

**The Methoni Tea Company Limited**



**Report and Accounts  
for the year  
Ended 31st March  
2019**

# Corporate Information

## Board of Directors

Rajendra Prasad Bubna, Whole-time Director  
Anirudha Bubna, Managing Director  
Anita Bubna, Non-Executive Director  
Pralhad Lal Jain, Independent Director  
Sona Goenka, Independent Director  
Sumit Bhartia, CFO  
Priyanka Mohta, CS, w.e.f. 22/04/2019

## 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](mailto:methoni@methonitea.com)  
Website : [www.methonitea.com](http://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 : [methonite@rediffmail.com](mailto:methonite@rediffmail.com)

## Stock Exchange

(Listing Fees Paid upto 2018-19)

The Calcutta Stock Exchange Association Ltd.  
7, Lyons 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 : [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com)

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## Annual General Meeting

On 26th September, 2019 at 10.30 A.M.  
at Merchants Chamber of Commerce & Industry  
15B, Hemanta Basu Sarani, 2nd Floor  
Kolkata - 700 001

**NOTICE**

NOTICE is hereby given that the 90th Annual General Meeting of the Members of THE METHONI TEA COMPANY LTD., will be held on Thursday, the 26th September, 2019 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, 2019, 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, 2019, the reports of the Auditors thereon.
3. To appoint a Director in place of Mrs. Anita Bubna (DIN No. 00180704) who retires by rotation and being eligible, offer herself for re-appointment.

**Registered Office :**

75C, Park Street (1st Floor)

Kolkata - 700 016

Dated 30th day of May, 2019

**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 Friday, 20th September, 2019 to Thursday, 26th September, 2019 (both days inclusive).
- iv) Members are hereby informed that the Securities & Exchange Board of India (SEBI) in terms of Circular No. CIR/MRD/DP/10/2013 dated 21st March, 2013 has made it mandatory for all Listed Companies to make cash payments through electronic modes to the investors. It is further directed that in case of electronic payment is rejected or returned, the Company shall mandatorily print the bank account details of the investor on the company to electronically credit dividend directly in their respective bank account. Members holding shares in demat mode are requested to send correct bank details (including MICR No., IFSC Code, Account Type etc.) to their respective Depository Participant. Members holding shares in physical form are requested to send such bank details along with a cancelled cheque to our Registrars Maheshwari Datamatics Pvt. Ltd.
- v) Members are also requested to inform their correct email address, if any, to the Depositories (if shares held in demat form) and to our Registrars Maheshwari Datamatics Pvt. Ltd. (if shares held in physical form) in compliance of Green Initiative as per Circular No. 17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 issued by Ministry of Corporate Affairs to facilitate the Company to send notice / documents through e-mail.
- vi) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore, requested to submit their PAN to their Depository

## THE METHONI TEA COMPANY LTD.

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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 of Members of the Company will be entitled to vote.
- x) Members desirous of getting any information on the accounts or operations of the company are requested to forward their queries to the company at least seven working days prior to the meeting so that the required information may be readily available at the meeting.
- xi) The Shareholders who have not encashed their Dividend Warrants are requested to send their Warrants for revalidation otherwise the amount will be transferred to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 22, 2018.
- 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.

**THE METHONI TEA COMPANY LTD.**

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
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 23rd September, 2019 (9.00 A.M.) and ends on 25th September, 2019 (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 19th September, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. The facility for voting through ballot paper / polling paper shall be made available at the AGM and the members as on the "cut-off date", attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right to vote at the meeting through ballot paper / polling paper.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period.
- (iii) Click on "Shareholders" tab.
- (iv) Now Enter your User ID
  - a. For CDSL : 16 digits beneficiary ID,
  - b. For NSDL : 8 Character DP ID followed by 8 Digits Client ID,

## THE METHONI TEA COMPANY LTD.

- 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](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 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.</li> </ul>
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"> <li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details filed as mentioned in instruction (vii).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

## THE METHONI TEA COMPANY LTD.

- (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](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.



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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 25th September, 2019 upto 5 p.m., without which the vote shall not be treated as valid.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to helpdesk.evoting@cdslindia.com.

### (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) Regulations, 2015

Name of the Director(s)	ANITA BUBNA
DIN	00180704
Date of Birth	16/07/1961
Qualifications	B. Com
Expertise in Specific functional areas	Business. She is having varied experience in Tea and Investment Business.
Directorship in the other companies (excluding foreign companies)	1. The Methoni Tea Company Limited 2. M. Prasad And Co. Limited 3. Mace Developers Private Limited 4. Ata Estate Private Limited
Chairman/Member of the Committees of the Board of Director of other Companies in which she is a Director (excluding in foreign companies)	The Methoni Tea Company Limited a. Audit Committee b. Nomination And Remuneration Committee
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 2018-19

To

The Members,

Your Directors have pleasure in presenting their 90th Annual Report on the business and operations of the Company together with the Audited Statement of Accounts for the year ended March 31, 2019.

#### 1. Financial Highlights

Particulars	(Figure in ₹)	
	2018-19	2017-18
Turnover and other income	158,109,799	152,808,769
Profit/(Loss) before interest and Depreciation	(7,125,724)	(5,497,765)
Interest	398,753	2,024,492
Depreciation	5,348,892	3,607,969
Profit /(Loss) for the year before Exceptional Items and tax	(12,873,369)	(11,130,226)
Exceptional Items	—	1,680,751
Profit /(Loss) for the year after Exceptional Items and tax	(12,873,369)	(12,810,977)
Provisional for Tax		
- Current Tax	—	—
- Deferred Tax	835,611	1,709,373
- Tax for Earlier Year	648,199	—
Profit / (Loss) from Operations	(14,357,179)	(14,520,350)
Other Comprehensive Income	462,607	(3,311,750)
Total Comprehensive Income for the Year	(13,894,572)	(17,832,100)

#### 2. Performance Review

During the year under review, your Company achieved net Sales of Rs.1,533.75 Lacs and recorded a Net Profit/(Loss) from operations of Rs. (143.57) Lacs compared to previous year's net Sales of Rs.1,451.37 Lacs and Net Profit / (Loss) from operations of Rs. (145.20) Lacs.

## THE METHONI TEA COMPANY LTD.

The total tea manufactured for the year under review was lower at 7.99 Lac Kg as against 8.11 Lac Kg in the previous year. The average sale price realised was higher at Rs. 201.06 per Kg. as against Rs.186.50 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

At a macro level, the outlook is expected to remain positive. Latest estimates on GDP growth rate indicate a 7% plus growth. There is strong purchasing managers index readings for both manufacturing & services sector and low inflation indicate a healthy business environment. Rising per capita income, stability of the government post-election, increase in consumer expenditure pattern are the factors which augurs well for the tea industry. Some factors may continue to give a cause of concern such as rise in wages, liquidity constraints in the market and rising trade tension between US & China. The Indian and Global tea production is likely to be maintained at last year level. The demand for tea is increasing every year by around 3%, and the supply shall remain limited. So good quality tea should continue to fetch its deserving price.

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-28 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. However, Ministry of Corporate Affairs, vide its notification dated May 7, 2018, has done away with the requirement of seeking ratification of appointment

of statutory auditors by members at each AGM. Accordingly, no such item has been considered in notice of the 90th 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, 2019 was Rs.40.80 Lacs, During the year under review the company has not issued any shares or any convertible instruments.

**17. Extract of the Annual Return**

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

**18. Conservation of energy, technology absorption and foreign exchange earnings and outgo**

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

**19. Directors and Key Management Personnel :**

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

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

Brief resume of the Director, nature of her expertise in specific functional areas and details of her 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 setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. Each newly appointed Independent Director is taken through a formal induction 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 2018-19 the Board met 4 (Four) times on 26th May 2018, 11th August 2018, 14th November 2018, and 13th February, 2019.

**21. Meeting of the Independent Directors**

During the year under review, a meeting of Independent Directors was held on 14th November 2018 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. Prahalad Lal Jain (DIN-00944702), Chairman, Mrs. Sona Goenka (DIN-07147090), member and Mrs. Anita Bubna (DIN-00180704), member. The Committee consider, analyse, determine and approve on behalf of the Board and on behalf of the shareholders the remuneration to be paid to the Executive Directors of the Company after considering their qualifications and experience etc.

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

A Nomination and Remuneration Policy has been formulated pursuant to the provisions of Section 178 and other applicable provisions of the Companies Act, 2013 and Rules thereto stating therein the Company' policy on Directors' appointment and remuneration by the Nomination and Remuneration Committee which was approved by the Board of Directors at its meeting held on 30th March, 2015. The said Policy is appended as "Annexure-3" to this Report. The Company has placed this policy in its website at [http://methonitea.com / pdf / Nomination\\_&\\_Remuneration\\_policy.pdf](http://methonitea.com/pdf/Nomination_&_Remuneration_policy.pdf).

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

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

**26. Secretarial Audit Report**

The provisions of Section 204 and the rules made therein, read with Section 134(3) of the Companies Act, 2013 mandates Secretarial Audit of the Company for the financial year 2018-19 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, 2019.

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, 2019.



**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](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 2018-19.

**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](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 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 : 30th day of May, 2019

**THE METHONI TEA COMPANY LTD.**

**ANNEXURE - 1**

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

**As on Financial Year ended on 31.03.2019**

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 2018)				No. of Shares held at the end of the year (as on 31 March 2019)				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual / HUF	248,188	-	248,188	60.83	248,188	-	248,188	60.83	-
b) Central Govt. or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	-	-	-	-	-	-	-	-	-
d) Bank / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>SUB-TOTAL : (A) (1)</b>	<b>248,188</b>	<b>-</b>	<b>248,188</b>	<b>60.83</b>	<b>248,188</b>	<b>-</b>	<b>248,188</b>	<b>60.83</b>	<b>-</b>
(2) Foreign									
a) NRI - Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any other....	-	-	-	-	-	-	-	-	-
<b>SUB-TOTAL (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoter</b>									
<b>(A) = (A)(1)+(A)(2)</b>	<b>248,188</b>	<b>-</b>	<b>248,188</b>	<b>60.83</b>	<b>248,188</b>	<b>-</b>	<b>248,188</b>	<b>60.83</b>	<b>-</b>

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01 April 2018)				No. of Shares held at the end of the year (as on 31 March 2019)				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B. PUBLIC SHAREHOLDING</b>									
(1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	1,810	1,810	0.44	374	1,810	2,184	0.54	0.09
c) Central govt	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIS	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (B) (1) :</b>	-	1,810	1,810	0.44	374	1,810	2,184	0.54	0.09
(2) Non institutions									
a) Bodies corporates									
i) Indian	31,894	2,298	34,192	8.38	32,460	1,298	33,758	8.27	(0.11)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs 1 lakhs	62,309	37,442	99,751	24.45	55,580	31,219	86,799	21.27	(3.17)

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01 April 2018)				No. of Shares held at the end of the year (as on 31 March 2019)				% 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	23,245	-	23,245	5.70	2.48
c) Others (specify)	-	-	-	-	-	-	-	-	-
1) Non resident Individual	558	-	558	0.14	558	-	558	0.14	-
2) Qualified Foreign Investor.	-	-	-	-	-	-	-	-	-
3) Custodian of Enemy Property	-	-	-	-	-	-	-	-	-
4) Foreign nationals	450	-	450	0.11	450	-	450	0.11	-
5) Investor Education and protection Fund Authority	9,905	-	9,905	2.43	12,818	-	12,818	3.14	0.71
	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B) (2) :</b>	<b>118,262</b>	<b>39,740</b>	<b>158,002</b>	<b>38.73</b>	<b>125,111</b>	<b>32,517</b>	<b>157,628</b>	<b>38.63</b>	<b>(0.09)</b>
<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>118,262</b>	<b>41,550</b>	<b>159,812</b>	<b>39.17</b>	<b>125,485</b>	<b>34,327</b>	<b>159,812</b>	<b>39.17</b>	<b>(0.00)</b>
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>366,450</b>	<b>41,550</b>	<b>408,000</b>	<b>100.00</b>	<b>373,673</b>	<b>34,327</b>	<b>408,000</b>	<b>100.00</b>	<b>-</b>

(II) SHARE HOLDING OF PROMOTERS

Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No of Shares	% of total shares of the company	% of shares pledged encumbered to total shares	No of Shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1.	Anita Bubna	83,000	20.34	-	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 01/04/2018 31/03/2019	83,000	20.34	-	-
		83,000	20.34	83,000	20.34
2	Rajendra Prasad Bubna 01/04/2018 31/03/2019	83,000	20.34	-	-
		83,000	20.34	83,000	20.34
3	Anirudha Bubna 01/04/2018 31/03/2019	82,188	20.14	-	-
		82,188	20.14	82,188	20.14

**THE METHONI TEA COMPANY LTD.**

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

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	LOOKAD FINANCE & LEASING LTD. 01/04/2018 31/03/2019	5000 5000	1.23 1.23	5000	1.23
2.	BHUBNESH COMMERCIAL PVT. LTD. 01/04/2018 31/03/2019	20200 20200	4.95 4.95	20200	4.95
3.	MANOJ LUNIA 01/04/2018 31/03/2019	5487 5487	1.34 1.34	5487	1.34
4.	ANJU LUNIA 01/04/2018 31/03/2019	5487 5487	1.34 1.34	5487	1.34
5.	RAJENDRA KUMAR JAIN 01/04/2018 31/03/2019	13146 13146	3.22 3.22	13146	3.22
6.	PRATIBHA BINANI # 01/04/2018 17/08/2018 - Transfer 31/03/2019	5000 -5000 -	1.23 1.23 -	-	-
7.	DAMODAR DAS BINANI # 01/04/2018 17/08/2018 - Transfer 31/03/2019	5000 -5000 -	1.23 1.23 -	-	-
8.	RAM SWAROOP GOENKA 01/04/2018 31/03/2019	7400 7400	1.81 1.81	7400	1.81
9.	MADHU BOHRA MADHU * 01/04/2018 29/09/2018 - Transfer 01/02/2019 - Transfer 31/03/2019 - Transfer	- 10000 -10000 10099	- 2.45 2.45 2.47	- 10000 -	- 2.45 -

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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.	PINAKIN CHIMANLAL SHAH 01/04/2018	5182	1.27		
	31/03/2019	5182	1.27	5182	1.27
11.	ANUSHREE SARAOGI 01/04/2018	7000	1.72		
	31/03/2019	7000	1.72	7000	1.72
12.	Investor Education and Protection Fund Authority Ministry of Corporate Affairs 01/04/2018	9,905	2.43		
	31/12/2018- Transfer	2,913	0.71	12,818	3.14
	31/03/2019	12,818	3.14	12,818	3.14

\* Not in the list of Top 10 shareholders as on 01/04/2018. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2019.

# Ceased to be in the list of Top 10 shareholders as on 31/03/2019. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01/04/2018.

**(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

**THE METHONI TEA COMPANY LTD.**

**(V) INDEBTEDNESS**

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	2,112,006	-	-	2,112,006
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>2,112,006</b>	<b>-</b>	<b>-</b>	<b>2,112,006</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	-	15,358,517	-	15,358,517
Reduction	811,869	15,358,517	-	16,170,386
<b>Net Change</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	1,300,137	-	-	1,300,137
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>1,300,137</b>	<b>-</b>	<b>-</b>	<b>1,300,137</b>

**(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	-	-	-	-
	<b>Total (A)</b>	<b>2,124,000</b>	<b>2,124,000</b>	<b>-</b>	<b>4,248,000</b>

**THE METHONI TEA COMPANY LTD.**

**B. Remuneration to other directors :-**

Amt in Rs.

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

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

Amt in Rs.

