
EASTERN DOOARS TEA COMPANY LIMITED

REPORT AND ACCOUNTS 2016-2017

EASTERN DOOARS TEA COMPANY LIMITED

| | | |
|---------------------|---|---|
| Managing Director | : | Minnalal Nahata |
| Directors | : | Surendra Kumar Nahata Vijay Kumar Nahata Sampatmal Sancheti, Independent Director Tarun Kumar Sancheti, Independent Director Nandini Bose, Woman Director |
| Auditors | : | M/s M. C. Jain & Co. Chartered Accountants 33, Brabourne Road Kolkata - 700 001 |
| Bankers | : | HDFC Bank Ltd. State Bank of India ICICI Bank Ltd. Citi Bank N. A. |
| Agents | : | M/s Panchiram Nahata 177, Mahatma Gandhi Road Kolkata - 700 007 |
| Location of Estates | : | 1. Banglabari Tea Estate 2. Daloabari Tea Estate P. O. & Dist. Kokrajhar B. T. A. D., Assam - 783 370 |
| Registered Office | : | "SHANTINIKETAN" (4th Floor) Suite No. 1A 8, Camac Street, Kolkata - 700 017 Phone : 033-2282 9303 Mail id : easterndooars@gmail.com |
| Registrar | : | M/s Niche Technologies Pvt. Ltd. D-511, Bagree Market 71, B. R. B. Road, Kolkata - 700 001 Phone : 033-2235 7270/71 |
| ISIN No. | : | INE752C01014 |
| Script Code | : | 15069 (CALCUTTA STOCK EXCHANGE) |
| CIN | : | L15492WB1917PLC002823 |

EASTERN DOOARS TEA COMPANY LIMITED

DIRECTORS' REPORT

Your Directors have pleasure in presenting Annual Report of Eastern Dooars Tea Company Limited along with the audited financial statements for the year ended March 31, 2017.

1. **PLANTATION** : Your Tea Estates continue efforts to step up production and quality standards by adopting improved, scientific methods of cultivation, irrigation, infilling, rejuvenation and new plantation. The total area under Tea cultivation at Banglabari Tea Estate now stands at 295.50 hectares and that of Daloabari Tea Estate at 263.31 hectares.

(Amount in Rs.)

2. **OPERATING RESULTS**

Profit before Depreciation and Exceptional items

Depreciation

Exceptional Items

Profit before Taxation

Deduct : Provision for Taxation

Deferred Tax

Profit after Taxation

Add: Surplus of last year

Surplus Available

Appropriation :

General Reserve

Balance to next year

| 2016-17 | 2015-16 |
|-------------|-------------|
| 1,02,33,194 | 2,62,81,770 |
| 78,10,054 | 81,26,022 |
| NIL | NIL |
| 24,23,140 | 1,81,55,748 |
| 7,50,000 | 46,00,000 |
| (6,84,752) | (8,91,948) |
| 23,57,892 | 1,44,47,696 |
| 57,81,365 | 13,33,669 |
| 81,39,257 | 1,57,81,365 |
| NIL | 1,00,00,000 |
| 81,39,257 | 57,81,365 |

3. **PROSPECT** : Your Company has been able to manufacture 13,17,721 kgs. crop as against 11,85,011 kgs last year from own gardens leaf. Thus during the year under review your gardens were ahead in production by 1,32,710 kgs. in comparison to the last year. During the year under review medium varieties tea of lower Assam witnessed weaker prices for most of the year. In spite of increase in production, lower unit realization resulted in erosion of profitability.
4. **DIVIDEND** : Your Directors do not recommend any Dividend for the year under review.
5. **PROPERTIES** : The properties were regularly visited by the Directors, Officers of the Company and the Tea Research Association as well as by the technical experts of M/s Panchiram Nahata, Agents of the Company.
6. **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS** : Section 186(4) of the Companies Act, 2013 requires disclosure in the financial statements of the full particulars of the loan given, investment made or guarantee given or security provided and the purpose for which the loan or guarantee or security is proposed to be utilised by the recipient of the loan or guarantee or security. During the year under consideration no loans, guarantees or investments were made by the Company.
7. **FINANCE** : As per disclosure made in the last Annual Report, the HDFC Bank Limited has granted Cash Credit limit of Rs. 5,00,00,000/- for its working capital requirements against hypothecation of movable and immovable property of the Company and personal guarantee of three of the Directors of the Company. Additional requirement of finance during the year was met from short term inter corporate borrowings.
8. **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS** : There are no significant material orders passed by the Regulators or Courts which would impact the going concern status of the Company and its future operations.
9. **DIRECTORS AND OTHER KEY MANAGERIAL PERSONNEL**

Changes in the composition of the Board of Directors and other Key Managerial Personnel

There was no appointment or cessation of appointment of key managerial personnel during the financial year.

Independent Directors

The Board of the Company consists of 6 Directors, out of which two are Independent Directors, three Non Executive Directors and One Managing Director.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and the Listing Regulations.

Retirement by rotation

In terms of Section 152 of the Companies Act, 2013, Sri Vijay Kumar Nahata, Director retires by rotation and being eligible offers himself for re-appointment.

In terms of Section 152 of the Companies Act, 2013, Sari Tarun Kumar Sancheti, Director retires by rotation and being eligible offers himself for re-appointment.

Re-appointments/Approvals for Managing Director/Independent/Non Executive Directors

The Members of the Company at the Annual General Meeting held on September 28, 2016 approved the appointment of Smt. Nandini Bose as Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation.

10. AUDITORS

STATUTORY AUDITORS : M/s M. C. Jain & Co., Chartered Accountants have expressed their inability to act as the Statutory Auditors of the Company in terms of Section 139 sub-section (2)(b) of the Companies Act, 2013. Proposal has been received from a Shareholder of the Company to appoint M/s A. Sethia & Co., Chartered Accountants (Firm Regn. No. 328380E) as Statutory Auditors of the Company who have expressed their ability to act in that capacity and they are eligible to be appointed as Statutory Auditors of the Company. Necessary resolution has been incorporated in the Notice of the Annual General Meeting of the Company to be held on 20th September, 2017 for consideration and approval of the Members of the Company.

SECRETARIAL AUDITORS : Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. V. Gulgulia & Co. Company Secretaries to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as Annexure - B.

The Auditors' Report and the Secretarial Audit Report for the financial year ended 31st March, 2017 do not contain any qualification, reservation, adverse remark or disclaimer.

11. PERSONNEL

The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given below :

- (a) The ratio of the remuneration of Managing Director to median remuneration of employee of the Company for the financial year :-

| | |
|-------------------|---------|
| Managing Director | 29.79:1 |
|-------------------|---------|
- (b) The percentage increase in remuneration of Managing Director and Chief Financial Officer during the financial year ended on 31st March, 2017 are -0.55% and 11.11% respectively.
- (c) The percentage increase in the median remuneration of employee during the financial year ended on 31st March, 2017 is 8.73%.
- (d) The number of permanent employees as on 31st March, 2017 is 1015.

- (e) The increase in remuneration of the employees is as per standard policy of the Company in respect of all its employees. However, increment in wages and salaries paid to non-executive employees employed at the Tea Estates of the Company are effected as per Industry wise agreements.
- (f) None of the employees of the Company including all the Key Managerial Personnel are in receipt of remuneration in excess of 120 (One hundred twenty) lakh rupees during the year under report.
- 12. INTERNAL CONTROL AND ITS ADEQUACY :** The Company has adequate internal controls and processes in place with respect to its financial statements which provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements. These controls and processes are driven through various policies, procedures and certifications. The processes and controls are reviewed periodically. The Company has a mechanism of testing the controls at regular intervals for their design and operating effectiveness to ascertain the reliability and authenticity of financial information.
- 13. RELATED PARTY TRANSACTIONS :** All Related Party Transactions those were entered into during the financial year were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations. There were no materially significant Related Party Transactions made by the Company with Promoters, Directors, Key Managerial Personnel which may have a potential conflict with the interest of the Company at large. The details of material related party transactions at an aggregate level for year ended March 31, 2017 is annexed as Annexure - C.
- 14. EXTRACT OF ANNUAL RETURN :** The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as Annexure - D.
- 15. CORPORATE SOCIAL RESPONSIBILITY :** The criteria laid under Section 135 for Corporate Social Responsibility is not applicable to the Company during the year under review.
- 16. RISK MANAGEMENT FRAMEWORK :** The Company's risk management framework is based on a clear understanding of various risks, disciplined risk assessment and measurement procedures and continuous monitoring. The Board of Directors has oversight on all the risks assumed by the Company.

17. CORPORATE GOVERNANCE REPORT

- I. **Philosophy of Corporate Governance :** The Company is committed to good Corporate Governance and transparency in all dealings and places emphasis on business ethics, responsibilities, conduct, integrity and accountability. The Company acknowledges the right of its shareholders to information on performance of the Company. The Company strives to improve the corporate governance practices to meet stakeholder's expectation and strictly complies with regulatory guidelines on Corporate Governance.
- II. **Board of Directors :** In terms of the Company's Corporate Governance policy, all statutory and other significant and material information are placed before the Board to enable it to discharge its responsibilities of strategic supervision of the Company and as trustees of stakeholders.

Composition : The Board of Eastern Doors Tea Company Limited as on 31st March, 2017 consists of 6 members, two of them are Independent Directors. The Directors are eminent professionals, drawn from amongst persons with experience in business /finance /law.

Meetings and Attendance : Fourteen Board meetings were held during the year, as against the minimum requirements of four meetings. During the financial year ended 31st March 2017, Board Meetings were held on 18th April, 2016, 14th May, 2016, 23rd May, 2016, 25th May, 2016, 01st August, 2016, 11th August, 2016, 13th August, 2016, 28th September, 2016, 21st October, 2016, 15th November, 2016, 28th December 2016, 31st January, 2017, 15th February, 2017 and 14th March, 2017.

| Name of the Directors | Category of Directors | No of Board Meetings attended | Attendance at Last AGM | No. of other Directorships held (*) |
|-----------------------|-----------------------|-------------------------------|------------------------|-------------------------------------|
| Minnalal Nahata | Managing Director | Thirteen | Yes | One |
| Surendra Kumar Nahata | Director | Eleven | Yes | Three |
| Vijay Kumar Nahata | Director | Thirteen | Yes | Two |
| Sampatmal Sancheti | Independent Director | Six | No | One |
| Tarun Kumar Sancheti | Independent Director | Six | No | None |
| Nandini Bose | Women Director | Six | Yes | Three |

- o The Directorships held by Directors as mentioned above, do not include Alternate Directorships and Directorships of Foreign Companies, Section 25 Companies and Private Limited Companies.
- o The Company did not have any material pecuniary relationship or transaction with the non-executive directors during the period under review.

III. Audit Committee

Composition : Your Company has an Audit Committee comprising of three Members viz. (i) Sri Minnalal Nahata, (ii) Sri Sampatmal Sancheti and (iii) Sri Tarun Kumar Sancheti. All of them financially literate and most of them have accounting or related financial management expertise. The Chairman of the Committee is an Independent Director.

Terms of Reference : The Audit Committee provides direction to the audit function and monitors the quality of internal and statutory audit. The responsibilities of the Audit Committee include examining the financial statements and auditors' report and overseeing the financial reporting process to ensure fairness, sufficiency and credibility of financial statements, recommendation of appointment, terms of appointment and removal of statutory auditors and internal auditor and fixation of their remuneration, approval of payment to statutory auditors for other permitted services rendered by them, performance and effectiveness of audit process, review of the quarterly and annual financial statements before submission to the Board, review of the adequacy of internal control systems and the internal audit function, approval of transactions with related parties or any subsequent modifications, review of statement of significant related party transactions.

Attendance : During the financial year ended on 31st March, 2017 meetings of the Audit Committee were held on 23.05.2016, 11.08.2016, 15.11.2016 and 15.02.2017 which were attended by all the above members. Head of Finance and Accounts also attended said meetings as and when invited by the Committee.

IV. Remuneration & Nomination Committee

Composition : Your Company has a Remuneration and Nomination Committee comprising of three Members viz. (i) Sri Sampatmal Sancheti, (ii) Sri Tarun Kumar Sancheti and (iii) Sm. Nandini Bose to screen the affairs of Managerial remuneration of the Company. Two of the Members of the Committee are Independent Directors.

