

TONGANI TEA COMPANY LIMITED

BOARD OF DIRECTORS

Mr. Manoj Kumar Daga, *Chairman & Non –Executive Director*
Mr. Ashok Vardhan Bagree, *Independent Director*
Mr. Ravindra Kumar Murarka, *Independent Director*
Ms. Sumana Raychaudhuri, *Non–Executive Director*

AUDITORS

M/s. Navin Nayar & Company
Chartered Accountants
Kolkata

BANKER

State Bank of India

REGISTRAR & SHARE TRANSFER AGENT

Niche Technologies Pvt. Ltd.
D-511, Bagree Market, 5th Floor, 71, B.R.B. Basu Road,
Kolkata - 700001
Telephone: 2235 7270/7271; Fax : 2215 6823
E-mail: nichetechpl@nichetechpl.com

TONGANI TEA COMPANY LIMITED

CIN : L01132WB1893PLC000742

REGISTERED OFFICE & ADMINISTRATIVE OFFICE

15B, Hemanta Basu Sarani, 3rd Floor, Kolkata -700 001
Phone: 2248 7685, Fax: 2210 0541.
E-mail: info@tonganitea.com, Website : www.tonganitea.com

TONGANI TEA ESTATE

P.O.Dhula, Dist.Darrang
Pin-784 146, Assam.

TONGANI TEA COMPANY LIMITED

CIN : L01132WB1893PLC000742

NOTICE

NOTICE is hereby given that the 124th Annual General Meeting of the Members of the Company will be held at its Registered Office at 15B, Hemanta Basu Sarani, 3rd Floor, Kolkata-700 001, on Saturday, the 26th August, 2017, at 10.30 A.M. to transact the following business :

1. To receive, consider and adopt the Audited Financial Statement for the year ended 31st March, 2017 together with the Report of Board of Directors and Auditors thereon.
2. To declare dividend on Equity Share of the Company.
3. To appoint a Director in place of Ms. Sumana Raychaudhuri (DIN: 07308451), who retires by rotation and being eligible offers herself for re-appointment.
4. To ratify the appointment of Auditors of the Company and to fix their remuneration and in this regard to consider and if thought fit to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT appointment of M/s. Navin Nayar & Company, Chartered Accountants (F R No.317117E) as Auditor of the Company pursuant to Section 139 of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting be and is hereby ratified and that the Board of Directors be and is hereby authorised to fix remuneration for the financial year 2017-18, on the basis of recommendation of Audit Committee."

By Order of the Board
For TONGANI TEA COMPANY LIMITED

Regd.Office :
15B, Hemanta Basu Sarani, 3rd Floor
Kolkata – 700 001
Date : 11th July, 2017.

MANOJ KUMAR DAGA
Chairman
DIN 00123386

IMPORTANT NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. However 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.

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith.

The Proxy-holder shall prove his/her identity at the time of attending the Meeting.

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.

2. Interim Dividend at the rate of Rs.5.00 per Equity Share (i.e.50%) was paid to the members and the beneficial owners whose names appeared in the Register of Members as on 15th December, 2016 (being the Record Date), as per details received by the Company from National Securities Depository Limited and Central Depository Services (India) Limited.

The dividend, if declared by the Members at the Annual General Meeting, will be paid to those Members whose names shall appear on the Company's Register of Members as on Saturday, 19th August, 2017. In respect of shares held in dematerialised form, the dividend will be payable on the basis of beneficial ownership as at the

close of business hours on Saturday, 19th August, 2017, as per the details furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

3. The Register of Members and the Share Transfer books of the Company will remain closed from Sunday, 20th August, 2017 to Saturday, 26th August, 2017 (both days inclusive) **for determining the entitlement of the shareholders for the dividend for Financial Year 2016-17, if declared at the meeting.**
4. Members are requested to note that under section 124 of Companies Act, 2013 (erstwhile Section 205A of the Companies Act, 1956) read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules) the amount of dividend if any unpaid or unclaimed for a period of 7 (seven) years from the due date is required to be transferred to Investor Education and Protection Fund (IEPF) constituted by the Central Government of India. Further, all shares in respect of which dividend remain unclaimed for 7 consecutive years or more, are also required to be transferred to the IEPF.

The Company had accordingly transferred interim dividend pertaining to the Financial Year 2009-10 to the IEPF within the stipulated time period. The unclaimed final dividend in respect of financial year 2009-10 is due for transfer to the IEPF in December, 2017. Further, no claim shall lie against the Company or the said fund after the said transfer.

Members who have neither received nor encashed their dividend warrant(s) for the financial years 2009-10 or subsequent years, are requested to write to the Company, mentioning the relevant Folio number or DP ID and Client ID, for issuance of duplicate/revalidated dividend warrant(s).

5. Members holding shares in physical form may intimate the Company necessary particulars for ECS credit of the dividend directly to their bank accounts wherever ECS facility is available, or, for printing of their bank account details on the dividend warrants to prevent possibilities of fraud in encashing the warrants.
6. Members holding shares in physical mode are requested to intimate changes in their address alongwith proof of address/bank mandate to the Registrar and Share Transfer Agents (RTA), Niche Technologies Pvt. Ltd. Members holding shares in electronic mode are requested to send the intimation for change of address / bank mandate to their respective Depository Participant.
7. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to write to the Company's RTA, enclosing their share certificates to enable the Company to consolidate their holdings into a single folio.
8. Shareholders are also requested to take immediate action to demat their shares to avail easy liquidity since trading of shares of the Company are under compulsory demat mode as per the regulation of SEBI and also to prevent any loss of physical Share Certificate (if already complied with, please ignore this).
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in Securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the R&T Agent or to the Registered Office of the Company.
10. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
11. Details under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchange in respect of the Director seeking re-appointment at the Annual General Meeting, form integral part of the notice. The Director has furnished the requisite declaration for his/her re-appointment.

In terms of Section 149, 152 and any other applicable provisions of the Companies Act, 2013, effective from 1st April, 2014, for the purpose of determining the directors liable to retire by rotation, the Independent Directors shall not be included in the total number of directors of the Company.

Ms. Sumana Raychaudhuri shall accordingly retire at the forthcoming Annual General Meeting and being eligible offers herself for re-appointment.

Ms. Raychaudhuri joined the Board of Directors as a Non-Executive Director w.e.f. 13th October, 2016.

Ms. Raychaudhuri is the Member of Audit Committee and Share Transfer Committee of the Board of Directors of the Company.

Ms. Sumana Raychaudhuri, Awarded Ph.D. in Law by the University of Burdwan in 2012. Research Topic: **"Impact of WTO on Pharmaceutical Multinationals in India: A Legal Study"**, became Associate Member of the ICSI in 2009, LL.M. from University of Burdwan in 2005, LL.B. from University of Calcutta in 2002 and B.Sc. from Scottish Church College, University of Calcutta in 1996.

Currently she is working as Company Secretary with Merino Industries Ltd.

She is also associated as Director in the following companies:

- (i) CAMCO Multi Metal Ltd.,
- (ii) Century Aluminium Mfg. Co. Ltd.
- (iii) Vintage Securities Ltd.

Ms. Raychaudhuri does not hold by herself or for any other person on a beneficial basis, any shares in the Company.

Upon her re-appointment as a director, Ms. Raychaudhuri shall continue to hold office as a Non-Executive Director subject to retirement by rotation.

Accordingly, the Board recommends her re-appointment.

Except Ms. Raychaudhuri, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in agenda Item No.3.

- 12. Electronic copy of the Notice and Annual Report of the 124th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice and Annual Report of the 124th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode. Members who have not registered their e-mail addresses so far are requested to register their e-mail address so that they can receive the Annual Report and other communication from the Company electronically.
- 13. All the documents referred to in the accompanying Notice and Statement are open for inspection by the Members at the Company's Registered Office on all working days, except Saturdays, between 10.00 A.M. to 1.00 P.M. till 26th August, 2017, and will also be available for inspection at the Meeting.
- 14. Members holding shares in physical form can now avail the facility of nomination in respect of shares held by them pursuant to the Companies Act, 2013. The prescribed Form (Form SH 13) can be obtained from the Share Department of the Company. Members desiring to avail this facility, may send their Nomination Form (in duplicate) duly filled in, to the Company or its Share Transfer Agents M/s. Niche Technologies Pvt. Ltd. of D-511, Bagree Market, 5th Floor, 71, B.R.B.Basu Road, Kolkata-700001 by quoting their respective Folio Numbers.
- 15. Members may also note that the Notice of the 124th Annual General Meeting and the Annual Report for 2016-17 will also be available on the Company's website www.tonganitea.com for their download. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: investorcare@tonganitea.com.
- 16. **Voting at the AGM**
Remote Voting through electronic means
 - I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through remote e-Voting Services provided by Central Depository Services (India) Limited (CDSL):

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 23rd August, 2017 (9:00 am) and ends on 25th August, 2017 (5:00 pm). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 19th August, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period
- (iii) Click on "Shareholders" tab.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below :

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

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

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com or contact them at 18002005533.
- (xx) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- II. Facility for voting through physical ballot paper / polling paper will also be available at the AGM and members attending the meeting, who have not already cast their vote by remote e-voting, shall be able to exercise their right at the meeting.
- Members who have cast their vote by remote e-voting prior to the AGM and are attending the meeting will not be entitled to cast their vote again.
- III. Investors who became members of the Company subsequent to the dispatch of the Notice / Email and holds the shares as on the cut-off date i.e. 19th August, 2017, are requested to send the written / email communication to the Company at investorcare@tonganitea.com by mentioning their Folio No. / DP ID and Client ID to obtain the Login-ID and Password for e-voting.
- IV. You can also update your mobile number and email id in the user profile details of the folio which may be used for sending future communication(s).
- V. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 19th August, 2017. A person who is not a member as on cut off date should treat this notice for information purpose only.
- VI. CS Deepak Kumar Khaitan, Company Secretary in practice, (Membership No. FCS: 5615 and CP No. 5207) and/or CS Siddhi Dhandharia, Company Secretary in practice (Membership No. ACS 35042 and CP No. 13019) has been appointed jointly as well as severally as the Scrutinizer to scrutinize the remote e-voting process (including the physical ballots received from members who don't have access to the remote e-voting process) and voting at the AGM in a fair and transparent manner.
- VII. The Scrutinizer shall after the conclusion of voting at the annual general meeting, 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 two days of the conclusion of the Meeting, 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.
- VIII. The Chairman shall declare the result forthwith. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.tonganitea.com and on the website of CDSL and communicated to Stock Exchange, immediately.
17. MEMBERS HOLDING EQUITY SHARES IN ELECTRONIC FORM, AND PROXIES THEREOF, ARE REQUESTED TO BRING THEIR DP ID AND CLIENT ID FOR IDENTIFICATION AT THE MEETING.

ATTENDANCE WILL START AT 10.00 A.M.