Sl. No.	Particulars of Remuneration	Key Managerial Person			
		CEO	Company Secretary	CFO Sumit Bhartia	Total
1.	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	-	-	691,050.00	691,050.00
	(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	-	-	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>691,050.00</b>	<b>691,050.00</b>

**THE METHONI TEA COMPANY LTD.**

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES - NIL**

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

**Annexure - 2**

**Annexure to the Directors' Report**

The information under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2019 is given below and forms part of the Directors' Report

**A. CONSERVATION OF ENERGY**

- a. Steps taken 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 mechanization of factory which are the thrust areas of research affecting productivity as well as quality. Also, Managerial staff are encouraged to attend seminars and training programme for agricultural practices in the field and manufacturing process in the factories.

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

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

**THE METHONI TEA COMPANY LTD.**

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

- a) Details of Technology Imported
- b) Year of Import
- c) Has technology been fully absorbed
- d) If not full absorbed, areas where they have not taken place, reason and future plan of action

4. Expenditure on R&D

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

- a) Capital : NIL
- b) Recurring : Rs. 2,46,736/- being amount paid to TRA.
- c) Total R & D Expenditure as percentage of total turnover : 0.16%

**FOREIGN EXCHANGE EARNINGS AND OUTGO**

Foreign Exchange Earnings : Rs. 10,17,086 (Previous year Rs. 3,14,557)  
Foreign Exchange Outgo : Rs. 7,97,103 (Previous year Rs. Nil)

**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 : 30th day of May, 2019



**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.

## THE METHONI TEA COMPANY LTD.

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

- a) **Basic Salary** : The basic salary shall be fixed within a salary grade which allows the Board to grant increments within a time frame of three years.
- b) **Perquisites** : The perquisites to be offered to the Executive Directors shall include housing, medical, leave travel concession, club fees, car, leave encashment, Personal Accident Insurance and other perquisites in terms of the Rules framed by the Nomination and Remuneration Committee for the Directors and / or the Rules applicable to the Senior Executives of the Company.
- c) **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.

## THE METHONI TEA COMPANY LTD.

- 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.

## **THE METHONI TEA COMPANY LTD.**

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- 7.3 At the time of considering the candidates for appointment as Director the criteria for determining positive attributes shall inter alia include the following :- Achiever, constructive, creative, decisive, deliberative, devoted, diligent, disciplined, dynamic, enterprising, focused, result oriented, self-confident, sees the whole picture.
- 7.4 While considering candidates for appointment as an Independent Director, the Nomination and Remuneration Committee shall consider the criteria for determining independence of a candidate as provided in Section 149(6) of the Companies Act, 2013 and the Rules made thereunder.

### **8. OTHER MATTERS**

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

**THE METHONI TEA COMPANY LTD.**

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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 : 17.05.2019

Signature : K.C. DHANUKA & CO.  
Company Secretaries  
K. C. Dhanuka  
Proprietor  
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 :** Tea being a common man's drink is consumed widely throughout the country. The Tea manufactured in the country is almost sufficient to meet the internal domestic demands. The weather is of prime importance for the Tea manufacturing industry for achieving / maintaining the production target for the industry. Due to the vagaries of the weather the production of tea fluctuates within a given range. However, in spite of this scenario the outlook for the tea industry appears to be good, due to its increasing demand and consumption. All India Tea production was at 1350 million kg. in 2018 compared to 1322 million kg. in 2017. The crop of Assam, Darjeeling and Tamil Nadu was higher and that of Cachar lower. Despite strong consumption growth and higher production across the industry, the market remained sluggish during the year particularly for low / medium quality tea.

Also, 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. The costs of production of tea, comprises of various inputs which are required to be met by the Company as stipulated under various statutes both Central and State including the Plantation Labour Act. Thus, after meeting the various Central and State levies etc the industry is left with a very small margin to meet its other expenses for advertising, marketing and sale of the product. 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 2018-19 is as under :

Tea			
	Production (Lac Kgs.)	Sales (Lac Kgs.)	Average Realisation (Per Kg.)
2018-19	7.99	7.63	201.06
2017-18	8.11	7.76	186.50
Change (%)	-1.5%	-1.7%	7.8%

**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. Also, inspite of all the difficulties, the company was able to achieve higher average realization prices for the tea produced by it, with a marginal drop in the sales volume, during the year. 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 exonomies 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. Also, during the year, there was an increase of approx. 20% in the wage rate, which has contributed to

## THE METHONI TEA COMPANY LTD.

poor performance of the company during the year. Any further increase in wage will substantially hit the bottom line.

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

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

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

**Information regarding Human Resources / Industrial Relations :** The Company has a favourable working environment that motivates performance, customer focus and innovation and adheres to the highest degree of quality and integrity amongst employees. Industrial relations at the Company remain cordial. The total numbers of man power employed as on 31st March, 2019 was 733.

**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**  
DIN : 00180543 | Whole Time Director

**ANIRUDHA BUBNA**  
DIN : 06842250 | Managing Director

**ANITA BUBNA**  
DIN : 00180704

**PRAHLAD LAL JAIN**  
DIN : 00844792 | Directors

**SONA GOENKA**  
DIN : 07147090

Place : Kolkata  
Dated : 30th day of May, 2019



## 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, 2019 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, 2019	Ratio of remuneration of each KMP to median remuneration of employees	%age increase in remuneration for the financial year ended on 31st March, 2019
1	Mr. Rajendra Prasad Bubna Whole time Director (DIN - 00180543)	19,44,000/-	31.9:1	No Change
2.	Mr. Anirudha Bubna Managing Director (DIN-06842250)	19,44,000/-	31.9:1	No Change
3.	Mr. Sumit Bhartia Chief Financial Officer	6,91,050/-	11.3:1	12.50%

2. In the financial year ended on 31st March, 2019, there has been an increase of approx 21.90% in the remuneration of median employees of the company.
3. There were 733 permanent employees on the rolls of the Company as on 31st March, 2019.
4. Average percentile increase / decrease already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase / decrease in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration. Average percentile increase already made in the salaries of employees other than the managerial personnel in the financial year 2018-19 was 21.90% and there has been no change in the case of managerial remuneration during the year. The remuneration payable to the employees is fixed in nature, which depends on his / her performance.
5. No variable component forms part of the remuneration paid to the Directors of the Company.
6. During the financial year 2018-19, 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, 2019 :

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	13 Years	62 Yrs	13.11.2004	N.A.
2.	Anirudha Bubna	Managing Director	1944000	B.Com(H)	4 Years	29 Yrs	08.10.2015	N.A.
3.	Mr. C. J. Fernandes	General Manager, Tea Estate	1050000	B.Com(H)	26 Years	53 Yrs	13.02.2014	Parkwood Farms Pvt. Ltd.
4.	Mr. Jary Sheal Fernandes	Assistant Tea Estate	750000	B.Com(H)	5 Years	25 Yrs	13.02.2014	N.A.
5.	Mr. Sumit Bhartiya	CFO	691050	B.Com(H)	14 Years	35 Yrs	01.04.2005	N.A.
6.	Mr. Bhagwant Singh	Deputy Manager, Tea Estate	550800	B.Com(H)	25 Years	50 Yrs	01.02.2011	Mankhowa Tea Co. Ltd.
7.	Dr. Bodeswar Gogol	Doctor, Tea Estate	420000	M.B.B.S.	36 Years	63 Yrs	01.03.2016	N.A.
8.	A. R. Hazarika	Stijuri J.V	323826	B.Com	35 Years	56 Yrs	01.09.1984	N.A.
9.	Mr. Parasher Bose	Executive, HO	300000	B.Sc.	37 Years	60 Yrs	01.04.1982	N.A.
10.	Mr. Siba Prasad Bhuyan	Commercial Assistant Tea Estate	291200	B.Com(H)	46 Years	69 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 : 00180843

Whole Time Director

**ANITA BUBNA**  
DIN : 00180704

**ANIRUDHA BUBNA**  
DIN : 06842250

Managing Director

**PRAHLAD LAL JAIN**  
DIN : 00944702

Directors

Place : Kolkata

Dated : 30th day of May, 2019

**SONA GOENKA**  
DIN : 07147090

**INDEPENDENT AUDITOR'S REPORT**

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

**REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS**

**Opinion**

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, 2019, 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.

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, 2019, and its loss, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed

**THE METHONI TEA COMPANY LTD.**

in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sl. No.	Key Audit Matter	Auditor's Response
	<p>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of IND AS 115 "Revenue from contracts with customers" (New revenue accounting standard)</p>	<p><b>Principal Audit procedures</b></p> <p>We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of design and operating effectiveness of the Internal controls and substantive testing as follows :</p> <ul style="list-style-type: none"> <li>● Evaluated the design of internal controls relating to implementation of new revenue accounting standard</li> <li>● Selected a sample accounting and new contracts and tested the operating effectiveness of the internal control relating to identification of the distinct performance obligations and determination of transaction price.</li> <li>● Selected a sample of continuing and new contracts and performed the following procedures : <ul style="list-style-type: none"> <li>- In respect of fixed time contracts, progress towards satisfaction of performance obligation used to compute recorded revenue was verified with actual and estimated efforts.</li> <li>- Reviewed a sample of contracts with unbilled revenues to identify possible delays in achieving milestones, which require change in estimated efforts to complete the remaining performance obligations.</li> </ul> </li> </ul>

**Information other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**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.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to

going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also :

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on

the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **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 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.

**THE METHONI TEA COMPANY LTD.**

- f) On the basis of the written representations received from the directors, as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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 standalone financial statements - Refer Note 2.24 to the standalone 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.

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

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

Place : Kolkata

Dated : 30th day of May, 2019



**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 2019. 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, Goods & Service Tax, customs duty, cess and other material statutory were in arrears, as at 31st March, 2019 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, 2019 on account of dispute are given below.

Assessment Year	Name of the Statute	Nature of Dues	Amount (Rs.)	Forum at which case is pending
2011-12	Income Tax Act, 1961	Income Tax	8,01,920	Commissioner of Income Tax (Appeals)
2012-13			7,69,720	

- 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 Standalone Financial Statements etc., as required by the applicable accounting standards.

**THE METHONI TEA COMPANY LTD.**

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

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

*For & On behalf of*

**U.S. Agarwal & Associates**  
Chartered Accountants  
Registration No. 314213E

Place : Kolkata

Dated : 30th day of May, 2019

**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 2019 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.

## **THE METHONI TEA COMPANY LTD.**

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Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone 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, 2019, 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 : 30th day of May, 2019

**THE METHONI TEA COMPANY LTD.**

**BALANCE SHEET AS AT 31ST MARCH, 2019**

(Figure in ₹)

Sl. No.	Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018
<b>I.</b>	<b>ASSETS</b>			
(1)	<b>Non-Current Assets</b>			
	(a) Property Plant and Equipments	2.1	25,404,622	21,535,795
	(b) Capital Work In Progress	2.1	6,535,714	4,536,647
	(c) Financial Asset			
	(i) Investment	2.2	26,282,650	19,801,609
	(d) Deferred Tax Assets (net)	2.3	4,116,856	5,644,289
	(e) Other Non-Current Assets	2.4	14,389,370	20,592,427
(2)	<b>Current Assets</b>			
	(a) Inventories	2.5	14,882,544	9,373,147
	(b) Biological Assets other than Bearer Plants	2.6	350,968	354,517
	(c) Financial Assets			
	(i) Trade Receivables	2.7	—	394,338
	(ii) Cash and Cash Equivalents	2.8	978,951	6,449,100
	(d) Other Current Assets	2.9	4,922,694	3,611,573
	<b>Total Assets</b>		<b>97,864,369</b>	<b>92,293,442</b>
<b>II.</b>	<b>EQUITY AND LIABILITIES</b>			
(1)	<b>Equity</b>			
	(a) Equity Share Capital	2.10	4,080,000	4,080,000
	(b) Other Equity		36,765,379	47,556,765
	<b>Total Equity</b>		<b>40,845,379</b>	<b>51,636,765</b>
(2)	<b>Non-Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	2.11	470,981	1,300,136
	(b) Provisions	2.12	686,877	6,796,337
	(c) Other Liabilities	2.13	1,300,537	—
(3)	<b>Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	2.14	8,264,230	811,870
	(ii) Trade Payables	2.15	15,354,098	6,121,539
	(b) Other Current Liabilities	2.16	8,716,567	3,136,280
	(c) Provisions	2.17	22,225,700	22,490,515
	<b>Total Equity &amp; Liabilities</b>		<b>97,864,369</b>	<b>92,293,442</b>

**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 : 30th day of May, 2019

**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**  
**PRIYANKA MOHTA**

Chief Financial Officer

Company Secretary

**THE METHONI TEA COMPANY LTD.**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2019**

(Figure in ₹)

Sl. No.	Particulars	Note No.	For the Year Ended 31st March, 2019	For the Year Ended 31st March, 2018
(1)	Revenue from Operations	2.18	156,332,685	146,839,349
(2)	Other Income	2.19	1,777,114	5,969,420
	<b>Total Revenue (1+2)</b>		<b>158,109,799</b>	<b>152,808,769</b>
(3)	<b>Expenses :</b>			
	Cost of materials consumed		1,113,485	4,169,523
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	2.20	(1,571,021)	1,451,752
	Employee Benefit Expenses	2.21	113,425,751	100,775,140
	Finance Cost	2.22	398,753	2,024,492
	Depreciation and Amortization Expense	2.1	5,348,892	3,607,969
	Other Expenses	2.23	52,267,308	51,910,119
	<b>Total Expenses</b>		<b>170,983,168</b>	<b>163,938,995</b>
(4)	<b>Profit / (Loss) before exceptional items and tax</b>		<b>(12,873,369)</b>	<b>(11,130,226)</b>
(5)	Exceptional Items		-	1,680,751
(6)	<b>Profit/ (Loss) after Exceptional items and before tax</b>		<b>(12,873,369)</b>	<b>(12,810,977)</b>
(7)	<b>Tax Expense :</b>			
	(1) Current Tax		-	-
	(2) Deferred Tax		835,611	1,709,373
	(3) Tax for Earlier Years		648,199	-
(8)	<b>Profit / (Loss) from Operations</b>		<b>(14,357,179)</b>	<b>(14,520,350)</b>
	<b>Other Comprehensive Income</b>			
	<b>Items that will not be reclassified to Profit or Loss</b>			
	- Remeasurement of Defined Benefit Plan		2,435,994	(2,090,445)
	- Changes in Fair Value of FVOCI Equity Instruments		(1,281,565)	(1,812,901)
	- Tax Adjustment for Defined Benefit Plan		(691,822)	591,596
	<b>Total - Other Comprehensive Income for the Year</b>		<b>462,607</b>	<b>(3,311,750)</b>
	<b>Total Comprehensive Income for the Year</b>		<b>(13,894,572)</b>	<b>(17,832,100)</b>
(9)	<b>Earnings per Equity Share :</b>			
	(1) Basic		(35.19)	(35.59)
	(2) Diluted		(35.19)	(35.59)
	(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 : 30th day of May, 2019

**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**  
**PRIYANKA MOHTA**

Chief Financial Officer

Company Secretary



**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 31st March 2018	4,080,000	6,626	-	107,235,917	(3,103,187)	(56,582,596)	47,556,765
Profit for the year						(14,357,179)	
Other Comprehensive Income					1,821,622	1,744,172	
Total Comprehensive Income for the year	-	-	-	-	1,821,622	(12,613,007)	(10,791,385)
Dividends	-	-	-	-		-	-
Transfer to retained earnings	-	-	-	-		-	-
Any other change (to be Specified)	-	-	-	-		-	-
Balance at 31st March 2019	4,080,000	6,626	-	107,235,917	(1,281,565)	(69,195,604)	36,765,379

As per our Report of even date annexed hereto

**3IPIN KUMAR AGARWAL, FCA, Partner**  
Membership No. 051635)  
For & On behalf of  
**J.S. Agarwal & Associates**  
Chartered Accountants  
Registration No. 314213E

