

A Century in Tea



**Annual Report
2016-17**



Corporate Information

Board of Directors

Mr. Dipankar Chatterjee - Chairman
Mr. Rudra Chatterjee - Executive Director
Mr. Ranjit Kumar Dutta - Non-Executive Independent Director
Mr. Abhishek Malhotra - Non-Executive Independent Director
Mr. Sujit Poddar - Non-Executive Non-Independent Director

Company Secretary

Ms. Abha Bafna

Corporate Social Responsibility Committee

Mr. Dipankar Chatterjee - Chairman
Mr. Rudra Chatterjee
Mr. Ranjit Kumar Dutta

Registered & Head Office

"Kishore Bhavan" (6th & 7th Floor)
17, R N Mukherjee Road,
Kolkata - 700001
Ph : +91 33 2248 9091 / 4437 / 4227
Fax : +91 33 2243 0177
E-mail : mail@luxmitea.com
website : www.luxmigroup.in

Bankers

Central Bank of India
ICICI Bank Limited
Yes Bank Limited

Statutory Auditors

L B Jha & Co., Chartered Accountants
GF-1 Gillander House
8, Netaji Subhas Road
Kolkata – 700 001
Tel: +91 33 2242 5858 / 5407 / 4277
Fax: +91 33 2242 0650
Email: lbjha@lbjha.com

Tea Estates

In Assam : Narayanpur; Bhuyankhat;
Shyamaguri; Monmohinipur;
Manobag, Lengrai
In Bengal : Matelli (in Dooars);
Fulbari (in Terai)
In Tripura : Manuvalley; Sarojini;
Kalishasan; Jaggannathpur;
Pearacherra; Golokpur

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Board's Report

Dear Members,

Your Directors have pleasure in presenting the hundred and fifth Annual Report with the audited Accounts of your Company, for the financial year ended 31st March, 2017.

Review of Performance

The financial results of the Company for the year ended 31st March 2017 are summarized below:

(Rs. in Lacs)

	31st Mar., 2017	31st Mar., 2016
<i>Revenue from Operations</i>	17122.84	17798.04
Other Income	630.77	958.59
Total Revenue	17753.61	18756.64
Profit before Interest Tax & Depreciation	2201.90	2470.37
Finance Cost	26.76	94.49
Profit before depreciation and tax	2175.14	2375.88
Depreciation	639.98	652.48
Profit before tax	1535.16	1723.40
Provision for tax	151.64	21.54
Profit after tax	1383.52	1701.87
Balance brought forward from previous year	11228.78	9803.64
Amount available for appropriation	12612.30	11505.50
Interim Dividend	—	76.72
Appropriation to General Reserve	200.00	200.00
Balance carried forward to the next year	12412.30	11228.78

Weather conditions during the year 2016 have generally been conducive for Tea Production. During the year under review, the company has saleable production of 10603 tonnes as against 10370 tonnes in the previous reporting year, showing 2.24% increase in quantity. The Company could have achieved better production but for dry weather which played a spoilsport especially during the later part of the year.

Company's produce from own leaf increased by 509 tonnes but outsourced leaf segment registered marginally lower volumes produce compared to 2015. This is not to jeopardise quality of our own produce in the light of the higher than targeted harvest levels from our gardens. Revenue from operations is similar to last year. During the year, the market were sluggish for most part of the year for oversupply of teas in a market which was already financially strapped and

very subdued for confusion created on account of the implementation of the pan India auction and Demonitization. Average price realizations for the Company's tea, from auction and private sales, during the period are lower by Rs. 9.75 at Rs. 159.21 as compared to last year.

The packet tea division helps the company to mitigate the risk associated with the volatility in bulk tea prices on company's profitability. The Company sold 11.22 lakh kgs (previous year 12.53 lakh kgs) of packet tea with the turnover of Rs. 2086.97 lakhs (previous year Rs. 2274.61 lakh).

Appropriations:

a) Dividend

The Board of Directors at the meeting held on June 24, 2017 declared final dividend of 100% (i.e., Rs. 1000/- per equity share) on 15344 equity shares for the financial year ended March 31, 2017. The proposal is subject to the approval of shareholders in the ensuing Annual General Meeting (AGM) to be held on July 21, 2017. Dividend payout for the current year is Rs. 153.44 Lacs. Dividend as percentage of net profit after tax is 11.09%.

The dividend payout for the year under review has been formulated in accordance with the Company's policy to pay sustainable dividend linked to long term growth objectives of the Company to be met by internal cash accruals.

b) Transfer

Your Directors decided to transfer Rs. 200 lakhs to the General Reserve. A sum of Rs. 12412.30 lakhs is proposed to be retained in the Profit and Loss Account.

c) Bonus Shares

During the current year, the company has allotted 7672 fully paid equity shares of face value of Rs. 1000/- each to the shareholders in the proportion of 1:1 and consequently the number of shares increased from 7672 to 15344.

Tea Estates

Your Company has thirteen tea gardens, five are in Assam, two in West Bengal and rest in Tripura with state-of-the-art modern processing factories. The total area under cultivation across the thirteen tea estates is around 4156 hectares. During the year your company, through a wholly owned subsidiary, has acquired Lengrai Tea Estate in upper Assam.

The Company continued to avail of Tea Board's replanting / rejuvenation subsidy scheme for replanting of old moribund tea areas post rejuvenation with quality

and high yielding clones and biclonal seed stocks. This has enabled the company to ensure slow yet sustained enhancement of yields in its tea areas along with lowering and rejuvenation pruning which is followed by large scale infilling of tea areas in its estates which ensures yield levels above the economic threshold levels. The result of our plantation excellence is that the company's tea bushes are comparatively younger and are giving yield of 2245 kg/per hectare. Your Company plans to continue with its annual re-plantation and rejuvenating programme to improve the productivity of the gardens.

Several initiatives have been on the field to enhance the quality of leaf plucked & results are encouraging. Afforestation programmes to create improved micro-climates were enhanced. With the growing trend of migration of workers from the estates and the resulting shortage of hands to work on the estates, your company has taken initiatives to mechanize some field operations namely introduction of Plucking Machines, Shears, Mechanical Weeders and Pruning Machines. During the year the Company has incurred capital expenditure to the tune of Rs. 608.35 lacs the benefits of which will be derived in the years of come.

Adequate insurance cover has been taken for properties including buildings, plant and machineries, stocks of stores, and tea crop against fire, earthquake, burglary and other risks as considered necessary.

The company is conscious of clean environment and safe operations. It ensures safety of all concerned, compliance with environmental regulations and preservation of natural resources. The Company has ten 'Trustea' certified Tea Estate; process of certification for gardens / factories is on.

Enterprise Resource Planning (ERP) system is in place both at the Gardens and at the Head Office. ERP integrates the various functions within the organization and presents statistics in a transparent manner. It has also brought about better controls and efficiency in the various processes.

Subsidiaries and Associates

Luxmi Tea, along with its subsidiaries and associates, is in tea cultivation & manufacturing, home furnishing, realty development and financial activity. During the year the company has accorded consent to make an application to Registrar of Companies, Kolkata under provision of section 248(2) of the Companies Act, 2013 for removal of name of one of its subsidiary company, Makaibari Tea Company Private Limited. However the application for the same was made after the end of the financial year. The Company has acquired 100% voting right in Lengrai Tea Limited during the year under review.

To summarize, as at the end of the year on 31st March, 2017, the Company had four direct subsidiaries, seven step-down subsidiaries, one associate company and one joint venture. Detail of company's subsidiaries are as under :

- Luxmi Township & Holdings Limited is the realty arm of the group. The company is also providing temporary financial assistance to the land owning companies and has acquired the status of deemed. Luxmi Tea have 84% controlling stake in Luxmi Township.
- Chandmani Tea Company Limited owns Chandmani Tea Estate in North Bengal. Luxmi Tea holds 94.91% of its paid-up capital.
- Obeetee Private Limited is in the business of home furnishing. Luxmi Tea holds 51.58% of its paid-up capital.
- Lengrai Tea Limited owns Lengrai Tea Estate in Upper Assam. This company became whole owned subsidiary of the company w.e.f. 29th March, 2017.

In accordance with section 129(3) of the Companies Act, 2013, we have prepared consolidated financial statements of the Company and all its subsidiaries and associates, which form part of the Annual Report. Further, a statement containing the salient features of the financial statement of our subsidiaries and associate companies in the prescribed format AOC-1 is attached to the financial statements of the Company. The statement also provides the details of performance, financial positions of each of the subsidiaries.

Board of Directors

Company's policy is to have an appropriate combination of promoter and independent directors to maintain the independence of the Board, and separate its functions of governance and management.

During the year under review, Mr. Tapan Kumar Chowdhury resigned as Director of the company w.e.f. September 5, 2016. Your Board put on record its sincere appreciation to the contribution made by Mr. Chowdhury during his tenure.

As on March 31, 2017, the Board consists of 5 (five) members, of whom one is executive director, two are non-executive non independent directors and the rest two are non-executive independent directors. The composition of the Board is as under:

Non-Executive Non-Independent Directors

Mr. Dipankar Chatterjee – Chairman (DIN – 00022138)
Mr. Sujit Poddar (DIN – 00041438)

Executive Director

Mr. Rudra Chatterjee (DIN – 01504650)

Non-Executive Independent Directors

Mr. Ranjit Kumar Dutta (DIN – 00205669)
Mr. Abhishek Malhotra (DIN – 05106826)

Board Meetings held during the year:

During the financial year 2016-17, 5 (five) Board Meetings were held. The details of the meetings are as follows:

Sl. No.	Date of Meeting	During the Quarter	Duration between the Board Meeting	Board Strength	No. of Directors Present
1.	24-Jun-16	April 2016 – June 2016	112*	6	3
2.	02-Jul-16	July 2016 – September 2016	7	6	5
3.	14-Oct-16	October 2016 – December 2016	103	5	3
4.	12-Nov-16	October 2016 – December 2016	28	5	5
5.	04-Mar-17	January 2017 – March 2017	111	5	4

* Length has been calculated based on the last meeting which was held on March 3, 2016

Membership of other Boards and attendance record for the Company:

Directors	No of Board meeting		Whether attended last AGM	No. of Directorships*	No. of Shares held in the Company
	Held	Attended			
Mr. Dipankar Chatterjee	5	5	Yes	5	4734
Mr. Rudra Chatterjee	5	5	Yes	7	3836
Mr. Ranjit Kr Dutta	5	2	No	2	—
Mr. Abhishek Malhotra	5	2	No	—	—
Mr. Sujit Poddar	5	5	Yes	8	—
Mr. Tapan Kumar Chowdhury**	2	1	No	—	—

Note: - *Other Directorships of Directors are as on March 31, 2017 and do not include alternate Directorships, Directorship in Private Limited; Section 25 and Foreign Companies.

** resigned as Director w.e.f. September 5, 2016

Remuneration drawn by Directors in Whole-Time Employment from the Subsidiary Companies

During the year under review, the following directors were in receipt of remuneration / commission from the subsidiary companies:

Name of the Director	Luxmi Township & Holdings Ltd.	Obeetee Private Limited			(Amt in Rs.)
		Sitting Fees Fees	Salary	Commission	Sitting Fees
Mr. Dipankar Chatterjee Chairman	40,000	-	-	20,000	60,000
Mr. Rudra Chatterjee Executive Director	40,000	2,401,834	6,525,062	-	8,926,896

Particulars of Employees

No employees of the Company is in receipt of remuneration of more than Rs. 60,00,000 per annum for the year ended March 31, 2017 or of more than Rs. 5,00,000 per month during part thereof. Hence your Directors have nothing to report with regard to 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, thereunder.

Corporate Social Responsibility Committee

Your Company is conscious of its social responsibility and believe that sustainability of the enterprise depend on perfect harmonization with the environment within which it operate company continues with its vision to improve quality of life for all the communities and its objective is to operate in economically, socially and environmentally sustainable by enhancing the quality of life & economic wellbeing of the society by fulfilling its role as Socially Responsible Corporate. Through the aegis of the Luxmi Charitable Trust, a registered trust, the Company is engaged in various charitable activities.

In terms of section 135 of the Companies Act, 2013 the Board has laid down Company's policy on corporate social responsibility (CSR) and CSR activities of the Company are carried out as per Committee's instruction.

The Company has identified six focus areas of engagement which are as under:

- o **Eradicating hunger, poverty and malnutrition:** Provision of food, nutrition supplement, clothes etc for the poor, children and other deprived / disadvantaged sections of the society; shelter for homeless; promoting sanitation; providing safe drinking water
- o **Promoting Health care:** through awareness programmes, health check-ups, provision of medicine & treatment facilities, providing pre natal & post natal healthcare facilities, prevention of female foeticide through awareness creation, program for preventing diseases and building immunity.
- o **Promotion of education** especially among children, women, elderly and the differently abled

- o **Gender equality and empowering women :** Promoting and providing credit support to women's self-help and joint liability groups; Training in vocations pursued by women; Setting up homes for women & orphans, old-age homes, hostels for working and student women, day care centres for kids of working women
- o To promote employment and livelihood enhancing vocational skills
- o **To sponsor and promote Rural Area Development** including programme for social and economic welfare of or uplift of public in rural area, improving accessibility, sanitation and housing.

During the year under review there has been no change in the composition of the Committee. As on March 31, 2017 the Committee comprises of (i) Mr. Dipankar Chatterjee – Chairman (ii) Mr. Rudra Chatterjee – Member and (iii) Mr. Ranjit Kumar Dutta - Member

The financial data pertaining to the Company's CSR activities for fiscal year 2016-17 is presented in the prescribed format in **Annexure – 'A'** to the Board's Report.

Directors' Responsibility Statement as required u/s 134(3)(c) of the Companies Act, 2013

The financial statements are prepared in accordance with accounting standards as prescribed under section 134 of the Companies Act, 2013 (the Act), read with rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) under the historical cost convention on accrual basis except for certain financial instruments, which are measured at fair values.

Your Directors would like to inform the members that the annual accounts for the year ended March 31, 2017 are in conformity with the requirement of the applicable Act and Rules and believe that the financial statements reflect fairly the form and substance of the transaction carried out during the year and fairly represent company's financial condition and results of operation. The Statutory Auditors, M/s L.B.Jha & Co., Chartered Accountants have audited the financial statements. Based on the same, your Directors hereby confirm that:

- In preparation of the annual accounts for the financial year ended March 31, 2017, the

applicable accounting standards have been followed.

- The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period.
- The directors have taken proper and sufficient care towards the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The directors have prepared the annual accounts on a going concern basis.
- The directors have laid down internal financial controls, which are adequate and are operating effectively.
- The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

Conservation of Energy and Technology Absorption and Foreign Exchange Earnings & Outgo

The statements containing the required particulars under sub-section (3)(m) of section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 are given in **Annexure 'B'** to the Board's Report.

Fixed Deposits

Your Company has not accepted any fixed deposits from the public during the financial year under review and, as such, no amount of principal or interest was outstanding as on the balance sheet date

Particulars of Loans, Guarantees or Investments

Particulars of Loans, Guarantees and Investments covered under section 186 of the Companies Act, 2013 in the prescribed format is appended as **Annexure – 'C'** to the Board's Report

Auditors' Report on Annual Accounts for year ending March 31, 2017

The Auditors' Report read along with notes on Accounts is self-explanatory and therefore, does not

call for any further comment under section 134(3)(f) of the Companies Act, 2013.

Statutory Auditors

M/s. L.B.Jha & Co. Chartered Accountants, the Statutory Auditors of the Company, hold office until the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment.

Your Company has received a letter from the auditor to the effect that their re-appointment, if made, would be within the limits prescribed under section 141(3) of the Companies Act, 2013 and that they are not disqualified for re-appointment within the meaning of section 141 read with section 144 of the said Act.

Cost Audit

In terms of the provisions of the Companies (Cost Records and Audit) Amendment Rules, 2014, your company has to mandatorily get its cost record audited. Board of Director has appointed Messers Amitabha Chakravarty & Associates, Cost Accountants, for conducting the cost audit of the Company for the financial year 2017-18 in compliance to section 148 of the Companies Act, 2013 read with rule 4 of the Companies (Cost Record and Audit) Amendment Rules, 2014.

Further as required under section 148 of Companies Act, 2013 read with rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor for the year 2017-18 will be placed before the members at the ensuing Annual General Meeting for approval.

Extract of Annual Return

The extract of Annual Return pursuant to the provisions of section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management & Administration) Rules, 2014 is attached to as **Annexure – 'D'** to the Board's Report

Particulars of Contracts or Arrangements made with Related Parties

During the period under review, the Company has entered into transaction with its subsidiaries and associate companies. The related party transactions entered were in ordinary course of business and also on arm's length basis in compliance with the applicable provisions of the Companies Act, 2013. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key

Managerial Personnel etc. which may have potential conflict of the interest with the Company at large. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature.

Accordingly, disclosures of related party transactions in terms of Clause (h) of sub section (3) of Section 134 of Companies Act 2013 read with Rule 8 (2) of the Companies (Accounts) Rule 2014 in Form AOC - 2, is not applicable. Transactions with related parties, as per requirements of Accounting Standard are disclosed in the notes to the accounts annexed to the financial statements.

Internal Financial Control

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

Risk Management Policy

The Company has adequate risk management process to identify and notify the board of directors about the risk or opportunity that could have an adverse impact on the company's operation or could be exploited to maximize the gains. The process and procedure are in place to manage the risk and opportunity; the process is reviewed and evaluated periodically by the board. None of the risk encountered by the Company during the course of its business, in the opinion of the Board, may threaten the very existence of the Company itself.

Industrial relations and personnel

Tea Industry is highly labour intensive. The Company employs over 6500 personnel at its Tea Estates and other establishments in India. Employee relations remained satisfactory during the period under review. The Company would like to record its appreciation of the wholehearted support and dedication from employees at all levels in maintaining smooth production and manufacture of tea from all the Tea Estates during the year.

General Disclosure

Your Directors state that no disclosure or reporting is required in respect of the following items as there

were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
4. Provision made by the Company for any money for purchase of its own shares by employees or by trustees for the benefit of employees.
5. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
6. No material changes and commitments affecting the financial position of the company which have occurred between the end of the financial year of the Company to which the financial statement relate and as on the date of this report.

Your Directors further state that during the year under review, there were no cases filed pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

Acknowledgement

Your Directors place on record their sincere appreciation for the continued assistance, co-operation and guidance provided by the Bankers, Government and other Statutory Bodies during the year under review. Your Directors wish to put on record their thanks to all members of the Company for their unstinted support and confidence.

Your Directors further wish to place on record their appreciation for the devoted and dedicated services rendered by the employees of the Company and look forward to their continued cooperation in realization of the corporate goals in the years ahead.