Regd. Office :
15B, Hemanta Basu Sarani, 3rd Floor
Kolkata – 700 001
Date : 11th July, 2017.

By Order of the Board
For **TONGANI TEA COMPANY LIMITED**

MANOJ KUMAR DAGA
Chairman
DIN 00123386

TONGANI TEA COMPANY LIMITED

CIN : L01132WB1893PLC000742

REPORT BY THE BOARD OF DIRECTORS

TO THE MEMBERS

Your Directors are pleased to present the One Hundred Twenty Fourth Annual Report together with the Company's Audited Accounts for the Financial Year ended 31st March, 2017.

FINANCIAL SUMMARY OR HIGHLIGHTS

The financial performance of the Company for the year ended on 31st March, 2017 is summarized below:-

FINANCIAL SUMMARY

(Rupees)

	Year Ended March 31, 2017	Year Ended March 31, 2016
Total Revenue	75393467	78603452
Profit before Finance Cost, Depreciation and Taxation	9008534	10066622
Less : Finance Cost	<u>3511321</u>	<u>3110557</u>
Profit before Depreciation and Tax	5497213	6956065
Less : Depreciation	<u>2560023</u>	<u>1808720</u>
Profit before tax	2937190	5147345
Less : Provision for Taxation		
Current Tax	598075	1107275
MAT Credit	(131175)	(386085)
Deferred Tax	99347	(1835668)
Income Tax for earlier years	<u>4632</u>	<u>—</u>
Profit after tax	2366311	6261823
Add : Balance brought forward from previous year	<u>6168808</u>	<u>5295880</u>
Surplus available for Appropriation	8535119	11557703

APPROPRIATIONS :

Interim Dividend on Equity Shares	1228875	1228875
Corporate Tax on Interim Dividend	100070	98281
Proposed Final Dividend on Equity Shares	-	983100
Corporate Tax on Proposed Final Dividend	-	78639
Transferred to General Reserve	-	3000000
Balance carried to Balance Sheet	7206174	6168808

STATE OF COMPANY'S AFFAIRS

Lower production of tea crop and lower price realizations have resulted in lower revenue during the financial year 2016-17. However, the Company could maintain same profits in a year when most tea Companies had losses. Company has incurred capital expenditure amounting to Rs.4,16,153/- during the year ended 31st March, 2017 as compared to Rs.24,77,446/- for the same period last year. The Company has not accepted any public deposits and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the Balance Sheet. The particulars of loans, guarantees and investments have been disclosed in the financial statements of the Company.

TRANSFER TO GENERAL RESERVE

The Company proposes not to transfer any funds for the financial year to the General Reserve.

DIVIDEND

During the financial year the Board has recommended and declared an interim dividend of Rs.5.00 per Equity Share. Your Directors are pleased to recommend a final dividend of Rs.4.00 per Equity Share for the year ended 31st March, 2017.

Thus the total dividend for the year ended 31st March, 2017 including the interim dividend will be Rs.9.00 per Equity Share of face value Rs.10/- each.

Dividends recommended/declared after the balance sheet date but before the financial statements are approved by the shareholders in the general meeting are not recognized as a liability at the balance sheet date because no obligation exists at the balance sheet date. The dividends would attract dividend distribution tax when paid. Such dividends are disclosed in the Notes.

EXTRACT OF THE ANNUAL RETURN

The extract of the Annual Return in Form MGT 9 in accordance with section 92(3) of the Companies Act, 2013 read with Rules made thereunder is annexed herewith as **Annexure A** in the **Annexure forming part of this Report**.

NO. OF MEETINGS OF THE BOARD

The Board of Directors have met 8 (eight) times on 18-05-2016, 18-07-2016, 09-08-2016, 13-10-2016, 08-11-2016, 03-12-2016, 30-01-2017 and 10-02-2017 during the Financial Year ended 31st March, 2017. The gap between any two consecutive meetings of the Board of the Company was not more than One Hundred and Twenty Days (120 days). There was no resolution by circulation passed by the Board during F.Y. 2016-17. The details of the number of board meetings and committee meetings attended by each Directors during the financial year 2016-17 is annexed herewith as **Annexure B** in the **Annexure forming part of this Report**.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of the Section 134(3)(c) & 134(5) of the Companies Act, 2013, your Directors confirm that:

- a) Applicable accounting standards have been followed in the preparation of the Annual Accounts for the year ended 31st March, 2017 with proper explanation relating to material departures.
- b) Accounting policies have been selected and applied consistently and judgments and estimates have been made which are reasonable and prudent and have been applied so as to give a true and fair view of the state of affairs of the Company in respect of the financial year ended 31st March, 2017 and of the profit of the Company for that period.
- c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) Annual Accounts for the year ended 31st March, 2017 have been prepared on the basis of going concern concept.
- e) The Directors have laid down the internal financial controls to be followed by the Company detailing the policies and procedures to be followed and these internal financial controls are adequate and are operating effectively.
- f) Proper systems have been devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

DECLARATION BY INDEPENDENT DIRECTORS

Every Independent Director has, at the first meeting of the Board and at the first meeting of the Board after his/her appointment, in the financial year 2016-2017, given a declaration as required u/s.149 of the Companies Act, 2013 that he/she meets the criteria of Independence.

POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION ETC.

The Company's policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided u/s.178(3) of the Companies Act, 2013 is given as **Annexure C** in the **Annexure forming part of this Report**.

DIRECTORS

At present your Board is duly constituted comprising of 4 (Four) Directors, Mr. Manoj Kumar Daga (DIN: 00123386), Mr. Ashok Vardhan Bagree (DIN: 00421623), Mr. Ravindra Kumar Murarka (DIN: 00823611) and Ms. Sumana Raychaudhuri (DIN: 07308451). In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Ms. Sumana Raychaudhuri, retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment.

STATUTORY AUDITOR

M/s. Navin Nayar & Company, Chartered Accountants bearing ICAI Firm Registration Number 317117E was appointed as the Statutory Auditors of the Company for a period of 5 consecutive years.

In terms of the first proviso to Section 139(1) of the Companies Act, 2013 the matter relating to appointment of M/s. Navin Nayar & Company, Statutory Auditors of the Company has been placed for ratification by the shareholders of the Company at the ensuing 124th Annual General Meeting.

The Company has received written consent from Auditor to such continued appointment and also certificate to the effect that their re-appointment, if ratified, would be in accordance with the conditions prescribed under the Companies Act, 2013. The Board recommends the ratification of their appointment.

AUDITORS' REPORT

The report by the Auditors is self explanatory and has no qualification, reservation, adverse remark or disclaimer; hence no explanation or comments by the Board were required. There has been no fraud reported by the Auditor under sub-section (12) of section 143.

SECRETARIAL AUDIT REPORT

Secretarial Audit for the F.Y.2016-17 was done by CS Deepak Kumar Khaitan, Practising Company Secretary in accordance with the provisions of Section 204 of the Companies Act, 2013. The Secretarial Audit Report is annexed herewith as **Annexure D** in the **Annexure forming part of this Report**. The Secretarial Audit Report has a qualification, reservation, adverse remark relating to non- appointment of Key Managerial Personnel as required under Section 203(1)(ii) of the Companies Act, 2013. Your Board is taking necessary steps for the appointment of Company Secretary in the Company.

DETAILS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY

During the year there was no loans, guarantees or investments made by the company u/s 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SECTION 188(1) OF THE COMPANIES ACT, 2013 AND/OR IN THE FORM AOC-2

During the year under review, the Company has not entered any transactions covered under section 188(1) of the Companies Act, 2013 with related party as defined under section 2(76) of the Act.

MATERIAL CHANGES COMMITMENTS

There are no material changes or commitments affecting the financial position of the company which has occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.

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

The information pursuant to Section 134(3)(m) of the Companies Act, 2013 and Rule 8 of Companies (Accounts) Rules, 2014, is given as **Annexure E** in the **Annexure forming part of this Report**.

RISK MANAGEMENT POLICY

The Board of Directors of the Company has developed and implemented a risk management policy for the Company including identification therein of elements of risk, which in the opinion of the Board, may threaten the existence of the Company. The Board monitors and reviews periodically various aspects of Risk Management policy. At present no particular risk whose adverse impact may threaten the existence of the Company is visualized.

POLICY ON CORPORATE SOCIAL RESPONSIBILITY

The level of operations of the Company does not conform to the minimum threshold of Corporate Social Responsibility reporting.

FORMAL ANNUAL EVALUATION OF BOARD

Formal annual evaluation by the Board of its own performance and that of its committees and individual directors had been done during the year in the manner stated in the Criteria for Performance Evaluation of the Directors of the Company as framed by the Nomination and Remuneration Committee of the Company as given as **Annexure F** in the **Annexure forming a part of this Report**.

CHANGE IN THE NATURE OF BUSINESS

There has been no change in the nature of Business of the Company during the reported financial year.

DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR

Ms. Esha Chakraborty (Non-Executive Director) resigned from the Board of Directors of the Company with effect from 26th September, 2016.

Ms. Sumana Raychaudhuri, was appointed as Non-Executive Director due to the casual vacancy caused by the resignation of Ms. Esha Chakraborty at the meeting of the Board of Directors held on 13th October, 2016.

There was no change in Key Managerial Personnel during the financial year.

NAMES OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR

As on 31st March, 2017, your company has no subsidiaries, joint ventures or associate Companies.

PUBLIC DEPOSITS

The Company has not accepted/renewed any fixed deposits during the year.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/ COURTS/TRIBUNALS

During the year under review, there were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

Being a listed entity, the financial statements are passing through the Audit Committee and the processes of Internal and External (Tax, Cost and Statutory) Audits, before being approved at the meeting of the Board of Directors of the Company. The financial statements are regularly updated on the Company's website and available to all stakeholders.

AUDIT COMMITTEE AS REQUIRED U/S.177(8) OF COMPANIES ACT, 2013

The Audit Committee of the Board comprises of 3 (three) Directors viz: Mr. Ashok Vardhan Bagree (Independent Director), Mr. Ravindra Kumar Murarka (Independent Director) and Ms. Sumana Raychaudhuri (Non-Executive Director). Mr. Ashok Vardhan Bagree, Chairman of the Committee, has expert knowledge of finance and accounting.

Ms. Esha Chakraborty, Non-Executive Director resigned from the Board of Directors of the Company with effect from 26th September, 2016. Ms. Sumana Raychaudhuri, was appointed as Non-Executive Director due to the casual vacancy caused by the resignation of Ms. Esha Chakraborty at the meeting of the Board of Directors held on 13th October, 2016.

Further, during the year there was no recommendation of the Audit Committee which had not been accepted by the Board.

VIGIL MECHANISM (WHISTLE BLOWER POLICY)

In pursuance to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for Directors and employees of the Company, to report genuine concerns has been established. The Vigil Mechanism (Whistle Blower Policy) has been uploaded on the Company's website at www.tonganitea.com/pdf/vigil_mechanism_tongani_2014.pdf.