Place : Kolkata  
Dated : 30th day of May, 2019

**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  
**PRIYANKA MOHTA** | Company Secretary

**THE METHONI TEA COMPANY LTD.**

**CASH FLOW STATEMENT FOR THE YEAR ENDED AS ON 31ST MARCH 2019**

Particulars	For the year ended 31 March, 2019		For the year ended 31 March, 2018	
	₹	₹	₹	₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit / (Loss) before extraordinary items and tax		(12,873,369)		(11,130,226)
<i>Adjustments for:</i>				
Depreciation and amortisation	5,348,892		3,607,969	
Finance Costs	398,753		2,024,492	
Interest Income	(250,269)		(201,331)	
Biological Assets other than Bearer Plants	3,549		(85,241)	
Dividend Income	(125,000)		(16,467)	
(Profit) / Loss on sale of investments	(156,049)		(5,291,246)	
		5,219,876		123,417
Operating profit / (Loss) before working capital changes		(7,653,493)		(11,006,809)
<i>Adjustments for (increase) / decrease in Assets:</i>				
Inventories	(5,509,397)		1,618,645	
Trade receivables	394,338		(209,509)	
Short-term loan and advances	—		1,611,287	
Other current assets	(1,311,121)		(1,778,572)	
Other non-current assets	6,203,057		2,412,799	
<i>Adjustments for increase / (decrease) in Liabilities:-</i>				
Trade payables	9,232,559		(5,140,589)	
Other current liabilities	5,646,554		495,573	
Short-term provisions	2,171,179		1,263,477	
Long-term Provisions	(6,109,460)	10,717,709	—	187,870
Cash flow from extraordinary items		—		(1,680,751)
Cash generated from operations		3,064,216		(12,499,690)
Net income tax (paid) / refunds		(648,199)		—
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>2,416,017</b>		<b>(12,499,690)</b>
<b>B. Cash flow from investing activities</b>				
Capital expenditure on fixed Assets	(11,216,785)		(6,086,496)	
Purchase of Non-Current Investments	(29,004,112)		(83,044,562)	
Proceeds from sale of Non-Current Investments	24,500,742		98,723,769	
Interest Income	250,269		201,331	
Dividend Income	125,000		16,467	
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>(15,344,887)</b>		<b>9,810,510</b>
<b>C. Cash flow from financing activities</b>				
Long Term Borrowings	6,623,204		2,112,006	
	1,300,536			

**THE METHONI TEA COMPANY LTD.**

Particulars	For the year ended 31 March, 2019		For the year ended 31 March, 2018	
	₹	₹	₹	₹
Finance Cost	(398,753)		(2,024,492)	
Dividends Paid	(66,267)		(40,571)	
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>7,458,721</b>		<b>46,943</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>		<b>(5,470,149)</b>		<b>(2,642,237)</b>
Cash and cash equivalents at the beginning of the year		6,449,100		9,091,337
<b>Cash and cash equivalents at the end of the year</b>		<b>978,951</b>		<b>6,449,100</b>

Reconciliation of Cash and Cash Equivalents with the Balance Sheet :

Cash and cash equivalents at the year end		978,951		6,449,100
<b>Cash and cash equivalents at the year end comprises of :</b>				
(a) Cash in hand		16,328		268,821
(b) Balances with Banks :				
(i) In current accounts		825,774		5,977,163
(ii) In Deposit accounts		1,000		1,000
(iii) In Earmarked accounts		135,849		202,116
(iv) Bank Over Draft				—
		<b>978,951</b>		<b>6,449,100</b>

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 : 30th day of May, 2019

**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

**SUMIT BHARTIA** | Chief Financial Officer  
**PRIYANKA MOHTA** | Company Secretary

**NOTES ON ACCOUNTS AND SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF  
THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**

**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) 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 cost of acquisition, custom duties, taxes, other incidental expenses relating to acquisition and installation and interest upto the date (in case of qualifying assets) the asset is put to use.

The company recognises Tea Bushes as Bearer Plants and 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

## **THE METHONI TEA COMPANY LTD.**

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 FROM CONTRACT WITH CUSTOMERS**

Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations are satisfied at a point of time or over a period of time. Performance obligations satisfied over a period of time are recognised as per the terms of relevant contractual agreements / arrangements.

Performance obligations are said to be satisfied at a point of time when the customer obtains controls of the asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/ discounts. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.

A refund liability is recognised for expected returns in relation to sales made corresponding assets are recognised for the products expected to be returned.

The Company recognises as an asset, the incremental costs of obtaining a contract with a customer, if the Company expects to recover those costs. The said asset is amortised on a systematic basis consistent with the transfer of goods or services to the customer.

### **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.

Notes forming part of the financial statements as at 31st March, 2019

(Figures in ₹)

Note : 2.1 Property, Plant and Equipment

Sl. No	Particulars	Original Cost			Depreciation and Amortisation			Net Book Value		
		As at 1st April'18	Addition during the year	Adjustment during the Year	As at 31st Mar'19	As at 1st April'18	Addition during the year	Deduction during the year	As at 31st Mar'19	As at 31st Mar'18
1	<b>Tangible Assets</b>									
1	Bearer Plant (Mature Plant)	5,469,177	1,147,741	-	6,616,918	135,857	-	2,489,799	4,127,119	3,115,235
2	Factory Buildings	5,442,294	487,783	-	5,930,077	241,123	-	3,579,717	2,350,360	2,103,700
3	Other Buildings	22,084,734	879,546	-	22,964,280	640,288	-	18,785,010	4,179,270	3,939,992
4	Plant & Machineries	52,908,333	6,370,967	-	59,277,300	2,708,913	-	48,027,029	11,250,271	7,588,217
5	Computers	1,107,040	98,614	-	1,205,654	121,651	-	1,127,576	78,078	101,115
6	Office Equipment	338,876	61,861	-	400,737	48,357	-	323,028	77,731	64,207
7	Furniture & Fixtures	1,558,509	171,186	-	1,729,695	131,826	-	1,350,542	379,153	339,793
8	Motor Vehicles	12,041,957	-	-	12,041,957	1,320,896	-	9,079,317	2,962,640	4,293,536
	<b>Total (Current Year)</b>	<b>100,948,920</b>	<b>9,217,718</b>	<b>-</b>	<b>110,166,638</b>	<b>6,348,892</b>	<b>-</b>	<b>84,762,017</b>	<b>25,404,622</b>	<b>21,535,795</b>
	<b>(Previous Year)</b>	<b>98,923,690</b>	<b>6,025,230</b>	<b>-</b>	<b>100,948,920</b>	<b>3,607,969</b>	<b>-</b>	<b>79,413,124</b>	<b>21,535,795</b>	<b>20,118,535</b>

Capital Work In Progress

1	Plant & Machinery	-	466,621	-	466,621	-	-	-	466,621	-
2	Bearer Plant (Immature)	4,536,647	2,680,187	1,147,741	6,069,093	-	-	-	6,069,093	4,536,647
	<b>Total (Current Year)</b>	<b>4,536,647</b>	<b>3,146,808</b>	<b>1,147,741</b>	<b>6,536,714</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,536,714</b>	<b>4,536,647</b>
	<b>Total (Previous Year)</b>	<b>3,475,381</b>	<b>2,680,058</b>	<b>1,618,792</b>	<b>4,536,647</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,536,647</b>	<b>3,475,381</b>

**THE METHONI TEA COMPANY LTD.**

**Notes forming part of the financial statements as at 31st March, 2019**

Note : 2.2 - Non Current Investments

(Figures in Rs.)

Sl. No.	Particulars	Face Value	Cost Price of the Share	As at 31st March, 2019		As at 31st March, 2018	
				No. of Shares	Amount	No. of Shares	Amount
1.	<b>Non Trade Investments</b>						
A.	<u>Investment in Equity Shares</u>						
(a)	<u>Fully paid up Quoted Equity Shares</u>						
1	Ballarpur Industries Ltd.	2	164,214	-	-	7,000	87,360
2	BKM Industries Ltd.	1	48,763	-	-	1,300	34,840
3	DLF Ltd.	2	493,350	-	-	3,000	604,650
4	EIH Limited	2	915,205	-	-	7,630	1,213,933
5	63 Moons Technologies Ltd.	2	344,222	-	-	250	21,775
6	Fresenius Kabi Oncology Ltd.	1	172,385	-	-	1,000	-
7	Hindustan Wires Ltd.	10	9,027,565	194,000	7,003,400	-	-
8	IDBI Bank Ltd.	10	1,132,057	-	-	-	-
9	IFCI Ltd.	10	1,242,797	-	-	19,500	385,125
10	India Glycols Ltd.	10	155,093	-	-	-	-
11	Rattanindia Infrastructure Ltd.	10	308,414	-	-	9,145	51,029
12	Jubilant Life Sciences Ltd.	1	7,456,758	-	-	-	-
13	K.S. Oils Ltd.	1	9,266,797	-	-	-	-
14	Lux Industries Ltd.	2	5,961,650	5,000	6,866,250	4,110	6,987,822
15	Mangalam Cement Ltd.	10	5,516,000	20,000	5,354,000	-	-
16	Nagarjuna Fertilizers & Chemicals Ltd	1	393,348	-	-	27,500	424,875
17	Nagarjuna Oil Refinery Ltd.	1	357,589	-	-	25,000	89,000
18	Novartis India Ltd.	5	1,400,523	-	-	-	-
19	Punj Lloyd Ltd.	2	427,233	-	-	-	-
20	Reliance Communications Ltd.	5	1,569,111	-	-	-	-

**THE METHONI TEA COMPANY LTD.**

Sl. No.	Particulars	Face Value	Cost Price of the Share	As at 31st March, 2019		As at 31st March, 2018	
				No. of Shares	Amount	No. of Shares	Amount
21	SPML Infra Ltd.	2	4,963,280	-	-	32,000	2,814,400
22	Tata Chemicals Ltd.	10	630,337	-	-	-	-
23	Unitech Ltd	2	40,650	-	-	5,000	27,800
	<b>Sub-Total (A)</b>			-	<b>19,223,650</b>	-	<b>12,742,609</b>
(b)	<u>Investment in Unquoted Equity Shares</u> (Fully paid up)						
1	ABC Tea Workers Welfare Services	10	2	625	1,250	625	1,250
2	Woodlands Multispeciality Hospital Ltd.	10	10	200	2,000	200	2,000
	<b>Sub-Total (B)</b>			-	<b>3,250</b>	-	<b>3,250</b>
(c)	<u>Investment in Associate Company</u> (Unquoted) (Fully paid up)						
1	Monet Securities Private Limited	10		2,171,000	7,055,750	2,171,000	7,055,750
	<b>Sub-Total (C)</b>			-	<b>7,055,750</b>	-	<b>7,055,750</b>
	<b>Total Non-Current Investment</b>			-	<b>26,282,650</b>	-	<b>19,801,609</b>
	Aggregate amount of quoted investments				19,223,650		12,742,609
	Aggregate market value of quoted investments				19,223,650		12,742,609
	Aggregate amount of investments in Unquoted shares				3,250		3,250
	Aggregate amount of investments in Associate Company				7,055,750		7,055,750
	Changes in Fair Value of FVOCI Equity Instruments				(1,281,565)		(2,539,524)

**THE METHONI TEA COMPANY LTD.**

Note : 2.3 Deferred Tax Assets

(Figures in Rs.)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Deferred Tax Liabilities</b>		
Property, Plant and Equipment	(522,530.14)	(320,893.15)
<b>Gross Deferred Tax Liability</b>	<b>(522,530.14)</b>	<b>(320,893.15)</b>
<b>Deferred Tax Assets</b>		
MAT credit entitlement		
Defined benefit obligation	1,524,838.60	2,449,393.02
Others	3,114,547.40	3,515,789.06
<b>Gross deferred tax asset</b>	<b>4,639,386.00</b>	<b>5,965,182.07</b>
<b>Net deferred tax liability</b>	<b>4,116,855.86</b>	<b>5,644,288.92</b>

**Movement in deferred tax assets/(liability)**

Sl. No.	Particulars	Property, plant & equipment and intangible asset	Defined benefit obligations	MAT credit entitlement	Others (net)	Total
	<b>At 31st March 2017</b>	<b>(529,553.00)</b>	<b>2,694,704.11</b>	-	<b>4,596,914.89</b>	<b>6,762,066.00</b>
	<b>(Charged)/Credited :</b>					
	- to profit or loss	208,659.85	(836,907.03)	-	(1,081,125.83)	(1,709,373.01)
	- to other comprehensive income		591,595.94	-	-	591,595.94
	<b>At 31st March 2018</b>	<b>(320,893.15)</b>	<b>2,449,393.02</b>	-	<b>3,515,789.06</b>	<b>5,644,288.92</b>
	<b>(Charged)/Credited :</b>					
	- to profit or loss	(201,636.99)	(232,732.12)	-	(401,241.66)	(835,610.76)
	- to other comprehensive income	-	(691,822.30)	-		(691,822.30)
	<b>At 31st March 2019</b>	<b>(522,530.14)</b>	<b>1,524,838.60</b>	-	<b>3,114,547.40</b>	<b>4,116,856.00</b>

**THE METHONI TEA COMPANY LTD.**

Note : 2.4 Other Non-Current Assets

*(Figures in Rs.)*

Sl. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
1.	<b>Balances with Government Authorities</b>		
	(i) Advance Income Tax	1,297,573	8,219,016
	(ii) MAT Credit Entitlement	75,620	75,620
2.	<b>Security Deposit</b>		
	a) <b>Unsecured, Considered Goods</b>		
	Electricity Supply & Others	2,591,021	2,357,621
	Deposit against property	7,000,000	7,000,000
3.	Deposit with Assistant Commissioner Golaghat	258,374	258,374
4.	Nursery	3,166,783	2,681,796
	<b>Total</b>	<b>14,389,370</b>	<b>20,592,427</b>

Note : 2.5 Inventories

*(Figures in Rs.)*

Sl. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
1	Black Tea (Including Tea in Transit)	3,691,068	2,411,887
2	Tea Waste	291,840	-
3	Packing Materials	1,202,757	842,935
4	Fuel	4,161,667	1,402,196
5	Consumable Stores	5,520,512	3,919,026
6	Consumable Stores in Transit	14,700	797,103
	<b>Total</b>	<b>14,882,544</b>	<b>9,373,147</b>

Note : 2.6 Biological Assets other than Bearer Plant

*(Figures in Rs.)*

Sl. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
1	Fair Value of Biological Assets other than Bearer Plant (Unharvested Tea Leaves)	350,968	354,517
	<b>Total</b>	<b>350,968</b>	<b>354,517</b>

**THE METHONI TEA COMPANY LTD.**

Note : 2.7 Trade Receivables

(Figures in Rs.)

Sl. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
1	Dues outstanding in excess of six months from the date they became payable	—	—
2	Others		
	a) Unsecured, Considered Good	—	394,337
	<b>Total</b>	—	394,337

Note : 2.8 Cash & Cash Equivalent

(Figures in Rs.)

Sl. No.	Particulars	As at 31st March, 2019	As at 1st April, 2018
1	Cash Balance	16,328	268,821
2	<u>Balances with banks</u>		
	(i) In Current Accounts	825,774	5,977,163
	(ii) In Deposit Accounts	1,000	1,000
	(iii) In Earmarked Accounts — Unpaid Dividend Accounts	135,849	202,116
	<b>Total</b>	978,951	6,449,100

Note : 2.9 Other Current Assests

(Figures in Rs.)

1	<u>Advance to suppliers</u>		
	(i) Capital Advance	—	1,700,000
	(ii) Others	1,042,214	298,428
2	Advance to service providers	1,893	1,893
3	Advances to employees	314,339	376,042
4	Prepaid expenses	298,057	205,042
5	Accruals		
	(i) Interest accrued on deposits	55	—
	(ii) Interest accrued on loan considered good		
	(iii) Others	900,046	14,699
6	Duty Draw Back receivable	—	3,284
7	GST Input	2,366,090	1,012,185
	<b>Total</b>	4,922,694	3,611,573



**THE METHONI TEA COMPANY LTD.**

**Notes forming part of the financial statements as at 31st March, 2019**

Note : 2.10 Share Capital

(Figures in Rs.)

