%	5.00%

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

2.32 First time adoption of IND AS

The date of Transition is 1st April, 2016. The Company has prepared financial statements which comply with Ind AS for periods ending on or after March 31, 2018, together with the comparative period data for the year ended March 31, 2017 and opening balance as on 01st April 2016. This note explains the principal adjustments made by the Company in restating its India GAAP balance sheet as at March 31, 2016 and its previously published Indian GAAP financial statements as at and for the year ended March 31, 2017.

Exemptions availed on First Time adoption of IND AS

a) **Investment in Associates**

The Company has elected to adopt the carrying value under previous GAAP as on the date of transition.

b) **Property, Plant and Equipment/Investment Property / Intangibles**

The Company has elected to adopt the carrying value under previous GAAP as deemed costs as on the date of transition.

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Ind AS mandatory exceptions

Ind AS estimates as at 1st April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with IndAS at the date of transition as these were not required under previous GAAP.

a) Valuation of the Closing Stock (Made Tea) has done as per IND AS 41 i.e on initial recognition, agricultural produce is required to be measured at fair value less estimated point of sale costs.

b) Valuation of Bearer Plant Other than Tea Bushes has been done as per IND AS 41

Reconciliation between previous GAAP and Ind AS

i) Equity Reconciliation	Note No.	31st March 2017	01st April 2016
Total Equity as per previous Indian GAAP		71,804,623	91,593,655
<u>Adjustments for impact of Ind AS :</u>			
a) Changes in the accounting policy			
- Fair value of Biological Assets other than Bearer Plant (Unharvested Tea Leaves)	B	269,276	174,943
- Valuation of Closing Stock (Application of IND AS 41)	C	(1,314,753)	(1,241,632)
- Changes in Fair Value of FVOCI Equity Instruments	D	(563,659)	-
Equity under Ind AS		70,195,487	90,526,966
ii) Comprehensive Income Reconciliation			
Profit / (Loss) after tax as per Previous GAAP		(19,789,032)	(32,916,627)
- Remeasurement of Defined Benefit Plan	A	(3,120,787)	-
- Fair value of Biological Assets other than Bearer Plant (Unharvested Tea Leaves)	B	94,333	174,943
- Valuation of Closing Stock (Application of IND AS 41)	C	(73,121)	(1,241,632)
- Tax Adjustment for Defined Benefit Plan		789,559	
Profit / (Loss) after Tax as per Ind AS		(15,857,474)	(31,500,052)
<u>Other Comprehensive Income</u>			
- Remeasurement of Defined Benefit Plan	A	(3,120,787)	-
- Changes in Fair Value of FVOCI Equity instruments	D	(422,531)	-
- Tax Adjustment for Defined Benefit Plan		789,559	-
Total Comprehensive Income for the Year		(20,190,351)	(31,500,052)

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**iii) Impact of Ind AS adoption on the statements of cash flows for the year ended 31st March 2017
(Fig in Lakhs)**

Particulars	Previous GAAP	Adjustments	IND AS
Net cash flow from operating activities	(101.90)	(112.62)	(214.52)
Net cash flow from investing activities	138.06	112.62	250.67
Net cash flow from financing activities	(38.93)	20.85	(18.08)
Net increase / (decrease) in cash and cash equivalents	(2.78)	20.85	18.07
Cash and cash equivalents as 1st April 2016*	275.24	(202.40)	72.84
Cash and cash equivalents as at 31st March 2017	272.46	(181.55)	90.91

*As per IND AS Cash and Cash Equivalent also comprises Bank Overdraft. As per previous GAAP change in Bank Overdraft was considered as financing activities

A. Remeasurement of defined benefit plans

Under Ind AS, remeasurements of defined benefit plans i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of the statement of profit and loss. Under the previous GAAP, these remeasurements were accounted in the statement of profit and loss for the year. As a result of this change, the loss for the year ended March 31, 2017 decreased by Rs. 3,120,787/-. There is no impact on the total equity as at March 31, 2017.

B. Biological Asset other than Bearer Plant

Under previous GAAP, biological assets other than bearer plant has neither been valued nor recognised in the accounts. Under Ind AS, the same has been measured at its fair value less cost to sell. Consequent to this change, inventory of biological assets other than bearer plant as on 1st April 2016 has increased by Rs. 1.74 lakhs with corresponding increase in equity. However, inventory of biological assets other than bearer plant as on 31st March, 2017 has increased by Rs. 0.94 lakhs with corresponding increase in equity.

C. Inventories

Under previous GAAP, tea stock has been valued at the lower of cost and net realizable value. Cost of inventories comprise all costs of purchase / production of green leaf, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Under Ind AS, cost of inventories

comprise cost of purchase of green leaf, fair value of green leaf at the time of harvest less cost to sell, conversion cost and other costs incurred in bringing the inventories to their present location and condition. Consequent to this change, inventory of finished goods as on 1st April, 2016 has decreased by Rs. 12.41 lakhs with corresponding decrease in equity. Inventories as on 31st March 2017 had decreased by Rs.0.73 lakhs with corresponding decrease in equity.

D. Fair valuation of investments

Under the previous GAAP, investments in equity instruments were classified as long-term investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Under Ind AS, these investments are required to be measured at fair value (except for investments in associate for which exemption with regard to deemed cost is adopted).

Fair value changes with respect to investments in quoted equity instruments designated as at FVOCI have been recognised in FVOCI - subsequently in the other comprehensive income for the year ended 31st March, 2017. This has increased FVOCI Equity Investments by Rs. 4.23 lakhs as at 31st March 2017. Consequently, the total equity as at 31st March 2017 has been decreased by Rs. 5.64 lakhs (after adjustment of change in fair value of investment squared off during the year)

E. Subsidies Receivable from Government

Replanting subsidy has not been received during F.Y. 2017-18, hence deferred income has not been recognised for the period ended 31st March 2018.

F. Other Comprehensive Income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans and fair value gains or (losses) on FVOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

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2.33 Basic and Diluted Earnings per share :

Particulars	For the Year ended 31st March, 2018	For the year ended 31st March, 2017
Basic & Diluted		
Net Profit / (Loss) for the year from operations attributable to the equity shareholders (figure in Rs.)	(14,520,350)	(17,436,592)
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 (figures in Rs.)	(35.59)	(42.74)

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 31.03.2018. (Previous year - Nil)

2.35 Raw material consumed

Particulars	For the Year ended 31st March, 2018	For the year ended 31st March, 2017
Green leaf plucked and consumed (kgs.)*	3,564,319	3,158,233

Includes bought leaf 2,03,451 kgs. (PY : 2,54,506 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.

2.36 Details of consumption of Imported and indigenous Items

Particulars	For the year ended 31st March 2018	
	Amount (Rs.)	%age
Imported		
a) Packing Material Consumed	(11,70,649)	(83.65)
Indigenous		
a) Packing Material Consumed	1,480,176	100.00
	(2,28,729)	(16.35)

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

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- 2.37 The expenditure in foreign currency towards cost of packing materials was Rs.7,10,064/-
- 2.38 The earnings in Foreign Exchange was Rs. 3,14,557/- (Previous Year Rs. NIL).
- 2.39 Details of Loan given, Investment made, guarantee given or security provided covered under section 186(4) of the Companies Act, 2013
- (i) The Company has not given any loan
 - (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.
- 2.40 The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.
- 2.41 Figures have been rounded up to the nearest rupee.

Signatories to Note No. 1 & 2

BIPIN KUMAR AGARWAL, FCA, Partner
(Membership No. 051635)
For & On behalf of
U.S. Agarwal & Associates
Chartered Accountants
Registration No. 314213E

Place : Kolkata
Dated : 26th day of May, 2018

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 Indian Accounting Standards Financial Statements

We have audited the accompanying consolidated Ind AS 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, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement for the year then ended and the Consolidated Statement of Changes in Equity, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS Financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Investor Company's Board of Directors is responsible for the preparation of these consolidated Ind AS 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 and consolidated changes in equity of the investing company and its associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (India Accounting Standards) Rules, 2015 (as amended). The respective Board of Directors of the companies included in investing Company and its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS 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 Ind AS Financial statements by the Directors of the Investor Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS Financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the

Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS 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 Ind AS Financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS Financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal Ind AS Financial control relevant to the Investor Company's preparation of the consolidated Ind AS 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 Ind AS 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 Ind AS Financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS 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, of the consolidated state of affairs of the Company as at March 31, 2018, and their consolidated total comprehensive income (comprising of consolidated profit and consolidated other comprehensive Income), their consolidated changes in equity and their cash flows for the year ended on that date.

Other Matters

We did not audit the Ind AS Financial statements / Financial information of our associate whose Ind AS Financial statements / Financial information reflect total assets of Rs. 2,03,01,77,666/- as at 31st March, 2018, total revenues of Rs.86,71,26,047/- and net cash flows amounting to Rs. 35,31,123/- for the year ended on that date, as considered in the consolidated Ind AS Financial statements.