For and on behalf of the Board of
Luxmi Tea Company Private Limited

Date : 24.06.2017
Place: Kolkata

Dipankar Chatterjee
Chairman

Annexure – 'A' to the

Board's Report**Annual Report on Corporate Social Responsibility activities for the financial year 2016-17**

[Pursuant to Section 135 of the Companies Act, 2013]

1.	A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs and the composition of CSR Committee.					Refer Sections: (a) Corporate Social Responsibility in this Report	
2.	Average net profit of the Company for last three financial years					Rs. 144,832,117	
3.	Prescribed CSR expenditure (two percent of the amount mentioned in item 2 above)					Rs. 2,896,642	
4.	Details of CSR spent during the financial year:						
	a) Total amount to be spent for the financial year					Rs. 30,00,000 (2.07% of Average Profit)	
	b) Amount unspent, if any					Not applicable	
	c) Manner in which the amount spend during the financial year						
	Details given below:						
Sr. No.	CSR project or Activity Identified	Sector in which the project is covered	Project of Program (1) Local Area or Other (2) Specify the State and district where projects or program was undertaken	Amount Outlay (Amt in Rs.)	Amount spent on the Projects of Programms Sub Heads : (1) Direct Expenditure on Projects or Programms (2) Overheads (Amt. in Rs.)	Cumulative Expenditure upto the reporting period i.e. FY 2016-2017 (Amt. in Rs.)	Amt spent Direct or through Implementing Agency
1	Sri Ramkrishna Ashram – for construction of girls hostel	Cl.(iii) setting-up homes and hostels for women	Nimpith, South 24 parganas, West Bengal	10,000,000	25,00,000 (2nd installment. First installment of Rs, 25 Lacs released last year)	25,00,000	Implementing Agency – Luxmi Charitable Trust
2	North Bengal Council for Disabled – for Annual Sports Carnival "Muskan"	Cl.(ii) promoting education among differently abled children.	North Bengal	5,00,000	5,00,000	30,00,000	Implementing Agency – Luxmi Charitable Trust
Total Expenses					30,00,000	30,00,000	

RESPONSIBILITY STATEMENT

The Responsibility Statement of the Corporate Social Responsibility Committee of the Board of Directors of the Company, is reproduced below:

'The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company.'

Date: 24.06.2017
Place: Kolkata

Rudra Chatterjee
Executive Director

Dipankar Chatterjee
Chairman – CSR Committee

Annexure – ‘B’ to the Board’s Report

Information on conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo required to be disclosed under Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are provided hereunder :

A. Conservation of Energy

In line with the Company’s commitment towards conservation of energy, all tea estates and units continue with their efforts aimed at improving energy efficiency through improved operational and maintenance practices.

The steps taken in this direction at various tea estates and units are as under :

- Up-gradation of machineries being carried out and new machineries installed are judged on fuel and power efficiency.
- Maintenance and overhauls of generators are strictly followed so as to enable a high unit per litre delivery.
- Monitoring the demand and power load factor on daily basis controlling power consumption.

For efficient utilization of available power, capacitors have been installed and are regularly monitored.

The capital expenditure on energy conservation equipment is not significant.

Impact of Monitoring: In spite of steep increases power and rates, the Company’s power cost has stayed within permissible limits. This has been achieved by regular monitoring of power related components.

B. Technology Absorption, Adaption and Innovation

- The Company undertakes modernization and up-gradation of factories on a regular basis with improved technology.
- On-going in-house discussions with the experts
- Managerial staffs are encouraged to attend seminars and training programmes for agricultural practices in the field and manufacturing process in the factories.

No technology was imported during the last three years

C. Research and Development

Research and Development activities are carried out as part of the company’s normal business activities. Hence, no separate expenditure figures are available. The company regularly contributes to the activity carried out by Tea Research Association, Indian Tea Association etc. A contribution of Rs. 33.36 lakhs (2015-16: Rs. 30.87 lakhs) was made towards subscription during the year.

Expenditure on Research & Development

	Year ended March 31, 2017	Year ended March 31, 2016
(a) Capital (Rs. Lakhs)	—	—
(b) Revenue (Rs. Lakhs)	33.36	30.87
Total (Rs. Lakhs)	33.36	30.87
Total Expenditure as % of turnover	0.19%	0.16%

D. Foreign Exchange Earnings and Outgo - Standalone

During the year, company’s direct exports were 650.90 kgs (2015-16: 1.49 lakh kgs) of tea.

	Year ended March 31, 2017	Year ended March 31, 2016
Foreign Exchange Earnings (Rs. Lakhs)	3.36	142.58
Foreign Exchange Outgo (Rs. Lakhs)	9.93	10.74

For and on behalf of the Board of
Luxmi Tea Company Private Limited

Date: 24.06.2017
Place: Kolkata

Dipankar Chatterjee
Chairman

Annexure – ‘C’ to the Board’s Report

Particulars of the Loans and Guarantees given covered under Section 186(4) of The Companies Act, 2013

During the year, the Company has given interest bearing (which is not lower than prevailing yield of related Government Security close to the tenure of respective loans) loans to certain parties for their business purposes, which is repayable on demand:

Name of the Entity	Outstanding Amount as on 31st March 2017	Loans, guarantee or investment made during the year	Particulars of the loans, guarantee given or investment made	Purpose for which loans, guarantee or investments are proposed to be utilised
	(Rs. in Lacs)			
Associated Brokers Pvt. Ltd.	1879.99	(270.00)	Loan	Business Purpose
Bhagirathi Greenfield Real Estate Ltd.	1471.96	136.45	Business Advance	Business Purpose
Lengrai Tea Limited	602.99	12.55	Business Advance	Business Purpose

The particulars of investments made under Section 186 of the Companies Act, 2013 are covered in the notes of the Financial Statement for the year ended 31st March, 2017.

For and on behalf of the Board of
Luxmi Tea Company Private Limited

Date : 24.06.2017
Place : Kolkata

Dipankar Chatterjee
Chairman

Annexure – ‘D’ to the Board’s 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 Companies
(Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS:

i	CIN	U01132WB1912PTC002104
ii	Registration Date	March 4, 1912
iii	Name of the Company	Luxmi Tea Company Private Limited
iv	Category/Sub-category of the Company	Private Company / Limited by shares
v	Address of the Registered office & contact details	KISHORE BHAVAN 17, R.N. Mukherjee Road, Kolkata-700001 Ph: +91 33 2248 4437 / 9091 Fax: +91 33 22430177
vi	Whether listed company	No
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

SI No	Name & Description of main product	NIC Code of the Product/Service	% to total turnover
1	Cultivation, Manufacturing and Packing of Tea	0902 - Tea Black Leaf in Bulk	100%

III. PARTICULARS OF SUBSIDIARY & ASSOCIATE COMPANIES

SI No	Name & Address of the Company	CIN	Subsidiary/ Associate	% of shares held	Applicable Section
1.	Obeetee Pvt. Ltd.	U17226UP1932PTC000475	Subsidiary	51.58%	Sec 2(87)(ii)
2.	Luxmi Township & Holdings Ltd.	U70101WB1994PLC063441	Subsidiary	84%	Sec 2(87)(ii)
3.	Lengrai Tea Ltd.	U01132WB1988PLC044013	Subsidiary	100%	Sec 2(87)(ii)
4.	Chandmani Tea Co. Ltd.	U17232WB1925PLC004973	Subsidiary	94.91%	Sec 2(87)(ii)
5.	Kalyani Tea Co. Ltd.	U01132WB1926PLC004539	Associate	43.11%	Sec 2(6)
6.	Bhagirathi Greenfield Real Estate Ltd.	U45200WB2006PLC111970	Joint Venture	50%	Sec 2(6)

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

1) Category-wise Shareholding

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	—	4182	4182	54.51%	—	8843	8843	57.63%	+3.12%
b) Central Govt / State Govt	—	—	—	—	—	—	—	—	—
c) Bodies Corporates	—	3101	3101	40.42%	—	5723	3101	37.30%	-3.12%
d) Bank/FI	—	—	—	—	—	—	—	—	—
e) Any other...	—	—	—	—	—	—	—	—	—
SUB TOTAL (A) (1)	—	7283	7383	94.93%	—	14566	14566	94.93%	—
(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)	—	7283	7383	94.93%	—	14566	14566	94.93%	—
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	—	—	—	—	—	—	—	—	—
b) Central govt	—	—	—	—	—	—	—	—	—
c) Banks/FI	—	—	—	—	—	—	—	—	—

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	
d) State Govt.	—	—	—	—	—	—	—	—	—
e) Venture Capital Fund	—	—	—	—	—	—	—	—	—
f) Insurance Companies	—	—	—	—	—	—	—	—	—
g) FII/IF	—	—	—	—	—	—	—	—	—
h) Foreign Venture Capital Funds	—	—	—	—	—	—	—	—	—
i) Others (specify)	—	—	—	—	—	—	—	—	—
SUB TOTAL (B)(1):									
(2) Non Institutions									
a) Bodies corporates									
i) Indian	—	3	3	0.04%	—	6	6	0.04%	—
ii) Overseas	—	—	—	—	—	—	—	—	—
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	—	325	325	4.23%	—	650	650	4.23%	—
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakhs	—	—	—	—	—	—	—	—	—
c) Others (specify)									
(i) Custodian for Enemy property of India		61	61	0.80%	—	122	122	0.80%	—
SUB TOTAL (B)(2):									
Total Public Shareholding (B)= (B)(1)+(B)(2)		389	389	5.07%	—	778	778	5.07%	—
C. Shares held by Custodian for GDRs & ADRs	NA	NA	NA	NA	NA	NA	NA	NA	NA
Grand Total (A+B+C)		7672	7672	100%		15344	15344	100%	

Note: During the year under review, the Company has issued fully paid bonus shares of Rs. 1000/- each in the proportion of 1:1 and consequently the number of shares increased from 7672 to 15344.

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

ii) Shareholding of Promoters

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
	No of Shares	% of total Shares	% of shares pledged encumbered to total shares	No of Shares	% of total Shares	% of Shares pledged encumbered to total shares	
1. Dipankar Chatterjee	2702	35.22	—	4734	30.85	—	-4.37%
2. Chatterjee Asset Holdings Pvt Ltd.	2860	37.28	—	5720	37.28	—	—
3. Rudra Chatterjee	1066	13.89	—	3836	25.00	—	11.11%
4. Luxmi Latex Private Limited	241	3.14	—	—	—	—	-3.14 %
5. Dipankar Chatterjee & Rudra Chatterjee	201	2.62	—	—	—	—	- 2.62%
6. Arijit Mookherjee	31	0.40	—	62	0.40	—	—
7. Krishna Banerjee & Arindam Banerjee	104	1.36	—	208	1.36	—	—
8. Ananda Chatterjee	3	0.04	—	3	0.02	—	-0.02%
9. Pulak Choudhury	75	0.98	—	—	—	—	-0.98%
10. Jatinga Tea Limited	—	—	—	3	0.02	—	0.02%
TOTAL	7283	94.93	—	14566	94.93	—	—

IV. SHAREHOLDING PATTERN (Equity Share Capital Break-up as percentage of Total Equity)

iii) Change in Promoters' Shareholding

	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares	No. of Shares	% of total shares
At the beginning of the year	7283	94.93%	7283	94.93%
The member vide their resolution dated 05.08.2016 approved issue of bonus shares in the proportion of 1:1 consequent to which no. of shares held by the promoters have doubled.				
At the end of the year	14566	94.93%	14566	94.93%

There has been no change in the holding of promoter & promoter's group. However there has been inter-se transfer of shares among the promoter group; detail of which is given in the shareholding of the promoters

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

(iv) Top ten Shareholders (other than Directors, Promoters)

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares	No. of Shares	% of total shares
1.	Maulavi Abdul Hamid	32	0.21%	32	0.21%
2.	Ajit Kumar Mukherjee	16	0.10%	48	0.31%
3.	Subodh Chandra Roy	16	0.10%	64	0.41%
4.	Nishith Ranjan Chowdhury	16	0.10%	80	0.51%
5.	Md. Abdul Sattar Meah	16	0.10%	96	0.61%
6.	Birendra Kumar Sen	12	0.08%	108	0.69%
7.	Mahamaya Debi	12	0.08%	120	0.77%
8.	Sheila Saha	12	0.08%	132	0.85%
9.	Pradip Kumar Pal	12	0.08%	144	0.93%
10.	Md. Hafiz Abdul Mannon	12	0.08%	146	1.01%
11.	Smt. Amina Khatoun	12	0.08%	168	1.09%

Note: Change in shareholding is due to issue of bonus shares in proportion of 1:1

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**(v) Shareholding of Directors**

Sl. No.	For each of the Directors	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares	No. of Shares	% of total shares
1	Dipankar Chatterjee				
	At the beginning of the year	2903	37.85%	2903	37.85%
	Changes during the year				
	Add: Share purchased from Luxmi Latex Pvt Ltd on 28.04.16	241	3.14%	3144	40.99%
	Add: Bonus allotment (in proportion of 1:1) on 31.08.16	3144	—	6288	40.99%
	Less: Shares gifted to Rudra Chatterjee on 04.03.2017	1554	10.14%	4734	30.85%
	At the end of the year	4734	30.85%	4734	30.85%
2	Rudra Chatterjee				
	At the beginning of the year	1066	13.89%	1066	13.89%
	Changes during the year				
	Add: Bonus allotment (in proportion of 1:1) on 31.08.16	1066	—	2132	13.89%
	Add: Shares received in gift from Dipankar Chatterjee on 04.03.2017	1554	10.14%	3686	24.02%
	Add: Shares purchased from Pulak Choudhury on 04.03.2017	150	0.98%	3836	25.00%
	At the end of the year	3836	25.00%	3836	25.00%

V. INDEBTEDNESS

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

(Amount in Rs.)

	Secured Loans	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the year				
i) Principal Amount		—	—	106,058,283
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
Total (i+ii+iii)	106,058,283	—	—	106,058,283
Change in Indebtedness during the year				
i) Additions	—	—	—	—
ii) Reduction	(82,326,836)	—	—	(82,326,836)
Net Change				
Indebtedness at the end of the year				
i) Principal Amount	23,731,447	—	—	23,731,447
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
Total (i+ii+iii)	23,731,447	—	—	23,731,447

VI. REMUNERATION OF DIRECTORS

(i) Remuneration to Executive Director

(Amount in Rs.)

Sl.No	Particulars of Remuneration	Rudra Chatterjee
1	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961	1,456,000
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	396,006
	(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	1,549,721
	- others	—
5	Others (Ex-gratia on Retirement)	—
	Total	3,401,727

Ceiling as per the Act : The company being private limited provisions of section 197 of the Companies Act, 2013 relating to ceiling on managerial remuneration is not applicable.

VI. REMUNERATION OF DIRECTORS

(ii) Remuneration to other directors

(Amount in Rs.)

Particulars of Remuneration	Name of Director			
	Ranjit Kr. Dutta	Abhishek Malhotra	Sujit Poddar	Tapan Kr. Chowdhury
Independent Directors				
(a) Fee for attending Board / Committee meetings	20,000	20,000	—	—
(b) Commission	—	—	—	—
(c) Others, please specify	—	—	—	—
Total (1)	20,000	20,000	—	—
Other Non Executive Directors				
(a) Fee for attending Board / Committee meetings	—	—	40,000	10,000
(b) Commission	—	—	—	—
(c) Others, please specify.	—	—	—	—
Total (2)	—	—	40,000	10,000

VI. REMUNERATION OF DIRECTORS : KMP OTHER THAN MD / MANAGER / WTD

No other Director, other than Directors in whole time employment, is in receipt of any remuneration from the Company, Further in terms of the provisions of the Companies Act, 2013 the company is not required to designate Key Managerial Person.

VII. PENALTIES/PUNISHMENT / COMPOUNDING OF OFFENCES

There were no penalties, punishment or compounding of offences for the year ending 31st March, 2017.

INDEPENDENT AUDITORS' REPORT

To the members of Luxmi Tea Company Private Limited

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of **Luxmi Tea Company Private Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, signed by us under reference to this report and a summary of the significant accounting policies and other explanatory information. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

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

4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the

audit report under the provisions of the Act and the Rules made there under.

5. 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.
6. 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. 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.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Basis for Qualified Opinion

8. The Company's long term investment in Bhagirathi Greenfield Real Estate Ltd amounting to Rs 2.50 crores is stated at cost, although the net-worth of the latter has been completely eroded. This constitutes a departure from Accounting Standard 13, Accounting for Investments as no provision for permanent diminution has been made in the books. As a result, the profits of the Company and the net assets are overstated by Rs.2.50 crores.
9. Trade Receivables includes an amount of Rs 2.31 crores due from debtors; against whom legal proceedings have been initiated. The Company has not made provision for such debts. As a result, the profits of the Company and the net assets are overstated by Rs.2.31 crores.
10. The Company has neither identified nor ascertained the value of its tea and rubber plants. Consequently, the Company has not complied with the accounting treatment of such Bearer Plants required as per Accounting Standard 10. The

impact thereof on the year's profit and year end shareholders' fund is not ascertainable.

Qualified Opinion

11. In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

12. We draw attention to Note No. 37 (b) to the financial statements which states that the Company has given interest free advances to Lengrai Tea Limited and Bhagirathi Greenfield Real Estate Limited which have become wholly owned subsidiary with effect from March 29, 2017 and April 25, 2017 respectively. The Company intends to amalgamate these companies in 2017-18.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

13. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure-A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

14. 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) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, 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) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph

above, in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- (e) The matter described in the Basis for Qualified Opinion and Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
- (f) 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;
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we refer to our separate report in "Annexure B"; and
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The Company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company.