Sl. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
1.	<b>Authorized Capital</b> Equity shares ₹ 10/- per value 5,00,000 (5,00,000) Equity Shares	5,000,000	5,000,000
		5,000,000	5,000,000
2.	<b>Issued, Subscribed &amp; Paid Up Capital</b> Equity shares ₹ 10/- per value 4,08,000 (4,08,000) Equity Shares	4,080,000	4,080,000
	<b>Total</b>	<b>4,080,000</b>	<b>4,080,000</b>

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, 2019	As at 31st March, 2018
Number of shares at the beginning of the year	408,000	408,000
Add : Shares issued during the year	—	—
Number of shares at the closing of the year	408,000	408,000

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

Sl. No.	Particulars	As at 31st March, 2019		As at 31st March, 2018	
		Total No. of Shares	Holding (%)	Total No. of Shares	Holding (%)
1.	Rajendra Prasad Bubna	83,000	20.34	83,000	20.34
2.	Anita Bubna	83,000	20.34	83,000	20.34
3.	Anirudha Bubna	82,188	20.14	82,188	20.14

**THE METHONI TEA COMPANY LTD.**

Note : 2.11 Borrowings

(Figures in Rs.)

Sl. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
1.	<b>Secured Term Loans*</b>		
	- 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)	470,981	866,941
	<b>Total</b>	<b>470,981</b>	<b>1,300,136</b>

**NOTES :**

(i) Set out hereunder is the Maturity Profile of Long Term Borrowings / Current Maturities as at 31.03.2019

Sl. No.	Particulars	2018 - 19	2019 - 20
	<b>Term Loan from HDFC Bank (Truck)</b> (Repayable in 23 equal monthly instalments, starting from 15th March 2018)	478,811	433,195
	<b>Term Loan from HDFC Bank (Scorpio)</b> (Repayable in 36 equal monthly instalments, starting from 5th May 2018)	333,059	395,960
	<b>Total</b>	<b>811,870</b>	<b>829,155</b>

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

Sl. No.	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
	<b>Vehicle Loan From HDFC Bank</b>	<b>1 year and 10 months</b>	10	9%	Repayable in 23 equal monthly instalment starting from 15th March 2018
	<b>From HDFC Bank</b>	<b>3 years and 1 months</b>	24	9%	Repayable in 36 equal monthly instalment starting from 5th May 2018

**THE METHONI TEA COMPANY LTD.**

Note : 2.12 Provisions

*(Figures in Rs.)*

Sl. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
1.	Provision for Tax	686,877	6,796,337
	<b>Total</b>	<b>686,877</b>	<b>6,796,337</b>

Note : 2.13 Other Liabilities

*(Figures in Rs.)*

Sl. No.	Particulars	As at 31st March, 2019		As at 31st March, 2018	
		Current	Non-Current	Current	Non-Current
1	<b>Government Grant</b>				
	Opening Balance	—	—	—	—
	Grant during the year	—	1,300,537	—	—
	Released to PL	—	—	—	—
	Current portion of Deferred Revenue Income	—	—	—	—
	<b>Total</b>	<b>—</b>	<b>1,300,537</b>	<b>—</b>	<b>—</b>

Note : 2.14 Current Borrowings

*(Figures in Rs.)*

1.	Current maturities of Long Term Borrowing	829,155	811,870
2.	Cash Credit From UCO Bank (Hypothecation of tea, both loose & packed, green leaves lying in Company's Methoni Tea Estate / factory / go-down or any other place for present & future seasons. Hypothecation of Plant & Machinery, stores and spares and other movable assets (other than those purchased under H.P. Scheme of Tea Board) charge on Book-Debts of the Company (Present & Future).	7,435,075	
	<b>Total</b>	<b>8,264,230</b>	<b>811,870</b>

**THE METHONI TEA COMPANY LTD.**

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	8,665,681	5,335,026
	- Service	6,688,417	786,513
	<b>Total</b>	<b>15,354,098</b>	<b>6,121,539</b>

Note : 2.16 Other Current Liabilities

(Figures in Rs.)

1	Salaries & Wages	6,357,994	1,136,155
2	Statutory Payables	1,403,665	1,183,677
3	Unpaid Dividends	135,849	202,116
4	Other Payables	819,059	614,332
	<b>Total</b>	<b>8,716,567</b>	<b>3,136,280</b>

Note : 2.17 Short Term Provisions

(Figures in Rs.)

1	Bonus Payable	11,873,720	11,022,091
2	Employee Benefits	10,351,980	11,468,424
	<b>Total</b>	<b>22,225,700</b>	<b>22,490,515</b>

Note : 2.18 Revenue from Operations

(Figures in Rs.)

Sl. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
	<b><u>Revenue From Contract with Customers</u></b>		
1	Sales of Finished Tea	153,375,450	145,228,223
	Less : Excise duty	-	91,066
		<b>153,375,450</b>	<b>145,137,157</b>
	<b><u>Other Operating Revenue</u></b>		
2	Sale of tea waste	76,200	452,620
3	Subsidy received	2,881,035	1,249,572
	<b>Total</b>	<b>156,332,685</b>	<b>146,839,349</b>

**THE METHONI TEA COMPANY LTD.**

Note : 2.19 Other Income

*(Figures in Rs.)*

Sl. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
1	Interest Income	250,269	201,331
2	Dividend received	125,000	16,467
3	Profit on sale of investments	156,049	5,291,246
4	Insurance claim	955,031	162,991
5	Difference in Foreign Exchange Fluctuation	36,978	9,467
6	Liabilities no longer required written back	–	199,393
7	Duty Draw back on Export/Sale of DEPB License	12,842	3,284
8	Land Revenue Credit	244,493	–
9	Change in FV of Biological Asset other than Bearer Plant	(3,549)	85,241
	<b>Total</b>	<b>1,777,114</b>	<b>5,969,420</b>

Note : 2.20 Change in Inventories

*(Figures in Rs.)*

1	Opening Stock	2,411,887	3,863,639
2	Closing Stock	3,982,908	2,411,887
	<b>Total</b>	<b>(1,571,021)</b>	<b>1,451,752</b>

Note : 2.21 Employment Benefit Expenses

*(Figures in Rs.)*

1	Salaries and Wages	89,272,776	79,047,655
2	Contributions to Provident Fund and Other Funds	13,335,372	10,656,554
3	Staff Welfare Expenses	10,817,603	11,070,931
	<b>Total</b>	<b>113,425,751</b>	<b>100,775,140</b>

Note : 2.22 Financial Cost

*(Figures in Rs.)*

1	<u>Interest on Borrowing</u>		
	- Bank CC/OD a/c	16,239	144,887
	- Others	382,514	1,879,605
	<b>Total</b>	<b>398,753</b>	<b>2,024,492</b>

**THE METHONI TEA COMPANY LTD.**

Note : 2.23 Other Expenses

*(Figures in Rs.)*

Sl. No.	Particulars	For the Year Ended 31st March, 2019	For the Year Ended 31st March, 2018
1	Cultivation Expenses	5,949,010	5,601,368
2	Power & Fuel	18,197,471	19,353,631
3	Rent, Rates & Taxes	1,028,837	558,469
4	Consumption of Packing Material & Stores	1,756,497	1,683,837
5	Repairs & Maintenance		
	- Plant & Machinery, Building & Others	5,059,212	5,985,743
	- Motor Vehicle Upkeep	3,340,735	2,861,946
	- Other	77,843	105,200
6	Cess on Green Leaf	1,360,695	1,346,776
7	Auditor's Remuneration		
	Statutory Audit Fees	75,000	75,000
	In other capacity	10,000	10,000
8	Printing & Postage	452,518	505,348
9	Professional Fees	1,481,138	1,436,111
10	Directors Sitting Fees	12,000	11,000
11	Subscription	705,692	963,589
12	Telephone	91,468	122,118
13	Insurance Charges	2,199,455	2,280,739
14	Electricity	174,426	179,852
15	Travelling and Conveyance	1,051,377	709,064
16	Freight Charges	3,385,125	3,278,179
17	Commission & Brokerage	1,484,610	1,426,527
18	Other Selling Expenses	2,211,309	1,815,390
19	Miscellaneous Expenses	2,162,890	1,600,232
	<b>Total</b>	<b>52,267,308</b>	<b>51,910,119</b>

## 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.7,69,720/- (PY : Rs. 7,69,720/-) U/s 154 of I. T. Act for the A.Y. 2012-13 on Income Tax Website but as per management the demand amount should be Rs.5,360/-, against which management has submitted 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. 4.67 lakh (Previous year Rs.17 lakh)

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

(Figures in Rs.)

A) Details of Managerial Remuneration	2018-19	2017-18
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	2018-19	2017-18
Profit / (Loss) Before Tax as per Profit & Loss Account	(12,873,369)	(12,810,977)
Less : Profit / (Loss) on Sale of Investments	156,049	5,291,246
	(13,029,418)	(18,102,223)
Add : Sitting Fees	12,000	11,000
Add : Managerial's Remuneration	3,888,000	3,888,000
Profit / (Loss) for Computation of Director's Remuneration	(9,129,418)	(14,203,223)
Commission thereon @ 2.5% each for two directors	—	—

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 IND AS-108 on "Segment Reporting" issued by "The Institute of Chartered Accountants of India".

## THE METHONI TEA COMPANY LTD.

2.28 There are no transaction (other than transactions with related parties as given in Para 2.29) 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 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	
Sumit Bhartia	CFO	
Associate Company	M/s. Monet Securities Pvt. Ltd.	
Enterprises over which Key Managerial Personnel and their relatives have significant influence	(i) M/s. M. Prasad & Co. Ltd. (ii) M/s. Monet Securities (P) Ltd. (iii) ATA Estates Pvt. Ltd.	(iv) Stately Realty Pvt. Ltd.

Note : Relied upon as identified by the Management.



**THE METHONI TEA COMPANY LTD.**

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Note : Relied upon as identified by the Management.

b) Details of related party transactions during the year 01 April 2018 to 31 March 2019 and balances outstanding as at 31 March, 2019  
Information about Related Party Transaction

Particulars	Key Managerial Personnel and their Relatives				Companies over which Key Managerial Personnel			
	Mr. R. P. Bubna	Mr. Anirudha Bubna	Mrs. Anita Bubna	Mr. Sumit Bhartia	ATA Estates Pvt. Ltd.	Stately Realty Pvt. Ltd.	M/s. Monet Securities (P) Ltd.	M/s. M. Prasad & Co. Ltd.*
Transactions During the Year								
Brokerage Paid								7,708
								(14,300)
Service Tax, Cess & GST paid								3,205
Securities Transaction Tax Paid								(2,303)
								53,331
Purchase / Sale of Shares								(42,547)
								53,504,855
Transaction Charges Paid								(82,988,382)
								10,097
Stamp duty								(469)
								5,333
Loans and Advances taken								(4,259)
Loans and Advances Repayment Done								(11,91,00,000)
								(11,91,00,000)
Contribution of Provident Fund	144,000	144,000		55,286				
	(144,000)	(144,000)		(55,286)				
Contribution to Super Annuation Fund	180,000	180,000						
	(1,80,000)	(1,80,000)						
Remuneration Paid	1,800,000	1,800,000		691,050				
	(18,00,000)	(18,00,000)		(683,200)				
Director Sitting Fees			4,000					
			(4,000)					
Rent Paid					150,000	150,000		
					(150,000)	(150,000)		
Rent Paid Received back								
					(100,000)	(100,000)		
Capital Advance for Property								
					3,500,000	3,500,000		
Capital Advance for Property Received Back								
					(50,00,000)	(50,00,000)		
Balances outstanding at the end of the year								
Investment in Shares							7,055,750	
							(7,055,750)	
Other Payables								5,522,351
Capital Advance for Property					3,500,000	3,500,000		
					(35,00,000)	(35,00,000)		

(\*) Share Broking Firm.

Previous year's figures are given in brackets.

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

**THE METHONI TEA COMPANY LTD.**

**2.30 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.90,53,121/- (P.Y. Rs.70,63,353/-).

**Defined Benefit Plan**

(Figures in Rs.)

Particulars		Leave Encashment		Gratuity	
		2018-19	2017-18	2018-19	2017-18
<b>Change of Benefit Organistaion</b>		<b>Unfunded</b>		<b>Funded</b>	
I.	Liability at the beginning of the year	1,812,173	1,080,263	30,796,338	27,778,308
	Interest Cost	139,537	78,859	2,371,318	2,027,816
	Current Service Cost	209,828	174,718	2,144,167	1,658,581
	Past Service Cost (Non Vested Funds)	—	—	—	138,779
	Past Service Cost (Vested Funds)	—	—	—	—
	Benefit Paid	(413,349)	(313,325)	(2,171,105)	(2,845,953)
	Acturial (Gain) / Loss on Obligation	(298,249)	791,658	(2,639,004)	2,038,807
	Curtailments and Settlements	—	—	—	—
	Liability at the end of the year	1,449,940	1,812,173	30,501,714	30,796,338
<b>Fair Value of Plan Assets</b>					
II.	Fair Value of Plan Assets at the beginning of the year	—	—	21,140,087	20,072,393
	Expected Return on Plan Assests	—	—	1,424,777	1,413,647
	Contributions	413,349	313,325	1,205,915	2,500,000
	Benefit Paid	(413,349)	(313,325)	(2,171,105)	(2,845,953)
	Acturial Gain / (Loss) on Plan Assets	—	—	—	—
	Fair Value of Plan Assets at the end of the year	—	—	21,599,674	21,140,087
	Total Acturial (Gain) / Loss to be Recognised	(298,249)	791,658	-2,639,004	2,038,807
<b>Actual Return on Plan Assets</b>					
III.	Expected Return on Plan Assets	—	—	1,424,777	1,413,647
	Acturial (Gain) / Loss on Plan Assets	—	—	—	—
	Actual Return on Plan Assets	—	—	1,424,777	1,413,647
<b>Amount Recognised in the Balance Sheet</b>					
IV.	Liability at the end of the year	(1,449,940)	(1,812,173)	(30,501,714)	(30,796,338)
	Fair Value of Plan Assets at the end of the year	—	—	21,599,674	21,140,087
	Fund Status [Surplus / (Deficit)]	(1,449,940)	(1,812,173)	(8,902,040)	(9,656,251)
	Unrecognised Past Service Cost	—	—	—	—
Amount Recognised in the Balance Sheet [Asset/(Liability)]		(1,449,940)	(1,812,173)	(8,902,040)	(9,656,251)
<b>Expenses Recognised in the Income Statement &amp; Other Comprehensive Income</b>					
	Current Service Cost	209,828	174,718	2,144,167	1,658,581
	Interest Cost	139,537	78,859	2,371,318	2,027,816
	Expected Return on Plan Assets	—	—	(1,424,777)	(1,413,647)
	Net Acturial (Gain) / Loss to be Recognised	—	—	(203,010)	(51,638)

**THE METHONI TEA COMPANY LTD.**

	Past Service Cost (Non Vested Benefit) Recognised	—	—	—	—
	Past Service Cost (Vested Benefit) Recognised	—	—	—	—
	Effect of Curtailment or settlement Curtailment and Settlements	—	—	—	—
V.	<b>Actuarial (Gain) / Losses due to</b>				
	- Change in demographic assumptions	—	125,804	670,611	—
	- Change in financial assumptions	(242,098)	222,538	(5,718,215)	926,133
	- Experience Variance (i.e. Actual experience vs assumptions)	(56,151)	443,316	2,408,600	2,266,945
	- Others	—	—	—	—
	Return on plan assets, excluding amount recognised in net interest expense	—	—	203,010	(72,291)
	Remeasurement (or Actuarial (gain)/loss) arising because of change in effect of asset celling	—	—	—	—
	Expenses Recognised in the Profit and Loss Account	51,116	1,045,235	2,887,698	2,221,112
	Components of defined benefit costs recognised in Other Comprehensive Income	—	—	(2,435,994)	3,120,787
	<b>Actuarial Assumption</b>				
VI.	Discount Rate Current	7.70%	7.70%	7.50%	7.30%
	Rate of Return on Plan Assets Current	—	—	8.00%	8.00%
	Salary Escalation Current	5.00%	7.00%	5.00%	7.00%

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.

