

TONGANI TEA COMPANY LIMITED

Annual Report 2015-2016

BOARD OF DIRECTORS

Mr. M. K. Daga, *Non -Executive Director*
Chairman of the Board of Directors
Mr. A.V. Bagree, *Independent Director*
Mr. R.K. Murarka, *Independent Director*
Ms.E.Chakraborty, *Non-Executive Director*

AUDITORS

L.K.Bohania & Co.
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 123rd 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 Friday, the 9th September, 2016, at 10.30 A.M. to transact the following business :

1. To receive, consider and adopt the Statement of Profit & Loss of the Company for the year ended 31st March, 2016 and the Balance Sheet as at that date and the Reports of the Auditors and Directors thereon.
2. To confirm the payment of Interim Dividend and to declare Final Dividend.
3. To appoint a Director in place of Mr. M.K.Daga (holding DIN: 00123386), who retires by rotation and being eligible offers herself for re-appointment.
4. To appoint M/s. Navin Nayar & Company, Chartered Accountants (FR No.317117E) as Statutory Auditors of the Company, to fix their remuneration and to pass the following resolution as an Ordinary Resolution:
"RESOLVED that pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, pursuant to the recommendations of the Audit Committee of the Board of Directors, M/s. Navin Nayar & Company, Chartered Accountants (FR No.317117E) be and are hereby appointed as the Statutory Auditors of the Company for a term of 5 (five) years from conclusion of this 123rd Annual General Meeting till the conclusion of the 128th Annual General Meeting to be held in the year 2021, subject to ratification by the Shareholders annually on such remuneration as may be approved by the Board of Directors."

By Order of the Board
For TONGANI TEA COMPANY LIMITED

Regd. Office :
15B, Hemanta Basu Sarani, 3rd Floor
Kolkata – 700 001
Date : 22nd July, 2016.

M. K. DAGA
Chairman
DIN 00123386

IMPORTANT NOTES:

1. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and the Share Transfer books of the Company will remain closed from Saturday, 3rd September, 2016 to Friday, 9th September, 2016 (both days inclusive) for determining the entitlement of the shareholders to the payment of dividend.
2. Details regarding Director retiring by rotation and seeking re-appointment is given below:
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.
Mr. M.K.Daga shall accordingly retire at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.
Mr. Daga joined the Board of Directors as a Non-Executive Director from 31st July, 1998.
Mr. Daga is the Chairman of the Stakeholders Relationship Committee, Review Committee and Share Transfer Committee and Member of Nomination & Remuneration Committee of the Board of Directors of the Company.
Mr. Daga has been working in the Tea Industry for more than 30 years. He is a Bachelor of Commerce with Honours in Accountancy.
The appointment of Mr. Daga is appropriate and in the best interest of the Company. Mr. Daga is Director in Norben Tea & Exports Ltd., Joonktollee Tea & Industries Ltd., Cowcoody Builders Pvt. Ltd., Daga & Company Pvt. Ltd. and Nominee Director for and on behalf of Joonktollee Tea and Industries Limited on the Board M/s. Keshava Plantations Pvt. Ltd. w.e.f. 05/04/2016.
He is also a member in Norben Tea & Exports Ltd., Derby Electronics Pvt. Ltd., Mangalam Products Pvt. Ltd. and Anjum Investments Pvt. Ltd. Mr. Daga holds by himself 55,250 Equity shares in the Company. He does not hold for any other person on a beneficial basis, any shares in the Company.

Upon his re-appointment as a director, Mr. Daga shall continue to hold office as a Non-Executive Director subject to retirement by rotation.

Accordingly, the Board recommends his re-appointment.

Except Mr. Daga, 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.

3. 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.

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. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

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

4. 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 13th November, 2015 (being the Record Date), as per details received by the Company from National Securities Depository Limited and Central Depository Services (India) Limited.
5. Final Dividend, as recommended by the Board, if approved at the Annual General Meeting by the Members, will be paid latest by 8th October, 2016, to those persons whose names stand registered in the Company's Register of Members or their mandatees :
- (a) as Beneficial Owners at the end of business hours on 2nd September, 2016, as per names and address to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form, and
 - (b) as Members of the Company after giving effect to the valid share transfers in physical form lodged with the Company on or before commencement of book closure i.e. 3rd September, 2016.
6. In terms of the provisions of Section 205A of the Companies Act, 1956, the amount of dividend not encashed or claimed within 7 (seven) years from the date of its transfer to the unpaid dividend account, will be transferred to the Investor Education and Protection Fund established by the Government. Accordingly, the unclaimed dividend in respect of financial year 2008-09 is due for transfer to the said Fund in October, 2016. In terms of provisions of Section 205C of the Companies Act, 1956), no claim shall lie against the Company or the said Fund after the said transfer.
7. Members who have either neither received nor encashed their dividend warrant(s) for the financial years 2008-09 upto 2014-15, 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).
8. 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.
9. 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.
10. 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.
11. 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).