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The consolidated Ind AS Financial statements also include the Investor's share of net profit of Rs.24,88,172/- for the year ended 31st March, 2018, as considered in the consolidated Ind AS Financial statements, in respect of the associate, whose Ind AS Financial statements / Financial information have not been audited by us. These Ind AS 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 Ind AS 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 Ind AS Financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS 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 (including other comprehensive Income), the Consolidated Cash Flow Statement and the consolidated statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS Financial statements.
 - (d) In our opinion, the aforesaid consolidated Ind AS Financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with of the Companies (Indian Accounting Standard) Rules, 2015.
 - (e) On the basis of the written representations received from the directors of the Investor Company as on 31st March, 2018 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, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal Ind AS Financial controls over Ind AS Financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A", and

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(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 Ind AS Financial statements disclose the impact, if any of Pending Litigation as at March 31, 2018 on the consolidated Ind AS Financial position of the investing company and its Associates - Refer Note 2.2 to the Consolidated Ind AS Financial Statements.
- ii. The company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses. 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.

Place : Kolkata
Dated : 26th day of May, 2018

BIPIN KUMAR AGARWAL, FCA, Partner
(Membership No. : 051635)
For & On Behalf of
U. S. Agarwal & Associates
Chartered Accountants
Registration No. 314213E

THE METHONI TEA COMPANY LTD.

ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED INDAS 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, 2018 in conjunction with our audit of the consolidated Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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.

Opinion

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, 2018, 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".

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to associate, is based on the corresponding reports of the auditors of such company incorporated in India. Our opinion is not qualified in respect of this matter.

Place : Kolkata

Dated : 26th day of May, 2018

BIPIN KUMAR AGARWAL, FCA, Partner
(Membership No. : 051635)

For & On Behalf of
U. S . Agarwal & Associates
Chartered Accountants
Registration No. 314213E

THE METHONI TEA COMPANY LTD.

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2018

(Figure in ₹)

Sl. No.	Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
I.	ASSETS				
(1)	Non-Current Assets				
	(a) Property Plant and Equipments	2.1	21,535,795	20,118,535	20,093,353
	(b) Capital Work in Progress	2.1	4,536,647	3,475,381	-
	(c) Financial Asset				
	(i) Investment	2.2	139,557,224	125,510,542	65,748,863
	(d) Deferred Tax Assets (net)	2.3	5,644,289	6,762,066	4,601,884
	(e) Other Non-Current Assets	2.4	20,592,427	23,005,226	11,340,953
(2)	Current Assets				
	(a) Inventories	2.5	9,373,147	10,991,792	11,731,663
	(b) Biological Assets other than Bearer Plants	2.6	354,517	269,275	174,943
	(c) Financial Assets				
	(i) Trade Receivables	2.7	394,337	184,828	143,482
	(ii) Cash and Cash Equivalents	2.8	6,449,100	27,246,209	27,524,100
	(ii) Loans	2.9	-	1,611,287	1,611,287
	(d) Other Current Assets	2.10	3,611,573	1,833,001	2,296,069
	Total Assets		212,049,055	221,008,142	145,266,597
II.	EQUITY AND LIABILITIES				
(1)	Equity				
	(a) Equity Share Capital	2.11	4,080,000	4,080,000	4,080,000
	(b) Other Equity		167,312,379	158,896,929	88,632,224
	Total Equity		171,392,379	162,976,929	92,712,224
	Liabilities				
(2)	Non-Current Liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	2.12	1,300,136	-	-
	(b) Provisions	2.13	6,796,337	6,796,337	6,796,337
(3)	Current Liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	2.14	811,870	-	-
	(ii) Trade Payables	2.15	6,121,539	11,262,128	7,039,017
	(b) Other Current Liabilities	2.16	3,136,280	20,836,150	23,930,111
	(c) Provisions	2.17	22,490,515	19,136,598	14,788,908
	Total Equity & Liabilities		212,049,055	221,008,142	145,266,597

Significant Accounting Policies and Notes on Accounts 1 & 2

As per our Report of even date annexed hereto

BIPIN KUMAR AGARWAL, FCA, Partner
(Membership No. 051635)

For & On behalf of
U.S. Agarwal & Associates
Chartered Accountants
Registration No. 314213E

Place : Kolkata
Dated : 26th day of May, 2018

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 STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2018
(Figure in ₹)

Sl. No.	Particulars	Note No.	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
(1)	Revenue from Operations	2.18	146,839,349	127,918,472
(2)	Other Income	2.19	5,969,420	2,373,563
	Total Revenue (1+2)		152,808,769	130,292,035
(3)	Expenses :			
	Cost of materials consumed		4,169,523	5,090,610
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	2.20	1,451,752	(810,674)
	Employee Benefit Expenses	2.21	100,775,140	90,570,008
	Finance Cost	2.22	2,024,492	1,785,932
	Depreciation and Amortization Expense	2.1	3,607,969	3,890,948
	Other Expenses	2.23	51,910,119	48,572,426
	Total Expenses		163,938,995	149,099,250
(4)	Profit / (Loss) before exceptional items and tax		(11,130,226)	(18,807,215)
(5)	Exceptional Items	2.29	1,680,751	-
(6)	Profit/ (Loss) after Exceptional Items and before tax		(12,810,877)	(18,807,215)
(7)	Tax Expense :			
	(1) Current Tax		-	-
	(2) Deferred Tax		-	-
	(3) Tax for Earlier Years		1,709,373	(1,370,623)
(8)	Profit / (Loss) from Operations		(14,520,350)	(17,436,592)
	Share in Profit/(Loss) of Associates		2,488,172	200,056
	Profit/(Loss) after Share of Associates		(12,032,178)	(17,236,536)
	Other Comprehensive Income			
	Items that will not be reclassified to Profit or Loss			
	- Remeasurement of Defined Benefit Plan		(2,090,445)	(3,120,787)
	- Changes in Fair Value of FVOCI Equity Instruments		(1,812,901)	(422,531)
	- Tax Adjustment for Defined Benefit Plan		591,596	789,559
	Other Comprehensive Income for the Year		(3,311,750)	(2,753,759)
	Comprehensive Income of Associate		24,486,001	90,396,128
	Other Comprehensive Income after share of associate		21,174,252	87,642,369
(9)	Total Comprehensive Income for the Year		9,142,073	70,405,832
	Earnings per Equity Share :			
	(1) Basic		(29.49)	(42.25)
	(2) Diluted		(29.49)	(42.25)
	(refer note no. 2.33)			

Significant Accounting Policies and Notes on Accounts 1 & 2

As per our Report of even date annexed hereto

BIPIN KUMAR AGARWAL, FCA, Partner
(Membership No. 051635)

For & On behalf of
U.S. Agarwal & Associates
Chartered Accountants
Registration No. 314213E

Place : Kolkata
Dated : 26th day of May, 2018

RAJENDRA PRASAD BUBNA
DIN : 00180543 | Whole Time Director

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DIN : 00180704

PRAHLAD LAL JAIN
DIN : 00944702 | Directors

SONA GOENKA
DIN : 07147090

SUMIT BHARTIA | Chief Financial Officer

THE METHONI TEA COMPANY LTD.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Particulars	Equity Share Capital	Reserves and Surplus					Retained Earnings	Total Other Equity
		Capital Reserve	Securities Premium Reserve	General Reserves	FVOCI Equity Investments	Reserve Fund		
Balance at 1st April, 2016	4,080,000	6,626	-	107,235,917	-	437,052	(17,980,682)	89,698,913
Changes in accounting policy or prior period errors	-	-	-	-	-	-	(1,066,689)	(1,066,689)
Restated balance at 1st April, 2016	4,080,000	6,626	-	107,235,917	-	437,052	(19,047,371)	88,632,224
Profit for the Year	-	-	-	-	-	-	(17,436,592)	(17,436,592)
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Other Comprehensive Income	-	-	-	-	(563,659)	-	(2,331,228)	(2,894,887)
Total Comprehensive Income for the year	-	-	-	-	(563,659)	-	(19,767,820)	(20,331,479)
Dividends	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-
Any other change (to be Specified)	-	-	-	-	-	-	-	-
Profit/(Loss) in Associate	-	-	-	-	90,396,128	40,120	159,936	90,596,184
Balance at 31st March 2017	4,080,000	6,626	-	107,235,917	99,832,469	477,172	(38,655,255)	158,896,929
Profit for the year	-	-	-	-	-	-	(14,520,350)	-
Other Comprehensive Income	-	-	-	-	(2,539,524)	-	(1,498,849)	-
Total Comprehensive Income for the year	-	-	-	-	(2,539,524)	-	(16,019,199)	(18,558,723)
Dividends	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-
Any other change (to be Specified)	-	-	-	-	-	-	-	-
Profit/(Loss) in Associate	-	-	-	-	24,486,000	497,634	1,990,537	-
Balance at 31st March 2018	4,080,000	6,626	-	107,235,917	111,776,946	974,806	(52,683,917)	167,312,379

As per our Report of even date annexed hereto

BIPIN KUMAR AGARWAL, FCA, Partner
(Membership No. 051635)

For & On behalf of
U.S. Agarwal & Associates
Chartered Accountants
Registration No. 314213E