PARTICULARS OF DIRECTORS' REMUNERATION U/S.197 (12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

S.No.	Name	Designation	% increase in remuneration	Ratio of the remuneration of each director : median remuneration of the employees
1	Manoj Kumar Daga	Director	NIL	0.26 : 1
2	Ashok Vardhan Bagree	Director	NIL	0.32 : 1
3	Ravindra Kumar Murarka	Director	NIL	0.08 : 1
4	Esha Chakraborty #	Director	NIL	0.06 : 1
5	Sumana Raychaudhuri *	Director	NIL	0.10 : 1
6	Sukh Pal Singh	CEO	66.67	—
7	Ajay Kumar Agarwala	CFO	12.61	—

Ms. Esha Chakraborty, Non-Executive Director resigned from the Board of Directors of the Company with effect from 26th September, 2016.

* Ms. Sumana Raychaudhuri, was appointed as Non-Executive Director due to the casual vacancy caused by the resignation of Ms. Esha Chakraborty at meeting of the Board of Directors held on 13th October, 2016.

The Company has 315 employees as on 31st March, 2017.

Percentage increase in the median remuneration of employees in the financial year : 1.49%

Average percentile increase in the salaries of employees compared with percentile increase in managerial remuneration is 0.12 : 1.

Wages of the Tea Garden employees are decided through a Tripartite Agreement between Workers Associations, State Government and Representatives of the Tea Industry. Remuneration paid to other Employees are fixed. No variable remuneration is paid. Remuneration paid is as per the Remuneration Policy of the Company.

PARTICULARS OF EMPLOYEES

As on March 31, 2017 the Company did not have any employee in the category specified in Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

DISCLOSURE OF ACCOUNTING TREATMENT

These financial statements have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP) to comply with the Accounting Standards specified under section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act, 2013 ("the 2013 Act") as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in preparation of the financial statements are consistent with those followed in the previous year.

LISTING OF SHARES

The Company's shares are listed with The Calcutta Stock Exchange Ltd. and the listing fees for the year 2017-2018 have been paid.

APPRECIATION

The Directors wish to place on record their appreciation for the support received from the Local Gram Panchayat, Government Departments, Banks and all others.

Regd. Office :
15B, Hemanta Basu Sarani, 3rd Floor
Kolkata – 700 001

Date : 22nd May, 2017.

By Order of the Board
For **TONGANI TEA COMPANY LIMITED**

MANOJ KUMAR DAGA
Chairman
DIN 00123386

ANNEXURE TO REPORT BY BOARD OF DIRECTORS

ANNEXURE A
MGT - 9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March 2017
[pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

(i)	CIN	:	L01132WB1893PLC000742
(ii)	Registration Date	:	04-02-1893
(iii)	Name of the Company	:	TONGANI TEA COMPANY LIMITED
(iv)	Category/Sub-Category of the Company	:	PUBLIC LIMITED COMPANY
(v)	Address of the Registered office and contact details	:	15B HEMANTA BASU SARANI, 3 rd Floor, KOLKATA - 700 001, TEL. NO. 22487685
(vi)	Whether listed Company	:	YES
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any.	:	NICHE TECHNOLOGIES PRIVATE LIMITED, D-511, BAGREE MARKET, 5TH FLOOR 71, B.R.B. BASU ROAD, KOLKATA – 700 001, TEL. NO. 22357270/7271 E-mail: nichetechpl@nichetechpl.com

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:-

S.No	Name and Description of main products/services	NIC Code of the Product / service	% to total turnover of the Company
1	Tea	1104	

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

S.No	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/Associate	% of shares held	Applicable Section
	NIL				

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise share Holding

Category of	No. of Shares held at the beginning of the year Shareholders				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
(g) Individual/ HUF	183550	0	183550	74.682	183550	0	183550	74.682	0
(h) Central Government	0	0	0	0	0	0	0	0	0
(i) State Government(s)	0	0	0	0	0	0	0	0	0
(j) Bodies Corporate	650	0	650	0.265	650	0	650	0.265	0
(k) Banks/Financial Institutions	0	0	0	0	0	0	0	0	0
(l) Any Other (specify)									
Sub-Total(A)(1)	184200	0	184200	74.947	184200	0	184200	74.947	0
2. Foreign									
(a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
(b) Other - Individuals	0	0	0	0	0	0	0	0	0
(c) Bodies Corporate	0	0	0	0	0	0	0	0	0
(d) Banks/Financial Institutions	0	0	0	0	0	0	0	0	0
(e) Any Other (specify)	0	0	0	0	0	0	0	0	0

Sub-Total(A)(2)	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter and Promoter Group (A)=(A)(1) + (A)(2)	184200	0	184200	74.947	184200	0	184200	74.947	0
B. Public Shareholding									
(1) Institutions									
(a) Mutual funds	0	0	0	0	0	0	0	0	0
(b) Banks/ FI	0	0	0	0	0	0	0	0	0
(c) Central Govt	0	0	0	0	0	0	0	0	0
(d) State Govt(s)	0	0	0	0	0	0	0	0	0
(e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
(f) Insurance Companies	0	0	0	0	0	0	0	0	0
(g) FIs	0	0	0	0	0	0	0	0	0
(h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
(i) Others (specify) Sub-Total (B)(1)	0	0	0	0	0	0	0	0	0
(2) Non- Institutions									
(a) Bodies Corp									
(i) Indian	21900	1500	23400	9.521	21900	1500	23400	9.521	0
(ii) Overseas	0	0	0	0	0	0	0	0	0
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs.1 lakh	7175	18588	25763	10.482	8425	17338	25763	10.482	0.000
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	12037	0	12037	4.898	12037	0	12037	4.898	0
(c) Others (specify)									
Trust	0	375	375	0.153	0	375	375	0.153	0
Sub-Total (B)(2)	41112	20463	61575	25.053	42362	19213	61575	25.053	0
Total Public Shareholding (B)=(B)(1) + (B)(2)	41112	20463	61575	25.053	42362	19213	61575	25.053	0.0
TOTAL (A) + (B)	225312	20463	245775	100.000	226562	19213	245775	100.000	0
C. Shares held by Custodians for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Sub-Total (C)									
GRAND TOTAL (A) + (B) + (C)	225312	20463	245775	100.000	226562	19213	245775	100.000	0.000

(ii) Shareholding 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.	Manoj Kumar Daga	55250	22.480	0.000	55250	22.480	0	0.000
2.	Shanti Devi Daga	56600	23.029	0.000	56600	23.029	0	0.000
3.	Jyoti Devi Daga	59825	24.341	0.000	59825	24.341	0	0.000
4.	Aparna Daga	4500	1.831	0.000	4500	1.831	0	0.000
5.	Pallavi Daga	4500	1.831	0.000	4500	1.831	0	0.000
6.	Manoj Kumar Daga	2875	1.170	0.000	2875	1.170	0	0.000
7.	Anjum Investments Pvt.Ltd.	650	0.265	0.000	650	0.265	0	0.000
	Total	184200	74.947	0.000	184200	74.947		0.000

(iii) Change in Promoters' Shareholding (Please specify, if there is no change)

S.No	Particulars		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the beginning of the year	01-04-2016	184200	74.947		
	Changes during the year	No change during the year				
	At the End of the year		184200	74.947		

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

S.No	For Each of the Top 10 Shareholders	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Visioncraft Industries India Pvt Ltd					
	At the beginning of the year		20400	8.300	0	0
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/bonus /sweat equity etc.)					
	At the End of the year (or on the date of separation, if separated during the year)		20400	8.300	0	0
2.	Pushpa Bihani					
	At the beginning of the year		12037	4.898	0	0
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/bonus /sweat equity etc.)					
	At the End of the year (or on the date of separation, if separated during the year)		12037	4.898	0	0

3.	Asha Agarwal					
	At the beginning of the year		6475	2.635		
	Date wise Increase/Decrease during the year specifying the reasons for increase/decrease (e.g.allotment/transfer/bonus/sweat equity etc.):					
	At the End of the year		6475	2.635		
4	Sharda Devi Lakhotia					
	At the beginning of the year		3150	1.282		
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/bonus /sweat equity etc.)					
	At the End of the year (or on the date of separation, if separated during the year)		3150	1.282		
5	Sukna Tea & Industries Ltd					
	At the beginning of the year		1500	0.610		
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/bonus /sweat equity etc.)					
	At the End of the year (or on the date of separation, if separated during the year)		1500	0.610		
6	The Kohinoor Tea Co. Ltd					
	At the beginning of the year		1500	0.610		
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/bonus /sweat equity etc.)					
	At the End of the year (or on the date of separation, if separated during the year)		1500	0.610		
7	Raghav Kalyani					
	At the beginning of the year		0	0.000		
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/bonus /sweat equity etc.)					
	Transfer	30-05-2016	1250	0.509	1250	0.509
	At the End of the year (or on the date of separation, if separated during the year)		1250	0.509		
8	Bijoy Kumar Kalyani					
	At the beginning of the year		0	0.000		
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/bonus /sweat equity etc.)					
	Transfer	30-05-2016	1250	0.509	1250	0.509
	At the End of the year (or on the date of separation, if separated during the year)		1250	0.509		
9	Avinash Kalyani					
	At the beginning of the year		0	0.000		
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/bonus /sweat equity etc.)					
	Transfer	07-10-2016	875	0.356	875	0.356
	At the End of the year (or on the date of separation, if separated during the year)		875	0.356		
10	Sanju Jain					
	At the beginning of the year		650	0.264		
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/bonus /sweat equity etc.)					
	At the End of the year (or on the date of separation, if separated during the year)		650	0.264		

(v) Shareholding of Directors and Key Managerial Personnel :

S.No	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Manoj Kumar Daga, Director				
	At the beginning of the year	55250	22.480		
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g.allotment/transfer/bonus/sweat equity etc.) :				
	At the End of the year	55250	22.480		
2	Ashok Vardhan Bagree, Director				
	At the beginning of the year	200	0.081		
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g.allotment/transfer/bonus/sweat equity etc.):				
	At the End of the year	200	0.081		
3	Ajay Kumar Agarwala, CFO				
	At the beginning of the year	25	0.010		
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g.allotment/transfer/bonus/sweat equity etc.):				
	At the End of the year	25	0.010		

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	32063844	0	0	32063844
(ii) Interest due but not paid	2734508	0	0	2734508
(iii) Interest accrued but not due	0	0	0	0
Total (i + ii + iii)	34798352	0	0	34798352
Change in Indebtedness during the financial year				
* Addition	6102399	0	0	6102399
* Reduction	3279655	0	0	637817
Net Change	2822744	0	0	2822744
Indebtedness at the end of the financial year				
(i) Principal Amount	37621096	0	0	37621096
(ii) Interest due but not paid	0	0	0	0
(iii) Interest accrued but not due	0	0	0	0
Total (i + ii + iii)	37621096	0	0	37621096