12. 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.
13. 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.
14. Electronic copy of the Notice and Annual Report of the 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 Participants(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 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.
15. The financial statements, auditors' report and every other document annexed to the financial statements which will be laid at the Annual General Meeting, will be available for inspection at the Registered Office of the Company during working hours for period of 21 days before the date of the 123rd Annual General Meeting i.e. from 19th August, 2016.
16. 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.
17. Members can now get their e-mail address registered with the Company if they want to receive the notices of the Company, for holding general meetings, postal ballot and any other purpose, through electronic mode in pursuance to 'Green Initiative' taken by the Company. For this purpose, members are requested to fill in the form appended to Annual Report and send the filled in form to the Company.
18. Members may also note that the Notice of the 123rd Annual General Meeting and the Annual Report for 2016 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.
19. **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 6th September, 2016 (9:00 am) and ends on 8th September, 2016 (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 2nd September, 2016, 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. As the voting would be through electronic means, the members who do not have access to e-voting, may requisite a Physical Ballot Form from the Company. You are required to fill in the ballot form and enclose it in a sealed envelope and send it to the Scrutinizer. Unsigned, incomplete or incorrectly ticked forms shall be rejected. The ballot must be received by the Scrutinizer on or before **8th September, 2016 (5:00 pm)**. The Scrutinizer's decision on the validity of the forms will be final. Members are required to vote only through the electronic system or through ballot only and in no other form. In the event a member casts his votes through both the processes, the votes in the electronic system would be considered and the ballot vote would be ignored.
- III. 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.
- IV. 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. 2nd September, 2016, 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.
- V. 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).
- VI. 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 2nd September, 2016. A person who is not a member as on cut off date should treat this notice for information purpose only.
- VII. Ms. Swati Bajaj, of P.S. & Associates, Practising Company Secretaries, (Membership No. ACS:13216) (Address: 225D, AJC Bose Road, 3rd Floor, Kolkata - 700020) has been appointed 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.
- VIII. The Scrutinizer will submit, not later than 3 days of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman of the Company.
- IX. 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.
20. 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 : 22nd July, 2016.

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

M. K. DAGA
Chairman
DIN 00123386

**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

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 2nd September, 2016.

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

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

M. K. DAGA
Chairman
DIN 00123386

Date : 22nd July, 2016.

TONGANI TEA COMPANY LIMITED

CIN : L01132WB1893PLC000742

REPORT BY THE BOARD OF DIRECTORS

TO THE MEMBERS

Your Directors have pleasure in presenting their report together with the Audited Accounts for the Financial Year ended 31st March, 2016

EXTRACT OF THE ANNUAL RETURN

The extract of the Annual Return as provided u/s 92(3) of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014, is given as **Annexure A** in the **Annexure forming part of this Report**.

NO OF MEETINGS OF THE BOARD

The Board of Directors have met 6 (six) times during the Financial Year ended 31st March, 2016.

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, 2016 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, 2016 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, 2016 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 2014-2015, 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 B** in the **Annexure forming part of this Report**.

DIRECTORS

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. M.K.Daga, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

AUDITORS

Pursuant to provisions of section 139 of the Companies Act, 2013 and the Rules made thereunder, the current statutory auditors of the Company M/s. L.K.Bohania & Co. (FRNo.317136E) retire at the conclusion of the ensuing 123rd Annual General Meeting.

As per section 139, the Company has to appoint within 3 years of the implementation of this section, an auditor for a term of 5 years subject to ratification by the Shareholders annually.

Thus, the current statutory auditors will not be eligible to be re-appointed for a term of 5 years.

The Company has received certificate from M/s. Navin Nayar & Company, Chartered Accountants (FR No.317117E) to the effect that they are eligible to act as Auditors of the Company u/s 141 of the Companies Act,2013 alongwith the Peer Review Certificate issued to them by the Institute of Chartered Accountants of India.

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.

SECRETARIAL AUDIT REPORT

The Secretarial Audit Report by the Company Secretary in Practice is self explanatory is given as **Annexure C** in the **Annexure forming part of this Report**.

Further, this report has no qualification, reservation, adverse remark or disclaimer; hence no explanation or comments by the Board were required.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS u/s 186 OF THE COMPANIES ACT, 2013

During the year from 01/04/2015 to 31/03/2016 : NIL

The position as on 31/03/2016 and as on 31/03/2015 : refer note nos.12, 14 and 18.

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

NIL

FINANCIAL SUMMARY OR HIGHLIGHTS

FINANCIAL SUMMARY

	(Rs. in '000)	
	Current Year	Previous Year
Total Revenue	78,603	80,620
Profit before Finance Cost, Depreciation & Taxation	10,066	10,778
Less : Finance Cost	3,110	3,436
Profit before Depreciation and Tax	6,956	7,342
Less : Depreciation	1,809	2,222
Profit before Tax	5,147	5,120
Less : <u>Provision for Taxation</u>		
Current Tax	1,108	1,096
MAT Credit	(386)	(362)
Deferred Tax	(1,835)	230
Income Tax for earlier years	—	1,150
Profit after Tax	6,260	3,006
Add : Balance brought forward from Previous Year	5,299	6,694
Surplus available for appropriation	11,559	9,700
APPROPRIATIONS :		
Interim Dividend on Equity Shares	1,229	1,229
Corporate Tax on Interim Dividend	99	110
Proposed Final Dividend on Equity Shares	983	983
Corporate Tax on Proposed Final Dividend	79	79
Transferred to General Reserve	3,000	2,000
Balance carried to Balance Sheet	6,169	5,299

AMOUNT IF ANY RECOMMENDED TO BE PAID BY WAY OF DIVIDEND

The Company paid an interim dividend of Rs.5.00 per Equity Share during the year.

Your Directors are pleased to recommend a final dividend of Rs.4.00 per Equity Share for the year ended 31st March, 2016.

Thus the total dividend for the year ended 31st March, 2016 including the interim dividend will be Rs.9.00 per Equity Share of face value Rs.10/- each.

STATE OF COMPANY'S AFFAIRS

In the financial year 2015-16 the revenue from operations is lower by about 3% which has been off set by a similar reduction in total expenses. During the year there has been a large reduction in unit cost of fuel and other expenses which has helped contained the huge increase in employee benefit expenses due to new tripartite agreement coming into effect.