Terms of Reference : The functions of the Committee include recommending appointments of Directors to the Board, identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommending to the Board their appointment and removal, framing an evaluation framework for the evaluation of the performance of the wholetime/independent Directors and the Board, evaluation of performance of every Director, approving the policy for and quantum of bonus payable to the members of the staff including senior management and key managerial personnel, formulating the criteria for determining qualifications, positive attributes and independence of a Director, framing policy on Board diversity.

Attendance : During the financial year ended on 31st March, 2017 meetings of the Remuneration and Nomination Committee were held on 23.05.2016, 11.08.2016, 15.11.2016 and 15.02.2017 which were attended by all the above members.

Performance Evaluation of Board, Committees and Directors : The Company has put in place an evaluation framework for evaluation of the Board and individual Directors. The Board also carries out an evaluation of the working of its Audit Committee, Board Governance, Remuneration & Nomination Committee ; the evaluation of the Committees is based on the assessment of the compliance with the terms of reference of the Committees.

V. General Body Meetings : Location and time where last three AGMs held :

| Financial Year | Date | Time | Place |
|----------------|----------------------|------------|---|
| 2013-14 | 27th September, 2014 | 11.15 A.M. | 8,CAMAC STREET,4TH FLOOR, KOLKATA-700 017 |
| 2014-15 | 28th September, 2015 | 11.15 A.M. | 8,CAMAC STREET,4TH FLOOR, KOLKATA-700 017 |
| 2015-16 | 28th September, 2016 | 11.15 A.M. | 8,CAMAC STREET,4TH FLOOR, KOLKATA-700 017 |

VI. Dates of Book Closure :

22th September, 2016 to 28th September, 2016, (both days inclusive)
For E Voting Cut Off Date-21st September, 2016

- VII. Listing on Stock Exchange :** The Calcutta Stock Exchange Limited
7, Lyons Range, Kolkata- 700 001
Listing fee has been paid upto the year ending 31st March, 2018.
- VIII. Stock Code :** The Calcutta Stock Exchange Limited – 15069
ISIN No. for the Company's Shares in Demat Form : INE 752C01014
- IX. Market Price Data :** Monthly high and low quotes and volume of shares traded on Calcutta Stock Exchange(CSE):
There were no trading of the equity shares of Eastern Dooars Tea Company Limited for the period from 01/04/2016 to 31/03/2017 at the Calcutta Stock Exchange.
- X. Registrars and Transfer Agents :** (Share transfer and communication regarding share certificates, dividends and change of address) M/s. Niche Technologies Pvt. Ltd., D-511 Bagree Market, 5th Floor, 71, B. R. B. Basu Road, Kolkata – 700001.
- XI. Share Transfer System :** Share transfers are registered and returned within a period of 15 days from the date of receipt, in case documents are complete in all respects. All share transfers are approved by Director of the Company.
- No Shareholder grievances were pending at the beginning of the year. No grievances were received during the year under report. Therefore no pending cases were outstanding at the end of the year.
- XII. The details of the Special Resolutions passed in the General Meetings held in the previous three years are given below :**

| General Body Meeting | Day, Date | Resolution |
|------------------------|-------------------------------|------------|
| Annual General Meeting | Saturday, September 27, 2014 | Nil |
| Annual General Meeting | Monday, September 28, 2015 | Nil |
| Annual General Meeting | Wednesday, September 28, 2016 | Nil |

Extra Ordinary General Meeting :

- i) Saturday, March 22, 2014 to seek approval for raising borrowing limit in excess of the aggregate of the paid-up capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose, subject to the proviso that such borrowing shall not exceed Rs. 10,00,00,000/- (Rupees Ten Crores only) over and above the aggregate of the paid-up capital of the Company and its free reserves and shall exclude all temporary loans obtained by Company from its bankers in the ordinary course of business.

- XIII. Means of Communication :** In compliance with the requirements of the Listing Agreement, the Company regularly intimates unaudited as well as audited financial results to the Calcutta Stock Exchange after the Board takes them on record. Further coverage is given for the benefit of the shareholders and investors by publication of the financial results in the two newspapers circulating in the state of West Bengal.

XIV. Information on Shareholding

| Category | No. of Shareholders | % of Total | No. of Shares | % of Total |
|--|---------------------|---------------|---------------|---------------|
| SHAREHOLDING OF PROMOTOR & PROMOTOR GROUP | | | | |
| Bodies Corporate | 4 | 0.43 | 19630 | 9.81 |
| Individual/Hindu Undivided family | 25 | 2.69 | 164751 | 82.38 |
| PUBLIC SHAREHOLDING | | | | |
| Financial Institution | 2 | 0.21 | 12 | 0.01 |
| Others | 900 | 96.67 | 15607 | 7.80 |
| TOTAL | 931 | 100.00 | 200000 | 100.00 |

18. PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO :

The particulars in respect of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are attached and form part of this Report under Annexure- "A"

19. DIRECTORS' RESPONSIBILITY STATEMENT :

The Directors confirm:

1. that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. that they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
3. that they have taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. that they have prepared the annual accounts on a going concern basis;
5. that they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
6. that they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENT : The Board wishes to place on record its sincere appreciation of the efforts put in by your Company's workers, staff and executives for achieving good results.

For and on behalf of the Board
EASTERN DOOARS TEA COMPANY LIMITED

Minnalal Nahata
(DIN : 00599149)
Managing Director

Vijay Kumar Nahata
(DIN : 00599189)

Sampatmal Sancheti
(DIN : 00620693)

Surendra Kumar Nahata
(DIN : 00025510)
Directors

Place : Kolkata
The 28th July, 2017

EASTERN DOOARS TEA COMPANY LIMITED

ANNEXURE TO THE DIRECTOR'S REPORT

ANNEXURE - A

[The information under Section 134(3)(m) of the Companies Act, 2013 read with the rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended 31st March, 2017]

Disclosure of Particulars with respect to Conservation of Energy.

A. Conservation of Energy

| | Current Year | Previous Year |
|---|---------------------|----------------------|
| 1. Electricity | | |
| (a) Purchased | | |
| Units (kwh) | 11,76,101 | 10,37,882 |
| Total Amount (Rs.) | 99,13,787 | 88,03,320 |
| Rate / Unit (Rs.) | 8.43 | 8.48 |
| (b) Own Generation (H.S.D.) | | |
| i) Through Diesel Generator Units (kwh) | 2,77,728 | 2,22,480 |
| Units per litre of Diesel Oil | 2.49 | 2.50 |
| Cost / Unit (Rs.) | 21.73 | 21.18 |
| ii) Through Steam Turbine / Generator Units | Nil | Nil |
| 2. Coal | | |
| Quantity (Tonnes) | 925 | 1,522 |
| Total Cost (Rs.) | 73,96,108 | 1,19,40,986 |
| Average Rate (Rs.) | 7,999 | 7,848 |
| 3. Furnace Oil | | |
| Quantity (Litres) | 8,548 | 3204 |
| Total Cost (Rs.) | 4,68,450 | 1,70,646 |
| Average Rate (Rs.) | 55 | 53 |
| 4. Other / Internal Generation | Nil | Nil |
| 5. Consumption per Unit of Production | | |
| Product | Tea | Tea |
| Unit | Ton | Ton |
| Electricity | 955 | 918 |
| Furnace Oil | 6 | 2 |
| Coal | 607 | 1,108 |
| Others | Nil | Nil |

B. Technology Absorption :

The Tea Research Association at Tocklai, engaged in research in field and factory levels for improving yield and quality of Tea and the Company, being a member of TRA also applied the result of R&D in field and factory levels.

C. Foreign Exchange Earnings : Nil (Previous Year – Nil)

D. Foreign Exchange Outgo : Nil (Previous Year – Nil)

ANNEXURE - B TO DIRECTORS' REPORT
FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

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

To,
The Members,
EASTERN DOOARS TEA CO. LTD.

We have conducted the **Secretarial Audit** of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Eastern Dooars Tea Co. Ltd. (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 **March 31st, 2017** complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on 31st March, 2017 according to the provisions of :

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- 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 (as amended from time to time) 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, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during audit period);
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during audit period);
 - f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during audit period);
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during audit period); and
 - i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

vi. Other Laws applicable to the Company namely :

- 1) Air (Prevention and Control of Pollution) Act, 1981 and the rules and standards made thereunder.
- 2) Water (Prevention and Control of Pollution) Act, 1974 and Water (Prevention and Control of Pollution) Rules, 1975.
- 3) The Plantations Labour Act, 1951.
- 4) Factories Act, 1948 and allied State Laws.
- 5) The Income Tax Act, 1961.
- 6) The Central Excise Act, 1944.
- 7) The Finance Act, 1994.

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

- i. Secretarial Standards on Meetings of the Board of Directors (SS-1) and on General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with the Calcutta Stock Exchange Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that :

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Women Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and Listing Regulations.

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.

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

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

We further report that during the audit period, the company has no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For **V. Gulgulia & Co.**
Company Secretaries

Vineeta Gulgulia
(Proprietor)

Place : Kolkata
Date : July 28, 2017

ACS No. : 36867 CP No. : 13743

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

EASTERN DOOARS TEA COMPANY LIMITED

'Annexure A'

To,
The Members
Eastern Dooars Tea Co. Ltd.
CIN : L15492WB1917PLC002823

Our report of even date is to be read along with this letter.

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

For V. Gulgulia & Co.
Company Secretaries

Vineeta Gulgulia
(Proprietor)

ACS No. : 36867 CP No. : 13743

Place : Kolkata
Date : July 28, 2017

EASTERN DOOARS TEA COMPANY LIMITED

ANNEXURE - C TO THE DIRECTORS' REPORT RELATED PARTY TRANSACTIONS

| Sl. No. | Nature of Transactions | Relationship | 31.03.2017 | 31.03.2016 |
|----------------|---|---------------------|-------------------|-------------------|
| 1 | Sale of Tea Plants Bijni Dooars Tea Company Ltd. | Relative | 6,27,000 | 4,32,838 |
| 2 | Sales of Stores Bijni Dooars Tea Company Ltd. | Relative | 9,47,440 | NIL |
| 3 | Commission paid Panchiram Nahata | Relative | 17,79,159 | 17,78,164 |
| 4 | Services Rendered Bijni Dooars Tea Company Ltd. | Relative | 30,26,849 | 24,88,560 |
| 5 | Interest Paid Finance Exchange (India) Ltd. | Relative | 10,90,027 | 40,44,610 |
| 6 | Payment of Salaries / Perquisites / Commission Minnalal Nahata | KMP | 12,77,228 | 12,84,637 |
| 7 | Reimbursement received for Telephone & Electric Expenses Bijni Dooars Tea Company Ltd. | Relative | NIL | 1,52,942 |
| 8 | Reimbursement made for Travelling Expenses Panchiram Nahata | Relative | NIL | 42,255 |
| 9 | Payment of Electric and Office Maintenance Charges Bijni Dooars Tea Company Ltd. | Relative | 59,766 | NIL |
| 10 | Loan Received Finance Exchange (India) Ltd. | Relative | 2,85,00,000 | 1,75,00,000 |
| 11 | Loan Repaid Finance Exchange (India) Ltd. | Relative | 2,85,00,000 | 4,75,00,000 |

For and on behalf of the Board

Minnalal Nahata

(DIN : 00599149)

Managing Director

Vijay Kumar Nahata

(DIN : 00599189)

Sampatmal Sancheti

(DIN : 00620693)

Surendra Kumar Nahata

(DIN : 00025510)

Directors

Place : Kolkata

Date : The 28th day of July, 2017

ANNEXURE - D TO THE DIRECTORS' REPORT

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2017

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1)
of the Company (Management & Administration) Rules, 2014.