### 2.31 Financial Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of

#### a) Credit Risk

Credit risk refers to the risk of financial loss arising from default / failure by the counterparty to meet financial obligations as per the terms of contract. Credit risk on receivables is minimum since sales through different mode (eg. auction, consignment, private) are made after judging credit worthiness. Credit risk from balances with banks and financial institutions is managed by the Company's in accordance with the Company's policy. Investments of

**b) Liquidity Risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with financial liabilities that are settled by

**Maturity Profile of Financial Liabilities :**

Particulars	Less than 1 Year	1-5 Year	5+ Year	Total	Carrying Amount
<b>As at 31st March 2019</b>					
Borrowing	470,981	8,264,230	-	8,735,211	8,735,211
Trade Payable	15,354,098	-	-	15,354,098	15,354,098
Other financial liability	14,612,128	1,539,514	-	16,151,642	16,151,642
<b>Total</b>	<b>30,437,207</b>	<b>9,803,744</b>	<b>-</b>	<b>40,240,950</b>	<b>40,240,950</b>

**c) Market Risk**

(i) **Interest rate risk :** Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's does not have significant exposure to Long Term Borrowing and also does not have a significant cash flow interest rate risk. Similarly Short term borrowing do not have any significant fair value or interest rate risk due to short term tenure.

(ii) **Price risk :** The Company invest its surplus fund primarily in Quoted Equity Shares measured at FVTPL, accordingly these do not pose any price risk. The aggregate value of such investment as on 31st March, 2019 Rs.262.82 Lakhs (2018 198.01 Lakhs Rs.). Further, Equity price risk is related to change in market reference price of investment in quoted shares. The exposure to equity price risk arises from Investment held and classified in Balance Sheet as FVTOCI. In general the investments are strategic investment and do not held for trading purpose so there is no material equity risk relating to Company's equity investment.

**d) Agriculture risk :**

Cultivation of tea being an agriculture activity, there are certain specific financial risk. These financial risk arise mainly due to adverse weather condition, fluctuation of selling price of finished goods and increase in input cost.

**The Company manages the above financial risks in the following manner :**

- Adequate level of inventory of chemicals, fertilisers and other inputs are maintained so that timely corrective action can be taken in case of adverse weather condition.

## THE METHONI TEA COMPANY LTD.

- Sufficient level of consumables stores like packing material, coal HSD etc are maintained in order to mitigate financial risk.

- Sufficient working capital facility is obtained from banks so that cultivation and manufacturing and sale of tea is not adversely affected in times of adverse condition.

### 2.32 Fair value Measurement

#### Accounting classification and fair values

Carrying amounts and fair values of financial assets and liabilities, including their levels in fair value hierarchy, are as follows :

Particulars	31st March 2019			Total Carrying Value	Total Fair Value
	FVPL	FVOCI	Ammortised Cost		
<b>Financial Assets</b>					
i) Investments	-	19,223,650	7,059,000	26,282,650	26,282,650
ii) Cash and Cash Equivalents	-		978,951	978,951	978,951
<b>Total Financial Assets</b>	-	19,223,650	8,037,951	27,261,601	27,261,601
<b>Financial Liabilities</b>					
i) Borrowings	-	-	8,735,211	8,735,211	8,735,211
ii) Trade Payables	-	-	15,354,098	15,354,098	15,354,098
<b>Total Financial Liabilities</b>	-	-	24,089,309	24,089,309	24,089,309

Particulars	31st March 2019		
	Level 1	Level 2	Level 3
<b>Financial Assets</b>			
i) Investments	19,223,650	-	7,059,000
ii) Trade Receivables	-	-	-
iii) Cash and Cash Equivalents	-	-	978,951
iv) Loans	-	-	-
<b>Total Financial Assets</b>	19,223,650	-	8,037,951
<b>Financial Liabilities</b>			
i) Borrowings	-	-	8,735,211
ii) Trade Payable	-	-	15,354,098
<b>Total Financial Liabilities</b>	-	-	24,089,309

**THE METHONI TEA COMPANY LTD.**

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

Particulars	For the Year ended 31st March, 2019	For the year ended 31st March, 2018
Basic & Diluted		
Net Profit / (Loss) for the year from operations attributable to the equity shareholders <i>(figure in Rs.)</i>	(14,357,179)	(14,520,350)
Weighted average number of equity shares	408,000	408,000
Par value per share <i>(figure in Rs.)</i>	10.00	10.00
Basic and Diluted Earning per share <i>(figures in Rs.)</i>	(35.19)	(35.59)

**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 31.03.2019. (Previous year - Nil)

**2.35 Raw material consumed**

Particulars	For the Year ended 31st March, 2019	For the year ended 31st March, 2018
Green leaf plucked and consumed (kgs.)*	3,511,379	3,564,319

Includes bought leaf 54,075 kgs. (PY : 2,03,451 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	
	Amount (Rs.)	%age
Imported		
a) Packing Material Consumed	797,103	52.83
Indigenous		
a) Packing Material Consumed	711,668	47.17
	(14,80,176)	(100.00)
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.7,97,103/- (Previous Year Rs.Nil/-)
- 2.38 The earnings in Foreign Exchange was Rs. 10,17,086/- (Previous Year Rs. 3,14,557).
- 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 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 : 30th day of May, 2019

<b>RAJENDRA PRASAD BUBNA</b> DIN : 00180543	Whole Time Director
<b>ANIRUDHA BUBNA</b> DIN : 06842250	Managing Director
<b>ANITA BUBNA</b> DIN : 00180704	Directors
<b>PRAHLAD LAL JAIN</b> DIN : 00944702	
<b>SONA GOENKA</b> DIN : 07147090	
<b>SUMIT BHARTIA</b>	Chief Financial Officer
<b>PRIYANKA MOHTA</b>	Company Secretary

**INDEPENDENT AUDITOR'S REPORT**

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

**REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS**

**Opinion**

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, 2019, 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.

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, 2019, and its loss, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our

**THE METHONI TEA COMPANY LTD.**

opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sl. No.	Key Audit Matter	Auditor's Response
	<p>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of IND AS-115 "Revenue from contracts with customers" (New revenue accounting standard)</p>	<p><b>Principal Audit procedures</b></p> <p>We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of design and operating effectiveness of the Internal controls and substantive testing as follows :</p> <ul style="list-style-type: none"> <li>● Evaluated the design of internal controls relating to implementation of new revenue accounting standard</li> <li>● Selected a sample accounting and new contracts and tested the operating effectiveness of the internal control relating to identification of the distinct performance obligations and determination of transaction price.</li> <li>● Selected a sample of continuing and new contracts and performed the following procedures : <ul style="list-style-type: none"> <li>- In respect of fixed time contracts, progress towards satisfaction of performance obligation used to compute recorded revenue was verified with actual and estimated efforts.</li> <li>- Reviewed a sample of contracts with unbilled revenues to identify possible delays in achieving milestones, which require change in estimated efforts to complete the remaining performance obligations.</li> </ul> </li> </ul>

**Information other than the Consolidated Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Management's Responsibility for the consolidated 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.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

## **THE METHONI TEA COMPANY LTD.**

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also :

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Other Matters**

We did not audit the consolidated financial statements / Financial information of the associate whose consolidated financial statements / Financial information reflect total assets of Rs.155,48,89,864.91/- as at 31st March, 2019, total revenue of Rs.166,57,16,902,83/- and net cash flows amounting to Rs.1,80,14,823.21/- for the year ended on that date, as considered in the consolidated Ind AS financial statements.

The consolidated Ind AS Consolidated financial statements also include the Investor's share of net profit of Rs.2,809,919/- for the year ended 31st March, 2019, as considered in the consolidated Ind AS Consolidated financial statements, in respect of the associate, whose Consolidated financial statements / Financial information have not been audited by us. These Consolidated 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 Consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries jointly controlled entities and associates, is based solely on the reports of the other auditors.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by section 143(3) of the Act, we report 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;

## THE METHONI TEA COMPANY LTD.

- d) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive 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 consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- f) On the basis of the written representations received from the directors of Investor Company, as on 31st March, 2019 taken on record by the Board of Directors of Investor Company, none of the directors is disqualified as on 31st March, 2019 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 consolidated financial statements - Refer Note 2.24 to the consolidated financial statements.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, other than as specified in basis for qualified opinion. However, the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. The company has transferred unclaimed dividend to Investor Education and Protection Fund.

Place : Kolkata

Dated : 30th day of May, 2019

**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 INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS 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, 2019 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" ('ICAI'. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information as required under the Companies Act, 2013.

**Auditors' Responsibility**

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

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.



## THE METHONI TEA COMPANY LTD.

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

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of 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, (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 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 (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 or 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 March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

Place : Kolkata

Dated : 30th day of May, 2019

**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, 2019** (Figure in ₹)

Sl. No.	Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018
<b>I.</b>	<b>ASSETS</b>			
<b>(1)</b>	<b>Non-Current Assets</b>			
	(a) Property Plant and Equipments	2.1	25,404,622	21,535,795
	(b) Capital Work In Progress	2.1	6,535,714	4,536,647
	(c) Financial Asset			
	(i) Investment	2.2	101,283,761	136,496,104
	(d) Deferred Tax Assets (net)	2.3	4,116,856	5,644,289
	(e) Other Non-Current Assets	2.4	14,389,370	20,592,427
<b>(2)</b>	<b>Current Assets</b>			
	(a) Inventories	2.5	14,882,544	9,373,147
	(b) Biological Assets other than Bearer Plants	2.6	350,968	354,517
	(c) Financial Assets			
	(i) Trade Receivables	2.7	—	394,338
	(ii) Cash and Cash Equivalents	2.8	978,951	6,449,100
	(d) Other Current Assets	2.9	4,922,694	3,611,573
	<b>Total Assets</b>		<b>172,865,480</b>	<b>208,987,937</b>
<b>II.</b>	<b>EQUITY AND LIABILITIES</b>			
<b>(1)</b>	<b>Equity</b>			
	(a) Equity Share Capital	2.10	4,080,000	4,080,000
	(b) Other Equity		111,766,490	164,251,259
	<b>Total Equity</b>		<b>115,846,490</b>	<b>168,331,259</b>
	<b>Liabilities</b>			
<b>(2)</b>	<b>Non-Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	2.11	470,981	1,300,136
	(b) Provisions	2.12	686,877	6,796,337
	(c) Other Liabilities	2.13	1,300,537	—
<b>(3)</b>	<b>Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	2.14	8,264,230	811,870
	(ii) Trade Payables	2.15	15,354,098	6,121,539
	(b) Other Current Liabilities	2.16	8,716,567	3,136,280
	(c) Provisions	2.17	22,225,700	22,490,515
	<b>Total Equity &amp; Liabilities</b>		<b>172,865,480</b>	<b>208,987,936</b>

**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 : 30th day of May, 2019

**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  
**PRIYANKA MOHTA** | Company Secretary

**THE METHONI TEA COMPANY LTD.**

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2019**

(Figure in ₹)

Sl. No.	Particulars	Note No.	For the Year Ended 31st March, 2019	For the Year Ended 31st March, 2018
(1)	Revenue from Operations	2.18	156,332,685	146,839,349
(2)	Other Income	2.19	1,777,114	5,969,420
	<b>Total Revenue (1+2)</b>		<b>158,109,799</b>	<b>152,808,769</b>
(3)	<b>Expenses :</b>			
	Cost of materials consumed		1,113,485	4,169,523
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	2.20	(1,571,021)	1,451,752
	Employee Benefit Expenses	2.21	113,425,751	100,775,140
	Finance Cost	2.22	398,753	2,024,492
	Depreciation and Amortization Expense	2.1	5,348,892	3,607,969
	Other Expenses	2.23	52,267,308	51,910,119
	<b>Total Expenses</b>		<b>170,983,168</b>	<b>163,938,995</b>
(4)	<b>Profit / (Loss) before exceptional items and tax</b>		<b>(12,873,369)</b>	<b>(11,130,226)</b>
(5)	Exceptional Items		-	1,680,751
(6)	<b>Profit/ (Loss) after Exceptional items and before tax</b>		<b>(12,873,369)</b>	<b>(12,810,977)</b>
(7)	<b>Tax Expense :</b>			
	(1) Current Tax		-	-
	(2) Deferred Tax		835,611	1,709,373
	(3) Tax for Earlier Years		648,199	-
(8)	<b>Profit / (Loss) from Operations</b>		<b>(14,357,179)</b>	<b>(14,520,350)</b>
	Share in Profit/(Loss) of Associates		27,37,782	- 5,72,948
	<b>Profit/(Loss) after share of Associates</b>		<b>(1,16,19,397)</b>	<b>(1,50,93,298)</b>
	<b>Other Comprehensive Income</b>			
	<b>Items that will not be reclassified to Profit or Loss</b>			
	- Remeasurement of Defined Benefit Plan		2,435,994	(2,090,445)
	- Changes in Fair Value of FVOCI Equity Instruments		(1,281,565)	(1,812,901)
	- Tax Adjustment for Defined Benefit Plan		(691,822)	591,596
	Other Comprehensive Income for the Year		462,607	(3,311,750)
	Comprehensive Income of Associate		(2,62,95,689)	2,44,86,001
	Other Comprehensive Income after share of associate		(4,44,31,165)	2,11,74,251
	<b>Total Comprehensive Income for the Year</b>		<b>(56,050,563)</b>	<b>6,080,954</b>
(9)	<b>Earnings per Equity Share :</b>			
	(1) Basic		(28.48)	(36.99)
	(2) Diluted		(28.48)	(36.99)
	(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 : 30th day of May, 2019

**RAJENDRA PRASAD BUBNA**

DIN : 00180543

**ANIRUDHA BUBNA**

DIN : 06842250

**ANITA BUBNA**

DIN : 00180704

**PRAHLAD LAL JAIN**

DIN : 00944702

**SONA GOENKA**

DIN : 07147090

**SUMIT BHARTIA**

**PRIYANKA MOHTA**

Whole Time Director

Managing Director

Directors

Chief Financial Officer

Company Secretary

**THE METHONI TEA COMPANY LTD.**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

Particulars	Equity Share Capital	Reserves and Surplus				Total Other Equity
		Capital Reserve	General Reserve	FVOCI Equity Investments	Retained Earnings	
Balance at 31st March 2018	4,080,000	6,626	107,235,917	111,778,946	(54,770,230)	164,251,259
Profit for the year					(14,357,179)	
Other Comprehensive Income				1,821,622	1,744,172	
Profit/(Loss) in Associate* Including Realised on Equity shares carried at FVOCI				(44,431,165)	2,737,782	
Total Comprehensive Income for the year				(42,609,543)	(9,875,226)	(52,484,769)
Dividends						
Transfer to retained earnings						
Any other change (to be Specified)						
Balance at 31st March 2019	4,080,000	6,626	107,235,917	69,169,483	(64,645,456)	111,766,490