As suggested by The Hon'ble High Court at Calcutta during the course of hearing on 13th March, 2014 as per the guidance and advice of senior counsels Mr. S. N. Mukherjee and Mr. Ratnanko Banerjee, the Company has accepted certain sum of money towards dues under the Agreement dated 14th September, 1999 for sale of Nagriguli Tea Estate to M/s. Rossell India Ltd. (previously known as M/s. Rossell Tea Limited) and executed the Deed of Conveyance. The necessary entries have been passed in the books of accounts within this Financial Year.

MATERIAL CHANGES, IF ANY

Material changes and commitments, affecting the financial position of the company, have not 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 D** 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.

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 an given as **Annexure E** 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.

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

No Directors were appointed or have resigned during the year.

The details of Key Managerial Personnel who were appointed or have resigned during the year are as follows:

Chief Executive Officer : No Change
 Chief Financial Officer : No Change

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

NIL

DETAILS RELATING TO DEPOSITS COVERED UNDER OR WHICH ARE NOT IN COMPLIANCE WITH THE REQUIREMENTS OF CHAPTER V OF THE ACT

NIL

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

There are 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. A.V.Bagree (Independent Director) Mr. R.K.Murarka (Independent Director) and Ms. Esha Chakraborty (Non-Executive Director). Mr. A.V.Bagree, Chairman of the Committee, has expert knowledge of finance and accounting.

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	M. K. Daga	Director	NIL	0.21 : 1
2	A. V. Bagree	Director	NIL	0.26 : 1
3	R. K. Murarka	Director	NIL	0.06 : 1
4	Esha Chakraborty	Director	NIL	0.17 : 1
5	Sukh Pal Singh	CEO	NIL	—
6	A. K. Agarwala	CFO	14.42	—

The Company has 282 employees as on 31st March, 2016.

Percentage increase in the median remuneration of employees in the financial year : 17.81%

Average percentile increase in the salaries of employees compared with percentile increase in managerial remuneration is 1.24 : 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, 2016 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.

LISTING OF SHARES

The Company's shares are listed with The Calcutta Stock Exchange Ltd. and the listing fees for the year 2016-2017 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 : 18th July, 2016.

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

M. K. DAGA
Chairman
DIN 00123386

ANNEXURE TO REPORT BY BOARD OF DIRECTORS

1) ANNEXURE A:

EXTRACT OF THE ANNUAL RETURN

MGT - 9

EXTRACT OF ANNUAL RETURN as on the financial year ended on 31st March 2016
[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

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	0	0	0	0	650	0	650	0.265	0.265
(k) Banks/Financial Institutions	0	0	0	0	0	0	0	0	0
(l) Any Other (specify)									
Sub-Total(A)(1)	183550	0	183550	74.682	184200	0	184200	74.947	0.265
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)	183550	0	183550	74.682	184200	0	184200	74.947	0.265
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	23400	1500	24900	10.131	21900	1500	23400	9.521	-0.610
(ii) Overseas	0	0	0	0	0	0	0	0	0
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs.1 lakh	6325	18588	24913	10.137	19212	18588	37800	15.380	5.243
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	12037	0	12037	4.898	0	0	0	0	-4.898
(c) Others (specify)									
Trust	0	375	375	0.15	0	375	375	0.15	0
Sub-Total (B)(2)	41762	20463	62225	25.318	41112	20463	61575	25.053	-0.265
Total Public Shareholding (B) = (B)(1) + (B)(2)	41762	20463	62225	25.318	41112	20463	61575	25.053	-0.265
TOTAL (A) + (B)	225312	20463	245775	100.00	225312	20463	245775	100.00	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	225312	20463	245775	100.00	0

(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	52250	21.259	0	55250	22.480	0	1.221
2.	Shanti Devi Daga	56600	23.029	0	56600	23.029	0	0
3.	Jyoti Devi Daga	54825	22.307	0	59825	24.341	0	2.034
4.	Anjum Khaitan	8000	3.255	0	0	0	0	-3.255
5.	Aparna Daga	4500	1.831	0	4500	1.831	0	0
6.	Pallavi Daga	4500	1.831	0	4500	1.831	0	0
7.	Manoj Kumar Daga (Huf)	2875	1.170	0	2875	1.170	0	0
8.	Anjum Investments Pvt.Ltd.	0	0	0	650	0.265	0	0.265
	Total	183550	74.682		184200	74.947		0.265

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

S.No	Particulars	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
	At the beginning of the year	01-04-2015	183550	74.682		
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g.allotment/transfer/bonus/ sweat equity etc.): transfer	26-02-2016	1500	0.610	185050	75.292
		26-02-2016	-8000	-3.255	177050	72.037
		04-03-2016	-850	-0.346	176200	71.692
		31-03-2016	5000	2.034	181200	73.726
		31-03-2016	3000	1.221	184200	74.947
	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	01-04-2015	5538	2.253		
a	Date wise Increase/Decrease during the year	30-06-2015	37	0.015	5575	2.268
b	specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.):	27-07-2015	50	0.020	5625	2.289
		04-03-2016	850	0.346	6475	2.635
c	Transfer					
	At the End of the year		6475	2.635		
4	Manorama Kalyani					
	At the beginning of the year		3750	1.526		
	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)		3750	1.526		
5	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		
6	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		
7	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		
8	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		
9	Sheela Basu					
	At the beginning of the year		550	0.224		
	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)		550	0.224		
10	Debanjana Basu					
	At the beginning of the year		544	0.221		
	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)		544	0.221		

(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	01-04-2015	52250	21.259	
	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	31-03-2016	3000	1.221	55250
	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	27698402	0	0	27698402
(ii) Interest due but not paid	2734508	0	0	2734508
(iii) Interest accrued but not due	0	0	0	0
Total (i + ii + iii)	30432910	0	0	30432910
Change in Indebtedness during the financial year				
* Addition	5003259	0	0	5003259
* Reduction	637817	0	0	637817
Net Change	4365442	0	0	4365442
Indebtedness at the end 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