I REGISTRATION & OTHER DETAILS :

| | | |
|-----|---|---|
| i | CIN | L15492WB1917PLC002823 |
| II | Registration Date | 25-04-1917 |
| III | Name of the Company | Eastern Dooars Tea Company Ltd |
| IV | Category/Sub-category of the Company | Public Company : Limited By Shares |
| V | Address of the Registered office & contact details | 8, Camac Street, 4th Floor, Shantiniketan Bldg., Kolkata-700017 , Phone No. 22829303 |
| VI | Whether listed company | YES |
| VII | Name , Address & contact details of the Registrar & Transfer Agent, if any. | M/s Niche Technologies Pvt. Ltd., D-511, Bagree Market, 5th Floor, 71, B.R.B. BASU Road, Kolkata-700001, Ph.- 033 22357271/70 |

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

| Sl. No. | Name & Description of main products/services | NIC Code of the Product /service | % to total turnover of the company |
|---------|--|----------------------------------|------------------------------------|
| 1 | Tea | 0100 | 100% |
| | | | |

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

| Sl. No. | Name & Address of the Company | CIN/GLN | HOLDING/ SUBSIDIARY/ ASSOCIATE | % OF SHARES HELD | APPLICABLE SECTION |
|---------|-------------------------------|---------|--------------------------------------|---------------------|-----------------------|
| 1 | NONE | | | | |

IV (i) SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | 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 | | | | | | | | | |
| a) Individual/HUF | 158726 | 6025 | 164751 | 82.376 | 158726 | 6025 | 164751 | 82.376 | - |
| b) Central Govt.or State Govt. | - | - | - | - | - | - | - | - | - |
| c) Bodies Corporates | 16930 | 3700 | 20630 | 10.315 | 16930 | 3700 | 20630 | 10.315 | - |
| d) Bank/FI | - | - | - | - | - | - | - | - | - |
| e) Any other | - | - | - | - | - | - | - | - | - |
| SUB TOTAL : (A) (1) | 175656 | 9725 | 185381 | 92.691 | 175656 | 9725 | 185381 | 92.691 | - |

| | | | | | | | | | |
|--|--------|-------|--------|---------|--------|-------|--------|---------|---|
| (2) Foreign | | | | | | | | | |
| a) NRI- Individuals | - | - | - | - | - | - | - | - | - |
| b) Other Individuals | - | - | - | - | - | - | - | - | - |
| c) Bodies Corp. | - | - | - | - | - | - | - | - | - |
| d) Banks/FI | - | - | - | - | - | - | - | - | - |
| e) Any other... | - | - | - | - | - | - | - | - | - |
| SUB TOTAL : (A) (2) | - | - | - | - | - | - | - | - | - |
| Total Shareholding of Promoter (A)= (A)(1)+(A)(2) | 175656 | 9725 | 185381 | 92.691 | 175656 | 9725 | 185381 | 92.691 | - |
| B. PUBLIC SHAREHOLDING | | | | | | | | | |
| (1) Institutions | | | | | | | | | |
| a) Mutual Funds | - | - | - | - | - | - | - | - | - |
| b) Banks/FI | - | 12 | 12 | 0.006 | - | 12 | 12 | 0.006 | - |
| c) Central Govt. | - | - | - | - | - | - | - | - | - |
| d) State Govt. | - | - | - | - | - | - | - | - | - |
| e) Venture Capital Fund | - | - | - | - | - | - | - | - | - |
| f) Insurance Companies | - | - | - | - | - | - | - | - | - |
| g) FIIS | - | - | - | - | - | - | - | - | - |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| i) Others (specify) | - | - | - | - | - | - | - | - | - |
| SUB TOTAL : (B)(1) | - | 12 | 12 | 0.006 | - | 12 | 12 | 0.006 | - |
| (2) Non Institutions | | | | | | | | | |
| a) Bodies corporates | | | | | | | | | |
| i) Indian | - | - | - | - | - | - | - | - | - |
| ii) Overseas | - | - | - | - | - | - | - | - | - |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto Rs.1 lakh | 1472 | 11585 | 13057 | 6.528 | 1472 | 11585 | 13057 | 6.528 | - |
| ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakh | - | - | - | - | - | - | - | - | - |
| c) N R I./OCBs | - | 1,550 | 1550 | 0.775 | - | 1,550 | 1550 | 0.775 | - |
| SUB TOTAL : (B)(2) | 1472 | 13135 | 14607 | 7.303 | 1472 | 13135 | 14607 | 7.303 | - |
| Total Public Shareholding (B)= (B)(1)+(B)(2) | 1472 | 13147 | 14619 | 7.309 | 1472 | 13147 | 14619 | 7.309 | - |
| C. Shares held by Custodian for GDRs & ADRs | - | - | - | - | - | - | - | - | - |
| Grand Total : (A+B+C) | 177128 | 22872 | 200000 | 100.000 | 177128 | 22872 | 200000 | 100.000 | - |

(ii) Share Holding of Promoters

| Sl. No. | Shareholders Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in share holding during the year |
|---------|---|---|----------------------------------|--|-------------------------------------|----------------------------------|--|---|
| | | No of shares | % of total shares of the company | % of shares pledged encumbered to total shares | No. of shares | % of total shares of the company | % of shares pledged encumbered to total shares | |
| 1 | Aakriti Nahata | 9073 | 4.54 | Nil | 9073 | 4.54 | Nil | - |
| 2 | Bimala Debi Nahata | 5063 | 2.53 | Nil | 5063 | 2.53 | Nil | - |
| 3 | Chhotulal Nahata | 3200 | 1.60 | Nil | 3200 | 1.60 | Nil | - |
| 4 | Dhanpat Pincha | 100 | 0.05 | Nil | 100 | 0.05 | Nil | - |
| 5 | Indira Debi Nahata | 7065 | 3.53 | Nil | 7065 | 3.53 | Nil | - |
| 6 | Jitendra Kumar Nahata | 13657 | 6.83 | Nil | 13657 | 6.83 | Nil | - |
| 7 | Jitendra Kumar Nahata | 3000 | 1.50 | Nil | 3000 | 1.50 | Nil | - |
| 8 | Jyoti Dugar | 200 | 0.10 | Nil | 200 | 0.10 | Nil | - |
| 9 | Lalita Pincha | 200 | 0.10 | Nil | 200 | 0.10 | Nil | - |
| 10 | Manju Nahata | 13310 | 6.66 | Nil | 13310 | 6.66 | Nil | - |
| 11 | Minnalal Nahata | 5158 | 2.58 | Nil | 5158 | 2.58 | Nil | - |
| 12 | Minnalal Nahata | 3200 | 1.60 | Nil | 3200 | 1.60 | Nil | - |
| 13 | Paritosah Kumar Dutta | 180 | 0.09 | Nil | 180 | 0.09 | Nil | - |
| 14 | Rashi Nahata | 10900 | 5.45 | Nil | 10900 | 5.45 | Nil | - |
| 15 | Rita Anchalia | 500 | 0.25 | Nil | 500 | 0.25 | Nil | - |
| 16 | Sharad Nahata | 6550 | 3.28 | Nil | 6550 | 3.28 | Nil | - |
| 17 | Sunita Baid | 500 | 0.25 | Nil | 500 | 0.25 | Nil | - |
| 18 | Surendra Kumar Nahata | 6590 | 3.30 | Nil | 6590 | 3.30 | Nil | - |
| 19 | Surendra Kumar Nahata | 3500 | 1.75 | Nil | 3500 | 1.75 | Nil | - |
| 20 | Surya Kanta Nahata | 10200 | 5.10 | Nil | 10200 | 5.10 | Nil | - |
| 21 | Vaibhav Nahata | 9745 | 4.87 | Nil | 9745 | 4.87 | Nil | - |
| 22 | Vidya Nahata | 7225 | 3.61 | Nil | 7225 | 3.61 | Nil | - |
| 23 | Vijay Kumar Nahata | 12950 | 6.48 | Nil | 12950 | 6.48 | Nil | - |
| 24 | Vijay Kumar Nahata | 15700 | 7.85 | Nil | 15700 | 7.85 | Nil | - |
| 25 | Vikas Nahata | 16985 | 8.49 | Nil | 16985 | 8.49 | Nil | - |
| 26 | Bijni Dooars Tea Company Limited | 3100 | 1.55 | Nil | 3100 | 1.55 | Nil | - |
| 27 | Nahata Estates Pvt. Ltd. | 15300 | 7.65 | Nil | 15300 | 7.65 | Nil | - |
| 28 | S. Jitendra Trading & Investments Pvt. Ltd. | 600 | 0.30 | Nil | 600 | 0.30 | Nil | - |
| 29 | Vaibh Shree Finvest Pvt. Ltd. | 630 | 0.32 | Nil | 630 | 0.32 | Nil | - |
| 30 | Ratanshree Finvest Pvt. Ltd. | 1000 | 0.50 | Nil | 1000 | 0.50 | Nil | - |
| | Total | 185381 | 92.69 | Nil | 185381 | 92.69 | Nil | - |

(iii) Change In Promoters' Shareholding (Specify if there is no change)

| Sl. No. | | Share holding 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 | Minnalal Nahata | | | | |
| | At the beginning of the year | 8,358 | 4.18 | 8,358 | 4.18 |
| | Changes | - | - | 8,358 | 4.18 |
| | At the end of the year | 8,358 | 4.18 | 8,358 | 4.18 |
| 2 | Vijay Kumar Nahara | | | | |
| | At the beginning of the year | 28,650 | 14.33 | 28,650 | 14.33 |
| | Changes | - | - | 28,650 | 14.33 |
| | At the end of the year | 28,650 | 14.33 | 28,650 | 14.33 |
| 3 | Surendra Kumar Nahata | | | | |
| | At the beginning of the year | 10,090 | 5.05 | 10,090 | 5.05 |
| | Changes | - | - | 10,090 | 5.05 |
| | At the end of the year | 10,090 | 5.05 | 10,090 | 5.05 |
| 4 | Chhotulal Nahata | | | | |
| | At the beginning of the year | 3,200 | 1.60 | 3,200 | 1.60 |
| | Changes | - | - | 3,200 | 1.60 |
| | At the end of the year | 3,200 | 1.60 | 3,200 | 1.60 |
| 5 | Aakriti Nahata | | | | |
| | At the beginning of the year | 9,073 | 4.54 | 9,073 | 4.54 |
| | Changes | - | - | 9,073 | 4.54 |
| | At the end of the year | 9,073 | 4.54 | 9,073 | 4.54 |
| 6 | Bimala Debi Nahata | | | | |
| | At the beginning of the year | 5,063 | 2.53 | 5,063 | 2.53 |
| | Changes | - | - | 5,063 | 2.53 |
| | At the end of the year | 5,063 | 2.53 | 5,063 | 2.53 |
| 7 | Dhanpat Pincha | | | | |
| | At the beginning of the year | 100 | 0.05 | 100 | 0.05 |
| | Changes | - | - | 100 | 0.05 |
| | At the end of the year | 100 | 0.05 | 100 | 0.05 |
| 8 | Indira Debi Nahata | | | | |
| | At the beginning of the year | 7,065 | 3.53 | 7,065 | 3.53 |
| | Changes | - | - | 7,065 | 3.53 |
| | At the end of the year | 7,065 | 3.53 | 7,065 | 3.53 |
| 9 | Jitendra Kumar nahata | | | | |
| | At the beginning of the year | 16,657 | 8.33 | 16,657 | 8.33 |
| | Changes | - | - | 16,657 | 8.33 |
| | At the end of the year | 16,657 | 8.33 | 16,657 | 8.33 |
| 10 | Jyoti Dugar | | | | |
| | At the beginning of the year | 200 | 0.10 | 200 | 0.10 |
| | Changes | - | - | 200 | 0.10 |
| | At the end of the year | 200 | 0.10 | 200 | 0.10 |