For L. B. Jha & Co.
Chartered Accountants
Firm Registration No : 301088E

(D. N. Roy)
Partner

Place : Kolkata
Date : 24.06.2017

Membership No. 300389

ANNEXURE-A TO THE AUDITORS' REPORT

To the members of Luxmi Tea Company Private Limited

[Referred to in paragraph 13 of the Auditors' Report of even date]

1. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) The fixed assets are physically verified by the management according to a phased programme designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
 - (c) On the basis of our examination of the title deeds of the Company's immovable properties produced to us, the immovable properties are held in the name of the Company except those having book value of Rs. 23.19 crores as at the balance sheet date awaiting transfer in the name of the Company. The title deeds of the Company's certain immovable properties having book values of Rs. 1.54 crores as at the balance sheet date being deposited with the lenders, which has been confirmed by them, were not made available for our verification.
2. The inventory (excluding stocks with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of account.
 3. The Company has granted unsecured loans to two companies covered in the register maintained under Section 189 of the Act.
 - (a) In our opinion, the terms and conditions of such loans are not prima facie prejudicial to the interest of the Company.
 - (b) There is no stipulation regarding recovery of the loans as these are repayable on demand.
 - (c) In respect of the aforesaid loans, there is no amount overdue for more than ninety days as on the date of balance sheet.
 4. According to the information and explanations given to us and the records of the Company examined by us, the Company has not made any investment, advanced any loan, given any guarantee or provided any securities to others in accordance with section 185 and section 186 of the Act.
 5. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the rules framed there under.
 6. We have broadly reviewed the books and records maintained by the company in respect of its products where maintenance of cost records has been specified by the Central Government under sub – section (I) of section 148 of the Companies Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of these books and records to determine whether they are accurate or complete.
 7. (a) According to the information and explanations given to us and the records 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, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities.
 - (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax and purchase tax as at 31st March 2017 which have not been deposited on account of a dispute, are as follows-

Name of the Statute	Nature of Dues	Amount (Rs)	Period to which the amount relates	Forum where dispute is pending
WB Sales Tax Act	Purchase Tax	26,992	1998-99	Commercial Tax Officer
WB Sales Tax Act	Purchase Tax	4,000	2002-03	Commercial Tax Officer
Income Tax Act,1961	Income Tax	46,27,035	2008-09	Commissioner of Income Tax (Appeals)
Income Tax Act,1961	Income Tax	1,68,37,350	2009-10	Commissioner of Income Tax (Appeals)
Income Tax Act,1961	Income Tax	99,55,584	2012-13	Commissioner of Income Tax (Appeals)
Income Tax Act,1961	Income Tax	6,79,580	2013-14	Commissioner of Income Tax (Appeals)

8. According to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of dues of loans or borrowing to any bank as at the Balance Sheet date. The Company has neither taken any loan from financial institutions, Government nor issued any debentures.
9. The Company has neither raised any money by public issues of shares or debentures nor obtained any term loans during the year.
10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.
11. The provisions of Section 197 of the Companies Act, 2013 are not applicable to the Company as it is a private company.
12. The related statutes are not applicable to the Company as it is not a Nidhi company.
13. According to the information and explanations given to us and the records of the Company examined by us, the Company has complied with the requirements of section 188 of the Act with respect to its transactions with the related parties. The provisions of Section 177 of the Act are not applicable to the Company. Pursuant to the requirement of the applicable Accounting Standard, details of the related party transactions have been disclosed in Note 34 of the financial statements for the year under audit.
14. The Company has not made any preferential allotment of shares or fully or partly convertible debentures during the year under audit.
15. According to the information and explanations given to us and the records of the Company examined by us, the Company has not entered into any non-cash transactions, with any director of the Company or persons connected with him, involving acquisition of assets by or from them for consideration other than cash.
16. In our opinion, and according to the information and explanations given to us, not being a non-banking financial company, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For L. B. Jha & Co.
Chartered Accountants
Firm Registration No : 301088E

Place : Kolkata
Date : 24.06.2017

(D. N. Roy)
Partner
Membership No. 300389

ANNEXURE-B to the Auditor's Report**To the members of Luxmi Tea Company Private Limited**

[Referred to in paragraph 14(g) of the Auditors' Report of even date]

Report on the Internal Financial Control under Clause (i) of sub-sections 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. We have audited the internal financial controls over financial reporting of **Luxmi Tea Company Private Limited**. ("the Company") as of 31st 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 Control

2. The Company's management is responsible for establishing and maintaining internal financial control 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 (the "Guidance Note") 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

3. 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" and the Standard on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable. 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 maintaining and if such controls operated effectively in all material respects.

4. 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 includes obtaining an understanding of internal financial control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedure selected depends on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error.
5. 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 Control over Financial Reporting

6. 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 the records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
 - 2) provide reasonable assurance that the transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditure of the company are being made only in accordance with authorization of management and directors of 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 statement.

Inherent Limitations of Internal Financial Control over Financial Reporting

7. Because of inherent limitation of internal financial control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to errors or fraud may occur and not be detected. Also, projections of any evaluations of the internal financial control 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

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

For L. B. Jha & Co.
Chartered Accountants
Firm Registration No : 301088E

(D. N. Roy)
Partner

Place : Kolkata
Date : 24.06.2017

Membership No. 300389

Balance Sheet as at 31st March 2017

Particulars	Note	(Amount in Rs.)	
		31st March, 2017	31st March, 2016
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	2	15,344,000	7,672,000
Reserve & Surplus	3	<u>1,708,169,490</u>	<u>1,577,489,593</u>
Non-Current Liabilities			
Long Term Provisions	4	121,142,690	90,946,501
Current Liabilities			
Short Term Borrowings	5	23,731,447	106,058,283
Trade Payables	6	88,607,142	114,445,180
Other Current Liabilities	7	15,045,895	24,241,870
Short Term Provisions	8	<u>110,842,388</u>	<u>71,861,823</u>
TOTAL		<u>2,082,883,052</u>	<u>1,992,715,250</u>
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	9		
Tangible Assets		579,276,528	583,473,511
Intangible Assets		199,754	679,393
Capital Work-in-Progress		<u>3,957,479</u>	<u>23,844,707</u>
Non-Current Investment	10	284,522,905	150,806,836
Deferred Tax Assets (Net)	11	56,856,522	42,489,606
Long Term Loans and Advances	12	<u>12,262,875</u>	<u>15,447,428</u>
Current Assets			
Current Investments	13	200,000,000	262,042,706
Inventories	14	232,033,129	258,287,036
Trade Receivables	15	135,647,158	103,351,924
Cash and Bank Balances	16	79,433,249	130,708,976
Short Term Loans and Advances	17	464,125,600	386,286,231
Other Current Assets	18	<u>34,567,853</u>	<u>35,296,896</u>
TOTAL		<u>2,082,883,052</u>	<u>1,992,715,250</u>

The accompanying notes are an integral part of financial statements.

In terms of our report of even date
For **L. B. Jha & Co.**
Chartered Accountants
Firm Registration No.301088E

For and on behalf of the Board of Directors
Luxmi Tea Co. Pvt. Ltd.

(D. N. Roy)
Partner
Membership No. 300389

Dipankar Chatterjee
Chairman

Rudra Chatterjee
Executive Director

Place : Kolkata
Dated : 24.06.2017

Abha Bafna
Company Secretary

Statement of Profit & Loss for the year ended 31st March, 2017

Particulars	Note	(Amount in Rs.)	
		31st March, 2017	31st March, 2016
Revenue from Operations	19	1,712,284,162	1,779,804,357
Other Income	20	63,076,693	95,859,152
Total Revenue		1,775,360,855	1,875,663,509
Expenses :			
Cost of Materials Consumed	21	189,777,823	210,928,670
Purchase of Tea		5,013,216	76,669,420
Changes in Inventories of Finished Goods	22	15,813,976	(17,745,567)
Employee Benefit Expenses	23	745,286,756	663,577,685
Finance Costs	24	2,676,166	9,448,908
Depreciation and Amortisation	25	63,997,837	65,247,990
Other Expenses	26	599,278,994	695,196,034
Total Expenses		1,621,844,768	1,703,323,140
Profit before Tax		153,516,087	172,340,369
Tax Expense			
Current Tax		36,750,000	35,600,000
Provision relating to earlier years		(7,218,893)	1,507,785
Deferred Tax		(14,366,916)	(34,954,107)
Profit for the year		138,351,896	170,186,691
Earnings per Equity Share			
[Nominal Value per share : Rs. 1,000/- (Previous Year : Rs. 1,000/-)]			
- Basic & Diluted		9,017	22,183

The accompanying notes are an integral part of Financial Statements

In terms of our report of even date
For **L. B. Jha & Co.**
Chartered Accountants
Firm Registration No.301088E

(D. N. Roy)
Partner
Membership No. 300389
Place : Kolkata
Dated : 24.06.2017

For and on behalf of the Board of Directors
Luxmi Tea Co. Pvt. Ltd.

Dipankar Chatterjee
Chairman

Rudra Chatterjee
Executive Director

Abha Bafna
Company Secretary

Cash Flow Statement for the year ended 31st March, 2017

	(Amount in Rs.)	
	31st March, 2017	31st March, 2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	153,516,087	172,340,369
Adjustment for :		
Advance Written off	—	975,835
Bad Debt Written off	7,362,798	4,703,272
Liabilities no longer required written back	(71,534)	(2,741,787)
Profit on Disposal of Fixed Assets (Net)	(761,201)	—
Profit/Loss on Disposal of Long Term Investments	(5,557,500)	—
Gain on sale of current Investment	(11,002,304)	(3,271,315)
Depreciation on Tangible Assets	63,518,198	64,851,276
Amortisation on Intangible Assets	479,639	396,714
Dividend on Long Term Investments	(8,817,372)	(36,634,621)
Interest Income	(28,381,833)	(46,284,603)
Interest Expense	2,231,950	6,389,879
Unrealised Foreign Exchange Losses / (Gains)	—	(1,137,939)
Operating Profit before Working Capital changes	172,516,928	159,587,081
Changes in Working Capital		
Increase / (Decrease) in Trade Payables	(25,766,503)	32,218,604
Increase / (Decrease) in Other Current Liabilities	(9,195,975)	(26,049,178)
Increase / (Decrease) in Short Term Provisions	29,233,354	3,611,930
Increase / (Decrease) in Long Term Provisions	30,196,189	32,794,933
(Increase) / Decrease in Trade Receivables	(39,658,032)	36,425,143
(Increase) / Decrease in Inventories	26,253,906	(29,529,260)
(Increase) / Decrease in Loans and Advances	(77,839,369)	(116,484,968)
(Increase) / Decrease in Other Current Assets	16,187,862	71,078,299
(Increase) / Decrease Long Term Loans & Advances	3,184,553	1,708,786
Cash Generated from Operations	125,112,913	165,361,369
Taxes paid (Net of refunds)	(19,783,896)	(9,013,790)
Net Cash from Operating Activities (A)	105,329,017	156,347,579
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(40,948,021)	(72,614,503)
Disposal of Fixed Assets	2,275,236	—
Purchase of Investments	(134,816,070)	—
Purchase of Current Investments	(340,000,000)	(260,000,000)
Sale of Short Term Investment	413,045,009	—
Disposal of Investment	6,657,500	149,685,979
Interest Received	28,381,833	46,284,603
Dividend Received	8,817,372	36,634,621
Net cash used for Investing Activities (B)	(56,587,139)	(100,009,300)

Cash Flow Statement (Contd.)

	(Amount in Rs.)	
	31st March, 2017	31st March, 2016
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Short-term Borrowings	(82,326,836)	(42,518,660)
Interest paid	(2,231,950)	(6,389,879)
Dividend paid	-	(7,672,000)
Net cash used for Financing Activities (C)	(84,558,786)	(56,580,539)
Net Increase/(decrease in cash and cash equivalents (A+B+C))	(35,816,908)	(242,260)
Cash and cash equivalent at the beginning of the year	55,960,192	56,202,452
Cash and cash equivalent at the end of the year	20,143,284	55,960,192
D. Change in Cash and Cash Equivalents - Increase/(Decrease)	(35,816,908)	(242,260)

The above Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard 3
The accompanying notes are integral part of the financial statements.

In terms of our report of even date
For **L. B. Jha & Co.**
Chartered Accountants
Firm Registration No.301088E

(D. N. Roy)
Partner
Membership No. 300389

Place : Kolkata
Dated : 24.06.2017

For and on behalf of the Board of Directors
Luxmi Tea Co. Pvt. Ltd.

Dipankar Chatterjee
Chairman

Rudra Chatterjee
Executive Director

Abha Bafna
Company Secretary

Notes to financial statements for the year ended 31st March, 2017**1. SIGNIFICANT ACCOUNTING POLICIES****1.1 Basis of Preparation**

These financial statements of the company have been prepared in accordance with generally accepted accounting principles in India under the historical cost convention on accrual and prudent basis except for subsidies which are accounted for under cash basis.

The company has prepared these financial statements to comply in all material respects with the applicable accounting standards prescribed by the Companies (Accounts) Rules, 2014 and provisions of rules framed under the Companies Act, 2013.

Assets and liabilities have been classified as current or non-current as per Company's normal operating cycle and other criteria set out in the Revised Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets processing and their realization in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

1.2 Use of Estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure relating to contingent liabilities as of the date of financial statements and the reported amount of revenue and expenses during the period. The estimates and assumptions used in the financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of financial statements. Actual results may differ from those estimates. Any revision to accounting estimates is recognised prospectively in future periods.

1.3 Tangible Assets

Fixed assets are stated at cost of acquisition together with any incidental expenses of acquisition, net of accumulated depreciation and accumulated impairment losses, if any. Any trade discounts and rebates are deducted in arriving at

the purchase price. All expenses incurred for extension of new areas of cultivation are capitalized. However, cost of upkeep and maintenance and cost of replanting in existing areas are charged to revenue.

1.4 Intangible Assets

Cost of software is capitalized where it is expected to provide future enduring economic benefits. Expenses incurred on upgradation / enhancement charged off as revenue expenditure unless they bring significant additional benefits.

1.5 Depreciation and Amortisation

Depreciation on fixed assets other than Land and Plantation has been provided on Written Down Value method in accordance with Schedule II to the Companies Act, 2013.

The depreciable amount of an intangible assets allocated on a systematic basis over the best estimate of its useful life. Amortisation commences when the asset is available for use.

1.6 Investments

Long-term investments are stated at cost and provision is made to recognise any diminution in value, other than temporary in nature, determined separately for each investment.

Current investments are stated at the lower of cost and net realizable value which is determined separately for each investment.

1.7 Inventories

Inventories are valued as under:

- Stores & Spares Parts : At cost (determined under FIFO method)
- Finished Goods : At lower of cost and net realizable value

1.8 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Sale of goods: Revenue from the sale of Tea within India is recognized on the basis of receipt of documents confirming sales. Revenue from the sales outside India is recognized on the basis of Bills of Lading from Customs Authorities against

Notes to financial statements (contd.)

despatch of goods. The company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue.

Interest :Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

Other items are recognized on cash basis

1.9 Employee Benefits

a. **Short Term Employee Benefits :**

These are recognized at the undiscounted amount as expense for the year in which the related service is rendered.

b. **Post Employment Benefit Plans :**

Provident Fund:

The company makes regular contribution to provident funds which are fully funded and administered by Government and are independent of Company's finance. Contributions are charged to the Profit & Loss Account on accrual basis. The Company also operates defined benefit Provident Fund Scheme for certain employees which are fully funded and administered by trustees and are independent of the Company's finance. The Company makes regular contribution to the fund. In respect of the contribution to the Trust Funds, the company also pays for the shortfall of interest declared by the Trust to its members to the extent it falls short of the rates declared by the EPFO.

Gratuity:

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation at the end of the financial year. The Company makes periodical contributions to an Employees' Gratuity Fund, a funded defined benefit plan for the qualifying employees. The Fund provides for payment to vested employees at retirement, death while in employment at rates as specified by the Payment of Gratuity Act 1972. The retired benefit obligation recognized in the Balance Sheet represents the present value of the defined obligation as adjusted for unrecognized

past service cost, if any, and as reduced by the fair value of plan assets, where funded. Any asset resulting from this calculation is limited to the present value of any economic benefit available in the form of refunds from the plan or reductions in future contribution to the plan. The defined benefit obligations are provided for based on valuations as at the Balance Sheet date, made by independent actuaries.

c. **Other Long Term Employee Benefits :**

Leave Encashment:

Provision for leave encashment is not made as the employees are required to avail leave within financial year and as per the industry practice no carry forward of leave is permitted. Any other Terminal Benefits are recognised as expenses as and when incurred.

1.10 Borrowing Costs

Borrowing cost includes interest other ancillary costs incurred in connection with the arrangement of borrowings and are recognized as an expense in the period in which they are incurred unless these are attributable to the acquisition and construction of Assets and added to the cost.

1.11 Transaction in Foreign Currencies

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Profit and Loss account for the year.

1.12 Taxes on Income

Current tax represents the amount computed as per prevailing taxation laws under Income Tax Act, 1961.

Deferred Tax is recognized, subject to consideration of prudence, on timing difference being the difference between taxable income and accounting income that originates in one period and are capable of set off in one or more

Notes to financial statements (contd.)

subsequent year and is measured using tax rates and Laws that have been enacted or substantively enacted by the balance sheet date. Deferred Tax Assets/Liabilities are reviewed at each balance sheet date to re-assess excess / realization.

Minimum alternate tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. MAT credit entitlements are accounted for on the basis of completed assessments. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward.

1.13 Government Grants and Subsidies

Capital Receipts including Grants and Subsidies from the Government relating to depreciable assets are shown as a deduction from the gross value of the asset concerned in arriving at its book value.

Grants/Subsidies relating to revenue/expenses are recognized in the Profit and Loss Statement.

Grants and Subsidies from Government are recognized on cash basis.

1.14 Provisions and Contingent Liabilities

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can

be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates where the company expects some or all of a provision to be reimbursed. The expense relating to any provision is presented in the Statement of Profit and Loss net of any reimbursement

1.15 Lease

Lease payments (Royalty) under Operating Lease are recognized as an expense in the Statement of Profit and Loss.

1.16 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period.

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

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

Notes to financial statements (contd.)

(Amount in Rs.)
31st March, 2017 31st March, 2016

2. SHARE CAPITAL

Authorised

20,000 (31.03.2016 - 2,00,000) Equity Shares of Rs.1,000/- each

20,000,000

20,000,000

Issued and Subscribed

15,344 (7,672) shares of Rs. 1,000/- each fully paid up

15,344,000

7,672,000

15,344,000

7,672,000

Reconciliation of number of Ordinary Shares Outstanding

31st March, 2017

31st March, 2016

At the beginning of the year	Number of Shares	7,672	76,713
	In Rupees	7,672,000	7,671,300
Issued during the year as	Number of Shares	7,672	Nil
Bonus Share	In Rupees	7,672,000	Nil
At the end of the year	Number of Shares	15,344	7,672
	In Rupees	15,344,000	7,672,000

Rights, preferences and restrictions attached to Shares

a) The Company has only one class of shares referred to as Equity Shares having a par value of Rs. 1,000/- per share. Each shareholder is eligible for one vote per share held. Dividend proposals by the Board of Directors are subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company in proportion to their shareholding.

b) Details of Shareholders holding more than 5% shares in the Company

		31st March 2017	31st March 2016
Dipankar Chatterjee	Number of Shares	4,734	2,903
	% of holding	30.85%	37.85%
Rudra Chatterjee	Number of Shares	3,836	1,066
	% of holding	25.00%	13.89%
Chatterjee Asset Holdings Pvt. Ltd.	Number of Shares	5,720	2,860
	% of holding	37.28%	37.28%

3. RESERVES AND SURPLUS

31st March 2017

31st March 2016

Capital Reserve

At the beginning & at the end of the year

1,555,665

1,555,665

Machinery Investment Allowance Reserve

At the beginning & at the end of the year

399,599

399,599

Replacement Subsidy Reserve

At the beginning & at the end of the year

551,542

551,542

General Reserve

At the beginning of the year

452,104,218

432,104,918

Less : Adjustment for Bonus Issue

(7,672,000)

-

Less : Other Adjustment

-

(700)

Add : Transferred from Statement of Profit and Loss

20,000,000

20,000,000

Balance at the end of the year

464,432,218

452,104,218

Surplus in Statement of Profit and Loss

At the beginning of the year

1,122,878,570

980,363,878

Add : Profit for the year

138,351,896

170,186,691

Less : Appropriations

-

(7,672,000)

Interim Dividend on Equity Shares

(20,000,000)

(20,000,000)

Transfer to General Reserve

1,241,230,466

1,122,878,570

Balance at the end of the year

1,708,169,490

1,577,489,593

Notes to financial statements (contd.)(Amount in Rs.)
31st March, 2017 31st March, 2016**4. LONG TERM PROVISIONS**

Provision for Employee Benefits	106,031,930	75,835,741
Provision for Contingencies	15,110,760	15,110,760
	<u>121,142,690</u>	<u>90,946,501</u>

5. SHORT TERM BORROWINGS**SECURED****Central Bank of India****Cash Credit**

5,473,094 97,888,903

a) Nature of Security

i) The above Loan was secured by hypothecation of stock of standing crops and processed Tea, 1st charge on immovable and movable assets of certain tea estates

ii) Interest is payable at base rate + 1% p.a.