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 : 30th day of May, 2019

**RAJENDRA PRASAD BUBNA**  
DIN : 00180543 | Whole Time Director

**ANIRUOHA BUBNA**  
DIN : 06842250 | Managing Director

**ANITA BUBNA**  
DIN : 00180704  
**PRAHLAD LAL JAIN**  
DIN : 00944702 | Directors

**SONA GOENKA**  
DIN : 07147090

**SUMIT BHARTIA** | Chief Financial Officer  
**PRIYANKA MOHTA** | Company Secretary

**THE METHONI TEA COMPANY LTD.**

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED AS ON 31ST MARCH 2019**

Particulars	For the year ended 31 March, 2019		For the year ended 31 March, 2018	
	₹	₹	₹	₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit / (Loss) before extraordinary items and tax		(12,873,369)		(11,130,226)
<i>Adjustments for :</i>				
Depreciation and amortisation	5,348,892		3,607,969	
Finance Costs	398,753		2,024,492	
Interest Income	(250,269)		(201,331)	
Biological Assets other than Bearer Plants	3,549		(85,241)	
Dividend Income	(125,000)		(16,467)	
(Profit) / Loss on sale of investments	(156,049)		(5,291,246)	
		5,219,876		123,417
Operating profit / (Loss) before working capital changes		(7,653,493)		(11,006,809)
<i>Adjustments for (increase) / decrease in Assets :</i>				
Inventories	(5,509,397)		1,618,645	
Trade receivables	394,338		(209,509)	
Short-term loan and advances	—		1,611,287	
Other current assets	(1,311,121)		(1,778,572)	
Other non-current assets	6,203,057		2,412,799	
<i>Adjustments for increase / (decrease) in Liabilities :-</i>				
Trade payables	9,232,559		(5,140,589)	
Other current liabilities	5,646,554		495,573	
Short-term provisions	2,171,179		1,263,477	
Long-term Provisions	(6,109,460)	10,717,709	—	187,870
Cash flow from extraordinary items		—		(1,680,751)
Cash generated from operations		3,064,216		(12,499,690)
Net income tax (paid) / refunds		(648,199)		—
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>2,416,017</b>		<b>(12,499,690)</b>
<b>B. Cash flow from investing activities</b>				
Capital expenditure on fixed Assets	(11,216,785)		(6,086,496)	
Purchase of Non-Current Investments	(29,004,112)		(83,044,562)	
Proceeds from sale of Non-Current Investments	24,500,742		98,723,769	
Interest Income	250,269		201,331	
Dividend Income	125,000		16,467	
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>(15,344,887)</b>		<b>9,810,510</b>
<b>C. Cash flow from financing activities</b>				
Long Term Borrowings	6,623,204		2,112,006	
	1,300,536			

**THE METHONI TEA COMPANY LTD.**

Particulars	For the year ended 31 March, 2019		For the year ended 31 March, 2018	
	₹	₹	₹	₹
Finance Cost	(398,753)		(2,024,492)	
Dividends Paid	(66,267)		(40,571)	
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>7,458,721</b>		<b>46,943</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>		<b>(5,470,149)</b>		<b>(2,642,237)</b>
Cash and cash equivalents at the beginning of the year		6,449,100		9,091,337
Cash and cash equivalents at the end of the year		978,951		6,449,100

Reconciliation of Cash and Cash Equivalents with the Balance Sheet :

Cash and cash equivalents at the year end		978,951		6,449,100
Cash and cash equivalents at the year end comprises of :				
(a) Cash in hand		16,328		268,821
(b) Balances with Banks :				
(i) In current accounts		825,774		5,977,163
(ii) In Deposit accounts		1,000		1,000
(iii) In Earmarked accounts		135,849		202,116
(iv) Bank Over Draft				—
		978,951		6,449,100

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 : 30th day of May, 2019

<b>RAJENDRA PRASAD BUBNA</b> DIN : 00180543	Whole Time Director
<b>ANIRUDHA BUBNA</b> DIN : 06842250	Managing Director
<b>ANITA BUBNA</b> DIN : 00188704	Directors
<b>PRAHLAD LAL JAIN</b> DIN : 00944702	
<b>SONA GOENKA</b> DIN : 07147090	
<b>SUMIT BHARTIA</b>	Chief Financial Officer
<b>PRIYANKA MOHTA</b>	Company Secretary

## 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, 2019

### 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, 2019

#### 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 (31.03.19)	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) 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 IND AS 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 cost of acquisition, custom duties, taxes, other incidental expenses relating to acquisition and installation and interest upto the date (in case of qualifying assets) the asset is put to use.

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



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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 FROM CONTRACT WITH CUSTOMERS**

Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations are satisfied at a point of time are recognised as per the terms of relevant contractual agreements / arrangements. Performance obligations are said to be satisfied at a point of time when the customer obtains controls of the asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives / discounts. Accumulated experience is used to estimate and provide for the discounts / right of return, using the expected value method.

A refund liability is recognised for expected returns in relation to sales made corresponding assets are recognised for the products expected to be returned.

The Company recognises as an asset, the incremental costs of obtaining a contract with a customer, if the Company expects to recover those costs. The said asset is amortised on a systematic basis consistent with the transfer of goods or services to the customer.

### **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 differences can be utilised and in case of liabilities

## THE METHONI TEA COMPANY LTD.

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.

### 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.

Notes forming part of the consolidated financial statements as at 31st March, 2019

(Figures in ₹)

Note : 2.1 Property, Plant and Equipment

Sl. No	Particulars	Original Cost			Depreciation and Amortisation				Net Book Value		
		As at 1st April '18	Addition during the year	Adjustment during the Year	As at 31st Mar '19	As at 1st April '18	Addition during the year	Adjustment during the year	Deduction during the Year	As at 31st Mar '19	As at 31st Mar '18
<b>I</b>	<b>Tangible Assets</b>										
1	Land (Lease and free hold and Development)		1,147,741	-	6,616,916	2,353,942	135,857	-	-	4,127,119	3,115,235
2	Bearer Plant (Mature Plant)	5,469,177			5,930,077	3,358,594	241,123	-	-	2,950,360	2,103,700
3	Factory Buildings	5,442,294	879,546	-	22,984,280	18,144,742	640,288	-	-	4,179,270	3,939,992
4	Other Buildings	22,094,734	6,370,967	-	59,277,300	45,318,116	2,708,913	-	-	11,250,271	7,586,217
5	Plant & Machines	52,906,333	98,614	-	1,205,664	1,005,925	121,651	-	-	78,078	101,115
6	Computers	1,107,040	61,881	-	400,757	274,669	48,357	-	-	77,731	64,207
7	Office Equipment	336,676	171,186	-	1,728,695	1,218,716	131,826	-	-	379,153	339,793
8	Furniture & Fixtures	1,558,509	-	-	12,041,957	7,758,421	1,320,896	-	-	2,962,640	4,283,636
9	Motor Vehicles	12,041,957	-	-	110,166,638	79,413,125	5,348,892	-	-	84,762,017	21,535,795
	<b>Total (Current Year)</b>	<b>100,948,920</b>	<b>9,217,718</b>	<b>-</b>	<b>100,948,920</b>	<b>75,805,156</b>	<b>3,607,969</b>	<b>-</b>	<b>-</b>	<b>21,535,795</b>	<b>20,118,535</b>
	<b>Previous Year</b>	<b>95,923,690</b>	<b>5,025,230</b>	<b>-</b>	<b>100,948,920</b>	<b>75,805,156</b>	<b>3,607,969</b>	<b>-</b>	<b>-</b>	<b>21,535,795</b>	<b>20,118,535</b>

Capital Work In Progress

1	Plant & Machinery	-	466,621	-	466,621	-	-	-	-	466,621	-
2	Bearer Plant (Immature)	4,536,647	2,680,167	1,147,741	6,069,093	-	-	-	-	6,069,093	4,536,647
	<b>Total (Current Year)</b>	<b>4,536,647</b>	<b>3,146,808</b>	<b>1,147,741</b>	<b>6,535,714</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,535,714</b>	<b>4,536,647</b>
	<b>Total (Previous Year)</b>	<b>3,475,381</b>	<b>2,680,088</b>	<b>1,616,792</b>	<b>4,536,647</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,536,647</b>	<b>3,475,381</b>

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**Notes forming part of the consolidated financial statements as at 31st March, 2019**

Note : 2.2 - Non Current Investments

(Figures in Rs.)

Sl. No.	Particulars	Face Value	Cost Price of the Share	As at 31st March, 2019		As at 31st March, 2018	
				No. of Shares	Amount	No. of Shares	Amount
1.	<b>Non Trade Investments</b>						
A.	<u>Investment in Equity Shares</u>						
(a)	<u>Fully paid up Quoted Equity Shares</u>						
1	Ballarpur Industries Ltd.	2	164,214	-	-	7,000	87,360
2	BKM Industries Ltd.	1	48,763	-	-	1,300	34,840
3	DLF Ltd.	2	493,350	-	-	3,000	604,650
4	EIH Limited	2	915,205	-	-	7,630	1,213,933
5	63 Moons Technologies Ltd.	2	344,222	-	-	250	21,775
6	Fresenius Kabi Oncology Ltd.	1	172,385	-	-	1,000	-
7	Hindustan Wires		9,027,565	194,000	7,003,400	-	-
8	IDBI Bank Ltd.	10	1,132,057	-	-	-	-
9	IFCI Ltd.	10	1,242,797	-	-	19,500	385,125
10	India Glycols Ltd.	10	155,093	-	-	-	-
11	Rattanindia Infrastructure Ltd.	10	306,414	-	-	9,145	51,029
12	Jubilant Life Sciences Ltd.	1	7,456,758	-	-	-	-
13	K.S. Oils Ltd.	1	9,266,797	-	-	-	-
14	Lux Industries	2	5,961,650	5,000	6,866,250	4,110	6,987,822
15	Mangalam Cement		5,516,000	20,000	5,354,000	-	-
16	Nagarjuna Fertilizers & Chemicals Ltd	1	393,348	-	-	27,500	424,875
17	Nagarjuna Oil Refinery Ltd.	1	357,589	-	-	25,000	89,000
18	Novartis India Ltd.	5	1,400,523	-	-	-	-
19	Punj Lloyd Ltd.	2	427,233	-	-	-	-
20	Reliance Communications Ltd.	5	1,589,111	-	-	-	-



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Sl. No.	Particulars	Face Value	Cost Price of the Share	As at 31st March, 2019		As at 31st March, 2018	
				No. Shares	Amount	No. Shares	Amount
21	SPML Infra Ltd.	2	4,963,280	-	-	32,000	2,814,400
22	Tata Chemicals Ltd.	10	630,337	-	-	-	-
23	Unitech Ltd	2	40,650	-	-	5,000	27,800
	<b>Sub-Total (A)</b>			-	19,223,650	-	12,742,609
(b)	<u>Investment in Unquoted Equity Shares</u> (Fully paid up)						
1	ABC Tea Workers Welfare Services	10	2	625	1,250	625	1,250
2	Woodlands Multispeciality Hospital Ltd.	10	10	200	2,000	200	2,000
	<b>Sub-Total (B)</b>			-	3,250	-	3,250
(c)	<u>Investment in Associate Company</u> (Unquoted) (Fully paid up) Monet Securities Private Limited						
1	Book Value of Investment	10		2,171,000	7,055,750	2,171,000	7,055,750
	Add : Revaluation on account of Consolidation				75,001,111		116,694,495
	<b>Sub-Total (C)</b>			-	82,056,861	-	123,750,245
	<b>Total Non-Current Investment</b>			-	101,283,761	-	136,496,104
	Aggregate amount of quoted investments				19,223,650		12,742,609
	Aggregate market value of quoted investments				19,223,650		12,742,609
	Aggregate amount of investments in Unquoted shares				3,250		3,250
	Aggregate amount of investments in Associate Company				82,056,861		123,750,245
	Changes in Fair Value of FVOCI Equity Instruments				(1,281,565)		(2,539,524)

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Note : 2.3 Deferred Tax Assets

(Figures in Rs.)

Sl. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
1.	<b>Deferred Tax Liabilities</b>		
	Property, Plant and Equipment	(522,530.14)	(320,893.15)
	<b>Gross Deferred Tax Liability</b>	<b>(522,530.14)</b>	<b>(320,893.15)</b>
2.	<b>Deferred Tax Assets</b>		
	MAT credit entitlement		
	Defined benefit obligation	1,524,838.60	2,449,393.02
	Others	3,114,547.40	3,515,789.06
	<b>Gross deferred tax asset</b>	<b>4,639,386.00</b>	<b>5,965,182.07</b>
	<b>Net deferred tax liability</b>	<b>4,116,855.86</b>	<b>5,644,288.92</b>

**Movement in deferred tax assets/(liability)**

Sl. No.	Particulars	Property, plant & equipment and intangible asset	Defined benefit obligations	MAT credit entitlement	Others (net)	Total
	<b>At 31st March 2017</b>	(529,553.00)	2,694,704.11	-	4,596,914.89	6,762,066.00
	(Charged)/Credited :					
	- to profit or loss	208,659.85	(836,907.03)	-	(1,081,125.83)	(1,709,373.01)
	- to other comprehensive income		591,595.94	-	-	591,595.94
	<b>At 31st March 2018</b>	(320,893.15)	2,449,393.02	-	3,515,789.06	5,644,288.92
	(Charged)/Credited :					
	- to profit or loss	(201,636.99)	(232,732.12)	-	(401,241.66)	(835,610.76)
	- to other comprehensive income	-	(691,822.30)	-	-	(691,822.30)
	<b>At 31st Marh 2019</b>	(522,530.14)	1,524,838.60	-	3,114,547.40	4,116,856.00

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**Note : 2.4 Other Non-Current Assets**

*(Figures in Rs.)*

Sl. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
1.	<b>Balances with Government Authorities</b>		
	(i) Advance Income Tax	1,297,573	8,219,016
	(ii) MAT Credit Entitlement	75,620	75,620
2.	<b>Security Deposit</b>		
	a) <b>Unsecured, Considered Goods</b>		
	Electricity Supply & Others	2,591,021	2,357,621
	Deposit against property	7,000,000	7,000,000
3.	Deposit with Assistant Commissioner Golaghat	258,374	258,374
4.	Nursery	3,166,783	2,681,796
	<b>Total</b>	<b>14,389,370</b>	<b>20,592,427</b>

**Note : 2.5 Inventories**

*(Figures in Rs.)*

Sl. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
1	Black Tea (Including Tea in Transit)	3,691,068	2,411,887
2	Tea Waste	291,840	-
3	Packing Materials	1,202,757	842,935
4	Fuel	4,161,667	1,402,196
5	Consumable Stores	5,520,512	3,919,026
6	Consumable Stores in Transit	14,700	797,103
	<b>Total</b>	<b>14,882,544</b>	<b>9,373,147</b>

**Note : 2.6 Biological Assets other than Bearer Plant**

*(Figures in Rs.)*

Sl. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
1	Fair Value of Biological Assets other than Bearer Plant (Unharvested Tea Leaves)	350,968	354,517
	<b>Total</b>	<b>350,968</b>	<b>354,517</b>

**THE METHONI TEA COMPANY LTD.**

**Note : 2.7 Trade Receivables**

*(Figures in Rs.)*

Sl. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
1	Dues outstanding in excess of six months from the date they became payable	—	—
2	Others		
	a) Unsecured, Considered Good	—	394,337
	<b>Total</b>	—	394,337

**Note : 2.8 Cash & Cash Equivalent**

*(Figures in Rs.)*

Sl. No.	Particulars	As at 31st March, 2019	As at 1st March, 2018
1	Cash Balance	16,328	268,821
2	<u>Balances with banks</u>		
	(i) In Current Accounts	825,774	5,977,163
	(ii) In Deposit Accounts	1,000	1,000
	(iii) In Earmarked Accounts — Unpaid Dividend Accounts	135,849	202,116
	<b>Total</b>	978,951	6,449,100

**Cash & Cash Equivalents for the Purpose Statement of Cash Flows**

Sl. No.	Particulars	As at 31st March, 2019	As at 1st March, 2018
1	Cash & Cash Equivalents	978,951	6,449,100
2	Bank Overdraft	—	—
	<b>Total</b>	978,951	6,449,100

**Note : 2.9 Other Current Assets**

*(Figures in Rs.)*

1	<u>Advance to suppliers</u>		
	(i) Capital Advance	—	1,700,000
	(ii) Others	1,042,214	298,428
2	Advance to service providers	1,893	1,893
3	Advances to employees	314,339	376,042
4	Prepaid expenses	298,057	205,042
5	Accruals		
	(i) Interest accrued on deposits	55	—
	(ii) Interest accrued on loan considered good		
	(iii) Others	900,046	14,699
6	Duty Draw Back receivable	—	3,284
7	GST Input	2,366,090	1,012,185
	<b>Total</b>	4,922,694	3,611,573

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### Notes forming part of the consolidated financial statements as at 31st March, 2019

Note : 2.10 Share Capital

(Figures in Rs.)