Place : Kolkata
Dated : 26th day of May, 2018

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 2018

Particulars	For the year ended 31 March, 2018		For the year ended 31 March, 2017	
	₹	₹	₹	₹
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit / (Loss) before extraordinary items and tax		(11,130,226)		(18,807,215)
<i>Adjustments for:</i>				
Depreciation and amortisation	3,607,969		3,690,948	
Finance Costs	2,024,492		1,785,932	
Interest Income	(201,331)		(2,049,605)	
Dividend Income	(16,467)		(33,750)	
Loss On Assets discarded	—		—	
(Profit) / Loss on sale of investments	(5,291,246)		(104,459)	
		123,417		3,489,066
Operating profit / (Loss) before working capital changes		(11,006,809)		(15,318,149)
<i>Adjustments for (increase) / decrease in Assets:</i>				
Inventories	1,618,645		739,871	
Biological Assets other than Bearer Plants	(65,241)		(94,333)	
Trade receivables	(209,509)		(41,346)	
Short-term loan and advances	1,611,287		—	
Other current assets	(1,778,572)		463,068	
Other non-current assets	2,412,799		(11,964,273)	
<i>Adjustments for increase / (decrease) in Liabilities:-</i>				
Trade payables	(5,140,569)		4,223,111	
Other current liabilities	495,573		(966,799)	
Short-term provisions	1,263,477		1,226,903	
Long-term Provisions	—	187,870	—	(6,433,797)
Cash flow from extraordinary items		(1,680,751)		—
Cash generated from operations		(12,499,690)		(21,751,946)
Net income tax (paid) / refunds		—		300,000
Net cash flow from / (used in) operating activities (A)		(12,499,690)		(21,451,946)
B. Cash flow from Investing activities				
Capital expenditure on fixed Assets	(6,086,496)		(7,391,512)	
Purchase of Non-Current Investments	(83,044,562)		(6,012,350)	
Proceeds from sale of Non-Current Investments	98,723,769		36,387,655	
Interest Income	201,331		2,049,605	
Dividend Income	16,467		33,750	
Net cash flow from / (used in) Investing activities (B)		9,810,510		25,067,148
C. Cash flow from financing activities				
Long Term Borrowings	2,112,006		—	
Finance Cost	(2,024,492)		(1,785,932)	

THE METHONI TEA COMPANY LTD.

Particulars	For the year ended 31 March, 2018		For the year ended 31 March, 2017	
	₹	₹	₹	₹
Dividends Paid	(40,571)		(22,170)	
Net cash flow from / (used in) financing activities (C)		46,943		(1,808,102)
Net increase / (decrease) In cash and cash equivalents (A+B+C)		(2,642,237)		1,807,101
Cash and cash equivalents at the beginning of the year		9,091,337		7,284,236
Cash and cash equivalents at the end of the year		6,449,100		9,091,337

Reconciliation of Cash and Cash Equivalents with the Balance Sheet :

Cash and cash equivalents at the year end		6,449,100		9,091,337
Cash and cash equivalents at the year end comprises of :				
(a) Cash in hand		268,821		326,363
(b) Balances with Banks :				
(i) In current accounts		5,077,163		381,409
(ii) In Deposit accounts		1,000		26,295,750
(iii) In Earmarked accounts		202,118		242,687
(iv) Bank Over Draft				(18,154,872)
		6,449,100		9,091,337

See accompanying notes forming part of the financial statements.

As per our report of even date annexed hereto

BIPIN KUMAR AGARWAL, FCA, Partner
(Membership No. 051635)

For & On behalf of
U.S. Agarwal & Associates
Chartered Accountants
Registration No. 314213E

Place : Kolkata

Dated : 26th day of May, 2018

RAJENDRA PRAŠAD BUBNA
DIN : 00180543 | Whole Time Director

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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, 2018

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, 2018

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 (31.03.18)	40.27%

SIGNIFICANT ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION

a) Accounting Convention

- a) The financial statements are prepared in accordance with and in compliance, in all material aspect with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read along with Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) Amendment Rules, 2016 and other relevant provision of the Act.
- b) The financial statements up to year ended 31st March 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act.

c) These financial statements are the first statements of the Company under Ind AS. Refer Note 2.32 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position financial performance and cash flows.

d) 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 the Ind AS 1 - Presentation of financial Statements and Schedule III (Division II) to the Companies Act, 2013. Based on 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 assets and liabilities.

b) Scope of Consolidation

The consolidated financial statements have been prepared on the following basis :

Associate

Associates include all companies where the Company has the power to exercise a significant influence are accounted for using the equity method.

Equity method

Under equity method of accounting, the investments are initially recorded at cost and adjusted thereafter to recognise the Group's share of post-acquisition profit and loss, and the Group's share of other comprehensive income.

1.2 USE OF ESTIMATES

The preparation of the financial statements in conformity with INDAS 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 historical cost of acquisition less accumulated depreciation and accumulated impairment loss, if any. Cost includes 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.

The company recognises Tea Bushes as Bearer Plants 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 straight line basis over the economic life. 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. These are included in statement of profit and loss within other income.

1.4 FINANCIAL ASSET

1) Financial assets as amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost.

These are presented as current assets, except for those maturing later than 12 months after reporting date which are presented as non-current asset.

Financial assets are measured initially at fair value plus transaction costs and subsequently, if maturing after 12 months period, using the effective interest method, less any impairment loss.

2) Financial assets at fair value through other comprehensive income (FVOCI)

All equity investments are measured at fair values. Investments which are not held for trading purposes and where the Group has exercised the option to classify the investment as at FVOCI, all fair value changes on the investment are recognised in OCI. The accumulated gains or losses recognised in OCI are reclassified to retained earnings on sale of such investments.

3) Financial assets at fair value through profit or loss (FVTPL)

Financial assets which are not classified in any of the categories above are FVTPL.

4) Impairment of financial assets

The Company assesses expected credit losses associated with its assets carried at amortised cost and fair value through other comprehensive income based on Company's past history or recovery, credit-worthiness of the counter party and existing market conditions. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applied the simplified approach for recognition of impairment allowance as provided in Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

1.5 FINANCIAL LIABILITIES

1) Initial recognition and measurement

Loans and borrowings are measured at net of directly attributable costs. For trade and other payable maturing within one year from the balance sheet date, the carrying value approximates fair value due to short maturity of these investments.

Financial liabilities are subsequently measured at amortised cost using effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying value approximates fair value due to short maturity of these instruments.

2) Investment in Associate

Investment in associate is accounted at cost in the separate financial statements.

1.6 INVENTORIES

Raw materials, traded and finished goods are stated at the lower of cost and net realisable value except Tea Waste. Agricultural produce included within inventory largely comprises stock of made tea and has been measured in accordance with Ind AS 41 i.e. on initial recognition, agricultural produce is required to be measured at fair value less estimated point of sale costs.

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

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

1.7 BIOLOGICAL ASSETS OTHER THAN THE BEARER PLANT

Tea is designated as agricultural produce at the point of harvest and is measured at their fair value less cost to sell as at each reporting date. Any changes in fair value are recognised in the statement of profit and loss in the year in which they arise.

1.8 FOREIGN CURRENCY TRANSACTIONS

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

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

1.9 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. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income. Such accumulated re-measurement balances are never reclassified into the statement of profit and loss subsequently.

1.10 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 Statement of Profit & Loss.

1.11 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.

1.12 GOVERNMENT GRANTS / SUBSIDIES

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

Government grants relating to the acquisition / construction of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other operating income.

1.13 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 provided using the balance sheet approach on all deductible temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The tax rates and tax laws used to compute the tax are those that are enacted or substantively enacted at the reporting date. Current income tax / deferred tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

Deferred tax assets / liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in associate where in case of assets it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised and in case of liabilities the group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

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.

d) Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

1.14 PROVISIONS

A provision is recognised 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.

1.15 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.

1.16 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.

1.17 CASH AND CASH EQUIVALENTS

Cash and cash equivalents for the purpose of presentation in the statement of cash flow, comprises of cash at bank, in hand, bank overdrafts and shortterm highly liquid investments / bank deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

1.18 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.

1.19 EARNING PER SHARE

The Company presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

1.20 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, 2018

Note : 2.1 Property, Plant and Equipment

(Figures in ₹)

Sl. No	Particulars	Original Cost			Depreciation and Amortisation				Net Book Value			
		As at 1st April 17	Addition during the year	Adjustment during the Year	As at 31st Mar 18	As at 1st April 17	Addition during the year	Deduction during the Year	As at 31st Mar 18	As at 31st Mar 17	As at 1st April 16	
1	Tangible Assets											
1	Land (Lease and Free hold and Development)	-	-	-	-	-	-	-	-	-	-	2,970,845
2	Bearer Plant (Mature Plant)	5,097,916	371,261	-	5,469,177	2,243,745	110,197	-	2,353,942	3,115,235	2,854,171	-
3	Factory Buildings	5,435,894	6,400	-	5,442,294	3,123,721	214,873	-	3,338,594	2,103,700	2,312,173	1,813,861
4	Other Buildings	21,911,734	173,000	-	22,084,734	17,466,920	677,822	-	18,144,742	3,939,992	4,444,814	4,874,937
5	Plant & Machineries	51,481,196	1,425,137	-	52,906,333	43,732,925	1,585,191	-	45,318,116	7,588,217	7,748,271	9,849,948
6	Computers	1,057,540	49,500	-	1,107,040	893,668	112,357	-	1,005,925	101,115	163,972	49,765
7	Office Equipment	304,896	33,980	-	338,876	250,456	24,213	-	274,669	64,207	54,440	18,826
8	Furniture & Fixtures	1,533,509	25,000	-	1,558,509	1,116,563	102,153	-	1,218,716	339,793	416,946	90,441
9	Motor Vehicles	9,101,005	2,940,852	-	12,041,857	6,977,251	781,184	-	7,758,421	4,283,536	2,123,749	424,730
	Total (Current Year)	95,923,699	5,075,230	-	100,998,929	75,805,155	3,607,959	-	79,413,124	21,535,795	20,118,535	20,093,353
	(Previous Year)	92,007,560	5,064,934	1,148,804	98,221,298	71,914,207	3,890,949	2,127,071	75,805,155	20,118,535	20,093,353	-

Capital Work In Progress

1	Plant & Machinery	1,065,921	181,610	1,247,531	-	-	-	-	-	-	1,065,921	-
2	Bearer Plant (Immature)	2,409,460	2,498,448	371,261	4,536,647	-	-	-	-	4,536,647	2,409,460	-
	Total (Current Year)	3,475,381	2,680,058	1,618,792	4,536,647	-	-	-	-	4,536,647	3,475,381	-
	Total (previous Year)	-	3,475,381	-	3,475,381	-	-	-	-	3,475,381	-	-

THE METHONI TEA COMPANY LTD.