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
3.	Independent Directors	Ashok Vardhan Bagree	Ravindra Kumar Murarka	
	Fee for attending Board/ Committee meetings	25000	6000	31000
	Commission	0	0	0
	Others (please specify)	0	0	0
	Total (1)	25000	6000	31000
4.	Other Non-Executive Directors	Manoj Kumar Daga	Esha Chakraborty	
	Fee for attending Board/ Committee meetings	20000	16000	36000
	Commission	0	0	0
	Others (please specify)	0	0	0
	Total (2)	20000	16000	36000
	Total (B)= (1+2)	45000	22000	67000
	Total Managerial Remuneration			
	Overall Ceiling as per the Act			

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	540000	331600	871600
	(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	132782	0	132782
	(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	672782	331600	1004382

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					

2) **ANNEXURE B:**

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

The 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.

3) ANNEXURE C:

SECRETARIAL AUDIT REPORT

for the financial year ended 31st March 2016

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

To

The Members,

Tongani Tea Company Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Tongani Tea Company Limited**. (hereinafter called "the Company").

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

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

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016, according to the provisions of:
 - (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - (iv) 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;
 - (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. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and SEBI (Prohibition of Insider Trading) Regulations, 2015;

of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding client;

and Guidelines prescribed under the Securities and Exchange Board of India Act,1992 company under the financial year under report:

- a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- b. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- c. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- e. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
3. The Company is in the Tea business owning garden(s) and producing Tea. The following Acts, over and above other laws etc., are applicable to the Company:
 - Assam Tea Plantation Labour Act, 1951
 - Food Safety and Standards Act, 2006
 - Tea Act, 1953
 - Tea Waste Control (Order) 1959
 - Tea Marketing Control Order, 2003
4. We have also examined compliance with the applicable clauses of the following:
 - (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
 - (ii) The Listing Agreement(s) entered into by the Company with The Calcutta Stock Exchange Limited, as applicable upto 30th November 2015. Thereafter, with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, w.e.f 1st December, 2015.
5. As per the information and explanations provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we report that the provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of:
 - (i) External Commercial Borrowings were not attracted to the Company under the financial year under report;
 - (ii) Foreign Direct Investment (FDI) were not attracted to the company under the financial year under report;
 - (iii) Overseas Direct Investment by Residents in Joint Venture / Wholly Owned Subsidiary abroad were not attracted to the company under the financial year under report.
6. During the financial year under report, the Company has complied with the provisions of the Companies Act, 2013 and the Rules, Regulations, Guidelines, Standards, etc., mentioned above subject to the following observation(s):
Observation(s):
 Key Managerial Personnel (KMP) as required u/s 203(1)(ii) has not been appointed by the Company.
7. As per the information and explanations provided by the company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we report that the Company has not made any GDRs/ADRs or any Commercial Instrument under the financial year under report.
8. We have relied on the information and representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws, and Regulations to the Company.
9. We further report that:
 - (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
 - (b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
10. We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
11. We further report that:
 During the year, the Board of Directors of the Company at their meeting held on 3rd March, 2016, pending approval of the shareholders at an Extraordinary General Meeting to be held on 5th April, 2016, decided to wholly replace the Articles of Association (AoA) of the Company by a new set of AoA.

Place: Kolkata
Date: 30th April, 2016

For P.S. & Associates
Sd/- (SWATI BAJAJ)
(Partner)
C.P. No. 3502, ACS : 13216

**4) ANNEXURE D:
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) – 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		NIL
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.	:	Rs. 18,326/-

5) **ANNEXURE E:**

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 Financial Statements

We have audited the accompanying financial statements of **TONGANI TEA COMPANY LIMITED** (*"the Company"*) which comprise the Balance Sheet as at March 31, 2016, 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 Financial Statements

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

Auditor's Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the 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 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 March 31st, 2016, 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. 36,92,634/-, as the same is temporary in nature as per management comment. Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, 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 purpose 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 (Standalone) 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 March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company does not have any pending litigations which would impact its financial position.
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **L. K. BOHANIA & CO.**
Chartered Accountants
Firm Registration No.317136E

Place : Kolkata

Date : 18th May, 2016

VIKASH MOHATA
Partner
Membership No.304011

“Annexure A” to the Independent Auditors’ Report

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the financial statements of the Company for the year ended March 31, 2016:

- 1)
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 - (b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
 - (c) The title deeds of immovable properties are held in the name of the company.
- 2)
 - a) The management has conducted the physical verification of inventory at reasonable intervals.
 - b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- 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 Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- 7)
 - a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2016 for a period of more than six months from the date on when they become payable.
 - b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.

- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For **L. K. BOHANIA & CO.**
Chartered Accountants
Firm Registration No.317136E

VIKASH MOHATA
Partner
Membership No.304011

Place : Kolkata
Date : 18th May, 2016

“Annexure B” to the Independent Auditor’s Report of even date on the Financial Statements of Tongani Tea Company Limited

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

We have audited the internal financial controls over financial reporting of Tongani Tea Company Limited (“the Company”) as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (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 March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **L. K. BOHANIA & CO.**
Chartered Accountants
Firm Registration No.317136E