ICICI Bank Ltd.**Cash Credit**

- 8,169,380

a) Nature of Security

i) The above Loan was secured by hypothecation of stock of standing crops and processed Tea, 1st charge on immovable and movable assets of certain tea estates

ii) Interest is payable at base rate + 1% p.a.

Over Draft**Yes Bank**

18,258,353 -

a) Nature of Security

i) The above Loan was secured by lien of Fixed Deposit

23,731,447 106,058,283**6. TRADE PAYABLES**

Trade Payables	88,607,142	114,445,180
	<u>88,607,142</u>	<u>114,445,180</u>

7. OTHER CURRENT LIABILITIES

a) Advance from Customers/Selling Agents	2,446,972	90,188
b) Unpaid Dividends	2,267,143	9,921,078
c) Employee Benefits Payable	6,478,921	6,461,922
d) Commission to directors	1,098,671	1,273,964
e) Statutory Dues (including P F and Tax Deducted at Source)	2,754,188	6,494,718
	<u>15,045,895</u>	<u>24,241,870</u>

Notes to financial statements (contd.)

	(Amount in Rs.)	
	31st March, 2017	31st March, 2016
8. SHORT TERM PROVISIONS		
Provision for Employee Benefit	74,495,453	45,262,099
Current Taxation (Net of advance payment)	36,346,935	26,599,724
	110,842,388	71,861,823
	110,842,388	71,861,823
10. NON-CURRENT INVESTMENTS		
Long Term		
Trade		
Investments in Equity Instruments - Subsidiaries		
Unquoted		
Luxmi Township & Holdings Ltd.		
(Previously known as Luxmi Township Ltd.)	8,400,000	8,400,000
8,40,000 Shares (31.03.16 - 8,40,000 Shares) of Rs. 10/- each		
Makaibari Tea Co. Pvt. Ltd.	—	600,000
Nil Shares (31.03.16 - 60,000 Shares) of Rs. 10/- each		
Obeetee Pvt. Ltd.	69,625,000	69,625,000
9,59,400 Shares (31.03.16 - 9,59,400 Shares) of Rs. 100/- each		
Chandmoni Tea Company Ltd.	5,139,595	5,139,595
1,00,831 Shares (31.03.16 - 1,00,831 Shares) of Rs. 25/- each		
Lengrai Tea Ltd.	133,777,920	—
20,73,740 Shares (31.03.16 - Nil Shares) of Rs. 10/- each		
Investments in Equity Instruments - Associates		
Unquoted		
Kalyani Tea Co. Ltd.	41,276,404	40,238,254
42,598 Shares (31.03.16 - 39,253 Shares) of Rs. 10/- each		
Investments in Equity Instruments - Joint Venture		
Unquoted		
Bhagirathi Greenfield Real Estate Ltd.	24,999,700	24,999,700
24,99,970 Shares (31.03.16 - 24,99,970 Shares) of Rs. 10/- each		
Investments in Equity Instruments - Others		
Unquoted		
Luxmi Portfolio Ltd.	1,000,000	1,000,000
1,00,000 Shares (31.03.16 - 1,00,000 Shares) of Rs. 10/- each		
Other than Trade		
Investments in Equity Instruments - Others		
Quoted		
Assambrook Ltd.	43,417	43,417
1,350 Shares (31.03.16 - 1,350 Shares)		
RIL Investment Ltd.	1	1
400 Shares (31.03.16 - 400 Shares)		
Rossell India Ltd.	14,311	14,311
900 Shares (31.03.16 - 900 Shares)		
Sapoi Tea Co. Ltd.	292	292
136 Shares (31.03.16 - 136 Shares)		

Notes to financial statements (contd.)

	(Amount in Rs.)	
	31st March, 2017	31st March, 2016
Tyroon Tea Co. Ltd.	518	518
624 Shares (31.03.16 - 624 Shares)		
Unquoted		
Ambari Tea Company Ltd.	1	1
393 Shares (31.03.16 - 393 Shares)		
Assam Financial Corp. Ltd.	5,000	5,000
30 Shares (31.03.16 - 30 Shares)		
Assam Hospitals Ltd.	-	500,000
Nil Shares (31.03.16 - 50,000 Shares)		
Durbhanga Sugar Co. Ltd.	1	1
200 Shares (31.03.16 - 200 Shares)		
Kallinger & Khoreel Tea Co. Ltd.	121	121
2 Shares (31.03.16 - 2 Shares)		
Murugappa Holdings Ltd.	62,913	62,913
221 Shares (31.03.16 - 221 Shares)		
Paysha Industries Ltd.	1	1
10,000 Shares (31.03.16 - 10,000 Shares)		
Rossell Finance Service Ltd.	-	1
Nil Shares (31.03.16 - 400 Shares)		
Investments in Mutual Funds		
Quoted		
BNP Paribas Money Plus Fund	100,000	100,000
9,756.10 Units (31.03.16 - 9,756.10 Units)		
L & T Mutual Fund	100,000	100,000
10,333.33 Units (31.03.16 - 10,333.33 Units)		
	<u>284,545,195</u>	<u>150,829,126</u>
Less : Aggregate provision for diminution in value of investment	<u>(22,290)</u>	<u>(22,290)</u>
	<u>284,522,905</u>	<u>150,806,836</u>
Aggregate amount of quoted investments	258,540	258,540
Aggregate market value of quoted investments	427,971	412,695
Aggregate amount of unquoted investments	284,286,656	150,570,587
11. DEFERRED TAX LIABILITIES/ASSETS (NET)		
Deferred Tax Assets	<u>56,856,522</u>	<u>42,489,606</u>
	<u>56,856,522</u>	<u>42,489,606</u>
12. LONG TERM LOANS AND ADVANCES		
(Unsecured - considered good unless otherwise stated)		
Capital Advances	3,050,149	5,747,900
Security Deposits	7,936,939	7,956,939
Loans to Employees	1,275,787	1,742,589
	<u>12,262,875</u>	<u>15,447,428</u>

Notes to financial statements (contd.)

(Amount in Rs.)
31st March, 2017 **31st March, 2016**

13. CURRENT INVESTMENTS

At lower of cost and net realisable value

Investment in Mutual Funds

200,000,000

262,042,706

200,000,000262,042,706

Aggregate amount of quoted investments

200,000,000

262,042,706

Aggregate market value of quoted investments

221,409,129

266,667,408

14. INVENTORIES

At lower of cost and net realisable value

Finished Goods (Stock of Tea)

99,336,350

115,150,326

Stores and Spares

132,696,779

143,136,710

232,033,129258,287,036**15. TRADE RECEIVABLE**

Debts outstanding for a period exceeding Six months

Unsecured

Considered Good

23,345,426

24,955,127

Considered Doubtful

1,421,174

1,421,174

Less : Provision for Doubtful Debts

(1,421,174)

(1,421,174)

Other Debts - Unsecured, Considered good

-

Other Debts

Considered Good

112,301,733

78,369,797

135,647,158103,351,924**16. CASH AND BANK BALANCES****A. Cash and Cash Equivalents :**

Cash in hand

2,712,405

4,400,046

Cheques on hand

-

6,721,367

Bank Balance in :

- Current Accounts

17,430,879

44,838,779

20,143,28455,960,192**B. Other Bank Balances**

Unpaid Dividend Accounts

2,289,965

9,951,385

Fixed deposits with Maturity less than 12 months

-

47,589,888

Fixed deposits with Maturity exceeding 12 months

57,000,000

17,207,511

79,433,249130,708,976

Notes to financial statements (contd.)

	(Amount in Rs.)	
	31st March, 2017	31st March, 2016
17. SHORT TERM LOANS AND ADVANCES		
(Unsecured - considered good unless otherwise stated)		
Loans and Advances to Related Parties	207,494,886	121,057,893
Loans to Others	187,998,832	193,507,196
Other Loans and Advances		
Prepaid Expenses	847,009	970,800
Advance to Employees	108,053	237,918
Advance to Suppliers, Service Providers etc.	67,676,820	70,512,424
	<u>464,125,600</u>	<u>386,286,231</u>
18. OTHER CURRENT ASSETS		
Interest Accrued on Loans and Deposits	25,284,646	35,296,896
Others	9,283,207	-
	<u>34,567,853</u>	<u>35,296,896</u>
19. REVENUE FROM OPERATIONS		
Sale of Products		
Tea	1,693,248,576	1,768,158,813
Sale Of Green Leaves	12,500	-
Tea Waste	1,073,000	251,350
Other Operating Revenues		
Subsidy on Orthodox Tea	2,278,986	644,694
Replantation Subsidy	8,429,052	7,101,484
Interest Subsidy	5,458,399	-
Sale of DEPB License	1,489,843	2,380,658
Claims for Drawback on Export Tea	3,318	1,119,998
Claims on Tea	290,488	147,360
	<u>17,950,086</u>	<u>11,394,194</u>
	<u>1,712,284,162</u>	<u>1,779,804,357</u>
20. OTHER INCOME		
Interest Income (Gross)		
On Deposits	2,481,126	7,122,608
On Loans	25,900,707	37,761,202
On Others	-	1,400,793
Dividend on Long Term Trade Investments		
From Subsidiary Company	8,400,400	36,223,000
From Others	416,972	411,621
Sale of Rubber	3,660,182	4,883,300
Insurance Claims	492,160	-
Net profit on Sale/Disposal of Shares(Long Term)	5,557,500	-
Short term profit on investment in Share	11,002,304	3,271,315
Liabilities no longer required Written Back	71,534	2,741,787
Net Gain on Foreign Currency Transaction and Translation	-	1,137,939
Profit on Disposal of Fixed Assets (Net)	761,202	-
Miscellaneous Receipts	4,332,606	905,587
	<u>63,076,693</u>	<u>95,859,152</u>

Notes to financial statements (contd.)

	(Amount in Rs.)	
	31st March, 2017	31st March, 2016
21 COST OF MATERIALS CONSUMED		
Green leaf (purchased and consumed)	189,777,823	210,928,671
	<u>189,777,823</u>	<u>210,928,671</u>
22 CHANGES IN INVENTORIES OF FINISHED GOODS		
Opening Stock of Finished Goods	115,150,326	97,404,759
Less : Closing Stock of Finished Goods	<u>(99,336,350)</u>	<u>(115,150,326)</u>
(Increase)/Decrease	<u>15,813,976</u>	<u>(17,745,567)</u>
23 EMPLOYEE BENEFIT EXPENSES		
Salaries, Wages and Bonus	594,132,525	506,241,862
Contribution to Provident, Gratuity and Other Funds	76,388,454	80,880,113
Workmen & Staff Welfare Expenses	<u>74,765,777</u>	<u>76,455,710</u>
	<u>745,286,756</u>	<u>663,577,685</u>
24 FINANCE COSTS		
Interest Expense	2,231,950	6,389,879
Other Borrowing Costs	<u>444,216</u>	<u>3,059,029</u>
	<u>2,676,166</u>	<u>9,448,908</u>
25 DEPRECIATION AND AMORTISATION		
Depreciation on Tangible Assets	63,518,198	64,851,276
Amortisaion of Intangible Assets	<u>479,639</u>	<u>396,714</u>
	<u>63,997,837</u>	<u>65,247,990</u>
26 OTHER EXPENSES		
Consumption of Stores and Spare Parts	117,345,036	139,386,385
Power & Fuel	162,667,062	190,397,174
Repairs :		
Buildings	19,227,406	19,013,625
Machinery	21,750,561	25,818,153
Others	1,423,227	2,648,520
Insurance	2,269,992	2,821,484
Rates & Taxes	6,912,693	11,373,272
Cess on Black Tea	5,808,116	5,454,984
Assam Green Leaf Cess	5,727,767	5,055,451
Travelling & Conveyance	8,595,008	7,672,982
Legal and Professional Fees	8,433,010	8,524,704
Sales Promotion	5,421,513	5,201,602
Brokerage on Sales	25,531,733	26,385,272
Other Selling Expenses	69,235,995	87,496,981
Directors Fees	90,000	640,000
Director's Remuneration	1,456,000	9,056,000
Directors' Commission	1,549,721	1,813,964
CSR Donation	3,000,000	3,600,000
Payment to Auditors :		
As Auditor - Audit Fee	300,000	300,000
For Other Services	13,626	115,000
Tax Audit Fee	50,000	50,000
Advance Written off	-	975,835
Bad Debt Written off	7,362,798	4,703,272
Miscellaneous Expenses	<u>125,107,730</u>	<u>136,691,374</u>
	<u>599,278,994</u>	<u>695,196,034</u>

Notes to financial statements (contd.)

27. Employee benefit

a) The company operates defined gratuity plan for its employees. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure @15 days of last drawn salary for each completed year of service. The scheme is funded by the company's own Gratuity fund. At the end of the year Actuarial valuation of gratuity is computed by an independent Actuary. Any shortfall/excess in the funding is provided in the accounts by adjusting with the Profit and Loss.

The following table summarise the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the Balance Sheet for the respective plans.

	Gratuity Fund (Funded)	
	2016-17	2015-16
	Rs.	Rs.
Changes in present value of Defined Benefit Obligation during the year ended 31st March		
Present value of obligation at the beginning of the year	136,121,284	115,361,855
Interest Cost	10,644,684	9,055,906
Current Service Cost	9,888,000	8,599,973
Benefits Paid	(15,923,686)	(23,033,385)
Actuarial loss/(gain) on obligation	18,862,773	26,136,935
Fair value of obligation at the end of the year	159,593,055	136,121,284
Changes in the fair value of Plan Assets during the year ended 31st March		
Fair value of plan assets at the beginning of the year	60,285,543	72,789,797
Expected returns on plan assets	4,822,843	5,823,184
Contributions	4,214,606	6,308,830
Benefits Paid	(15,923,686)	(23,033,385)
Actuarial (loss)/gain on plan assets	161,819	(1,602,883)
Fair value of plan assets at the end of the year	53,561,125	60,285,543
Amount recognised in Balance Sheet		
Present value of obligation at the end of the year	159,593,055	136,121,284
Fair value of plan assets at the end of the year	53,561,125	60,285,543
Net asset or (liability) recognised in Balance Sheet	(106,031,930)	(75,835,741)
Expenses recognised in Profit and Loss Statement		
Current Service Cost	9,888,000	8,599,973
Interest Cost	10,644,684	9,055,906
Expected returns on plan assets	(4,822,843)	(5,823,184)
Actuarial loss/(gain) recognised in the year	18,700,954	27,739,818
Expenses recognised in Profit and Loss Statement	34,410,795	39,572,513

Particulars	31.03.2017	31.03.2016	31.03.15	31.03.14	31.03.13
Present value of Obligation	159593055	136121284	115361855	71409363	69053191
Fair Value of Plan Assets	53561125	60285543	72789797	29758231	22752067
Net Asset/ (Liability)	(106031930)	(75835741)	(42572058)	(41651132)	(46301124)

28. The Company had purchased Matelli Tea Estate from Eveready Industries India Limited on 1st March 2001. The execution and registration of the Deed of Conveyance in respect of the said tea estate in favour of the company is pending due to certain legal formalities to be completed by the erstwhile owners of the Tea Estate. However, the company is in possession of the tea estate and is manufacturing and selling tea produced from the garden. All revenues and expenditure relating to the Garden and factory in Matelli Tea Estate are consolidated and forms part of the Statement of Profit & Loss and all assets and liabilities are also forming part of the Balance Sheet under review. The company has also provided for contingencies in respect of Selami payable for transfer of the Tea Estate as disclosed in Note 4 to Financial Statements under review.

29. The company has entered into commercial lease with Dhalai Tea Processing Co-Operative Society Limited, Tripura, of a factory for production of tea on Royalty basis out of purchased leaf from local co-operatives. The agreement has been renewed for a further period of four years w.e.f. January 1, 2016.

Period	Royalty / Kg of Tea (Rs.)
Calendar Year 2016	5.50
Calendar Year 2017	5.50
Calendar Year 2018	5.00
Calendar Year 2019	5.00
Royalty paid	Rs.
FY 2016-17	1,586,257
FY 2015-16	1,239,510
FY 2014-15	1,209,650

30. Commitments

Estimated Capital Commitment on account of contracts remaining to be executed and not provided for at the end of the year is Rs. 75 lacs (31st March 2016 - Rs. 50 lacs)

31. Business Segment

The Company is primarily engaged in the business of cultivation, manufacturing and sale of Tea and organisationally managed as a single unit and as such the Company is a single business segment company.

Notes to financial statements (contd.)

The geographical (Secondary) segments are as follows :

a) Sales of Tea by geographical market :

(Amount in Rs.)

	Year ended March 31, 2017	Year ended March 31, 2016
India	1,692,912,462	1729,629,434
Outside India	336,114	38,529,379
Total	1,693,248,576	1768,158,813

b) Assets by geographical market :

India	2,082,883,053	1978,520,245
Outside India	Nil	14,195,005
Total	2,082,883,503	1992,715,250

c) Purchase of fixed assets by geographical market:

India	60,835,250	70,595,839
Outside India	Nil	Nil

32. **Earnings in Foreign Exchange :**

Export of Goods — Rs. 3,36,114 (31st March 2016 – Rs.1,42,57,628)

33. **Expenditure in Foreign Currency**

Travel on Export Promotion — Rs. 9,93,203 (31st March 2016 – Rs. 10,74,803)

34. **Related party Disclosure**

a) List of Related Parties :

- **Subsidiary :**

Luxmi Township & Holdings Ltd. (Previously known as Luxmi Township Ltd.)
Chandmani Tea Company Ltd.
Obeetee Private Ltd.
Lengrai Tea Ltd. (Acquired on 29th March, 2017)

- **Associates :**

Kalyani Tea Company Ltd.

- **Joint Venture :**

Bhagirathi Greenfield Real Estate Ltd.

- **Key Management Personnel**

Chairman

- Mr. Dipankar Chatterjee

Executive Director

- Mr. Rudra Chatterjee

Other Non-Executive Directors

Mr. Ranjit Kumar Dutta

Mr. Abhishek Malhotra

Mr. Sujit Poddar

Entities in which KMP can exercise significant control :

Chatterjee Asset Holdings Private Limited

Luxmi Portfolio Limited

Sovoke Realtors Private Limited

Luxmi Charitable Trust

B.C. Trust

Notes to financial statements (contd.)

b) Transactions / Balances with Related Parties

Amount in Rs.