| | | | | | |
|-----------|------------------------------|--------|------|--------|------|
| 11 | Lalita Pincha | | | | |
| | At the beginning of the year | 200 | 0.10 | 200 | 0.10 |
| | Changes | - | - | 200 | 0.10 |
| | At the end of the year | 200 | 0.10 | 200 | 0.10 |
| 12 | Manju Nahata | | | | |
| | At the beginning of the year | 13,310 | 6.66 | 13,310 | 6.66 |
| | Changes | - | - | 13,310 | 6.66 |
| | At the end of the year | 13,310 | 6.66 | 13,310 | 6.66 |
| 13 | Paritosah Kumar Dutta | | | | |
| | At the beginning of the year | 180 | 0.09 | 180 | 0.09 |
| | Changes | - | - | 180 | 0.09 |
| | At the end of the year | 180 | 0.09 | 180 | 0.09 |
| 14 | Rashi Nahata | | | | |
| | At the beginning of the year | 10,900 | 5.45 | 10,900 | 5.45 |
| | Changes | - | - | 10,900 | 5.45 |
| | At the end of the year | 10,900 | 5.45 | 10,900 | 5.45 |
| 15 | Rita Ancharia | | | | |
| | At the beginning of the year | 500 | 0.25 | 500 | 0.25 |
| | Changes | - | - | 500 | 0.25 |
| | At the end of the year | 500 | 0.25 | 500 | 0.25 |
| 16 | Sharad Nahata | | | | |
| | At the beginning of the year | 6,550 | 3.28 | 6,550 | 3.28 |
| | Changes | - | - | 6,550 | 3.28 |
| | At the end of the year | 6,550 | 3.28 | 6,550 | 3.28 |
| 17 | Sunita Baid | | | | |
| | At the beginning of the year | 500 | 0.25 | 500 | 0.25 |
| | Changes | - | - | 500 | 0.25 |
| | At the end of the year | 500 | 0.25 | 500 | 0.25 |
| 18 | Surya kanta Nahata | | | | |
| | At the beginning of the year | 10,200 | 5.10 | 10,200 | 5.10 |
| | Changes | - | - | 10,200 | 5.10 |
| | At the end of the year | 10,200 | 5.10 | 10,200 | 5.10 |
| 19 | Vaibhav nahata | | | | |
| | At the beginning of the year | 9,745 | 4.87 | 9,745 | 4.87 |
| | Changes | - | - | 9,745 | 4.87 |
| | At the end of the year | 9,745 | 4.87 | 9,745 | 4.87 |
| 20 | Vidya Nahata | | | | |
| | At the beginning of the year | 7,225 | 3.61 | 7,225 | 3.61 |
| | Changes | - | - | 7,225 | 3.61 |
| | At the end of the year | 7,225 | 3.61 | 7,225 | 3.61 |
| 21 | Vikas Nahata | | | | |
| | At the beginning of the year | 16,985 | 8.49 | 16,985 | 8.49 |
| | Changes | - | - | 16,985 | 8.49 |
| | At the end of the year | 16,985 | 8.49 | 16,985 | 8.49 |

| | | | | | |
|-----------|--|--------|------|--------|------|
| 22 | Bijni Dooars Tea Company Limited | | | | |
| | At the beginning of the year | 3,100 | 1.55 | 3,100 | 1.55 |
| | Changes | - | - | 3,100 | 1.55 |
| | At the end of the year | 3,100 | 1.55 | 3,100 | 1.55 |
| 23 | Nahata Estates Pvt. Ltd. | | | | |
| | At the beginning of the year | 15,300 | 7.65 | 15,300 | 7.65 |
| | Changes | - | - | 15,300 | 7.65 |
| | At the end of the year | 15,300 | 7.65 | 15,300 | 7.65 |
| 24 | S. Jitendra Trading & Investments Pvt. Ltd. | | - | | |
| | At the beginning of the year | 600 | 0.30 | 600 | 0.30 |
| | Changes | - | - | 600 | 0.30 |
| | At the end of the year | 600 | 0.30 | 600 | 0.30 |
| 25 | Vaibh Shree Finvest Pvt. Ltd. | | | | |
| | At the beginning of the year | 630 | 0.32 | 630 | 0.32 |
| | Changes | - | - | 630 | 0.32 |
| | At the end of the year | 630 | 0.32 | 630 | 0.32 |
| 26 | Ratanshree Finvest Pvt. Ltd. | | | | |
| | At the beginning of the year | 1,000 | 0.50 | 1,000 | 0.50 |
| | Changes | - | - | 1,000 | 0.50 |
| | At the end of the year | 1,000 | 0.50 | 1,000 | 0.50 |

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

| Sl. No. | For each of the top 10 Shareholders | Shareholding at the end 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 | Kavita Devi Dugar | | | | |
| | At the beginning of the year | 1,000 | 0.50 | 1,000 | 0.50 |
| | Changes | - | - | 1,000 | 0.50 |
| | At the end of the year | 1,000 | 0.50 | 1,000 | 0.50 |
| 2 | Chiranji Lal Saini | | | | |
| | At the beginning of the year | 1,000 | 0.50 | 1,000 | 0.50 |
| | Changes | - | - | 1,000 | 0.50 |
| | At the end of the year | 1,000 | 0.50 | 1,000 | 0.50 |
| 3 | Prithvisingh Rajput | | | | |
| | At the beginning of the year | 450 | 0.23 | 450 | 0.23 |
| | Changes | - | - | 450 | 0.23 |
| | At the end of the year | 450 | 0.23 | 450 | 0.23 |
| 4 | Shrish Chunilal Parekh | | | | |
| | At the beginning of the year | 200 | 0.10 | 200 | 0.10 |
| | Changes | - | - | 200 | 0.10 |
| | At the end of the year | 200 | 0.10 | 200 | 0.10 |
| 5 | Jignesh Shirish Parekh | | | | |
| | At the beginning of the year | 200 | 0.10 | 200 | 0.10 |
| | Changes | - | - | 200 | 0.10 |
| | At the end of the year | 200 | 0.10 | 200 | 0.10 |

| | | | | | |
|-----------|-------------------------------|------------|-------------|------------|-------------|
| 6 | Dhanraj Chindalia | | | | |
| | At the beginning of the year | 22 | 0.01 | 22 | 0.01 |
| | Changes | 174 | 0.09 | 196 | 0.10 |
| | At the end of the year | 196 | 0.10 | 196 | 0.10 |
| 7 | Chittal RM | | | | |
| | At the beginning of the year | 150 | 0.08 | 150 | 0.08 |
| | Changes | - | - | 150 | 0.08 |
| | At the end of the year | 150 | 0.08 | 150 | 0.08 |
| 8 | Chanchal Bai | | | | |
| | At the beginning of the year | 150 | 0.08 | 150 | 0.08 |
| | Changes | - | - | 150 | 0.08 |
| | At the end of the year | 150 | 0.08 | 150 | 0.08 |
| 9 | Sri Iswar Gadadhar Jew | | | | |
| | At the beginning of the year | 140 | 0.07 | 140 | 0.07 |
| | Changes | - | - | 140 | 0.07 |
| | At the end of the year | 140 | 0.07 | 140 | 0.07 |
| 10 | Nirmal Ranjan Sen | | | | |
| | At the beginning of the year | 126 | 0.06 | 126 | 0.06 |
| | Changes | - | - | 126 | 0.06 |
| | At the end of the year | 126 | 0.06 | 126 | 0.06 |

(v) Shareholding of Directors / KMP

| Sl. No. | Name of the Director | Shareholding at the end 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 | Minnalal Nahata | | | | |
| | At the beginning of the year | 5158 | 2.58 | 5158 | 2.58 |
| | Changes | - | - | 5158 | 2.58 |
| | At the end of the year | 5158 | 2.58 | 5158 | 2.58 |
| 2 | Vijay Kumar Nahata | | | | |
| | At the beginning of the year | 15700 | 7.65 | 15700 | 7.65 |
| | Changes | - | - | 15700 | 7.65 |
| | At the end of the year | 15700 | 7.65 | 15700 | 7.65 |
| 3 | Surendra Kumar Nahata | | | | |
| | At the beginning of the year | 6590 | 3.30 | 6590 | 3.30 |
| | Changes | - | - | 6590 | 3.30 |
| | At the end of the year | 6590 | 3.30 | 6590 | 3.30 |
| 4 | Sampatmal Sancheti | | | | |
| | At the beginning of the year | - | - | - | - |
| | Changes | - | - | - | - |
| | At the end of the year | - | - | - | - |
| 5 | Tarun Kumar Sancheti | | | | |
| | At the beginning of the year | - | - | - | - |
| | Changes | - | - | - | - |
| | At the end of the year | - | - | - | - |
| 6 | Nandini Bose | | | | |
| | At the beginning of the year | - | - | - | - |
| | Changes | - | - | - | - |
| | At the end of the year | - | - | - | - |

V. INDEBTEDNESS

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

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|-------------------------------------|--------------------|----------|-----------------------|
| Indebtness at the beginning of the financial year | | | | |
| i) Principal Amount | - | - | - | - |
| ii) Interest due but not paid | 36,808 | - | - | 36,808 |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 36,808 | - | - | 36,808 |
| Change in Indebtedness during the financial year | | | | |
| Additions | 4,10,40,383 | - | - | 4,10,40,383 |
| Reduction | (36,808) | - | - | (36,808) |
| Net Change | 4,10,03,575 | - | - | 4,10,03,575 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 4,10,40,383 | - | - | 4,10,40,383 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 4,10,40,383 | - | - | 4,10,40,383 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

| Sl.No. | Particulars of Remuneration | Name of the MD Sri Minnalal Nahata | Total Amount |
|--------|---|--|------------------|
| 1 | Gross salary | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 | 7,10,000 | 7,10,000 |
| | (b) Value of perquisites u/s 17(2) of the Income tax Act, 1961 | 5,30,224 | 5,30,224 |
| | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961 | - | - |
| 2 | Stock option | - | - |
| 3 | Sweat Equity | - | - |
| 4 | Commission | | |
| | as % of profit | 37,004 | 37,004 |
| | others (specify) | - | - |
| 5 | Others, please specify | - | - |
| | Total (A) | 12,77,228 | 12,77,228 |
| | Ceiling as per the Act | 5% of the net profits of the Company calculated as per section 198 of the Companies Act, 2013. | |

B Remuneration to other directors :

| Sl.No. | Particulars of Remuneration | Name of the Directors | | | Total Amount |
|--------|--|--|---------------------------|-------------------|---------------|
| | | Sri Sampatmal Sancheti | Sri Tarun Kumar Sancheti | | |
| 1 | Independent Directors | | | | |
| | (a) Fee for attending board / committee meetings | 10,000 | 10,000 | | 20,000 |
| | (b) Commission | - | - | | - |
| | (c) Others, please specify | - | - | | - |
| | Total (1) | 10,000 | 10,000 | | 20,000 |
| 2 | Other Non Executive Directors | Sri Vijay Kumar Nahata | Sri Surendra Kumar Nahata | Smt. Nandini Bose | |
| | (a) Fee for attending board / committee meetings | 17,000 | 15,000 | 10,000.00 | 42,000 |
| | (b) Commission | - | - | - | - |
| | (c) Others, please specify. | - | - | - | - |
| | Total (2) | 17,000 | 15,000 | 10,000.00 | 42,000 |
| | Total (B)=(1+2) | 27,000 | 25,000 | 10,000.00 | 62,000 |
| | Total Managerial Remuneration | | | | |
| | Overall Ceiling as per the Act. | 1% of the net profits of the Company calculated as per section 198 of the Companies Act, 2013. | | | |

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES - NONE

For and on behalf of the Board

Minnalal Nahata
Managing Director
DIN : 00599149Vijay Kumar Nahata
Director
DIN : 00599189Sampatmal Sancheti
Director
DIN : 00620693Surendra Kumar Nahata
Director
DIN : 00025510Place : Kolkata
Date : The 28th day of July, 2017

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF *EASTERN DOOARS TEA COMPANY LIMITED*

Report on the Financial Statements

We have audited the accompanying financial statements of **Eastern Dooars Tea Company Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the 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 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and 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 31st March, 2017, its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) Subject to non compliance with AS-12 for Accounting of Grants to the extent that grants are accounted on receipt basis, in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017, from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to 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**" to this report.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – **refer note 26(a)**;
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv) The Company has provided requisite disclosures in the financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016. Based on audit procedures performed and the representations provided to us by the management, we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.

For **M. C. Jain & Co.**

Chartered Accountants

ICAI Reg. No. 304012E

(M. K. PATAWARI)

Partner

M. No. 056623

33, Brabourne Road, Kolkata - 700 001

The 28th day of July, 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" section of our report of even date.