Notes forming part of the consolidated financial statements as at 31st March, 2018

Note : 2.2 - Non Current Investments

(Figures in Rs.)

Sl. No.	Particulars	Face Value	Cost Price of the Share	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
				No. of Shares	Amount	No. of Shares	Amount	No. of 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	28,089,515	-	-	-	-	2,470,625	28,089,515
2	Ballarpur Industries Ltd.	2	164,214	7,000	87,360	7,000	136,850	7,000	164,214
3	BKM Industries Ltd.	1	48,763	1,300	34,840	-	-	-	-
4	DLF Ltd.	2	493,350	3,000	604,650	3,000	446,100	-	-
5	Deepak Fertilisers & Petrochemicals Corporation Ltd.	10	265,930	-	-	-	-	1,350	265,930
6	EIH Limited	2	915,205	7,630	1,213,933	7,630	918,652	7,630	915,205
7	63 Moons Technologies Ltd.	2	344,222	250	21,775	250	18,875	250	344,222
8	Fresehius Kabi Oncology Ltd.	1	172,385	1,000	-	1,000	39,350	1,000	172,385
9	Hindustan Petroleum Corporation Ltd.	10	1,076,621	-	-	-	-	2,500	1,076,621
10	IDBI Bank Ltd.	10	1,132,057	-	-	7,780	584,278	7,780	1,132,057
11	IFCI Ltd.	10	1,242,797	19,500	385,125	25,000	742,500	25,000	1,242,797
12	India Glycols Ltd.	10	155,093	-	-	1,000	160,100	1,000	155,093
13	RattanIndia Infrastructure Ltd.	10	306,414	9,145	51,029	9,145	35,757	9,145	306,414
14	JVL Agro Industries Ltd.	1	1,009,259	-	-	-	-	50,000	1,009,259
15	Jubilant Life Sciences Ltd.	1	7,456,758	-	-	24,742	19,755,250	24,742	7,456,758
16	K.S. Oils Ltd.	1	9,266,797	-	-	188,950	81,249	188,950	9,266,797
17	Lux Industries	2	6,677,033	-	6,987,822	-	-	-	-
18	Nagarjuna Fertilizers & Chemicals Ltd	1	393,348	27,500	424,875	27,500	534,050	27,500	393,348
19	Nagarjuna Oil Refinery Ltd.	1	357,589	25,000	89,000	25,000	117,000	25,000	357,589

THE METHONI TEA COMPANY LTD.

Sl. No.	Particulars	Face Value	Cost Price of the Share	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
				No. Shares	Amount	No. Shares	Amount	No. Shares	Amount
20	Novartis India Ltd.	5	1,400,523	-	-	1,508	1,019,785	1,750	1,400,523
21	Punj Lloyd Ltd.	2	427,233	-	-	4,250	82,450	4,250	427,233
22	Reliance Communications Ltd.	5	1,569,111	-	-	2,600	99,580	2,600	1,569,111
23	SPML Infra Ltd.	2	4,963,280	32,000	2,814,400	-	-	-	-
24	Tata Chemicals Ltd.	10	630,337	-	-	1,500	898,275	1,500	630,337
25	Unitech Ltd	2	40,650	5,000	27,800	-	-	-	-
26	The West Coast Paper Mills Ltd.	2	129,199	-	-	-	-	1,250	129,199
	Sub-Total (A)			-	12,742,609	-	25,670,100	-	56,504,605
(b)	<u>Investment in Unquoted Equity Shares</u> <u>(Fully paid up)</u>								
1	ABC Tea Workers Welfare Services	10		625	1,250	625	1,250	625	1,250
2	Woodlands Multispeciality Hospital Ltd.	10		200	2,000	200	2,000	200	2,000
	Sub-Total (B)			-	3,250	-	3,250	-	3,250
(c)	<u>Investment in Associate Company</u> <u>(Unquoted) (Fully paid up)</u>								
1	Monet Securities Private Limited Book Value of Investment Add: Revaluation on account of Consolidation	10		2,171,000	7,055,750 119,755,615	2,171,000	7,055,750 92,781,442	2,171,000	7,055,750 2,185,258
	Sub-Total (C)			-	126,811,365	-	99,837,192	-	9,241,008
	Total Non-Current Investment			-	139,557,224	-	125,510,542	-	65,748,863
	Aggregate amount of quoted investments				12,742,609	-	26,233,759		56,504,605
	Aggregate market value of quoted investments				12,742,609	-	25,670,100		34,357,722
	Aggregate amount of investments in Unquoted shares				3,250		3,250		3,250
	Aggregate amount of investments in Associate Company				126,811,365		99,837,192		9,241,008
	Changes in Fair Value of FVOCI Equity Instruments				(2,539,524)		(563,659)		

THE METHONI TEA COMPANY LTD.

Note : 2.3 Deferred Tax Assets

(Figures in Rs.)

Sl. No.	Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
1.	<u>Deferred Tax Assets</u>			
	On Account of Section 43B of Income Tax Act, 1961	2,628,782	3,534,569	1,293,717
	On account of carry forward Agricultural Loss	3,336,400	3,757,050	4,324,149
	Total Deferred Tax Assets	5,965,182	7,291,619	5,617,866
2.	<u>Deferred Tax Liabilities</u>			
	On difference between book balance and tax balance of fixed assets	(320,893)	(529,553)	(1,015,982)
	Total Deferred Tax Liabilities	(320,893)	(529,553)	(1,015,982)
	Net Deferred Tax Assets/(Liabilities)	5,644,289	6,762,066	4,601,884

Note : 2.4 Other Non-Current Assets

(Figures in Rs.)

Sl. No.	Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
1.	<u>Balances with Government Authorities</u>			
	(i) Advance Income Tax	8,219,016	8,172,195	8,245,398
	(ii) MAT Credit Entitlement	75,620	75,620	75,620
2.	<u>Security Deposit</u>			
	a) <u>Unsecured, Considered Goods</u>			
	Electricity Supply & Others	2,357,621	2,357,621	1,322,860
	Deposit against property	7,000,000	10,000,000	—
3.	Deposit with Assistant Commissioner Golaghat	258,374	258,374	258,374
4.	Nursery	2,681,796	2,141,416	1,438,701
	Total	20,592,427	23,005,226	11,340,953

THE METHONI TEA COMPANY LTD.

Note : 2.5 Inventories

(Figures in Rs.)

Sl. No.	Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
1	Black Tea (Including Tea in Transit)	2,411,887	3,824,539	3,052,965
2	Tea Waste	—	39,100	
3	Packing Materials	842,935	766,307	879,782
4	Fuel	1,402,196	2,333,674	4,112,194
5	Consumable Stores	3,919,026	3,853,007	3,456,838
6	Consumable Stores in Transit	797,103	175,165	229,884
	Total	9,373,147	10,991,792	11,731,663

Note : 2.6 Biological Assets other than Bearer Plant

(Figures in Rs.)

Sl. No.	Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
1	Fair Value of Biological Assets other than Bearer Plant (Unharvested Tea Leaves)	354,517	269,275	174,943
	Total	354,517	269,275	174,943

Note : 2.7 Trade Receivables

(Figures in Rs.)

Sl. No.	Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
1	Dues outstanding in excess of six months from the date they became payable	—	—	—
2	Others			
	a) Unsecured, Considered Good	394,337	184,828	143,482
	Total	394,337	184,828	143,482

THE METHONI TEA COMPANY LTD.

Note : 2.8 Cash & Cash Equivalent

(Figures in Rs.)

Sl. No.	Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
1	Cash Balance	268,821	326,363	99,341
2	<u>Balances with banks</u>			
	(i) In Current Accounts	5,977,163	381,409	685,240
	(ii) In Deposit Accounts	1,000	26,295,750	26,474,662
	(iii) In Earmarked Accounts — Unpaid Dividend Accounts	202,116	242,687	264,857
	Total	6,449,100	27,246,209	27,524,100

Cash & Cash Equivalents for the Purpose Statement of Cash Flows

1.	Cash & Cash Equivalents	6,449,100	27,246,209	27,524,100
2.	Bank Overdraft	-	(18,154,872)	(20,239,864)
	Total	6,449,100	9,091,337	7,284,236

Note : 2.9 Loans

(Figures in Rs.)