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
	NOT APPLICABLE		

B. Remuneration to other Directors:

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Ashok Vardhan Bagree	Ravindra Kumar Murarka		
3.	Independent Directors				
	Fee for attending Board/ Committee meetings	31000	8000		39000
	Commission	0	0		0
	Others (please specify)	0	0		0
	Total (1)	31000	8000		39000
4.	Other Non-Executive Directors	Manoj Kumar Daga	Esha Chakraborty *	Sumana Raychaudhuri #	
	Fee for attending Board/ Committee meetings	25000	6000	10000	41000
	Commission	0	0	0	0
	Others (please specify)	0	0	0	0
	Total (2)	25000	6000	10000	41000
	Total (B) = (1 + 2)	56000	14000	10000	80000
	Total Managerial Remuneration				
	Overall Ceiling as per the Act				

* Resigned on 26th September, 2016 # Appointed on 13th October, 2016

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Sukhpal Singh, CEO	Ajay Kumar Agarwala, CFO	
1.	Gross Salary	900000	375100	1275100
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	192876	0	192876
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0
2.	Stock Option	0	0	0
3.	Sweat Equity	0	0	0
4.	Commission	0	0	0
	- as % of profit			
	- others, specify			
5.	Others, please specify	0	0	0
	Total	1092876	375100	1467976

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	authority [RD/NCLT/COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment					
Compounding					
B. DIRECTORS					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment					
Compounding					

ANNEXURE B

NO. OF MEETINGS OF THE BOARD AND COMMITTEE

The details of the number of board meetings and committee meetings attended by each Directors during the financial year 2016-17 as follows :

Board Meeting

S.No.	Date of Meeting	Attended by
1	18-05-2016	Mr.Manoj Kumar Daga,Mr. Ashok Vardhan Bagree,Mr.Ravindra Kumar Murarka
2	18-07-2016	Mr.Manoj Kumar Daga,Mr. Ashok Vardhan Bagree,Ms.Esha Chakraborty
3	09-08-2016	Mr.Manoj Kumar Daga,Mr. Ashok Vardhan Bagree,Ms.Esha Chakraborty
4	13-10-2016	Mr.Manoj Kumar Daga,Mr. Ashok Vardhan Bagree,Ms.Sumana Raychaudhuri
5	08-11-2016	Mr.Manoj Kumar Daga,Mr. Ashok Vardhan Bagree,Ms.Sumana Raychaudhuri
6	03-12-2016	Mr.Manoj Kumar Daga,Mr. Ashok Vardhan Bagree, Mr.Ravindra Kumar Murarka,Ms.Sumana Raychaudhuri
7	30-01-2017	Mr.Manoj Kumar Daga,Mr. Ashok Vardhan Bagree,Ms.Sumana Raychaudhuri
8	10-02-2017	Mr.Manoj Kumar Daga,Mr. Ashok Vardhan Bagree,Ms.Sumana Raychaudhuri

Audit Committee

S.No.	Date of Meeting	Attended by
1	18-05-2016	Mr. Ashok Vardhan Bagree, Mr.Ravindra Kumar Murarka
2	18-07-2016	Mr. Ashok Vardhan Bagree, Mr.Ravindra Kumar Murarka, Ms.Esha Chakraborty
3	09-08-2016	Mr. Ashok Vardhan Bagree, Mr.Ravindra Kumar Murarka, Ms.Esha Chakraborty
4	08-11-2016	Mr. Ashok Vardhan Bagree, Mr.Ravindra Kumar Murarka, Ms.Sumana Raychaudhuri
5	10-02-2017	Mr. Ashok Vardhan Bagree, Mr.Ravindra Kumar Murarka, Ms.Sumana Raychaudhuri

Nomination & Remuneration Committee

S.No.	Date of Meeting	Attended by
1	18-05-2016	Mr.Manoj Kumar Daga,Mr. Ashok Vardhan Bagree,Mr.Ravindra Kumar Murarka
2	13-10-2016	Mr.Manoj Kumar Daga,Mr. Ashok Vardhan Bagree

Stakeholders Relationship Committee

S.No.	Date of Meeting	Attended by
1	18-05-2016	Mr.Manoj Kumar Daga,Mr. Ashok Vardhan Bagree,Mr.Ravindra Kumar Murarka
2	09-08-2016	Mr.Manoj Kumar Daga,Mr. Ashok Vardhan Bagree
3	08-11-2016	Mr.Manoj Kumar Daga,Mr. Ashok Vardhan Bagree
4	10-02-2017	Mr.Manoj Kumar Daga,Mr. Ashok Vardhan Bagree

ANNEXURE C

REMUNERATION POLICY

Introduction

The Remuneration Policy of Tongani Tea Company Ltd. (the "Company"), is designed to attract, motivate and retain exceptional employees in a competitive market. The policy reflects the Company's objectives for good corporate governance as well as sustained long-term value creation for shareholders.

Remuneration to Directors, Key Managerial Personnel and other employees involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

APPOINTMENT OF DIRECTORS

Appointment of Director(s) will be done as per the applicable provisions and schedules of the Companies Act, 2013.

BOARD REMUNERATION

Efforts are made to ensure that the remuneration of the Board of Directors matches the level with comparable companies, whilst also taking into consideration board members' required competencies, effort and the scope of the board function, including the number of meetings.

Fixed remuneration

Whole Time Director(s) of the Board of Directors will receive a fixed salary, alongwith basic perquisites which is approved by the shareholders of the Company at a General Meeting.

Sitting Fees

The Board shall fix the sitting fees for the Directors and Members of the various Committees, taking into account the extent of responsibilities and time commitment, the results of the Company keeping in view fees paid by other peer companies, which are similar in size and complexity.

Incentive programme, bonus pay, etc.

Presently, the Company does not have any incentive programme.

Reimbursement of expenses

Expenses in connection with board and committee meetings are reimbursed as per account rendered.

Pension scheme

The Board of Directors is not covered by any pension scheme or a defined benefit pension scheme.

REMUNERATION TO OTHER KEY MANAGERIAL PERSONNEL

The Nomination & Remuneration Committee submits proposals concerning the remuneration of the other Key Managerial Personnel ensures that the remuneration is in line with the conditions in comparable companies.

Other Key Managerial Personnel are entitled to a competitive remuneration package consisting of the following components:

- .. Fixed salary
- .. Bonus
- .. Benefits, e.g. use of company car, telephone, broadband, etc.

Fixed salary

The fixed salary shall be based on the market level and increase therein shall be periodically reviewed based on performance appraisal.

Variable components

Presently, the Company does not have a fixed policy for any incentive based pay or any variable component in the salary structure.

Personal benefits

Other Key Managerial Personnel will have access to a number of work-related benefits, including company car, free telephony, broadband at home, and work-related newspapers and magazines. The extent of individual benefits are not necessarily same for each individual member of the Executive Management.

Other Key Managerial Personnel may be covered by insurance policies:

- .. Accident insurance
- .. Health insurance
- .. Directors and Officers Liability Insurance

Notice of termination

The employment relationship is terminable by giving a months' notice. A member of the Executive Management can terminate the employment relationship with the Company by giving a months' notice.

Redundancy pay

As per the prevailing laws of the State Government.

Retirement Benefits

Other Key Management Personnel are not covered by any employer administered pension plan or a defined benefit pension scheme. However, pension scheme under provident fund is provided. Gratuity is covered as per the Act.

Disclosure

The total remuneration of the Key Managerial Personnel is stated in the Annual Report.

REMUNERATION TO OTHER EMPLOYEES

The Nomination & Remuneration Committee submits proposals concerning the remuneration of other employees and ensures that the remuneration is in line with the conditions in comparable companies.

Other Employees entitled to a competitive remuneration package consisting of the following components:

- .. Fixed salary
- .. Bonus

Fixed salary

The fixed salary shall be based on the market level and increase therein shall be periodically reviewed based on performance appraisal.

Variable components

Presently, the Company does not have a fixed policy for any incentive based pay or any variable component in the salary structure.

Other benefits

Housing/Housing Repair Allowance.

Notice of termination

As per the prevailing laws of the State Government.

Redundancy pay

As per the prevailing laws of the State Government.

Retirement Benefits

Other Key Management Personnel are not covered by any employer administered pension plan or a defined benefit pension scheme. However, pension scheme under provident fund is provided. Gratuity is covered as per the Act."

THE CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES AND INDEPENDENCE OF DIRECTOR OF THE COMPANY

Criteria for determining qualifications, positive attributes and independence of director

The Company will follow the guidelines as mentioned in Schedule IV of the Companies Act, 2013 and under Regulation 19(4) of the Listing Regulation with the Stock Exchange(s) in determining qualifications, positive attributes and independence of director.

ANNEXURE D

SECRETARIAL AUDIT REPORT

for the financial year ended 31st March 2017

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

To

The Members

TONGANI TEA COMPANY LIMITED

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by TONGANI TEA COMPANY LIMITED having CIN L01132WB1893PLC000742 (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's 's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 (hereinafter called 'the Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 1956 and the rules made thereunder, to the extent they were applicable during the Audit Period and The Companies Act, 2013 and the rules made thereunder (hereinafter called as 'the Act');
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings- (Not applicable to the Company during the Audit Period);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
 - (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009- (Not applicable to the Company during the Audit Period);
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not applicable to the Company during the Audit Period);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit Period);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- (Not applicable to the Company during the Audit Period); and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998- (Not applicable to the Company during the Audit Period);
- (vi) The followings Acts, over and above other laws are specifically applicable to the company as per the Management Representation Letter issued by the Company of even date:-
 - (a) The Tea Act, 1953 and rules thereunder
 - (b) The Food Safety and Standards Act, 2006 and Food Safety and Standards Rules, 2011
 - (c) The Tea Waste Control (Order) 1959
 - (d) The Tea Marketing Control Order, 2003
 - (e) The Assam Plantation Labour Act, 1951

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 entered into by the Company with The Calcutta Stock Exchange Limited

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observation i.e. that the Company has not appointed Key Managerial Personnel as required under Section 203(1)(ii) of the Companies Act, 2013.

I further report that

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

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

All decisions at board meetings and committee meetings held during the Audit Period carried out unanimously as recorded in the minutes of the respective meetings.

I 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.

I further report that during the Audit Period, the following specific events/ actions have a major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standards etc. referred to as above are as follows : -

- (a) Alteration of Articles of Association by adopting entirely new set of Articles of Association as per Companies Act, 2013
- (b) Sale of current investment being 12,000 equity shares of Sudipta Traders Private Limited.

This report is to be read with our letter of even date which is annexed as **Annexure A** and form an integral part of this report.