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has phased programme for physical verification of all fixed assets, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
- (c) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statement and according to information and explanation given by the management, the title deeds of immovable properties are held in the name of the company except for leasehold land having gross & net block of Rs. 2,24,995 & Rs. 2,24,995 respectively as at March 31, 2017, for which title deeds are not in the name of the Company.
- (ii) As explained to us, stock of inventories were physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on such physical verification.
- (iii) In our opinion and according to the information and explanation given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provision of section 185 & 186 of the Companies Act, 2013 in respect of investments made. There are no loan, guarantees and securities provided in respect of which provision of section 185 and 186 of the Companies Act, 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits from the public within the meaning of section 73, 74, 75 and 76 of the Companies Act, 2013 and the rules framed there under to the extent notified.
- (vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 and hence reporting under clause 3(vi) of the Order is not applicable therefore not commented upon.
- (vii) (a) According to the information and explanations given to us and record of the company examined by us, in our opinion the Company is generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, value added tax, cess and any other statutory dues as applicable to it during the year with the appropriate authorities. According to the information and explanations given to us, no undisputed statutory dues were outstanding as at 31st March, 2017 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, following disputed statutory dues have not been deposited on account of dispute:-

| Statute | Nature of Dues | Forum where dispute is pending | Amount involved | Period to which related |
|--|----------------|---|-----------------|-------------------------|
| The W.B. Value Added Tax Act 2003/The Central Sales Tax Act 1956 | VAT | West Bengal Commercial Taxes Appellate & Revisional Board | 9,98,127/- | Financial Year 2007-08 |
| The W.B. Value Added Tax Act 2003/The Central Sales Tax Act 1956 | VAT | West Bengal Commercial Taxes Appellate Tribunal | 17,18,392/- | Financial Year 2008-09 |
| The Income Tax Act 1961 | Income Tax | Assessing Officer | 63,140/- | Assessment Year-2009-10 |
| The Income Tax Act 1961 | Income Tax | Commissioner of Income Tax (Appeals) | 39,15,830/- | Assessment Year-2013-14 |
| The Income Tax Act 1961 | Income Tax | Commissioner of Income Tax (Appeals) | 35,260/- | Assessment Year-2014-15 |

- (viii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to banks & financial institution. The company did not have any outstanding dues to government during the year and there were no outstanding debentures.

- (ix) In our opinion and according to the information and explanation given to us, the company has not raised any money by way of initial public offer / further public offer /debt instruments and term loans. Hence, reporting under clause 3(ix) of the Order is not applicable to the company and therefore not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanation given by the management, we report that no fraud by the company or on the company by the officers and employees of the company has been noticed or reported during the year nor have been we informed of any such case by the management.
- (xi) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanation given by the management, we report that the managerial remuneration paid / provided during the year is within the limits specified u/s 197 and no approvals u/s 197 read with schedule V to the Companies Act, 2013 were required.
- (xii) In our opinion, the company is not a Nidhi Company. Therefore the provisions of clause 3(xii) of the order are not applicable to the company and hence not commented upon.
- (xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanation given by the management, transaction with related parties are in compliance with section 177 & 188 of Companies Act, 2013, wherever applicable, and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to information and explanation given to us, and based on the records of the company examined by us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore provisions of clause 3(xiv) of the Order are not applicable to the company and hence not commented upon.
- (xv) According to information and explanation given to us, and based on the records of the company examined by us, the company has not entered into any non-cash transactions with directors or persons connected with them.
- (xvi) According to information and explanation given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the company.

For **M. C. Jain & Co.**

Chartered Accountants

ICAI Reg. No. 304012E

(M. K. PATAWARI)

Partner

M. No. 056623

33, Brabourne Road, Kolkata - 700 001

The 28th day of July, 2017

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 2(g) under "Report on Other Legal and Regulatory Requirements" section of our report of even date.

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

We have audited the internal financial controls over financial reporting of **Eastern Dooars Tea Company Limited** ("the Company") as of 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **M. C. Jain & Co.**

Chartered Accountants

ICAI Reg. No. 304012E

(M. K. PATAWARI)

Partner

M. No. 056623

33, Brabourne Road, Kolkata - 700 001

The 28th day of July, 2017

EASTERN DOOARS TEA COMPANY LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2017

| Particulars | Note No. | As at 31.03.2017 Rs. | As at 31.03.2016 Rs. |
|--|---------------------|---------------------------------|---------------------------------|
| EQUITY AND LIABILITIES | | | |
| Shareholders' Funds | | | |
| (a) Share Capital | 2 | 2,000,000 | 2,000,000 |
| (b) Reserves and Surplus | 3 | 78,932,014 | 76,574,122 |
| Non-Current Liabilities | | | |
| (a) Deferred Tax Liabilities | 4 | 2,771,386 | 3,456,138 |
| Current Liabilities | | | |
| (a) Short-Term Borrowings | 5 | 41,040,383 | 36,808 |
| (b) Trade Payables | 6 | 7,682,895 | 10,512,224 |
| (c) Other Current Liabilities | 7 | 16,668,103 | 28,183,609 |
| (d) Short-Term Provisions | 8 | 20,136,075 | 23,014,209 |
| TOTAL | | 169,230,856 | 143,777,110 |
| ASSETS | | | |
| Non-Current Assets | | | |
| (a) Fixed Assets | | | |
| (i) Tangible Assets | 9 | 78,157,527 | 70,632,533 |
| (ii) Capital Work-in-Progress | 9 | 832,290 | - |
| (b) Non-Current Investments | 10 | 1,423 | 1,423 |
| (c) Long-Term Loans and Advances | 11 | 1,361,920 | 1,360,920 |
| Current assets | | | |
| (a) Current Investment | 12 | - | 3,527,389 |
| (b) Inventories | 13 | 35,006,040 | 35,396,623 |
| (c) Trade Receivables | 14 | 42,082,558 | 24,423,677 |
| (d) Cash and Bank Balances | 15 | 2,837,342 | 1,674,255 |
| (e) Short-Term Loans and Advances | 16 | 8,851,876 | 6,655,247 |
| (f) Other Current Assets | 17 | 99,880 | 105,043 |
| TOTAL | | 169,230,856 | 143,777,110 |
| Significant Accounting Policies | 1 | | |
| The accompanying notes are an integral part of the Financial Statements | 2 to 44 | | |

As per our report of even date

For **M. C. Jain & Co.**
Chartered Accountants
ICAI Regn No. 304012E
(M. K. PATAWARI)
Partner
M. No. 056623
Kolkata, The 28th day of July, 2017

For and on behalf of the Board

| | |
|--|---|
| Minnalal Nahata Managing Director DIN : 00599149 | Vijay Kumar Nahata Director DIN : 00599189 |
| Sampatmal Sancheti Director DIN : 00620693 | Surendra Kumar Nahata Director DIN : 00025510 |

EASTERN DOOARS TEA COMPANY LIMITED

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

| Particulars | Note No. | For the year ended 31.03.2017 Rs. | For the year ended 31.03.2016 Rs. |
|---|-------------|---|---|
| INCOME | | | |
| Revenue from Operations (Gross) | 18 | 202,674,948 | 201,577,042 |
| Less : Excise Duty | | - | - |
| | | 202,674,948 | 201,577,042 |
| Other Income | 19 | 1,821,988 | 1,755,808 |
| Total Revenue | | 204,496,936 | 203,332,850 |
| EXPENSES | | | |
| Cost of Materials Consumed | 20 | 15,988,579 | 14,221,672 |
| Changes in Inventories of Finished Goods | 21 | (2,121,161) | (5,545,767) |
| Employee Benefits Expense | 22 | 59,736,102 | 58,912,000 |
| Finance Costs | 23 | 2,282,955 | 4,942,954 |
| Other Expenses | 24 | 118,377,267 | 104,520,221 |
| Depreciation and Amortisation Expense | 9 | 7,810,054 | 8,126,022 |
| Total Expenses | | 202,073,796 | 185,177,102 |
| Profit before Exceptional items and taxes | | 2,423,140 | 18,155,748 |
| Exceptional items | | - | - |
| Profit before tax | | 2,423,140 | 18,155,748 |
| Tax expense : | | | |
| (a) Current Tax | | 750,000 | 4,600,000 |
| (b) Deferred Tax | | (684,752) | (891,948) |
| Profit after Tax for the year | | 2,357,892 | 14,447,696 |
| Earnings per Equity share of Rs.10 each | | | |
| (a) Basic | | 11.79 | 72.24 |
| (b) Diluted | | 11.79 | 72.24 |
| Significant Accounting Policies | 1 | | |
| The accompanying notes are an integral part of the Financial Statements | 2 to 44 | | |

As per our report on even date

For **M. C. Jain & Co.**
Chartered Accountants
ICAI Regn No. 304012E
(M. K. PATAWARI)
Partner
M. No. 056623
Kolkata, The 28th day of July, 2017

For and on behalf of the Board

| | |
|--|---|
| Minnalal Nahata <i>Managing Director</i> DIN : 00599149 Sampatmal Sancheti <i>Director</i> DIN : 00620693 | Vijay Kumar Nahata <i>Director</i> DIN : 00599189 Surendra Kumar Nahata <i>Director</i> DIN : 00025510 |
|--|---|

EASTERN DOOARS TEA COMPANY LIMITED

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

| DESCRIPTION | Amt. in Rs. 2016-2017 | Amt. in Rs. 2015-2016 |
|---|--------------------------|--------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES : | | |
| Net Profit before tax | 2,423,140 | 18,155,748 |
| Adjustment for : | | |
| Depreciation | 7,810,054 | 8,126,022 |
| Profit on sale of investments | (98,061) | (27,389) |
| Finance cost | 2,282,955 | 4,942,954 |
| Interest received | (114,708) | (1,662,150) |
| Operating Profit Before Working Capital Changes : | 12,303,380 | 29,535,185 |
| Adjustments for : | | |
| Trade receivables | (17,658,881) | 1,170,672 |
| Short term loans & advances | (638,786) | 439,863 |
| Long term loans & advances | (1,000) | 10,000 |
| Other current assets | 5,163 | 276,147 |
| Inventories | 390,583 | (8,507,395) |
| Trade payables | (2,829,329) | 876,292 |
| Other current liabilities | (11,515,506) | 9,160,601 |
| Short term provisions | 721,556 | 2,141,039 |
| Cash generated from operations | (19,222,820) | 35,102,404 |
| Direct taxes paid | (5,907,533) | (1,902,777) |
| Cash flow before Extraordinary items | (25,130,353) | 33,199,627 |
| Extra ordinary items | - | - |
| Net Cash from Operating Activities (A) | (25,130,353) | 33,199,627 |
| B. CASH FLOW FROM INVESTING ACTIVITIES : | | |
| Purchase of Fixed assets / Capital work in progress | (16,167,338) | (4,097,480) |
| Purchase of investments | (5,500,000) | (11,000,000) |
| Sale proceeds of investments | 9,125,450 | 7,500,000 |
| Interest received | 114,708 | 1,662,150 |
| Net Cash from Investing Activities (B) | (12,427,180) | (5,935,330) |
| C. CASH FLOW FROM FINANCING ACTIVITIES : | | |
| Proceeds of Short term borrowings | 41,003,575 | - |
| Repayment of Short term borrowings | - | (45,818,451) |
| Finance cost | (2,282,955) | (4,942,954) |
| Net Cash from Financing Activities (C) | 38,720,620 | (50,761,405) |
| Net increase in Cash & Cash Equivalents (A+B+C) | 1,163,087 | (23,497,108) |
| * Cash & Cash Equivalents (Opening Balance) | 1,674,255 | 25,171,363 |
| * Cash & Cash Equivalents (Closing Balance) | 2,837,342 | 1,674,255 |
| * Represents Cash and Bank Balances as indicated in Note 15 | | |

Note : Cash flow statement has been prepared under the indirect method as set out in Accounting Standard - 3 specified under Section 133 of the Companies Act, 2013.

In terms of our attached Report of even date

For and on behalf of the Board

For **M. C. Jain & Co.**

Chartered Accountants

ICAI Regn No. 304012E

(M. K. PATAWARI)

Partner

M. No. 056623

33, Brabourne Road, Kolkata - 700 001

Date : The 28th day of July, 2017

Minnalal Nahata

Managing Director

DIN : 00599149

Sampatmal Sancheti

Director

DIN : 00620693

Vijay Kumar Nahata

Director

DIN : 00599189

Surendra Kumar Nahata

Director

DIN : 00025510

EASTERN DOOARS TEA COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

1. SIGNIFICANT ACCOUNTING POLICIES

A) CONVENTION

The financial statements have been prepared in accordance with applicable Accounting Standards in India and in accordance with the relevant provisions of the Companies Act, 2013. A summary of important accounting policies which have been applied consistently is set out below.