VIKASH MOHATA
Partner
Membership No.304011

Place : Kolkata
Date : 18th May, 2016

BALANCE SHEET AS AT 31ST MARCH, 2016

		(Rs. in '000)	
	Note No.	As at 31.03. 2016	As at 31.03. 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	2,458	2,458
Reserves and Surplus	3	132,336	128,466
Non-Current Liabilities			
Long Term Borrowings	4	4,674	5,229
Deferred Tax Liabilities (Net)	5	3,420	5,256
Long Term Provisions	6	9,301	7,962
Current Liabilities			
Short Term Borrowings	7	32,079	24,576
Trade Payable	8		
Total outstanding dues of Micro Enterprises and Small Enterprises		-	-
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		1,748	1,717
Other Current Liabilities	9	1,877	1,313
Short Term Provisions	10	2,656	1,994
TOTAL		190,549	178,971
ASSETS			
Non-Current Assets			
Fixed Assets			
- Tangible Assets	11	77,070	76,552
Non Current Investments	12	21,779	21,780
Long Term Loans and Advances	13	20,879	14,532
Current assets			
Investments	14	21,320	21,320
Inventories	15	7,555	5,784
Trade Receivables	16	454	1,088
Cash and Bank Balance	17	1,156	2,817
Short Term Loans and Advances	18	40,335	35,096
Other Current Assets	19	1	2
TOTAL		190,549	178,971

Significant Accounting Policies and
Notes to the Financial Statements 1 to 35
See accompanying notes to the financial statements
As per our Report of even date

For **L. K. BOHANIA & CO.**
Chartered Accountants
Firm Registration No.317136E

VIKASH MOHATA
Partner
Membership No.304011

M. K. DAGA
Chairman
DIN - 00123386

A.V.BAGREE
Independent Director
DIN - 00421623
A K AGARWALA
Chief Financial Officer

Place : Kolkata
Date : 18th May, 2016

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

		(Rs. in '000)	
	Note No.	For the Year ended 31.03.2016	For the Year ended 31.03.2015
INCOME			
Revenue from operations	20	77582	79898
Less : Excise/Cess on Tea		219	227
		77363	79671
Other Income	21	1241	949
Total Revenue		78604	80620
EXPENSES			
Cost of Materials Consumed	22	-	-
Changes in inventories of Finished Goods	23	(340)	131
Employee Benefit Expense	24	34382	30608
Finance Costs	25	3110	3436
Depreciation and Amortization Expense	26	1809	2222
Other Expenses	27	34496	39103
Total Expenses		73457	75500
PROFIT BEFORE TAX		5147	5120
TAX EXPENSES			
Current Tax		1108	1096
MAT Credit		(386)	(362)
Deferred Tax		(1835)	230
Tax for earlier years		-	1150
PROFIT FOR THE YEAR		6260	3006
Earning per equity share:(Basic / Diluted)	28	25.47	12.23

Significant Accounting Policies and
Notes to the Financial Statements 1 to 35
See accompanying notes to the financial statements
As per our Report of even date

For **L. K. BOHANIA & CO.**
Chartered Accountants
Firm Registration No.317136E

VIKASH MOHATA
Partner
Membership No.304011

Place : Kolkata
Date : 18th May, 2016

M. K. DAGA
Chairman
DIN - 00123386

A.V.BAGREE
Independent Director
DIN - 00421623
A K AGARWALA
Chief Financial Officer

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

	(Rs. in '000)	
	For the Year ended 31.03.2016	For the Year ended 31.03.2015
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit/(Loss) before tax	5,147	5,120
Adjustments for :		
Depreciation	1,809	2,222
Interest Expenses (Net)	1,870	2,768
(Profit)/Loss on Sale of Fixed Assets	92	(42)
(Profit)/Loss on Sale of Investments	-	(300)
Operating Profit before Working Capital Changes	<u>8,918</u>	<u>9,768</u>
Adjustments for :		
(Increase)/Decrease in Trade and Other Receivables	(10,568)	(6,623)
(Increase)/Decrease in Inventories	(1,771)	1,660
Increase/(Decrease) in Trade and Other Payables	2,599	1,623
Income Tax Paid/Refund during the year (Net)	(1,020)	(1,980)
Net Cash generated from Operating Activities	(A) <u>(1,842)</u>	<u>4,448</u>
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(2,477)	(1,137)
Sale of Investments	-	600
Sale of Fixed Assets	60	70
Net Cash used in Investing Activities	(B) <u>(2,417)</u>	<u>(467)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from cash credit	5,003	1,514
Auto Loan for purchase of vehicles	(638)	(698)
Proceeds from unsecured loans	2,500	-
Dividend Paid	2,220	(2,199)
Corporate Dividend Tax paid	(177)	(145)
Interest (Net)	(1,870)	(2,768)
Net Cash used in Financing Activities	(C) <u>2,598</u>	<u>(4,296)</u>
Net increase/(Decrease) in cash and cash equivalents (A + B + C)	(1,661)	(315)
Cash and Cash Equivalents as at 31-03-2015	2,817	3,132
Cash and Cash Equivalents as at 31-03-2016	<u>1,156</u>	<u>2,817</u>

Note :

1 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.

2 Cash and Cash Equivalents :

Cash in hand	157	434
Cheque in hand	-	600
Balances with banks	890	1,665
Balances with banks *	109	118
	<u>1,156</u>	<u>2,817</u>

* Rs.109 (2014-15 Rs.118) 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 **L. K. BOHANIA & CO.**
Chartered Accountants
Firm Registration No.317136E

VIKASH MOHATA
Partner
Membership No.304011

M. K. DAGA
Chairman
DIN - 00123386

A.V.BAGREE
Independent Director
DIN - 00421623

A K AGARWALA
Chief Financial Officer

Place : Kolkata
Date : 18th May, 2016

NOTES TO FINANCIAL STATEMENTS

Note No.

01 SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual and prudent basis, except for certain tangible assets which are being carried at revalued amounts.

These financial statements have been prepared to comply, in all material aspects, with the applicable accounting standards notified under Section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules 2014, as amended and the other relevant provisions of the Companies Act, 2013.