Place: Kolkata
Date: 22.05.2017

Signature:
Name: Deepak Kumar Khaitan
F.C.S. No.: 5615 / C.P. No.: 5207
ICSI Unique Code No.: I2003WB347200

Annexure A
to the SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2017

To
The Members
TONGANI TEA COMPANY LIMITED

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Kolkata
Date: 22.05.2017

Signature:
Name: Deepak Kumar Khaitan
F.C.S. No.: 5615 / C.P. No.: 5207
ICSI Unique Code No.: I2003WB347200

ANNEXURE E

STATEMENT OF PARTICULARS UNDER THE COMPANIES (ACCOUNTS) RULES 2014

A.	Conservation of energy		
i)	The steps taken or impact on conservation of energy;	:	NIL
ii)	The steps taken by the company for utilizing alternate sources of energy;	:	NIL
iii)	The capital investment on energy conservation equipments'	:	NIL
B.	Technology absorption		
i)	The efforts made towards technology absorption;	:	NIL
ii)	The benefits derived like product improvement, cost reduction, product development or import substitution;	:	NIL
iii)	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) –		NIL
	a) The details of technology imported;		
	b) The year of import;		
	c) Whether the technology been fully absorbed;		
	d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and		
iv)	The expenditure incurred on Research and Development.	:	NIL
C.	Foreign exchange earnings and Outgo		
	The Foreign Exchange earned in terms of actual inflows during the year	:	NIL
	The Foreign Exchange Outgo during the year in terms of actual outflows.	:	NIL

ANNEXURE F

THE CRITERIA FOR PERFORMANCE EVALUATION OF THE DIRECTORS OF THE COMPANY

The Board will assess its performance each year. The Nomination and Remuneration Committee is responsible to create a process by which this will occur and will report annually to the Board on the results of the assessment process. The purpose of the assessment is to increase the effectiveness of the Board. The various Committees of the Board shall annually conduct a self-assessment of their performance and respective Terms of Reference.

Formal annual evaluation by the Board of its own performance and that of its Committees and Individual Directors shall also be done as outlined below:

The Company will follow a seven step system of the following processes for evaluation:

METHODOLOGY

What the Company hopes to achieve?

Clearly identified objectives will enable the Company to set specific goals for the evaluation and make decisions about the scope of the review. Such issues as the complexity of the performance problem, the size of the board, the stage of organisational life cycle and significant developments in the firm's competitive environment will determine the issues the Company wishes to evaluate.

Who will be evaluated?

With the objectives for the evaluation set, the Company needs to decide whose performance will be reviewed to meet them.

The Company needs to consider three groups: the Board as whole (including board committees), individual directors (including the roles of chairperson and/or lead independent director), and key governance personnel (generally the CFO and company secretary).

What will be evaluated?

Having established the objectives of the evaluation and the people/groups that will be evaluated to achieve those objectives, the next stage involves the evaluation becoming specific. It is now necessary to elaborate these objectives into a number of specific topics to ensure that the evaluation (1) clarifies any potential problems, (2) identifies the root cause(s) of these problems, and (3) tests the practicality of specific governance solutions, wherever possible. This is necessary whether the board is seeking general or specific performance improvements and will suit boards seeking to improve areas as diverse as board processes, director skills, competencies and motivation, or even boardroom relationships.

Who will be asked?

Internally, Board members, the CEO, senior managers and, in some cases, other management personnel and employees may have the necessary information to provide feedback on elements of a company's governance system.

Externally, owners/members and even financial markets can provide valuable data for the review. Similarly, in some situations, government departments, major customers and suppliers may have close links with the board and be in a position to provide useful information on its performance.

What techniques will be used?

Depending on the degree of formality, the objectives of the evaluation, and the resources available, boards may choose between a range of qualitative and quantitative techniques.

Who will do the evaluation?

The next consideration in establishing evaluation framework is to decide who the most appropriate person is to conduct the evaluation. If the review is an internal one, the chairperson commonly conducts the evaluation. However, there are times when it may be more appropriate to delegate either to a non-executive or lead director, or to a board committee. In the case of external evaluations, specialist consultants or other general advisers with expertise in the areas of corporate governance and performance evaluation may lead the process.

What do you do with the results?

Since the Board as a whole is responsible for its performance, the results of the review will be released to the board in all but the most unusual of circumstances. Where the evaluation objectives are focused entirely on the board, board members will simply discuss the results among themselves.

INDEPENDENT AUDITOR'S REPORT

To the Members of
TONGANI TEA COMPANY LIMITED
CIN: L01132WB1893PLC000742

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of **TONGANI TEA COMPANY LIMITED**, ('the Company') which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

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

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 31st March, 2017 and its profit and its cash flows for the year ended on that date.

EMPHASIS OF MATTERS

We draw attention to Note No.12 to the financial statements, that in respect of long term non-current quoted investments no provision has been made for shortfall in value of the said investments as compared to their market value amounting to Rs 64,05,414/- as the same is temporary in nature as per management comment. Our opinion is not modified in respect to this matter.

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 Act, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) 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.
 - e) On the basis of written representations received from the directors as on 31st March, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" and
 - g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note No 34 to the financial statements
 - (ii) The Company did not have any long term contracts including derivative contracts for which there are any material foreseeable losses.
 - (iii) There were no amounts pending which were required to be transferred to the Investor Education and Protection Fund by the Company.
There has been no delay in transferring amounts required to be transferred to the Investor Education Protection Fund by the Company during the year.
 - (iv) The Company has duly provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company.

For **NAVIN NAYAR & CO.**
Chartered Accountants
(Registration No- 317117E)

(NAVIN NAYAR)
Proprietor
(Membership No. 053267)

Place: Kolkata
Dated: 22nd May, 2017.

“Annexure A” to the Independent Auditors’ Report

REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1.
 - a) The company has maintained proper records showing full particulars including, quantitative details and situation of fixed assets.
 - b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals. We have been informed that no material discrepancies were noticed on such verification.
 - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2.
 - a) As explained to us, inventory has been physically verified during the year by the management at reasonable intervals.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c) No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 189 of the Act. Consequently, the provisions of clauses iii (a) and iii (b) of the order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to loans and investments made.
5. The Company has not accepted deposits from the public covered within the meaning of directives issued by the Reserve Bank of India and provisions of Sections 73 to Section 76 or any other relevant provisions of the Act and rules framed there under are not applicable.
6. As per information & explanation given by the management, maintenance of cost records has been specified by the Central Government under sub section (1) of Section 148 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
7.
 - a) According to the records of the company, undisputed statutory dues including Provident Fund, Employees State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, and Cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2017 for a period of more than six months from the date they became payable.
 - b) According to the information and explanations given to us and on the basis of the documents and records the disputed statutory dues which have not been deposited with the appropriate authorities are as under:

Serial No	Name of Statute	Nature of Dues	Asst. Year to which the matter pertains	Amount in (Rs)	Forum where dispute is pending
1	Department of Income Tax	Income Tax	2012-13	1,09,250/-	C.I.T. (Appeals) – 2
2	Department of Income Tax	Income Tax	2013-14	24,71,730/-	C.I.T. (Appeals) – 2
3	Department of Income Tax	Income Tax	2014-15	57,820/-	C.I.T. (Appeals) – 2

8. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of loans or borrowings to a financial institution, bank, government or dues to debenture holders during the year.
9. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
10. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.
11. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the said Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **NAVIN NAYAR & CO.**
Chartered Accountants
(Registration No- 317117E)

Place: Kolkata
Dated: 22nd May, 2017.

(NAVIN NAYAR)
Proprietor
(Membership No. 053267)

ANNEXURE "B "TO THE INDEPENDENT AUDITORS' REPORT

REFERRED TO IN PARAGRAPH 2(f) UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE

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 **TONGANI TEA COMPANY LIMITED ("the Company")** as of 31 March 2017 in conjunction with our audit of the standalone 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

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 31st March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Kolkata
Dated: 22nd May, 2017.

For **NAVIN NAYAR & CO.**
Chartered Accountants
(Registration No- 317117E)

(NAVIN NAYAR)
Proprietor
(Membership No. 053267)

BALANCE SHEET AS AT 31ST MARCH, 2017

		(Rupees)	
	Note No.	As at 31.03. 2017	As at 31.03. 2016
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	2,457,750	2,457,750
Reserves and Surplus	3	133,373,501	132,336,135
Non-Current Liabilities			
Long Term Borrowings	4	1,939,714	4,674,222
Deferred Tax Liabilities (Net)	5	3,519,714	3,420,367
Long Term Provisions	6	9,650,636	9,301,078
Current Liabilities			
Short Term Borrowings	7	37,181,382	32,078,983
Trade Payable	8		
Total outstanding dues of Micro Enterprises and Small Enterprises		-	-
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		1,865,315	1,747,641
Other Current Liabilities	9	1,081,690	1,877,502
Short Term Provisions	10	1,400,000	2,655,608
TOTAL		192,469,702	190,549,286
ASSETS			
Non-Current Assets			
Fixed Assets			
- Tangible Assets	11	74,882,264	77,069,674
Non Current Investments	12	21,778,834	21,778,834
Long Term Loans and Advances	13	20,333,379	20,200,464
Current assets			
Investments	14	18,800,000	21,320,000
Inventories	15	11,011,650	7,555,257
Trade Receivables	16	1,872,090	454,384
Cash and Bank Balance	17	1,747,354	1,155,668
Short Term Loans and Advances	18	42,043,231	41,014,105
Other Current Assets	19	900	900
TOTAL		192,469,702	190,549,286

Significant Accounting Policies and
Notes to the Financial Statements 1 to 38
See accompanying notes to the financial statements
As per our Report of even date

For **NAVIN NAYAR & COMPANY**
Chartered Accountants
Firm Registration No.317117E

NAVIN NAYAR
Proprietor
Membership No.053267

Place : Kolkata
Date : 22nd May, 2017

MANOJ KUMAR DAGA
DIN - 00123386
Chairman
ASHOK VARDHAN BAGREE
DIN - 00421623
Independent Director
AJAY KUMAR AGARWALA
Chief Financial Officer

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

		(Rupees)	
	Note No.	For the year ended 31.03. 2017	For the year ended 31.03. 2016
INCOME			
Revenue from operations	20	70,109,949	77,582,183
Less : Excise/Cess on Tea		213,914	219,427
		69,896,035	77,362,756
Other Income	21	5,497,432	1,240,696
Total Revenue		75,393,467	78,603,452
EXPENSES			
Cost of Materials Consumed	22	-	-
Changes in inventories of Finished Goods	23	(2,589,623)	(339,925)
Employee Benefit Expense	24	38,700,412	34,382,250
Finance Costs	25	3,511,321	3,110,557
Depreciation and Amortization Expense	26	2,560,023	1,808,720
Other Expenses	27	30,274,144	34,494,505
Total Expenses		72,456,277	73,456,107
PROFIT BEFORE TAX		2,937,190	5,147,345
TAX EXPENSES			
Current Tax		598,075	1,107,275
MAT Credit		(131,175)	(386,085)
Deferred Tax		99,347	(1,835,668)
Tax for earlier years		4,632	-
PROFIT FOR THE YEAR		2,366,311	6,261,823
Earning per equity share:(Basic / Diluted)	28	9.63	25.47