Name of Subsidiary/ Associates	Nature of Transactions / Balances	As at / Year ended 31.03.2017	As at / Year ended 31.03.2016
Luxmi Township & Holdings Ltd. (Previously known as Luxmi Township Ltd.)	Reimbursement of Expenses	1,009,800	1,851,000
	Purchase of Assets	-	767,307
	Dividend received	8,400,400	8,400,400
Obeetee Private Ltd.	Dividend received	-	27,822,600
	Software Provided/Maintenance	1,000,000	970,000
	Outstanding at the end of the year Dr./(Cr.)	-	(249,600)
Bhagirathi Greenfield Real Estate Ltd.	Purchase	3,745,045	8,035,305
	Loan Given	13,645,000	25,895,640
	Interest received	-	13,881,606
	Outstanding at the end of the year Dr./(Cr.)	147,196,338	133,551,338
Kalyani Tea Co. Ltd.	Dividend received	416,530	392,530
	Reimbursement of Expenses	610,554	548,543
	Sale of Green Leaf	12,500	-
	Outstanding at the end of the year Dr./(Cr.)	610,554	-
Lengrai Tea Ltd. (Subsidiary w.e.f. 29-03-17)	Loan Given	1,255,112	-
	Outstanding at the end of the year Dr./(Cr.)	60,298,547	-
Chandmoni Tea Co.Ltd.	Refund of loan	-	-
	Purchase of Green Leaf	854,040	1,793,560
	Sale of Plants	80,445	-
	Outstanding at the end of the year Dr./(Cr.)	(61,000)	-
Chatterjee Assets Holdings Pvt. Ltd.	Dividend Paid	-	10,846,100
Sovoke Realtors Pvt. Ltd.	Dividend Paid	-	482,300
Luxmi Portfolio Ltd.	Reimbursement of Expenses	1,514,700	-
Luxmi Charitable Trust	CSR Expenditure	3,000,000	3,600,000

c) Remuneration paid to Key Managerial Personnel

Mr. Rudra Chatterjee : Commission Rs. 15,49,721 (PY Rs. 18,13,964)
Salary Rs. 14,56,000 (PY Rs. 14,56,000)

d) Directors' Sitting Fees : Rs. 90,000 (PY Rs. 6,40,000)

35. Contingent Liability

- The Board has proposed to pay a dividend of Rs. 1,000 per share. The aggregate amount of proposed dividend is Rs. 1,53,44,000/-. The final dividend is subject to approval by the shareholders.
- The company has contingent liabilities on account of Direct and Indirect Taxes under appeal and not been deposited on account of disputes as follows :

Notes to financial statements (contd.)

Particulars	Financial year to which the matter pertains	Forum where dispute is pending	Amount (Rs.)
Purchase Tax	1998-99	CTO for re-assessment	26,992
Purchase Tax	2002-03	CTO for re-assessment	4,000
Income Tax	2008-09	CIT(A)	46,27,035
Income Tax	2009-10	CIT(A)	1,68,37,350
Income Tax	2012-13	CIT(A)	99,55,584
Income Tax	2013-14	CIT(A)	6,79,580

36. Quantitative Information :

	2016-17		2015-16	
	Qty. (Kg.)	Value (Rs.)	Qty. (Kg.)	Value (Rs.)
a. Licensed Capacity	Not Applicable		Not Applicable	
b. Installed Capacity (as estimated by the management)	12,000,000	—	12,000,000	—
c. Opening Stock of Tea	885,217	115,150,326	662,005	97,404,759
d. Production	10,603,629		10,370,211	
e. Purchase of Tea	32,309	5,013,216	336,858	76,669,320
f. Sample/Complementary/Tea Waste	212,829		190,885	
g. Sale of Tea	10,445,540	1,693,248,576	10,292,972	1,768,158,813
h. Closing Stock of Tea	862,786	99,336,350	885,217	115,150,326

37. Other Matter :

- a) Members vide their Resolution dated 5th August 2016 passed in the Annual General Meeting approved issue of Bonus Share in the ratio 1:1. It has resulted in increase of Paid up capital of the company to Rs. 1,53,44,000/- consisting of 15,344 Equity Shares of Rs. 1,000/- each.
- b) The Company has acquired Lengrai Tea Limited w.e.f March 29, 2017 and Bhagirathi Greenfield Real Estate Limited w.e.f April 25, 2017. Both the wholly- owned subsidiary Company is having a common place of business, common business interest, common control and common management, the Company intends to amalgamate the said subsidiaries with the Company. In view of this the Company did not charge any interest on the amount advanced to these companies to carry on their operational activities.
- a) There are 18 numbers of cases involving Rs. 2,27,71,451 pending in various courts. Management is of the view that there will be no financial implication in respect of these cases.
- b) As per the information available with the company, none of the agencies/enterprises from whom the Company procures goods or receives services are covered under the Micro, Small and Medium Enterprises Development Act 2006 (MSME). Hence no disclosure thereof has been made.

38. Disclosure on Specified Bank Notes

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 March 31, 2017. The details of SBNs held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification are as follows:

	SBNs	Other Denomination Notes	Total
Closing Cash in hand as on 08.11.2016	5,563,000	2,356,874	7,919,874
Permitted Receipts	-	59,608,598	59,608,598
Permitted Payments	50,500	50,997,084	51,047,584
Amount Deposited in Banks	5,512,500	-	5,512,500
Closing Cash in hand as on 30.12.2016	-	10,968,388	10,968,388

39. Previous Year Figure :

The Financials have been re-grouped, re-classified and re-arranged as necessary

INDEPENDENT AUDITORS' REPORT

To the members of Luxmi Tea Company Private Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of **Luxmi Tea Company Private Limited** (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities, comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, signed by us under reference to this report and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates and jointly controlled entities 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. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant

to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
4. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
7. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph

below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Basis for Qualified Opinion

- 8 (a) Trade Receivables of the Company includes an amount of Rs 2.31 crores due from debtors, against whom legal proceedings have been initiated. The Company has not made provision for such debts. As a result, the profits of the Company and the net assets are overstated by Rs. 2.31 crores.
- (b) The Company has neither identified nor ascertained the value of its tea and rubber plants. Consequently, the Company has not complied with the accounting treatment of such Bearer Plants required as per Accounting Standard (AS) – 10. The impact thereof on the year's profit and year end shareholders' fund is not ascertainable.
- (c) In case of one of the subsidiaries of the Holding Company not audited by us, the other auditor who audited the subsidiary has reported that the subsidiary company has not provided for gratuity liability on the basis of actuarial valuation as per requirement of Accounting Standard 15. The other auditor has stated that the aggregate impact of the above on the profit for year and on the net assets position as at 31st March, 2017 is not ascertainable at this stage.
- (d) In case of one of the subsidiaries of the Holding Company not audited by us, the other auditor who audited the subsidiary has reported that the subsidiary company has not complied with Accounting Standard (AS) 10 "Property, Plant, Equipment" and it's impact on the loss for the year, reserve & surplus and fixed assets at the year-end, if any, is currently not ascertained by the Management, hence not commented upon by them.
- (e) In case of one of the associate companies of the Holding Company not audited by us, the other auditor who audited the consolidated financial statement of the associate has reported that the associate and its group have neither identified nor ascertained the value of its tea plants as required as per Accounting

Standard (AS)–10. The other auditor has stated that the aggregate impact of the above on the profit for year and on the net assets position as at 31st March, 2017 is not ascertainable at this stage.

- (f) In case of the jointly controlled entity of the Holding Company audited by us, the company has not has not provided for gratuity liability on the basis of actuarial valuation as per requirement of Accounting Standard 15. The Company has also neither identified nor ascertained the value of its tea plants as required as per Accounting Standard (AS) – 10. The impact of the above on the profit for year and on the net assets position as at 31st March, 2017 is not ascertainable at this stage.

Qualified Opinion

9. In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at 31st March, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

- 10 (a) We did not audit the financial statements three subsidiaries whose financial statements reflect total assets of Rs. 39,298.18 lakhs as at 31st March, 2017, total revenues of Rs. 52,860.49 lakhs and net cash flows amounting to Rs. 386.16 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of Rs. 36.12 lakhs for the year ended 31st March, 2017, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. These financial statements / financial information have been audited by other

auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates, is based solely on the reports of the other auditors.

- (b) In case of one of the subsidiaries not audited by us, the other auditor who audited the subsidiary has reported that they did not audit the financial statements of two subsidiaries of the subsidiary whose financial statements reflect total assets of Rs. 43,67,56,650 as at 31st March, 2017 and total revenues of Rs. 30,01,58,971 and net cash flows amounting to Rs. (93,06,575) for the year ended on that date, as considered in these consolidated financial statements. The financial statements are unaudited but have been reviewed by Certified Public Accountants and Advisors and have been furnished to the auditors of the subsidiary by the Management of the subsidiary. Their opinion in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the unaudited information provided by the Management of the subsidiary.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and, except for the possible effect of the matter described in sub-paragraph (b) of the Other Matters above obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) Except for the matter described in sub-paragraph (d) of the Basis for Qualified Opinion paragraph above, the reports on the accounts of its subsidiaries, associate companies and jointly controlled entities incorporated in India, audited under Section 143 (8) of the Act by the other auditors, as applicable, and have been properly dealt with in preparing this report.
- (d) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (e) In our opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (f) The matters described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Group.
- (g) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies, associate companies and jointly controlled entities, none of the other directors of the Group's companies, its associate companies and jointly controlled entities incorporated in India, is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (h) The qualification relating to the maintenance of accounts and other matters connected therewith

are as stated in the Basis for Qualified Opinion paragraph above.

- (i) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure A” and
- (j) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditor’s) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. Except for the possible effect of the matter described in sub-paragraph (b) of the Other Matters above, the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities – Refer Note 33 to the consolidated financial statements.
 - ii. Except for the possible effect of the matter described in sub-paragraph (b) of the Other Matters above, the Group, its associates and jointly controlled entities did not have any

material foreseeable losses on long-term contracts including derivative contracts.

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies, associate companies and jointly controlled entities incorporated in India.
- iv. The Consolidated Financial Statements contain the requisite disclosures in Note 35 as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 of the Group and its jointly controlled entities and these are in accordance with the books of accounts maintained by the Company.

For L. B. Jha & Co.
Chartered Accountants
Firm Registration No : 301088E

Place : Kolkata
Date : 28.06.2017

(D. N. Roy)
Partner
Membership No. 300389

**ANNEXURE TO THE AUDITORS' REPORT
To the members of Luxmi Tea Company Private Limited**

[Referred to in paragraph 11(i) of the Auditors' Report of even date]

Report on the Internal Financial Control under Clause (i) of sub-sections 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. We have audited the internal financial controls over financial reporting of **Luxmi Tea Company Private Limited** (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and jointly controlled entities, which are companies incorporated in India as of 31st 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 Control

2. The respective Board of Directors of the of the Holding company and its subsidiary company, which is a company incorporated in India, are responsible for establishing and maintaining internal financial control 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 (the "Guidance Note") 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 Act.

Auditors' Responsibility

3. 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" and the Standard on Auditing, issued by ICAI and

deemed to be prescribed under section 143(10) of the Act, to the extent applicable. 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 maintaining and if such controls operated effectively in all material respects.

4. 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 includes obtaining an understanding of internal financial control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedure selected depends on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statement, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, 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 Control over Financial Reporting

6. 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 statement 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 the records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
 - 2) provide reasonable assurance that the transactions are recorded as necessary to

permit preparation of financial statement in accordance with generally accepted accounting principles, and that receipts and expenditure of the company are being made only in accordance with authorization of management and directors of 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 statement.

Inherent Limitations of Internal Financial Control over Financial Reporting

7. Because of inherent limitation of internal financial control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to errors or fraud may occur and not be detected. Also, projections of any evaluations of the internal financial control 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

8. In our opinion, the Holding Company and its subsidiary company, which is a company

incorporated in India, have, in all material respect, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the Company considering, the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control Over Financial Reporting, issued by ICAI.

Other Matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to four subsidiary companies and two associate companies, which are companies incorporated in India, is based on the corresponding report of the auditors of such company incorporated in India.

For L. B. Jha & Co.
Chartered Accountants
Firm Registration No : 301088E

(D. N. Roy)

Partner

Place : Kolkata

Date : 28.06.2017

Membership No. 300389

Consolidated Balance Sheet as at 31st March 2017

(Amount in Rs.)

Particulars	Note	31st March, 2017		31st March, 2016	
EQUITY AND LIABILITIES					
Shareholder's Funds					
Share Capital	2	15,344,000		7,672,000	
Reserve & Surplus	3	5,407,029,589	5,422,373,589	5,013,116,680	5,020,788,680
Minority Interest			1,792,799,833		1,521,674,843
Non-Current Liabilities					
Long-term Borrowings	4	80,437,150		68,357,581	
Long-term Provisions	5	181,332,001	261,769,151	136,910,792	205,268,373
Current Liabilities					
Short-term Borrowings	6	512,274,366		408,088,112	
Trade Payables	7	322,608,110		334,771,378	
Other Current Liabilities	8	869,392,441		740,746,509	
Short-term Provisions	9	143,943,520	1,848,218,437	117,132,422	1,600,738,421
TOTAL			9,325,161,011		8,348,470,317
ASSETS					
Non-Current Assets					
Fixed Assets (Net Block)	10				
Tangible Assets		1,512,869,731		1,401,610,545	
Intangible Assets		199,754		679,393	
Capital Work-in-Progress		26,626,015	1,539,695,500	121,927,857	1,524,217,795
Goodwill on Acquisition			-		21,660,212
Non-Current Investments	11	224,194,581		324,886,872	
Deferred Tax Assets (Net)	12	151,837,125		141,852,606	
Long Term Loans and Advances	13	1,200,269,124	1,576,300,830	1,138,702,160	1,605,441,638
Current Assets					
Current Investments	14	2,375,475,094		1,459,415,554	
Inventories	15	1,923,389,658		1,868,968,659	
Trade Receivables	16	787,970,274		719,185,820	
Cash and Bank Balances	17	415,124,558		390,207,666	
Short Term Loans and Advances	18	624,556,689		685,127,040	
Other Current Assets	19	82,648,408	6,209,164,681	74,245,933	5,197,150,672
TOTAL			9,325,161,011		8,348,470,317

The accompanying notes are integral part of the financial statements.

In terms of our report of even date
For **L.B. Jha & Co.**
Chartered Accountants
Firm Registration No.301088E

(D. N. Roy)
Partner
Membership No. 300389

Place : Kolkata
Dated : 28.06.2017

For and on behalf of the Board of Directors
Luxmi Tea Co. Pvt. Ltd.

Dipankar Chatterjee
Chairman

Rudra Chatterjee
Executive Director

Abha Bafna
Company Secretary

Consolidated Profit & Loss Statement for the year ended 31st March, 2017

Particulars	Note	(Amount in Rs.)	
		31st March, 2017	31st March, 2016
Revenue from Operations	20	7,021,445,517	6,797,816,797
Other Income	21	197,280,548	194,336,184
Total Revenue		7,218,726,065	6,992,152,981
Expenses :			
Cost of Materials Consumed		1,834,497,958	1,880,770,380
Purchase of Traded Goods		86,364,558	116,252,861
Changes in Inventories of Raw Material, Finished & Semi-finished Goods	22	(14,224,762)	(63,220,257)
Employee Benefits Expense	23	1,310,994,179	1,189,211,972
Finance Costs	24	31,759,868	65,577,934
Depreciation and Amortisation	25	150,032,776	158,103,014
Other Expenses	26	2,560,400,870	2,626,337,992
Total Expenses		5,959,825,447	5,973,033,896
Profit before Taxation, Shares of Earnings/(Loss) from Associates and Minority Interest		1,258,900,618	1,019,119,086
Tax Expense			
Current Tax		(411,674,331)	(349,829,284)
MAT Credit Entitlement		-	1,150,000
Provision relating to earlier years		6,026,855	(1,351,716)
Deferred Tax		6,269,347	26,086,746
Profit after Taxation but before Share of Earning/(Loss) from Associates and Minority Interest		859,522,489	695,174,832
Add/(Less) : Share of Associates' Profit/Loss		(3,612,899)	(624,943)
Less : Minority Interests		(305,072,849)	(229,406,454)
Profit for the year		550,836,741	465,143,435
Earnings per Equity Share			
[Nominal Value per share : Rs .1000/-(Previous Year : Rs. 1000/-)]			
- Basic & Diluted		35,899	30,314

The accompanying notes are integral part of the financial statements.

In terms of our report of even date
For **L.B. Jha & Co.**
Chartered Accountants
Firm Registration No.301088E

(D. N. Roy)
Partner
Membership No. 300389

Place : Kolkata
Dated : 28.06.2017

For and on behalf of the Board of Directors
Luxmi Tea Co. Pvt. Ltd.

Dipankar Chatterjee
Chairman

Rudra Chatterjee
Executive Director

Abha Bafna
Company Secretary

Consolidated Cash Flow Statement for the year ended 31st March, 2017

	(Amount in Rs.)	
	31st March, 2017	31st March, 2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	1,258,900,618	1,019,119,086
Adjustment for :		
Provision for diminution in value of Investments	(5,922,512)	6,131,811
Advance written off	513	1,184,856
Bad Debt Written off	7,362,798	4,703,272
Provision for Doubtful Debts	(3,299,985)	1,053,051
Provision for Obsolete Stock	2,141,000	2,462,000
Liabilities no longer required written back	(128,610)	(2,741,787)
(Profit)/Loss on Disposal of fixed assets (Net)	605,030	(364,882)
Profit/Loss on Disposal of Long Term Investments	(49,783,814)	12,854,226
Gain on sale of current Investment	(11,002,304)	(3,271,315)
Depreciation on Tangible Assets	149,553,137	157,706,300
Amortisation on Intangible Assets	479,639	396,714
Dividend on Long Term Investments	(15,099,440)	(109,192,867)
Interest Income	(43,073,874)	(203,667,082)
Interest Expense	29,820,670	48,391,705
Unrealised Foreign Exchange Losses / (Gains)	(10,141,409)	(1,325,929)
Operating Profit before Working Capital changes	1,310,411,457	933,439,159
Changes in Working Capital		
Increase / (Decrease) in Trade Payables	(39,327,852)	334,453
Net Decrease in Foreign Exchange Translation Reserve	26,504,725	(28,587,230)
Increase / (Decrease) in Other Current Liabilities	(26,066,218)	(18,322,168)
Increase / (Decrease) in Short Term Provisions	29,233,354	40,057,674
Increase / (Decrease) in Long Term Provisions	18,515,565	32,794,933
(Increase) / Decrease in Trade Receivables	(41,070,035)	101,965,281
(Increase) / Decrease in Inventories	(51,186,469)	(77,232,489)
(Increase) / Decrease in Loans and Advances	32,287,158	(135,152,654)
(Increase) / Decrease in Other Current Assets	15,506,222	99,641,197
(Increase)/Decrease in Long Term Loans & Advances	52,964,388	(11,671,141)
Increase/(Decrease) in Trade & Other Paybles	35,019,957	—
Cash Generated from Operations	1,362,792,252	937,267,015
Taxes paid (Net of refunds)	(343,430,161)	(222,163,419)
Net Cash from Operating Activities	(A) 1,019,362,091	715,103,596
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(153,686,459)	(239,949,264)
Purchase of Investments	(132,959,537)	(524,418,836)
Purchase of Tangible Assets on Amalgamation	(5,760,520)	—
Purchase of Current Investments	(653,969,419)	—
Adjustment on Amalgamation	(21,720,725)	—
(Increase)/Decrease Long Term Loans & Advances	(58,306,256)	36,182,448.00
Investment in Liquid Assets	(646,504,423)	—
Disposal of Investments	6,657,500	143,554,168
Disposal of Short Term Investment	544,061,009	—
Disposal of Fixed Assets	5,802,933	2,791,130
(Increase)/Decrease in Other Current Assets	(20,994)	(687,899)
Capital Subsidy Received	—	3,000,000
Opening Cash at New Subsidiary Acquired	—	17,112
Fixed Deposit with bank	16,501,289	—
Interest Received	43,391,417	203,423,404
Dividend Received	15,099,440	72,969,868
Net cash used for Investing Activities	(B) (1,041,414,743)	(303,117,870)

Consolidated Cash Flow Statement for the year ended 31st March, 2016

	(Amount in Rs.)	
	31st March, 2017	31st March, 2016
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Short-term Borrowings	107,828,002	(182,033,331)
Fixed Deposits with Bank	—	(38,244,030)
Repayment of Long-term Borrowings	1,610,508	(43,737,000)
Interest paid	(30,189,428)	(50,469,934)
Interest Subsidy Received	5,532,000	2,606
Dividend Paid including Dividend Tax	(4,933,248)	(43,472,147)
Exchange differences on translation of foreign currency cash & cash equivalents	(2,335,014)	—
Net cash used for Financing Activities	(C) 77,512,821	(357,953,836)
Net Increase/(decrease in cash and cash equivalents (A+B+C))	55,460,168	54,031,890
Cash and cash equivalent at the beginning of the year	143,814,456	89,782,566
Cash and cash equivalent at the end of the year	199,274,624	143,814,456
Change in Cash and Cash Equivalents - Increase/(Decrease)	55,460,168	54,031,890

The above Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard 3.