1.2 Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

1.3 Tangible Assets

Fixed Assets are stated at cost. Subsequent acquisition of assets are stated at cost of acquisition including appropriate incidental expenses.

Assets acquired on hire purchase for which ownership will vest at a future date, are capitalised at cash cost.

Profit or Loss on disposal of fixed assets is recognised in Statement of Profit & Loss and calculated as the difference between the realised and the book value.

1.4 Depreciation and Amortisation

Depreciation on tangible assets is provided on written down value method on assets acquired upto 31-03-1981 and on Straight Line Method on assets acquired after 31-03-1981 except land. Depreciation on tangible assets are provided over the useful lives of assets estimated by the management. Depreciation for assets purchased / sold during the period is proportionately changed. Intangible assets are amortised over their respective individual estimated useful lives on a Straight Line basis commencing from the date assets is available to the Company for its 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

* 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 Revaluation Reserve

During the year the Company has assessed the useful lives of assets. Accordingly the Accounting policy of the Company with respect to revaluation reserve has changed and this revaluation amount has been removed from the value of the assets and revaluation reserve. This is in line with Companies Act, 2013.

1.6 Leases

Where the company is lessee : Leasehold land, which effectively transfer 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.

1.7 Borrowing Cost

Interest and other costs on borrowed funds including term loan used to finance the acquisition of fixed assets, upto 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.

1.8 Impairment of tangible assets

At each Balance Sheet date, the Company reviews the carrying amount of its Fixed Assets to determine whether there is any indication that those assets suffered any impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an assets net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the assets and from its

Note No.

disposal are discounted to their present value using a Predetermined rate that reflects the current market assessments of time value of money and the risks specific to the asset Reversal of impairment loss is recognised immediately as income in the Statement of Profit & Loss.

1.9 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.

1.10 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.

1.11 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.

1.12 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.

1.13 Income taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Provision for deferred taxation is made using the liability method, at the enacted rates of taxation, on all timing differences to the extent that it is probable that a liability or asset will crystallise. When there is unabsorbed depreciation or carry forward loss, deferred tax assets are recognised only, if there is virtual certainty of realisation of such assets. Deferred tax assets/liabilities are reviewed at each Balance Sheet date based on development during the year to reassess realisation/liabilities.

1.14 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.

Note No.

1.15 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 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.

1.16 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.

1.17 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.

	(Rs. in '000)			
	As at 31.03. 2016		As at 31.03.2015	
02 SHARE CAPITAL	Number	Rs.('000)	Number	Rs.('000)
Authorised				
Equity Shares of Rs.10/- each	800000	8000	800000	8000
13% Redeemable Cumulative Preference Shares of Rs.100/- each	20000	2000	20000	2000
		<u>10000</u>		<u>10000</u>
Issued, Subscribed & fully paid up				
Equity Shares of Rs.10/- each fully paid	245775	2458	245775	2458
		<u>2458</u>		<u>2458</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	52250	21.26
Shanti Devi Daga	56600	23.03	56600	23.03
Jyoti Devi Daga	59825	24.34	54825	22.31
Visioncraft Industries(India) Pvt.Ltd.	20400	8.30	20400	8.30

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Note No.	(Rs. in '000)			
	As at 31.03. 2016		As at 31.03.2015	
03 RESERVES AND SURPLUS				
Capital Reserve	60		60	
Securities Premium Reserve	56		56	
Revaluation Reserve :				
On account of Revaluation of Assets in earlier years				
Balance as per last Balance Sheet	-	24,939	-	
Less: Withdrawal during the year on account of depreciation/adjustment	-	<u>24,939</u>	-	
Agriculture Development Reserve	52,301		52,301	
<i>(Created out of realisation of agricultural assets in earlier year)</i>				
General Reserve :				
As per last Balance Sheet	70,750	68,723		
Add : Adjustment for carrying amount of Fixed Assets	-	27		
Add : Transferred from Statement of Profit & Loss	<u>3,000</u>	<u>2,000</u>	70,750	
Surplus in Statement of Profit & Loss				
Opening Balance	5,299	6,694		
Add : Profit for the year	<u>6,260</u>	<u>3,006</u>		
	11,559	9,700		
Less : Appropriations				
Transfer to General Reserve	3,000	2,000		
Interim Dividend on Equity Shares	1,229	1,229		
Corporate Tax on Interim Dividend	99	110		
Proposed Final Dividend on Equity Shares	983	983		
Corporate Tax on Proposed Final Dividend	<u>79</u>	<u>79</u>	5,299	
	<u>6,169</u>	<u>79</u>	<u>5,299</u>	
	<u>132,336</u>		<u>128,466</u>	
04 LONG-TERM BORROWINGS				
Deferred Payment Liabilities (Secured)				
Vehicles under Auto Loan Scheme of Banks/Institution (Hire Purchase loan are secured against hypothecation of vehicles)	-		555	
Other Loans & Advances (Secured)				
Hire Purchase Loan				
Machinery under Tea Board Hire Purchase Scheme (Secured by Hypothecation of the related assets acquired)	4674		4674	
(The loan consist of Interest amounting to Rs.2734508/- and the balance is Principal. The entire amount is overdue)	<u>4674</u>		<u>5229</u>	