1	Loan to Corporates and others			
	(i) Unsecured, considered good	-	1,611,287	1,611,287
	Total	-	1,611,287	1,611,287

Note : 2.10 Other Current Assets

(Figures in Rs.)

1	<u>Advance to suppliers</u>			
	(i) Capital Advance	1,700,000	-	-
	(ii) Others	298,428	1,004,688	1,515,122
2	Advance to service providers	1,893	1,893	2,280
3	Advance to employees	376,042	216,752	101,690
4	Prepaid expenses	205,042	255,593	226,592
5	Accruals			
	(i) Interest accrued on deposits	-	252,862	307,144
	(ii) Interest accrued on loan considered good	-	69,464	69,464
	(iii) Others	14,699	31,749	73,777
6	Duty Draw Back receivable	3,284	-	-
7	GST Input	1,012,185	-	-
	Total	3,611,573	1,833,001	2,296,069

THE METHONI TEA COMPANY LTD.

Notes forming part of the consolidated financial statements as at 31st March, 2018

Note : 2.11 Share Capital

(Figures in Rs.)

Sl. No.	Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
1.	Authorized Capital			
	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	5,000,000	5,000,000
2.	Issued, Subscribed & Paid Up Capital			
	Equity shares ₹ 10/- per value 4,08,000 (4,08,000) Equity Shares	4,080,000	4,080,000	4,080,000
	Total	4,080,000	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, 2018	As at 31st March, 2017	As at 01st April, 2016
Number of shares at the beginning of the year	408,000	408,000	408,000
Add : Shares issued during the year	—	—	—
Number of shares at the closing of the year	408,000	408,000	408,000

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

Sl. No.	Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 01st April, 2016	
		Total No. of Shares	Holding (%)	Total No. of Shares	Holding (%)	Total No. of Shares	Holding (%)
1.	Rajendra Prasad Bubna	83,000	20.34	83,000	20.34	83,000	20.34
2.	Anita Bubna	83,000	20.34	83,000	20.34	83,000	20.34
3.	Anirudha Bubna	82,188	20.14	82,188	20.14	82,188	20.14

THE METHONI TEA COMPANY LTD.

Note : 2.12 Borrowings

(Figures in Rs.)

Sl. No.	Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
1.	Secured Term Loans			
	- From Bank (HDFC Bank) (Secured by hypothecation on the vehicle against which loan has been taken)	433,195	-	-
	- From Bank (HDFC Bank) (Secured by hypothecation on the vehicle against which loan has been taken)	866,941	-	-
	Total	1,300,136	-	-

NOTES :

(i) Set out hereunder is the Maturity Profile of Long Term Borrowings / Current Maturities as at 31.03.2018

Particulars	2018 - 19	2019 - 20	2020 - 21
Term Loan from HDFC Bank (Truck) (Repayable in 23 equal monthly instalments, starting from 15th March 2018)	478,811	433,195	-
Term Loan from HDFC Bank (Scorpio) (Repayable in 36 equal monthly instalments, starting from 5th May 2018)	333,059	395,960	433,106
Total	811,870	829,155	433,106

Details regarding terms of repayment, maturity period and other relevant terms.

Particulars	Maturity period as at Balance Sheet Date	No. of Instalments due w.r.t. Balance Sheet Date	Applicable rate of Interest as per agreement (s)	Mode of Repayment
Vehicle Loan From HDFC Bank	1 year and 10 months	22	9%	Repayable in 23 equal monthly instalment starting from 15th March 2018
From HDFC Bank	3 years and 1 months	36	9%	Repayable in 36 equal monthly instalment starting from 5th May 2018

THE METHONI TEA COMPANY LTD.

Note : 2.13 Provisions

				(Figures in Rs.)
Sl. No.	Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
1.	Provision for Tax	6,796,337	6,796,337	6,796,337
	Total	6,796,337	6,796,337	6,796,337

Note : 2.14 Current Borrowings

				(Figures in Rs.)
1.	Current maturities of Long Term Borrowing	811,870	-	-
	Total	811,870	-	-

Note : 2.15 Trades Payable

				(Figures in Rs.)
A	Total outstanding dues of micro and Small enterprises	-	-	-
B	Total outstanding dues of creditors other than micro and small enterprises			
	- Goods	5,335,026	9,870,471	6,198,736
	- Service	786,513	1,391,657	840,281
	Total	6,121,539	11,262,128	7,039,017

Note : 2.16 Other Current Liabilities

				(Figures in Rs.)
1	Salaries & Wages	1,136,155	1,135,498	1,990,614
2	Statutory Payables	1,183,677	807,934	923,794
3	Unpaid Dividends	202,116	242,687	264,857
4	Bank Overdraft A/c (against FDR)	-	18,154,872	20,239,864
5	Other Payables	614,332	495,159	510,982
	Total	3,136,280	20,836,150	23,930,111

Note : 2.17 Short Term Provisions

				(Figures in Rs.)
1	Bonus Payable	11,022,091	10,350,421	7,721,030
2	Employee Benefits	11,468,424	8,786,177	7,067,878
	Total	22,490,515	19,136,598	14,788,908

THE METHONI TEA COMPANY LTD.

Note : 2.18 Revenue from Operations

(Figures in Rs.)

Sl. No.	Particulars	As at 31st March, 2018	As at 31st March, 2017
1	Sales of Finished Tea	145,228,223	125,473,270
	Less : Excise duty	91,068	347,337
		145,137,157	125,125,933
2	Sale of tea waste	452,620	156,300
3	Subsidy received	1,249,572	2,636,239
	Total	146,839,349	127,918,472

Note : 2.19 Other Income

(Figures in Rs.)

1	Interest Income	201,331	2,049,605
2	Dividend received	16,467	33,750
3	Profit on sale of investments	5,291,246	104,459
4	Insurance claim	162,991	31,416
5	Difference in Foreign Exchange Fluctuation	9,467	-
6	Liabilities no longer required written back	199,393	60,000
7	Duty Draw back on Export	3,284	-
8	Change in FV of Biological Asset other than Bearer Plant	85,241	94,333
	Total	5,969,420	2,373,563

Note : 2.20 Change in Inventories

(Figures in Rs.)

1	Opening Stock	3,863,639	3,052,965
2	Closing Stock	2,411,887	3,863,639
	Total	1,451,752	(810,674)

THE METHONI TEA COMPANY LTD.

Note : 2.21 Employment Benefit Expenses

(Figures in Rs.)

Sl. No.	Particulars	As at 31st March, 2018	As at 31st March, 2017
1	Salaries and Wages	79,047,655	71,185,737
2	Contributions to Provident Fund and Other Funds	10,656,554	8,130,768
3	Staff Welfare Expenses	11,070,931	11,253,503
	Total	100,775,140	90,570,008

Note : 2.22 Financial Cost

(Figures in Rs.)

1	<u>Interest on Borrowing</u>		
	- Bank OD A/c - HDFC Bank A/c	144,887	1,331,247
	- Others	1,879,605	454,685
	Total	2,024,492	1,785,932

THE METHONI TEA COMPANY LTD.

Note : 2.23 Other Expenses

(Figures in Rs.)

Sl. No.	Particulars	As at 31st March, 2018	As at 31st March, 2017
1	Cultivation Expenses	5,601,368	6,964,799
2	Power & Fuel	19,353,631	16,526,479
3	Rates & Taxes	558,469	953,810
4	Consumption of Packing Material & Stores	1,683,837	1,656,153
5	Repairs & Maintenance		
	- Plant & Machinery, Building & Others	5,650,676	3,785,295
	- Motor Vehicle Upkeep	2,861,946	2,529,131
	- Other	440,267	185,783
6	Cess on Green Leaf	1,346,776	1,161,491
7	Auditor's Remuneration		
	Statutory Audit Fees	75,000	57,500
	In other capacity	10,000	84,526
	Reimbursement of expenses	-	7,720
8	Printing & Postage	505,348	441,863
9	Professional Fees	1,436,111	1,201,590
10	Directors Sitting Fees	11,000	12,000
11	Subscription	963,588	560,099
12	Telephone	122,118	149,865
13	Insurance Charges	2,280,739	3,409,547
14	Electricity	179,852	177,792
15	Travelling and Conveyance	709,064	675,650
16	Freight Charges	3,278,179	2,857,195
17	Commission & Brokerage	1,426,527	1,464,972
18	Other Selling Expenses	1,815,390	1,553,090
19	Miscellaneous Expenses	1,600,232	2,156,076
	Total	51,910,119	48,572,426

THE METHONI TEA COMPANY LTD.

2.24 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 from Income Tax Appellate Tribunal of Rs. 10,730/- (PY : Rs.4,35,020/-) u/s 254 of I. T. Act for the A.Y. 2010-11 against which application for rectification u/s 154 of the I.T. Act has been filed before Dy. Commissioner of I. Tax.

The Investing company has received a demand of Rs. 11,18,920/- (PY : Rs.14,50,740/-) u/s. 250 of I.T. Act for the A.Y. 2011-12 from CIT (Appeals) against which management is of the opinion to file appeal to ITAT.