B) USE OF ESTIMATES

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities including contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

C) BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with historical cost convention. All income and expenses, unless specifically stated otherwise, have been accounted for on accrual basis.

D) RECOGNITION OF REVENUE & EXPENSE

Sale is recorded in the accounts on passing of title of the goods at the value excluding Sales Tax. Other Income and expenditure except otherwise stated are accounted for on accrual basis.

E) FIXED ASSET & DEPRECIATION/AMORTIZATION

i) Tangible Fixed Assets

- a) Fixed assets other than those which are revalued are stated at cost less accumulated depreciation and accumulated impairment loss, if any.
- b) Depreciation on tangible fixed assets other than land and tea plantation is provided on the "Written Down Value Method" at the rates determined based on useful lives of respective assets as prescribed in the Schedule II of the Companies Act, 2013.

ii) Intangible Assets

Intangible Assets are stated at cost on initial recognition after which the same are stated at cost less accumulated amortization and accumulated impairment loss, if any.

iii) Capital work-In-Progress

Capital Work-in-progress is stated at cost which includes expenses incurred during construction period, interest on amount borrowed for acquisition of qualifying assets and other expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial production.

F) INVESTMENTS

- a) 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 long-term investments.
- b) On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees & duties.
- c) Long-Term Investments are stated at cost. Provision for diminution is made if the decline in value, in the opinion of the management, is other than temporary.
- d) Current Investments are stated at lower of cost or fair market value.

G) GOVERNMENT GRANTS

Government Grants are recognized in accounts on cash basis. Revenue grants are recognized in the Statement of Profit & Loss. Capital grants relating to specific Tangible/Intangible Assets are reduced from the gross value of the respective Tangible/Intangible Assets. Other capital grants in the nature of promoters contribution are credited to Capital Reserve.

H) INVENTORIES

Stock of Stores & Spares is valued at cost or net realizable value whichever is lower. Stock of Tea is valued at sale price for stock sold during subsequent period and at estimated market price for unsold stock.

I) EMPLOYMENT BENEFITS

a) Short Term Employees Benefits

The undiscounted amount of short term employee benefit expected to be paid in exchange for the services rendered by employee is recognized during the period when the employee render the service. This benefit includes salary, wages, short term compensatory absences and bonus.

b) Long Term Employee Benefits

i) **Defined Contribution Scheme** : This benefit includes contribution to Provident Fund Schemes and Employees Deposit Link Insurance Scheme. The contribution is recognized during the period in which the employee renders service.

ii) **Defined Benefit Scheme** : For defined benefit scheme the cost of providing benefit is determined using the projected unit credit method with actuarial valuation being carried out at each balance sheet date. The retirement benefit obligation recognized in the Balance Sheet represents value of defined benefit obligations as reduced by the fair value of planned assets. Actuarial gains and losses are recognized in full during the year in which they occur.

J) IMPAIRMENT

Impairment of Assets are assessed at each Balance Sheet date and if any indicators of impairment exists the same is assessed and provided for in accordance with the Accounting Standard 28. A previously recognized impairment loss is periodically assessed.

K) TAXES ON INCOME

Current tax is determined on the basis of the amount of tax payable for the year under Income Tax Act, and Agriculture Income Tax of the respective states.

Deferred tax is calculated at the applicable tax rate and is recognized on timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period. Deferred tax assets subject to consideration of prudence, are recognized and carried forward only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

L) BORROWING COST

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost until the assets is ready for its intended use. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use. Other borrowing costs are recognized as an expense in the period in which they are incurred.

M) PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS

Provisions are recognized in respect of present obligations arising out of past events where there are reliable estimates of the probable outflow of resources. Contingent liabilities are the possible obligation of the past events, the existence of which will be confirmed only by the occurrence or non-occurrence of a future event. These are not provided for but are disclosed by way of Notes on Accounts. Contingent Assets are not provided for or disclosed.

EASTERN DOOARS TEA COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(Amount in Rs.)

Note 2 Share capital

| Particulars | As at 31.03.2017 | As at 31.03.2016 |
|--------------------------------------|-------------------------|-------------------------|
| Authorised | | |
| 400000 Equity shares of Rs.10/- each | <u>4,000,000</u> | <u>4,000,000</u> |
| Issued, Subscribed and fully paid up | | |
| 200000 Equity shares of Rs.10/- each | <u>2,000,000</u> | <u>2,000,000</u> |
| Total | <u>2,000,000</u> | <u>2,000,000</u> |

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period :

| Particulars | As at 31.03.2017 | As at 31.03.2016 |
|---|-------------------------|-------------------------|
| Shares outstanding at the beginning of the year | <u>200,000</u> | <u>200,000</u> |
| Shares outstanding at the end of the year | <u>200,000</u> | <u>200,000</u> |

(ii) The Company has only one class of Issued Share i.e. Equity Share having par value of Rs. 10 per share. Each holder of ordinary share is entitled to one vote per share and equal right for dividend. In event of liquidation, the ordinary shareholders are eligible to receive the remaining asset of the Company after payment of all the preferential amounts, in proportion to their shareholding.

(iii) The Company does not have any Holding /Ultimate Holding Company.

(iv) Details of shareholders holding more than 5% shares in the company:

| Name of shareholder | As at 31.03.2017 | | As at 31.03.2016 | |
|----------------------------|-------------------------|----------|-------------------------|----------|
| | No. of Shares | % | No. of Shares | % |
| Nahata Estates Pvt Ltd | 15300 | 7.65 | 15300 | 7.65 |
| Vijay Kumar Nahata (HUF) | 12950 | 6.48 | 12950 | 6.48 |
| Vijay Kumar Nahata | 15700 | 7.85 | 15700 | 7.85 |
| Jitendra Kumar Nahata | 13657 | 6.83 | 13657 | 6.83 |
| Vikas Nahata | 16985 | 8.49 | 16985 | 8.49 |
| Rashi Nahata | 10900 | 5.45 | 10900 | 5.45 |
| Manju Nahata | 13310 | 6.66 | 13310 | 6.66 |
| Surya Kanta Nahata | 10200 | 5.10 | 10200 | 5.10 |

EASTERN DOOARS TEA COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

| Note 3 Reserves and Surplus | (Amount in Rs.) | |
|--|-------------------------|-------------------------|
| Particulars | As at 31.03.2017 | As at 31.03.2016 |
| Capital Reserve | | |
| As per last Financial Statements | 792,757 | 792,757 |
| | 792,757 | 792,757 |
| General Reserve | | |
| As per last Financial Statements | 70,000,000 | 60,000,000 |
| Add : Transferred from Surplus | - | 10,000,000 |
| Closing balance | 70,000,000 | 70,000,000 |
| Surplus in Statement of Profit and Loss | | |
| As per last Financial Statements | 5,781,365 | 1,333,669 |
| Add : Profit for the year | 2,357,892 | 14,447,696 |
| Less : Appropriations : | | |
| Transferred to General Reserve | - | 10,000,000 |
| Net Surplus | 8,139,257 | 5,781,365 |
| Total Reserves and Surplus | 78,932,014 | 76,574,122 |

Note 4 Deferred Tax Liabilities

| Particulars | As at 31.03.2017 | As at 31.03.2016 |
|--|-------------------------|-------------------------|
| Arising on account of accumulated depreciation | 2,771,386 | 3,456,138 |
| Total | 2,771,386 | 3,456,138 |

Note 5 Short-Term Borrowings

| Particulars | As at 31.03.2017 | As at 31.03.2016 |
|---|-------------------------|-------------------------|
| Secured : | | |
| Cash Credit from HDFC Bank Ltd. | 41,040,383 | - |
| Housing Loan from Assam State Housing Board | - | 36,808 |
| Total | 41,040,383 | 36,808 |

Security :

- i) Cash Credit from HDFC Bank Ltd. is secured by hypothecation of stock of tea, stores & spares and book debts existing and future, Equitable Mortgage of immovable property at Daloabari & Banglabari Tea Estates owned by the Company and personal guarantee of two directors of the Company.
- ii) Housing Loan from Assam State housing Board is secured by mortgage of land & labour houses having gross value of Rs. Nil (P. Y. Rs. 8,58,450/-) and is subject to confirmation.
- iii) Detail of Short-term borrowings guaranteed by directors :

| Particulars | As at 31.03.2017 | As at 31.03.2016 |
|---------------------------------|-------------------------|-------------------------|
| Cash Credit from HDFC Bank Ltd. | 41,040,383 | - |

EASTERN DOOARS TEA COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(Amount in Rs.)

Note 6 Trade Payables

| Particulars | As at 31.03.2017 | As at 31.03.2016 |
|------------------|------------------|-------------------|
| Sundry Creditors | 7,682,895 | 10,512,224 |
| Total | 7,682,895 | 10,512,224 |

Note 7 Other Current Liabilities

| Particulars | As at 31.03.2017 | As at 31.03.2016 |
|---------------------|-------------------|-------------------|
| Statutory Dues | 2,054,197 | 3,014,759 |
| Advance from Agents | 7,304,790 | 8,806,947 |
| Expenses Payable | 7,309,117 | 16,361,903 |
| Total | 16,668,104 | 28,183,609 |

Note 8 Short-Term Provisions

| Particulars | As at 31.03.2017 | As at 31.03.2016 |
|------------------------|-------------------|-------------------|
| Provision for Bonus | 15,054,296 | 14,332,740 |
| Provision for Taxation | 5,081,779 | 8,681,469 |
| Total | 20,136,075 | 23,014,209 |

Note 10. Non-Current Investments

| Particulars | As at 31.03.2017 | As at 31.03.2016 |
|---|------------------|------------------|
| Non-Trade Investment (At Cost) | | |
| Investment in Government Securities-Unquoted | | |
| 3% G. P. Notes of face value of Rs. 1700 each | 1,423 | 1,423 |
| Total | 1,423 | 1,423 |

Note 11. Long -Term Loans and Advances
(Unsecured, Considered Good)

| Particulars | As at 31.03.2017 | As at 31.03.2016 |
|------------------|------------------|------------------|
| Security Deposit | 1,361,920 | 1,360,920 |
| Total | 1,361,920 | 1,360,920 |

Note 12. Current Investments

| Particulars | As at 31.03.2017 | As at 31.03.2016 |
|---|------------------|------------------|
| CURRENT INVESTMENT (at cost) | | |
| Investments in Mutual Fund - Unquoted | | |
| Nil (P. Y. - 12110.735) units of Birla Sunlife Savings Fund - Growth - Regular plan | - | 3,527,389 |
| Total | - | 3,527,389 |

Note 13. Inventories (As valued & Certified by the Management)

| Particulars | As at 31.03.2017 | As at 31.03.2016 |
|------------------------------|-------------------|-------------------|
| Finished Goods- Stock of Tea | 25,278,147 | 23,156,985 |
| Stores and Spares | 9,727,893 | 12,239,638 |
| Total | 35,006,040 | 35,396,623 |