Significant Accounting Policies and
Notes to the Financial Statements 1 to 38
See accompanying notes to the financial statements
As per our Report of even date

For **NAVIN NAYAR & COMPANY**
Chartered Accountants
Firm Registration No.317117E

Place : Kolkata
Date : 22nd May, 2017

NAVIN NAYAR
Proprietor
Membership No.053267

MANOJ KUMAR DAGA
DIN - 00123386
Chairman
ASHOK VARDHAN BAGREE
DIN - 00421623
Independent Director
AJAY KUMAR AGARWALA
Chief Financial Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

(Rupees)

	For the Year ended 31.03.2017	For the Year ended 31.03.2016
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit/(Loss) before tax	2,937,189	5,147,345
Adjustments for :		
Depreciation	2,560,023	1,808,720
Interest Expenses (Net)	678,212	1,869,831
(Profit)/Loss on Sale of Fixed Assets	-	91,903
Liabilities no longer required written back	<u>(2,734,508)</u>	-
Operating Profit before Working Capital Changes	3,440,916	8,917,799
Adjustments for :		
(Increase)/Decrease in Trade and Other Receivables	(1,311,507)	(10,567,962)
(Increase)/Decrease in Inventories	<u>(3,456,393)</u>	(1,771,418)
Increase/(Decrease) in Trade and Other Payables	(609,065)	2,599,256
Income Tax Paid/Refund during the year (Net)	<u>(1,095,375)</u>	(1,019,413)
Net Cash generated from Operating Activities	(A) <u>(3,031,424)</u>	<u>(1,841,738)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(372,613)	(2,477,446)
Sale of Investments	2,520,000	-
Sale of Fixed Assets	-	60,000
Net Cash used in Investing Activities	(B) <u>2,147,387</u>	<u>(2,417,446)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from cash credit	6,103,399	5,003,259
Auto Loan for purchase of vehicles	(545,147)	(637,817)
Proceeds from unsecured loans	(1,000,000)	2,500,000
Dividend Paid	<u>(2,207,916)</u>	(2,220,488)
Corporate Dividend Tax paid	(198,351)	(176,920)
Interest (Net)	<u>(676,262)</u>	(1,870,308)
Net Cash used in Financing Activities	(C) <u>1,475,723</u>	<u>2,597,726</u>
Net increase/(Decrease) in cash and cash equivalents (A+B+C)	591,686	(1,661,458)
Cash and Cash Equivalents as at 31-03-2016	1,155,668	2,817,126
Cash and Cash Equivalents as at 31-03-2017	<u>1,747,354</u>	<u>1,155,668</u>

Note :

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash flow Statement issued by the Institute of Chartered Accountants of India.
- Cash and Cash Equivalents :

Cash in hand	776,906	156,581
Balances with banks	859,583	889,689
Balances with banks *	<u>110,865</u>	<u>109,398</u>
	<u>1,747,354</u>	<u>1,155,668</u>

* Rs.110865/- (2015-16 Rs.109398/-) on Dividend accounts which are not available for use by the company. This is the Cash Flow Statement referred to in our report of even date.

For **NAVIN NAYAR & COMPANY**
Chartered Accountants
Firm Registration No.317117E

NAVIN NAYAR
Proprietor

Membership No.053267

MANOJ KUMAR DAGA
DIN - 00123386
Chairman

ASHOK VARDHAN BAGREE
DIN - 00421623

Independent Director

AJAY KUMAR AGARWALA
Chief Financial Officer

Place : Kolkata
Date : 22nd May, 2017

NOTES TO FINANCIAL STATEMENTS

Note No.

1. SIGNIFICANT ACCOUNTING POLICIES**1.1 Basis of Preparation**

These financial statements have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP) to comply with the Accounting Standards specified under section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act, 2013 ("the 2013 Act") as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in preparation of the financial statements are consistent with those followed in the previous year.

1.2 Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, 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 financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between accrual results and the estimates are recognized in the periods in which the results are known/materialize.

1.3 Property Plant & Equipment and Depreciation (Fixed Asset)**Fixed Assets**

- i) Tangible Fixed Assets are stated at their original cost less depreciation. Cost includes incidental expenses. Profits or losses on sale of tangible fixed assets are included in the statement of profit and loss and calculated as difference between the value realized and book value. Capital work-in-progress is stated at cost. Subsidies received in respect of tangible fixed assets are deducted from the cost of respective assets.
- ii) Bearer Plants are valued on historical cost basis based on the cost incurred for new extension beginning from uprooting, planting, rejuvenation and maintenance etc. till the time it started bearing fruits/Green Tea leaves.
- iii) Land taken on perpetual lease is capitalized together with development expenditure incurred on the same.

1.4 Depreciation

Depreciation on tangible assets is provided on Straight Line Method on all assets except land. Depreciation on tangible assets is provided over the useful lives of assets estimated by the management. Depreciation for assets purchased / sold during the period is proportionately charged. Intangible assets are amortised over their respective individual estimated useful lives on a Straight Line basis commencing from the date assets are available to the Company for use. The management estimates the useful lives for the fixed assets are as follows :

Sr.No.	Name of the Assets	Useful Life (years)
1	Non-Factory Building and Bridges*	60
2	Machinery*, Electric & Installation* and Factory Building	30
3	Furniture & Fittings*, Laboratory & Other Equipment* and Ring & Tubewell*	20
4	Motor Vehicles*	15
5	Computer*	6
6	Bearer Plants*	50

* For these class of assets, based on internal assessment and independent technical evaluation carried out by external valuers the management believes that the useful lives as given above best represent the period over which management expects to use these assets.

Hence the useful lives for the assets is different from the useful lives as prescribed under Part C of Schedule 11 of the Companies Act, 2013. Freehold and Leasehold land are not depreciated.

1.5 Leases

Where the company is lessee :

Leasehold land, which effectively transfers to the company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments.

1.6 Borrowing Cost

Interest and other costs on borrowed funds including term loan used to finance the acquisition of fixed assets, up to the date the assets are ready for use are estimated and capitalised under respective fixed assets.

Other interest and costs incurred on borrowed funds are recognised as expense in the year in which they are incurred.

1.7 Impairment of tangible assets

In accordance with the Accounting Standards – 28 (AS-28) "Impairment of Assets" issued by the Institute of Chartered Accountants of India, the carrying amount of fixed assets are reviewed at each Balance Sheet date. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognized. An impairment loss is charged to the Statement of Profit & Loss in the year in which assets are identified as impaired.

Note No.

1.8 Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as Non Current Investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchanged for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquire, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long Term Investments are stated at cost. Provision is made for diminution, other than temporary, in the value of investments, wherever applicable.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

1.9 Inventories

Inventories are valued as under :

Raw materials – At weighted average cost.

Stock of Tea – at cost or net realisable value whichever is lower.

Stock of stores & spare parts – At cost (net of modvat credit) or net realizable value whichever is lower.

Other Stocks – At cost or net realisable value whichever is lower.

Obsolete, slow-moving and defective stocks are identified at the time of physical verification of stocks and where necessary provision is made for such stocks.

1.10 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized :

Sale of goods

Sales represents invoiced value of goods sold including excise duty but excluding sales tax.

Income from Investment

Income from Investment other than investment in shares of companies is included, together with related tax deducted at source in the Statement of Profit & Loss on an accrual basis. Income from investment in shares of companies is recognized on actual realisation.

Income from Rent

Rent income is recognized taking into account the amount outstanding.

Dividends

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

1.11 Retirement and other employee benefits

The Company has created in earlier year an approved gratuity fund and made initial contribution. The gratuity liability at the year end is determined on the basis of actuarial valuation which is provided for in the accounts. However gratuity paid to retired employees is accounted for on cash basis. The Company's contributions to Provident Fund during the year is charged to Statement of Profit & Loss.

1.12 Accounting for Taxes

In accordance with the Accounting Standards 22 (AS-22) "Accounting for Taxes" issued by the Institute of Chartered Accountants of India, the provision for current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Deferred tax is recognized on timing differences, being the differences between taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using tax rates and laws enacted or substantially enacted as at the reporting date. Deferred tax assets are recognized for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realized.

1.13 Segment reporting

The Company is engaged in cultivation, manufacture and sale of tea having only one tea estate and only in domestic market. Hence, the Company's operation comprises of only one segment as defined in Accounting Standard 17 on "Segment Reporting" issued by the Institute of Chartered Accountants of India.

1.14 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in

Note No.

dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

1.15 Provisions

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

1.16 Cash and cash equivalents

Cash and cash equivalents includes Cash on Hand, Cash at Bank, Cheque in Hand and other short-term highly liquid investments with an original maturity of three months or less.

	As at 31.03. 2017		As at 31.03.2016	
	Numbers	Rupees	Numbers	Rupees
02 SHARE CAPITAL				
Authorised				
Equity Shares of Rs.10/- each	800000	8,000,000	800000	8,000,000
13% Redeemable Cumulative Preference Shares of Rs.100/- each	20000	2,000,000	20000	2,000,000
		<u>10,000,000</u>		<u>10,000,000</u>
Issued, Subscribed & fully paid up				
Equity Shares of Rs.10/- each fully paid	245775	2,457,750	245775	2,457,750
		<u>2,457,750</u>		<u>2,457,750</u>

Of the above shares 1,09,500 Equity Shares of Rs.10/- each fully paid up were allotted for a consideration otherwise than in cash pursuant to a contract and 81,925 Equity Shares of Rs.10/- each were allotted as fully paid up bonus shares by capitalisation of General Reserve.