The Investing company has received a demand of Rs. 7,69,720/- (PY : Rs.5,360/-) u/s. 154 of I.T. Act for the A.Y. 2012-13 against which management is of the opinion to file appeal to CIT (Appeals)

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

2.25 Estimated amounts of contracts to be executed on capital account net of advance and not provided for Rs. 17 lakh (Previous year Rs.0.5 lakh)

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

(Figures in Rs.)

A) Details of Managerial Remuneration	2017-18	2016-17
Gross Salary	2,688,000	2,688,000
House Rent Allowance	1,200,000	1,200,000
Total	3,888,000	3,888,000
B) Computation of Net Profit and Director's Commission	2017-18	2016-17
Profit / (Loss) Before Tax as per Profit & Loss Account	(12,810,977)	(18,807,215)
Less : Profit / (Loss) on Sale of Investments	5,291,246	104,459
	(18,102,223)	(18,911,674)
Add : Sitting Fees	11,000	12,000
Add : Managerial's Remuneration	3,888,000	3,888,000
Profit / (Loss) for Computation of Director's Remuneration	(14,203,223)	(15,011,674)
Commission thereon @ 2.5% each for two directors	—	—

THE METHONI TEA COMPANY LTD.

2.27 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".

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

2.29 In the opinion of the management unsecured loan and interest amounting to Rs.16,80,751/- is given to Elder Pharmaceuticals Limited during earlier years is not recoverable and hence the same has been written off and shown as exceptional item in the Statement of Profit & Loss.

2.30 Related Party Disclosure under IND AS - 24

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 Personnel 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.

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.70,63,353/- (P.Y. Rs.51,25,766/-).

(Figures in Rs.)

Defined Benefit Plan

Change of Benefit Organisation	Leave Encashment		Gratuity	
	2017-18	2016-17	2017-18	2016-17
	Unfunded		Funded	
I. Liability at the beginning of the year	1,080,263	1,380,376	27,778,308	23,881,831
Interest Cost	78,859	107,669	2,027,816	1,862,783
Current Service Cost	174,718	134,832	1,658,581	1,641,503
Past Service Cost (Non Vested Funds)	—	—	138,779	—
Past Service Cost (Vested Funds)	—	—	—	—
Benefit Paid	(313,325)	(388,580)	(2,845,953)	(2,800,887)
Actuarial (Gain) / Loss on Obligation	791,658	(154,034)	2,038,807	3,193,078
Curtailments and Settlements	—	—	—	—
Liability at the end of the year	1,812,173	1,080,263	30,796,338	27,778,308
Fair Value of Plan Assets				
II. Fair Value of Plan Assets at the beginning of the year	—	—	20,072,393	18,194,330
Expected Return on Plan Assets	—	—	1,413,647	1,491,449
Contributions	313,325	388,580	2,500,000	3,187,501
Benefit Paid	(313,325)	(388,580)	(2,845,953)	(2,800,887)
Actuarial Gain / (Loss) on Plan Assets	—	—	—	—
Fair Value of Plan Assets at the end of the year	—	—	21,140,087	20,072,393
Total Actuarial (Gain) / Loss to be Recognised	791,658	(154,034)	2,038,807	3,193,078
Actual Return on Plan Assets				
III. Expected Return on Plan Assets	—	—	1,413,647	1,491,449
Actuarial (Gain) / Loss on Plan Assets	—	—	—	—
Actual Return on Plan Assets	—	—	1,413,647	1,491,449
Amount Recognised in the Balance Sheet				
IV. Liability at the end of the year	(1,812,173)	(1,080,263)	(30,796,338)	(27,778,308)
Fair Value of Plan Assets at the end of the year	—	—	21,140,087	20,072,393
Fund Status [Surplus / (Deficit)]	(1,812,173)	(1,080,263)	(9,656,251)	(7,705,915)
Unrecognised Past Service Cost	—	—	—	—
Amount Recognised in the Balance Sheet (Asset/(Liability))	(1,812,173)	(1,080,263)	(9,656,251)	(7,705,915)
Expenses Recognised in the Income Statement & Other Comprehensive Income				
Current Service Cost	174,718	134,832	1,658,581	1,641,503
Interest Cost	78,859	107,669	2,027,816	1,862,783
Expected Return on Plan Assets	—	—	(1,413,647)	(1,491,449)
Net Actuarial (Gain) / Loss to be Recognised	—	—	(51,638)	72,291

THE METHONI TEA COMPANY LTD.

	Past Service Cost (Non Vested Benefit) Recognised	—	—	138,779	—
	Past Service Cost (Vested Benefit) Recognised	—	—	—	—
	Effect of Curtailment or settlement	—	—	—	—
	Curtailment and Settlements	—	—	—	—
V.	Acturial (Gain) / Loss due to				
	- Change in demographic assumptions	125,804	—	758,841	—
	- Change in financial assumptions	222,538	30,870	3,458,412	926,133
	- Experience Variance (i.e. Actual experience vs assumptions)	443,316	(184,904)	(2,176,446)	2,266,945
	- Others	—	—	—	—
	Return on plan assets, excluding amount recognised in net interest expense	—	—	51,638	(72,291)
	Remeasurement (or Acturial (gain)/loss) arising because of change in effect of asset celling	—	—	—	—
	Expenses Recognised in the Profit and Loss Account	1,045,235	88,467	2,359,891	2,085,128
	Components of defined benefit costs recognised in Other Comprehensive Income	—	—	2,090,445	3,120,787
	Acturial Assumption				
VI.	Discount Rate Current	7.70%	7.30%	7.70%	7.30%
	Rate of Return on Plan Assets Current	—	—	8.00%	8.00%
	Salary Escalation Current	7.00%	5.00%	7.00%	5.00%

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

2.32 First time adoption of IND AS

The date of Transition is 1st April, 2016. The Company has prepared financial statements which comply with Ind AS for periods ending on or after March 31, 2018, together with the comparative period data for the year ended March 31, 2017 and opening balance as on 01st April 2016. This note explains the principal adjustments made by the Company in restating its India GAAP balance sheet as at March 31, 2016 and its previously published Indian GAAP financial statements as at and for the year ended March 31, 2017.

Exemptions availed on First Time adoption of IND AS

a) **Investment in Associates**

The Company has elected to adopt the carrying value under previous GAAP as on the date of transition.

b) **Property, Plant and Equipment/Investment Property / Intangibles**

The Company has elected to adopt the carrying value under previous GAAP as deemed costs as on the date of transition.

THE METHONI TEA COMPANY LTD.

Ind AS mandatory exceptions

Ind AS estimates as at 1st April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with IndAS at the date of transition as these were not required under previous GAAP.

a) Valuation of the Closing Stock (Made Tea) has done as per IND AS 41 i.e on initial recognition, agricultural produce is required to be measured at fair value less estimated point of sale costs.

b) Valuation of Bearer Plant Other than Tea Bushes has been done as per IND AS 41

Reconciliation between previous GAAP and Ind AS

I) Equity Reconciliation	Note No.	31st March 2017	01st April 2016
Total Equity as per previous Indian GAAP		74,189,937	93,778,913
<u>Adjustments for Impact of Ind AS :</u>			
a) Changes in the accounting policy			
- Fair value of Biological Assets other than Bearer Plant (Unharvested Tea Leaves)	B	269,276	174,943
- Valuation of Closing Stock (Application of IND AS 41)	C	(1,314,753)	(1,241,632)
- Changes in Fair Value of FVOCI Equity Instruments	D	(563,659)	-
- Changes in Fair Value of FVOCI Equity Instruments of Associate		90,396,128	-
Equity under Ind AS		162,976,929	92,712,224
II) Comprehensive Income Reconciliation			
Profit / (Loss) after tax as per Previous GAAP		(19,588,976)	(31,053,563)
- Remeasurement of Defined Benefit Plan	A	(3,120,787)	-
- Fair value of Biological Assets other than Bearer Plant (Unharvested Tea Leaves)	B	94,333	174,943
- Valuation of Closing Stock (Application of IND AS 41)	C	(73,121)	(1,241,632)
- Tax Adjustment for Defined Benefit Plan		789,559	
Profit / (Loss) after Tax as per Ind AS		(15,657,419)	(29,636,989)
<u>Other Comprehensive Income</u>			
- Remeasurement of Defined Benefit Plan	A	(3,120,787)	-
- Changes in Fair Value of FVOCI Equity Instruments	D	(422,531)	-
- Tax Adjustment for Defined Benefit Plan		789,559	-
		90,386,128	-
Total Comprehensive Income for the Year		70,405,832	29,636,989

THE METHONI TEA COMPANY LTD.

**iii) Impact of Ind AS adoption on the statements of cash flows for the year ended 31st March 2017
(Fig in Lakhs)**

Particulars	Previous GAAP	Adjustments	IND AS
Net cash flow from operating activities	(101.90)	(112.62)	(214.52)
Net cash flow from investing activities	138.06	112.62	250.67
Net cash flow from financing activities	(38.93)	20.85	(18.08)
Net increase / (decrease) in cash and cash equivalents	(2.78)	20.85	18.07
Cash and cash equivalents as 1st April 2016*	275.24	(202.40)	72.84
Cash and cash equivalents as at 31st March 2017	272.46	(181.55)	90.91

*As per IND AS Cash and Cash Equivalent also comprises Bank Overdraft. As per previous GAAP change in Bank Overdraft was considered as financing activities

A. Remeasurement of defined benefit plans

Under Ind AS, remeasurements of defined benefit plans i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of the statement of profit and loss. Under the previous GAAP, these remeasurements were accounted in the statement of profit and loss for the year. As a result of this change, the loss for the year ended March 31, 2017 decreased by Rs. 3,120,787/-. There is no impact on the total equity as at March 31, 2017.