In terms of our report of even date
For **L.B. Jha & Co.**
Chartered Accountants
Firm Registration No.301088E

(D. N. Roy)
Partner
Membership No. 300389

Place : Kolkata
Dated : 28.06.2017

For and on behalf of the Board of Directors
Luxmi Tea Co. Pvt. Ltd.

Dipankar Chatterjee
Chairman

Rudra Chatterjee
Executive Director

Abha Bafna
Company Secretary

Notes to consolidated financial statements for the year ended 31st March, 2017

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Preparation

These consolidated financial statements of the Group have been prepared in accordance with generally accepted accounting principles in India under the historical cost convention on accrual and prudent basis.

The Group has prepared these financial statements to comply in all material respects with the applicable accounting standards prescribed by the Companies (Accounts) Rules, 2014 and provisions of rules framed under the Companies Act, 2013.

Assets and liabilities have been classified as current or non-current as per Group's normal operating cycle and other criteria set out in the Revised Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets processing and their realization in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

1.2 Basis of Preparation of Consolidated Financial Statements:

The financial statements of the Parent Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 – "Consolidated Financial Statements"

Interests in Jointly controlled entities (incorporated Joint ventures) are reported using proportionate consolidation method as specified in Accounting Standard (AS) 27 – "Financial Reporting of Interest in jointly controlled entities".

The Associate companies are combined under equity method and where Parent company's share of losses in Associate Company is equal or exceeds the carrying amount of investment, the losses are not recognised and investment is reported at nil value in accordance with Accounting standard (AS) 23 – 'Accounting for Investment in Associates in Consolidated Financial Statements'.

The difference between the costs of investment in the subsidiaries, over the net assets at the time of acquisition of shares i.e. last audited financials, in the subsidiaries is recognised in the financial statements as Goodwill or Capital Reserve, as the case may be.

As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar

circumstances and are presented in the same manner as the Company's separate financial statements. Where it is not practicable, the same has been disclosed in the financial statements to which different accounting policies have been applied.

1.3 Use of Estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure relating to contingent liabilities as of the date of financial statements and the reported amount of revenue and expenses during the period. The estimates and assumptions used in the financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of financial statements. Actual results may differ from those estimates. Any revision to accounting estimates is recognised prospectively in future periods.

1.4 Tangible Assets

Fixed assets are stated at cost of acquisition together with any incidental expenses of acquisition, net of accumulated depreciation and accumulated impairment losses, if any. Any trade discounts and rebates are deducted in arriving at the purchase price. All expenses incurred for extension of new areas of cultivation are capitalized. However, cost of upkeep and maintenance and cost of replanting in existing areas are charged to revenue.

1.5 Intangible Assets

Cost of software is capitalized where it is expected to provide future enduring economic benefits. Expenses incurred on up gradation / enhancement charged off as revenue expenditure unless they bring significant additional benefits.

1.6 Depreciation and Amortisation

The Group has realigned its depreciation policy in accordance with Schedule II to the Companies Act, 2013.

Depreciation on fixed assets other than Land and Plantation has been provided on Written Down Value method in accordance with Schedule II to the Companies Act, 2013.

The depreciable amount of an intangible asset is allocated on a systematic basis over the best estimate of its useful life. Amortisation commences when the asset is available for use.

1.7 Investments

Long-term investments are stated at cost and provision is made to recognise any diminution in value, other

Notes to consolidated financial statements (contd.)

than temporary in nature, determined separately for each investment.

Current investments are stated at the lower of cost and net realizable value which is determined separately for each investment.

1.8 Inventories

Inventories are valued as under:

- Stores & Spares Parts : At cost (determined under FIFO method)
- Finished Goods : At lower of cost and net realizable value

1.9 Revenue Recognition

Revenue is recognised when all significant risks and rewards of ownership have been transferred to the buyer and the seller retains no effective control. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Interest: Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

Dividend: Dividend income is recognised when right to receive dividend is established.

Other items are recognized on cash basis except export benefits which are recognized on accrual basis to the extent considered receivable by one of the subsidiaries.

1.10 Employee Benefits**a. Short Term Employee Benefits :**

These are recognized at the undiscounted amount as expense for the year in which the related service is rendered.

b. Post Employment Benefit Plans :

Provident Fund:

The Group makes regular contribution to provident funds which are fully funded and administered by Government and are independent of Group's finance. Contributions are charged to the Profit & Loss Account on accrual basis. The Group also operates defined benefit Provident Fund Scheme for certain employees which are fully funded and administered by trustees and are independent of the Group's finance. The Group makes regular contribution to the fund. In respect of the contribution to the Trust Funds, the Group also pays for the shortfall of interest declared by the Trust to its members to the extent it falls short of the rates declared by the EPFO.

Gratuity:

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation at the end of the financial year. The Group makes periodical contributions to an Employees' Gratuity Fund, a funded defined benefit plan for the qualifying employees. The Fund provides for payment to vested employees at retirement, death while in employment at rates as specified by the Payment of Gratuity Act 1972. The retired benefit obligation recognized in the Balance Sheet represents the present value of the defined obligation as adjusted for unrecognized past service cost, if any, and as reduced by the fair value of plan assets, where funded. Any asset resulting from this calculation is limited to the present value of any economic benefit available in the form of refunds from the plan or reductions in future contribution to the plan. The defined benefit obligations are provided for based on valuations as at the Balance Sheet date, made by independent actuaries.

c. Other Long Term Employee Benefits :

Leave Encashment:

Provision for leave encashment is not made as the employees are required to avail leave within financial year and no carry forward of leave is permitted. Any other Terminal Benefits are recognised as expenses as and when incurred. However, where leave encashment is allowed, leave encashment is determined on the basis of actuarial valuation using the Projected Unit Credit Method.

1.11 Borrowing Costs

Borrowing cost includes interest other ancillary costs incurred in connection with the arrangement of borrowings and are recognized as an expense in the period in which they are incurred unless these are attributable to the acquisition and construction of Assets and added to the cost.

1.12 Transaction in Foreign Currencies

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Profit and Loss account for the year.

Notes to consolidated financial statements (contd.)

1.13 Taxes on Income

Current tax represents the amount computed as per prevailing taxation laws under Income Tax Act, 1961.

Deferred Tax is recognized, subject to consideration of prudence, on timing difference being the difference between taxable income and accounting income that originates in one period and are capable of set off in one or more subsequent year and is measured using tax rates and Laws that have been enacted or substantively enacted by the balance sheet date. Deferred Tax Assets/Liabilities are reviewed at each balance sheet date to re-assess excess /realization.

Minimum alternate tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. MAT credit entitlements are accounted for on the basis of completed assessments. The Group recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward.

1.14 Government Grants and Subsidies

Capital Receipts including Grants and Subsidies from the Government relating to depreciable assets are shown as a deduction from the gross value of the asset concerned in arriving at its book value.

Grants/Subsidies relating to revenue/expenses are recognized in the Profit and Loss Statement.

Grants and Subsidies from Government are recognized on cash basis.

1.15 Provisions and Contingent Liabilities

A provision is recognized when the Group has a present obligation as a result of past event, it is

probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates where the Group expects some or all of a provision to be reimbursed. The expense relating to any provision is presented in the Statement of Profit and Loss net of any reimbursement.

1.16 Lease

Lease payments (Royalty) under Operating Lease are recognized as an expense in the Statement of Profit and Loss.

1.17 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss of the Group for the period by the weighted average number of equity shares of the Group outstanding during the period.

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

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

Notes to consolidated financial statements (contd.)

		(Amount in Rs.)	
		31st March, 2017	31st March, 2016
2. SHARE CAPITAL			
Authorised			
20,000 (31.03.2016 - 2,00,000) Equity Shares of Rs.1000/- each		<u>2,00,00,000</u>	<u>2,00,00,000</u>
Issued and Subscribed			
15,344 (7,672) shares of Rs 1000/- each fully paid up		15,344,000	76,72,000
		<u>15,344,000</u>	<u>76,72,000</u>
Reconciliation of number of Ordinary Shares Outstanding			
At the beginning of the year	Number of Shares	7,672	76,713
	In Rupees	7,672,000	7,671,300
Issued during the year as Bonus Share	Number of Shares	7,672	Nil
	In Rupees	7,672,000	Nil
At the end of the year	Number of Shares	15,344	7,672
	In Rupees	15,344,000	7,672,000

Rights, Preferences and restrictions attached to Shares

- a) The Company has only one class of shares referred to as Equity Shares having a par value of Rs. 1,000/- per share (1,000/-). Each shareholder is eligible for one vote per share held. Dividend proposals by the Board of Directors are subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company in proportion to their shareholding.
- b) Details of Shareholders holding more than 5% shares in the company

		31st March 2017	31st March 2016
Dipankar Chatterjee	Number of Shares	4,734	2,903
	% of holding	30.85%	37.84%
Rudra Chatterjee	Number of Shares	3,836	1,066
	% of holding	25.00%	13.89%
Chatterjee Asset Holdings Pvt. Ltd.	Number of Shares	5,720	2,860
	% of holding	37.28%	37.28%

Notes to consolidated financial statements (contd.)

(Amount in Rs.)

31st March, 2017 31st March, 2016

3. RESERVES AND SURPLUS

Capital Reserve

At the beginning of the year	1,086,987,906	1,111,429,679
Add : Adjustment during the period	(149,855,267)	557,927
Balance at the end of the year	937,132,639	1,086,987,906

Machinery Investment Allowance Reserve

At the beginning & at the end of the year	399,599	399,599
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Replacement Subsidy Reserve

At the beginning & at the end of the year	551,542	551,542
---	---------	---------

General Reserve

At the beginning of the year	1,951,087,272	1,931,087,972
Less : Adjustment for Bonus Issue	(7,672,000)	—
Less : Other Adjustment	—	(700)
Add : Transferred from Statement of Profit and Loss	20,000,000	20,000,000
Balance at the end of the year	1,963,415,272	1,951,087,272

Surplus in Statement of Profit and Loss

At the beginning of the year	2,044,587,810	1,598,211,620
Add : Profit for the year	556,998,912	485,679,108
Less : Appropriations		
Adjustment on account of write off of Subsidiary	603,435	—
Interim Dividend on Equity Shares	—	(9,609,400)
Proposed Dividend on Equity Shares	—	(1,600,000)
Tax on Interim/Proposed Dividend	—	(8,093,517)
Transfer to General Reserve	(20,000,000)	(20,000,000)
Balance at the end of the year	2,582,190,157	2,044,587,810

TOTAL

	5,483,689,209	5,083,614,129
--	----------------------	----------------------

Share of Joint Ventures - Note 36(b)	(76,659,620)	(70,497,449)
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GRAND TOTAL

	5,407,029,589	5,013,116,680
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4 LONG TERM BORROWINGS

SECURED

From Banks	77,337,150	68,357,581
------------	------------	------------

UNSECURED

From a Body Corporate	3,100,000	—
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	80,437,150	68,357,581
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5 LONG TERM PROVISIONS

Provision for Employee Benefits	166,221,241	121,800,032
Provision for Contingencies	15,110,760	15,110,760
	181,332,001	136,910,792

Notes to consolidated financial statements (contd.)

(Amount in Rs.)
31st March, 2017 **31st March, 2016**

6. SHORT TERM BORROWINGS**SECURED****From Banks:**

Cash Credit	7,446,945	109,285,167
Pre-Shipment Credit	430,163,439	242,971,253
Over Draft	18,258,353	-

TOTAL

	455,868,737	352,256,420
--	--------------------	--------------------

Share of Joint Ventures - Note 36(b)

	56,405,629	55,831,692
--	------------	------------

GRAND TOTAL

	512,274,366	408,088,112
--	--------------------	--------------------

7. TRADE PAYABLES

Trade Payables

	322,299,639	333,592,128
--	-------------	-------------

TOTAL

	322,299,639	333,592,128
--	--------------------	--------------------

Share of Joint Ventures - Note 36(b)

	308,471	1,179,250
--	---------	-----------

GRAND TOTAL

	322,608,110	334,771,378
--	--------------------	--------------------

8. OTHER CURRENT LIABILITIES

Advance from Customers/Selling Agents

	603,757,269	460,673,545
--	-------------	-------------

Unpaid Dividends

	2,267,143	9,921,078
--	-----------	-----------

Employee Benefits Payable

	6,672,260	6,461,922
--	-----------	-----------

Commission payable directors

	1,098,671	1,273,964
--	-----------	-----------

Statutory Dues (including P F and Tax Deducted at Source)

	10,925,930	8,805,563
--	------------	-----------

Security Deposit

	31,657,784	27,033,389
--	------------	------------

Other Current Liabilities

	208,525,894	221,070,189
--	-------------	-------------

TOTAL

	864,904,951	735,239,650
--	--------------------	--------------------

Share of Joint Ventures - Note 36(b)

	4,487,491	5,506,859
--	-----------	-----------

GRAND TOTAL

	869,392,442	740,746,509
--	--------------------	--------------------

9. SHORT TERM PROVISIONS

Provision for Employee Benefit

	81,118,912	49,936,140
--	------------	------------

Provision for Income Tax

	59,075,385	50,289,322
--	------------	------------

Proposed Dividend

	—	12,035,481
--	---	------------

Others

	3,749,223	4,871,479
--	-----------	-----------

	143,943,520	117,132,422
--	--------------------	--------------------

11. NON-CURRENT INVESTMENTS**Long Term****Trade****Investments in Equity Instruments - Subsidiaries****Unquoted**

Luxmi Township Ltd.

	—	—
--	---	---

8,40,000 Shares (31.03.16 - 8,40,000 Shares) of Rs. 10/- each

Makaibari Tea Co. Pvt. Ltd.

	—	—
--	---	---

Nil Shares (31.03.16 - 60,000 Shares) of Rs. 10/- each

Obeetee Pvt. Ltd. (Uq)

	—	—
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9,59,400 Shares (31.03.16 - 9,59,400 Shares) of Rs. 100/- each

Notes to consolidated financial statements (contd.)

(Amount in Rs.)

	31st March, 2017	31st March, 2016
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11. NON-CURRENT INVESTMENTS (Continues)

Lengrai Tea Ltd.	—	—
20,73,740 Shares (31.03.16 - Nil Shares) of Rs. 10/- each		
Chandmoni Tea Company Ltd.	—	—
1,00,831 Shares (31.03.16 - 1,00,831 Shares) of Rs. 25/- each	—	—

Investments in Equity Instruments - Joint Venture

Unquoted

Bhagirathi Greenfield Real Estate Ltd.	—	—
24,99,970 Shares (31.03.16 - 24,99,970 Shares) of Rs. 10/- each		

Investments in Equity Instruments - Associates

Unquoted

Kalyani Tea Co. Ltd.	—	—
42,598 Shares (31.03.16 - 39,253 Shares) of Rs. 10/- each		
Cost of acquisition including Goodwill of Rs.2,30,06,320/-	41,276,404	40,238,254
Add/(Less) : Group Share of Profits/(Losses) upto 31st March 2017	35,976,316	39,589,214
	77,252,720	79,827,468

Investments in Equity Instruments - Others

Unquoted

Luxmi Portfolio Ltd.	1,000,000	1,000,000
1,00,000 Shares (31.03.16 - 1,00,000 Shares) of Rs. 10/- each		

Other than Trade

Investments in Equity Instruments - Others

Quoted

Assambrook Ltd.	43,417	43,417
1,350 Shares (31.03.16 - 1,350 Shares)		
Mangalam Cement Ltd.	800	800
80 Shares (31.03.16 - 80 Shares)		
RIL Investment Ltd.	1	1
400 Shares (31.03.16 - 400 Shares)		
Rossell India Ltd.	14,311	14,311
900 Shares (31.03.16 - 900 Shares)		
Sapoi Tea Co. Ltd	292	292
136 Shares (31.03.16 - 136 Shares)		
Tyroon Tea Co. Ltd.	518	518
624 Shares (31.03.16 - 624 Shares)		
Unquoted		
Ambari Tea Company Ltd.	1	1
393 Shares (31.03.16 - 393 Shares)		
Assam Financial Corp. Ltd.	5,000	5,000
30 Shares (31.03.16 - 30 Shares)		
Assam Hospitals Ltd.	-	500,000
Nil Shares (31.03.16 - 50,000 Shares)		
Durbhanga Sugar Co. Ltd.	1	1
200 Shares (31.03.16 - 200 Shares)		
Kallinger & Khoreel Tea Co. Ltd.	121	121
2 Shares (31.03.16 - 2 Shares)		

Notes to consolidated financial statements (contd.)

	(Amount in Rs.)	
	31st March, 2016	31st March, 2015
11. NON-CURRENT INVESTMENTS (Continues)		
Murugappa Holdings Ltd.	79,413	79,413
386 Shares (31.03.16 - 386 Shares)		
Paysha Industries Ltd.	1	1
10,000 Shares (31.03.16 - 10,000 Shares)		
Rossell Finance Service Ltd.	-	1
Nil Shares (31.03.16 - 400 Shares)		
Investments in Mutual Funds		
Quoted		
BNP Paribas Money Plus Fund	100,000	100,000
9,756.10 Units (31.03.16 - 9,756.10 Units)		
L & T Mutual Fund	100,000	100,000
10,333.33 Units (31.03.16 - 10,333.33 Units)		
Other Mutual Funds	-	100,000,000
Investments in Mutual Fund and Others through CITI Bank, HSBC Bank, IndusInd Bank and Others		
Investment Property		
Non Trade Investments in Buildings	145,620,276	143,237,817
	224,216,871	324,909,162
Less : Aggregate provision for diminution in value of investment	(22,290)	(22,290)
	224,194,582	324,886,872
Aggregate amount of quoted Investments	259,340	259,340
Aggregate market value of quoted Investments	427,971	412,695
Aggregate amount of unquoted Investments	223,957,532	324,649,823
12 DEFERRED TAX LIABILITIES/ASSETS (NET)		
Deferred Tax Assets	153,916,416	143,309,991
Less : Deferred Tax Liability	(2,079,291)	(1,457,385)
Net Deferred Tax Assets	151,837,125	141,852,606
13 LONG TERM LOANS AND ADVANCES (Unsecured - considered good unless otherwise stated)		
Capital Advances	14,828,734	5,971,569
Security Deposits	22,687,065	22,104,116
MAT Credit Entitlement	937,732	1,635,000
Loans to Others	1,159,884,097	1,106,593,177
Loans to Employees	1,275,787	1,742,589
TOTAL	1,199,613,415	1,138,046,451
Share of Joint Ventures - Note 28(ii)(b)	655,709	655,709
GRAND TOTAL	1,200,269,124	1,138,702,160

Notes to consolidated financial statements (contd.)