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Note No.	As at 31.03. 2016	(Rs. in '000)	As at 31.03.2015
05 DEFERRED TAX LIABILITIES (NET)			
Deferred Tax Liability			
Difference between net block value of depreciable Capital Assets as per books vis a vis written down value as per Tax Law	6412		6267
Deferred Tax Assets			
Disallowance under Section 43B of the Income Tax Act,1961	<u>(2992)</u>		<u>(1011)</u>
	<u>3420</u>		<u>5256</u>
06 LONG-TERM PROVISIONS			
Provision for employee benefits	<u>9301</u>		<u>7962</u>
	<u>9301</u>		<u>7962</u>
07 SHORT-TERM BORROWINGS			
Loans repayable on demand from Banks (Secured)	29579		24576
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 the Director. The aggregate amount of loan guaranteed by Director is Rs.300 lacs			
From Others (Unsecured)	2,500		-
	<u>32,079</u>		<u>24,576</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	<u>1,748</u>		<u>1,717</u>
	<u>1,748</u>		<u>1,717</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, 2016. 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		628
Others			
Unpaid dividends	119	128	
Advances from Customers	500	-	
Salaries / Wages Payable	391	328	
Statutory Dues	305	229	
Interest Payable	17	-	685
	<u>1,332</u>	<u>-</u>	<u>685</u>
	<u>1,877</u>		<u>1,313</u>
10 SHORT-TERM PROVISIONS			
Provision for employee benefits	1,454		880
Others			
Provision for Income Tax (Net of Advances & TDS)	140	52	
Proposed Final Dividend	983	983	
Provision for Tax on Proposed Final Dividend	79	79	1,114
	<u>1,202</u>	<u>79</u>	<u>1,114</u>
	<u>2,656</u>		<u>1,994</u>

NOTE NO. 11										
FIXED ASSETS – TANGIBLE ASSETS										
(Rupees in '000)										
PARTICULARS	GROSS BLOCK AT COST / VALUATION				D E P R E C I A T I O N				N E T B L O C K	
	As at 31-03-2015	Additions / Adjustment During the Year	Disposal / Adjustment During the Year	As at 31.03.2016	Upto 31-03-2015	For the Year	Deduction / Adjustment on account of disposal etc.	Upto 31.03.2016	As at 31-03-2016	As at 31-03-2015
LAND										
Land-Freehold	141	—	—	141	—	—	—	—	141	141
Land-Leasehold	232	—	—	232	—	—	—	—	232	232
Land Development Expenditure	35,999	—	—	35,999	—	—	—	—	35,999	35,999
BUILDING										
Buildings	27,409	130	—	27,539	13,218	632	—	13,850	13,689	14,191
Bridges	15,615	—	—	15,615	4,220	237	—	4,457	11,158	11,395
PLANTS & EQUIPMENTS										
Ring & Tubewell	423	—	—	423	377	3	—	380	43	46
Machinery	18,977	1,761	—	20,738	9,976	514	—	10,490	10,248	9,001
Electrical & Installation	1,127	—	—	1,127	1,027	3	—	1,030	97	100
Laboratory & Other Equipments	746	—	—	746	606	9	—	615	131	140
Furniture & Fittings	1,935	—	—	1,935	1,808	122	192	1,738	197	127
Motor Vehicles	8,981	587	352	9,216	3,967	437	201	4,203	5,013	5,014
OFFICE EQUIPMENTS										
Computer	648	—	—	648	482	44	—	526	122	166
Total as at 31-03-16	112,233	2,478	352	114,359	35,681	2,001	393	37,289	77,070	76,552
Total as at 31-03-15	153,129	1,164	42,060	112,233	50,550	2,222	17,091	35,681	76,552	—

NOTES ON FIXED ASSETS :

1. Machinery includes the sum of Rs.36,29,798/- acquired under Hire Purchase Agreement.
2. Vehicles includes Rs.29,05,460/- acquired under Auto Loan Scheme.

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Note No.	As at 31.03. 2016	As at 31.03.2015
	(Rs. in '000)	
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	21778	21778
Other non-current investments		
National Defence Certificates	<u>1</u>	<u>2</u>
	<u>21779</u>	<u>21780</u>
Market Value of Quoted Investments	18,085	16,955
13 LONG-TERM LOANS AND ADVANCES		
Unsecured - Considered good		
Security Deposits	10,125	4,164
Other Loans and Advances		
Advances recoverable in cash or in kind or for value to be received	7800	7800
MAT credit entitlement	2,275	1,889
Corporate Dividend Tax for earlier Years receivable (Excess paid)	<u>679</u>	<u>679</u>
	<u>20,879</u>	<u>14,532</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	800
1,00,000 (100000) Equity Shares of Calcutta Gears (P) Ltd. of Rs.10/- each	5000	5000
50,000 (50000) Equity Shares of Newar Securities Pvt. Ltd. of Rs.10/- each	2500	2500
12,000 (12000) Equity Shares of Sudipta Traders Pvt. Ltd. of Rs.10/- each	2520	2520
50,000 (50000) Equity Shares of Kanpur Agra Transport Pvt. Ltd. of Rs.10/- each	500	500
30,000 (30000) Equity Shares of Satyam Ores Pvt. Ltd. of Rs.10/- each	6000	6000
20,000 (20000) Equity Shares of Auckland Trading Pvt.Ltd. of Rs.10/- each	1000	1000
3,00,000 (300000) Equity Shares of Rhea Tradecom Pvt.Ltd. of Rs.10/- each	<u>3000</u>	<u>3000</u>
	<u>21320</u>	<u>21320</u>
15 INVENTORIES		
Finished goods	2,778	2,439
Stores and spares	<u>4,777</u>	<u>3,345</u>
	<u>7,555</u>	<u>5,784</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	75	139
Other debts	<u>379</u>	<u>949</u>
	<u>454</u>	<u>1,088</u>