B. Biological Asset other than Bearer Plant

Under previous GAAP, biological assets other than bearer plant has neither been valued nor recognised in the accounts. Under Ind AS, the same has been measured at its fair value less cost to sell. Consequent to this change, inventory of biological assets other than bearer plant as on 1st April 2016 has increased by Rs. 1.74 lakhs with corresponding increase in equity. However, inventory of biological assets other than bearer plant as on 31st March, 2017 has increased by Rs. 0.94 lakhs with corresponding increase in equity.

C. Inventories

Under previous GAAP, tea stock has been valued at the lower of cost and net realizable value. Cost of inventories comprise all costs of purchase / production of green leaf, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Under Ind AS, cost of inventories

comprise cost of purchase of green leaf, fair value of green leaf at the time of harvest less cost to sell, conversion cost and other costs incurred in bringing the inventories to their present location and condition. Consequent to this change, inventory of finished goods as on 1st April, 2016 has decreased by Rs. 12.41 lakhs with corresponding decrease in equity. Inventories as on 31st March 2017 had decreased by Rs.0.73 lakhs with corresponding decrease in equity.

D. Fair valuation of Investments

Under the previous GAAP, investments in equity instruments were classified as long-term investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Under Ind AS, these investments are required to be measured at fair value (except for investments in associate for which exemption with regard to deemed cost is adopted).

Fair value changes with respect to investments in quoted equity instruments designated as at FVOCI have been recognised in FVOCI - subsequently in the other comprehensive income for the year ended 31st March, 2017. This has increased FVOCI Equity Investments by Rs. 4.23 lakhs as at 31st March 2017. Consequently, the total equity as at 31st March 2017 has been decreased by Rs. 5.64 lakhs (after adjustment of change in fair value of investment squared off during the year)

E. Subsidies Receivable from Government

Replanting subsidy has not been received during F.Y. 2017-18, hence deferred income has not been recognised for the period ended 31st March 2018.

F. Other Comprehensive Income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as other comprehensive income includes remeasurements of defined benefit plans and fair value gains or (losses) on FVOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

THE METHONI TEA COMPANY LTD.

2.33 Basic and Diluted Earnings per share :

Particulars	For the Year ended 31st March, 2018	For the year ended 31st March, 2017
Basic & Diluted		
Net Profit / (Loss) for the year from operations attributable to the equity shareholders (figure in Rs.)	(12,032,178)	(17,236,536)
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 (figures in Rs.)	(29.49)	(42.25)

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 31.03.2018. (Previous year - Nil)

2.35 Raw material consumed

Particulars	For the Year ended 31st March, 2018	For the year ended 31st March, 2017
Green leaf plucked and consumed (kgs.)*	3,564,319	3,158,233

Includes bought leaf 2,03,451 kgs. (PY : 2,54,506 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.

2.36 Details of consumption of Imported and Indigenous Items

Particulars	For the year ended 31st March 2018	
	Amount (Rs.)	%age
Imported		
a) Packing Material Consumed	(11,70,649)	(83.65)
Indigenous		
a) Packing Material Consumed	1,480,176	100.00
	(2,28,729)	(16.35)
Note : Figures / percentages in bracket relates to the previous year		

THE METHONI TEA COMPANY LTD.

- 2.37 The expenditure in foreign currency towards cost of packing materials was Rs. NIL (Previous year)
- 2.38 The earnings in Foreign Exchange was Rs. 3,14,557/- (Previous Year Rs. NIL).
- 2.39 Details of Loan given, Investment made, guarantee given or security provided covered under section 186(4) of the Companies Act, 2013
- (i) The Company has not given any loan
- (ii) The relevant details of Investments are given in Note No. 2.2.
- (iii) The Company has not given any guarantee or provided any security.
- 2.40 Summary Statement for it's Associate of the salient features of its Financial Statement :

Name of Entity	Year Ending	Share in (Profit) / Loss	
		As% of Consolidated (Profit)	Amount Rs.
1	2	3	4
Investor Entity			
The Methoni Tea Co. Ltd.	31.03.18	120.68%	(14,520,350)
Associates			
Monet Securities Pvt. Ltd.	31.03.18	(20.68%)	2,488,172
Total		100.00%	(12,032,178)

- 2.41 **Disclosure For Investments In Associates - Indian Accounting Standard 28**
Capital Reserve of Rs.21,50,85,214/- Monet Securities Pvt. Ltd. has arised on account of investment upto balance sheet date.
- 2.42 The reporting dates of the Financial Statements of Investing Company and its Associates are not different.
- 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

BIPIN KUMAR AGARWAL, FCA, Partner
(Membership No. 051635)
For & On behalf of
U.S. Agarwal & Associates
Chartered Accountants
Registration No. 314213E

Place : Kolkata
Dated : 26th day of May, 2018

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

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 after taxation	
13.	Proposed Dividend	
14.	% of shareholding	

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

1. Names of subsidiaries which are yet to commence operations.
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, 2018
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. 34,18,96,578/-
6. Profit / Loss for the year	
i. Considered in Consolidation	Rs. 24,88,172/-
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.

BIPIN KUMAR AGARWAL, FCA,

Partner

(Membership No. 051635)

For & On behalf of

U.S. Agarwal & Associates

Chartered Accountants

Registration No. 314213E

Place : Kolkata

Dated : 26th day of May, 2018

CIN : L15492WB1929PLC006618

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

Tele Fax No. : 91-33-2249-6587; E-mail : methoni@methonitea.com; Website : 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 89th Annual General Meeting of the Company to be held on Saturday, 22nd September, 2018 at 10:30 a.m. at Merchant 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 :

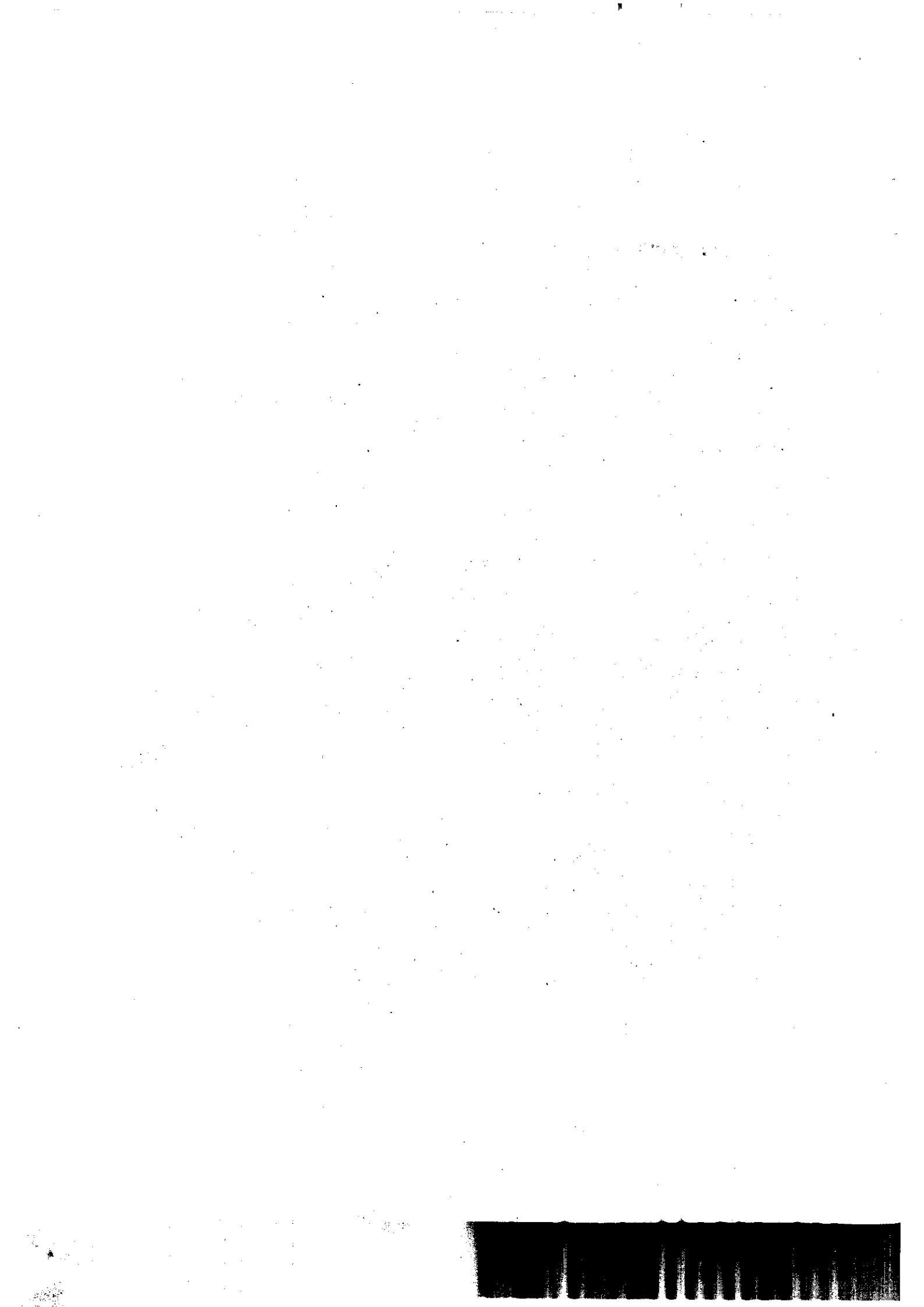
Resolution No.	Resolution Proposed	Optional*	
		For	Against
	Ordinary Business		
1.	Adoption of standalone Financial Statements for the year ended 31st March, 2018 Reports of the Board of Directors and Auditors.		
2.	Adoption of consolidated Financial Statements for the year ended 31st March, 2018 Reports of the Auditors		
3.	Appointment of Mr Rajendra Prasad Bubna (Din No. 00180543), as a Director, liable to retire by rotation		
4.	Ratification of appointment of statutory Auditors and to fix their remuneration		

Signed this day of2018

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 26th May, 2018.
 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 LIMITED

CIN : L16492WB1929PLC006618

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, 2018 (Saturday) at 10.30 A.M. at Merchants 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.