Particulars	(Amount in Rs.)										
	Original Cost					Depreciation			Net Book Value		
	As at 01.04.2016	Additions	Additions on Amal- gamation	Deductions	As at 31.03.2017	As at 01.04.2016	Adjustments For the Year	Deductions For the Year	As at 31.03.2017	As at 31.03.2016	
Tangible Assets											
Estate & Development	340,607,357	658,529	53,681,035	51,697,622	343,249,299	2,958,189	-	403,532	2,340,158	340,909,141	337,649,168
Leasehold Land	22,972,841	3,912,183	-	-	26,885,024	21,085	-	-	21,085	26,863,939	22,957,756
Building	914,826,057	136,249,268	27,414,027	12,332,433	1,066,156,918	367,490,094	14,484,636	40,533,968	415,457,030	650,699,889	547,335,963
Roads	17,570,965	2,541,404	1,596,801	-	21,709,169	16,008,748	324,994	2,531,329	18,864,471	2,844,699	1,562,817
Bridges, culverts, bunders, etc.	866,423	338,177	-	-	1,204,600	56,001	-	102,667	158,668	1,045,932	810,422
Plant and Machinery	1,069,036,331	64,066,623	19,970,934	36,187,320	1,116,886,567	783,747,347	10,386,914	67,044,496	829,355,793	287,530,774	285,288,984
Furniture and fittings	63,616,045	1,827,100	872,938	403,869	65,912,214	47,954,210	779,825	4,427,272	52,777,631	13,134,583	15,661,836
Motor Vehicles	135,143,007	16,795,518	7,001,215	12,989,071	145,950,669	100,432,294	5,139,032	13,987,552	109,288,163	36,662,506	34,710,713
Office Equipments	11,460,409	1,354,554	574,361	449,908	12,939,416	8,671,810	518,188	1,494,640	10,257,225	2,682,190	2,788,598
Electrical Installations and Equipment	129,470,767	5,130,931	1,493,886	-	136,095,584	100,689,291	1,338,427	8,435,812	110,463,530	25,632,054	28,781,476
Computers and data processing units	80,469,374	8,431,914	252,151	234,853	88,918,586	72,966,062	285,254	4,205,880	77,225,834	11,692,753	7,503,312
Hydraulic works, pipelines and sluices	119,854,578	271,553	506,133	-	120,632,264	80,003,270	423,252	7,773,149	88,199,671	32,432,593	39,851,308
Sub-Total (a)	2,905,894,153	241,577,753	113,363,481	114,295,076	3,146,540,310	1,580,997,801	33,680,522	150,940,297	1,714,409,259	1,432,131,053	1,324,896,356
Share of Joint Ventures - Note 36(b)	91,752,803	5,794,980	-	-	97,547,783	15,038,612	-	1,770,492	16,809,103	80,738,678	76,714,190
Intangible Assets											
Goodwill	62,286	-	-	-	62,286	62,286	-	-	62,286	-	-
Computer Software	14,360,868	-	-	-	14,360,868	13,681,475	-	479,639	14,161,114	199,754	679,393
Sub-Total (b)	14,423,154	-	-	-	14,423,154	13,743,761	-	479,639	14,223,400	199,754	679,393
Sub-Total (c = a+b)	2,920,317,307	241,577,753	113,363,481	114,295,076	3,160,963,464	1,594,741,562	33,680,522	151,419,936	1,728,632,660	1,432,330,807	1,325,575,748
Capital Work In Progress											
	121,927,857	26,626,015	-	121,927,857	26,626,015	-	-	-	-	26,626,015	121,927,857
Total	3,042,245,164	268,203,768	113,363,481	236,222,933	3,187,589,479	1,594,741,562	33,680,522	151,419,936	1,728,632,660	1,458,956,822	1,447,503,605
Grand Total	3,133,997,966	273,998,748	113,363,481	236,222,933	3,265,137,261	1,609,780,174	33,680,522	153,190,428	1,745,441,763	1,539,695,500	1,524,217,796
Previous Year	2,782,537,428	152,870,106	-	15,080,227	2,920,317,307	1,441,501,392	1	157,043,199	1,594,741,562	1,325,575,749	-

Notes to consolidated financial statements (contd.)

	(Amount in Rs.)	
	31st March, 2017	31st March, 2016
14 CURRENT INVESTMENTS		
EQUITY SHARES : Quoted		
GOLDMAN SACHS GOLD BEES	1,191,190	1,191,190
(440 Units, P.Y. 440 UNITS)		
NOIDA TOLL BRIDGE	-	14,551,061
(NIL UNITS, P.Y. 4,70,950 UNITS)		
THANGAMAYIL	32,502,830	12,773,411
(1,50,098 UNITS, P.Y. 63,983 UNITS,)		
LOVABLE	4,914,420	-
(20,318 UNITS, P.Y. NIL UNITS)		
OLD BRIDGE CAPITAL MANAGEMENT	9,992,898	-
(20,318 UNITS,P.Y. NIL UNITS,)		
BLUE STAR INC	2,996,991	2,996,991
(14400 UNITS, P.Y. 14400)		
CARRIER POINT	-	694,563
(NIL UNITS, P.Y. 6,929)		
GSP LTD	5,432,429	3,005,476
(43,150 Shares, P.Y. 25,350)		
HT MEDIA	6,125,992	3,004,689
(81,327 Shares ,P.Y. 38,300)		
JAMESWARRE	9,934,637	8,593,348
(86,121 Shares, P.Y. 75,408)		
MERCK	8,873,640	8,534,716
(12,553 Shares, P.Y. 12,070)		
RGNYMIS	2,443,233	2,443,233
(41,166 Shares, P.Y. 41,166)		
SPECIALITY	-	3,288,307
(NIL Shares, P.Y. 36,402)		
SUN TV NETWORK	3,979,871	3,979,871
(14,100 Shares, P.Y. 14,100)		
TV TODAY	4,045,077	2,044,210
(19,400 Shares, P.Y. 12,000)		
VENKEYS	-	2,004,844
(NIL Shares, P.Y. 8,000)		
MUTUAL FUNDS:		
BSL CASH MANAGER	50,000,000	50,000,000
(146879.1990 UNITS, P.Y.146879.1990 UNITS)		
BSL SAVINGS FUND GROWTH DIRECT	30,647,644	30,647,644
(114190.8780 UNITS, P.Y.114190.8780 UNITS)		
BSL FLOATING RATE FUND LT GROWTH DIR	10,000,000	10,000,000
(61030.2020 UNITS, P.Y.61030.2020 UNITS)		
BSL TREASURY OPTIMIZER PLAN GROWTH DIR	143,502,016	143,502,016
(783118.7340 UNITS , P.Y.783118.7340 UNITS)		
ICICI PRU LONGTERM GILT FUND	40,000,000	40,000,000
(846513.4550 UNITS, P.Y.846513.4550 UNITS)		
ICICI BANKING & PSU DEBT PLAN DIR GROWTH	20,000,000	20,000,000
(1320445.7820UNITS ,P.Y. 1320445.7820 UNITS)		
ICICI PRU LONG TERM DIR PLAN GROWTH	60,000,000	60,000,000
(3561253.5610 UNITS , P.Y.3561253.5610 UNITS)		
ICICI GILT INVEST PF PLAN DIR	10,000,000	10,000,000
(377227.5290UNITS , P.Y.377227.5290 UNITS,)		
ICICI EQUITY INCOME FUND DP CUMULATIVE	10,000,000	10,000,000
(1000000 UNITS, P.Y. 1000000 UNITS)		

Notes to consolidated financial statements (contd.)

	(Amount in Rs.)	
	31st March, 2017	31st March, 2016
14. CURRENT INVESTMENTS (Continues)		
ICICI ULTRA SHORT TERM DIRECT PLAN GROWTH (11926029.8320 UNITS, P.Y. 11926029.8320 UNITS,)	176,250,241	176,250,241
ICICI MULTIPLE YIELD SER 6 PLAN B GROWTH (540000.00 UNITS; P.Y. 540000.00 UNITS)	5,400,000	5,400,000
ICICI PRU REGULAR SAVINGS FUND (9113410.4350 UNITS, P.Y. 9113410.4350)	143,000,000	143,000,000
ICICI PRU SAVINGS FUND GROWTH-DIRECT PLAN (655067.0170 UNITS, P.Y. 580292.9440)	155,681,234	130,208,584
HDFC ARBITARGE FUND (10220929.9810 UNITS, P.Y. 9681889.7280)	108,144,206	102,386,533
ICICI PRU SHORT TERM DIRECT PLAN GROWTH (2166773.0700 UNITS, P.Y. NIL)	75,123,664	-
HDFC CPO 36 M AUGUST 2013-SERIES I-REGULAR (NIL UNITS; P.Y. 201609 UNITS)	-	2,016,090
TEMP INDIA CROP BOND OPPORTUNITIES GROWTH (565515.493 UNITS, P.Y. 565515.493 UNITS)	7,100,000	7,100,000
RELIANCE MEDIUM TERM FUND-DIRECT GROWTH (1401188.4840 UNITS, P.Y. NIL)	47,016,599	-
DSP BLACK ROCK WORLD GOLD FUND-DIR-GRTH (EQUITY) (777558.4490 UNITS , P.Y. 429177.3760 UNITS)	9,000,000	4,000,000
RELIANCE FLOTING RATE FUND-SHORT TERM (14,15,777.7660 UNITS, P.Y. 14,15,777.7660)	30,000,000	30,000,000
DSP BLACK ROCK SHORT TERM FUND-DIR-GRTH (EQUITY) (5216511.3920 UNITS, P.Y. NIL)	147,497,939	-
MUTUAL FUNDS:		
ICICI Prudential Short Term - Growth	200,000,000	262,042,706
Birla Sun Life Treasury Optimizer Plan - Growth [5,34,092.456 Units (Previous Year - 2,96,116.134)]	155,000,000	55,000,000
Birla Sun Life Savings Fund - Growth [97,755.119 Units (Previous Year - Nil)]	30,000,000	-
Birla Sun Life Short Term Fund - Growth [11,59,662.523 Units (Previous Year - Nil)]	70,000,000	-
Birla Sun Life Floating Rate Fund - Long Term - Growth [76,144.49 Units (Previous Year - Nil)]	15,000,000	-
ICICI Prudential Regular Saving Fund - Growth [60,07,500.014 Units (Previous Year - 40,47,367.507)]	100,000,000	65,000,000
ICICI Prudential Ultra Short Term - Growth [6,53,086.815 Units (Previous Year - 26,11,784.32)]	10,000,000	40,000,000
ICICI Prudential Savings Fund - Growth [2,95,958.688 Units (Previous Year - 6,53,086.815)]	70,000,000	-
ICICI Prudential Short Term - Growth [29,16,086.104 Units (Previous Year - 6,53,086.815)]	100,000,000	-
ICICI Prudential Long Term - Growth [33,58,780.091 Units (Previous Year - 6,53,086.815)]	69,719,878	-
ICICI Prudential Corporate Bond Fund - Growth [23,19,145.834 Units (Previous Year - 6,53,086.815)]	60,000,000	-
ICICI Prudential Ultra Short Term - Growth [19,58,697.505 Units (Previous Year - Nil)]	50,000,000	-

Notes to consolidated financial statements (contd.)

	(Amount in Rs.)	
	31st March, 2017	31st March, 2016
14. CURRENT INVESTMENTS (Continues)		
ICICI Prudential Long Term Plan - Growth	50,000,000	-
[24,57,412.756 Units (Previous Year - Nil)]		
ICICI Prudential Regular Income - Growth	20,000,000	-
[12,73,163.631 Units (Previous Year - Nil)]		
Birla Sinlife Dynamic Bond Fund Growth -Regular Plan	3,000,000	-
[1,04.666.011 Units (Previous Year - Nil)]		
ICICI Long Term Plan - Growth	2,000,000	-
[99,582.748 Units (Previous Year - Nil)]		
	<u>2,375,516,629</u>	<u>1,465,659,724</u>
PROVISION FOR DEPLETION IN VALUE OF SHARES (BS)	(41,536)	(6,244,170)
	<u>2,375,475,093</u>	<u>1,459,415,554</u>
Aggregate amount of quoted investments	<u>1,570,796,751</u>	<u>1,305,659,724</u>
Aggregate market value of quoted investments	1,761,225,710	1,363,820,932
Aggregate amount of unquoted investments	804,719,878	160,000,000
15 INVENTORIES		
At lower of cost and net realisable value		
Finished Goods (Stock of Tea)	1,725,679,704	1,669,324,542
Stores and Spares	192,631,009	192,634,248
TOTAL	<u>1,918,310,713</u>	<u>1,861,958,790</u>
Share of Joint Ventures - Note 36(b)	5,078,946	7,009,869
GRAND TOTAL	<u>1,923,389,658</u>	<u>1,868,968,659</u>
16 TRADE RECEIVABLE		
Debts outstanding for a period exceeding six month from the date of due for payment		
Secured		
Considered Good	1,500,000	—
Unsecured		
Considered Good	65,619,205	46,519,476
Considered Doubtful	4,602,061	10,980,721
Less : Provision for Doubtful Debts	(4,602,061)	(10,980,721)
Others		
Secured, Considered good	3,580,844	4,380,844
Unsecured, Considered good	716,392,603	668,283,500
Considered Doubtful	—	104,020
Less : Provision for Doubtful Debts	—	(104,020)
TOTAL	<u>787,092,651</u>	<u>719,183,820</u>
Share of Joint Ventures - Note 36(b)	877,623	2,000
GRAND TOTAL	<u>787,970,274</u>	<u>719,185,820</u>

Notes to consolidated financial statements (contd.)

	(Amount in Rs.)	
	31st March, 2017	31st March, 2016
17 CASH AND BANK BALANCES		
A. Cash and Cash Equivalents :		
Cash in hand	4,199,072	8,227,346
Cheques on hand	—	6,744,042
Bank Balance in :		
- Current Accounts	193,694,427	125,637,599
	<hr/>	<hr/>
	197,893,500	140,608,987
Share of Joint Ventures - Note 36(b)	1,381,124	3,205,469
	<hr/>	<hr/>
	199,274,624	143,814,456
B. Other Bank Balances		
Unpaid Dividend Accounts	2,289,965	9,951,384
Fixed deposits with Maturity more than 3 months but less than 12 months	85,082,182	131,255,236
Fixed deposits with Maturity exceeding 12 months	128,477,788	105,186,590
	<hr/>	<hr/>
TOTAL	415,124,559	390,207,666
	<hr/> <hr/>	<hr/> <hr/>
18 SHORT TERM LOANS AND ADVANCES		
(Unsecured - considered good unless otherwise stated)		
Loans to Related Parties	140,433,183	54,282,224
Loans to Others	188,049,574	277,650,456
Other Loans and Advances		
Advance Tax paid less Provisions	(9,748,282)	40,450,142
Prepaid Expenses	898,162	970,800
Advance to Employees	108,053	237,918
Advance to Suppliers, Service Providers etc. :		
Considered Good	172,638,374	127,771,282
Considered Doubtful	12,367	2,905,240
Less : Provision for bad and Doubtful Advances	(12,367)	(2,905,240)
Export Incentives Receivables	156,868,270	145,567,919
Others	35,309,966	37,970,161
	<hr/>	<hr/>
TOTAL	624,258,752	684,900,902
Share of Joint Ventures - Note 36(b)	297,937	226,138
	<hr/>	<hr/>
GRAND TOTAL	624,556,689	685,127,040
	<hr/> <hr/>	<hr/> <hr/>
19 OTHER CURRENT ASSETS		
(Unsecured - considered good unless otherwise stated)		
Interest Accrued on Loans and Deposits	28,715,952	38,552,885
Interest Subsidy Receivable	4,260,731	9,528,488
Vat Credit Receivable	10,582,757	8,589,211
Other Items	39,088,968	17,575,349
	<hr/>	<hr/>
	82,648,408	74,245,933
	<hr/> <hr/>	<hr/> <hr/>

Notes to consolidated financial statements (contd.)

	(Amount in Rs.)	
	31st March, 2017	31st March, 2016
20 REVENUE FROM OPERATIONS		
Sale of Products	6,338,341,269	6,159,285,418
Share of Joint Ventures - Note 28(ii)(b)	<u>34,535,952</u>	<u>28,493,263</u>
	6,372,877,221	6,187,778,681
Other Operating Revenues		
Subsidy on Orthodox Tea	2,278,986	644,694
Replantation Subsidy	8,429,052	7,101,484
Interest Subsidy	5,458,399	-
Sale of DEP Licence	1,489,843	2,380,658
Export Incentives	446,012,975	438,722,001
Interest on Loans and Advances	143,770,291	138,851,344
Others	<u>41,128,750</u>	<u>22,337,935</u>
	<u>648,568,296</u>	<u>610,038,116</u>
	<u>7,021,445,517</u>	<u>6,797,816,797</u>
21 OTHER INCOME		
Interest Income (Gross)		
On Deposits	17,173,167	26,136,263
On Loans	26,600,707	37,761,202
On Others	<u>—</u>	<u>1,400,793</u>
	43,773,874	65,298,258
Dividend on Long Term Trade Investments		
From Subsidiary Company	8,400,400	—
From Others	<u>6,699,040</u>	<u>36,746,868</u>
	15,099,440	36,746,868
Sale of Rubber	3,660,182	4,883,300
Insurance Claims	492,160	—
Long term profit on investment in Share	44,220,105	1,418,850
Short term profit on investment in Share	16,566,013	3,271,315
Liabilities no longer required Written Back	587,193	7,653,256
Net Gain on Foreign Currency		
Transaction and Translation	36,528,804	36,673,565
Profit in Sale of Fixed Assets	795,816	1,194,920
Miscellaneous Income	<u>34,546,832</u>	<u>36,849,009</u>
TOTAL	<u>196,270,419</u>	<u>193,989,342</u>
Share of Joint Ventures - Note 36(b)	1,010,129	346,843
GRAND TOTAL	<u>197,280,548</u>	<u>194,336,184</u>
COST OF MATERIALS CONSUMED		
Cost of Materials Consumed	1,832,013,331	1,880,269,063
TOTAL	<u>1,832,013,331</u>	<u>1,880,269,063</u>
Share of Joint Ventures - Note 36(b)	2,484,627	501,317
GRAND TOTAL	<u>1,834,497,958</u>	<u>1,880,770,380</u>

Notes to consolidated financial statements (contd.)