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	(Rs. in '000)		
Note No.	As at 31.03. 2016	As at 31.03.2015	
17 CASH AND BANK BALANCE			
Cash and Cash Equivalent			
Balance with banks in Current Accounts	890	1,665	
Cheque in hand	-	600	
Cash in hand	<u>157</u>	<u>434</u>	2,699
Others - Unclaimed Dividend Accounts	<u>109</u>	<u>118</u>	
	<u>1,156</u>	<u>2,817</u>	
18 SHORT-TERM LOANS AND ADVANCES			
Unsecured and considered good			
Other Loans and advances			
Loans to others	21,795	3,145	
Interest Receivable	124	124	
Advances recoverable in cash or in kind or for value to be received	18,208	31,599	
Prepaid Expenses	196	222	
Balance with Excise Authorities	<u>12</u>	<u>6</u>	
	<u>40,335</u>	<u>35,096</u>	
Above Advances are treated as short term as certified by the management.			
19 OTHER CURRENT ASSETS			
Interest Accrued on Investments	<u>1</u>	<u>2</u>	
	<u>1</u>	<u>2</u>	
	For the year ended 31.03.2016	For the year ended 31.03.2015	
20 REVENUE FROM OPERATIONS			
Sale of Products			
- Manufactured Goods - Tea	77,498	79,710	
Other operating revenues			
- Tea Claims	84	188	
	<u>77,582</u>	<u>79,898</u>	
21 OTHER INCOME			
Interest (Gross)	1,157	524	
Rent	84	84	
Profit from Sale of Fixed Asset (Net)	-	41	
Profit from Sale of Investment	-	300	
	<u>1,241</u>	<u>949</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	2,438	2,570	
Less: Closing Stock of Tea	<u>2,778</u>	<u>2,439</u>	
(Increase) / Decrease	<u>(340)</u>	<u>131</u>	
24 EMPLOYEE BENEFIT EXPENSE			
Salaries, Wages and Bonus	21,666	20,497	
Contribution to Provident and Allied Funds	2,002	1,701	
Labour & Staff Welfare	9,375	6,585	
Gratuity	<u>1,339</u>	<u>1,825</u>	
	<u>34,382</u>	<u>30,608</u>	

		(Rs. in '000)	
Note No.		For the year ended 31.03.2016	For the year ended 31.03.2015
25	FINANCE COST		
	Interest Expenses	3,026	3,292
	Other Borrowing Cost	<u>84</u>	<u>144</u>
		<u>3,110</u>	<u>3,436</u>
26	DEPRECIATION AND AMORTIZATION EXPENSES		
	Depreciation on Tangible Assets	<u>1,809</u>	<u>2,222</u>
27	OTHER EXPENSES		
	Manufacturing Expenses		
	Consumption of Stores and Spare Parts	12,303	14,022
	Power & Fuel	8,485	12,031
	Repairs		
	- Buildings	1,008	352
	- Plant & Machinery	1,491	1,363
	- Others	1,509	2,093
	Rent, Rates & Taxes	379	453
	Green Leaf Cess	717	736
	Selling & Distribution Expenses		
	Transportation Charges	1,043	1,038
	Brokerage on Sales	1,465	1,749
	Tea Sales Expenses	1,867	1,915
	Establishment Expenses		
	Director Fees	67	68
	Auditor Remuneration		
	- Statutory Audit	52	51
	- Tax Audit	11	11
	- Other Fees	34	34
	Insurance	149	150
	Professional and Legal charges	529	423
	Miscellaneous Expenses	3,335	2,614
	Loss on Sale of Fixed Assets	92	-
		<u>34,496</u>	<u>39,103</u>
28	EARNING PER SHARE (EPS)		
	Net Profit after tax, attributable to the equity share holders (Rs.)	6,260	3,006
	Basic number of equity shares outstanding during the year	245775	245775
	Basic / diluted Earning per share (Rs.)	25.47	12.23
	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. M.K.Daga Mr. A.V.Bagree Mr. R.K.Murarka Ms. Esha Chakraborty	

Note No.

Particulars of transactions and closing balances during the year :

Nature of transactions	(Rs. in '000)				
	Enterprises over which Key Managerial Personnel have significant influence	Individuals having significant influence	Key Managerial Personnel	Relatives of Key Managerial Personnel	Balance as on 31-03-2016
Dividends paid	—	1003	472	107	—
	(—)	(1003)	(472)	(107)	(—)
Directors Sitting fees	—	—	67	—	—
	(—)	(—)	(68)	(—)	(—)
Agricultural Purchase	1512	—	—	—	—
	(1575)	(—)	(—)	(—)	(—)

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 31-03-2016 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 31-03-2016 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 :

	(Rs. in '000)	
	2015-16	2014-15
i) Expenditure in Foreign Currency		
- Testing expenses	17	—
- Other expenses	1	—

33. During the year 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. 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.
35. Previous year's figures have been re-arranged and re-grouped wherever necessary.

Signature to Notes 1 to 35

In terms of our attached report of even date.

For **L. K. BOHANIA & CO.**
Chartered Accountants
Firm Registration No.317136E

VIKASH MOHATA
Partner
Membership No.304011

M. K. DAGA
Chairman
DIN - 00123386

A.V.BAGREE
Independent Director
DIN - 00421623
A K AGARWALA
Chief Financial Officer

Place : Kolkata
Date : 18th May, 2016

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 123rd Annual General Meeting of the Company, to be held on Friday, September 9, 2016 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 Statement of Profit & Loss of the Company for the year ended 31st March, 2016 and the Balance Sheet as at that date and the Reports of the Auditors and Directors thereon.
2. To confirm the payment of Interim Dividend and to declare Final Dividend.
3. To appoint a Director in place of Mr. M.K.Daga (holding DIN:00123386), who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint M/s. Navin Nayar & Company, Chartered Accountants (F.R.No.317117E) as Statutory Auditors of the Company, to fix their remuneration.

Signed this day of 2016.

(Affix
Revenue
Stamp)

Signature of Shareholder:

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.

BOOK POST

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