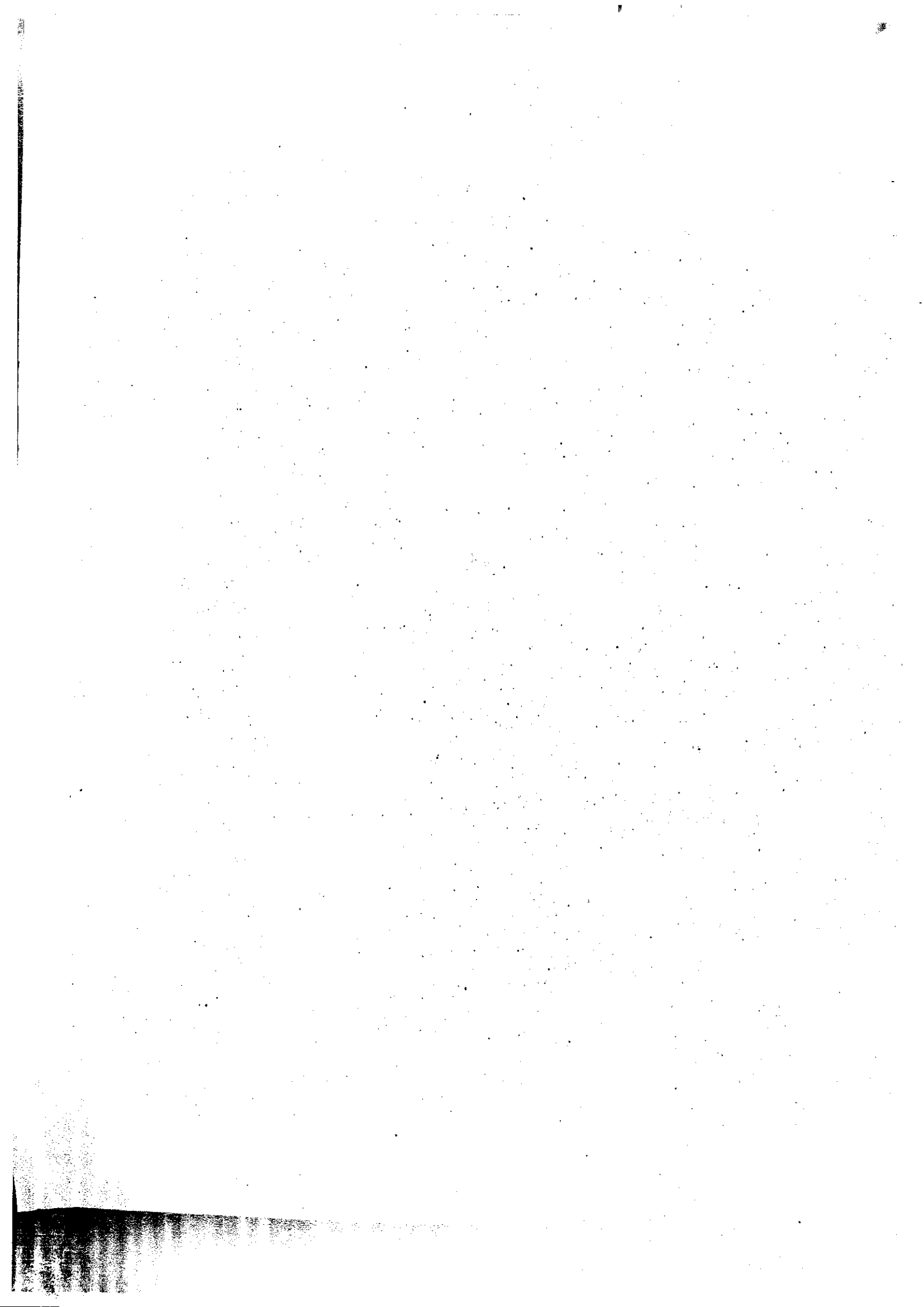
4. Shareholder / Proxy / Authorized representative desiring to attend the meeting may bring his / her copy of Annual Report for reference at the meeting.

5. e-Voting details :

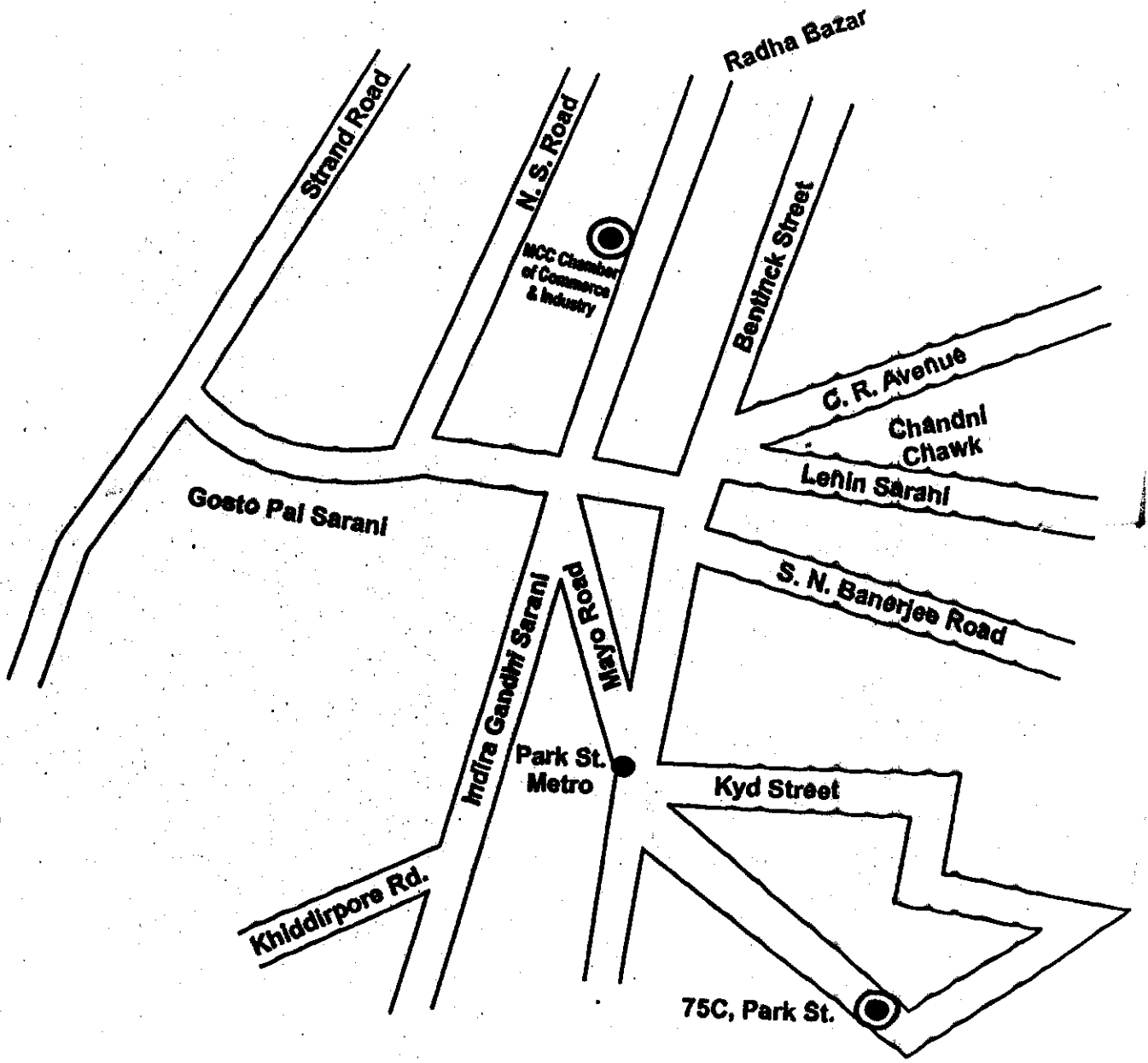
EVSN	User ID	Password
180719019	Please refer e-Voting Instructions in the Notice	

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

Commencement of E-Voting	End of E-Voting
19th September, 2018 from 9.00 A.M.	21st September, 2018 till 5.00 P.M.



Route Map to the Meeting Venue



Map Not to scale