EASTERN DOOARS TEA COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Note 9 : Fixed Assets

| DESCRIPTION | GROSS BLOCK | | | DEPRECIATION | | | NET BLOCK | | |
|--|--------------------|--------------------------|--------------------------------|------------------------|------------------|---------------------------------|------------------------|-------------------|-------------------|
| | As on 01-04-2016 | Addition during the year | Less : Sales and/or Adjustment | Total Up to 31-03-2017 | For the year | Less: Applicable to Assets Sold | Total Up to 31-03-2017 | As at 31-03-2017 | As at 31-03-2016 |
| TANGIBLE FIXED ASSETS | | | | | | | | | |
| Land & Plantation | 27,010,257 | - | - | 27,010,257 | - | - | - | 27,010,257 | 27,010,257 |
| Machineries | 76,990,659 | 338,275 | - | 77,328,934 | 4,841,392 | - | 54,154,864 | 23,174,070 | 27,677,187 |
| Factory Building | 6,342,144 | - | - | 6,342,144 | 117,190 | - | 5,038,499 | 1,303,645 | 1,420,835 |
| Buildings | 8,757,915 | 116,012 | - | 8,873,927 | 3,867,521 | - | 4,418,434 | 4,455,493 | 4,890,394 |
| Hospital Buildings | 109,382 | - | - | 109,382 | 107,172 | - | 107,172 | 2,210 | 2,210 |
| Office Premises | - | 11,915,263 | - | 11,915,263 | 881,064 | - | 881,064 | 11,034,199 | - |
| Fencing | 438,250 | - | - | 438,250 | 433,709 | - | 433,709 | 4,541 | 4,541 |
| Tractors & Trailors | 2,072,442 | - | - | 2,072,442 | 17,404 | - | 2,032,557 | 39,885 | 57,289 |
| Motor Cars, Jeeps | 3,498,198 | - | - | 3,498,198 | 2,667,909 | - | 2,927,829 | 570,369 | 830,289 |
| Furniture | 1,028,922 | - | - | 1,028,922 | 96,450 | - | 781,253 | 247,669 | 344,119 |
| Airconditioners | 80,810 | - | - | 80,810 | 79,469 | - | 79,469 | 1,341 | 1,341 |
| Electrification | 1,704,608 | 598,813 | - | 2,303,421 | 87,090 | - | 1,733,281 | 570,140 | 58,417 |
| New Labour Houses | 16,255,660 | 2,366,685 | - | 18,622,345 | 926,363 | - | 8,961,702 | 9,660,643 | 8,220,321 |
| Refrigerators | 52,659 | - | - | 52,659 | 48,059 | - | 49,628 | 3,031 | 4,600 |
| Deep Tube Well | 862,446 | - | - | 862,446 | 21,062 | - | 832,617 | 29,829 | 50,891 |
| Motor Cycles & Mopeds | 338,093 | - | - | 338,093 | 311,742 | - | 320,362 | 17,731 | 26,351 |
| Computers | 325,106 | - | - | 325,106 | 1,017 | - | 316,282 | 8,824 | 9,841 |
| Mobile Phone | 77,675 | - | - | 77,675 | 77,675 | - | 77,675 | - | - |
| Roads & Bridges | 473,002 | - | - | 473,002 | 449,352 | - | 449,352 | 23,650 | 23,650 |
| Tangible Fixed Assets | 146,418,228 | 15,335,048 | - | 161,753,276 | 7,810,054 | - | 83,595,749 | 78,157,527 | 70,632,533 |
| Capital Work in Process | - | 832,290 | - | 832,290 | - | - | - | 832,290 | - |
| Corresponding figures for previous year | | | | | | | | | |
| Tangible Fixed Assets | 141,067,862 | 5,350,366 | - | 146,418,228 | 8,126,022 | - | 75,785,695 | 70,632,533 | 73,408,189 |
| Capital Work in Process | 1,252,886 | - | 1,252,886 | - | - | - | - | - | 1,252,886 |

Note :-

- New Labour Houses includes a sum of Rs. Nil (previous year Rs.8,58,450/-) being the cost of labour houses constructed under loan from Assam State Housing Board.
- Plantation includes a sum of Rs.2,24,995/- (previous year Rs.2,24,995/-) for the cost of land acquired pending registration.
- Addition to Machineries is after Netting of Rs. Nil (Previous year - Rs.5,90,276/-) on account of subsidy received from Tea Board under Tea Plantation Development Subsidy Scheme.

EASTERN DOOARS TEA COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

| | | (Amount in Rs.) | |
|---|-------------------------|-------------------------|--|
| Note 14. Trade Receivables (Unsecured & Considered good) | | | |
| Particulars | As at 31.03.2017 | As at 31.03.2016 | |
| Outstanding for a period of more than six months from due date | 8,835,007 | 8,376,841 | |
| Others | 33,247,551 | 16,046,836 | |
| Total | 42,082,558 | 24,423,677 | |
| | | | |
| Note 15. Cash and Bank Balances | | | |
| Particulars | As at 31.03.2017 | As at 31.03.2016 | |
| <u>Cash and Cash Equivalents</u> | | | |
| Cash in hand | 240,795 | 80,182 | |
| Balances with banks in Current Account | 2,596,547 | 1,594,073 | |
| Total | 2,837,342 | 1,674,255 | |
| | | | |
| Note 16. Short- term Loans and Advances | | | |
| Particulars | As at 31.03.2017 | As at 31.03.2016 | |
| Balances with Government & Statutory Authorities | 753,718 | 750,255 | |
| Advance Income Tax & TDS | 5,341,725 | 3,783,882 | |
| Advance to Suppliers | 2,319,671 | 1,800,015 | |
| Loan / Advance to Employees | 189,960 | 189,960 | |
| Prepaid Expenses | 123,396 | 7,729 | |
| Deposit with Agents | 123,406 | 123,406 | |
| Total | 8,851,876 | 6,655,247 | |
| | | | |
| Note 17. Other Current Assets | | | |
| Particulars | As at 31.03.2017 | As at 31.03.2016 | |
| Interest accrued but not due | 98,095 | 103,258 | |
| Other Current Assets | 1,785 | 1,785 | |
| Total | 99,880 | 105,043 | |
| | | | |
| Note 18. Revenue from operations | | | |
| Particulars | As at 31.03.2017 | As at 31.03.2016 | |
| <u>Sale of products</u> | | | |
| Finished Goods-Tea | 202,297,346 | 200,289,021 | |
| <u>Other Operating Revenue</u> | | | |
| Incentives & Subsidies | 339,594 | 760,412 | |
| Insurance & Other Claims | 38,008 | 527,609 | |
| Total | 202,674,948 | 201,577,042 | |

EASTERN DOOARS TEA COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(Amount in Rs.)

Note 19. Other Income

| Particulars | As at 31.03.2017 | As at 31.03.2016 |
|---|-------------------------|-------------------------|
| Interest Income on Bank Deposit | 5,714 | 1,449,324 |
| Interest Income on Security Deposit | 108,994 | 212,826 |
| Net gain on sale of current investments | 98,061 | 27,389 |
| Miscellaneous income | 35,200 | 62,950 |
| Excess provision for bonus in previous years written back | 1,254,206 | - |
| Liabilities no longer required written back | 319,813 | 3,319 |
| Total | 1,821,988 | 1,755,808 |

Note 20. Cost of Materials Consumed

| Particulars | As at 31.03.2017 | As at 31.03.2016 |
|----------------------|-------------------------|-------------------------|
| Opening Stock | - | - |
| Add : Purchases | 15,988,579 | 14,221,672 |
| Less : Closing Stock | - | - |
| | 15,988,579 | 14,221,672 |

Material consumed comprises :

| | | |
|------------------|-------------------|-------------------|
| Green Tea Leaves | 15,988,579 | 14,221,672 |
| Total | 15,988,579 | 14,221,672 |

Note 21. Changes in Inventories of Finished Goods

| Particulars | As at 31.03.2017 | As at 31.03.2016 |
|---|-------------------------|-------------------------|
| <u>Inventories at the beginning of the year :</u> | | |
| Finished Goods | 23,156,986 | 17,611,219 |
| <u>Inventories at the end of the year :</u> | | |
| Finished Goods | 25,278,147 | 23,156,986 |
| Net (increase) / decrease | (2,121,161) | (5,545,767) |

Note 22. Employee Benefits Expense

| Particulars | As at 31.03.2017 | As at 31.03.2016 |
|--|-------------------------|-------------------------|
| Salaries & Wages | 30,345,886 | 34,928,233 |
| Managing Director's Remuneration | 1,277,228 | 1,284,336 |
| Contributions to Provident & Other Funds | 9,356,163 | 8,343,368 |
| Staff Welfare Expenses | 18,756,825 | 14,356,063 |
| Total | 59,736,102 | 58,912,000 |

EASTERN DOOARS TEA COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

| Note 23. Finance Cost | (Amount in Rs.) | |
|------------------------------|-------------------------|-------------------------|
| Particulars | As at 31.03.2017 | As at 31.03.2016 |
| Interest expense : | | |
| Bank Borrowings | 1,192,269 | 897,140 |
| Other Borrowings | 1,090,686 | 4,045,814 |
| Total | 2,282,955 | 4,942,954 |

| Note 24. Other Expenses | As at 31.03.2017 | As at 31.03.2016 |
|-------------------------------------|-------------------------|-------------------------|
| Particulars | | |
| MANUFACTURING EXPENSES | | |
| Cultivation & Plucking | 58,349,161 | 44,526,507 |
| Tea Making | 4,360,153 | 2,835,715 |
| Packing Material Consumed | 1,607,209 | 1,652,188 |
| Power and Fuel | 23,791,226 | 27,265,142 |
| Repairs to Buildings | 2,415,885 | 1,773,553 |
| Transport Expenses | 3,110,573 | 2,640,460 |
| Repairs to Machinery | 4,117,914 | 2,670,850 |
| Cess on Green Leaf | 2,188,397 | 1,952,037 |
| | 99,940,518 | 85,316,452 |
| SELLING & ADMINISTRATION | | |
| Excise Duty | 745,560 | 677,518 |
| Insurance | 290,838 | 382,016 |
| Rates and Taxes | 800,349 | 404,018 |
| Freight & Sales Charges | 7,694,711 | 7,790,556 |
| Brokerage & Commission | 3,871,545 | 4,834,025 |
| Commission to Agents | 1,779,159 | 1,778,164 |
| Rent | - | 240,528 |
| Director Fees | 62,000 | 50,000 |
| Payments to Auditors: | | |
| Statutory Audit Fees | 143,750 | 143,750 |
| Tax Audit Fees | 28,750 | 28,750 |
| Other Services | 21,275 | 27,770 |
| Reimbursement of expenses | 6,900 | 6,840 |
| Miscellaneous Expenses | 2,991,912 | 2,839,834 |
| | 18,436,749 | 19,203,769 |
| Total | 118,377,267 | 104,520,221 |

EASTERN DOOARS TEA COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

25. Liabilities of interest payable to Assam State Housing Board on loan of Rs. Nil outstanding as at 31.03.2017 (Previous year Rs. 20,675) has not been provided in view of some disputes.
26. Contingent Liabilities and Commitments (to the extent not provided for)
- a) **Contingent Liabilities**
- i) Disputed West Bengal VAT demand of Rs. 9,98,127 (Previous year Rs. 9,98,127) for financial year 2007-08 against which the Company has preferred appeal before West Bengal Commercial Taxes Appellate & Revisional Board.
 - ii) Disputed West Bengal VAT demand of Rs. 17,18,392 (Previous year Rs. 17,18,392) for financial year 2008-09 against which the Company has preferred appeal before West Bengal Commercial Taxes Appellate Tribunal.
 - iii) Disputed Income Tax demand of Rs. 63,140 (P. Y. Nil) for assessment year 2009-10 against which the Company has preferred rectification petition u/s 154 of the Income Tax Act, 1961 before the Assessing Officer.
 - iv) Disputed Income Tax demand of Rs. 39,15,830 (P. Y. Nil) for assessment year 2013-14 against which the Company has preferred appeal before Commissioner of Income Tax (Appeals).
 - v) Disputed Income Tax demand of Rs. 35,260 (P. Y. Nil) for assessment year 2014-15 against which the Company has preferred appeal before Commissioner of Income Tax (Appeals).
- b) Commitments : Estimated amount of contracts remaining to be executed on capital account (net of advance) and not provided for in the financial statement aggregating – Nil (Previous year - Nil).
27. Balance with banks in Current Account includes Rs. 3,98,102 (P. Y. Rs. 3,98,102) which are subject to confirmation from bank.
28. a) Expenses grouped under Other Expenses includes Rs. 5,68,44,731 (Previous year Rs. 4,99,38,287) being expenses towards Employee Benefit Expenses over and above amount disclosed in Note 22 for Employee Benefit Expenses.
- b) Expenses grouped under Other Expenses includes Rs. 3,94,22,718 (Previous year Rs. 3,50,46,436) being the cost of Stores & Spares consumed during the year.

| | <u>2016-17</u> | <u>2015-16</u> |
|--|----------------|----------------|
| 29. a) Value of Imports on C.I.F. basis | Nil | Nil |
| b) Expenditure in Foreign Currency | Nil | Nil |
| c) Earnings in Foreign Currency | Nil | Nil |
| d) Value of Raw Material & Stores consumed : | | |

| | <u>Value</u> | <u>%</u> | <u>Value</u> | <u>%</u> |
|----------------------------|--------------------|------------|--------------------|------------|
| Raw Material | | | | |
| Imported | - | - | - | - |
| Indigenous | 1,59,88,779 * | 100 | 1,42,21,672 * | 100 |
| | <u>1,59,88,779</u> | <u>100</u> | <u>1,42,21,672</u> | <u>100</u> |
| Stores & Spares | | | | |
| Imported | - | - | - | - |
| Indigeneous | 3,94,22,718 | 100 | 3,50,46,436 | 100 |
| | <u>3,94,22,718</u> | <u>100</u> | <u>3,50,46,436</u> | <u>100</u> |

* Represents only cost of green leaf purchased by the Company and is exclusive of green leaf plucked at the garden owned by the Company cost of which is not ascertainable.