The Company has issued only one class of shares referred as Equity Shares having a par value of Rs. 10/- each holder of Equity Shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

Reconciliation of the number of shares outstanding

Equity Shares at the beginning of the year	245775	245775
Shares issued during the year	0	0
Shares bought back during the year	0	0
Shares outstanding at the end of the year	245775	245775

Details of Shareholders holding more than 5% shares

Name of the shareholder	No.of shares	% held	No.of shares	% held
Manoj Kumar Daga	55250	22.48	55250	22.48
Shanti Devi Daga	56600	23.03	56600	23.03
Jyoti Devi Daga	59825	24.34	59825	24.34
Visioncraft Industries(India) Pvt.Ltd.	20400	8.30	20400	8.30

Note No.	As at 31.03. 2017	(Rupees)	As at 31.03.2016
03 RESERVES AND SURPLUS			
Capital Reserves	60,000		60,000
Securities Premium Reserve	56,250		56,250
Agriculture Development Reserve	52,300,566		52,300,566
<i>(Created out of realisation of agricultural assets in earlier year)</i>			
General Reserve :			
As per last Balance Sheet	73,750,511	70,750,511	
Add : Transferred from Statement of Profit & Loss	-	3,000,000	73,750,511
Surplus in Statement of Profit & Loss			
Opening Balance	6,168,808	5,295,880	
Add : Profit for the year	2,366,311	6,261,823	
	8,535,119	11,557,703	
Less : Appropriations			
Transfer to General Reserve	-	3,000,000	
Interim Dividend on Equity Shares	1,228,875	1,228,875	
Corporate Tax on Interim Dividend	100,070	98,281	
Proposed Final Dividend on Equity Shares	-	983,100	
Corporate Tax on Proposed Final Dividend	-	78,639	6,168,808
	<u>7,206,174</u>	<u>78,639</u>	<u>6,168,808</u>
	<u>133,373,501</u>		<u>132,336,135</u>
04 LONG-TERM BORROWINGS			
Deferred Payment Liabilities (Secured)			
Hire Purchase Loan			
Machinery under Tea Board Hire Purchase Scheme	1,939,714		4,674,222
(Secured by Hypothecation of the related assets acquired)			
(The entire Principal amount is overdue)			
	<u>1,939,714</u>		<u>4,674,222</u>
05 DEFERRED TAX LIABILITIES (NET)			
Deferred Tax Liability on			
Difference between net block value of depreciable Capital Assets as per books vis a vis written down value as per Tax Law	6,113,083		6,412,546
Deferred Tax Assets on			
Disallowance under Section 43B of the Income Tax Act, 1961	(2,593,369)		(2,992,179)
	<u>3,519,714</u>		<u>3,420,367</u>

Note No.	(Rupees)	
	As at 31.03. 2017	As at 31.03.2016
06 LONG-TERM PROVISIONS		
Provision for employee benefits	9,650,636	9,301,078
	<u>9,650,636</u>	<u>9,301,078</u>
07 SHORT-TERM BORROWINGS		
Loans repayable on demand from Banks (Secured)	35,681,382	29,578,983
Nature of Security		
Secured by way of hypothecation of Company's entire stock of tea crops, green leaves, stores, spares, book debts, other current assets, unencumbered moveable machinery & other Fixed Assets, both present and future pertaining to Company's Garden. Equitable mortgage over Tea Estate measuring about 235.67 hectares and personal guarantee of Promoter Director. The aggregate amount of loan guaranteed by Promoter Director is Rs.360.00 lakhs		
From Others (Unsecured)	1,500,000	2,500,000
	<u>37,181,382</u>	<u>32,078,983</u>
08 TRADE PAYABLE		
Total outstanding dues of Micro Enterprises and Small Enterprises	-	-
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	1,865,315	1,747,641
	<u>1,865,315</u>	<u>1,747,641</u>
There are no Micro, Small and Medium Enterprises, to whom the company owes dues, which are outstanding for more than 45 days as at 31st March, 2017. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.		
09 OTHER CURRENT LIABILITIES		
Current Maturity of long term debt		
Vehicles under Auto Loan Scheme of Banks / Institution	-	545,147
Others		
Unpaid dividends	123,129	119,070
Advances from Customers	423,333	500,000
Salaries / Wages Payable	316,049	391,545
Statutory Dues	219,179	305,115
Interest Payable	-	16,625
	<u>1,081,690</u>	<u>1,332,355</u>
	<u>1,081,690</u>	<u>1,877,502</u>
10 SHORT-TERM PROVISIONS		
Provision for employee benefits	1,400,000	1,454,000
Others		
Provision for Income Tax (Net of Advances & TDS)	-	139,869
Proposed Final Dividend	-	983,100
Provision for Tax on Proposed Final Dividend	-	78,639
	<u>1,400,000</u>	<u>2,655,608</u>

NOTE NO. 11										
FIXED ASSETS – TANGIBLE ASSETS										
(Rupees)										
PARTICULARS	GROSS BLOCK AT COST / VALUATION				DEPRECIATION				NET BLOCK	
	As at 31-03-2016	Additions / Adjustment During the Year	Disposal / Adjustment During the Year	As at 31.03.2017	Upto 31-03-2016	For the Year	Deduction / Adjustment on account of disposal etc.	Upto 31.03.2017	As at 31-03-2017	As at 31-03-2016
LAND										
Land-Freehold	141,434	—	—	141,434	—	—	—	—	141,434	141,434
Land-Leasehold	231,605	—	—	231,605	—	—	—	—	231,605	231,605
Bearer Plants	35,999,416	—	—	35,999,416	—	683,989	—	683,989	35,315,427	35,999,416
BUILDING										
Factory Buildings	17,497,835	—	—	17,497,835	9,040,319	512,860	—	9,553,179	7,944,656	8,457,516
Non Factory Buildings & Bridges	25,656,028	—	—	25,656,028	9,268,340	356,887	—	9,625,227	16,030,801	16,387,688
PLANTS & EQUIPMENTS										
Machinery & Electrical Installation	21,864,421	—	43,540	21,820,881	11,520,270	444,891	—	11,965,161	9,855,720	10,344,151
Ring & Tubewell, Laboratory & Other Equipments	1,169,085	—	—	1,169,085	994,991	11,709	—	1,006,700	162,385	174,094
Furniture & Fixtures	1,934,666	—	—	1,934,666	1,737,691	8,351	—	1,746,042	188,624	196,975
Vehicles	9,216,096	—	—	9,216,096	4,203,337	436,498	—	4,639,835	4,576,261	5,012,759
OFFICE EQUIPMENTS										
Computer	648,570	416,153	—	1,064,723	524,534	104,838	—	629,372	435,351	124,036
Total as at 31-3-17	114,359,156	416,153	43,540	114,731,769	37,289,482	2,560,023	—	39,849,505	74,882,264	77,069,674
Total as at 31-3-16	112,233,737	2,477,446	352,027	114,359,156	35,681,186	2,000,646	392,350	37,289,482	77,069,674	—

NOTES ON FIXED ASSETS :

1. Machinery includes the sum of Rs.36,29,798/- acquired under Hire Purchase Agreement.

Note No.	(Rupees)	
	As at 31.03. 2017	As at 31.03.2016
12 NON-CURRENT INVESTMENTS		
Investments in Equity Instruments (Valued at Cost)		
Other than Trade		
Quoted Investment (Fully paid up) 22,60,650 (22,60,650) Equity Shares of Norben Tea & Exports Ltd. of Rs.10/- each	21,777,834	21,777,834
Other non-current investments		
National Defence Certificates	<u>1,000</u>	<u>1,000</u>
	<u>21,778,834</u>	<u>21,778,834</u>
Market Value of Quoted Investments	15,372,420	18,085,200
13 LONG-TERM LOANS AND ADVANCES		
Unsecured - Considered good		
Security Deposits	10,126,780	10,125,040
Other Loans and Advances		
Advances recoverable in cash or in kind or for value to be received	7,800,000	7,800,000
MAT credit entitlement	<u>2,406,599</u>	<u>2,275,424</u>
	<u>20,333,379</u>	<u>20,200,464</u>
14 CURRENT INVESTMENTS		
Investments in Equity Instruments (Valued at Cost)		
Other than Trade		
Unquoted Investment (Fully paid up)		
80,000 (80000) Equity Shares of Trupati Balaji Constructions (P) Ltd. of Rs.10/- each	800,000	800,000
1,00,000 (100000) Equity Shares of Calcutta Gears (P) Ltd.of Rs.10/- each	5,000,000	5,000,000
50,000 (50000) Equity Shares of Newar Securities Pvt. Ltd.of Rs.10/- each	2,500,000	2,500,000
Nil (12000) Equity Shares of Sudipta Traders Pvt.Ltd.of Rs.10/- each	-	2,520,000
50,000 (50000) Equity Shares of Kanpur Agra Transport Pvt.Ltd.of Rs.10/- each	500,000	500,000
30,000 (30000) Equity Shares of Satyam Ores Pvt. Ltd. of Rs.10/- each	6,000,000	6,000,000
20,000 (20000) Equity Shares of Auckland Trading Pvt.Ltd.of Rs.10/- each	1,000,000	1,000,000
3,00,000 (300000) Equity Shares of Rhea Tradecom Pvt.Ltd. of Rs.10/- each	<u>3,000,000</u>	<u>3,000,000</u>
	<u>18,800,000</u>	<u>21,320,000</u>
15 INVENTORIES		
Finished goods	5,368,067	2,778,444
Stores and spares	<u>5,643,583</u>	<u>4,776,813</u>
	<u>11,011,650</u>	<u>7,555,257</u>
Method of Valuation		
1 Stock of Finished Goods – at cost or net realisable value whichever is lower.		
2 Stock of stores & spare parts – At cost (net of modvat credit) or net realisable value whichever is lower.		
16 TRADE RECEIVABLES		
Unsecured and considered good		
Debts outstanding for a period exceeding six months	74,882	75,227
Other debts	<u>1,797,208</u>	<u>379,157</u>
	<u>1,872,090</u>	<u>454,384</u>

Note No.	(Rupees)	
	As at 31.03. 2017	As at 31.03.2016
17 CASH AND BANK BALANCE		
Cash and Cash Equivalent		
Balance with banks in Current Accounts	859,583	889,689
Cash in hand	<u>776,906</u>	<u>156,581</u>
Other Bank Balances		
Other - Unclaimed Dividend Accounts	<u>110,865</u>	<u>109,398</u>
	<u>1,747,354</u>	<u>1,155,668</u>
18 SHORT-TERM LOANS AND ADVANCES		
<u>Unsecured and considered good</u>		
<u>Other Loans and advances</u>		
Loans to others	22,575,000	21,795,000
Interest Receivable	122,370	124,320
Advances recoverable in cash or in kind or for value to be received	18,134,354	18,208,160
Prepaid Expenses	169,946	196,171
Advance Income Tax & TDS (Net of provision for taxation)	352,799	-
Corporate Dividend Tax for earlier Years receivable (Excess paid)	678,596	678,596
Balance with Excise Authorities	<u>10,166</u>	<u>11,858</u>
	<u>42,043,231</u>	<u>41,014,105</u>
Above Advances are treated as short term as certified by the management.		
19 OTHER CURRENT ASSETS		
Interest Accrued on Investments	<u>900</u>	<u>900</u>
	<u>900</u>	<u>900</u>
	For the year ended 31.03.2017	For the year ended 31.03.2016
20 REVENUE FROM OPERATIONS		
Sale of Products		
- Manufactured Goods - Tea	70,109,949	77,497,826
Other operating revenues		
- Tea Claims	-	84,357
	<u>70,109,949</u>	<u>77,582,183</u>
21 OTHER INCOME		
Interest (Gross)	2,678,924	1,156,696
Rent	84,000	84,000
Interest on HP Loan - Written Back	<u>2,734,508</u>	<u>-</u>
	<u>5,497,432</u>	<u>1,240,696</u>
22 COST OF MATERIALS CONSUMED	<u>-</u>	<u>-</u>
Value of Consumption of Raw Materials represents only Green Leaf purchased from third parties.		
23 CHANGES IN INVENTORIES OF FINISHED GOODS		
Opening Stock of Tea	2,778,444	2,438,519
Less: Closing Stock of Tea	<u>5,368,067</u>	<u>2,778,444</u>
(Increase) / Decrease	<u>(2,589,623)</u>	<u>(339,925)</u>
24 EMPLOYEE BENEFIT EXPENSE		
Salaries, Wages and Bonus	26,151,866	21,666,030
Contribution to Provident and Allied Funds	2,380,813	2,002,456
Labour & Staff Welfare	9,818,175	9,375,127
Gratuity	<u>349,558</u>	<u>1,338,637</u>
	<u>38,700,412</u>	<u>34,382,250</u>