	(Amount in Rs.)	
	31st March, 2017	31st March, 2016
22 CHANGES IN INVENTORIES OF FINISHED GOODS		
Opening Stock of Finished Goods	712,618,432	650,970,102
Less : Closing Stock of Finished Goods	(727,972,814)	(712,618,432)
(Increase)/Decrease	(15,354,382)	(61,648,330)
Share of Joint Ventures - Note 36(b)	1,129,620	(1,571,927)
GRAND TOTAL	<u>(14,224,762)</u>	<u>(63,220,257)</u>
23 EMPLOYEE BENEFIT EXPENSES		
Salaries, Wages and Bonus	1,034,756,565	918,346,036
Contribution to Provident, Gratuity and Other Funds	147,564,404	143,070,867
Workmen & Staff Welfare Expenses	107,619,625	108,683,039
TOTAL	1,289,940,594	1,170,099,942
Share of Joint Ventures - Note 36(b)	21,053,585	19,112,031
GRAND TOTAL	<u>1,310,994,179</u>	<u>1,189,211,972</u>
24 FINANCE COSTS		
Interest Expense	28,192,279	34,362,051
Other Borrowing Costs	2,877,489	18,031,884
TOTAL	31,069,768	52,393,935
Share of Joint Ventures - Note 36(b)	690,100	13,183,999
GRAND TOTAL	<u>31,759,868</u>	<u>65,577,934</u>
25 DEPRECIATION AND AMORTISATION		
Depreciation on Tangible Assets	147,782,645	155,487,801
Amortisation of Intangible Assets	479,639	396,714
TOTAL	148,262,284	155,884,515
Share of Joint Ventures - Note 36(b)	1,770,492	2,218,499
GRAND TOTAL	<u>150,032,776</u>	<u>158,103,014</u>

Notes to consolidated financial statements (contd.)

	(Amount in Rs.)	
	31st March, 2017	31st March, 2016
26 OTHER EXPENSES		
Consumption of Stores and Spare Parts	306,923,091	303,408,913
Power & Fuel	233,547,160	267,091,891
Repairs :		
- Buildings	35,799,568	34,519,833
- Machinery	70,486,813	67,594,066
- Others	4,579,669	4,700,732
Insurance	13,264,302	14,684,641
Rent	31,604,837	33,332,416
Rates & Taxes	12,017,327	14,642,838
Cess on Black Tea	5,808,116	5,454,984
Assam Green Leaf Cess	5,727,767	5,055,451
Travelling & Conveyance	81,717,499	63,330,049
Legal and Professional Fees	96,371,465	89,188,107
Sales Promotion	35,693,219	18,368,501
Brokerage on Sales	28,120,740	33,305,623
Other Selling Expenses	251,468,557	240,706,075
Directors Fees	90,000	640,000
Director's Remuneration	1,456,000	9,056,000
Directors' Commission	1,549,721	1,813,964
CSR Donation	13,620,015	17,292,223
Advance Written off	-	975,835
Bad Debt Written off	7,362,798	9,710,343
Provision for Diminution in value of Investment	(6,202,634)	6,131,811
Provision for Doubtful Debts	3,299,985	3,024,752
Loss on Sale of Assets (net)	1,366,231	15,060,919
Miscellaneous Expenses	1,310,148,797	1,351,316,165
TOTAL	2,545,821,043	2,610,406,133
Share of Joint Ventures - Note 36(b)	14,579,827	15,931,860
GRAND TOTAL	<u>2,560,400,870</u>	<u>2,626,337,992</u>

Notes to consolidated financial statements (contd.)

(Amount in Rs.)
31st March, 2017 31st March, 2016

27. Earnings per share

Earnings per share have been computed as under:

a) Profit for the year	55,08,36,741	465,143,436
b) Number of shares at the beginning of the year	7,612	76,713
c) Number of shares at the end of the year	15,344	7,672
d) Weighted average number of shares outstanding	15,344	15,344
e) Earnings per share on profit for the year {Face Value Rs. 1000/- per share		
- Basic & Diluted [(a)/(d)]	35,899	30,314

28. Expenditure incurred under Section 135 of the Companies Act, 2013 on Corporate Social Responsibility (CSR) activities during the financial year 2016-17 Rs. 1,59,96,812 (Prev. Year Rs. 1,72,92,223).

29. Commitments

Estimated Capital Commitment on account of contracts remaining to be executed and not provided for at the end of the year is Rs. 218.31 lacs (31st March 2016 -Rs. 55.80 lacs)

30. Employee benefit

The Group has adopted Accounting Standard 15 (AS 15) on 'Employee Benefits'. These Consolidated Financial Statements include the obligations as per requirement of this standard except one of the subsidiaries. The impact of this deviation is not considered material.

Defined Benefit Plans as per Actuarial Valuations as on 31st March, 2017 and recognised in the financial statements in respect of Employee Benefit Schemes:

	Gratuity (Partly Funded)	
	2016-17	2015-16
	Rs.	Rs.
Changes in present value of Defined Benefit Obligation during the year ended 31st March		
Present value of obligation at the beginning of the year	271,288,578	232,842,007
Interest Cost	21,560,559	18,542,435
Current Service Cost	20,470,095	18,239,842
Past service Cost	-	-
Benefits Paid	(41,200,686)	(31,359,385)
Actuarial loss/(gain) on obligation	22,479,660	33,023,679
Fair value of obligation at the end of the year	294,598,206	271,288,578
Changes in the fair value of Plan Assets during the year ended 31st March		
Fair value of plan assets at the beginning of the year	179,501,543	174,654,797
Expected returns on plan assets	15,668,843	15,855,184
Contributions	23,469,606	21,953,830
Fund Transferred	-	-
Benefits Paid	(41,200,686)	(31,359,385)
Actuarial (loss)/gain on plan assets	161,819	(1,602,883)
Fair value of plan assets at the end of the year	177,601,125	179,501,543
Amount recognised in Balance Sheet		
Present value of obligation at the end of the year	294,598,206	271,288,578
Fair value of plan assets at the end of the year	177,601,125	179,501,543
Net asset or liability recognised in Balance Sheet	(116,997,081)	(91,787,035)
Expenses recognised in Profit and Loss Statement		
Current Service Cost	20,470,095	18,239,842
Past service Cost	-	-
Interest Cost	21,560,559	18,542,435
Expected returns on plan assets	15,668,843	15,855,184
Actuarial loss/(gain) recognised in the year	22,317,841	34,626,562
Expenses recognised in Profit and Loss Statement	80,017,338	87,264,023

Notes to consolidated financial statements (contd.)**31. Business Segment**

The Group is engaged in the business of cultivation, manufacturing and sale of Tea and floor covering. The Group's organisational structure and governance processes are designed to support effective management of multiple businesses while retaining focus on each one of them. The Business groups are Tea, Floor covering and others.

a) Primary Segment Information (Business Segment) :

i) Segment Revenue :

(Amount in Rs.)

Segments	2016-17	2015-16
Tea	173,10,53,062	181,23,15,273
Floor Covering	495,54,28,092	483,57,45,581
Finance and Investments	14,37,70,291	13,88,51,344
Others	19,30,66,595	1,49,22,2,52
Segment Total	702,33,18,040	680,18,34,450

ii) Segment Results :

Segment	2016-17	2015-16
Tea	15,28,09,754	14,19,87,140
Floor covering	94,75,71,308	80,17,28,809
Finance and Investments	19,02,79,425	14,09,81,071
Consolidated Profit before Finance Cost & Tax	129,06,60,487	108,46,97,020
Finance Cost	3,17,59,868	6,55,77,934
Profit Before Tax	125,89,00,619	101,91,19,086
Tax Expense	39,93,78,129	32,39,44,254
Profit after tax before share of results of associates and minority interests	85,95,22,490	69,51,74,832
Share of net profit of associates	(36,12,899)	(6,24,943)
Profit after tax before Minority Interests	85,59,09,591	69,45,49,889

iii) Other Information :

Segment	2016-17		2015-16	
	Segment Assets	Segment Liabilities	Segment Assets	Segment Liabilities
Tea	204,35,02,836	41,90,94,059	205,85,59,104	44,78,90,764
Floor Covering	362,28,33,432	232,97,64,117	284,69,84,350	184,92,97,214
Finance and Investments	356,68,02,925	111,90,95,992	326,06,24,112	98,02,04,336
Segment Total	923,31,39,193	386,79,54,167	816,61,67,566	327,73,92,314

Segments	Capital Expenditure	Depreciation & Amortisation	Capital Expenditure	Depreciation & Amortisation
Tea	7,11,44,383	6,89,71,926	9,05,12,822	6,96,38,494
Floor Covering	17,44,56,802	8,16,92,334	7,63,13,233	8,91,21,544
Finance and Investments	17,71,548	25,26,168	Nil	26,48,326
Segment Total	24,73,72,733	15,31,90,428	16,68,26,055	16,14,08,364

Notes to consolidated financial statements (contd.)

b) Secondary Segment Information (Geographical Segments) :

i) Revenue by geographical Segments :

(Amount in Rs.)

	31st March, 2017	31st March, 2016
India	368,50,72,186	367,47,21,643
Outside India	339,38,40,114	314,72,36,379
Total	707,89,12,300	682,19,58,022

ii) Assets by geographical Segments :

India	843,26,83,547	715,46,14,415
Outside India	34,09,96,000	44,12,82,005
Total	877,36,79,547	759,58,96,420

c) Purchase of fixed assets by geographical market :

India	16,05,65,564	16,65,91,434
Outside India	7,92,88,000	1,59,000
Total	23,98,53,564	16,67,50,434

32. Related Party Disclosure

a) List of Related Parties :

Key Management Personnel

Mr. Dipankar Chatterjee - Chairman
Mr. Rudra Chatterjee - Executive Director

Other Non-Executive Directors

Mr. Ranjit Kumar Dutta
Mr. Abhishek Malhotra
Mr. Sujit Poddar

Entities in which KMP can exercise significant control :

Chatterjee Asset Holding Private Limited
Luxmi Portfolio Limited
Baragharia Realtors Private Limited
Sovoke Realtors Private Limited
Luxmi Charitable Trust
B.C. Trust

Notes to consolidated financial statements (contd.)**b) Transactions / Balances with Related Parties**

Name of Subsidiary / Associates	Nature of Transactions / Balances	As at/Year ended 31st 2017	As at/Year ended 31st 2016
Chatterjee Assets Holdings Pvt. Ltd.	Dividend Paid	Nil	10,846,100
Sovoke Realtors Pvt. Ltd.	Dividend Paid	Nil	482,300
Luxmi Charitable Trust	CSR Expenditure	3,000,000	3,600,000

33. Contingent Liabilities :	31st March, 2017	31st March, 2016
a) In respect of demand of Income Tax which is not admitted as liabilities by the Group and against which Appeal and/or applications has been filed before appropriate authorities	12,58,27,504	7,64,73,496
b) In respect of demands which is not admitted as liabilities by the Group and against which Appeals and/or applications has been filed before appropriate authorities.		
i) Sales Tax / VAT	2,08,86,248	4,31,45,887
ii) Excise Duty	7,75,99,280	7,75,99,280
iii) Purchase Tax	30,992	30,992
iv) Service Tax	5,11,88,790	Nil
c) Bonds executed with Commissioner of Custom, Mumbai along with counter indemnity provided in respect of Bank Guarantee for importing machinery at a concessional rate of duty under EPCG Scheme.	11,44,40,426	3,15,37,066
d) In respect of Guarantee given by a subsidiary Company in favour of State Bank of India and SIDBI on behalf of its Subsidiary Company for credit facilities extended to them.	Nil	5,12,93,502
e) Pending legal cases at various courts Rs. 2.28 Crore (Previous year Rs. 2.45 Crore) not acknowledged in accounts.		
f) Proposed Dividend		
The Board of Directors of the following Companies have proposed the following dividends:		
a. Luxmi Tea Co. Pvt. Ltd.	- Rs. 1,53,44,000	
b. Luxmi Township & Holdings Ltd.	- Rs. 1,00,00,400	
c. Obetee Pvt.Ltd. and its Subsidiaries	- Rs. 7,23,00,000	
These are subject to the approval of the shareholders at the Annual General Meeting.		

27. Other Matter :

- a) The Parent Company had purchased Matelli Tea Estate from Eveready Industries India Limited on 1st March 2001. The execution and registration of the Deed of Conveyance in respect of the said tea estate in favour of the company is pending due to certain legal formalities to be completed by the erstwhile owners of the Tea Estate. However, the company is in possession of the tea estate and is manufacturing and selling tea produced from the garden. All revenues and expenditure relating to the Garden and factory in Matelli Tea Estate are

Notes to consolidated financial statements (contd.)

consolidated and forms part of the Statement of Profit & Loss and all assets and liabilities are also forming part of the Balance Sheet under review. The company has also provided for contingencies in respect of Selami payable for transfer of the Tea Estate as disclosed in Note 5 to Financial Statements under review.

- b) As per the information available with the company, none of the agencies/enterprises from whom the Company procures goods or receives services are covered under the Micro, Small and Medium Enterprises Development Act 2006 (MSME). Hence, no disclosures thereof has been made.
- c) Year-end assets and liabilities of a subsidiary includes the following balances brought forward from previous year and such other balances for which the company could furnish

	(Amount in Rs.)	
Assets	2016 – 17	2015 - 16
In case of other Current Assets, Loans and Advances	Nil	1,519,186
Liabilities		
Trade Payables & Other Long Term Liabilities	Nil	41,578

35. Details of Specified Bank Notes (SBNs) held and transacted during the period from 8th November, 2016 to 30th December, 2016 as provided in the table below:-

	SBNs	Other Denominations Note	Total
Closing Cash in hand as on 08.11.2016	11,415,500	4,998,365	16,413,865
Permitted Receipts	-	74,313,283	74,313,283
Permitted Payments	50,500	63,569,848	63,620,348
Amount Deposited in Banks	11,365,000	-	11,365,000
Closing Cash in hand as on 30.12.2016	-	15,741,800	15,741,800

36. (a) The subsidiaries considered in the preparation of these Consolidated Financial Statements are

	Country of Incorporation	Percentage of ownership interest as at 31st March, 2017	Percentage of ownership interest as at 31st March, 2016
Luxmi Township & Holdings Ltd.	India	84	84
Obeetee Private Ltd.	India	51.58	51.58
Chandamani Tea Company Ltd	India	94.91	94.91
Makaibari Tea Company Private Ltd.	India	-	60
Lengrai Tea Ltd.	India	100	-

The financial statements of all subsidiaries, considered in the Consolidated Accounts, are drawn upto 31st March.

- (b) **Interests in Joint Venture:**

The Group's interests in jointly controlled entities (incorporated Joint Ventures) are:

	Country of Incorporation	Percentage of ownership interest as at 31st March, 2017	Percentage of ownership interest as at 31st March, 2016
Bhagirathi Greenfield Real Estate Limited	India	50	50

The financial statement of the Joint Venture, considered in the Consolidated Accounts, is drawn upto 31st March.

(c) **Investments in Associates:**

The Group's Associates are

	Country of Incorporation	Percentage of ownership interest as at 31st March, 2017	Percentage of ownership interest as at 31st March, 2016
Kalyani Tea Company Limited	India	43.11	39.72

The financial statement of the Associate, considered in the Consolidated Accounts, is drawn upto 31st March

37. ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013, OF COMPANIES CONSOLIDATED AS SUBSIDIARIES:

Sr.	Name of the Companies	Net Assets		Share in Profit or (loss)	
		As % of Consolidated Net Assets	Amount (in Rs.)	As % Consolidated Profit or Loss	Amount (in Rs.)
Parent	Luxmi Tea Co. Pvt. Ltd.	22.96%	1,668,154,813	25.88%	142,532,890
Subsidiaries	Indian				
1	Luxmi Township & Holdings Limited	33.94%	2,465,658,465	25.75%	141,839,915
2	Obeetee Private Limited	19.32%	1,403,711,728	105.91%	583,403,278
3	Chandmani Tea Co. Ltd.	0.87%	62,896,904	-0.38%	(2,091,423)
4	Lengrai Tea Limited	-1.54%	(111,540,122)	0.00%	-
Joint Venture					
1	Bhagirathi Greenfield Real Estate Ltd.	-1.06%	(76,659,620)	-1.12%	(6,162,172)
Associates	Indian				
1	Kalyani Tea Co. Ltd.	0.50%	35,976,315	-0.66%	(3,612,899)
	Minority Interest in all subsidiaries	25.01%	1,817,041,964	-55.38%	(305,072,849)
	Consolidated Net Assets/ Profit after tax	100.00%	7,265,240,447	100.00%	550,836,741

* Not considered since share of losses exceeds amount of investment

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiaries / Associate Companies / Joint Ventures

Part "A": Subsidiaries

(Amount in Lacs except for %age of shareholding)

Name of the subsidiary	Obeetee Private Limited	Luxmi Township & Holdings Limited	Chandmani Tea Co. Limited	Lengrai Tea Limited
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA	NA	NA
Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	NA	NA	NA	NA
Share Capital	1860.00	100.00	26.56	207.37
Reserves & Surplus	18324.86	29052.89	740.08	15.00
Total Assets	27692.31	35676.56	770.23	1133.44
Total Liabilities (excluding share capital and reserves & surplus)	7507.45	6523.67	3.58	911.06
Investments	11489.36	13709.56	—	—
Turnover	35308.06	2270.89	12.42	1030.17
Profit before taxation	6419.53	1903.95	(12.37)	(83.60)
Provision for taxation	2275.83	484.40	—	—
Profit after taxation	4143.70	1419.55	(12.37)	(83.60)
% of shareholding	51.58%	84%	94.91%	100%

1. Investments exclude investments in subsidiaries
2. All subsidiaries have commenced its operations
3. The Company has acquired Lengrai Tea Ltd. w.e.f. March 29, 2017.
4. None of the subsidiaries have been liquidated or sold during the year. However the Company has applied to strike off name of one of the Subsidiary Company namely Makaibari Tea Company Pvt. Ltd.
5. The financial statement of all subsidiaries are drawn upto the same reporting date as that of the parent company i.e. March 31, 2017

Part “B”: Associates and Joint Ventures

Statement pursuant to section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Entity	<i>Joint Venture</i>	<i>Associate</i>
	Bhagirathi Greenfield Real Estate Ltd.	Kalyani Tea Company Limited
1 Latest audited Balance Sheet Date	March 31, 2017	March 31, 2017
2 Shares of Associate/Joint Ventures held by the company on the year end		
- Number of shares	2499970	42598
- Amount of Investment in Associate/Joint Venture (in Lacs)	250.00	412.76
- Extend of Holding (%)	50%	43.11%
3 Description of how there is significant influence	Sec 2(6) - control of more than 20% of the share capital	Sec 2(6) - control of more than 20% of the share capital
4 Reason why the Associate/Joint venture is not consolidated	NA	NA
5 Net worth attributable to shareholding as per latest audited Balance Sheet (in Lacs)	(457.69)	1182.37
6 Profit/Loss for the year		
i Considered in Consolidation (in Lacs)	(61.62)	—
ii Not Considered in Consolidation (in Lacs)	(24.17)	94.09

1. All Associate / Joint Venture have commenced its operations
2. None of the Associate / Joint Venture have been liquidated or sold during the year

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