Sl. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
1.	<b>Authorized Capital</b> Equity shares, ₹ 10/- per value 5,00,000 (5,00,000) Equity Shares	5,000,000	5,000,000
		5,000,000	5,000,000
2.	<b>Issued, Subscribed &amp; Paid Up Capital</b> Equity shares, ₹ 10/- per value 4,08,000 (4,08,000) Equity Shares	4,080,000	4,080,000
	<b>Total</b>	<b>4,080,000</b>	<b>4,080,000</b>

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 ₹ 10/-. Each holder of equity shares is entitled to one vote per share.

#### Reconciliation of the number of shares outstanding :

Sl. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Number of shares at the beginning of the year	408,000	408,000
	Add : Shares issued during the year	—	—
	Number of shares at the closing of the year	408,000	408,000

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

Sl. No.	Particulars	As at 31st March, 2019		As at 31st March, 2018	
		Total No. of Shares	Holding (%)	Total No. of Shares	Holding (%)
	Rajendra Prasad Bubna	83,000	20.34	83,000	20.34
	Anita Bubna	83,000	20.34	83,000	20.34
	Anirudha Bubna	82,188	20.14	82,188	20.14

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Note : 2.11 Borrowings

(Figures in Rs.)

Sl. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
1.	<b>Secured Term Loans*</b>		
	- 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)	470,981	866,941
	<b>Total</b>	<b>470,981</b>	<b>1,300,136</b>

**NOTES :**

(i) Set out hereunder is the Maturity Profile of Long Term Borrowings / Current Maturities as at 31.03.2019

Sl. No.	Particulars	2018 - 19	2019 - 20
1.	<b>Term Loan from HDFC Bank (Truck)</b> (Repayable in 23 equal monthly instalments, starting from 15th March 2018)	478,811	433,195
2.	<b>Term Loan from HDFC Bank (Scorpio)</b> (Repayable in 36 equal monthly instalments, starting from 5th May 2018)	333,059	395,960
	<b>Total</b>	<b>811,870</b>	<b>829,155</b>

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

Sl. No.	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
1.	Vehicle Loan From HDFC Bank	1 year and 10 months	10	9%	Repayble in 23 equal monthly instalment starting from 15th March 2018
2.	From HDFC Bank	3 years and 1 month	24	9%	Repayble in 36 equal monthly instalment starting from 5th May 2018

**THE METHONI TEA COMPANY LTD.**

Note : 2.12 Provisions

(Figures in Rs.)

Sl. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
1.	Provision for Tax	686,877	6,796,337
	<b>Total</b>	<b>686,877</b>	<b>6,796,337</b>

Note : 2.13 Other Liabilities

(Figures in Rs.)

Sl. No.	Particulars	As at 31st March, 2019		As at 31st March, 2018	
		Current	Non-Current	Current	Non-Current
1	<b>Government Grant</b>				
	Opening Balance	—	—	—	—
	Grant during the year	—	1,300,537	—	—
	Released to PL	—	—	—	—
	Current portion of Deferred Revenue Income	—	—	—	—
	<b>Total</b>	—	<b>1,300,537</b>	—	—

Note : 2.14 Current Borrowings

(Figures in Rs.)

1.	Current maturities of Long Term Borrowing	829,155	811,870
2.	Cash Credit From UCO Bank (Hypothecation of tea, both loose & packed, green leaves lying in Company's Methoni Tea Estate / factory / go-down or any other place for present & future seasons. Hypothecation of Plant & Machinery, stores and spares and other movable assets (other than those purchased under H.P. Scheme of Tea Board) charge on Book-Debts of the Company (Present & Future).	7,435,075	
	<b>Total</b>	<b>8,264,230</b>	<b>811,870</b>

**THE METHONI TEA COMPANY LTD.**

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	8,665,681	5,335,026
	- Service	6,688,417	786,513
	<b>Total</b>	<b>15,354,098</b>	<b>6,121,539</b>

Note : 2.16 Other Current Liabilities

(Figures in Rs.)

1	Salaries & Wages	6,357,994	1,136,155
2	Statutory Payables	1,403,665	1,183,677
3	Unpaid Dividends	135,849	202,116
4	Bank Overdraft A/c (against FDR)	-	-
5	Other Payables	819,059	614,332
	<b>Total</b>	<b>8,716,567</b>	<b>3,136,280</b>

Note : 2.17 Short Term Provisions

(Figures in Rs.)

1	Bonus Payable	11,873,720	11,022,091
2	Employee Benefits	10,351,980	11,468,424
	<b>Total</b>	<b>22,225,700</b>	<b>22,490,515</b>

Note : 2.18 Revenue from Operations

(Figures in Rs.)

Sl. No.	Particulars	For the year ended 31st Macth 2019	For the year ended 31st Macth 2018
	<b><u>Revenue From Contract with Customers</u></b>		
1	Sales of Finished Tea	153,375,450	145,228,223
	Less : Excise duty	-	91,066
		<b>153,375,450</b>	<b>145,137,157</b>
	<b><u>Other Operating Revenues</u></b>		
2	Sale of tea waste	76,200	452,620
3	Subsidy received	2,881,035	1,249,572
	<b>Total</b>	<b>156,332,685</b>	<b>146,839,349</b>



**THE METHONI TEA COMPANY LTD.**

Note : 2.19 Other Income

*(Figures in Rs.)*

Sl. No.	Particulars	For the year ended 31st Macth 2019	For the year ended 31st Macth 2018
1	Interest Income	250,269	201,331
2	Dividend received	125,000	16,467
3	Profit on sale of investments	156,049	5,291,246
4	Insurance claim	955,031	162,991
5	Difference in Foreign Exchange Fluctuation	36,978	9,467
6	Liabilities no longer required written back	-	199,393
7	Duty Draw back on Export/Sale of DEPB License	12,842	3,284
8	Land Revenue Credit	244,493	-
9	Change in FV of Biological Asset other than Bearer Plant	(3,549)	85,241
	<b>Total</b>	<b>1,777,114</b>	<b>5,969,420</b>

Note : 2.20 Change in Inventories

*(Figures in Rs.)*

1	Opening Stock	2,411,887	3,863,639
2	Closing Stock	3,982,908	2,411,887
	<b>Total</b>	<b>(1,571,021)</b>	<b>1,451,752</b>

Note : 2.21 Employment Benefit Expenses

*(Figures in Rs.)*

1	Salaries and Wages	89,272,776	79,047,655
2	Contributions to Provident Fund and Other Funds	13,335,372	10,656,554
3	Staff Welfare Expenses	10,817,603	11,070,931
	<b>Total</b>	<b>113,425,751</b>	<b>100,775,140</b>

Note : 2.22 Financial Cost

*(Figures in Rs.)*

1	<u>Interest on Borrowing</u>		
	- Bank CC/OD A/c	16,239	144,887
	- Others	382,514	1,879,605
	<b>Total</b>	<b>398,753</b>	<b>2,024,492</b>

**THE METHONI TEA COMPANY LTD.**

Note : 2.23 Other Expenses

*(Figures in Rs.)*

Sl. No.	Particulars	For the Year Ended 31st March, 2019	For the Year Ended 31st March, 2018
1	Cultivation Expenses	5,949,010	5,601,368
2	Power & Fuel	18,197,471	19,353,631
3	Rates & Taxes	1,028,837	558,469
4	Consumption of Packing Material & Stores	1,756,497	1,683,837
5	Repairs & Maintenance		
	- Plant & Machinery, Building & Others	5,059,212	5,985,743
	- Motor Vehicle Upkeep	3,340,735	2,861,946
	- Other	77,843	105,200
6	Cess on Green Leaf	1,360,695	1,346,776
7	Auditor's Remuneration		
	Statutory Audit Fees	75,000	75,000
	In other capacity	10,000	10,000
8	Printing & Postage	452,518	505,348
9	Professional Fees	1,481,138	1,436,111
10	Directors Sitting Fees	12,000	11,000
11	Subscription	705,692	963,589
12	Telephone	91,468	122,118
13	Insurance Charges	2,199,455	2,280,739
14	Electricity	174,426	179,852
15	Travelling and Conveyance	1,051,377	709,064
16	Freight Charges	3,385,125	3,278,179
17	Commission & Brokerage	1,484,610	1,426,527
18	Other Selling Expenses	2,211,309	1,815,390
19	Miscellaneous Expenses	2,162,890	1,600,232
	<b>Total</b>	<b>52,267,308</b>	<b>51,910,119</b>

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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. 8,01,920 (PY : Rs. 11,18,920/-) u/s 250 of I. T. Act for the A.Y. 2011-12 from CIT (Appeals) u/s against which management is planning to file appeal to ITAT.

The company has received a demand of Rs. 7,69,720/- (PY : Rs. 7,69,720/-) u/s 154 of I. T. Act for the A.Y. 2012-13 on Income Tax Website but as per management the demand amount should be Rs.5,360/-, against which management has submitted 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.

25 Estimated amounts of contracts to be executed on capital account net of advance and not provided for Rs. 4.67 lakh (Previous year Rs.17 lakh)

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

(Figures in Rs.)

A) Details of Managerial Remuneration	2018-19	2017-18
Gross Salary	2,688,000	2,688,000
House Rent Allowance	1,200,000	1,200,000
<b>Total</b>	<b>3,888,000</b>	<b>3,888,000</b>
B) Computation of Net Profit and Director's Commission	2018-19	2017-18
Profit / (Loss) Before Tax as per Profit & Loss Account	(12,873,369)	(12,810,977)
Less : Profit / (Loss) on Sale of Investments	156,049	5,291,246
	<b>(13,029,418)</b>	<b>(18,102,223)</b>
Add : Sitting Fees	12,000	11,000
Add : Managerial's Remuneration	3,888,000	3,888,000
Profit / (Loss) for Computation of Director's Remuneration	(9,129,418)	(14,203,223)
Commission thereon @ 2.5% each for two directors	—	—

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 IND AS-108 on "Segment Reporting" issued by "The Institute of Chartered Accountants of India".

## THE METHONI TEA COMPANY LTD.

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

### 2.29 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. M. Prasad & Co. Ltd. (ii) M/s. Monet Securities (P) Ltd. (iii) ATA Estates Pvt. Ltd.	(iv) Stately Realty Pvt. Ltd.

Note : Relied upon as identified by the Management.

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. Monet Securities	M/s. M. Prasad & Co. Ltd.*
Transactions During the Year							
Brokerage Paid							7,708
							(14,300)
Service Tax & Cess & GST paid							3,205
							(2,303)
Securities Transaction Tax Paid							53,331
							(42,547)
Purchase / Sale of Shares							53,504,855
							(82,988,382)
Transaction Charges Paid							10,097
							(469)
Stamp duty							5,333
							(4,259)
Loans and Advances taken							
							(11,91,00,000)
Loans and Advances Repayment Done							
							(11,91,00,000)
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					
	(18,00,000)	(18,00,000)					
Director Sitting Fees			4,000				
			(4,000)				
Rent Paid				150,000	150,000		
				(150,000)	(150,000)		
Rent Paid Received back							
				(100,000)	(100,000)		
Capital Advance for Property							
				3,500,000	3,500,000		
Capital Advance for Property Received Back							
				(50,00,000)	(50,00,000)		
Balances outstanding at the end of the year,							
Investment in Shares							7,055,750
							(7,055,750)
Other Payables							5,522,351
Capital Advance for Property				3,500,000	3,500,000		
				(35,00,000)	(35,00,000)		

(\* ) 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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### 2.30 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.1,00,69,418/- (P.Y. Rs.70,63,353/-).

#### Defined Benefit Plan

(Figures in Rs.)

Particulars		Leave Encashment		Gratuity	
		2018-19	2017-18	2018-19	2017-18
<b>Change of Benefit Organistaion</b>		<b>Unfunded</b>		<b>Funded</b>	
I.	Liability at the beginning of the year	1,812,173	1,080,263	30,796,338	27,778,308
	Interest Cost	139,537	78,859	2,371,318	2,027,816
	Current Service Cost	209,828	174,718	2,144,167	1,658,581
	Past Service Cost (Non Vested Funds)	—	—	—	138,779
	Past Service Cost (Vested Funds)	—	—	—	—
	Benefit Paid	(413,349)	(313,325)	(2,171,105)	(2,845,953)
	Actuarial (Gain) / Loss on Obligation	(298,249)	791,658	(2,639,004)	2,038,807
	Curtailments and Settlements	—	—	—	—
Liability at the end of the year		1,449,940	1,812,173	30,501,714	30,796,338
<b>Fair Value of Plan Assets</b>					
II.	Fair Value of Plan Assets at the beginning of the year	—	—	21,140,087	20,072,393
	Expected Return on Plan Assests	—	—	1,424,777	1,413,647
	Contributions	413,349	313,325	1,205,915	2,500,000
	Benefit Paid	(413,349)	(313,325)	(2,171,105)	(2,845,953)
	Actuarial Gain / (Loss) on Plan Assets	—	—	—	—
	Fair Value of Plan Assets at the end of the year	—	—	21,599,674	21,140,087
Total Actuarial (Gain) / Loss to be Recognised		(298,249)	791,658	-2,639,004	2,038,807
<b>Actual Return on Plan Assets</b>					
III.	Expected Return on Plan Assets	—	—	1,424,777	1,413,647
	Actuarial (Gain) / Loss on Plan Assets	—	—	—	—
	Actual Return on Plan Assets	—	—	1,424,777	1,413,647
<b>Amount Recognised in the Balance Sheet</b>					
IV.	Liability at the end of the year	(1,449,940)	(1,812,173)	(30,501,714)	(30,796,338)
	Fair Value of Plan Assets at the end of the year	—	—	21,599,674	21,140,087
	Fund Status [Surplus / (Deficit)]	(1,449,940)	(1,812,173)	(8,902,040)	(9,656,251)
	Unrecognised Past Service Cost	—	—	—	—
Amount Recognised in the Balance Sheet [Asset/(Liability)]		(1,449,940)	(1,812,173)	(8,902,040)	(9,656,251)
<b>Expenses Recognised in the Income Statement &amp; Other Comprehensive Income</b>					
	Current Service Cost	209,828	174,718	2,144,167	1,658,581
	Interest Cost	139,537	78,859	2,371,318	2,027,816
	Expected Return on Plan Assets	—	—	(1,424,777)	(1,413,647)
	Net Actuarial (Gain) / Loss to be Recognised	—	—	(203,010)	(51,638)

## THE METHONI TEA COMPANY LTD.

Past Service Cost (Non Vested Benefit) Recognised	—	—	—	—
Past Service Cost (Vested Benefit) Recognised	—	—	—	—
Effect of Curtailment or settlement	—	—	—	—
Curtailment and Settlements	—	—	—	—
<b>Actuarial (Gain) / Losses due to</b>				
- Change in demographic assumptions	—	125,804	670,611	—
- Change in financial assumptions	(242,098)	222,538	(5,718,215)	926,133
- Experience Variance (i.e. Actual experience vs assumptions)	(56,151)	443,316	2,408,600	2,266,945
- Others	—	—	—	—
Return on plan assets, excluding amount recognised in net interest expense	—	—	203,010	(72,291)
Remeasurement (or Actuarial (gain)/loss) arising because of change in effect of asset celling	—	—	—	—
Expenses Recognised in the Profit and Loss Account	51,116	1,045,235	2,887,698	2,221,112
Components of defined benefit costs recognised in Other Comprehensive Income	—	—	(2,435,994)	3,120,787
<b>Actuarial Assumption</b>				
Discount Rate Current	7.70%	7.70%	7.50%	7.30%
Rate of Return on Plan Assets Current	—	—	8.00%	8.00%
Salary Escalation Current	5.00%	7.00%	5.00%	7.00%

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.

### 31 Financial Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance.

#### a) Credit Risk

Credit risk refers to the risk of financial loss arising from default / failure by the counterparty to meet financial obligations as per the terms of Credit risk on receivables is minimum since sales through different mode (eg. auction, consignment, private) are made after judging credit. Credit risk from balances with banks and financial institutions is managed by the Company's in accordance with the Company's policy. Investments .