		(Rupees)	
		For the year ended 31.03.2017	For the year ended 31.03.2016
Note No.			
25	FINANCE COST		
	Interest Expenses	3,357,136	3,026,527
	Other Borrowing Cost	154,185	84,030
		<u>3,511,321</u>	<u>3,110,557</u>
26	DEPRECIATION AND AMORTIZATION EXPENSES		
	Depreciation on Tangible Assets	<u>2,560,023</u>	<u>1,808,720</u>
27	OTHER EXPENSES		
	Manufacturing Expenses		
	Consumption of Stores and Spares Parts	10,651,266	12,303,060
	Power & Fuel	8,175,469	8,445,355
	Repairs		
	- Buildings	508,387	1,007,889
	- Plant & Machinery	796,095	1,490,744
	- Others	1,263,310	1,509,001
	Rent, Rates & Taxes	364,005	378,759
	Green Leaf Cess	692,444	717,204
	Selling & Distribution Expenses		
	Transportation Charges	1,183,328	1,043,103
	Brokerage on Sales	1,915,715	1,465,350
	Tea Sales Expenses	1,438,415	1,866,937
	Establishment Expenses		
	Director Fees	80,000	67,000
	Auditor Remuneration		
	- Statutory Audit	51,750	51,525
	- Tax Audit	11,500	11,450
	- Other Fees	8,325	34,200
	Insurance	156,428	148,927
	Professional and Legal charges	255,916	528,886
	Miscellaneous Expenses	2,721,791	3,333,512
	Loss on Sale of Fixed Assets	-	91,603
		<u>30,274,144</u>	<u>34,494,505</u>
28	EARNING PER EQUITY SHARE (Basic/Diluted)		
	Net Profit after tax, attributable to the equity share holders (Rs.)	2,366,311	6,261,823
	Basic number of equity shares outstanding during the year	245775	245775
	Basic / diluted Earning per share (Rs.)	9.63	25.47
	Nominal value of Equity Share (Rs.)	10.00	10.00
29.	Related Party Disclosures		
	Names of related parties and description of relationship		
	Relationship	Name	
	Enterprises over which Key Managerial Personnel have significant influence	Norben Tea & Exports Limited	
	Individuals having significant influence over the reporting enterprise	Mrs. Jyoti Devi Daga Mrs. Shanti Devi Daga	
	Key Managerial Personnel (Director)	Mr. Manoj Kumar Daga Mr. Ashok Vardhan Bagree Mr. Ravindra Kumar Murarka Ms. Sumana Raychaudhuri	

Note No.

Particulars of transactions and closing balances during the year :

(Rupees)

Nature of transactions	Enterprises over which Key Managerial Personnel have significant influence	Individuals having significant influence	Key Managerial Personnel	Relatives of Key Managerial Personnel	Balance as on 31-03-2017
Dividends paid	— (—)	1047825 (1002825)	499275 (472275)	113175 (107327)	— (—)
Directors Sitting fees	— (—)	— (—)	80000 (67000)	— (—)	— (—)
Agricultural Purchase	1512000 (1512000)	— (—)	— (—)	— (—)	— (—)

Note : Related party relationship is as identified by the Company and relied upon by the Auditors.

30. There are no undisputed statutory dues remained outstanding as at 31-03-2017 for a period more than six months from the date they became payable. No provision has been made in books of account relating to municipal taxes payable to local municipal office since 01-04-2013 to 31-03-2017 as the amount is unidentifiable.
31. Balance confirmation from some of the Sundry Creditors, Sundry Debtors, Loans & Advances given to/accepted from parties are still awaited.

32. Foreign Currency transaction and translation :

(Rupees)

2016-17 2015-16

i) Expenditure in Foreign Currency		
- Testing expenses	—	17576
- Other expenses	—	749

33. During the Financial year 2015-16 ITAT passed an order vide ITA No.1122/KOL/2012 dated 24-11-2015 in favour of the Company, whereby the Hon'ble Authority allowed Rs.58,40,526/- as total loss to be carried forward which comprises:-

Sl.no.	Nature of loss	Assessment Year	Amount
(i)	Unabsorbed Depreciation Loss	1986-87	8,07,133/-
(ii)	Unabsorbed Depreciation Loss	1987-88	12,02,080/-
(iii)	Unabsorbed Depreciation Loss	1988-89	20,08,075/-
(iv)	Unabsorbed Depreciation Loss	1998-99	18,23,238/-
			58,40,526/-

34. **Provisions and Contingent Liabilities**

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote, no provision or disclosure for contingent liability is made. Contingent assets are not provided for or disclosed.

Contingent Liability not provided for :

Claims against the Company not acknowledged as debts:

Income Tax under appeal Rs.26,38,800/- pertaining to Assessment Years 2012-13, 2013-14 and 2014-15. Appeals pending with C.I.T. Appeals (2) Kol.

Note No.

(Rupees)

35. Disclosure relating to details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 as provided below:-

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	131000.00	63996.69	194996.69
(+) Amount withdrawn from Banks	-	283000.00	283000.00
(+) Permitted receipts	-	12020.00	12020.00
(-) Permitted payments	-	302620.00	302620.00
(-) Amount deposited in Banks	131000.00	7720.00	138720.00
Closing cash in hand as on 30.12.2016	-	48676.69	48676.69

36. The Company had availed in 1996-97 from Tea Board two loans under old schemes linked to Revolving Corpus Fund (RCF). In this regard in November, 2007 to facilitate settlement of outstanding loan the Tea Board's Package for recovery of outstanding loan was offered so that no further interest would be charged on the outstanding beyond the cut-off date. Further in January, 2017 the Zonal Office of Tea Board invited Borrowers for Hearing to settle the dues of the Board. As the final amount is yet to be settled, the interest earlier provided is written back during the year and principal sum is remaining outstanding at year end 31.03.2017.
37. Current Tax charge for the year has been reckoned after taking into account deduction u/s.80IE of Income Tax Act, 1962, due to substantial expansion in the value of Plant and Machinery in the Financial Year 2011-2012. In view of the same, the Company has provided Central Income Tax on Book Profit u/s 115JB and Agriculture Income Tax as per Assam Agriculture Income Tax Act.
38. Previous year's figures have been re-arranged and re-grouped wherever necessary.

Signature to Notes 1 to 38
In terms of our attached report of even date.

For **NAVIN NAYAR & COMPANY**
Chartered Accountants
Firm Registration No.317117E

NAVIN NAYAR
Proprietor
Membership No.053267

MANOJ KUMAR DAGA
DIN:00123386
Chairman

ASHOK VARDHAN BAGREE
DIN:00421623
Independent Director

Place : Kolkata
Date : 22nd May, 2017

AJAY KUMAR AGARWALA
Chief Financial Officer

**USAGE OF ELECTRONIC PAYMENT MODES FOR MAKING
CASH PAYMENTS TO THE INVESTORS**

We would like to request you to please go through the below mentioned points and take action immediately to safeguard your interest.

In terms of Circular No.CIR/MRD/DP/10/2013 dated 21st March, 2013 issued by SEBI, henceforth, payment of dividend, if any, will be made electronically, through ECS/RTGS/NEFT etc.

For shareholders holding shares in demat form

Please send your correct bank details (including MICR No. and IFSC Code) to your Depository Participant.

For shareholders holding shares in physical form

Please send your correct bank details (including MICR No. and IFSC Code) alongwith a cancelled cheque to the Registrars and Transfer Agent (RTA) of the Company at the undernoted address.

RTA : Niche Technologies Pvt Ltd.
Address : D-511, Bagree Market, 5th Floor, 71, B.R.B. Basu Road, Kolkata – 700 001
E-mail: nichetechpl@nichetechpl.com

In cases where either the bank details such as MICR (Magnetic Ink Character Recognition), IFSC (Indian Financial System Code) etc. that are required for making electronic payment are not available or the electronic payment instructions have failed or have been rejected by Bank, Companies or their RTI & STA may use physical payment instruments for making cash payments to the investors. Companies shall mandatorily print the bank account details of the investors on such payment instruments.

We shall be thankful if our valued Shareholders take necessary action positively by 19th August, 2017.

By Order of the Board
For TONGANI TEA COMPANY LIMITED

Regd.Office :
15B, Hemanta Basu Sarani, 3rd Floor
Kolkata – 700 001

MANOJ KUMAR DAGA
Chairman
DIN 00123386

Date : 11th July, 2017.

TONGANI TEA COMPANY LIMITED

CIN : L01132WB1893PLC000742

Regd. Office : 15B, Hemanta Basu Sarani, 3rd Floor, Kolkata 700 001

Phone : 033 2248 7685 • Website : www.tonganitea.com

PROXY FORM (FORM NO.MGT-11)

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 Tongani Tea Company Limited, hereby appoint.

1. Name : Address :

Email Id : Signature :

2. Name : Address :

Email Id : Signature :

3. Name : Address :

Email Id : Signature :

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 124th Annual General Meeting of the Company, to be held on Saturday, August 26 , 2017 at 10.30 a.m. at 15B, Hemanta Basu Sarani, 3rd Floor, Kolkata-700 001 and at any adjournment thereof in respect of such resolutions as are indicated below: Resolution No.

1. To receive, consider and adopt the Audited Financial Statement for the year ended 31st March, 2017 together with the Report of Board of Directors and Auditors thereon.
2. To declare Dividend on Equity Share for of the Company.
3. To appoint a Director in place of Ms. Sumana Raychaudhuri (DIN: 07308451), who retires by rotation and being eligible offers herself for re-appointment.
4. To ratify appointment of M/s. Navin Nayar & Company, Chartered Accountants (F.R.No.317117E) as Statutory Auditors of the Company and to fix their remuneration.

Signed this day of 2017.

Signature of Shareholder:

(Affix Revenue Stamp)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, at 15B, Hemanta Basu Sarani, 3rd Floor, Kolkata 700 001, not less than FORTY EIGHT HOURS before the meeting.



If undelivered please return to
TONGANI TEA COMPANY LIMITED
15B, Hemanta Basu Sarani, 3rd Floor
Kolkata - 700 001