30. Quantitative information in respect of tea manufactured during the year :

| | Tea Kg. | Tea Kg. |
|--|-------------|-------------|
| a) Class of Goods | | |
| b) Unit | | |
| c) Actual Production | 15,22,116.0 | 13,73,073.0 |
| d) Opening Stock of Goods Produced | 1,50,972.0 | 1,40,342.0 |
| e) Complimentary, Sampling & Shortage | 11,118.2 | 14,190.0 |
| f) Sales | 14,27,109.8 | 13,48,253.0 |
| g) Closing Stock of Goods Produced | 2,34,860.0 | 1,50,972.0 |
| h) Raw Materials (Green Leaf Plucked in Garden owned by Company) | 54,70,991.0 | 48,80,091.0 |
| i) Raw Materials (Green Leaf Purchased) | 9,63,459.0 | 8,60,947.0 |

31. Investment in 3% G. P. Notes of face value of Rs.1700/- deposited with Central Excise department has matured but payment of the same has not been received.

32. Income Tax assessments are pending for assessments year 2015-16 and onwards.

33. Agriculture Income Tax Assessments are pending for assessments year 2013-14 and onwards.

34. VAT & Central Sales Tax Assessments are pending for financial year 2014-15 and onwards.

35. The Company operates a gratuity plan through the "Eastern Dooars Employee's Gratuity Fund". Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service.

The Company has charged Rs. 42,00,669/- (P. Y. Rs. 35,16,407/-) towards gratuity during the year ended 31st March 2017 in the Statement of Profit & Loss.

The detail of fund and plan assets position are as follows.

| | 2016-17 | (Amt. In Rs) 2015-16 |
|---|-------------|-------------------------|
| I. Reconciliation of opening and closing balances of the present value of the Defined Benefit Obligation | | |
| (a) Present Value of Obligation at beginning of period | 2,72,28,493 | 2,34,21,294 |
| (b) Current Service cost | 16,85,176 | 14,92,111 |
| (c) Interest cost | 21,23,822 | 18,38,572 |
| (d) Actuarial Loss/ (Gains) | 23,67,609 | 18,13,800 |
| (e) (Benefits paid) | (4,27,373) | (13,37,284) |
| (f) Present Value of Obligation at the end of year | 3,29,77,727 | 2,72,28,493 |
| II. Reconciliation of opening and closing balances of the Fair value of the Plan Assets | | |
| (a) Fair Value of Plan assets at beginning of year | 2,74,61,164 | 2,33,33,088 |
| (b) Expected Return on Plan Assets | 21,96,893 | 18,66,647 |
| (c) Actuarial Gain/(Loss) | (2,20,955) | (2,38,571) |
| (d) Contributions by Employer | 40,27,373 | 38,37,284 |
| (e) (Benefits paid) | (4,27,373) | (13,37,284) |
| (f) Fair Value of Plan assets at the end of year | 3,30,37,102 | 2,74,61,164 |

| | <u>2016-17</u> | (Amt. In Rs) <u>2015-16</u> |
|--|--------------------------------|--------------------------------|
| III. Reconciliation of present value of the Defined Benefit Obligation in 'I' above and the fair value of Plan Assets in 'II' above | | |
| (a) Present Value of Obligation at the end of year | 3,29,77,727 | 2,72,28,493 |
| (b) Fair Value of Plan assets at the end of year | 3,30,37,102 | 2,74,61,164 |
| (c) Asset/ (Liability) recognised in the Balance Sheet | 59,375 | 2,32,671 |
| (d) Experience (Gain)/ Loss adjustment on plan liabilities | 13,91,383 | 17,29,335 |
| (e) Experience (Gain)/ Loss adjustment on plan assets | (2,20,955) | (2,38,571) |
| IV. Expense Charged to the Statement of Profit & Loss | | |
| (a) Current Service cost | 16,85,176 | 14,92,111 |
| (b) Interest cost | 21,23,822 | 18,38,572 |
| (c) Expected return on plan assets | (21,96,893) | (18,66,647) |
| (d) Actuarial Gain/(Loss) | 25,88,564 | 20,52,371 |
| (e) Total expense charged to the Statement of Profit & Loss | 42,00,669 | 35,16,407 |
| V. Percentage of each Category of Plan Assets to total Fair Value of Plan Assets | As at | As At |
| | <u>31st March 2017</u> | <u>31st March 2016</u> |
| (a) High quality Corporate Bonds | 45.81% | 60.82% |
| (b) Government (Central & State) Securities | 12.56% | 16.25% |
| (c) Special Deposit Scheme | 7.06% | 8.49% |
| (d) Bank Balance | 31.53% | 2.37% |
| (e) Other Investments | 3.04% | 12.07% |
| Total | 100.00% | 100.00% |
| | <u>2016-17</u> | <u>2015-16</u> |
| VI. Actual Return on Plan Assets | 19,75,938 | 16,28,076 |
| | <u>31st March 2017</u> | <u>31st March 2016</u> |
| VII. Principal Actuarial Assumptions | | |
| (a) Discounting Rate (per annum) | 7.80% | 7.80% |
| (b) Expected Rate of return on Plan Assets (per annum) | 8.00% | 8.00% |
| (c) Salary Escalation | 4.00% | 4.00% |
| (d) Mortality | IALM 06-08 ultimate | IALM 06-08 ultimate |
| (e) Withdrawal Rate | 2.00% p.a | 2.00% p.a |

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The expected rate of return on plan assets is based on the portfolio of assets held, investment strategy and market scenario. In order to protect the capital and optimize returns within acceptable risk parameters, the plan assets are reasonably diversified.

36. As per the requirements of Accounting Standard 28 on "Impairments of Assets" the company has assessed the carrying amount of assets vis a vis their recoverable values and no impairment is envisaged at the balance sheet date.
37. In the opinion of the Board of Directors of the Company, the Current Assets, Loans and Advances have value on realizations, in the ordinary course of business, at least equal to the amount at which they have been stated in the Balance Sheet.
38. There are no micro, small & medium enterprises as defined under The Micro, Small & Medium Enterprise Development Act, 2006 to whom the company owes dues. The above information regarding Micro, Small & Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the company and has been relied upon by the auditors.

39. The balances of Creditors, Debtors, Other Liabilities and Loans and Advances are subject to confirmation/reconciliation.

40. Earning Per Share

| | As at <u>31.03.2017</u> | As at <u>31.03.2016</u> |
|--|----------------------------|----------------------------|
| Net Profit / (Loss) after tax as per profit and loss account | 23,57,892 | 1,44,47,696 |
| No. of Equity Shares of Rs. 10/- each | 2,00,000 | 2,00,000 |
| Basic and Dilluted Earning per Share | 11.79 | 72.24 |

41. Segmental Reporting :

The Company's business is production & sale of single product i.e. Tea. The revenues other than sale of tea are either incidental to the business of tea or are of non recurring nature. There are no reportable geographical segments since the Company caters mainly to the needs of Indian Market.

42. As per Accounting Standard 18, issued by the Institute of Chartered Accountant of India , the disclosures of transaction with related parties as defined in the Accounting Standard are given below :

List of related parties and relationships :

| | Name of the related Party |
|--|---|
| Enterprise in which KMP or their relative are having significant influence (Relative) (with whom Company has transactions) | Bijni Dooars Tea Co. Ltd. Finance Exchange (India) Ltd. M/s. Panchiram Nahata |
| Key Managerial Persons | Minnalal Nahata, Managing Director Vijay Kumar Nahata, Director Surendra Kumar Nahata, Director Nandini Bose, Director |

Particulars of Transactions during the year ended 31st March, 2017

| Sl. No. | Nature of Transactions | Relationship | <u>31.03.2017</u> | <u>31.03.2016</u> |
|---------|--|--------------|-------------------|-------------------|
| 1 | Sale of Tea Plants Bijni Dooars Tea Co. Ltd. | Relative | 6,27,000 | 4,32,838 |
| 2 | Sale of Stores Bijni Dooars Tea Co. Ltd. | Relative | 9,47,440 | NIL |
| 3 | Commission paid M/s Panchiram Nahata | Relative | 17,79,159 | 17,78,164 |
| 4 | Services Rendered Bijni Dooars Tea Co. Ltd. | Relative | 30,26,849 | 20,55,722 |
| 5 | Interest Paid Finance Exchange (India) Ltd | Relative | 10,90,027 | 40,44,610 |
| 6 | Payment of Salaries / Perquisites / Commission Minnalal Nahata | KMP | 12,77,228 | 12,84,637 |
| 7 | Reimbursement received for Telephone & Electric Expenses Bijni Dooars Tea Co Ltd. | Relative | NIL | 1,52,942 |
| 8 | Reimbursement made for Travelling Expenses M/s Panchiram Nahata | Relative | NIL | 42255 |
| 9 | Payment of Electric and Office Maintenance Charges Bijni Dooars Tea Co Ltd. | Relative | 59,766 | NIL |
| 10 | Loan Received Finance Exchange (India) Ltd | Relative | 2,85,00,000 | 1,75,00,000 |
| 11 | Loan Repaid Finance Exchange (India) Ltd | Relative | 2,85,00,000 | 4,75,00,000 |

Balances Outstanding at the Year End 31.03.2017

| Sl. No. | Nature of Transactions | Relationship | 31.03.2017 | 31.03.2016 |
|---------|---|-----------------|---------------------|-----------------------|
| 1 | Commission Payable M/s Panchiram Nahata Minnalal Nahata | Relative KMP | 17,36,964 37,004 | 19,06,742 1,94,702 |
| 2 | Sundry Debtors Bijni Dooars Tea Co. Ltd. | Relative | 41,24,176 | 26,00,388 |

43. During the year, the Company had Specified Bank Notes (SBNs) or other denomination notes as defined in the MCA notification, G.S.R. 308(E), dated 31st March 2017. The details of denomination wise SBNs and other notes held and transacted during the period from 8th November, 2016 to 30th December 2016, as per notification are as follows:

| Particulars | SBNs | Other Denomination Notes | Total |
|---------------------------------------|----------------|--------------------------------|-----------------|
| Closing Cash in Hand as on 08.11.2016 | 2,233,000.00 | 776,736.24 | 3,009,736.24 |
| Add: Permitted Receipts | - | 13,586,576.46 | 13,586,576.46 |
| Less: Permitted Payments | - | (14,156,963.03) | (14,156,963.03) |
| Less: Amount Deposited in Banks | (2,233,000.00) | - | (2,233,000.00) |
| Closing Cash in Hand as on 30.12.2016 | - | 206,349.67 | 206,349.67 |

For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning as provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated 8th November, 2016.

44. Previous year's figures have been regrouped/reclassified wherever necessary, to correspond with current year's classification.

As per our report of even date

For **M. C. Jain & Co.**
Chartered Accountants
ICAI Regn No. 304012E
(M. K. PATAWARI)
Partner
M. No. 056623
33, Brabourne Road, Kolkata - 700 001
The 28th day of July, 2017

For and on behalf of the Board

| | |
|--|---|
| Minnalal Nahata Managing Director DIN : 00599149 | Vijay Kumar Nahata Director DIN : 00599189 |
| Sampatmal Sancheti Director DIN : 00620693 | Surendra Kumar Nahata Director DIN : 00025510 |