**b) Liquidity Risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with financial liabilities that are settled by

**Maturity Profile of Financial Liabilities :**

Particulars	Less than 1 Year	1-5 Year	5+ Year	Total	Carrying Amount
<b>As at 31st March 2019</b>					
Borrowing	470,981	8,264,230	-	8,735,211	8,735,211
Trade Payable	15,354,098	-	-	15,354,098	15,354,098
Other financial liability	14,612,128	1,539,514	-	16,151,642	16,151,642
<b>Total</b>	30,437,207	9,803,744	-	40,240,950	40,240,950

**c) Market Risk**

(i) **Interest rate risk :** Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's does not have significant exposure to Long Term Borrowing and also does not have a significant cash flow interest rate risk. Similarly Short term borrowing do not have any significant fair value or interest rate risk due to short term tenure.

(ii) **Price risk :** The Company invest its surplus fund primarily in Quoted Equity Shares measured at FVTPL, accordingly these do not pose any price risk. The aggregate value of such investment as on 31st March, 2019 Rs.262.82 Lakhs (2018 198.01 Lakhs Rs.). Further, Equity price risk is related to change in market reference price of investment in quoted shares. The exposure to equity price risk arises from Investment held and classified in Balance Sheet as FVTOCI. In general the investments are strategic investment and do not held for trading purpose so there is no material equity risk relating to Company's equity investment.

**d) Agriculture risk :**

Cultivation of tea being an agriculture activity, there are certain specific financial risk. These financial risk arise mainly due to adverse weather condition, fluctuation of selling price of finished goods and increase in input cost.

**The Company manages the above financial risks in the following manner :**

- Adequate level of inventory of chemicals, fertilisers and other inputs are maintained so that timely corrective action can be taken in case of adverse weather condition.



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- Sufficient level of consumables stores like packing material, coal HSD etc are maintained in order to mitigate financial risk.

- Sufficient working capital facility is obtained from banks so that cultivation and manufacturing and sale of tea is not adversely affected in times of adverse condition.

### 32 Fair value Measurement

#### Accounting classification and fair values

Carrying amounts and fair values of financial assets and liabilities, including their levels in fair value hierarchy, are as follows :

Particulars	31st March 2019			Total Carrying Value	Total Fair Value
	FVPL	FVOCI	Ammortised Cost		
<b>Financial Assets</b>					
i) Investments	-	19,223,650	7,059,000	26,282,650	26,282,650
ii) Cash and Cash Equivalents	-		978,951	978,951	978,951
<b>Total Financial Assets</b>	-	19,223,650	8,037,951	27,261,601	27,261,601
<b>Financial Liabilities</b>					
i) Borrowings	-	-	8,735,211	8,735,211	8,735,211
ii) Trade Payables	-	-	15,354,098	15,354,098	15,354,098
<b>Total Financial Liabilities</b>	-	-	24,089,309	24,089,309	24,089,309

Particulars	31st March 2019		
	Level 1	Level 2	Level 3
<b>Financial Assets</b>			
i) Investments	19,223,650	-	7,059,000
ii) Trade Receivables	-	-	-
iii) Cash and Cash Equivalents	-	-	978,951
iv) Loans	-	-	-
<b>Total Financial Assets</b>	19,223,650	-	8,037,951
<b>Financial Liabilities</b>			
i) Borrowings	-	-	8,735,211
ii) Trade Payable	-	-	15,354,098
<b>Total Financial Liabilities</b>	-	-	24,089,309

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

Particulars	For the Year ended 31st March, 2019	For the year ended 31st March, 2018
Basic & Diluted		
Net Profit / (Loss) for the year from operations attributable to the equity shareholders (figure in Rs.)	(14,357,179)	(14,520,350)
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.)	(35.19)	(35.59)

**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 31.03.2019. (Previous year - Nil)

**2.35 Raw material consumed**

Particulars	For the Year ended 31st March, 2019	For the year ended 31st March, 2018
Green leaf plucked and consumed (kgs.)*	3,511,379	3,564,319

Includes bought leaf 54,075 kgs. (PY : 2,03,451 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	
	Amount (Rs.)	%age
Imported		
a) Packing Material Consumed	797,103	52.83
Indigenous		
a) Packing Material Consumed	711,668	47.17
	(14,80,176)	(100.00)
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.7,97,103/- (Previous Year Rs.Nil)
- 2.38 The earnings in Foreign Exchange was Rs. 10,17,086/- (Previous Year Rs. 3,14,557).
- 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 Summary Statement for its Associate of the salient features of its Financial Statement :

Name of Entity	Year Ending	Share in (Profit) / Loss	
		As% of Consolidated (Profit) / Loss	Amount Rs.
1	2	3	4
<b>Investor Entity</b>			
The Methoni Tea Co. Ltd.	31.03.19	123.56%	(1,43,57,179)
<b>Associates</b>			
Monet Securities Pvt. Ltd.	31.03.19	(23.56%)	27,37,782
<b>Total</b>		<b>100.00%</b>	<b>(1,16,19,397)</b>

2.41 Disclosure For Investments In Associates - Indian Accounting Standard 28

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

- 2.42 The previous year's figures have been reworked, regrouped, rearranged and recalssified wherever necessary. Amounts and other disclosures from 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.

- 2.43 Figures have been rounded up to the nearest rupee.

Signatories to Note No. 1 & 2

**3IPIN KUMAR AGARWAL, FCA, Partner**  
Membership No. 051635)  
For & On behalf of  
**J.S. Agarwal & Associates**  
Chartered Accountants  
Registration No. 314213E

Place : Kolkata  
Dated : 30th day of May, 2019

<b>RAJENDRA PRASAD BUBNA</b> DIN : 00180543	Whole Time Director
<b>ANIRUDHA BUBNA</b> DIN : 06842250	Managing Director
<b>ANITA BUBNA</b> DIN : 00180704	
<b>PRAHLAD LAL JAIN</b> DIN : 00944702	Directors
<b>SONA GOENKA</b> DIN : 07147090	
<b>SUMIT BHARTIA</b>	Chief Financial Officer
<b>PRIYANKA MOHTA</b>	Company Secretary

**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, 2019
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. 24,04,91,866/-
6. Profit / Loss for the year	
i. Considered in Consolidation	Rs. 27,38,040/-
ii. Not Considered in Consolidation	NIL

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

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.

**IPIN KUMAR AGARWAL, FCA,**

Partner

(Membership No. 051635)

For & On behalf of

**S. Agarwal & Associates**

Chartered Accountants

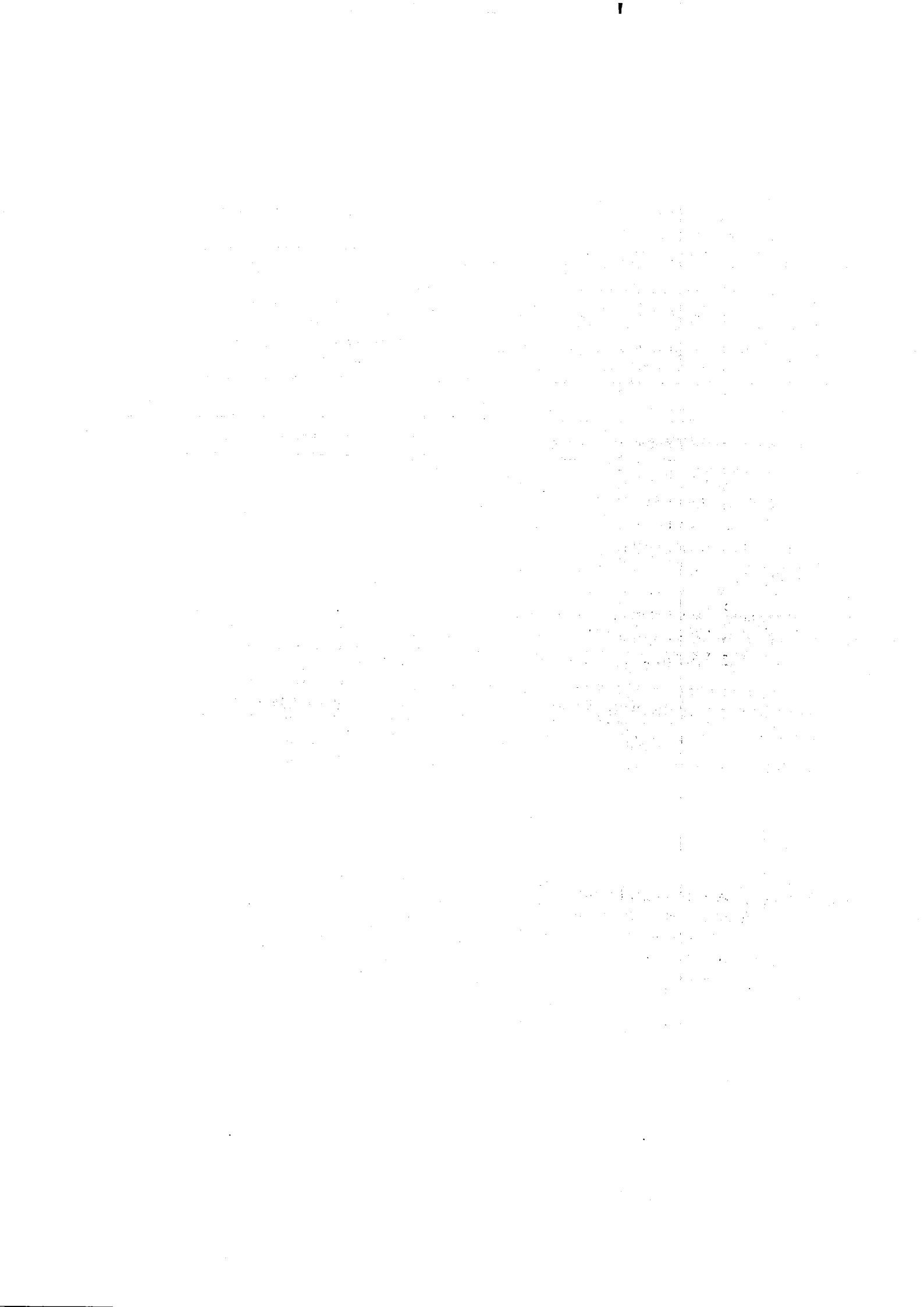
Registration No. 314213E

Office : Kolkata

Dated : 30th day of May, 2019









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 90th Annual General Meeting of the Company to be held on Thursday, 26th September, 2019 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
	<b>Ordinary Business</b>		
1.	Adoption of standalone Financial Statements for the year ended 31st March, 2019 Reports of the Board of Directors and Auditors.		
2.	Adoption of consolidated Financial Statements for the year ended 31st March, 2019 Reports of the Auditors		
3.	Appointment of Mrs Anita Baubna (Din No. 00180704), as a Director, liable to retire by rotation		

Signed this ..... day of .....2019

Signature of Shareholder ..... Signature of Proxy holder(s) .....

Affix  
Revenue  
Stamp

- Note :
1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
  2. For the text of the Resolutions Explanatory Statement & Notes, please refer to the Notice convening the Annual General Meeting dated 30th May, 2019.
  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 : L15492WB1929PLC006618**

Registered Office :

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

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

Website : www.methonitea.com

**ATTENDANCE SLIP**

<b>Regd. Folio / DP ID &amp; Client ID</b>	
<b>Number of Shares Held</b>	
<b>Name</b>	
<b>Address of the Shareholder</b>	

1. I hereby record my presence at the Annual General Meeting of the Company, to be held on the 26th September, 2019 (Thursday) 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

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

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

5. e-Voting details :

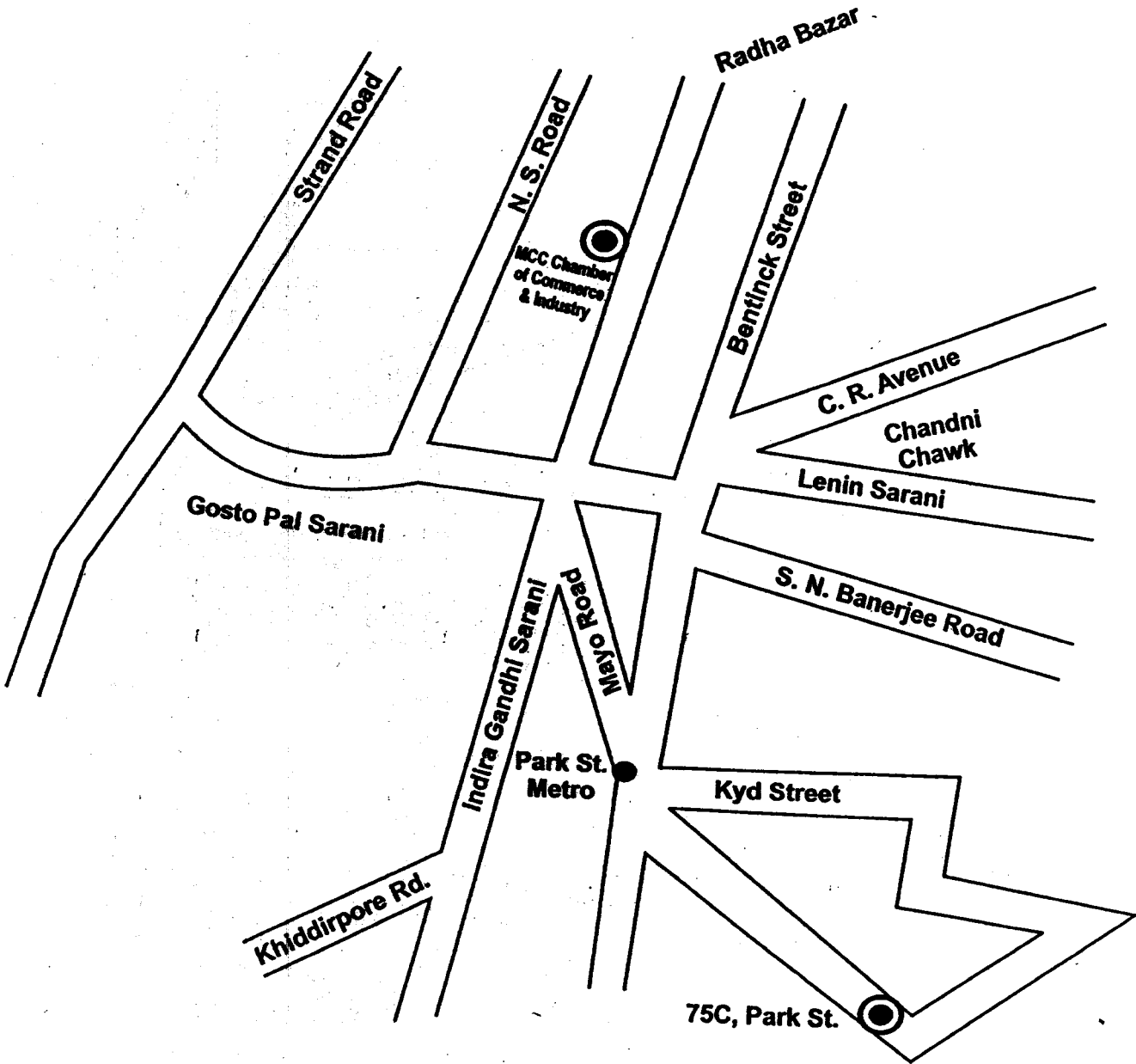
<b>EVSN</b>	<b>User ID</b>	<b>Password</b>
	<b>Please refer e-Voting Instructions in the Notice</b>	

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

<b>Commencement of E-Voting</b>	<b>End of E-Voting</b>
<b>23rd September, 2019 from 9.00 A.M.</b>	<b>25th September, 2019 till 5.00 P.M.</b>



**Route Map to the Meeting Venue**



**Map Not to scale**

**PRINTED MATTER - BOOK POST**

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